



**CHINA PAKSTAN ECONOMIC CORRIDOR, REGIONAL ECONOMIC
DEPENDENCY; IMPLICATION FOR REGIONAL PEACE AND STABILITY**

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Abstract

The politics of the area have long been dominated by realist, nationalistic, weapons race, and security-focused South Asian politics, with limited room for liberalism and solutions to regional and domestic problems. However, because of its economic dependence and multilateralism, CPEC, as a component of BRI, provides a pathway for modernisation in the region. The growth and extension of CPEC may result in economic expansion, regional development, peace, and prosperity. Many people think that CPEC would just benefit Pakistan and China, but in reality, it will have a significant influence on the social, political, and economic landscapes of South Asia, Central Asia, and the Middle East. Openness and inclusivity are necessary for CPEC to be a source of peace, prosperity, and a tool for conflict resolution.

It is up against a lot of obstacles and adversaries. Nevertheless, it has the ability to accomplish its goals and build a stable, integrated community in the area. Instead of just countries, regions will reap its advantages. Economic interdependence, free commerce, mutual reconciliation, and cooperation will lead to peace and stability. As a result, it is anticipated that as the CPEC project continues to succeed in connecting Central Asia, a new era of regional peace and stability would usher in an improved climate for cooperation and conflict resolution.

Key words: China Pakistan Economic Corridor, Belt and Road Initiative, Middle East, Peace

Introduction

Economic interconnectedness reduces the use of armed force in interstate interactions, as a state that depends more on trade is less likely to go to war.

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Additionally, a lot of business tycoons would advocate against any war or military confrontation with a nation where they have assets or economic prospects. Despite its appeal, there are a number of reasons against the "liberal peace" theory. Dependency theorists contend that international tensions and conflicts may result from economic interconnectedness, such as exploited concessions or threatened national autonomy (Wallerstein, 1974; Emmanuel, 1972; Santos, 1970).

Liberals, on the other hand, stress three crucial factors in support of their opinion that economic cooperation may lead to harmonious relations between nations (Chen, 2009, p. 15):

- a. As previously said, assaulting the state's economic partner is extremely expensive since doing so amounts to the state going to war with itself because a conflict between the state and its corporate partners would undoubtedly be detrimental to the state's economy.
- b. Second, economic considerations override other national objectives like military building when economies become more linked or even integrated.
- c. Finally, Non-military threats are more likely to be deployed in a conflict between two states with strong economic ties.

The rational school of thinking similarly holds that governments should aim to maximise absolute wellbeing. As long as nations are sensible, high commerce should thus continue for the foreseeable future. Retaliation will be the inevitable outcome if the trade system is abandoned. They go on to say that because trade is preferable to violence, an increase in global trade may result in peace (Copeland, 1996, p. 16).

The core tenet of the liberal perspective is the idea that any state may profit from open trade and business. A dependent state should stay out of war since peaceful commerce gives it all the benefits of having close ties without the costs and risks of going to war. Copeland contends that dependent states should choose commerce over invasion because trade is more lucrative (Copeland, 1996, p. 8).

Numerous criteria may be used to define and assess economic interdependence. The term "interdependence" encompasses a wide range of ideas that have been extensively explored by academics over time.

Waltz defines interdependence as "a trading connection that is expensive to terminate" (Copeland, 1996, p. 13). The claim made by Tollison and Willett that "the phrase interdependence relates to the sensitivity of economic action in one nation to events or policies originating beyond its bounds in other nation or nations" was upheld in the 1979 case *Marina v. N. Whitman* (von Neumann Whitman, 1979, p. 265).

Additionally, "economic interdependence" in international relations has two meanings:

- a. According to Mansfield and Pollins (2003, p. 3), A group of states is considered interdependent if economic conditions in one state are dependent on those in the other. The Organization of Petroleum Exporting Nations and advanced industrial nations rely on petroleum imports, and it would be costly to break their collaboration.
- b. Second, nations will be considered interdependent if it would be costly for them to sever or forfeit their link if they were not connected economically (Mansfield and Pollins, 2003, p. 11).

This study supports the second definition.

