

CPEC: A TOOL FOR REGIONAL INTEGRATION AND LIBERAL INSTITUTIONALISM

Asif Ali*

Abstract

China-Pakistan Economic Corridor (CPEC) has been visualized by political scientists as a structural change in the balance of power of the world. The corridor has far-reaching economic and geopolitical impacts on Southwest Asian countries in general and Pakistan in particular. CPEC, being a transnational project, may face challenges in geographic as well as human terrain during its implementation phase. It would involve extra ordinary engineering resources to execute, massive funds to realize, and political acumen to manage social elements of Southwest Asian countries. This paper, therefore, explores China's evolving relationship with the international system to achieve accelerated infrastructure development and boosted socio-economic growth through regional integration and liberal institutionalism. It is a multilateral strategy that will help Pakistan realize its true potential in the economic and strategic domains. It also endeavors to find linkages between China's multilateralism with regional integration under the framework of CPEC based on liberal values of connectivity.

Keywords: Multilateralism, Regional Integration, Liberal Institutionalism, CPEC.

Introduction

The phraseology of “China-Pakistan Economic Corridor” (CPEC) seems to be a futuristic expression emerging out of the belief that the socio-economic development of a broader region is not only conceivable but also possible by establishing people-to-people contact. Such development is likely to occur when partnering states are determined to move towards an enhanced level of harmonious cooperation. Being the flagship project of a multilateral-initiative, the Belt and Road Initiative (BRI), CPEC provides a revolutionary framework for regional connectivity aimed at economic regionalization in the globalized world. Having a win-win model of developing geographical linkages, it leads to an integrated region of shared destiny, harmony, and progress. The growing participation of regional states in CPEC project is a positive-thinking since it augments the stakes of regional economies by reducing irritants or rivalries and maximizing the common good.

Territorial cooperation and regional integration assist nations by beating such divisions that hinder the progression of merchandise, administrations, capital,

*Major General Asif Ali, HI(M) is the Director General of the Institute for Strategic Studies, Research and Analysis, National Defence University, Islamabad. He is also a PhD Scholar at the Department of Peace and Conflict Studies, National Defence University, Islamabad.

individuals, and thoughts. These divisions are, in fact, the constriction of social and economic growth, particularly, in developing states. Strategic differences of states, shaped by geographical locations, administrative policies, and lack of infrastructure, are an obstruction to the socio-economic development of a region. CPEC provides numerous opportunities for its user-states to promote regional connectivity through integrated infrastructure. It encourages them to overcome exorbitant divisions by promoting regional integration of goods, services, and markets with an uninterrupted flow of trade, capital, people, and ideas. It also promotes cooperation between states while offering them physical and institutional infrastructure based on railway-road networks and maritime transportation system to generate the activity of a higher volume of flow-of-trade and businesses.

CPEC is often related to the prospects of a game-changer endeavor that reflects its commitment to achieving common objectives. Prime Minister Imran Khan while addressing the Investment Forum (Saudi Arabia) announced that “CPEC is a great opportunity for Pakistan. CPEC connects us to China which is one of the biggest markets. Because of CPEC, we are developing Special Economic Zones (SEZs) which invite investment from across the globe. China is a huge market and the CPEC route will connect China and Pakistan located at the strategic position of the world.”¹ The Chinese leadership is equally determined to promote multilateral cooperation in building CPEC under the values of liberal institutionalism. It is clearly reflected in the Chinese President Xi Jinping’s special message that “we should advance our shared interests and achieve common development. We should use CPEC to drive our practical cooperation with a focus on Gwadar Port, energy, infrastructure development, and industrial cooperation so that the fruits of its development will reach both the people in Pakistan and the people of other countries in our region.”²

This paper attempts to explore the theoretical dimensions of CPEC, i.e., liberal institutionalism and regional integration within the ambit of Chinese multilateralism. The world has recently witnessed the manifestation of US unilateralism refusing to fulfill global responsibilities as a Superpower. The case in point is the discontinuation of US funding to the World Health Organization (WHO) on the pretext of Covid-19. Unilateralism, thus, tends to discourage the multilateral approach to promote and develop international norms and institutions for the welfare of people. China, on the other hand, is wishfully encouraging globalization based on a multilateral approach under the influence of regionalism through liberal institutional values. In this backdrop, this paper further explores the academic discussion regarding the applicability of internationalist paradigms in the One Belt One Road (OBOR) initiative with a leading project of CPEC. A simple qualitative research method is used to analyze the situation, slowly emerging out of Chinese multilateralism in the changing word order scenario.

