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New Trends of US Policy toward South Asia: Challenges to CPEC

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Abstract

Since the end of the Second World War, the United States (US) policy towards South Asia has changed several times, but its ultimate goal - establishing its dominant role in the region - has never changed. The US government has adjusted its 'South Asia policy' from many angles – from trying to unsuccessfully resolve the Kashmir issue between India and Pakistan to arguing about their ties to the Soviet Union; its 'to-stay or not-to-stay' quandary about Kabul to the mixed signals about the region's two nuclear programmes, and advancing the New Silk Road Plan and Indo-Pacific Economic Corridor (lPEC) Strategy, etc. These adjustments and new trends are not necessarily targeted against the China-Pakistan Economic Corridor (CPEC) given historical timelines, but considering USA's strong influence over South Asia, they would inevitably affect or pose some challenges for CPEC. Therefore, China and Pakistan need to pay greater attention to these new trends, conduct comprehensive assessments of their influence on CPEC, and develop strategies to cope with them actively.

Key words: US-South Asia Policy, China-Pakistan Economic Corridor, US-Pakistan Relations, and Global Power Dynamics.

Introduction

In May 2013, China and Pakistan initiated the China-Pakistan Economic Corridor (CPEC) during Chinese Premier Li Keqiang's visit to Pakistan. In April 2015, during Chinese President Xi Jinping's state visit, both sides signed an agreement to commence work on the USD 46 billion agreement, with approximately USD 28 billion worth of fast-tracked Early

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Harvest Projects (EHP) to be developed by the end of 2018. In December 2015, China and Pakistan agreed on a further USD 1.5 billion investment to set up an information and technology park as part of the CPEC project.[1]

Meanwhile, the United States (US) started to adjust its policies towards South Asia, like reviving its New Silk Road Plan and initiating the so-called Indo-Pacific Economic Corridor (IPEC). The US and China will now have fiercer competition in and for South Asia. While the US has historically had significant influence in this region, and even though the new trends of its 'South Asia policy' do not directly concern CPEC, they will inevitably affect or even bring some challenges to the Corridor. Therefore, it is necessary to analyse this new situation and consider how to cope with it. This article tries to review the historical evolution of US policy towards South Asia and its new trends, analyse its challenges for CPEC and put forward some useful recommendations for the latter's better implementation.

Historical Evolution of US Policy towards South Asia

In view of its geopolitical importance, South Asia has always been the arena of big powers. From the 1850s to 1947, the United Kingdom (UK) colonised the subcontinent for nearly one century, and once even had fierce competition with Russia for Afghanistan. Before 1947, UK was the unparalleled dominant power in the region, but once the Second World War ended in 1945, colonial rule also came to an end and the country vanished from the subcontinent. In many ways, the US 'South Asia policy' (if it can be called that) began at the end of this era. The US policies towards South Asia can be divided into three periods.

First, during the Cold War, the principal goal of the US was to use South Asian countries, particularly Pakistan to contain or confront communism. At that time, the main trade arena for US-Soviet competition was Europe, with Asia-Pacific and the Middle East as close seconds. In fact, South Asia only came on the US radar because of Soviet intervention in Afghanistan around 1978.

[1] "Pak-China 'Technology Park' on Anvil," *Express Tribune*, December 2, 2015, http://tribune.com.pk/story/1002185/pak-china-technology-park-on-anvil/.

> During the Cold War era, the US regarded South Asia as an area of marginal strategic importance barring to check the communist expansion in the region. However, the recent shifts in global power relationships have made South Asia an important region not to be ignored.[2]

It was believed back then that once India and Pakistan came under the control of the communist party, the US and its allies would lose their foothold in Asia.[3] Therefore, confronting communism was the starting point of US South Asia policy. For the sake of this goal, the US allied with Pakistan providing considerable military assistance. Pakistan joined the Southeast Asia Treaty Organization (SEATO) and Central Treaty Organization (CENTO), both led by the US. In fact, during the early 1970s, Pakistan also played an important role in US-China rapprochement. Ironically, although the US was dissatisfied with India's non-alignment policy[4] and its subsequent close relations with the Soviet Union,[5] in the 1960s, after the border conflict broke out between India and China, the US and Soviet Union competed with each other to offer weapons so as to 'court' India. Washington recognised the McMahon Line and also provided arms and air assistance.

Second, in the 1990s, strike a balance between India and Pakistan. While President Richard Nixon (1913-1994) used diplomacy instead of military action to create more poles by encouraging the United Nations to recognise the communist Chinese government and, adopted a policy of detente towards the Soviet Union, his successor Ronald Reagan (1911-2004) believed that the spread of communism anywhere threatened freedom everywhere. His administration

> .... provided [Pakistan] ample economic and military assistance as well as arms to support anti-Soviet and anti-communist factions such as the *mujahideen* (soldiers fighting a holy war) in

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[2] Mehraj Uddin Gojree, "The US Interests and Policies towards South Asia: From Cold War Era to Strategic Rebalancing," *Research Journal of Language, Literature and Humanities* 2, no. 4 (2015): 5-12, http://www.isca.in/LANGUAGE/Archive/v2/i4/2.ISCA-RJLLH-2015-017.pdf.

[3] Department of Defense, *United States-Vietnam Relations, 1945-1967*, The Pentagon Papers, 12 vols. (Washington, D. C.: US Government Printing Office, 1971), 239.

[4] This not only created constraints within the Indo-US relationship but also encouraged amity between Delhi and Moscow.

[5] Gojree, "The US Interests and Policies towards South Asia."

> Afghanistan. Being a landlocked country, any support to Afghanistan was not possible without the assistance of Pakistan. Thus, Pakistan became critical to achieve Reagan's anti-communist ambition ... By 1985, Pakistan became the fourth largest recipient of U.S. bilateral military assistance, behind Israel, Egypt and Turkey ... and in 1987, Pakistan emerged as the second largest recipient of American aid, after Israel ... Thus, these years were a golden era in the US-Pakistan aid relations.[6]

By 1991, the Soviet Union fell apart following withdrawal of its troops from Afghanistan in 1989. This also brought an end to Russia's quasi-alliance with India.[7] The fallout of USSR's disintegration was that the US no longer needed Pakistan, its frontline Cold War ally, especially during the Afghan War in the 1980s:

> Pakistan fell into disfavour due to its nuclear programme, which the US had earlier conveniently ignored during the whole decade. In 1990, the Pak-centric Pressler Amendment swung into action and sanctions were imposed on all kinds of aid.[8]

During this period, nuclear proliferation became a key concern of the US in South Asia. In 1998, India and Pakistan successively tested their nuclear bombs, with neither joining the Nuclear Non-Proliferation Treaty (NPT). Another parallel challenge was the conflict in Kashmir between India and Pakistan which had been getting much fiercer, and the possibility of an all-out war between the two also increased:

> The conflict between these two nations was at its peak in 1999 when Pakistan, in an attempt to dislodge Indian troops from Siachen glacier, occupied the Kargil summit (part of Azad Kashmir according to the 1949 ceasefire) ... The Kargil mountains dominated the Srinagar-Leh highway through which Indian troops were sent, deployed and supplied on the Siachen glacier. The intervention of the US led to Pakistan's withdrawal

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[6] Murad Ali, "US Aid to Pakistan during the Tenures of Democrat and Republican Administrations," *IPRI Journal* XVI, no.2 (2016): 31-48, http://www.ipripak.org/wp-content/uploads/2016/11/3-Murad-Ali.pdf.

