

USA's Strategic Response to CPEC and Its Implications for Regional Stability



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Abstract: *The China Pakistan Economic Corridor serves as a transformative force, playing a significant role in the strategic balance of power between the United States and China. In contemporary times, the establishment of such corridors is contributing to the formation of new political and economic blocs worldwide. A prominent illustration of this phenomenon is the One Belt One Road /CPEC initiative, which is poised to link the Middle East and South Asia to Europe, Central Asia, and Africa. This comprehensive development initiative not only enhances economic and strategic ties amongst the South Asian nations, thereby contributing to broader economic and strategic objectives. This study aims to elucidate the strategic interests and objectives of US in South Asia, thereby analyzing the evolving geostrategic dynamics of the region. To find out answer to the questions qualitative method has been used. It is concluded that CPEC has not only fostered new channels for regional collaboration, enabling the pursuit of economic interests by involved stakeholders, but also amplified the likelihood of conflict among these entities*

Keywords: CPEC, China, US, South Asia.

Introduction

In May 2013, the inception of the CPEC transpired in the visit of Chinese Premier Li Keqiang to Pakistan. Subsequently, in April 2015, amidst the state visit of Chinese President Xi Jinping, a pivotal agreement was ratified to initiate the USD 46 billion CPEC endeavor. This agreement encompassed the implementation of approximately USD 28 billion worth of expeditious Early Harvest Projects (EHP), slated for completion by the conclusion of 2018. Furthermore, in December 2015, an additional investment of USD 1.5 billion was negotiated between China and Pakistan, earmarked for the establishment of an information and technology park as an integral facet of the broader CPEC initiative (Pak-China 'Technology Park' on

Anvil, 2015). Concurrently, the US embarked on a recalibration of its policies vis-à-vis South Asia, exemplified by the resurgence of its New Silk Road Plan and the initiation of the Indo-Pacific Economic Corridor (IPEC). Consequently, a heightened competition between the US and China is anticipated within South Asia's sphere. Despite the longstanding influence wielded by the US in this region, the evolving trajectory of its "South Asia policy" poses indirect yet inevitable ramifications for the CPEC. Consequently, a comprehensive analysis of this evolving scenery is imperative, along with strategic considerations for navigating potential challenges.

Moreover, the CPEC holds significant strategic importance, as it traverses a crucial geostrategic

region in South Asia. Primarily functioning as a channel for trade amongst Sino, the Middle East, and Europe via Pakistan, (Is China-Pakistan Economic Corridor really a game changer?), the corridor will establish vital transportation infrastructure, including railways, highways, airports, and energy pipelines joining Kashgar in China's Xinjiang area to Gwadar port in Balochistan Pakistan. Anticipated to span approximately 2,500–3,000 kilometers upon completion by 2030, CPEC represents a monumental undertaking that bridges the gap between land and maritime routes in Eurasia and Southeast Asia, aligning closely with Sino broader "OBOR" initiative. This ambitious endeavor aims to foster economic integration among sixty countries across Asia, Europe, and Africa, promising significant economic dividends (Khalid Manzoor Butt, 2015). Consequently, CPEC emerges as a cornerstone project within China's strategic vision, poised to introduce a transformative economic paradigm to the region. This article endeavors to scrutinize the historical trajectory of US policy towards South Asia, discern its contemporary trends, assess the implications for CPEC, and proffer actionable recommendations conducive to its enhanced implementation.

Methodology

The methodology used in this article is characterized by a descriptive qualitative and analytical method. It probes into the examination of the USA's strategic response to CPEC and its repercussions on regional stability through an extensive review of existing literature on the subject matter. To ensure the credibility and validity of the findings, predominantly secondary sources were utilized. These secondary sources encompassed a wide array of materials, including journal articles, books, and reports from non-governmental organizations.

