# CPEC & THE GREATER BELT AND ROAD INITIATIVE

Dr Atia Ali Kazmi

Southern Asia’s politics is being intensely driven by the varying dynamics and developments of China-Pakistan Economic Corridor. Even a single project’s take-off in Pakistan rings alarm in its eastern neighbourhood and beyond. A positive critique may help in choosing better options for not only Pakistan but also region’s development. There appears a concerted effort of spinning facts not only to derail the mega project but to impede Pakistan's progress and that of the well-resourced but underdeveloped South Asian region. This toxicity would affect the peace and stability of the region.

CPEC is the key component of China’s Belt and Road Initiative for regional connectivity in the 21st Century. Contrary to politically motivated opprobrium, BRI has gained immense recognition since it was launched six years ago. Inter alia, the initiative has offered tangible opportunities for the Afro-Eurasian region – aka ‘world island’ – in terms of economic and trade-based linkages and infrastructural expansion.

China has always been a strong player in the political, economic and military affairs of the Asia Pacific region. BRI is a natural progression of that positive historical influence. In their 1996 work, the Bamboo Network: How Expatriates Chinese Entrepreneurs are Creating a New Economic Superpower in Asia, Murray Weidenbaum and Samuel Hughes had observed the influence of Chinese families in propelling economies in Southeast Asia. The term ‘bamboo network’ referred to positive influence and combined output of 55 million overseas Chinese to the tune of USD 600 billion in 1998 that equals GDP’s of few countries. BRI is akin to the Bamboo Network but at a larger scale in terms of the huge network of its projects.

Simply put, the initiative is the pivot of Chairman Deng Xiaoping’s vision for modern China. To be victorious, he had urged his comrades to ‘observe calmly, secure [their] position, cope with affairs calmly, hide capacities and bide [their] time, be good at maintaining a low profile, and never claim leadership.’ The vision was further supported by a novel foreign direct investment regime through initiatives such as the establishment of first Special Economic Zone (SEZ) in Shenzhen in 1980. China thus remained focused on domestic development and stability of external environment. To study China’s fairy-tale rise and benefit from the future course of action it is important to have a basic knowhow of the Belt and Road plan.

**Key Components of BRI**

The National Development and Reforms Commission (NDRC) of China along with relevant ministries announced the Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road in 2016. According to the Office of the Leading Group for BRI, the initiative’s ‘cooperation framework’ is based on two key components: Silk Road Economic Belt (SREB) and 21st Century Maritime Silk Road (MSR).

BRI includes ‘six corridors, six means of communication, multiple countries and multiple ports’. Six corridors are CPEC, China-Mongolia-Russia Economic Corridor, New Eurasian Land Bridge Economic Corridor, China-Central Asia-West Asia Economic Corridor, China-Indochina Peninsula Economic Corridor, and Bangladesh-China-India-Myanmar Economic Corridor. CPEC, China-Indochina Corridor and New Eurasian Land Bridge are the active corridors. In comparison, BRI-based projects in other target regions outpace those in South Asia – India has so far not entertained the BCIM plan and continues efforts for building international consensus against CPEC.

Six means of communication of BRI are aerospace integrated information network including the main targets of infrastructure connectivity, highways, rail, aviation, pipelines, and seagoing transport. Multiple countries are those along BRI that joined it and China seeks to cooperate with them ‘on basis of equality and mutual benefit’. Similarly, multiple ports ensure safe and easy sea passages.

The Maritime Silk Road is focused on a broad-scope Blue Partnership with BRI members. It will connect main seaports along the belt and mutually build safe and smart transport routes. The sea-based plan initiates from Asia Pacific, passes through the Indian Ocean region, and finds links with the eastern periphery of the African continent, till the hub of European markets.

NDRC and State Oceanic Administration issued BRI’s Vision for Maritime Cooperation in June 2017, envisioning larger linkages of China’s coastal economic belt with countries along BRI through economic corridors and ‘blue economic passages’ till the Arctic Ocean. Land-based cooperation covers a vast spectrum of activities that would contribute to a comprehensive development of member countries. Similarly, a range of bilateral and multilateral financial mechanisms, such as Silk Road Fund and Asian Infrastructure Investment Bank, China Development Bank and many others, have been set up.