It's interesting to note that throughout history, people have discussed the advantages and disadvantages of global commerce. While some regard it as a means of promoting world peace and prosperity, others see it as a factor in certain countries' poverty and inter-national strife. Others, however, maintain that commerce has little influence over leaders' choices to enter or stay out of an interstate or international dispute (Barbieri, 1996, p. 30).

According to Montesquieu, economic activity has the "natural consequence of bringing about peace." All unions are based on mutual requirements, therefore if one party is interested in buying, the other party is interested in selling (Mansfield and Pollins, 2003, p. 3). While some economic alliances could have the right conditions to promote peace, others might escalate hostilities or current tensions. It is essential to look at the nature and context of international economic ties in order to comprehend how such variations could develop. Mina E. Tanious identified this in his 2018 study, "The Impact of Economic Interdependence on the Possibility of Conflict between States. "Economic interconnectedness does not stop the growth of international conflicts" (Tanious, 2018). Economic interdependence, however, has the power to defuse tensions and bring combatants to the negotiating table.

Therefore, according to proponents of the rational choice theory, trade and economic interdependence theoretically promote peace and lessen conflict apprehension. One of the most well-known ideas of "Complex Interdependence," developed by Joseph Nye and Robert Keohane, is that governments with similar trade interests should apply the interdependence concept to their domestic policy (Keohane & Nye, 1987).

In the modern world, no country can live without developing links with other nations. In the postmodern era, no nation can be totally self-sufficient. Each nation works together with others to promote and sustain economic growth on a global scale. Therefore, in the age of globalisation, nations have made an effort to strengthen their economic ties and interdependence (Brown, 1972).

The patterns of interaction associated to Chinese policies toward South Asia may be examined via this lens of complex interdependence. Robert Keohane and Joseph S. Nye created a system of interdependence among states to examine Chinese policies toward South Asia from the perspective of cooperation. The underlying political and economic interconnectedness of two or more states is referred to as "interdependence." The concept of "interdependence" is broad and encompasses more than just common goals and advantages. On the other hand, dependence is linked to the shared interests and advantages of all the states in a setting of competition and cooperation (Keohane & Nye, 1977).

The China-Pakistan Economic Corridor is a key component of the Belt and Road Initiative, which seeks to bridge infrastructure gaps between the Asian, African, and European continents. It provides access to landlocked regions of Central Asia and Western China, as well as the Arabian Sea and beyond, due to Pakistan's strategic location at the intersection of supply and demand markets. The CPEC, the One Belt One Road plan's southernmost and shortest route, offers effective and efficient intra- and regional connections. CPEC, which is a priority for China, is unique among the Belt and Road Initiative routes in that it only involves one country, Pakistan, and cuts the distance between China and the Middle East from 13,500 km to just 2,500 km. Since CPEC and these regions are compatible, the project would eventually be crucial and beneficial to South and Central Asia, Africa, and the Middle East. But among the socioeconomic, political, security, and development challenges Western China, South Asia, and Central Asia face are corruption, underdevelopment, and terrorism. A region-specific plan is needed to identify development

opportunities, get over prosperity barriers, and address security issues for the shared goal of regional economic growth. The main objectives of this regional integration are shared growth and peace promotion, which are directly related to regional peace, security, and prosperity (Khan & Khan, 2020).

However, throughout history and the whole planet, trade routes have tended to go from north to south. There have been certain outliers, such as when trade routes changed from the south to the north when the United Kingdom/Northern Europe became a significant economic power and commodities consumer. However, that pattern has persisted for a while.

The fact that most people on earth reside in the northern hemisphere and that trade has often sought a route to the sea in order to reach new markets is not a coincidence. In reality, it has been thus for millennia in the Indian subcontinent. From Central Asia, trade routes fell to modern-day Pakistan before passing through northern India and finally reaching Indian territory.

Partition upended such a long-running free trade area. India's economy suffered as a result, notably in north India, and it was isolated from other markets like Afghanistan. Pakistan was further impacted by being cut off from its natural commercial hinterland. The commercial obstacles built along the Radcliffe Line worsened the subcontinent's fate more than the political act of partition, an aspect of history that no one wants to reverse.

The lack of major commercial collaboration with its neighbours became puzzling when India's economy began to open up in 1991. Since then, all prime ministers, regardless of political affiliation and philosophy, have realised that as India's economy grew, Pakistan would be compelled by logic of commerce and economics to establish ties with India.