[7] Ranendra Sen, "The Evolution of India's Bilateral Relations with Russia" (policy paper no. 2, Aspen Institute India, Washington, D.C., 2011), http://www.anantaaspencentre.in/pdf/the_evolution.pdf.

[8] Ali, "US Aid to Pakistan during the Tenures of Democrat and Republican Administrations."

> from Kargil, but Indian troops continued to occupy Siachen arbitrarily.[9]

No wonder then that in the eyes of Americans, the security threat within South Asia lay in the confrontation between these two nation-states. Therefore, during this period, the goal of US policy for South Asia included keeping India-Pakistan relations stable and preventing nuclear proliferation. US tilt towards India also increased:

> During the period of Cold War, the US perception about India was very low ... The closed and weak economy of India gave it little influence in global markets ... However, today with its billion-plus population ... steady growing economy and substantial defence establishment, India represents a partner of great value.[10]

Third, from 9/11 in 2001 to 2011, take Pakistan's role in the War on Terror seriously, while simultaneously enhancing US-India relations. After 9/11, counterterrorism became the chief concern of the US National Security Strategy.[11] On October 7, 2011, the US and its allies initiated military action against Al-Qaeda and Taliban targets located in Afghanistan. US aid to Pakistan rose dramatically and included a USD 600 million emergent cash transfer in September 2001. In 2003, President George W. Bush hosted Pakistani President Pervez Musharraf at Camp David, where he vowed to work with Congress on establishing a five-year, USD 3 billion aid package for Pakistan. The FY2010 US aid to Pakistan of USD 4.3 billion represented an increase of 2,185 per cent when compared to the pre-9/11 level in FY2001. In FY2010, Pakistan ranked second amongst top US aid recipients, after Afghanistan and before Israel.[12] In 2002, the US began to offer commercial sales that enabled Pakistan to refurbish at least part of its fleet of American-made F -16 fighter aircrafts and, three years later, Washington announced that it would resume sales of

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[9] Noor ul Haq, "Management of Pakistan–India Relations: Resolution of Disputes" (IPRI Paper 18, Islamabad Policy Research Institute, Islamabad, 2017), 10, http://www.ipripak.org/wp-content/uploads/2014/01/paper18.pdf.

[10] Gojree, "The US Interests and Policies towards South Asia," 7.

[11] White House, The National Security Strategy of the United States of America (Washington, D.C.: White House, 2002), http://www.state.gov/documents /organizations/63562.pdf.

[12] Susan B. Epstein and K. Alan Kronstadt, *Pakistan: US Foreign Assistance*, report (Washington, D.C.: Congressional Research Service, 2013), 10, https://www.fas.org/sgp/crs/row/R41856.pdf.

new F-16 fighters to Pakistan after a 16-year hiatus.

In 2004, the US formally designated Pakistan a 'Major Non-NATO Ally'. According to a Pentagon report, the total foreign military sales agreements with Pakistan came to USD 5.4 billion for 2002-14 (sales of F-16 combat aircrafts and related equipment accounted for nearly half of this). And according to a CRS report for Congress, the US Congress appropriated about USD 3.6 billion in Foreign Military Financing (FMF) for Pakistan since 2001, more than two-thirds of which has been disbursed. These funds are used to purchase US military equipment for longer-term modernisation efforts.[13]

However, the speedy recovery of US-Pakistan relations does not mean a decline of US-India relations. Since late 2001, US-India security cooperation has flourished with US diplomats rating military cooperation as the most important aspect of their transformed bilateral relations. The India-US Defence Policy Group (DPG) — moribund after India's 1998 nuclear tests and ensuing US sanctions — was revived in 2001 and now meets annually. Since early 2002, US and India have held a series of unprecedented and increasingly substantive joint exercises involving all military services; and have been pursuing a 'strategic partnership' based on shared values and apparently convergent geopolitical interests. Numerous economic, security and global initiatives, including plans for civilian nuclear cooperation, are underway.[14] In June 2005, the US and India signed a ten-year defence pact outlining planned collaboration in multilateral operations, expanded two-way defence trade, increasing opportunities for technology transfers and co-production, expanded collaboration related to missile defence, and establishment of a bilateral Defence Procurement and Production Group. A Maritime Security Cooperation Agreement, signed in 2006, commits both countries to 'comprehensive cooperation' in protecting the free flow of commerce and addressing a wide array of threats to maritime security, including piracy and the illicit trafficking of weapons of mass destruction and related materials.[15] In the same year, George W. Bush and Manmohan Singh

[13] K. Alan Kronstadt, *Major US Arms Sales and Grants to Pakistan since 2001*, report (Washington, D.C.: Congressional Research Service, 2015), 1, https://www.fas.org/sgp/crs/row/pakarms.pdf.

[14] K. Alan Kronstadt, Paul K. Kerr, Michael F. Martin and Bruce Vaughn, *India: Domestic Issues, Strategic Dynamics, and US Relations*, report (Washington, D.C.: Congressional Research Service, 2011), https://www.fas.org/sgp/crs/row/RL33529.pdf.

[15] Ibid., 82.

signed a Civil Nuclear Cooperation Agreement in New Delhi, which was one of the most important agreements between these two countries. On the economic side, according to the Indian Ministry of Commerce and Industry, about 7.5 per cent of Foreign Direct Investment (FDI) in India since 2000 has come from US firms; in recent years, major US-based tech companies like Microsoft, Dell, Oracle, and IBM have made multi-billion dollar investments in India.[16]

Therefore, we can summarise that the US policy towards South Asia (particularly Pakistan and India) has changed several times since the end of the Second World War. These changes have been the result of global power shifts. However, while these two countries' relationship with the US see-sawed before 9/11, the whole region has subsequently become an important fulcrum in the US global strategy, and its military, economic and diplomatic investment here has also increased constantly.

New Trends in America's Policies toward South Asia

After Osama bin Laden (leader of Al-Qaeda, the terrorist network of Islamic extremists), was killed by US Navy SEALS in Pakistan (May 2, 2011), America's policy towards South Asia has changed significantly. The US drawdown in Afghanistan began in July 2011 as part of former President Barack Obama's drawdown plan[17]. In 2012, while campaigning for re-election, he again reiterated that the war in Afghanistan would be over by 2014.[18]

However, more recently in July 2016, he 'halted the withdrawal of American military forces from Afghanistan ... announcing that the United States will keep thousands of troops in the country through the end of his term in 2017 and indefinitely prolonging the American role in a war that has already lasted 14 years.'

At the same time, in 2011, the US announced its policy to rebalance, or 'pivot' towards Asia, increase its diplomatic efforts in the Asia-Pacific,

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[16] Ibid., 75.

[17] Michelle Nichols, "US Drawdown Begins in Afghanistan," *Reuters*, July 15, 2011, http://www.reuters.com/article/us-usa-afghanistan-drawdown-idUSTRE76E26B20110715.

