PAK.STUDY

ASSIGNMENT # 1

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# Q 1.

ANSWER:

**Abstract.**

**(Since its emergence in 1947, Pakistan has had to face daunting crises and challenges. The aftershocks of 9/11 have impacted on Pakistan severely necessitating radical revisions in some of its key foreign policy goals. The country is under intense international scrutiny as a frontline state in the global fight against terror. There is need for Pakistan to undertake far-reaching domestic reforms as only political, economic and social stability under a democratic dispensation will enable it to overcome the internal and external threats that it now confronts**

1. **Introduction**

Foreign policy of any nation is determined by the number of factors like security, economy, geography, ideological interest and many more. Pakistan, because of its historic past and its position in the Muslim world had to face tough choices in terms of foreign policy making. The country’s foreign policy was mostly based on its security and economic interests. Pakistan’s rivalry with India and the issue of Kashmir reflected heavily upon its foreign policy during the Cold War period and it still does have a profound effect on the country’s foreign policy. The country after maintaining a period of neutrality during the initial phase of Cold War decided to choose its path by being the part of Baghdad Pact in 1955, a move which annoyed the Muslim world. Pakistan, however, justified this alliance by claiming this was done in order to secure protection from India.1 However, this was primarily because of the country’s weak military and economic position that it chose to join the pact. Moreover, it was the pressure and promise by US of military and economic support to the country that Pakistan entered the US led Capitalist bloc. By doing this the country tried to balance its equation with its nearest rival India, with whom it had fought four wars.

After the creation of Pakistan on religious grounds, there were questions concerning not only the survival of Pakistan, but also regarding its ideology - whether it would be an Islamic state or a secular one. The founding father of the country, Mohammad Ali Jinnah made it clear at the very outset that Pakistan will be a secular state with religious freedom granted to everyone regardless of their particular faith. Pakistan was a country composed principally of Muslims but essentially secular and democratic in its constitution and political institutions. He made this clear in a speech on 11 August 1947, three days before independence, when he told members of the Constituent Assembly that: 'You are free to go to your temples; you are free to go to your mosques or to any other places of worship in this State of Pakistan. You may belong to any religion or caste or creed - that has got nothing to do with the business of the State. There have been instances of Islamization of Pakistan’s foreign policy under different regimes. Also, the Pakistan’s establishment faced pressure from the Ulemas who wanted the state to be declared as an Islamic state in principle

**Pakistan’s Foreign Policy towards the United States:**

9/11 was a watershed moment in the annals of the modern times. It was an event which shook the world and changed the dynamics of world politics. This all happened when twin towers in America were hit by hijacked planes and the men from Al- Qaeda were said to responsible for the attack. This attack not only resulted in the death of more than 3000 people, but shook the very pride of the US and took the world by storm. What followed thereafter is what is referred to as “War on Terror”6 . The US was very firm in its stand to wipe out the roots of the terrorism and to bring perpetrators of the attack to justice. In its fight against terror, the US garnered international support and thus began the never ending circle of violence, whose first victim became Afghanistan.Pakistan shared cordial relations with the US which were marred by occasional breakdowns because of the shaping of political events in Pakistan. Disappointment at the US support to India during the Sino-India war and the breakdown of democracy in Pakistan especially after Zulfiqar Ali Bhutto was removed from office dented the relationship between the two countries. The shaping of events after 9/11 granted a new lease to the relationship between US and Pakistan. The US needed Pakistan for its strategic reasons, as the latter being the neighbour of Afghanistan could prove a potent weapon in its fight against terror. It was the time when Taliban had maintained a stronghold in Afghanistan and the US believed that Osama was not only hiding there, but was protected by Taliban. After Taliban refused to hand over Osama to America, the latter believed that the sanctuary of terrorists operating from Afghanistan is a threat to world peace and thus decided to invade Afghanistan for which it sought the help from Pakistan. But it was not an easy decision for Pakistan to join the bandwagon of “War on Terror” as the country was already grappling with the security problems and by choosing to be US allyit was inviting more trouble to its already precarious situation, as Ahmed Rashid has rightly described the relations between the two countries after 9/11 as torturous.8 Pakistan has always been a country where military has dominated the politics and is always believed to call shots even if there is an elected civilian government. When 9/11 happened, Pakistan was headed by the powerful military ruler, General Pervez Musharraf, so the US had no choice but to deal with him and to seek his support. There was a growing lobby within Pakistan consisting of ulemas9 who didn’t want their country to fight against their Muslim brethren. Also, Pakistan supported the Taliban regime in Afghanistan. Moreover, many people take it for a fact that Pakistan’s relations with the US are determined by what is in the interest of US, not Pakistan.10 After initial phase of reluctance shown by Pakistan, it formally joined US and became one of its most important strategic allies. Pervez Musharraf justified this alliance by saying that the country had no choice but to join the alliance as the US had threatened of “bombing it into stone age” in case it declines to join US.11 Thereafter the US was allowed to use the air bases in Pakistan to mount attacks against Afghanistan and also provided a loan of $1 billion to Pakistan for its cooperation.