CPEC: A Comprehensive Analysis

Since the onset of the 21st century, significant transformations have occurred in the global patterns of foreign trade and investment, leading to the emergence of large-scale developmental initiatives that serve as indicators of the trade

and investment priorities of major world economic powers. These developments have profoundly influenced the discourse within the global economic environment and have precipitated institutional adjustments pertaining to lending and investment patterns. It is noteworthy that traditional Western economic entities, which historically played a dominant role in funding developmental endeavors in developing countries, typically imposed conditions related to governance and ethical considerations. However, this paradigm has shifted with the increasing involvement of financially robust entities such as China in cross-border project financing, assuming a pivotal role in the global financial arena. Notably, China's active engagement as a significant financier has been particularly evident in Pakistan, owing to the longstanding diplomatic, economic, and military ties between the two nations dating back to the 1950s. These bilateral relations have experienced further consolidation in recent years, driven by shared regional and international interests.

President Xi Jinping of China made his inaugural visit to Islamabad, in 2015, characterizing the visit as akin to visiting the home of a brother. Preceding this presidential visit, Li Keqiang, the Premier of China, had undertaken a visit to Islamabad in 2013. During his address to the Pakistani parliament, Li Keqiang emphasized the importance of fostering mutual affection between the two nations, stating, "If you love Pakistan, please also love China." The overarching OBOR initiative, championed by China, is presently underway with a primary focus on establishing economic corridors to link mainland China with the Central, Western, and Southern regions of Asia and Africa (Jinchen, 2016). Among the subsidiary projects of the OBOR initiative is the CPEC, which carries an estimated cost of approximately \$62 billion (Kiani, 2016). The primary and crucial objective of the CPEC is to establish an efficient land-based trade route by linking Kashgar in the north with Gwadar in the south of Pakistan. This ambitious endeavor involves the construction of an extensive network of highways, railways, and pipelines.

Widely regarded as a "game changer" on both economic and geo-strategic fronts by numerous experts, CPEC represents a significant collaborative effort between China and Pakistan. From the Chinese perspective, the project serves as a means to advance their long-term foreign policy objectives and extend their impact from the South China Sea to the Indian Ocean and Arabian Sea. For Pakistan, the initiative holds the promise of fostering economic growth in the nation, with anticipated positive spillover effects on the broader subcontinent region. Given Pakistan's strategic geographical location, successful completion of the project would not only bolster China's connectivity with neighboring South Asian countries but also enhance its ability to pursue multilateral relationships in the region. Hence, Pakistan assumes considerable importance in China's pursuit of both global and regional geo-strategic objectives.

The commitment demonstrated by both China and Pakistan towards the realization of CPEC highlights the perceived benefits associated with the initiative. However, it is noteworthy that the profound depth of the Sino-Pak relationship often remains overlooked within academic discourse. This relationship, founded upon a bedrock of mutual trust and credibility, traces its origins to Pakistan's early recognition of China and its pivotal role in facilitating diplomatic rapprochement between the US and China. This historic development not only elevated China's stature on the global political stage but also paved the way for its eventual permanent membership in the UNSC (Khan, 2014).

Understanding US Engagement in South Asia

After Cold War era has ushered in a novel power pattern, with the US occupying the top position and shaping a new symmetry that seeks to maintain stability within the global system. However, this framework also aims to prevent any other potential power from challenging US power, particularly in the Indo-Pacific area. Concerns regarding violence, the imperative to counterbalance China's regional dominance, and the pursuit of financial collaboration, particularly in the high-tech sector, have significantly affected US relationships with

India (Malik). It is obvious that the strategic partnership between the US and India in South Asia is not solely driven by the size of the Indian economy but rather by the shared objective of containing Chinese impact in the area. In 2006, in a visit to India, the former US President, George W. Bush, expressed the desire for the US to backing India in emerging as a international power. Though, as rightly pointed out by Pervaiz Iqbal Cheema, every country prioritizes its national interests, and it is in the US interest to strengthen its allies to share burdens. Nevertheless, the US may not favor India surpassing its own position. Consequently, the US may extend various concessions to India as long as it adheres to US terms, a dynamic that is likely to persist in the years to come (Hashmi, 2020).

Following the 9/11 incident, military and tactical agreements between the US and India raised significant security apprehensions in the area, particularly for China. Echoing Sino apprehensions post-9/11, a Sino political expert remarked that both the US and India share a mutual apprehension about China as a potential menace and primary adversary. It is in their common interest to impede Sino ascent (Guihong, 2003). Consequently, the US aims to provide extensive sustenance and incentives to India to bolster its strategic interests in the area, with the objective of curbing Sino impact in the area.