[18] Virginia Kruta, "President Obama Pledged to Take Troops Home from Afghan War, Now that is being Reversed," *Independent Journal Review*, May 2016, http://ijr.com/2016/06/627347-president-obama-pledged-to-take-troops-home-from-afghan-war-now-that-is-being-reversed-big-time/.

and deploy 60 per cent of its naval fleet to the area by 2020. This development has not gone down well with China, which views these as attempts to contain its power. The Republic has turned its attention to the ambitious 'One Belt, One Road' connectivity initiative to its west, where the US has little sway. In light of these, here's how this author views future US policy trends vis-a-vis South Asia:

A See-Saw Relationship with Pakistan

The 2011 US National Strategy for Counterterrorism had emphasised that:

> Osama bin Laden's death does not mark the end of our effort, nor does it mark the end of Al-Qaeda, which will remain focused on striking the United States and our interests abroad; the preeminent security threat to the United States continues to be from Al-Qaeda and its affiliates and adherents. Despite our many successes, Al-Qaeda continues to pose a direct and significant threat to the United States.[19]

Al-Qaeda and its followers continue to have some operational space in the Afghanistan-Pakistan border areas which might be used to launch attacks against the US and its interests abroad in the future as the terrorist network has evolved in a decentralised fashion and continues to pose a potent threat to the US homeland and its citizens from regional affiliates. This 2011 report outlined that greater Pakistani-US strategic cooperation across a broader range of political, military, and economic pursuits will be necessary to achieve the defeat of Al-Qaeda in Pakistan and Afghanistan.[20] Besides this, another issue which the US must deal with is the Afghanistan Peace and Reintegration Programme (APRP). With the resurgence of Taliban and penetration of the Islamic State (IS) in South Asia, it will be more and more difficult to achieve these goals.

In January 2014, US and Pakistan resumed their bilateral strategic dialogue which had been frozen since 2011. At the time, some Pakistani scholars[21] thought that the Pak-US relationship has come out of the

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[19] White House, *National Strategy for Counterterrorism* (Washington, D.C.: White House, 2011), https://obamawhitehouse.archives.gov/sites/default/files/counterterrorism_strategy.pdf.

[20] Ibid., 13.

[21] Gulshan Bibi, "Pak-US Resolve Against Terror" (Islamabad: Islamabad Policy Research Institute, January 29, 2015), http://www.ipripak.org/pak-us-resolve-against-terror/.

shadows of 'Do More' and other attendant negativities.[22] Unfortunately, while the US has affirmed Pakistan's role as a key counterterrorism partner and recognised the sacrifices that its civilians, military, and law enforcement personnel have made over the years as they confront terrorism and militant groups, Islamabad continues to frustrate Washington described as a 'double-dealing' and 'duplicitous ally',[23] and so continues to insist that the country needs to 'do more'.

It was reported in 2016 that the US Congress has also started a process to block USD 450 million in aid to Pakistan in case it fails to fulfill its commitment in taking action against the Haqqani network.[24] Pakistan, once the third-largest recipient of US foreign assistance, received only USD 653 million in 2016[25], down from more than USD 3.5 billion in 2011, according to US government data.[26]

A former top US diplomat has even proposed that the US should adopt a policy of 'total isolation' against Pakistan to send a signal that it faces the prospect of becoming a 'second North Korea' if it continues destabilising Afghanistan by supporting the Taliban and Haqqani network.[27]

At the same time, Pakistan is also dissatisfied with pressure from the US and the speedy development of US-India relations. Some Pakistani scholars have described their country's relationship with the US as 'unequal' and a 'humiliating',[28] and believe that Pak-US relations are going to experience yet another downward trajectory.[29]

"Pakistan is still high on US agenda in spite of the troop drawdown in Afghanistan and in advancing shared goal of peace in the region."

[22] Khalid Iqbal, "Reincarnation of Pakistan-US Relations," *Nation*, October 26, 2015, http://nation.com.pk/columns/26-Oct-2015/reincarnation-of-pakistan-us-relations.

[23] Khalid Chandio, "Pakistan-US Paradox" (Islamabad: Islamabad Policy Research Institute, January 11, 2016), http://www.ipripak.org/pakistan-us-paradox/.

[24] Idrees Ali, "US Aid to Pakistan Shrinks amid Mounting Frustration over Militants," *Reuters*, August 26, 2016, http://www.reuters.com/article/us-usa-pakistan-aid-idUSKCN1110AQ.

[25] USAID, "US Foreign Aid by Country: Pakistan" (Washington, D.C.: US Agency for International Development, 2016), https://explorer.usaid.gov/cd/PAK?measure=Disbursements&fiscal_year=2016.

[26] Frud Bezhan, "The US should Cut its Losses in Pakistan," *Diplomat*, September 22, 2016, http://thediplomat.com/2016/09/the-us-should-cut-its-losses-in-pakistan/.

[27] Abdul Ruff, "Indo-US Targets Pakistan," *Foreign Policy News*, July 7, 2016, http://foreignpolicynews.org/2016/07/07/indo-us-targets-pakistan/.

[28] Chandio, "Pakistan-US Paradox."

[29] Moeed Yusuf, "Changing Ties," *Dawn*, January 17, 2017,

A Closer Alliance with India

On October 11, 2011, the former US Secretary of State Hillary Clinton wrote an article titled 'America's Pacific Century' in which she said that the US stands at a pivot point and should substantially increase diplomatic, economic, strategic and other investment in the Asia-Pacific region over the next decade.[30] From 2013, senior US officials, like former Vice President Joe Biden, former Secretary of State John Kerry, former commander of US Pacific Command Samuel Locklear III began to use terms like 'lndo-Asia-Pacific' or 'Indo-Pacific'[31] In this context, the US deemed engaging with India in the Asia-Pacific and Indian Ocean region as an important element of 'Rebalance'. The US administration declared support for 'India's role as a regional provider of security and its expanded participation in critical regional institutions' and sees a strategic convergence with India's Act East policy and our continued implementation of the rebalance to Asia and the Pacific.[32] India has been called the lynchpin of US Asia-Pacific Rebalance strategy, even a 'global' and 'indispensable partner' by Obama and other senior US diplomats.[33]

For India, a closer relationship with the US means getting investment, technology, arms, and strategic support for its big power dream. India's concerns about China's rise contributing to strains on the long-stable post-war liberal order in Asia comport well with US objectives.[34] On January 25, 2015, during Obama's visit to India, both sides signed a Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region in order to 'safeguard maritime security and ensure freedom of navigation and over flight throughout the region, especially in the South

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https://www.dawn.com/news/1308855.

[30] Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, http://foreignpolicy.com/2011/10/11/americas-pacific-century/.

[31] Rory Medcalf, "The Indo-Pacific: What's in a Name?" *American Interest*, October 10, 2013, http://www.the-american-interest.com/2013/10/10/the-indo-pacific-whats-in-a-name/.

[32] White House, *National Security Strategy* (Washington, D.C.: White House, 2015), 25, https://obamawhitehouse.archives.gov/sites/default/files/docs/2015_national_security_strategy_2.pdf.

[33] S. Rajasimman, "India in US Strategic Rebalance in Asia-Pacific," *Indian Defence Review Blog*, January 30, 2015, http://www.indiandefencereview.com/india-in-us-strategic-rebalance-in-asia-pacific/.

[34] Ankit Panda, "US Assistance to Pakistan Set to Fall to Lowest Level since 2007," *Diplomat*, August 27, 2016, http://thediplomat.com/2016/08/us-assistance-to-pakistan-set-to-fall-to-lowest-level-since-2007/.

China Sea.'[35] Richard E. Hoagland, Principal Deputy Assistant Secretary of State for South and Central Asian Affairs (2013-15) asserted that sharing a vision with India for the region is no small thing, and it sends a very strong and important message to any country that might seek to upend international norms and rules.[36] This is indicative of US encouraging a bigger role for India in Indo-Pacific affairs, especially on contentious issues concerning China.