After Obama took over the US presidential office in 2009, he made it clear that his predecessor George Bush had largely ignored the problems faced by Pakistan and how it posed serious threat to the regional stability if left unaddressed.19 Pakistan also witnessed a change in its political environment after 2008 general elections, which forced Musharraf to resign and an elected civilian government formed by President Asif Ali Zardari. An important event took place on May 1, 2011 resulting in the capture and killing of the most wanted man, Osama bin Laden, who US believed was the mastermind of 9/11 attacks. This raid by US Navy SEAL and the operation inside Pakistan’s Abbottabad posed serious challenges to the Pakistan –US relations. While Pakistan blamed the US of violating the country’s sovereignty, the US blamed Pakistan of shielding the man they were looking for since that fateful event. There were talks of “divorce” between the two countries, but somehow that moment was not to be which reflects that the relationship between the two countries no matter how old suffered from mutual trust deficit and further aggravated the fragile situation in Pakistan. 20 The country faced host of challenges as it can’t afford to hamper its ties with rest of the world by pleasing the US. Analysts argued that certain factors deteriorated the situation in Pakistan and these include the emergence of Pakistani Taliban who has become more dangerous now, division in the Pakistan’s national security paradigm and the use of Islamic militants- jihadi groups, non-state actors- to pursue its defence and foreign policy goals.21Also the “drone attacks” by the US has resulted in civilian causalities and has thus become another matter of contestation between the two countries. The shaping of events in Pakistan and the relationship with the US left Pakistan with no choice but to launch assault in the FATA (Federally Administered Tribal Areas) which was believed to be a safe haven for terrorists. This ploy of seeking goodwill of US has a huge bearing on Pakistan, be it in terms of human lives lost or in economic terms. The ghastly attack on military school in Peshawar was a chilling reminder of how Pakistan has been left battered by this menace of terrorism which is threatening its existence and which is believed to be a consequence of Pakistan’s joining of US led „War on Terror‟.