The 2008 Indo-US Civil Nuclear Agreement represented a significant shift in the relationship between India and US, elevating India from a nuclear outsider to a strategic partner. This collaboration, whereas ostensibly aimed at addressing India's energy requirements and integrating it into nonproliferation efforts, also carried implicit geostrategic motives aimed at countering China. To achieve these objectives, the US amended its national laws and exercised pressure on the Nuclear Suppliers Group to relax regulations, allowing India to bypass the requirement of full-scope safeguards with the International Atomic Energy Agency. This exemption effectively granted India the status of a de facto nuclear weapons state without imposing concrete nonproliferation obligations.

Under the nuclear agreement, the concessions granted to India have far-reaching consequences for Pakistan and regional stability. These progresses have diminished India's incentive to involve in substantive negotiation with Pakistan, exacerbating tensions and undermining efforts toward regional stability (Noor, October 31, 2018). The US has extended substantial investments to foster the development of defense industries in India, aligning with Indian PM Narendra Modi's efforts to rejuvenate Indian foreign policy and strengthen relations with the US. This partnership has evolved into a comprehensive strategic alliance aimed at addressing the arrival of Sino in the Indo-Pacific region. While the USA has maintained a firm stance on China's expanding impact in the South and East China Seas, its response to Sino activities in South Asia, as well as the CPEC, has been comparatively restrained. However, India perceives these actions as encroachments on its territorial sovereignty (Akram, 2014).

US President Donald Trump unveiled a new South Asia policy, in August 2017, emphasizing India's pivotal role as a progress and fiscal partner in Afghanistan. The policy underscored the need for increased sustenance from regional countries. In October 2020, the US and India signed an agreement to share sensitive satellite and map data, signaling their commitment to collaborate in addressing security threats posed by China (US – India agreement, 2020). In response, China rebuffed these allegations and called for an end to Cold War mentality and zero-sum thinking (US Warns Threat Posed by China, Signs Military Pact with India, 2020). This agreement holds significant implications for the region, including Pakistan.

CPEC: Regional and Worldwide Strategic Apprehensions

Regional and global powers, particularly the United States and India, harbor significant apprehensions regarding the CPEC. As the leading project of China's BRI, CPEC has attracted considerable attention from scholars and professionals who are scrutinizing its potential benefits and drawbacks. Positioned as an investment and financial endeavor between Sino and Pakistan, CPEC is envisaged to offer

opportunities not only for the people of Pakistan but also for China (Nasreen Akhtar, 2021). Scholarly perspectives reinforce the liberal approach, emphasizing how common assistance and collaboration have changed the relations between the two states, mainly in the realms of societal and fiscal collaboration.

The enduring partnership between China and Pakistan emerged against the backdrop of their shared perception of India as a common rival, particularly highlighted by the border conflict of 1962. Subsequent the events of 9/11, both countries drew closer to confront regional and international geostrategic challenges collectively. Presently, China and Pakistan have intensified cooperation across various domains, including security, politics, and the economy (Zeb, 2012). The two-sided relationship between Sino Pakistan has transcended mere political ties, with relations deepening and the CPEC playing a pivotal role in strengthening the bond between these longstanding allies. The evolving nature of this relationship has prompted major powers to reassess their ties with China and Pakistan (Faisal, 2020). In South Asia, the strategic balance of power has undergone shifts because of India's military buildup and heightened USA apprehensions in the area. With Sino dominant presence in South Asia, CPEC has solidified China's influence and strategic role in the region and globally. This expansion of Chinese influence has raised concerns for both the U.S. and India, who seek to counter Sino growing presence.

The USA policy of countering Sino influence while maintaining a presence in Afghanistan has raised apprehensions for China, but the U.S.'s withdrawal from Afghanistan offers China an opportunity to strengthen its connectivity through South Asia via CPEC, thereby asserting its influence in critical regions such as the Indian Ocean and the South China Sea. Furthermore, CPEC presents an opportunity for Russia to bolster financial and strategic ties with China and Pakistan (Khalil, 2021). Both Sino Pakistan have expressed openness to third-party participation, recognizing that enhanced regional connectivity can contribute to regional prosperity and development. However, China's

increasing influence poses a challenge to India's regional supremacy and its position as a growing regional power in South Asia.