**The Scope and Projected Impact of BRI**

The concept of rebuilding the Silk Route is an ‘action plan’ to involve more than 70 percent of world populace covering nearly 55 percent of GNP and 75 percent of identified energy reserves. BRI seeks effective market integration, resource allocation and inclusive and well-coordinated economic factors among members. It is specially ‘designed to uphold the global free trade regime and open world economy in the spirit of open regional cooperation.’ Under a broader approach for mutually beneficial cooperation, China seeks to combine BRI with development strategies of member states. Some of them are Asia-Europe Connectivity Initiative, Russia’s Eurasian Economic Union, U.K.’s Northern Powerhouse initiative, Turkey’s Middle Corridor Initiative, Saudi Arabia’s oil and gas program for its western region, EU’s Investment Plan for Europe, ASEAN’s Master Plan on ASEAN Connectivity 2025, APEC’s Connectivity Blueprint for 2015-2025, etc. The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is collaborating with Chinese government to chalk out an understanding of development benefits of BRI among member states for an improved connectivity and cooperation in Asia Pacific and beyond.

BRI encompasses key sectors of development, i.e., energy, transport, infrastructure, innovation, industry, education and socio-cultural domains. The emerging issues of global concern, such as environmental degradation and climate change, are also considered. They consist of gradual establishment of land and water transportation, low-carbon infrastructure and technical standard systems. Other plans include safety measures, coordination mechanisms, port cooperation, transport management facilities, increased sea routes and voyages, technologic cooperation in civil aviation infrastructure and maritime logistics. The ‘soft connectivity’ plan is envisaged in the Guidelines on the Implementation of Promoting International Road Transport Facilitation in the Context of BRI. Under these guidelines, nearly 43 countries receive direct civil flights from China.

The scope and potential advantage of BRI is being given a high value by many regional states. It is also because the initiative seems to create win-win transactions, if the members’ own security and national interests remain intact. China is eager to rebuild and strengthen centuries old trade- and culture-based linkages around its borders. All other states enjoy the right of action in choosing the best portions from the multifaceted BRI option.

**China-Pakistan Economic Corridor**

One of the flagship projects of BRI is CPEC that envisions multimodal development and regional connectivity. Once it takes a fair shape and flight, CPEC is destined to usher in a new era of opportunities and an unprecedented juncture for regional integration. CPEC can thus precisely be termed as the jugular vein of BRI as it will minimize distances and capitalize on connectivity. Besides the reduction in China’s access time, numerous sea lanes and land routes from main hubs in East Asia through the Pacific and Indian Oceans converge in a geographic loop around the culminating point of CPEC, the Gwadar port, before they get linked with BRI’s flourishing set up in Europe, such as the ‘Five Ports’ initiative and railway networks. Mr. He Lifeng, Chairman NDRC, called CPEC ‘an important loop in the larger chain of BRI’ that will ‘enable the possibility of a 21st Century Maritime Silk Road’.

Some circles in Pakistan keep putting the spotlight every now and then on the presumed slow or entirely absent work of CPEC projects. Recent decisions, particularly after the launch of CPEC Authority in 2019, though reflect a degree of conscious effort and measured decisions by the government. The launch of two hydel power projects in Azad Kashmir and SEZ in Faisalabad in a sequence has instilled more hope. Also, a significant amount has been earmarked in the 2020-21 budget for the development of the second phase of CPEC. Linked projects include the establishment of CPEC Industrial Cooperation Development Project (CPEC-ICDP), a Project Management Unit (PMU), Mirpur University of Science and Technology Palandri Campus, Dry port near Havelian Phase 1, western route of CPEC, east-bay expressway construction and sea water desalination plant and Pak-China Technical and Vocational Institute at Gwadar. Adequate funding has been allocated for roads and rail sector.