Pakistan’s Foreign Policy towards India: The incident of 9/11 worsened the already fragile security situation in South Asia where the relations between Pakistan and India have for the most part remained adversial. Pakistan’s foreign policy towards India has been primarily security driven. The two countries have over the period of time fought four wars and border skirmishes have marked their relationship for most of the times. The major bone of contention between the two is that of Kashmir issue, with both the parties claiming the land in its entirety. 22 The two countries have always looked at each other as potential threat and tried not to concede an edge of one over the other. This has reflected in forging of alliances, and when India successfully tested nuclear weapons in 1998, Pakistan responded by successfully test firing its own nuclear weapons and thus restored balance with its rival. The separatist movement started by the Kashmiris against what they deem as an occupation by India was supported by Pakistan for its own interests while at the same time India supported the insurgency movement in Baluchistan. 23 So, this challenging relationship between the two countries has been deemed as a threat to the peace in South Asia and hence the calls for ending hostilities have been growing. After the 9/11 incident, Pakistan’s growing proximity with the US caused discomfort in the Indian camp and with both parties in order to please the US were accusing each other of fomenting trouble in their respective countries. India in its attempt to woo the US and to keep Pakistan away from the US coalition, tried to exploit the situation and seek Washington's help in declaring Pakistan as a terrorist state. Pakistan, during the time when Kasuri was the Foreign Minister made it clear that any solution to Kashmir should be acceptable to the people of Kashmir and to the Governments of both Pakistan and India.25While India on the other hand has blamed Pakistan for lack of sincerity and its support for militants to wage attacks against India, which resulted in the derailment of dialogue process between the two countries.26 With the effective use of backchannel diplomacy and Confidence Building Measures (CBM‟s), growing tensions between the two were defused to a considerable extent and in a significant move Musharraf was invited to Agra Summit in an attempt to normalise the ties-- an attempt which many regarded as a failure.27 Another visit this time by Indian Prime Minister Vajpayee to Pakistan in 2004 on the side-lines of SAARC summit was a step towards bringing an end to the troubled relationship between the two countries. While India insisted on its demand of dismantling terror networks operating from Pakistan, Pakistan reiterated that the root causes of this needs to be addressed-- which means resolution of lingering Kashmir issue. India has always treated Kashmir issue as a bilateral one with Pakistan and thus reduced the role of Hurriyat leadership in Kashmir who claim to represent the mass aspirations. Also, the role of armed rebellion which started in 1989 wasalso delegitimized by India. Hence, in this scenario the negotiations between Pakistan and India over Kashmir issue have always been a subject of criticism in the two countries. Pakistan’s foreign policy stance over the contested Kashmir issue, though drawing flak from many quarters, has been of taking Kashmiri Hurriyat leadership on board before entering into any negotiations. Although Kashmir issue was side-lined by Pakistan on numerous instances, but they have constantly reiterated the utmost importance of Kashmir issue by emphasising that Kashmir runs into the blood of most of the Pakistani’s Although Kashmir issue occupied the central stage when it came to negotiations, there were other host of issues like water sharing issue which was deemed as major threat to peace, besides other issues related to Siachin and Sir Creek.29 Despite facing immense hurdles, Pakistan and India carried on dialogue process with occasional breaks to resolve all issues. Notwithstanding the cynical voices opposed to the dialogue process, it needs to be carried forward. After the change of guard in both the countries no major development in solving these issues has been reached, apart from the famous Four Point Formula by Musharraf which did not have many takers. Despite the repeated attempts to stall the dialogue by some elements, the two countries have continued negotiations. In order to boost the respective economies, Pakistan Cabinet approved the MFN (Most Favoured Nation) status to India in 2012, which would boost the bilateral trade to US $6 billion by 2014- move which was criticised by Kashmiri freedom leaders and the people within Pakistan.30Now that India is headed by the fire brand leader NamendaModi, many people believe that Pakistan will find it tough to deal with him and his approach on Kashmir and other issues will be different from that of the Congress Party. Some analysts believe that restoration of democracy in Pakistan, has made things bit easier and the growing friendship and bonhomie between Nawaz Sharif and Modi is expected to throw interesting things in future relations between the two countries.