The dynamics of international relations are shaped by both divergence and convergence of interests among states. Pakistan has historically been a strong partner of the U.S. in the Cold War, and despite periods of separation, the events of 9/11 brought the two countries closer once again as they pursued common objectives. India, despite its neutral stance, has maintained close economic and security relations with the US primarily motivated by its desire to counterbalance China's influence. The US interests in the South Asian region have been influenced by the rivalry between India and Pakistan, as well as the broader dynamics of India-China relations. The events of 9/11 strengthened the strategic partnership between the US and India, as both nations aligned their priorities on key issues such as extremism, terrorism, and apprehensions regarding China's growing regional and global influence. The US has provided substantial military and technological assistance to India, fostering its assertive stance towards Pakistan and China (Akram M. , 2016).

The escalating rivalry between China and the US has intensified in the aftermath of 9/11, with China expanding its economic policies and bolstering its military capabilities. Present-day China is perceived as a formidable challenge to India's regional dominance and the established global order led by the US (China bigger threat to India than Pakistan: Sradra Pawar, 2020). Consequently, the US emphasizes the importance of maintaining a technologically advanced military while enhancing security cooperation with allies and partners based on shared interests and responsibilities. India is regarded as the most suitable partner for the United States in countering China's influence within the South Asian region. The CPEC has elicited significant concern and opposition from both the US and India due to its potential to bolster China's regional presence and undermine their strategic interests.

China-US Rivalry and Its Effects on CPEC

Over the years, antagonism between the US and China has deepened significantly, with their relations experiencing a shift from amicability during the Clinton era to increased divergence of interests. Despite the US disapproval, the friendship between China and Pakistan has persisted, with both countries disregarding US anxieties and objections. In history, Pakistan has served as a strategic friend of the US and played a crucial role in shaping diplomatic relations between China and the US. However, the current geopolitical landscape sees the US, as a global power, viewing China's expansion and growth with apprehension. The strained relations between China and both the US and India have fostered a strong anti-China sentiment, with India- US cooperation posing significant challenges for both China and Pakistan, the latter being a key participant in the BRI (Tiezzi, 2015).

While President Obama expressed a desire not to contain China, subsequent US foreign policies have exhibited a clear focus on countering China's influence. Both President Trump and President Biden have emphasized the need to contain China in various regions. CPEC serves as a strategic route connecting to the Indo-Pacific Ocean, where the US has allied with Japan, Australia, and India in the Quadrilateral Security Dialogue, an informal security alliance aimed at countering China's influence in the Indo-Pacific area (Rasheed, 2020). Additionally, another alliance, known as AUKUS, comprising Australia, the United Kingdom, and the US, has been formed to counter Sino growing influence. China's rise and increasing influence have brought these states closer together (Basu, 2019).

The US has devised a wide-ranging strategy to influence BRI CPEC locally and globally. The US has introduced a counter-initiative against China, known as the Build Back Better World (B3W) project. President Joe Biden convened a meeting with other G7 states to formulate an innovative infrastructure development plan targeting low- and middle-income nations, as a response to Sino BRI. The aim of B3W is to enhance the economies of these countries and provide an alternative to China's BRI. The US

also expresses concerns regarding Pakistan's economy and advocates for the development of its own infrastructure initiatives. However, the US has refrained from criticizing India's actions, which include alleged acts of sabotage in Pakistan, thereby weakening Pakistan's financial and societal infrastructure. In August 2021, an attack on Chinese engineers in Pakistan was reportedly planned by India. This incident was not an isolated one, as there have been multiple attempts to intimidate Chinese workers and officials in Pakistan (Mehsud, 2021).