After the development of linkages through highways, the second phase of CPEC focuses more on China-Pakistan cooperation in industrial, socioeconomic and agriculture sectors, and development of Gwadar and SEZs. Industrial linkages will be done through business to business joint ventures (B2B JVs). The basic plan of CPEC is well-articulated and -designed, with its spatial layout of ‘one belt, three axes and several passages’ and rail projects. The Planning Commission of Pakistan describes ‘one belt’ as the belt area that is composed of CPEC’s core zone including Kashghar, Tumshuq city and Atushi city and Akto county in Kizilsu Kirghiz autonomous prefecture of Xinjiang, China, along with Islamabad, some parts of Punjab, Khyber Pakhtunkhwa, Sindh, Balochistan, Azad Jammu and Kashmir and Gilgit Baltistan. The ‘three axes’ are the three horizontal axes that connect Lahore and Peshawar, Sukkur and Quetta and Karachi and Gwadar. Similarly, ‘several passages’ refer to several railways and highway trunk lines from Islamabad to Karachi and Gwadar.

Prime Minister Imran Khan has expressed his government’s resolve to build, expand and reconstruct railway tracks and other projects to facilitate common people. While referring to the Pak-China MoU regarding the completion of ‘strategic’ ML-1, he hoped for massive upgradation of railways and huge investment aligned with these projects. At the Leaders’ Roundtable, held in April 2019 in Beijing, of the 2nd Belt and Road Forum for International Cooperation on ‘Boosting Connectivity to Explore New Sources of Growth’, Prime Minister Khan had underscored the vital importance of more connectivity among BRI member states and proposed four areas for special focus: digital connectivity; mobility of labor; cultural connectivity; and sharing best practices in knowledge and innovation’. He also proposed establishment of a BRI Tourism Corridor and creation of multi-lingual digital platforms, besides ensuring greater labor skills and mobility.

During a visit by a Chinese business delegation to Islamabad in 2019, then Minister of Planning urged China to relocate its export-oriented industries so that the bilateral relations reach another breakthrough in terms of industrial cooperation. He identified investment opportunities in sectors such as petrochemical, iron and steel, maritime, energy, agro-industry, textiles, minerals, mines and tourism. Chinese delegates expressed interest in initially investing around USD 1 billion in several sectors including textiles, automotive and agriculture related as well as telecom and IT industries.

Other plans include people-to-people contacts and transfer of knowledge in sectors of mutual importance such as education, job creation, SMEs, water resource management and treatment and urban and rural development, in order to solidify the vision of social integration and capacity building through CPEC. In this regard, Pakistan’s Higher Education Commission is leading the Consortium of Business Schools from Chinese and Pakistani sides and is the focal agency in Pakistan for the establishment of Pakistan Academy of Social Sciences with the Chinese Academy for Social Sciences.

**CPEC-BRI are the Future**

Belt and Road Initiative upholds China’s five principles of peaceful coexistence and conform to the codes of UN Charter. China has attempted to address concerns based on geopolitics and anxieties about an inevitable Chinese political and economic influence in target regions. President Xi Jinping made clear that his country has ‘no intention of replacing existing mechanisms and initiatives for regional cooperation’. Foreign Minister Wang Yi called it a ‘sunshine initiative’ at the 2018 BRI Forum in Paris, assuring that there will be ‘no backroom deals’. Although any project of such a magnitude cannot be de-hyphenated from risks and challenges, the prospective dividends are likely to keep members glued to it.

The basic mechanism of CPEC exists well in line with five policy pillars of Belt and Road Initiative: policy coordination, facilitation of connectivity, financial integration, unimpeded trade, and people-to-people contacts. The quality, transparency, and sustainable pace and operationalization of projects will be crucial deliverables for all stakeholders. Some of the noteworthy CPEC plans, such as SEZs, information networks and infrastructure and industrial and social sector development require stable political will coupled with serious approach and resolve.

The performance of development projects is not a matter of a year or so and spans over a painstaking and lengthy run of decades. Rome was not built in a day and Chinese reforms and progress did not occur in a year. It was at least after four continued decades of hard work, perseverance, sacrifice and strategic wisdom that China emerged on the surface of world politics as a victor in the economic sphere, manifested particularly through its holistic and revolutionary Belt and Road plan. It is a path worth emulating. Pakistan by far enjoys a unique status and will be an important player in this regard, particularly by virtue of its respected and responsible position in the region, diplomatic acumen, impressive security strength, vast natural and human resources and above all, an earnest membership of Belt and Road Initiative.