**Pakistan’s Foreign Policy towards Afghanistan:**

Ever since Afghanistan and Pakistan fought on the same side in their fight against Soviet Union, the two countries have been far from maintaining cordial relationship with each other. The two Countries sharing the same history and bound by ties of faith, culture and geographical proximity have locked horns over issues related to security and Pashtuns. In its attempt to achieve its broader foreign policy goals, Pakistan has sought to mend its ties with Afghanistan with whom it also had troubled past relations as it is being blamed for its interference in country’s politics including the support from ISI to start insurgency in Afghanistan for its own interests and ambitions.31 The underlying assumption for this Pakistan interference was that after the withdrawal of US forces, the US will grant leeway to India to use its influence in Afghanistan and thus will undermine the authority of Pakistan. Failing to achieve its set of objectives from Afghan War (rebuilding the Afghan state and defeating Taliban), the US and NATO forces began to withdraw from Afghanistan and the country was left in shambles with the threat of civil war looming war. The US regarded Pakistan as a corner stone for the regional peace and thus expected it to play a major role in restoring some sort of stability in the region. The earlier rationale for good relations with Afghanistan and need for “strategic depth” was that in case of war with India, the latter could give its army support and space, was later discarded by Pakistan army and officers as „meaningless‟ owing to the possession of nuclear weapons.32 After facing the difficult situation in the wake of 9/11 attacks, in their bid to improve relations, the two countries signed 2002 „Kabul Declaration on Good Neighbourly Relations‟ which was based on the policy of non-interference. This was followed by the visit of Pakistan‟s Foreign Minister to Afghanistan in 2003 where in Pakistan ensured of not allowing its territory being used against any attack inside Afghanistan.33 While Afghanistan accused Pakistan of interfering in its country with increasing evidence, Pakistan on the other hand expressed displeasure that the grave problems faced by the country were being overlooked. Pakistan made it clear to the Afghanistan that it favoured the negotiated settlement which also includes bringing Taliban to the table. President Karzai of Afghanistan was very vocal in its approach about the involvement of Pakistan in fomenting trouble in his country, and made it clear that Afghans were not so foolish as to turn their country into a battleground because of clash of interests between India and Pakistan and at the same time also emphasised that Afghanistan did not hold any ill will against Pakistan.34 Pakistan being conscious about reducing the Indian footprint in Afghanistan provided support to Karzai Government and also marking a high point when Pakistan invited Karzai to be the Guest of Honour at the Pakistan Parade Day in 2005. Further, by bolstering their economic ties from paltry US $23 million to the tune of $1.2 billion between them in 2005-06, Pakistan set the precedent for the importance it attaches to Afghanistan.35Giving further push to the increasing diplomatic ties with Afghanistan, Pakistan opened up its borders to accommodate the huge influx of refugees, which is the direct result of on-going war in Afghanistan, and it is being estimated that Pakistan still hosts 3 million refugees from Afghanistan. It also announced $100 million aid to meet the challenges of reconstruction and rehabilitation in Afghanistan.

 **Relations with China and Russia:**

 In what is referred to as Diplomatic Outreach,Pakistan‟s has over the period of time built healthy relations with China despite being inclined more towards the West. China understood that it was because of security challenges Pakistan feared from India that it was comfortable with choosing Pakistan as its strong regional ally and in return Pakistan supported China’s berth in UN Security Council. The relationship between the two countries has for the most part been cordial and even after the incident of 9/11, the relationship between the two witnessed an upward trend and the period was marked by frequent exchanges of heads of states and the signing of various agreements, one among them being the Treaty of Friendship, Cooperation and Good Neighbourly Relations in 2005.37 Pakistan will be keen to further strengthen its ties with China and to take this relationship to new heights which gets reflected by itswillingness to open the traditional Silk Route which connects the West and the East and thus to give boost to their economic ties. Also, Pakistan has handed over Gwadar Port to China which links South Asia to China and Central and West Asia and can help Pakistan to give a further push to its economy; this move has raised ripples in India who think it to be the strategic move from China which it could use against India in case of a war. Pakistan’s foreign policy towards Russia has come a long way from its Cold War days when they fought alongside US and Afghan Mujahedeen and both the countries realised the importance of maintaining good relations, improved their relationship post 9/11 incident. Russia, grappling with its internal issues and the insurgency in Chechnya, Dagestan and the Caucasus, found a way to join the growing consensus among the international community on terrorism. The two countries have since then marked an improvement in their ties and the potential of trade in terms of oil and gas has also been an important factor to shape their relationship. The starting of Joint Working Groups (JWG) in different fields and the visits to each other’s countries which started after a gap of thirty years when Russian Prime Minister, Mikhail Fradkov visited Pakistan in 2007 and later in 2012 the period witnessed signing of Memoranda of Mutual Understanding.38 The results began to yield fruits when Russia lifted an embargo in weapon sales to Pakistan and with this future prospectus with Russia looked good for Pakistan. Relationship with the Gulf and the Middle East: With the countries in the Gulf, Pakistan has always maintained a healthy relationship more particularly with Saudi Arabia which has been a long term ally and a trusted friend of Pakistan. At the times when sanctions were imposed on Pakistan, Saudi Arabia acted as a saviour for the country on numerous occasions by providing aid and other logistical support. The strong Muslim connection apart from the security reasons has been a driving force for this relationship to thrive, but Pakistan has for most of the times been caught up in the battle for regional supremacy between Saudi Arabia, Iran and Turkey. While as Arab countries in the Middle East have looked upon Pakistan as a Muslim power, as it is the only Muslim nuclear power country, Pakistan in turn has supported the countries in the region on many instances by opposing the war on Iraq and also on Iran over the latter’s nuclear programme. It has also refused to accept the statehood of Israel and also supports the fight for the recognition of independent Palestine.39 Pakistan for the most of its part maintained neutrality when the “Arab Spring” swept the Middle East region in 2008 and brought about the regime changes in Tunisia Egypt, Libya and has unleashed civil war in Syria which has killed more than 200,000 people. 40 It was only recently in a significant departure from its position of neutrality that Pakistan has decided to oppose any attempt which threatens the removal of Assad.41 The resourceful region has always remained a source of attraction for most of the countries and thus Pakistan is not staying behind because of its own interests in the region.