It could happen because of India's understanding, selfishness, internal pressure, or the whole situation, but it will happen anyway. Depending on where it was placed, Pakistan may become India's equivalent of Canada or Mexico. Therefore, the value of the north-south trade route could not be disregarded indefinitely.

CPEC questions that presumption. By linking Kashgar (in the Xinjiang province) with Gwadar, it shifts Pakistan's reliance on a north-south commercial route to an east-west trade corridor (Baluchistan province). With the establishment of this relatively new trade route, Pakistan and China hope to create a new economic and geopolitical geography (Malik, 2016).

Martin Jacques predicts a global shift in the twenty-first century when non-Western nations will become more powerful and the West will lose its hegemony. He underlines that China will be the main participant in this new phase of challenged modernity in his book "When China Rules the World." China Power asserts that the Belt and Road Initiative suggests that the global fulcrum is moving from the West to China. The initiative encompasses 65 countries with a total Gross Domestic Product (GDP) of \$23 trillion and a population of 4.4 billion people.

In addition, several BRI countries have an urgent need for connectivity, trade, and infrastructure. While the powerful American president, on whom most of these Asian nations have historically relied economically, seems unconcerned. Long-term help is neither something that Biden and his administration are committed to nor interested in doing. China is stepping up to help these trade-hungry countries. According to the Asian Development Bank, these China-courted developing Asian countries need to invest \$1.7 trillion in infrastructure each year to maintain development, combat poverty, and adapt to climate change (Hassan, 2020).

China's rise from regional to global domination is based on its relationship with Pakistan because of Pakistan's geopolitical significance (Small, 2015). China and the United States have competing interests, notably with regard to the CPEC. Long-term shared trade routes between China and Pakistan in the Indian Ocean are not supported by either the United States or India. It is alarming that the United States' capacity to keep an eye on the region, particularly Russia and Iran, is directly impacted by the fall of American influence in Pakistan.

China is demonstrating that it is simultaneously upending the South Asian power system. They have encouraged the development of commercial corridors between India, Pakistan, and Afghanistan as well as the strategic alliance between Russia and Pakistan (Kaushiki & Ramzan, 2015). The open trade channels will promote regional dependence rather than global dependence, which may benefit the region, particularly Pakistan, India, and Afghanistan (Butt & Butt, 2015).

Additionally, India's involvement in CPEC may help China, Pakistan, and India-China trade reach new heights. Many other nations in the region, such as Central Asia, Afghanistan, West Asia, and India, may be included in the expansion of the China-Pakistan Economic

Corridor, which connects China and Pakistan. The non-coastal, resource-rich nations of Central Asia have long wanted a path to the sea and access to the markets of the area, which include China, Pakistan, India, and the nations of West Asia. Contrarily, Tajikistan and Afghanistan have transit agreements; nonetheless, CPEC may give them the opportunity to transfer their commodities and raw materials conveniently for low prices and sell their products in national and international markets for increased earnings. Along with the opportunity for profit, it might promote local trade and ties to the economy.

Pakistan has a significant desire to interact with and get access to Central Asia's resource-rich countries. To fulfil its energy demands and provide goods to Central Asia for export, everything must pass through Afghanistan. The CPEC passes through a location where South Asia and Central Asia converge.

It may be suggested to Central Asia, Afghanistan, and India that they open their airspace to the regional and global market as part of the CPEC project because doing so will strengthen regional interdependence and integration. Chinese President Xi Jinping alluded to such an agreement over the extension of the CPEC during his first-ever visit to Pakistan in April 2015 when addressing the Pakistani Parliament (Akber, 2015).

However, territorial, regional, and other internal conflicts are widespread in South Asian nations. Similar low levels of commerce and business activity exist between these countries. Economic interdependence has the ability to reduce tensions and encourage development. Through encouraging political integration at the time, economic integration helped to increase regional peace and stability.

The European Union's regional integration model is a great example of peace and economic progress for the republics of Central and South Asia. However, it can only occur if each nation takes an active part in integration, putting aside individual resentments in favour of shared interests, and adopting the interdependence phenomenon through infrastructure development based on the European model, creating a win-win scenario for all member states of the region (Mattli, 1999).

