

CHINA PAKISTAN ECONOMIC CORRIDOR: GEOPOLITICAL IMPORTANCE FOR CENTRAL ASIAN REPUBLICS

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Abstract

The process of regional integration becomes indispensable for peace at state, regional and international level. This paper aims to highlight Pakistan and China's cooperation in achieving regional integration and their steps towards a new phase of geo-economic relations. China-Pakistan Economic Corridor (CPEC) will have considerable implications not only for China and Pakistan but also for Central Asia Republics (CARs). CPEC is part of China's advancement planning of One Belt One Road (OBOR,) which intends to link it with South Asia, Central Asia, Middle East, Europe and Africa via land and sea. CPEC is prone to steer a large economic activity in Pakistan and at the same time, its spill-over effects will have positive impact on CARs. CPEC comes in high times when Pakistan gets membership of Shanghai Cooperation Organization (SCO) and signs energy projects such as Central Asia-South Asia (CASA-1000) and Turkmenistan-Afghanistan Pakistan India gas Pipeline (TAPI). Hence the paper raises the questions; why CARs are taking interests in ongoing regional integration projects of China and Pakistan? How will Pakistan act as a bridge in connecting CARs with other regions? The paper endeavors to prove that CPEC is an important project for CARs, eventually it will steer regional peace and harmony.

Keywords: Integration, CPEC, TAPI, CASA-1000, Connectivity Projects, CARs.

Introduction

International politics is witnessing a new era of interdependence and regional connectivity. With this a strong competition amongst states has begun and unprecedented interdependence has impelled unique alliance formations and regional integration for developing regional economies and maintaining regional peace. Regional security and economic activities have become two sides of same coin in Asian states. Activities to enhance regional economic cooperation and formation of political and economic blocs are increasing in Asia due to newly launched projects of China. New vistas of economic integration are appearing due to China's OBOR initiative.

CPEC, being an important component of OBOR, accentuated Pakistan's regional importance because it enjoys special geographical advantages in the region of

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Central Asia and South Asia. Being at the juncture of South Asia, Central Asia, China, and Persian Gulf, Pakistan holds a unique position for all adjacent regions. "Pakistan's geo-economic importance stems from its location at the crossroads of three Asia: West, Central and South".¹ Surmounting problems such as energy crisis, terrorism and lack of proper transport system, are curtailing economic activities of Pakistan. Despite all hiccups, role of Pakistan as a regional connector has convinced China that Pakistan's close cooperation with Central Asia is a strategic compulsion as CPEC offers platforms for CARs to integrate Chinese geopolitical and economic objectives.²

This paper aims to examine geopolitical importance of CPEC for Pakistan and CARs. The details of partnership, its optimistic side and fears of some states related to this project are discussed in detail. Moreover, the geo-economic benefits of CPEC for China and Pakistan and its positive effects on CARs are being rationalized. At the first place, theoretical features are underscored followed by the application part. At the end some useful suggestions are also given.

CPEC: An Instrument of Regional Stability

CPEC is being anticipated as a regional game-changer which will be beneficial for the regional countries due to its spillover effects. CPEC purposes to connect other adjacent countries for industrial development, commerce, and trade thereby it leads to collective socioeconomic development and growth. Pakistan aspires to increase its trade activity, connect its industry through energy infrastructure and communication and above all building industrial zones and Gwadar Port.³

Furthermore, CPEC is of great advantage for Pakistan with regards to economic investment intended at invigorating its economy; more than that it will be an asset that might provide much desired symmetry against bolstering India's strategic and economic ingress in South Asia. India is relatively facing an unfavorable situation as the Karakoram Highway (China Pakistan Friendship highway) is connecting China with Pakistan but naturally barring India's access to Central Asia. Sarah Watson, an expert on Indian affairs said that Pak-China cooperation would not only pose military challenge to India but also would affect its access to lucrative trade routes.⁴ CPEC serves as shortest trade route for China to Arabian Sea and then connecting it to West Asia and Europe bypassing Strait of Malacca. Therefore, regional connectivity is producing new avenues of cooperation for landlocked states including Uzbekistan, Afghanistan, Tajikistan and Turkmenistan. This phenomenon is well explained in the theoretical pattern of neo-functionalism.⁵ Neo-Functionalism places emphasis on the role of state and non-state actors in regional integration, it also pictures the possibility of further integration between the states. The spillover will assimilate CARs in economic realm and trade opportunities will lead to integration in other sectors such as social and cultural domains. Furthermore, regions of Central Asia, Middle East and South Asia are expected to reap huge economic dividends from the Corridor.