 **Conclusion:**

 Pakistan‟s foreign policy like any other country has been expanding its sphere of influence not only in the region, but in the world politics as well. Its foreign policy has for the most part been Indo- centric which has thus impeded its growth in relationship with other countries. Pakistan perceives existential threat to its territorial integrity from India and this consideration has always essentially influenced its foreign policy and behaviour. The country’s backing of non-state actors in its proxy war against India has backfired as is evident from the mounting attacks from TTP (Tehreek-e Taliban Pakistan) and other elements on its own soil. The precarious security situation in the country has posed serious challenges to its existence and the elements hell bent upon seeing Pakistan in chaos should be tamed by taking every stakeholder on board. So the need of the hour is to have better relations with the neighbouring countries, more particularly with India which is in the mutual interest of both the countries. The need to initiate dialogue and negotiation for resolving the pending issues is only the best way forward. Moreover, Pakistan has excessively relied on the US that no doubt has helped the country to boost its economy and defence capability, but it has also brought miseries of unprecedented magnitude to the country and thus alienated the large section of its society, which does not augur well for any country.It is the time for Pakistan to stand up to face the mounting challenges and try to address its spiralling internal issues, rather than to remain obsessed with India. Unless and until Pakistan doesn’t have a good relationship with its neighbouring countries, more particularly with India and Afghanistan, the more problematic it becomes to pursue its own national interests and to bring about stability and peace in South Asia.

# Q 2.

ANSWER:

**CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC): PROSPECTS AND CHALLENGES FOR REGIONAL INTEGERATION:**

Abstract As a flagship of China’s One Belt One Road initiative, China Pakistan Economic Corridor (CPEC) is pivotal to China’s energy security owing to the growing row in the region of South China Sea among China and other regional and global players. The ongoing contestation between China and other countries in the Asia Pacific has compelled China to look for alternative pathways to meet its increasing energy needs in case of any blockade of the Strait of Malacca as a consequence of any conflict between China and other countries. The CPEC could also bring economic avenues to Pakistan and can foster regional and cross regional economic and trade integration between South Asia, Central Asia, East Asia and West Asia. However, it is also surrounded by some serious challenges ranging from regional security environment, internal instability to political discontent among various political actors in the Pakistani polity