A step in the right direction toward integrating South Asia, Central Asia's landlocked republics, less developed western China, Iran, and Middle Eastern nations is the China-Pakistan Economic Corridor. In essence, it creates economic connections between resource-

rich and resource-poor regions. The peace, tranquilly, and economic development of the entire region are benefited by this kind of regional integration. Only through improving the region's complete infrastructure, transportation systems, and commercial activity would regional integration be possible (Jaleel et al., 1999).

Power Politics in the Region and Peace

The modern era has seen the globalisation of the world as a consequence of advances in technology, telecommunications, and transportation. Events in the United States, for instance, can impact other parts of the world in different ways. A global village has emerged on the planet. A single incidence, namely the 9/11 incident in the United Governments, changed the patterns of relationships between and the policies of almost all states. Every nation has turned to economic growth and interdependence in its search for peace and advancement. Consequently, it is an attempt to create a world without bounds (Jaleel et al., 2019).

However, under Realpolitik, nations prepare for and aggressively pursue their national goals, which frequently conflict with those of other states, leading to instability in the areas where these power struggles take place. Baluchistan in South Asia, in particular, is a prime illustration of this (Khan, 2021).

As a result, unlike during the Cold War, South Asia and the Indian Ocean region will play a significant role in the great power struggle. The South Asian region is becoming a key venue for the escalating conflict between China and India. Additionally, the confrontation between China and the United States, which involves all of the nations that border the South Asian peninsula, is another significant international conflict that is likely to define the next age (Madan, 2021).

Additionally, there is a lot of discussion right now on the Quad and its implications for world peace and harmony. Geostategic links connect the goals of this quadrilateral alliance involving India, America, Japan, and Australia. However, there is another quadrilateral alliance in South Asia that is divided into two coalitions: China and Pakistan and the United States and India. It is now a two-versus-two situation as a result of the divide. The contradictory and at odds goals of the two coalitions have created a hazardous situation in the area.

It has been predicted that the conflicts between China and India and the US and China will have the biggest effects on the region in terms of dangers and new opportunities. The rivalry between China and India will play a part in defining the balance of power in the area as Beijing increases its presence and influence in virtually every South Asian nation and the Indian Ocean region. However, it could have an effect on how those countries decide to cooperate or compete with one another, as well as whether they engage in local and international interactions with other big powers, such as through international institutions and coalitions based on shared interests.

Unexpected truths come to light when South Asian geopolitics are seen from a fresh angle. Like how the region has been ringed and transformed into a conflict zone as a result of containment operations against China by the United States and its allies. India, another emerging regional power, is involved in the rivalry for shared dominance between the US, the present superpower, and China. Candidates who are hesitant to share power and split on a number of issues suggest that the world is shifting from a unipolar to a multipolar society.

Furthermore, China has a strong economic and strategic position as a result of its vast reach through the huge infrastructure project known as the Belt and Road Initiative. It has made a name for itself as a significant regional and global power. India hasn't yet advanced economically to that point. However, it is important not to undervalue the strategic reach it has achieved, which has benefited from strong American backing. When two titans with competing interests are placed in the same territory, their diverse agendas can lead to conflict and political unrest in the neighbouring states.

The Belt and Road Initiative, on the other hand, is seen as Chinese expansionism by American authorities because it gives China the opportunity to counter US expanding outposts and establish pressure points from the West, South, and East.

Every success has its demise, and American supremacy is no different (Khan, 2021). As a result, when authority shifts, there will unavoidably be violence and disputes. As witnessed in Afghanistan, the Middle East, and before in Vietnam, the United States' desire to maintain its military hegemony in world affairs has led to several conflicts and a high death toll (Khan, 2021).

Due to its corporate and financial goals, geopolitical worries, and containment strategy for China, the United States was obliged to develop this strategy. Additionally, it makes the region more vulnerable and conflict-prone. China, on the other hand, has adopted a comprehensive strategy based on shared economies to take a leading role in world affairs. Beijing's geostrategic ambitions in respect to the US and India, a regional growing power, are symbolised by the Belt and Road Initiative.