Liberal Institutionalism and CPEC

Liberal internationalist theories address how best to organize and reform the international system. They advocate diplomacy and multilateralism as the most

suitable strategies for states to pursue and establish supranational political structures (such as the EU) and international organizations (especially the UN). They consider violence as the policy of last resort.³ Liberal Institutionalism is an integral part of modern international reformist models. It presumes that national and international institutions play a major role in encouraging collaboration and harmony between nation-states.

The concept of 'Liberal Institutionalism' is an alternative to the Realist theory of International Relations with an emphasis on global governance, international institutions, and common goals through which states cooperate. While discussing the role of international organizations in global affairs, Hedley Bull, a Professor of International Relations, analyzes that international society works on the idea of collective goals and interests.⁴ Immanuel Kant, in his essay 'Perpetual Peace', provides the prospects for sustained cooperation.⁵ The theory of Liberal Institutionalism, therefore, focuses on maximizing absolute gains via cooperation and soft power. It also takes into account the idea of the Complex Interdependence Theory put forward by Robert Keohane and Joseph Nye, which argues that the states and their fortunes are intricately tied with each other.⁶ Similarly, liberal theorists believe that trade and economic interdependence foster peace and alleviate the risks of engaging in conflict. One of the most known hypotheses, the Economic Opportunity Cost assumes that economic interdependence reduces the chances of erupting conflicts. Political leaders and decision-makers of economically interdependent countries often curb their proclivities to resolve conflicts through the use of force. In other words, the socio-economic advantages and costs attached to trade deter states from waging wars.

This brief account of Liberal Institutionalism is equally workable at the regional level. Although regional integration is a complex interwoven-singularity, it can be explained through the theories of Liberal Institutionalism and Neofunctionalism. Both theories explain the notion of European integration and the contribution of supranational bodies like the European Commission towards regional integration. Despite Brexit (a unilateral approach followed by the UK); these theories argue that cooperation in one area produces incentives to open cooperation in other sectors; this concept is called the 'Spillover Effect'. Increased interaction amongst economically integrated units and the supranational body (organization) formed to manage such integration seek opportunities to further expand the process of integration. Thus, the principles of Opportunity Cost and Liberal Institutionalism remain applicable with certain modifications in the case of CPEC and its potential for regional connectivity.

Similar to other economic corridors, CPEC aims at connecting adjacent countries for commerce, trade, and industrial development, thereby, leading to collective socio-economic growth as the common objective. For Pakistan, CPEC is more than an economic investment aimed at invigorating its economy; it is also a strategic asset that could provide much-needed equilibrium against the emerging Indian Nationalist Agenda *Hindutva* seeking a hegemonic role in South and Southwest

Asia. CPEC for China, besides being the shortest possible trade route to the Arabian Sea, is an alternative route to the Middle East and Europe, a way out of the Malacca Strait region. For landlocked Central Asian Republics and Afghanistan, CPEC provides a greater than before economic and trade opportunity to stimulate their economies. Seemingly, every country of this region needs CPEC, a regional-connectivity arrangement that helps in sustaining regional cooperation and trust to maximize absolute gains for a peaceful and prosperous region.

The multilateral strategy of China in advancing the CPEC project under BRI is creating an impact of increased economic activity alongside highway-railroad networks on regional connectivity. Careful alignment of cross-border projects across the region, like economic corridors, contributes to trust and capacity-building in support of incremental and functional regional integration. CPEC provides a base to build the capacity of the region ensuring adequate progress in the socio-economic development with mutual understanding and multilateral cooperation. According to the Encyclopedia Britannica, “multilateralism is generally considered to comprise certain qualitative elements or principles that shape the character of the arrangement or institution.”⁷ The project of CPEC besides its attached benefits to China and Pakistan is, therefore, a dynamic institutional arrangement for the region to adopt new principles and norms looking forward to regional development through an integrated network of multidimensional infrastructure to reach the common destiny.