South Asian region is considered as highly fractured region because of increasing population, struggling economies, energy shortage, extremism, militancy, terrorism and water scarcity. South Asian region is also bracketed in the least

economically integrated areas in the world, while other regions of the world have higher intra-regional trade. South Asian intra-regional trade is merely 3-5 percent of the total trade of the region, demonstrating just over 1 percent of regional GDP, while it is 7% in East Asia. Merely, India is trading with its neighbors in less than 3% of its total trade.⁶ Similarly, Central Asia is also facing severe economic, political and security challenges,⁷ although different from South Asia, but resulting predicaments are common. CARs are land locked due to which economic development has become impassive, and their security problems are highly individualized.⁸ Although Central Asia is possessing rich natural resources such as oil, gas, uranium and other minerals but due to inaccessibility of open seas, the pursuit of collaborators to link to world markets follow on. In this situation, Gwadar portents prosperity for CARs and casts positive effects on regional integration projects. Furthermore, China as second largest economy in the world,⁹ effectively practices its influence in the region to lessen strains, it believes that collective trade, industrial development and infrastructure can bring prosperity for all. China is worried about the security of its periphery and hopes to build friendly relations with CARs.¹⁰ The CPEC is a unique plan of China to build infrastructure, bilateral trade, and socio economic development in Pakistan to boost regional integration.¹¹

The theory of neo-functionalism envisions the positive effects of regional integration and upholding of cordial relations. "Regional integration is an intrinsically sporadic process, under conditions of democracy and pluralistic representation, national governments will find themselves increasingly entangled in regional pressures and devolving more authority to the regional organizations they have created. Eventually, their citizens will begin shifting more of their expectations to the region and satisfying them will increase the likelihood that economic-social integration will "spill-over" into political integration".¹² China and Pakistan, in similar manner, set the terms of the CPEC which would consequentially determine the direction and extent of subsequent positive change.

Pakistan's geostrategic location makes it a pivotal state and it serves as a natural link of the members of TAPI, CPEC, CASA-1000 and Shanghai Cooperation Organization (SCO). Its strategic location is making it crucial, for South Asia, Central Asia and West Asia. Pakistan and China share border, and this geographical proximity between two states make their bond stronger. China also have geographical links and strong bonds with CARs in terms of trade and security, which is creditable to yield wealth. Nonetheless, landlocked CARs are exposed to serious economic snags and seeking a partner, beyond Russia, to provide them viable routes.¹³ A strident factor, leads CARs near to China and Pakistan is a viable option for CARs.¹⁴ Equally, Central Asia's enormous oil and gas resources can be utilized in fulfilling energy demands of Pakistan. Whereas CARs can utilize Gwadar port (the epicenter of CPEC) to export their goods to international market. Once this route becomes available to CARs for trade, other markets which are attached to this route will also be accessible and economic partnership will grow. Moreover, Pakistan will be able to improve its strategic importance to act as a bridge between the Asian and African zones by the implementation of CPEC which connects South Asia and Central Asia. Therefore, CPEC is a life-time development opportunity for Pakistan. The Gwadar Port, while gaining

importance as Pakistan's economic center, will be one of the most important ports in the Arabian Sea. The economic and energy cooperation with other regions will have a spillover effect and it will guarantee win-win situation for everyone.¹⁵

Certainly, Pakistan fully relies on Chinese assistance during peace and war due to historical records of its support to Pakistan.¹⁶ Both countries are linked through Karakoram Highway (KKH), passing through the Khunjrab pass, further extended to the CARs.¹⁷ Pakistan forestalls to link Gwadar Port with CARs for trade and transportation of energy. Once the way is open to Central Asia for bilateral trade, the other markets will be approached widely and economic relations will grow. This will certainly transform Pakistan and other stakeholders which will be equally benefitted. In short, material comfort will be helpful in solving regional issues and transformation will affect positively on the economies of partners.