Ten years ago, the US and India had very limited defence trade. In contrast, over the last few years, the US has signed approximately USD 10 billion in defence sales to India,[37] and become its leading defence supplier. 2015 saw major advancements in the US-India security relationship, 'which is increasingly becoming central to Washington's vision of sustaining a principled security network in the Asia-Pacific.' The two countries updated their ten-year defence cooperation framework, followed by designating India an MDP (Major Defence Partner),[38] and then the Logistics Exchange Memorandum of Agreement (LEMOA). The two have been conducting more and more joint exercises,[39] begun to co-develop and co-produce new defence technologies, including an aircraft carrier working group.[40] India now holds more military exercises with the US than with any other country.[41]

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[35] White House, "US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region," press release, January 25, 2015, https://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region.

[36] Richard E. Hoagland, "Developments in South and Central Asia" (speech, Washington International Business Council, Washington, D.C., June 2, 2015), US State Department, https://2009-2017.state.gov/p/sca/rls/rmks/2015/243087.htm.

[37] Nisha Desai Biswal, "US-India Partnership" (speech, Consulate General of India, New York, August 4, 2015), US State Department, https://2009-2017.state.gov/p/sca/rls/rmks/2015/245769.htm.

[38] Ankit Panda, "India, US Sign Logistics Exchange Agreement: What You Need to Know," *Diplomat*, August 30, 2016, http://thediplomat.com/2016/08/india-us-sign-logistics-exchange-agreement-what-you-need-to-know/.

[39] Ashish Singh, "India, US will Hold Military Exercises Near China Border," *Sunday Guardian Live*, September 11, 2016, http://www.sundayguardianlive.com/news/6435-india-us-will-hold-military-exercises-near-china-border.

[40] White House, "Joint Statement: The United States and India: Enduring Global Partners in the 21st Century," press release, June 7, 2016, https://obamawhitehouse.archives.gov/the-press-office/2016/06/07/joint-statement-united-states-and-india-enduring-global-partners-21st.

[41] Nisha Desai Biswal, "A Global Partnership for Tomorrow: The United States, India, and

On the economic front, US and India bilateral trade in goods and services grew from USD 60 billion in 2009 to over USD 107 billion in 2015. US exports to India increased by nearly 50 per cent over the same period. Also, Indian Foreign Direct Investment (FDI) in the US nearly tripled between 2009 and 2014 – making it the fourth-fastest growing source of FDI into the US – and US FDI in India increased by nearly 30 per cent over the same period. Overall, India is America's 10th largest trading partner, with more than USD 65 billion traded in goods.[42] Ashley Tellis, a scholar from Carnegie Endowment for International Peace wrote that Modi's 'daring decision to collaborate wholeheartedly' with America demonstrates his recognition that 'the United States holds the most important keys for India's long-term success outside of its own domestic policies.[43]

The speedy improvement of US-India relations has caused concern among Pakistanis. Sartaj Aziz, Pakistan's Adviser on National Security and Foreign Affairs, said that the US should consider 'conventional and non-conventional imbalance in South Asia while entering into any sort of defence cooperation with India',[44] particularly at a time when Pakistan's relations with India are tense, the US should at least try not to increase the strategic and traditional imbalance of power to the extent that it might pose a threat to the integrity of the whole South Asian region.[45] US military and political support to India is likely to encourage India to continue its aggressive behaviour against Pakistan, not to mention escalating the arms race in South Asia.[46]

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the Rebalance to Asia" (speech, University of California, San Diego, May 14, 2016), *crweworld.com*, http://crweworld.com/article/politics/27787/a-global-partnership-for-tomorrow-the-united-states-india-and-the-rebalance-to-asia.

[42] Evan Moore, "FPI Bulletin: Modi's Visit and the Future of US-India Relations," *Foreign Policy Initiative*, June 9, 2016, http://www.foreignpolicyi.org/content/fpi-bulletin-modi%E2%80%99s-visit-and-future-us-india-relations.

[43] Ibid.

[44] "'Regional Imbalance' Rising from US Tilt towards India: Sartaj Aziz," *Dawn*, September 17, 2015, http://www.dawn.com/news/1207578.

[45] Farrukh Kamrani, "Pakistan Cautions US against Tipping South Asia Balance," *Express Tribune*, October 18, 2015, http://tribune.com.pk/story/974849/tilt-towards-india-pakistan-cautions-us-against-tipping-south-asia-imbalance/.

[46] Maryam Nazir, "Indo-US Alliance and Changing Regional Dynamics" (Islamabad: Islamabad Policy Research Institute, June 3, 2016), http://www.ipripak.org/indo-us-alliance-changing-regional-dynamics/.

In July 2011, during a speech in Chennai, former US Secretary of State Hillary Clinton initiated the so called New Silk Road Plan.[47] Three months later, this plan became the official policy of the US government. The New Silk Road focuses on four key areas: creating regional energy markets that link Central Asia with South Asia; boosting transportation routes and investing in critical infrastructure; improving customs and borders; linking businesses and people.[48] Furthermore, in early 2013, US senior officials initiated another plan, the so-called 'Indo-Pacific Economic Corridor (IPEC)'[49] IPEC's vision is embedded in the 'US rebalancing' and 'pivot to Asia' strategy in order to 'intensify US role in the wider Asia-Pacific region, with an emphasis on three critical areas – military planning, foreign policy and economic and trade policies',[50] With global economic growth shifting eastwards and the rise of China altering the regional balance, it has become imperative for the US to 'seek a role in the larger dynamics of change'.[51]

According to Atul Keshap, US Ambassador to Sri Lanka, IPEC is an initiative that will build closer economic ties across the Bay of Bengal, Asia-Pacific, and the Indian Ocean regions.[52]

> The logic of extending the 'Pacific pivot' to include the coastal areas of South Asia is a critical shift because this links the Indian Ocean, the Bay of Bengal and the Straits of Malacca, Sundah and Lombok into single strategic unit... the Indo-Pacific context becomes more relevant while looking at the region as a *singular* unit given that nearly 55 per cent of the world's container trade travels through this region. Added to this nearly 70 per cent of ship borne energy transport moves

[47] Hillary Clinton, "Remarks on India and the United States: Vision for the 21st Century" (speech, Anna Centenary Library, Chennai, July 21, 2011), *Scoop News*, http://www.scoop.co.nz/stories/WO1107/S00450/remarks-on-india-and-the-united-state svision-for-the-21st-c.htm.

[48] Nisha Desai Biswal, "US Foreign Policy in South Asia: A Vision for Prosperity and Security" (speech, Kennedy School of Government, Cambridge, April 16, 2014), US State Department, http://www.state.gov/p/sca/rls/rmks/2014/224914.htm.

[49] Its conception can be traced to the US-India Strategic Dialogue of 2013.

[50] Shankari Sundararaman, "Indo-Pacific Economic Corridor: A Vision in Progress" (New Delhi: Observer Research Foundation, February 10, 2017), http://www.orfonline.org/research/indo-pacific-economic-corridor-a-vision-in-progress/.

[51] Ibid.