CPEC has significance for multilateralism at the regional level to achieve substantial economic growth, improve markets efficiency, share the costs of public goods or large infrastructure projects, encourage participatory policy-making, provide an anchor to social reforms, build various blocks for global integration, and reap several other non-economic benefits, such as peace and security. The potential areas of such multilateral cooperation and development include regional connectivity based on transport infrastructure, energy centers, logistic hubs and flows, trade, and commerce. The other contributing factors include diverse investment opportunities, the establishment of SEZs, financial collaboration, agricultural assistance, socio-economic development (including poverty alleviation, provision of education and vocational training, expansion of medical facilities, and management of water supply), tourism (including coastal tourism), human resource development, people-to-people contact, increase in livelihood opportunities and enhanced security and stability of the region.

This kind of regional setting, no doubt, favors multilateralism at the global stage with set principles of cooperation and trust, working together for common objectives. These principles are very much similar to the manifesto for the UN that encourages “to build in cooperation with other peace-loving nations a world order dedicated to a secure and lasting peace which will afford assurance that all men in all the lands may live out their lives in freedom from fear and want.”⁸ Such kind of common objectives can only be afforded once there is an environment of peaceful co-existence vital for cooperation across the globe. It reflects in the Chinese multilateral approach to reorganizing the world order by enhancing the efficacy of international

institutions, discouraging unilateralism, developing regional infrastructure, assuring socio-economic development, establishing air, road and maritime networks, and ensuring the free flow of investment especially in developing regions to promote international norms and principles as a win-win situation for all. The Chinese foreign policy is, at present, critical of the US unilateral approach, which is continuously diminishing the possibility of multilateralism necessary to maintain the world order.

China's Growing Multilateralism Worldwide

The concept of “Zhongguo”⁹ – the Middle Kingdom, as China calls itself – is not just geographic. It infers that China is the cultural, political, and economic center of the world. This Sino-centric worldview has, from numerous points of view, formed China's attitude towards worldwide administration – the guidelines, standards, and establishments that control global collaboration.¹⁰ Since the last two decades, China has reappeared as a significant force, with the world's second-biggest economy and a world-class military. It progressively advocates for itself, looking to improve its centrality in the worldwide institutional framework and over worldwide administration foundations. These foundations, made for the most part by western forces after World War II (WW-II), incorporate the World Bank, which gives credits and awards to establishing states; the International Monetary Fund (IMF), which attempts to make sure the strength of the worldwide money related framework; and the UN, among others. President Xi Jinping, the most notable Chinese Pioneer since Mao Zedong, has called for China to lead the change of the worldwide administration framework, changing organizations and standards in manners that will mirror Beijing's qualities and needs.

Since the end of WW-II, the US has been dominating global trade and finances in the form of IMF and World Bank. However, over a period, the dynamics of global politics have transformed and unilateralism has now become a prominent feature of US foreign policy. The Trump administration is more inclined to drift away from multilateral treaties and agreements, causing distrust in international institutions. Due to the non-compliance attitude of the US towards international obligations, Chinese multilateralism is taking its place among the comity of nations, especially in its adjoining regions. China has frequently demonstrated its ready-to-play posture by following universal guidelines and standards. As its economy has developed, Beijing is expecting an increasingly dynamic role in worldwide administration, flagging its capability to lead and challenge existing foundations and standards. The Chinese nation has boosted its capacity and power in four different ways: It took on a greater role in international institutions, publicized its expanding impact, laid the basis to develop new regional and global organizations, and changing the worldwide administration rules.