**INTRODUCTION**

 The China Pakistan Economic Corridor (hereafter CPEC) is the flagship of China’s One Belt One Road (OBOR) initiative envisioned by president Xi Jinping back in 2013 for the economic integration of Eurasia through belts and roads initiatives. The OBOR is part of China’s grand strategy of its peaceful rise as a great power on the global stage through a financial initiatives of $40 billion Silk Road Fund and the 57 members Asian Infrastructure Investment Bank (AIIB) to generate new growth engines along the New Silk Road with a win-win and cooperative approach ( Aneja, 2016). The OBOR has two international trade connections namely the land based ‘Silk Road Economic Belt’ and oceangoing ‘21st –Century Maritime Silk Road; the CPEC is the part of the former one. With the former launch of CPEC between China and Pakistan in April 2015 by President Xi Jinping, the CPEC has got a status of “game changer” or “fate changer” and nationalistic fervor in the political, media and public discourses in Pakistan (Zaidi, 2016). This multibillion dollar (US$46bn) CPEC is a network of roads, railway tracks, oil and gas pipelines, fiber optics for communication, dams, ports, airports and economic zones linking the Western part of China to the Gawadar Port in Balochistan, Pakistan running some 3000km from Xinjiang in China to Balochistan in Pakistan via the Khunjerab Pass in the Gilgit-Baltistan of Pakistan. Historically the Sino-Pakistan relations have remained more military- oriented, but it seems that a new relationship is in the offing between the two countries to make their ties more economic oriented focusing on trade, investment and energy cooperation (Kumar, 2007). The CPEC has the potential to further deepen the relationship between China and Pakistan both economically and at public level (Small, 2015) and can change the geopolitics of South Asia (Barber, 2014) by connecting China to the Indian Ocean. This access of China to the Indian Ocean via Gawadar Port in Balochistan, Pakistan may trigger concerns for India as it considers the CPEC as strategic initiative of China to deploy the latter’s naval forces in the India Ocean to contain India what many termed as ‘String of Pearls’ strategy (Holmes, 2013). Both China and India have already conducted naval exercise in the India Ocean as a symbolic sign of hedging in 2014. However, scholars have rejected this argument stating that China has vulnerabilities in the Indian Ocean given the increasingly success of India’s security relationship with the surrounding countries in the region of Indian Ocean (Brewster, 2015). The CPEC is strategically and economically important both for China and Pakistan. It will pave the way for China to access the Middle East and Africa from Gawadar Port, enabling China to access to the Indian Ocean and in return China will support development projects in Pakistan to overcome the latter’s energy crises and stabilizing its faltering economy. Additionally, the CPEC could serve as the driver for trade and economic integration between China, Pakistan, Iran, India, Afghanistan and the Central Asian States provided the frosty political atmosphere between Pakistan, India and Afghanistan and to some extent Iran gets improved in the near future. Under the CPEC framework, around US$10 billion will be spent on infrastructure development and US $ 30 billion have been allocated to various energy projects including dams to generate electricity which is a dire need for Pakistan’s economic and industry development. This substantial amount of US$ 46 billion could rejuvenate Pakistan’s dilapidated communication infrastructure and overcome its energy crisis. It may also be pivotal for Pakistan’s regional trade activity between China, the Middle East, South and Central Asia and beyond (Masood, 2015). A this stage CPEC seems to be a bilateral initiative between China and Pakistan, however in the long run it has the prospects to be a multilateral project.

 **2. STRATEGIC SIGNIFICANCE OF CPEC:**

CPEC as pivot to China’s Economic and Energy Security The CPEC if become operational can connect China directly to the Indian Ocean and the region of the Middle East from the deep Gwadar Port in Pakistan thus reducing its existing dependence on the South China Sea. The South China and East China Seas are increasing becoming contentious territories between China and many regional powers and their allies including Japan, Philippines and the United States, who have challenged the ownership claims of China over these strategic seas in the Asia-Pacific region. The recent decision by the international tribunal against China over the South China Sea case has further build up pressure on China to explore for alternative secure ways to transport it goods and energy requirements from the Gulf region. However, China has rejected the ruling of the international water tribunal stating it not abiding and would not affect China’s territorial sovereignty and maritime rights in the South China Sea (The Guardian, July 2016). The Gwadar Port in Pakistan, under the Chinese control is only 400 KM away from the Strait of Hormuz and is strategically pivotal for China in transporting its energy and oil needs from the West Asia reducing its current maritime transportation distance from 12000 km to 3000km. Accessing the Indian Ocean from the Gwadar Port is inevitable for China as it makes China less vulnerable to its existing Malacca Dilemma and provides the economic security to China in getting access to the West Asia at a time when the Strait of Malacca is increasingly becoming a contested territory among various players including China (Joshi, 2013; Kumar, 2007). Currently China transports 80% of its oil and energy needs through the Malacca Strait and increasingly feels that its economic and energy security interest in the region are under serious threats due to the escalation of tensions between China and the region and global players in South and East China Sea. This is why China is looking for alternative viable transit routes both economically and security wise; the CPEC is the best choice for China linking it directly to the Indian Ocean via Gwadar Port. Under the US policy of rebalance to Asia the region of AsiaPacific has got an unprecedented strategic importance for the Obama administration as the recently signed Trans Pacific Treaty between US and its allies testifies it. This rebalance policy of the US in the region of Asia-Pacific involves military, economic and strategic focus to the countries of South East Asia including India in shaping its rebalance of the region including South China Sea and the Indian Ocean (Saunders, 2014). This would further cause discomfort for China vis-à-vis its economic interests and security in the region of the AsiaPacific.