CPEC has become a focal point of contention due to the globally recognized rivalry between China and Pakistan. India is emboldened by the intensifying rivalry between China and the United States. The Thucydides trap theory offers insight into the conflictual relationship between Sino and US, suggesting that the threat posed to existing hegemony by emerging global powers can lead to a destructive cycle of escalation, potentially culminating in war (Peters, 2020). Sino growing influence and worldwide financial development have positioned it to challenge the US, the world's last remaining superpower. China's dominance through initiatives like CPEC within its BRI challenges the established world order led by the US. Consequently, the US is employing various strategies to contain China's growth while maintaining its global hegemony. This includes implementing trade tariffs as part of a trade war with China, with the aim of pressuring China's economy. However, this trade war failed to significantly impact China's economy, leading to a shift towards a tech war where China is reducing the gap with the United States in technological power (A., 2021). Despite the US efforts to pressure China's BRI and CPEC policies, it has yet to attain its universal objectives vis-à-vis China.

The United States has officially proclaimed a strategy of containment against China, with the Biden government unveiling a new project in harmonization with G7 states aimed at countering China's BRI through the launch of the B3W plan. This joint infrastructure program seeks to establish a rival or contestant to China's BRI, as the latter postures a substantial hazard to the prominence of the US and its allies in the

geopolitical and monetary arenas. The NATO alliance and European nations have also identified Sino as a security threat, leading to Sino becoming more assertive towards the Western world. Sino has avowed that the era when a minor group of states decided the fate of the world has ended, and it has sought to counter the Quad alliance in the Asia-Pacific region by strengthening its navy and modernizing its military and nuclear forces. Consequently, these progresses are expected to have a negative influence on Pakistan's relationship with both Sino and Western nations, as the scope for diplomatic maneuvering between the two sides diminishes amidst the increasing competition between major powers.

For the first time in history, the CIA has announced the establishment of a dedicated mission called the "China Mission Center" focused solely on Sino (Pakistani PM: Our Economic future is now linked to China, 2020). The CIA's Chief has stated that the agency will organize more officers, linguists, technicians, and specialists in states round the world to gather information to counter China (Harris, 2021). The rivalry between China and the US extends beyond specific territorial disputes for instance the South China Sea or tensions in the Indo-Pacific region; both countries have designated interests and are unlikely to extract from their respective borders. Given Pakistan's close alliance with China, the US plan and collaboration with India are expected to influence Pakistan's interests significantly.

External Perspectives: US Stance on CPEC

Historically, relations between the US and China have been characterized by sensitivity, complexity, and criticality. Both nations have harbored perceptions of each other as aggressive and expansionist powers. Following the conclusion of the Cold War, the United States assumed a strategy aimed at encircling China, seeking to disrupt, destabilize, and weaken its position. Conversely, Beijing has pursued a peaceful and pragmatic approach in its dealings with the US and its allies, prioritizing the protection of national interests without causing harm or relinquishing its positions. Despite their contentious history, both countries have

exhibited tendencies to oscillate between cooperation and confrontation (Wu, 2017). However, since the end of the Cold War, the United States has increasingly viewed Sino as an adversary, prompting Sino to rebuke the United States for maintaining a Cold War mentality. In light of shifting dynamics, the US has elevated the importance of India, aiming to bolster New Delhi's confidence vis-à-vis Sino and to mitigate China's ascent as a leading power in the area (Curtis, 2011).

In this context, the US and India signed a defense agreement in 2016, the implications of which extend directly to both Pakistan and China. Additionally, New Delhi and Washington finalized a US\$4 billion deal, wherein the US will supply India with a C-17 super aircraft fleet, the second-largest in the world. This agreement aims to enhance India's capabilities in maritime security within the Indian Ocean, consequently diminishing Chinese influence in the region (Power Struggle in Indian Ocean, 2016).

On the diplomatic front, the United States has formally expressed opposition to the CPEC project, labeling it as "controversial (The US Defence Secretary, James Mattis, told the Senate Armed Services Committee about the CPEC and OBOR, 2017)." According to Jim Mattis, the Defense Secretary of State, the CPEC and OBOR initiatives will traverse through Pakistan's northern region, prompting the United States to support its Asian partner, India. The Trump government has expressed its discontent towards the multi-billion-dollar CPEC project, indicating a potential shift in the United States strategy towards Pakistan-Sino relationship. Despite this resentment, the United States Ambassador to Pakistan, David Hale, has explicitly acknowledged the anticipated monetary progress resulting from the CPEC, suggesting that Pakistan will benefit from stability.