[52] "Remarks by US Ambassador Atul Keshap at the National Trade Portal and Single Window Best Practices Forum," *Pakistan Defence Blog*, August 10, 2016, http://defence.pk/threads/the-us-indo-pacific-economic-corridor.443404/.

through these waters.[53]

The Strategy is said to have four pillars: creation of a regional energy market; improved trade and transit infrastructure; streamlined customs and border processes; and enhanced people-to-people ties.[54] Like the New Silk Road, IPEC is meant to create new energy linkages, open up trade and transport corridors, streamline customs procedures and border crossings and connect entrepreneurs and businesses throughout South Asia and beyond.[55] In April 2015, the USAID published a 93 page assessment report of IPEC which forwarded a lot of recommendations for its implementation.[56] America's approach to linking the Indian and Pacific oceans is likely to be enduring because like his predecessor, the new President in the White House will come to realise that:

> ... the engine of global economic growth has shifted eastwards, particularly with the economic rise of China. Both India's economic growth and the role played by Japan as a considerable economic power, necessitates a new approach to this region. For the first time all the three leading economic players in the globe are within the Asia-Pacific region. For the US, this compels an engagement that will be very crucial to sustaining US economic interest in this region itself.[57]

Unfortunately, however, there has not been a great deal of progress on the New Silk Road nor IPEC due to lack of funds (or perhaps lack of willingness on the US side to invest so much money).[58] The finances of

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[53] Sundararaman, "Indo-Pacific Economic Corridor: A Vision in Progress."

[54] Manpreet Singh Anand, "Remarks on Regional Connectivity and Border Security" (speech, The Raisina Dialogue, New Delhi, March 3, 2016), US State Department, https://2009-2017.state.gov/p/sca/rls/rmks/2016/253955.htm.

[55] Lalit K. Jha, "US Hopes Indo-Pacific Economic Corridor Will Improve Connectivity in South Asia: US Official," *Wire*, July 9, 2016, http://thewire.in/64668/us-hopes-indo-pacific-economic-corridor-will-improve-connectivity-in-south-asia-official/.

[56] USAID, *Indo-Pacific Economic Corridor (IPEC): Phase I: Coordinated Regional Trade Analysis*, report (Washington, D.C.: US Agency for International Development, 2015), http://pdf.usaid.gov/pdf_docs/PA00KZQ1.pdf.

[57] Sundararaman, "Indo-Pacific Economic Corridor: A Vision in Progress."

[58] ADBI, *Connecting South Asia and Southeast Asia: A Joint Study of the Asian Development Bank and the Asian Development Bank Institute*, report (Tokyo: Asian Development Bank Institute, 2015), xx-xxi. The overall cost of establishing connectivity through roads, railways, maritime port connectivity and energy trading for linking South and Southeast Asia stands at USD 73 billion. The current allocation of funds in linking the two regions is only USD 8 billion.

IPEC will come primarily from countries in the region and international financial institutions, and US companies are well-positioned to participate in the connectivity projects and stand to benefit from the increased commercial opportunities.[59] It is in Washington's geo-political interests to strengthen regional connectivity in the Indo-Pacific and between South and South East Asia in order to create fair, broad, and sustainable growth, underpinning the wider region's prosperity, security and stability.[60]

Likely Challenges of US Policy Trends for CPEC

Since the end of the Second World War, the US has been an important actor in South Asia's affairs. Given increasing US multi-level investments in the region, its influence will continue to increase in the foreseeable future. As discussed earlier, 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 hence, security practices. Their security interests in this region both 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.'[61]

While the US-China relationship is complex and has often been fraught, it is vital not only for America's markets, but also has paramount importance globally. It is, therefore, not surprising that the development of CPEC has caused different reactions in the US. Some officials and scholars think that CPEC means an opportunity for the US,[62] especially for

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[59] US State Department, *The Rebalance to Asia: Why South Asia Matters Part I* (Washington, D.C.: US Government, 2013), http://docs.house.gov/meetings/FA/FA05/20130226/100306/HHRG-113-FA05-20130226-SD002.pdf.

[60] Nisha Desai Biswal, "Indo-Pacific Regional Connectivity, Commerce, and Cooperation" (New Delhi: India Foundation, September 2, 2016), http://www.indiafoundation.in/uncategorized/indo-pacific-regional-connectivity-commerce-and-cooperation.html.

[61] Wu Xinbo, *US Security Policy in Asia: Implications for China-US Relations*, (Washington, D.C.: Brookings Institution Press, 2000), https://www.brookings.edu/research/u-s-security-policy-in-asia-implications-for-china-u-s-relations/.

[62] Murtaza Hussain, "How Obama's Asia Pivot Nudged China toward Pakistan but Helped Aggravate India," *Intercept*, September 1, 2016,

American private sector which has shown considerable interest in the Belt and Road Initiative. On the other hand, this Initiative's positive potential often goes unrecognised in the United States because 'it is viewed as an element of a broader strategic competition between the two countries ... wherein China seeks to create a parallel, illiberal economic or political order that competes with or replaces the so-called liberal international order ... it is seen as a vehicle for narrow or short-term Chinese interests'[63] and for weakening US interests and influence.[64] From Pakistan's perspective, the US is not happy about the growing Pak-China relations and the execution of CPEC, the multibillion dollar project that will turn Pakistan into a regional trade bloc.[65]

Though the new trends in US policies discussed above are not necessarily targeted against CPEC, it is necessary for China and Pakistan to pay attention to their potential challenges towards this Corridor.

US Counterterrorism Actions in the Af-Pak Border Region

The Afghanistan-Pakistan border region is a safe-haven of Al-Qaeda, Haqqani network, East Turkestan Islamic Movement (ETIM) and other international terrorist organisations. When Pakistani troops began targeted operations against them in the Federally Administered Tribal Region (FATA), they would flee to Afghanistan; and when Afghanistan kicked up operations, they would come back again. Now, along with US-Afghan joint operations in Afghanistan and increasing US counterterrorism actions, particularly drone strikes against designated Taliban members and tribal militants in FATA, these terrorists might flee to Balochistan, Sindh and other regions.

The arrival of these terrorists and tribal militants will bring greater threat or risk to these regions, the Chinese projects and people there. In the

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https://theintercept.com/2016/09/01/how-obamas-asia-pivot-nudged-china-towards-pakistan-but-helped-aggravate-india/.

[63] Alek Chance, "The Belt and Road Initiative and the US-China Relationship," *China US Focus*, November 3, 2016, http://www.chinausfocus.com/finance-economy/the-belt-and-road-initiative-and-the-us-china-relationship.

[64] Daniel S. Markey and James West, "Behind China's Gambit in Pakistan" (New York: Council on Foreign Relations, May 12, 2016), http://www.cfr.org/pakistan/behind-chinas-gambit-pakistan/p37855.

[65] Sophia Siddiqui, "US not Happy over Pak-China Growing Relations, CPEC," *Pakistan Observer*, June 14, 2016, http://pakobserver.net/us-not-happy-over-pak-china-growing-relations-cpec/.

eyes of Israeli analyst Jan Price, the US certainly did not welcome CPEC, and while there was no way for the US to directly intervene, it has tried to sabotage the project indirectly, that is, pushed the terrorists and local militants out of the border region between Afghanistan and Pakistan through military operations and forced them into areas that China was eying for CPEC.[66] In July 2016, five projects worth billions were already on the chopping block due to their slow start and Pakistan's inability to provide adequate security. Because of the upswing in terror and the degradation of the security situation in Balochistan, Pakistan and China risk losing billions over delays and cancellations.[67] In this context, to protect Chinese workers and projects in the country, Pakistan has promised to raise a security force of 15000. This would include 9000 regular Army soldiers in addition to 6000 more paramilitary personnel.[68] This will certainly increase the cost and difficulty in implementing CPEC.