Pakistan and Central Asia

Pakistan's prompt response towards CARs, on their independence, and recognition of all CARs had proved friendly feelings for brotherly nations. Islamabad continued political and economic support of CARs and increased association by signing the charter of Economic Cooperation Organization (ECO) with CARs in 1992.¹⁸ This was the bold step as it was remarkable to get the ten Muslim countries of Central, South and West Asia on one platform and defining common goals. Although 13th summit of ECO held in March 2017¹⁹ but its members do not assemble frequently whereas regional, political and strategic issues are discussed usually in bilateral meetings. To make ECO better and to renew the commitment to its basic goals were assured in 13th summit, held in Islamabad.²⁰

However, cultural, historical, and religious bonds between Pakistan and CARs substantiate strong base of political and diplomatic relations. It appears that CARs wanted to reduce dependence on its traditional patron to conduct open trade with outer world, and they also trying to decrease relying solely on Russia for exporting energy.²¹ However, it is not to discount that threadbare leadership is not ended completely; the deep-rooted communist influential are still governing there, sometimes hampering the strong bonds with Muslim neighbors and tilt more to the West. However, it is inferred that somehow CARs are diversifying their policies towards Southern states (Pakistan, Afghanistan), the West and their traditional ruler.

Pakistan's efforts to promote cooperation with CARs are exemplary; several visits have been paid by leaders of Pakistan to CARs. The promotion of bilateral relations and economic cooperation with these republics have remained priority for both sides. The ex-Prime Minister Nawaz Sharif paid several visits to Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan and Uzbekistan which enhanced collaboration in many areas. President Karimov of Uzbekistan, in his visit to Pakistan, praised Pakistan in these words "Pakistan is playing a key role for peace and stability in the region".²² In November, 2015, President of Tajikistan has also visited Pakistan and both leaders emphasized to be economic cohorts and underscored the need of regional teamwork to for the settlement of common issues.²³

Besides, Pakistan and Central Asia, CPEC will benefit other countries of Middle East, and Africa. Currently China depends on Strait of Malacca to conduct trade which takes almost forty-five days to reach international market and appears expensive. Therefore, China will use the Kashgar-Gwadar route, which reduces expenditures and takes less time in approaching international market. Time reduction is approximately two weeks (from China to Persian gulf) whereas the trade distance between South China Sea and Persian Gulf would be reduced from 16,000 to 2500 km.²⁴ Chinese envisioned the value of this route in 1960s, and they know that Gwadar has potential to connect China's Western areas to Arabian sea.²⁵ Moreover, this project has the capability to transform regional trade routes and will be a boon (to me its boon) for South and Central Asian's economies. In addition to Chinese investment on Gwadar port (Baluchistan), incredible trade potential is available for energy rich CARs, as its oil and gas can be supplied through Gwadar. If all goes as planned, Gwadar would be the garage of multibillion dollar gas pipelines.²⁶

Geographical proximity, religious commonality and cultural affinity have been the contributing factors in strengthening affable relations between Pakistan and CARs. This has led to the establishment of Joint Economic Commissions with each CAR and concluded about 160 bilateral agreements till 2004.²⁷ Besides, Pakistan wanted to act as a hub of trade in the region and ready to provide overland access to the landlocked CARs to the entire world. In October 2016, 15th meeting of Central Asia Regional Economic Cooperation (CAREC) held in Pakistan. CAREC works for collective regional benefits and promotes economic collaboration.²⁸ Hence, it is assumed that CPEC is not merely an instrument of connectivity but it will shape a new Central Asia as CARs will be able to access world markets.