However, during his visit to the Federation of Pakistan Chambers of Commerce & Industry, the herald lamented that the United States was not consulted or included in the CPEC process. He highlighted that China received preferential treatment, while the United States was

overlooked, emphasizing that US involvement in the CPEC could yield positive outcomes. Experts claim that the opposition by the Trump government reflects a broader strategy to appease India and create controversy surrounding the project. The US contends that in the contemporary landscape of globalization, no single country should hold a monopoly over infrastructure initiatives like the BRI. Nevertheless, more than 130 nations and 70 worldwide institutions, including the UN General Assembly, have signed collaboration treaties with China on the BRI. Additionally, the UN Security Council has incorporated aspects of the BRI into vital resolutions.

Addressing External Security Challenges

The CPEC has garnered significant attention from global powers, prompting deliberations among think tanks worldwide and in major capitals. Specifically, the United States, India, and Japan have shown apprehension toward the project. The US, as the leading global power, perceives CPEC as a potential challenge to its hegemonic dominance, signaling a shift in the global power dynamics. Japan, particularly concerned about its financial market edge over China, anticipates diminished trade distances with the successful completion of CPEC, thereby posing a threat to its economic competitiveness. Furthermore, the collaboration between the US and Japan in countering China's activities in the South China Sea underscores their strategic alignment against Chinese influence (Challenges confronting the CPEC, Analyzing External and Internal Factors, 2017). Given the scale of the CPEC project, it emerges as one of the most substantial post-World War II infrastructure endeavors, rivaling the scope of the US Marshall Plan in terms of developmental impact and size.

The CPEC initiative surpasses the Marshall Plan in scale, involving an estimated investment of around 1.3 trillion USD and encompassing around 900 infrastructure projects upon completion. This Chinese-led endeavor spans more than 60 states, representing two-thirds of the global inhabitants, three-fourths of the world's power assets, and roughly half of the world's GDP. The United States perceives the

CPEC initiative as a potential threat, interpreting it as a Chinese response to its Pivot to Southeast Asia strategy aimed at countering Chinese ascendancy in Asia. The US strategy considers China's economic, industrial, and technological advancements as well as its military capabilities, including progress in the navy due to CPEC, as challenging its regional hegemony. In the context of energy security politics, the US views CPEC as a challenge to its influence in resource-rich areas such as the Persian Gulf, Central Asia, the South China Sea, and the Middle East. Consequently, the strategic and monetary gains made by Sino leave the US and its allies in a vulnerable position, prompting the US to align with India's stance on CPEC (Khaliq, 2017).

Despite US warnings regarding increased vulnerability to terrorist attacks, it finds itself excluded from the CPEC initiative, while other significant states like Russia express interest in participation, enhancing the project's legitimacy and regional viability. As a result, US efforts to contain Chinese influence across the Indian Ocean and globally have faltered. To counter Chinese initiatives, the US is reportedly backing Baluch separatists and other insurgent groups operating from Afghanistan, with tacit support from India. These disruptive elements pose significant security challenges to the future of CPEC (Desk, 2017). The internal security situation in the Xinjiang Uyghur Autonomous Region (XUAR) poses challenges to the CPEC initiative. Tensions between Uyghur Muslims and Han Chinese persist, with Uyghurs alleging systematic suppression of their religious, cultural, and linguistic rights by Chinese authorities.

The XUAR has become a potential target for terrorist activities, particularly with the collaboration between East Turkestan terrorist forces and groups based in Pakistan, supported by the US and India from Afghanistan. Chinese authorities have initiated operations to counter these terrorist groups in Xinjiang, which is considered vulnerable due to underdevelopment and ethnic tensions. The East Turkestan Islamic Movement (ETIM) represents a significant threat to Chinese infrastructure development, including CPEC, due to its engagement in

terrorism, separatism, and extremism. Additionally, India's opposition to CPEC manifests through support for terrorist groups in Pakistan and Afghanistan, facilitated by a specialized office in New Delhi overseen by officials directly accountable to the Prime Minister and his national security advisor.