In the late 1970s, Deng Xiaoping played an instrumental role in China's economic reconstruction by opening up to foreign trade and investment and implementing free-market reforms. Deng is regarded as the man who re-invented

China and provided it a strategic roadmap for decades to come.¹¹ Today, the world is witnessing a tectonic shift in global power from West to East in the form of 'Rising China'. Here, an interesting question arises, whether the global community will become acclimated to hear "Asia First" or just remains satisfied with Trump's slogan "America First". Peter Frankopan's book "The New Silk Roads: The Present and Future of the World" has brought attention to the Chinese growing ambitions of the world order and how will Chinese order look like in the future.

Under Xi Jinping's leadership, China is motivated to reshape the regional and international orders by reforming the global governance shifting towards the construction of new cooperation mechanisms. China is also paving its way by bringing together economic information in the form of trade secrets, business strategies, and export-controlled commodities to support industries.¹² A point of concern for the US is that China wants to lead the World Intellectual Property Organization.¹³ The influence of China is growing to the extent that among P5-members, China is the second-largest provider of peacekeepers and peacekeeping budget to the UN.¹⁴ Beijing also leads four of the fifteen specialized agencies at the UN: Food and Agriculture Organization, International Civil Aviation Organization, International Telecommunication Union, and Industrial Development Organization.¹⁵ Thus, China has increased its role in multilateral forums, which has also transformed the patterns of global governance.

In the Asia-Pacific region, the Asian Development Bank (ADB) is responsible for addressing regional development problems regarding financing in the form of loans, grants, and other advisory services. As of 2018, ADB committed \$39.3 billion to several projects in China and is also the second-largest sovereign borrower.¹⁶ ADB has now gradually shifted its focus to issues, such as environmental protection, poor inland regions, and skirmishes due to the prominence of the Asian Infrastructure Investment Bank (AIIB). Therefore, the establishment of two China-led multilateral banks, i.e., AIIB and the New Development Bank (NDB), has provoked ADB to rethink its strategic priorities and operational procedures. The focus of AIIB is on infrastructure, cross-border connectivity, and private capital financing.¹⁷ Moreover, AIIB provides support to China's BRI termed as the "leading foreign economic policy priority" that has also sparked reactions from the US. Whereas, NDB is a joint venture of BRICS countries (Brazil, Russia, India, China, and South Africa) that ensures quicker processes and large-scale investments in the Asia-Pacific region.

As an emerging economic giant, China is flexing its muscles quite aptly. Until the 1980s, China remained absent from the international financial system. Today, Beijing's growing influence in the international monetary system through IMF is considered as an attempt to weaken US dominance worldwide.¹⁸ Due to China's active participation in the IMF's formal governance, it has now become the IMF's third-largest member by voting share and has also benefited from the recent IMF governance reforms. The Shanghai Cooperation Organization (SCO) is another vehicle Beijing is using to establish its multilateral leadership, especially in the Central Asian region.¹⁹ Many experts have suspected China-SCO engagement to be a calculated move

so China can further its interests in this region.²⁰ Beijing holds stakes in the energy sector of Kazakhstan and Turkmenistan. The power dynamics between Russia and China are also shifting; for instance, both signed a friendship and cooperation treaty in 2001.²¹ There also exists a probability of the integration of China's BRI with Russia's Eurasian Economic Union (EAEU). Russian President Putin has also argued that BRI's objectives fit the EAEU's objectives.²²

BRICS, an antidote to G7 and other US-dominated institutions, remains influential in contemporary global politics. Even in the BRICS, China stands as the strongest economic power and is playing its role in cooperation by contributing to the contingency fund.²³ For Chinese multilateral diplomacy, BRICS is proving to be a force multiplier and will remain so if China continuously pursues its geopolitical and economic interest. China's growing role in G20 can be examined from the fact that it is one of the largest contributors to its growth strategies. China is regarded as the world's second-largest economy and is acting as a connecting bridge between the developing and developed world.²⁴ Alternatively, US unilateralism can be traced back to Trump's move of replacing the North American Free Trade Agreement (NAFTA) with the US-Mexico Canada Agreement (USMCA). The withdrawal of Trump from the Trans-Pacific Partnership (TPP) also signifies China's dominance and greater influence in the global economic system. Though TPP played a significant role in the US strategic pivot towards Asia-Pacific,²⁵ it is yet to see whether China dominates the region or otherwise.