Under the corridor, a long-term strategy is adopted in which Beijing plans to lay gas and oil pipelines from Iran to meet its energy needs. Ex-Prime Minister Nawaz Sharif has made several visits of CARs and sought support for signing agreement of free trade with the Eurasian Economic Union (EEU).²⁹ Pakistan aims to enhance trade with Russia, Belarus and Kazakhstan by signing this agreement. The exporters will be paying the duty only one time at the border of the three countries and products can be shipped to member countries of the Customs Union.³⁰

Shanghai Cooperation Organization (SCO)

The practice of multilateral diplomacy helps mitigating regional tensions and augmenting collaboration. The SCO is becoming an influential organization in Central Asia; it has been labeled by some Western scholars as a security organization, and a regional anti-terrorism coalition.³¹ Now with the promotion of OBOR and CPEC, SCO has been reinvigorated with larger chances of cooperation and cohesion.³² Worth mentioning aspect is SCO membership of Pakistan and India in June 2017 which posits gradually moving of states towards economic cooperation. "SCO has also evolved towards security collaboration although it primarily remains an economic organization".³³ For this reason, it had been widely perceived by the Western analysts as an anti-Western alliance.

Whatever features SCO embraces but worth noting aspect, so far, is its bonding powers as it brought two hostile nations together on one platform to deal regional issues. Despite differences, from mild to severe, Russia and China have been able to maintain their relations since 1996 when SCO was Shanghai Five. The two governments have realized to stabilizing their relations and boosting the spirit of collaboration within region due to the increasing multiple cooperation channels and considerable achievements in the world politics. CARs have also learnt that presence of a patron state in any regional organization guarantees its success. Hence, China and CARs had settled issues left from military skirmishes on the Sino-Soviet border during Cold war era.³⁴

In 2001, Shanghai Cooperation Organization (SCO), with increased members, succeeded Shanghai Five and after few months US had initiated its war against terrorism while launching its air strikes on Afghanistan. US economic aid was offered to CARs, reciprocally permission was granted to NATO forces to use soil of CARs to establish military bases to attack on Afghanistan.³⁵ This situation was weird for neighboring China and Russia, as SCO was formed to solve border conflicts, anti-terrorism and counter militancy. This gave hype to the notion that SCO is counter NATO or anti-Western bloc. With the commencement of SCO, a coordinated policy against terrorism could not develop. However, with the passage of time, SCO has successfully launched its security and economic rubric. Gradually its expansion transpired, as SCO has offered observer status to various states and several states are in line to be full members. Pakistan and India, two observer states, with steady pace became full members of SCO in June 2017.³⁶ Presently, SCO is making considerable progress in trade, transport and energy sectors in the whole region. New equilibriums are being shaped, new geopolitical realities are being outspread and it is unleashed that Pakistan is a natural link for the SCO member states.

Factoring Central Asia in Connectivity Projects

Apparently, separate from CPEC, two projects of connectivity, Central Asia-South Asia 1000 (CASA-1000) and Turkmenistan, Afghanistan, Pakistan and India Pipeline (TAPI) portray the common interests of CARs and Pakistan. Although these projects were well before the announcement of CPEC project but recent efforts of revamping and congenial response of Turkmenistan, Kyrgyzstan and Tajikistan's instant reply is sign of spillovers of OBOR and CPEC. The CASA-1000 aims to launch Central Asia-South Asia Regional Electricity Market (CASAREM), to assuage South Asia's energy deficiency.