More than 300 million USD has been allocated for efforts aimed at disrupting the CPEC initiative through various means. A surge in terrorist activities in regions such as Gilgit-Baltistan (GB), Azad Jammu and Kashmir (AJK), Baluchistan, Sindh, and other parts of Pakistan indicates Indian attempts to undermine CPEC. Indian support extends to NGOs and think tanks that propagate misinformation and instill fear among the masses and international community. Blockades in cultural and sporting exchanges, along with disruptions at various levels, align with India's strategy of sabotage. Recent statements by political leaders like Asfandiyar, MQM leaders, and Achakzai, along with the mobilization of liberal groups against CPEC, sow seeds of unrest and raise doubts about Pakistan's political stability. Additionally, objections regarding route changes and security concerns in GB and Baluchistan pose potential obstacles to project implementation (R., 2016).

India's refusal to engage with the CPEC and its absence from the OBOR forum have heightened concerns in both Pakistan and China, signaling India's potential willingness to disrupt the CPEC initiative. Indian PM Narendra Modi publicly criticized the project during its inauguration in 2015, citing objections to the route passing through GB and AJK as disputed territories. In response, India has pursued the development of the Chabahar Port in Iran, signing agreements to counterbalance CPEC. Collaborating with Iran and Afghanistan, India aims to establish a nexus against CPEC, investing significantly in the Chabahar Port to bypass Gwadar and gain access to Central Asian markets. This move not only enhances India's influence in the region but also supports insurgent elements in Pakistan and Afghanistan. The strategic significance of the Chabahar Port offers India an alternative to Gwadar, aligning with its efforts to diminish the importance of CPEC (Aamir, 2017).

Certain Gulf States harbor suspicions towards the CPEC initiative due to its potential to challenge the dominance of Dubai Port and other ports in the Persian Gulf. Gwadar Port, along with its associated free trade zone, poses a direct competition to Dubai Port, threatening its status as a leading trading hub in the region. The success of CPEC would attract Central Asian, African, and European countries to Gwadar, further diminishing Dubai's significance. Additionally, strained relations between the UAE and Pakistan contribute to the Gulf States' reluctance to support CPEC. This strain stems from Pakistan's refusal to align with UAE interests, particularly regarding military involvement in regional conflicts like the Yemen issue. The presence of the Chinese Navy in the region also unsettles Gulf States, who fear increased Chinese influence and the strengthening of Iran's economy through enhanced energy cooperation with China, potentially bolstering Iran's military capabilities.

Anticipated Hurdles: US Policy Trends and CPEC

Since the conclusion of the WWII, the US has played a noteworthy role in the affairs of South Asia. With its increasing multi-level investments in the region, its influence is poised to grow further in the probable future. As previously discussed, the rise of China has altered the regional balance, thereby underscoring the importance for the United States to maintain its presence here. However, due to their differing historical experiences and worldviews, both countries hold distinct conceptions of security and, consequently, pursue different security practices. While their security interests in the region converge on certain aspects such as counter-terrorism, regional peace and stability, and economic cooperation, they also diverge on issues like counter-terrorism strategies, geopolitical competition, and the future trajectory of economic collaboration. If the US continues to perceive China as a latent adversary, these divergences are likely to become more pronounced (K. Alan Kronstadt, 2011).

The relationship between the US and China is intricate and has frequently been characterized

by tension, yet it holds significant importance not only for America's markets but also on a global scale. Consequently, the emergence of the CPEC has elicited varied reactions within the US. While some officials and scholars perceive CPEC as a chance for the United States, mainly for the American private sector, which has displayed substantial interest in the BRI, others fail to recognize its positive potential. Instead, they view it as a component of a broader strategic competition between the two nations, in which China aims to start an alternative, illiberal economic or political order that competes with or supersedes the existing liberal international order. In this context, CPEC is regarded as a tool serving narrow or short-term Chinese interests while undermining United States interests and influence (Chance, 2016). From Pakistan's viewpoint, the US is apprehensive about the strengthening Sino-Pak relationship and the implementation of the CPEC, a significant multibillion-dollar initiative poised to elevate Pakistan into a regional trade hub. While the evolving trends in US policies outlined above may not specifically aim to undermine CPEC, it is imperative for Sino-Pak to remain vigilant and address any potential challenges that may arise concerning this corridor.