However, in order to preserve its influence in the region, the United States has provided India with financial, military, and strategic support, which has unnecessarily strained relations with neighbouring nations. Similar to this, Beijing is redefining its geopolitical goals through the China Pakistan Economic Corridor by fusing its maritime and transportation ties to Pakistan. The Gwadar Port in Baluchistan is the centrepiece of the CPEC, providing China with access to the Strait of Hormuz and the shortest route to the Central Asian Republics (CARs), Middle East, and Africa. The CPEC is the BRI's model economic corridor, but Balochistan is a weak link due to its political volatility (Khan, 2021).

The Strait of Hormuz is the busiest commercial waterway in the world, but the Gwadar Port's strategic location allows it to control access to the Middle East and the Central Asian Republics (CARs), which are home to significant oil reserves. Participants in the CPEC, including China and Pakistan, are certain that the initiative would be advantageous for the whole region. On the other hand, local experts view CPEC as a purposeful Chinese endeavour to take control of the region and establish a hegemonic stance. Regional and international parties are employing containment methods to stop China's ascent.

Furthermore, Pakistan and the United States have a tense relationship that the latter would love to see Pakistan remove itself from. Naturally, Pakistan is unable to cooperate in order to maintain China's goodwill toward their shared competitor, India. The US prioritises positioning India as a key regional player to check China's expanding dominance.

However, both the United States and India are concerned about China's economic dominance. China's most significant strategic ally in the larger Asian region is Pakistan, which gives China secure access to the Indian Ocean and the ability to project power, endangering US interests there. Geographically speaking, China is a South Asian country since more than half of its territory lies south of the northernmost latitudinal point of South Asia.

Furthermore, the nuclear deal signed by George W. Bush Jr., the American president, and four additional military pacts marked the beginning of the strategic partnership between the US and India. India has so far been denied membership in the Nuclear Suppliers Group (NSG), which has stopped it from taking full use of the organisation. The recent trip to India by Defense Secretary Lloyd Austin of President Biden's cabinet, however, makes a clear message about their future military cooperation (Ashraf, 2021).

Considering the South Asian rivalry, it is also at risk that the United States would not support India's permanent seat on the UN Security Council. American political figures from both the Republican and Democratic parties have expressed a wish for India to play a bigger part in ensuring the security of South Asia and the Indian Ocean. India, Australia, and Japan might join the US in encircling China at sea. By concentrating on India early in the term, the Biden administration has set its foreign policy objectives.

As a result, China's and the United States' interests are at odds in South Asia today. Pakistan also grows more dependent on China, with which it shares a shared enemy in India, while the US continues to support India's neighbour. Therefore, China-Pakistan relations are essential to one another.

The interests of the two superpowers, China and the United States, clash in this region as well, which is near some of the world's greatest oil resources in the Middle East and Central Asia. Instead of the conventional proxy war that existed between the USSR and the US during the Cold War, this fight will be conducted through areas of influence and economic links. Because of this, governments will continue to band together to deny other powers the advantages of economic goals. A developing China in such a position would fight back wherever it could, both directly and in cooperation with Pakistan and others. (Ashraf, 2021).

Conclusion

The China-Pakistan Economic Corridor (CPEC) is a landmark project that aims to connect China's western province of Xinjiang to the Pakistani port of Gwadar through a network of highways, railways, and pipelines. The project, which is part of China's ambitious Belt and Road Initiative, has the potential to transform the economic landscape of the region and create new opportunities for trade and investment. As the CPEC project continues to progress and the infrastructure is built, it is anticipated that it will not only boost the economic development of the region but also contribute to regional peace and stability. This

is because economic development has been proven to be an essential component of long-term peace and stability in many conflict-prone regions.

With improved transportation networks and better connectivity, the CPEC project will create an enabling environment for increased trade and economic cooperation between Pakistan and China, as well as with other countries in the region. This increased trade and economic integration is expected to bring economic benefits to all participating countries and create a more stable and peaceful environment. Furthermore, the CPEC project has the potential to help resolve some of the long-standing conflicts in the region, including the Kashmir conflict between India and Pakistan. By creating economic opportunities and promoting cooperation between countries, the project could help build trust and confidence between the different stakeholders and pave the way for a peaceful resolution of the conflict.

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