"This would include a 750km high voltage direct current (DC) transmission system between Tajikistan and Pakistan via Afghanistan, together with associated converter stations at Sangtuda (1,300MW), Kabul (300MW) and Peshawar (1,300MW).³⁷ Interestingly, mechanism of *open access*³⁸ is main source of attraction to others exporters such as Uzbekistan, Turkmenistan, Kazakhstan and Russia. Besides, conflict ridden areas, such as Afghanistan can boost its economy which will be a contributing factor in reducing violent mindset. "Afghanistan will earn an annual amount of \$50 million USD from transit rights, which is a major amount for reconstruction in Afghanistan".³⁹ Hence it is envisaged that CASA-1000 and other projects of connectivity

can augment economic interdependence and helpful in peace building in the region. Peaceful Afghanistan can only provide viable transit route leading to stability prospects. However, security is the common concerns of stakeholders, "all governments (member countries of agreement) have decided to provide adequate security to contractor's workers and belongings".⁴⁰ Regional electricity trade is inviting investment for trade infrastructure which will be alleviating poverty and potential of energy trade which will also be helpful in confidence building.

TAPI is another important project of regional connectivity, enabling energy deficit countries of South Asia to access natural gas. This project had the support of the US as it would supply Central Asian Gas to South Asia without Russia. Besides, TAPI would bypass Iran and will carry gas directly through Afghanistan to Pakistan and India. Presently, CPEC and TAPI are under-construction (stages are different) and security issues are common which are looming mostly because of instability in Afghanistan. The route of TAPI provides its geographical features and importance, starting from Dauletabad (Turkmenistan) gas field, TAPI will go by the way of Herat-Kandahar and then arrive in Pakistan going through the Bolan Pass (Baluchistan). Afterwards, it will transpire at Fazilka (India) border with Pakistan.⁴¹ In the wake of NATO troop's departure, security of these projects has become the main concern of all stakeholders.

Peace in Afghanistan

All connectivity projects between Pakistan and CARs are hooked on peace in Afghanistan, where the security situation has been indeterminate for years. Hence, pacific environs in Afghanistan are required to launch development projects, economic betterment and geographical connections between South and Central Asia. Setting up peace and security is the foremost desire of Pakistan, China and CARs. Projects of connectivity would have positive effects for the whole region, in terms of cooperation but security situation in Afghanistan is main hurdle.⁴² Another bitter fact that Pakistan did not have an easy ride in its relations with Afghanistan in past few years as Afghanistan is curbing all roads lead to CARs rather it is offering route to India via Iran to connect Central Asia. Tensions were fueled between Islamabad and Kabul and the stressful situation is still prevailing. In these circumstances, a positive development took place in which Pakistan came close to Russia. Nowadays, Moscow, Beijing and Islamabad are working to bring peace in Afghanistan. It is very clear that only secure territory and maintenance of law and order in this area can make connectivity projects possible and will boost security of CPEC.

Terrorist Activities

CPEC may face major challenge of extremism and terrorism and so do other connectivity projects. However, to cope up with such challenges, SCO had already been active in CARs. Regional Anti-Terrorist Structure (RATs) was formed in 2004 to curb terrorism in region. Although, CPEC has a separate force to deal with such threats but integrated actions are direly needed to combat terrorism.⁴³ All stakeholders have signed agreements, such as four nation mechanism to fight terrorism which includes China,

Pakistan, Afghanistan, and Tajikistan. The agreement, Quadrilateral Cooperation and Coordination Mechanism (QCCM), intends to cooperate for peace and security.⁴⁴

However, Pakistan was prepared to rise against terrorism, the shift in Pakistan's foreign policy came after 9/11 incident and it became a frontline state in Global War on Terrorism (GWOT). "Pakistan returned to a general regional approach in the war against extremism and occupied an honoured position".⁴⁵ CARs had also provided their lands, for the establishment of US military bases, to attack on Afghanistan. In Pakistan, a decline occurred in violence linked to terrorist activities in 2015.⁴⁶ However, terrorist found soft targets to dismantle security operations. Pakistan along with Uzbekistan, Tajikistan and Kyrgyzstan had to provide their territories to NATO forces which steered wave of terrorist attacks in all areas of Pakistan. This also endangers Tajikistan and Uzbekistan as they are also facing issues of extremism and terrorism.