 **CPEC Fostering Regional Trade and Economic Integration Geopolitically**

 Pakistan is the most suitable economic corridor for trade and transit activities providing a gateway to Central Asia, South Asia, East Asia and West Asia. Its role has remained important both during the cold-war and post cold war era due to its geostrategic location and being neighbor to the rising economies of the region namely; China and India. It can act as an important economic geography for regional trade in the greater region of Asia. However, Pakistan has failed miserably to take economic advantage of its strategic location and geography in the region. The existing bilateral trade volume between China and Pakistan is miserably low and asymmetrical favoring China more. The CPEC if extended to India will further enhance trade between China, India and Pakistan. Inclusion of India to the CPEC will further enhance the bilateral trade between China and India to new heights. The CPEC passing through the regions of China and Pakistan bordering many states could be extended to the countries Central Asia, Afghanistan and West Asia and India. The landlocked and resource rich countries of Central Asia have always set their eyes to access regional markets including Pakistan, China, India and the countries of West Asia. Both Afghanistan and Tajikistan have transit agreements; CPEC will provide them the opportunity to transport their goods and market them more competitively to the regional and global market fostering regional economic and trade connectivity. Similarly, Pakistan has always desired to access the resource rich region of Central Asia via Afghanistan to meet its energy needs and to transport goods to Central Asia States. The area through which the PCEC passes is at the crossroad of Asia, South Asian and Central Asia. For the greater benefit of the region and regional integration, the CPEC could be extended to Central Asia including Afghanistan and India opening them to the regional and global market. President Xi Jinping has already made a reference to such an arrangement in future during his address to the Pakistani parliament on his first visit to Pakistan in April, 2015. The changing geopolitical environment demands Pakistan to reorient its trade policy to more export oriented and must search for new markets in its neighborhood including India to boost its economy (Burki, 2016) and the CPEC seems to be the best opportunity for Pakistan to expand its trade with the region of South and Central Asia including China and India. Recently, Afghanistan has also shown its interest to be part of the CPEC. India has had always desired to have transit route to Afghanistan and Central Asia via Pakistan. However, given the political rivalry between India and Pakistan, the later has denied transit route to India through Pakistan. India alternatively has focused on Chahbahr Port in Iran to access Afghanistan and Central Asia via Iran reducing its long lasting dependence on Pakistan to access the Central Asia States’ markets. India, Iran and Afghanistan have recently inaugurated the Chabahar Port under the trilateral framework signaling to bypass Pakistan for a regional trade connection between the three countries. However, the Chahbahar Port is not likely to be a zero-sum game for Pakistan, Pakistan can also be part of Chabahar trilateral arrangement and both Gwadar and Chabahar ports could be linked as regional ports fostering regional trades. The Iranian side has already offered Pakistan to be part of the Chabahar Port trilateral arrangement and not to consider the port as rival to Gwadar Port.

 **CHALLENGES TO THE CPEC**

 Despite its strategic significance both for China and Pakistan, the CPEC is not without challenges. It is surrounded by some serious challenges ranging from regional security to the political discontent within the provinces of Pakistan.