In Southeast Asia, Chinese foreign policy holds a significant place especially since the formation of the Association of Southeast Asian Nations (ASEAN). Initially, ASEAN was formed to resist the spread of Communism and accelerate economic growth among the member states. China-ASEAN relations have grown through its active participation in bilateral dialogues and ASEAN Regional Forum.²⁶ The ASEAN-China Free Trade Area²⁷ also depicts how China is collaborating with regional organizations at the economic level. With the Gulf Cooperation Council (GCC) member states, China is considerably enhancing its interests as an economic and strategic priority.²⁸ China's technological advancement, especially in the digital realm with the rise of 5G, is considered a disaster for US security. Huawei, a Chinese technology giant, operates in more than 170 countries and is spreading throughout the world.²⁹

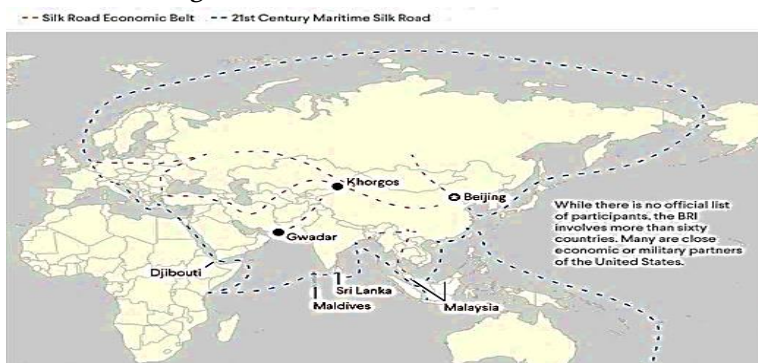
It is evident from the fact that China's role in multilateral diplomacy has intensified manifold while posing serious challenges to US unilateral security and strategic interests around the globe. The rise of populism and the reemergence of White Supremacists in the US are not only destroying the "American Dream" but also pushing Americans towards a great divide. This situation holds serious consequences for US administration to pursue their superpower agenda under the grasp of freedom. Internationally, the US has adopted a unilateral policy to avoid its global responsibilities step-by-step by giving unjustifiable explanations to that effect. Politically, economically, and militarily, in any way, the US is lagging due to its ever-

increasing debt burden, declining influence on international organizations, and unsuccessful global violence-based policies. Amid this constricting environment, the Chinese multilateralism has proved its worth globally and suggested the world a platform of integrated economies through Railway-road networks, installation of power projects, construction of industrial zones, development of seaports, encouraging investment for trade and businesses, and removing irritants through cooperation. President Xi Jinping's Belt-Road initiative also manifests Chinese multilateralism at the regional level to develop socio-economic linkages for better connectivity and cooperation under a liberal institutional framework, like CPEC.

BRI and Regional Integration

China has evolved its global engagement over the years that acts as a conduit for accelerating its connectivity to the outer world. On the other side, the US views China as a threat to its future world hegemony. It is vital to note that Chinese interests not only flow in the economic domain but also bring forward the interplay of strategic interests. The multilateral strategy of China is inclined towards notions like cooperation and development. Liberal Institutionalism emphasizes the need for liberal institutional arrangements to ensure cooperation among states,³⁰ China is taking a lead in multilateral diplomacy and continues to shape the world order. China's OBOR project and AIIB are multi-billion-dollar initiatives, which place China at a central position in global decision-making.³¹ Beijing, likewise, is building new China-centered institutions. In 2013, China launched the Belt-Road initiative, a tremendous arrangement to utilize Chinese help to fund infrastructure in different states. Beijing's progressive and proactive multilateral approach serves the President Xi administration's vision about returning China to its past glory. In memorizing old glorious initiatives, OBOR is sometimes referred to as the "New Silk Road" and becoming one of the most yearning developmental projects ever imagined. It would extend from East Asia to Europe, henceforth, the arrangement of OBOR is two dimensional: the overland Silk Road Economic Belt, and the Maritime Silk Road. Both are collectively known as OBOR which is also described as BRI. The graphic illustration of BRI is as below:³²