US New Silk Road (NSR) and IPEC Repercussions

One of the common points of the New Silk Road, IPEC and CPEC is that all these three initiatives go through South Asia, this means possibility of cooperation as well as potential competition. There can be three negative impacts of NSR and IPEC:

1. Resources in South Asia and its surrounding areas are limited, it will be impossible to implement all three initiatives at the same time. The three may face fierce competition, and cause more tensions between China and the US, Pakistan and India, and Pakistan and other countries. For example, when India, Iran and Afghanistan finish the enlargement of Iran's Chabahar Port, it may decrease the potential economic benefits of Pakistan's Gwadar Port. It has been speculated that Washington broadly supported India and Afghanistan's deal with Iran for the transport corridor

[66] Ian Price, "Is the US Trying to Sabotage the China-Pakistan Economic Corridor?" *Diplomat*, September 29, 2016, http://thediplomat.com/2016/09/is-the-us-trying-to-sabotage-the-china-pakistan-economic-corridor/.

[67] Price, "Is the US Trying to Sabotage the China-Pakistan Economic Corridor?"

[68] Muhammad Asad Chaudhry, "15,000 Security Personnel to be Recruited to Protect CPEC," *Daily Times*, July 16, 2016, http://dailytimes.com.pk/islamabad/16-Jul-16/15000-security-personnel-to-be-recruited-to-protect-cpec.

opening up a new route to Afghanistan via the Iranian port of Chabahar as it outflanks the USD 46 billion CPEC project with Gwadar as its focal point.[69] Similarly, if NSR or IPEC gather some momentum, some South Asian countries may be attracted by them and lose their interest to join or support CPEC. The US and the five Central Asia countries set up a 'C5+ l' format in 2015, one of its main aims is to improve economic connectivity between five Central Asian countries and the outside world in order to advance the NSR initiative.

2. There is also the issue of standards in Chinese lending and development policy which is grounded in pragmatic concerns like the environment and in worries that China provides a tempting but nonetheless unsustainable alternative to existing lending institutions. In January 2015, Nisha Biswal claimed that the US welcomes China's constructive engagement and sees a great deal of potential complementarity in both sides efforts, but she also urged China, as it pursues economic cooperation projects, to utilise global standards and best practices in order to ensure sustainable economic growth for local countries.[70] This may raise the expectations and requirements of local governments in Pakistan and other South Asian countries:

> Chinese officials must work to promote high lending standards to demonstrate that SRI and CPEC complement and advance the achievements of the existing international economic order instead of undermining it.[71]

3. Geographically, both the NSR and IPEC have nothing to do with China. According to Wu Zhaoli, an Associate Research Fellow from Chinese Academy of Social Sciences, the ultimate goal of the New Silk Road is to establish a US dominated economic and energy corridor surrounding China's west, southwest and south

[69] Winchester, "US Backs India-Iran Chabahar Port Deal as it Outflanks China-Pakistan Gwadar Project*," Pakistan Defence Blog*, May 26, 2016, http://defence.pk/threads/us-backs-india-iran-chabahar-port-deal-as-it-outflanks-china-pakistan-gwadar-project.432213/.

[70] Nisha Desai Biswal, "The New Silk Road Post-2014: Challenges and Opportunities" (speech, Washington, D.C., The Woodrow Wilson Center, January 22, 2015), US State Department, https://2009-2017.state.gov/p/sca/rls/rmks/2015/236214.htm.

[71] Chance, "The Belt and Road Initiative and the US-China Relationship."

areas, this may decrease China's influences, particularly geo-economic influences in Central, South and Southeast Asia. Together with the Trans-Pacific Partnership (TPP),[72] NSR and IPEC are a way to encircle China geographically, while at the same time, excluding its participation. According to John Kerry, the former US Secretary of State, IPEC stretches from India to Korea and Australia to the US.[73]

Recently, Tridivesh Singh Maini, an Indian policy analyst, recommended that stakeholders of IPEC, including Myanmar, India, Bhutan, Nepal and Bangladesh, should set up a forum for IPEC, to move the project along,[74] indicating that IPEC has nothing to do with China and Pakistan, and, the US and India do not want China or Pakistan to join it. Therefore, once these projects get underway, BRI and CPEC may meet some obstacles.

The US-India Embrace

As mentioned before, the US is not comfortable with the extensive engagement of China in South Asian affairs and the progress of CPEC. Meanwhile, Indian high officials, including Prime Minister Narendra Modi, have also expressed their concern towards CPEC on many occasions. India's concerns revolve around three points:

First, CPEC will bring great economic and strategic benefits to Pakistan which means increase in Pakistan's strength and military power. Modi's hostility towards CPEC represents a school of thinking in Indian foreign policy circles that sees an economically revitalised Pakistan connected to China as a potential threat.[75]

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[72] Editor's Note: US, under President Trump's Executive Order, opted out of the TPP in 2017.

[73] James Wallar, "Indo-Pacific Economic Corridor: Opportunity for US, Indian, & ASEAN Statesmanship," *cogitAsia CSIS Asia Policy Blog*, September 2, 2015, https://www.cogitasia.com/indo-pacific-economic-corridor-opportunity-for-u-s-indian-asean-statesmanship/.

[74] Tridivesh Singh Maini, "India, Myanmar and the Indo-Pacific Economic Corridor," *Modern Diplomacy*, September 10, 2016, http://moderndiplomacy.eu/index.php?option=com_k2&view=item&id=1740:india-myanmar-and-the-indo-pacific-economic-corridor&Itemid=869.

[75] Hussain, "How Obama's Asia Pivot Nudged China toward Pakistan but Helped Aggravate India."

Second, since CPEC runs through the region of Gilgit-Baltistan (GB) in northern Pakistan, over which both India and Pakistan have asserted claim, if Pakistan was economically strengthened by Chinese support, it would have little interest in expanding economic cooperation with India and may place the Kashmir dispute more forcefully.[76]

Third, India worries about China's extensive engagement and influence In South Asia. For example, the Gwadar Port, is perceived in India as less likely to become a vibrant economic hub than to serve as a naval base for China's expanded blue water fleet and operations throughout the Indian Ocean.[77] The development of the Gwadar Port and China's growing strategic presence in the Arabian Sea has generated concerns in India, because in the short-term, CPEC could be an opportunity to generate jobs and growth, but over the longer term, CPEC's strategic consequences could reshape the regional balance of power in favour of China.[78]

Given these reasons, the Pakistani government has warned that India has been spending money and resources to sabotage CPEC through espionage activities, offering support to the Baloch rebels, etc.[79] According to a Pakistan news report, the Indian spy agency, Research and Analysis Wing (RAW), has established a special desk in New Delhi with a significant budgetary allocation to 'scuttle CPEC.'[80]

With both the US and India considerably annoyed by the China-Pakistan Economic Corridor, they have found a common interest in sabotaging it. Some US scholars have even recommended that in order to reduce the likelihood that Chinese activities in Pakistan exacerbate regional tensions, Washington could raise the issue in bilateral dialogues with New Delhi and Beijing, or even play host to a trilateral discussion.[81] Such dialogues would merely bring more pressure on CPEC. For the US, India is

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[76] Christian Wagner, "The Effects of the China-Pakistan Economic Corridor on India-Pakistan Relations" (SWP Comments 25, Stiftung Wissenschaft und Politik, German Institute for International and Security Affairs, Berlin, 2016), 2, http://www.swp-berlin.org/fileadmin/contents/products/comments/2016C25_wgn.pdf.

[77] Markey and West, "Behind China's Gambit in Pakistan."

[78] Daniel S. Markey and T.C.A. Raghavan, "The China-Pakistan Economic Corridor" (discussion, Carnegie India, New Delhi, July 2, 2016), http://carnegieindia.org/2016/07/01/china-pakistan-economic-corridor-event-5328.

[79] Syed Hamzah Saleem Gilani, "CPEC: The Game Changer," *Nation*, July 12, 2016, http://nation.com.pk/columns/12-Jul-2016/cpec-the-game-changer.