 **Regional and Internal Security Challenges**

Regional security could be the biggest issue to the CPEC as it passes through the areas facing the biggest security challenges. The biggest challenged to the CPEC is the regional security environment; specifically the Afghanistan conundrum and its spill over to Pakistan. China’s huge investment in the region is hinged on the peace and stability both in Pakistan, Afghanistan and Western parts of China (Small, 2015). This is why China is actively pursuing to bring the Taliban to negotiating table within the quadrilateral framework between China, Pakistan, US and Afghanistan. The security situation in Afghanistan is getting worse day by day and even could be devastating after the withdrawal of NATO forces from Afghanistan as the Taliban have refused to come to the negotiating table initiated by the quadrilateral forum comprising. After the killing of the Mullah Mansoor the Taliban leader in the US drone attack, there seems to be few chances that the Taliban could come to the negotiations. Moreover, Pakistan has recently stated that after the killing of the Taliban leader in Pakistan, it cannot guarantee to bring the Taliban to engage in peace talks (Shah, 2016). With the refusal of talk by the Taliban in their recent statements it seems that it will take time to prevail peace in Afghanistan. Stability in Afghanistan is of utmost importance as the spillover effect can further destabilize the regional security environment, particularly in Pakistan and Western parts of China. This could create security issues for the mega projects namely TAPI and CPEC in the region. Within Pakistan the situation is not good equally. The long lasting insurgency in Balochistan and FATA (Federally Administered Tribal Areas) could hinder further to materialize the CPEC. As Lieven (2011) has noted that after the Withdrawal of Western forces from Afghanistan, Pakistan's survival will remain a vital concern for the Western and Chinese interests in the region. On the other hand China is equally worry about the security situation of Afghanistan that could affect the Xingjian province which is an important region for the functioning of the CPEC. Moreover, the antagonistic attitude of the public of Pakistan and India could be a stumbling block in getting the public support for the Indian inclusion to the CPEC to make it a cross regional move. Pakistan’s internal security has improved qualitatively after the military operation against the militants, yet the security phenomenon in Pakistan will remain a challenge to execute mega projects under CPEC framework smoothly. Although a special security force has been formed by Pakistan led by the military to protect the CPEC and related projects, given the porous border between Pakistan and Afghanistan and some difficult terrains through which the CPEC will pass in Pakistan, security will remain a major concern for the success of the CPEC.

**Political Discontent in Pakistan**

 The political controversy among various political parties is yet another challenge to overcome for the smooth functioning of the CPEC in Pakistan. The discontentment is mainly for route selection, dividends and allocations of funds for projects under the CPEC. Although the ruling regime through the APCs (All Party Conferences) has tried to ally the grievances of the provinces mainly of KPK and Balochistan, yet it seems the issue has not been resolved yet. The political differences over the CPEC among various political parties are deep rooted in the history of political economy of Pakistan where the allocation of resources has always been politicized for political gains and has been allocated to the major provinces. The smaller provinces have concerns over the policies of the federal government where the resources including the federal budget are allocated on the bases of population rather than the backwardness and poverty conditions in the respective federating units of Pakistan. Given the magnitude and scope of the CPEC, Pakistan needs more highly skilled labor to execute various projects of the CPEC. The existing labor skills are not enough to pursue the CPEC and its related projects in Pakistan. The issues pertaining to transparency about CPEC related projects are also on rise. The political parties and other stakeholders have shown their concerns over the lack of transparency and have demanded that all agreements related to CPEC be made public. However, the concerned ministry seems reluctant to make it public which further increases the doubts about the transparency of the project. The nationalists’ parties of Balochistan have once again demanded that all agreements made between China and Pakistan vis-à-vis CPEC must be made public and the interest of the people of Balochistan must be protected ( Dawn, 2016). This political discord among the provinces of Punjab over the benefits of the CPEC will always remain there if the grievances of the smaller provinces and regions including the Gilgit-Baltistan are met timely through political consultation.

 **CONCLUSION**

 As a major component of China’s One Belt One Road strategy, the China Pakistan Economic Corridor (CPEC) has strategic importance for both China and Pakistan. While one the one hand the CPEC will ease China from the Malacca Dilemma- by providing China with an alternative route to secure its economic interests in the region of the Middle East, on the other hand the CPEC can rejuvenate the deteriorating economic conditions of Pakistan by injecting a huge investment of 46 billion US dollar mainly in the energy production and infrastructure development. Given the geostrategic location of Pakistan, the CPEC can also foster regional and cross regional trade and economic integration between the regions of South, Central, East and West Asia. Such an economic integration within the framework of CPEC may be a harbinger to resolve the political differences through economic cooperation between the states of South Asia mainly China, Pakistan and India. The states of South Asia, Central Asia and East Asia need more regional economic connection to make the 21st century the Asian century setting aside the perennial political issues to start a new beginning.