Figure-1: Land and Sea Corridors of BRI



(Source: Mercator Institute for China Studies)

China's ambition for BRI is astounding. Until now, more than sixty-five countries – representing almost 66% of the global populace, nearly 35% of the world's trade, and around one-third of the world's GDP – have marked on to the venture and showed an enthusiasm for doing as such. Analysts gauge the biggest project of BRI so far to be the \$68 billion CPEC, connecting China to Pakistan's Gwadar Port on the Arabian Sea (neighboring the Persian Gulf). China is motivated to boost global economic relations to its western and southwestern regions, which historically have been neglected. Fulfilling the infrastructure needs of partner countries will boost regional development by helping them to increase their exports that would be supportive in opening new vistas of employment and foster stable regional growth. The Belt-Road initiative defines five major priorities: policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and connecting people.

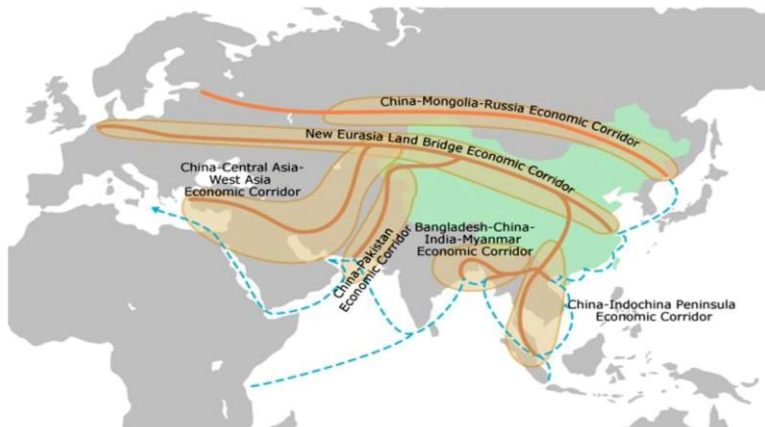
BRI is a China-driven exertion to advance the financial turn of events and strengthen regional connectivity and develop, apparently, the biggest single-investment infrastructure ever. The dividends of BRI are not only confined to Chinese growth but also equally distributable to the partner countries. This endeavor includes trillions of dollars of ventures to a great extent in transportation, energy, media communication infrastructures, modernized-industrial zones, and technical capacity-building. According to Chinese President Xi Jinping, as of January 2017, more than 100 nations and global organizations have reacted well to BRI and more than 40 have signed agreements of cooperation, and the numbers are increasing. Effectively, over \$900 billion BRI related activities are in progress. In any case, ADB has gauged that by 2030, the activity will cost over \$22.6 trillion.³³ Nonetheless, BRI has gotten a gigantic measure of positive responses to the Chinese multilateral approach towards regional integration under liberal values of peaceful coexistence.

The theory of Liberal Internationalism appreciates the responsibility China is undertaking to develop regions, such as the global South like it is doing in Africa, through BRI.³⁴ China's BRI is aimed at connecting more than sixty-five countries that will result in an enhanced-level of multilateralism across the globe. This grand venture has also confused western scholars and policy-makers that consider it as a 'walled-world'.³⁵ However, through BRI, China is reshaping Asia's regional order and securing China's future as a great power.³⁶ China's assertive grand strategy seems determined to alter the global governance norms and institutional architecture for a common good. Some critics accuse BRI a vehicle of neocolonialism, however, with the acceleration of BRI projects, China is creating new standards of Globalization and setting new values and norms by employing multilayered multilateralism. BRI does pose a challenge to US hegemony but does not threaten the international liberal order. Analyzing BRI through the liberal institutionalist lens, it supports deeper globalization and is intended to externalize China's surplus capital and industrial capacity.³⁷