[80] "Special Cell Set up in RAW to Foil Economic Corridor," *News*, May 11, 2015, https://www.thenews.com.pk/print/12423-special-cell-set-up-in-raw-to-foil-economic-corridor.

[81] Markey and West, "Behind China's Gambit in Pakistan."

'hugely important' in maintaining that balance of power throughout the Asia Pacific, and according to Frank Wisner, former US Ambassador to India, it is a two-way street:

> India sees the United States and its relationship with us as part of its ability to secure itself in the long-term and manage its own relations with a rising Chinese power.[82]

The Turbulent Waters of US-Pakistan Relations

According to Daniel Markey the US should continue to 'pursue strong relationships…, independently' with both India and Pakistan, 'and not be held hostage' to their conflict by trying to achieve a perfectly balanced 'strict neutrality' between them,[83] Therefore, although the US-Pakistan relationship has been experiencing a downward trajectory, things may change. The new US President's praise of Prime Minister Nawaz Sharif and the citizens of the country, along with his non-interventionist stance during the election campaign, offers the prospect of a manageable relationship between both countries.[84] As discussed before, the US cannot achieve its counterterrorism goal in Afghanistan without the support of Pakistan:

> If Pakistan truly changes course, then the US should be willing to be supportive in a significant way. But we have to substantially escalate the cost of Pakistan's hostile policy in Afghanistan.[85]

Pakistan, a relatively weaker power compared to India, and without

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[82] CFR, *New Geopolitics of China, India, and Pakistan: Insights from a CFR Symposium*, report (New York: Council on Foreign Relations, 2016), 3, http://www.cfr.org/asia-and-pacific/new-geopolitics-china-india-pakistan/p37899.

[83] James Rupert, "Is the United States Ready for the Next India-Pakistan Crisis?" (United States Institute of Peace, Washington, D.C., March 21, 2016), http://www.usip.org/olivebranch/2016/03/21/the-united-states-ready-the-next-india-pakistan-crisis.

[84] Hamzah Rifaat Hussain, "Pakistan's Foreign Policy in 2016: Flashbacks, Challenges, and Opportunities," *Diplomat*, December 28, 2016, http://thediplomat.com/2016/12/pakistans-foreign-policy-in-2016-flashbacks-challenges-and-opportunities/.

[85] Former United States Ambassador to Afghanistan Khalilzad quoted in Abdul Ruff, "Indo-US Targets Pakistan," *Foreign Policy News*, July 7, 2016, http://foreignpolicynews.org/2016/07/07/indo-us-targets-pakistan/.

enough money or resources to speed up its development, has to suffer America's carrot and stick policy. Given that the country does not want the US to tilt towards India more than it already has, even if there are some benign changes in US policy towards Pakistan, the latter may choose to sit on the fence between China and the US, or court both sides. This is likely to affect Pakistan's attitude towards CPEC and its implementation. Pakistan should remember that the US attitude towards CPEC is a combination of wait-and-see, participation and interference. At present, the US neither has enough funds to compete with China in Pakistan nor oppose CPEC directly, but it can use other strategies to impact the Corridor.

Conclusion

The significance of CPEC mainly includes three points: first, it can revive Pakistan's stagnant economy and boost its power to balance India's regional hegemony; second, it can create more jobs and improve social welfare in the country; third, it can offer a fulcrum for China towards the Indian Ocean and hedge India's overwhelming superiority in sea power.[86] For China, CPEC has been developed as a 'flagship project' under its BRI initiative that can provide an economic and strategic corridor to the Middle East and Africa as 'an answer to American efforts to box out its economic influence in East Asia'.[87] However, despite their all-weather friendship, both countries need to tackle several challenges and risks to the initiative as discussed above. Some workable recommendations in this regard include the following:

> Enhance dialogue and cooperation between both governments (including local governments), companies, and think tanks on both sides, so as to create a favourable policy and security environment for CPEC.

Pakistan has undertaken numerous counterterrorism operations and steps to improve the security situation within the country. However, a lot more remains to be done. For example, in its Balochistan province, ethnic Baloch rebels, who oppose the development of Gwadar Port, have in the past blown up numerous gas pipelines, trains and attacked Chinese

[86] Tong, "Analysis on the Geopolitical Impact of China-Pakistan Economic Corridor towards US New Silk Road Initiative," 23-24.

[87] Hussain, "How Obama's Asia Pivot Nudged China toward Pakistan but Helped Aggravate India."

engineers with the goal to scare off investors and developers who are working with the Pakistani government.[88]

According to the Global Terrorism Index 2016 published by the Institute for Economics and Peace, Australia, in 2015, Pakistan recorded a substantial drop in terrorist activity with 45 per cent less attacks and 38 per cent fewer deaths than in the previous year, but with 1086 deaths and 1337 injured, Pakistan is still the sixth deadliest country in the world, and Pakistan's Global Terrorism Index score of 2016 is still the fourth highest in the world (the first three were Iraq, Afghanistan and Nigeria), the same rank as 2015.[89] In China, one of the main concerns about CPEC is the safety of Chinese investment and workers in Pakistan. To a great extent, the success of CPEC is contingent on Pakistan's ability to ensure security and stability along the planned route.

Moreover, in Pakistan, different provinces have different interests and demands about CPEC, sometimes these interests and demands conflict with each other.[90] These conflicts between provinces, parties and forces will inevitably have negative impact on CPEC. Thousands of fully trained and equipped personnel of CPEC specific 'Special Security Division' are not being utilised because of difference of opinion between the political and military leadership regarding the role, tasks and authority of these troops.[91]

China and Pakistan need to enhance multi-level dialogue and

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[88] Khalid Iqbal, "Challenges to China-Pakistan Cooperation" (Islamabad: Islamabad Policy Research Institute, April 27, 2015), http://www.ipripak.org/challenges-to-china-pakistan-cooperation/.

[89] IEP, *Global Terrorism Index 2016: Measuring and Understanding the Impact of Terrorism*, 4th ed. (Sydney: Institute for Economics and Peace, 2016), 28, http://economicsandpeace.org/wp-content/uploads/2016/11/Global-Terrorism-Index-2016.2.pdf.

[90] Peer Muhammad, "Development Priorities: Heated Debate in Senate over Economic Corridor," *Express Tribune*, February 14, 2015, http://tribune.com.pk/story/838108/development-priorities-heated-debate-in-senate-over-economic-corridor/. Haji Adeel, chairman of Senate Foreign Affairs Committee of Pakistan, warned that, 'We will make it clear to the Chinese government too that it should support Pakistan rather than Punjab or certain politicians…China should remember that it needs KPK and Balochistan for its future business with Afghanistan and that would not be possible without their consent.' Zulfiqar Ali, "KP Warns of Protests if Pak-China Corridor Route Changed," *Dawn*, April 23, 2015, http://www.dawn.com/news/1177664. Meanwhile, according to Pervez Khattak, Chief Minister of Pakistan's Khyber Pakhtunkhwa, 'We will launch a legal as well as political battle if the federal government changed the original route of the CPEC.'

[91] Khalid Iqbal, "The Wilderness of Counterterrorism," *Nation*, October 31, 2016, http://nation.com.pk/columns/31-Oct-2016/the-wilderness-of-counter-terrorism.

cooperation on CPEC, especially for its security. Pakistan's government needs to create a more favourable security and investment environment, and coordinate different requirements of local governments. At the same time, the Chinese government should create more awareness about the importance of CPEC in order to decrease domestic opposition and win more support.