Pakistan's province of Baluchistan is particularly crucial in CPEC due to its strategic importance, however, externally accentuated separatism and extremism is a direct security threat and causes economic blow. To deal with ordeal, all level efforts are being made. Pakistan's PM has said during his foreign visits several times that Pakistan is engaged in war against terrorism to eradicate the menace of terrorism and getting positive results in operation *Zarb-e-Azab*.⁴⁷

India's Policy to Connect Central Asia

It is obvious that not every state is happy about the development of the CPEC, particularly the West is apprehensive and India is insecure. India is suspiciously looking at the China's OBOR initiative, as it feels insecure in China's increased sway in South Asia. Similarly, New Delhi does not like CPEC as the formation of another pole of influence in South Asia which will be a threatening to its economy and hegemony at large. However, despite all of India's negative propaganda, CPEC's early harvest projects are underway. Delhi has overtly voiced its discontent over the CPEC, which is bringing a huge investment in Pakistan for infrastructure building and energy projects. India is therefore trying to bypass Pakistan by constructing Chahbhar port to connect CARs.⁴⁸

Pakistan's Gwadar port is just 72 kilometers away from Chabahar, it holds strategic importance and poses intense commercial, economic, and strategic challenges to Chabahar.⁴⁹ India's worth million-dollar agreement (Chabahar) with Iran is a strategic partnership which is first venture of India. However, this extraordinary agreement is not an exception to face impediments and reaction. Some important points highlight weaknesses of this project. First, Chabahar is not in Indian Ocean Region (IOR) and it is geographical out of Indian reach.⁵⁰ Second, India is going to serve as a guest state in Chabahar, whose territorial waters and borders are at a noticeable distance.⁵¹ Third, all carriers of goods for Chabahar will come under severe monitoring of the Pakistan's Navy. Fourth, Gwadar's management is prearranged and in China's control, as it has enormous experience in launching of developmental projects and infrastructural building successfully.⁵² Fifth, it appears that Tehran will not provide the management of their Chabahar port to India directly because India is

not going to bring huge investment in Iran as China did in case of Pakistan. Hence, Chabahar and Gwadar cannot be gauged with same angle, Chabahar port has potentials and pitfalls, however it is said if Chabahar once materialized, would serve as a gateway for India towards CARs. Nevertheless, the dynamics of Iran-India partnership are different.⁵³

After rapprochement with the US, Iran striving to become part of mainstream regional actors and accelerates its ties with the regional stakeholders by becoming part of regional connectivity and integration. Iran is likely to keep its interests supreme by preventing itself not to become part of regional rivalries.⁵⁴ Iran's situation is unclear so far as Iran US rapprochement, seemingly, is deteriorated after Trump has taken president office. There are chances of sanctions on Tehran by United Nations Security Council (UNSC) in purview of nuclear capable missile testing and this can isolate Iran again at international level and could prevent it to continue developing Chabahar. However, Gwadar is free of any kind of such problem; China is ready to invest in Pakistan without having any fear of sanctions from UNSC. Additionally, being permanent member of UNSC, Beijing has veto power, provides the right to curb any resolution that can wane its investment in Pakistan especially Gwadar port.⁵⁵

China and Pakistan are burning mid night oil to complete CPEC project, and both would never want to be victim of any perilous situation. The foresightedness of two partners appears sound as they are struggling to acquire confidence of other regional stakeholders such as Afghanistan. Pakistan could sense India-Iran furtive friendship aims at dysfunction of Gwadar, however, Tehran must realize that after long diplomatic isolation, it would not be in its favor to destabilize relations with its neighboring countries and to subverting its relations with Islamabad could imperil the Eastern border of Tehran. Hence, Gwadar is an important strategic port for Pakistan, China and CARs, also changing fate of South and Central Asia. Gwadar, less controversial and deep sea port, can prove to be more lucrative as compare to Chabahar. Indeed, South Asia which is least integrated region in the world will tend to be well integrated through projects like CPEC, CASA-1000 and TAPI; this will foster cooperation, enough to mitigate tension amongst the states. The tenants of neo-functionalism are also indicating the forthcoming cooperation.