Role of CPEC in Regional Connectivity

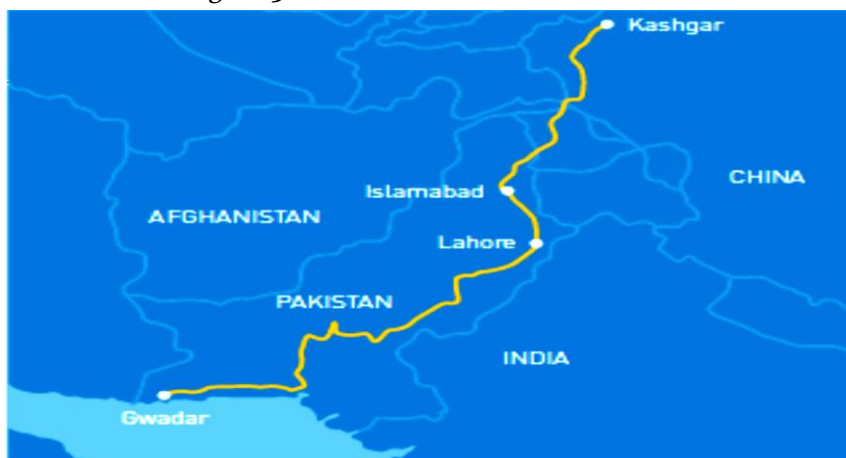
Economic corridors provide important connections between economic nodes or hubs that are usually centered in urban landscapes. This approach looks at regional transport routes not only as a means of transporting goods and services but also as a tool for stimulating social and economic development in surrounding areas. An economic corridor covering a defined geographic area along a central transport route highlights bilateral projects mainly at border crossings between two countries or more and places greater emphasis on infrastructure planning and development to accrue maximum common benefits. BRI includes six such international corridors: a) Eurasia Land Bridge, b) China-Mongolia-Russia Economic Corridor, c) China-Central, Asia-West, Asia Economic Corridor, d) China-Indochina Peninsular Economic Corridor, e) 'China-Pakistan Economic Corridor (CPEC), and f) Bangladesh-China-India-Myanmar Economic Corridor.

Figure-2: BRI: Six Economic Corridors (Asia, Europe and Africa)



(Source: Mercator Institute for China Studies)

In the South Asian region, CPEC is a 3000km long corridor, starting from Kashgar (China) and ending in Gwadar (Pakistan), connecting the Silk Road Economic Belt in the North and the 21st Century Maritime Silk Road in the South. The Gwadar seaport is central to CPEC, which is planned to be a modern deep-sea port, ultimately transforming into an oil city with petroleum refining zones having a link of Gwadar-Kashgar oil pipeline covering almost 17% of China's oil import besides offering a center of a regional network of railways, roads, telecommunications, energy supplies, general shipping, and maritime services. CPEC projects include exploring industrial cooperation opportunities, accelerating digital transformation, and building a high-quality community of common development. By connecting China with the Arabian Sea and the Persian Gulf, CPEC will expand the economic activities of the region and directly provide benefits to billions of people living in China, South Asia, Central Asia, Southwest Asia, and the Middle East.

Figure-3: China-Pakistan Economic Corridor

(Source: Mercator Institute for China Studies)

Besides its progressive outlook, CPEC is of great importance for this region because neither the economic stability of Pakistan is tolerable to its regional competitors nor China's rise as an influential power is endurable to the developed states. China's naturally increasing tilt towards Pakistan in the form of CPEC has drawn criticism from India as it is retaining an aggressive posture towards the construction of the road that passes through Gilgit-Baltistan under the framework of CPEC.³⁸ On the other hand, the quadrilateral security alliance between the US, India, Japan, and Australia in the Indo-Pacific region is an attempt to contain the ascendancy of Beijing. There is also a domestic negative-propaganda against CPEC with suspicions that the project may cause unemployment and destroy the local manufacturing industries.³⁹ Amidst such a hostile geostrategic environment, China and Pakistan, both believe CPEC to be a vehicle for regional integration and connecting regional economies through Pakistan (a conduit for regional and international trade). Infrastructure development, addressing energy woes, enhancing direct domestic and foreign investment, increasing trade volume, employment generation, industrialization, and tourism development are some of the benefits attached to CPEC. It also serves as a potential corridor for regional and global trade.