Implications for regional stability

The USA's response to CPEC reflects its broader geopolitical competition with China. CPEC is perceived as a leading project of China's BRI, which purposes to enhance China's influence globally. The USA's strategic response to CPEC can be seen as an attempt to counterbalance China's growing influence in South Asia and beyond. Moreover, the USA's response to CPEC could impact its alliances and partnerships in the region. For example, the USA may strengthen its ties with countries like India, which have expressed concerns about CPEC's implications for regional power dynamics. This could lead to increased military cooperation and strategic alignment among like-minded countries in the region.

Along with this CPEC has significant economic implications, not only for Pak-Sino but also for other countries in the region. The USA's

response to CPEC may be influenced by its economic interests, including concerns about fair competition, market access, and the protection of intellectual property rights (Ibrahim, 2023). The USA may seek to promote alternative economic initiatives or investment projects to counterbalance the economic influence of CPEC. Additionally, the USA's response to CPEC may also be driven by security concerns. CPEC involves the expansion of infrastructure projects, as well as ports and transportation networks, which could have strategic implications for maritime security and military access in the region. The USA may seek to monitor or mitigate any potential security risks associated with CPEC, including the possibility of Chinese military expansionism. At last but not the least, the USA's response to CPEC could shape its diplomatic engagements with countries involved in the initiative. This could involve diplomatic efforts to influence the direction of CPEC projects, negotiate trade agreements, or promote alternative infrastructure development initiatives. The USA may also engage in multilateral forums to raise awareness about its concerns regarding CPEC's implications for regional stability (Neog, 2020).

Overall, the USA's strategic response to CPEC is likely to have far-reaching implications for regional stability, geopolitics, and economic development in South Asia and beyond. As such, it is important for policymakers and analysts to carefully assess these implications and develop appropriate strategies to address them.

Conclusion

The CPEC has not only created new avenues for regional cooperation, facilitating the capitalization of economic interests among participating actors, but also heightened the potential for conflict among these parties. The growing alignment between India and the US, the evolving dynamics between the US and Iran subsequent to the nuclear accord, the increasing collaboration between India and Iran, and India's growing influence in Afghanistan are factors of apprehension for both Pakistan and China. Moreover, South Asia emerges as a region where the ramifications of discord along

existing geopolitical fault lines are progressively manifesting. Bruce Riedel of the Brookings Institution suggests an evolving trend toward a bipolar alliance system, delineated between the US and India on one axis, and Pakistan and China on the other. Concurrently, China's strategic endeavors include the construction of an economic corridor within Pakistan, facilitating connectivity between its landlocked Xinjiang province and the Arabian Sea, thus circumventing the strategic bottleneck at the Strait of Malacca.

Furthermore, China has ascended to economic preeminence on the global stage. It stands as a significant investor in the modernization of both state and societal infrastructure, positioning itself as a vanguard in a new era of globalization through substantial economic ventures. Notably, initiatives like the BRI underscore China's pivotal role in fostering regional integration. Additionally, the CPEC represents a monumental economic endeavor, not only transformative but also foundational in securing the stability and security of the nation. Henceforth, the US perceives a growing threat from China's expanding global influence. In response, the U.S. is forging alliances, particularly with India, a principal regional competitor to China. Conversely, Pakistan endeavors to maintain amicable relations with both the US and China, notwithstanding escalating tensions between these nations. Pakistan historically served as a close ally of the US during the Cold War era and played a pivotal role in the Soviet-Afghan war, receiving substantial military and economic aid from the U.S. However, in the post-Cold War era, bilateral relations between Pakistan and the U.S. deteriorated, creating a void that China swiftly filled, consistently supporting Pakistan's interests.

Despite these challenges, the CPEC presents a promising initiative for Pakistan's economic development, as well as that of neighboring states. Projections suggest that CPEC could significantly enhance the GDP of the entire region. However, there are genuine concerns regarding the capacity of Pakistani institutions to effectively manage such large-scale projects.

Furthermore, skepticism from the Western world, particularly the US and India, raises additional apprehensions about CPEC's potential impact. Nevertheless, prevailing indicators paint an optimistic picture, indicating that CPEC has the potential to be a transformative force for China, Pakistan, and the broader regions.

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