According to a survey by Pew Research Center in 2014, 78 per cent Pakistanis have a favourable view about China, and 57 per cent consider it an ally.[92] However, there are also unfavourable views about China and CPEC among Pakistanis:

> On the political front, some Pakistani scholars and medias are concerned and disappointed about the improvement of China-India relations; on the economic front, some Pakistani businessmen are dissatisfied with the China-Pakistan trade gap, dominant role of Chinese goods in the Pakistani market, and poor quality of some Chinese goods; on the security front, some Pakistanis are worried about Chinese companies' exploitation, resource exhaustion, and some have concerns about China's counterterrorism action in Xinjiang; on the social front, Pakistan's young people lack understanding about China, and Chinese people's words and actions, like travelling into Pakistan with alcohol and pork products, caused dissatisfaction among Pakistanis.[93]

Some Pakistani scholars have also expressed their concern that perhaps now US and Saudi imperialism may be replaced by the Chinese variety, what if Chinese interests shift to other regions and projects, would India attempt to sabotage Pakistan's future development, will this be a great 'destiny changer' for Pakistan at a loss of its sovereignty etc.[94] Tahir Mashhadi, chairman of the Senate Standing Committee on Planning and Development, Pakistan, expressed the fear that CPEC could turn into another East India Company if the country's interests were not actively protected.[95]

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[92] PRC, *Global Opposition to US Surveillance and Drones, but Limited Harm to America's Image*, report (Washington, D.C.: *Pew Research Center*, 2014), file:///C:/Users/ipri/Desktop/2014-07-14-Balance-of-Power.pdf.

[93] Liu Jingjia, "Study on China's Public Diplomacy towards Pakistan" (Masters diss. Shanghai Normal University, 2016), 22-24.

[94] S. Akbar Zaidi, "The New Game Changer in Pakistan," *Hindu*, May 28, 2016, http://www.thehindu.com/opinion/lead/chinapakistan-economic-corridor-the-new-game-changer-in-pakistan/article8656498.ece.

[95] Syed Irfan Raza, "CPEC could Become another East India Company," *Dawn*, October 18, 2016, http://www.dawn.com/news/1290677.

Though it is nearly impossible to get support from all Pakistanis, it is necessary to get support from as many as possible. Therefore, the Chinese government and companies should conduct more effective awareness campaigns, public welfare projects so as to win the support of Pakistanis. For example, if it is possible economically, Chinese government and companies may offer more job opportunities, job training, social donation, education, medical care, and small loans to Pakistani people. Both sides also need to enhance people-to-people exchange programmes particularly communication between young people to create a more solid and favourable social foundation.

Strengthen Counterterrorism Cooperation with the US

After 9/11, one of the key regions of Chinese and US counterterrorism cooperation was Central and South Asia. Whether it is CPEC, NSR or IPEC, each of them needs a stable security environment. If terrorist organisations, such as the Islamic State (IS) gain strength in South Asia, all three initiatives would be doomed to fail sooner or later. Moreover, without these economic gateways, economic growth in Afghanistan might confront more challenges, and the efforts of the US in Afghanistan over the past 15 years might lead to complete failure. China's economic inroads into Pakistan and its recent involvement in Afghanistan benefit the US, which has historically maintained a strong influence over Pakistan. With the US desperate to end its presence in Afghanistan, China is likely to play a central role in stabilising the region for US withdrawal, a win-win for both China and the US.[96] Therefore, though these three countries may have differences or disputes on counterterrorism, they should not hinder cooperation in this area.

Seek Cooperation for CPEC, NSR and IPEC to Assuage US Opposition

As a 'flagship project' of BRI, the success of CPEC is crucial since the ultimate success of BRI can plug the capital requirements for much needed infrastructure, economic and institutional development throughout Eurasia.

[96] Hussain Nadim, "Game Changer: China's Massive Economic March into Pakistan," *National Interest*, April 23, 2015, http://nationalinterest.org/blog/the-buzz/game-changer-chinas-massive-economic-march-pakistan-12711.

A more developed region could create a bigger economic pie for everyone, including US businesses and workers. The US should accept BRI (and CPEC) as an opportunity for closer trilateral cooperation. In fact, the US could redirect a portion of its current civilian assistance funds into projects that are aligned with CPEC goals – such as technical improvements to Pakistan's national power grid – to help create jobs, spur economic growth, and provide incentives for additional outside investment. US aid can and should continue to play a constructive role in Pakistan because if harmonised with Chinese efforts, it could enhance the efficacy of both. This would, of course, require opening a new, detail-oriented dialogue with both Pakistani and Chinese officials. According to some scholars, US officials, including those from the State Department and Export-Import Bank, should use their conversations with Pakistani counterparts to ensure that CPEC-style protections for Chinese corporations and investors are also applied to US firms. CPEC will have the best chance of transforming Pakistan's economic outlook if it also sparks a wave of foreign investment from other countries, including the United States.[97] While there have been some positive murmurs about the Corridor in the States,[98] think-tanks from these countries can play an important role in creating and building the necessary discourse through collective research and publishing reports.

Strive for Support from other Countries in Central/South Asia, and the Middle East, particularly to Temper India's Concerns and Opposition.

Through CPEC and its infrastructure projects, Central and South Asia and countries in the Middle East can enhance cooperation because this Corridor can generate economic activity and benefit over three billion people.[99]

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[97] Markey and West, "Behind China's Gambit in Pakistan."

[98] Zafar Bhutta, "US Keen to Invest in Economic Corridor Projects," *Express Tribune*, October 16, 2015, http://tribune.com.pk/story/973738/us-keen-to-invest-in-economic-corridor-projects/. "If the corridor proceeds according to plan, it will be in the interest of Pakistan, China and the US as well. We support the corridor," said USAID-Pakistan Mission Director John Groarke while talking to a group of journalists. CFR, *New Geopolitics of China, India, and Pakistan*. Daniel F. Feldman, former US special representative for Afghanistan and Pakistan, stated that, China's "One Belt, One Road" complements US' efforts to integrate the region, it fulfills many of the ambitions we laid out in the New Silk Road.

[99] Amna Ejaz Rafi, "The CPEC" (Islamabad: Islamabad Policy Research Institute, June 30, 2016), http://www.ipripak.org/the-cpec/.

Recently, Iran and Afghanistan expressed their desire to join CPEC.[100] It is necessary for Chinese and Pakistani scholars and think-tanks to strive for support from other countries.

India has been eyeing an overland route to Central Asian markets for a long time which CPEC's infrastructure can provide. Instead of starting a new era of conflict, economic integration of the region can also help close the chapter on the subcontinent's troubled post-colonial history, and if it succeeds in modernising Pakistan's infrastructure and boosting its economic output, CPEC could transform it from a threat for India into a robust trading partner.[101]

One way to assuage Indian concerns is to link up Chinese projects in the greater Mekong Delta area. India's participation in CPEC is not only an opportunity to shape the BRI to Indian needs and interests, but it can also become the 'swing factor', influencing Pakistani politics and state actors, not to mention help improve China-India relations and impact China's position on India's membership of the Nuclear Suppliers Group (NSG).[102] By staying out of CPEC, India stands to 'lose heavily', and, with the rest of South Asia keen to get on board the Chinese initiative, India could end up being isolated.[103]

India to this day remains unwilling to join CPEC, but a few of its leaders are starting to show some signs of willingness to cooperate.[104] Therefore, though it may be hard to erase India's concerns towards CPEC thoroughly, it is possible to mitigate them to some extent.

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