CPEC projects have amplified Pakistan's significance for the whole region. Although Pakistan and China would be the primary beneficiaries, other regional states' participation would be equally profitable from the operationalization of CPEC. Beijing and Islamabad are welcoming the neighboring states to put their resources into the CPEC venture. In fact, the neighboring state's participation in CPEC will not only improve its serviceability but also constructively develop their national economies and improve socio-economic conditions, which will promote peace and stability in the region. However, participating states may have different priorities for regional connectivity contingent upon their connectivity gaps, financial constraints, or inclinations for power. Albeit regional cooperation's effect on exchange and

speculation streams, economic activity, social development, and income distribution are frequently hard to evaluate. For instance, strategy hindrances at the outskirts may offset the gains of transport infrastructure development. Adjusted local reconciliation strategies and foundations are truly necessary to guarantee that regionalism is inclusive and social, ecological, and administration risks are manageable. The Liberal Institutionalism, in this manner, dismisses the pragmatist supposition that worldwide politics is a struggle for power in which military issues are the foremost concern and contends that rather than envisioning a hostile world, it is more advantageous to have a region-based institutional framework that helps states to participate directly in world administrative issues and avoid the use of power as an incapable instrument of development strategy.

CPEC being a flagship project of BRI works on the idea of collective goals and interests that is to sustain long-term cooperation between regional states to maximize absolute gains via cooperation and soft power. As the Complex Interdependence Theory argues that the states and their fortunes are intricately tied with each other, therefore, CPEC provides such an institutional arrangement that can foster mutual trade benefits to all the attached economies in a systemic way congenial for the socio-economic development of the region as a whole. For instance, Pakistan, being an energy deficient country, is addressing the crisis of energy shortfall through CPEC. 1,320MW China Power Hub Generation Company (CPHGC) coal-fired power plant has helped Pakistan in overcoming its energy shortfall.⁴⁰ There are a lot of similar development projects that make CPEC a secure passage to regional growth and stability. The recent Sino-Iran \$400 billion investment agreement shows the intentions of China to extend regional connectivity to Iran, Afghanistan, Central Asian Republics, the Middle East, and Turkey. It will help to boost trade and development in the region and reducing tensions among the regional states. At present, the trade volume between Pakistan, Iran, and Turkey is comparatively low, however, the extension of CPEC towards Southwest Asia, particularly, Iran and Turkey will be a unifying flick. Mega infrastructure-building projects that propel growth in the region will ultimately lead to greater socio-economic development.

Conclusion

It is undeniable that CPEC has helped in removing bottlenecks that hampered Pakistan's economic progress and has led to the creation of job opportunities for youth. The financial outlook has seen considerable improvements which have further attracted foreign investments from all over the world. In a nutshell, this project will not only benefit Pakistan and China but will have a significant impact on Iran, Afghanistan, Central Asia, Turkey, and the broader region. A few decades ago, China's economic expansion only benefited its neighboring states but now it affects growth all over the world. China's opening-up has increased the linkages with the world which is reflected in the patterns of world trade and capital flows.

CPEC is a new venture of interdependence in international politics constructing profitable connectivity with regional neighbors. It necessitates a transformation in Pakistan's foreign policy approach that favors closer economic ties, defense collaboration, and trade to deal with the security threats effectively. At the national level, the Ministry of Planning, Development, and Special Initiatives is responsible for monitoring development-related projects, like CPEC. In the institutional domain, the Government of Pakistan has set up the CPEC Authority to enhance geographical linkages with improved road, rail, and air transportation system, facilitate free exchanges of goods and people-to-people contact, create understanding through academic, cultural, and regional knowledge, increase the flow of trade and businesses, and enhance cooperation through this win-win development model. CPEC provides a progressive institutional framework for regional integration focused on balanced socio-economic development. Such initiative indicates that CPEC is a journey towards interdependent regionalization through the vast field of the liberal institutional framework and seamless connectivity with the globalized world.

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