US Concerns on CPEC

The US has always been an important extra regional power in South Asia, which impact the relations of India and Pakistan. However, Central Asia is another region of the US interest, US, since the disintegration of USSR is trying to control CARs and termed these states *Distant Neighbors*.⁵⁶ Undoubtedly, Central Asian region has been used as a "hunting ground" for energy resources and geopolitical influence by regional and global players.⁵⁷ As far as US policy towards South Asia is concerned, it is taking new turn in the light of new alignments and realignments of states. "US is trying to revive its New Silk Road Plan and initiating the so-called Indo-Pacific Economic Corridor (IPEC)".⁵⁸ The US and China, therefore, have appeared as competitors in the region. Apparently, US's revised policy does not impact CPEC

however; it may bring some challenges in the future. Chinese involvement into South Asia and in Central Asian region is likely to reduce the influence of US.

“China’s rise has changed the regional balance making it even more imperative for the US to sustain its role here. However, given their different historical experiences and world views, both countries have diverging conceptions of security and security practices. Their security interests in this region converge (counter-terrorism, regional peace and stability, economic cooperation) and diverge (counter-terrorism goals, geo-political competition, future direction of economic cooperation) and if the US continues to view China as a latent adversary, such divergence will become even more conspicuous”.⁵⁹

The nature of relationship between China and US has always been complex because of intricate interdependence. Hence, CPEC has raised serious US concerns as US dominance is directly challenged by China. India and Pakistan’s inclusion into SCO as members, CARs interests in Gwadar port and reduced presence of NATO forces in Afghanistan sends vibes, of China’s dominance in the region, to the West. Pakistan also views carefully the US grievances over growing Chinese investment in the region because it believes on cooperative relations with US too. However, Pakistan will help China to balance Indo-US partnership in the region due to India’s bad intents for CPEC. The regional puzzle will be solved with the successful application of CPEC and China will be the center of global trade. Precisely, it can be anticipated that CPEC will be a game changer in the region and can turn Pakistan into a hub of regional trade. Thus, the significance of this project may not be denied, and it will prove to be a bridge to integrate the regions.⁶⁰

Conclusion

With China’s OBOR initiative, regional integration has become once again very interesting site in Asia and restaged theoretical underpinnings of neo-functionalism. China develops conflict ridden areas and building infrastructure for the transformation and regional stability. China believes that economic development is the appropriate tool to sooth miserable conditions and assurance of peace and security. Its intention to connect South Asia with other regions is introducing road to prosperity. Old and new projects of connectivity are, either signed or revamped, envisioning prospects of affluence. The CPEC was initially intended to promote mutual development of China and Pakistan, but gradually it appears that CPEC aims to promote cooperation in multiple areas and integrating important regions of world.

It is evident that CPEC is a project of economic interdependence and regional connectivity. Moreover, recent inclusion of Pakistan and India in SCO has debunked that spillover effects, as neo-functionalists highlighted, are purposeful and benefitting regional actors. The anti CPEC rhetoric based on fictitious information, is losing its intensity. Other connectivity projects such as TAPI and CASA-1000 will be profit generating for CARs, and investment on these ventures will bring CARs close to Pakistan. Reciprocally, Pakistan will become a secure transit route and in this regard SCO will provide opportunities of trade.

Although SCO appears as a separate project, it is helpful in connecting regional actors. Currently, Pakistan, Iran, Afghanistan and India are far from harmonious relations however, regional integration will remove existing irritants. Pakistan and India's inclusion in SCO is an omen of changing landscape of economic activities between South Asia and Central Asia. Pakistan will remain prominent due to its central position between South and Central Asia. To encourage mutual trade, direct, cheap and regular cargo service between CARs and Pakistan is the dire need of hour because fast communication will make implementation of projects easier. The government and the people must support the smooth enactment and sustainable operation of CPEC along with other projects of connectivity.

NOTES

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