Strategic Connectivity of the China-Pakistan Economic Corridor (CPEC) under Belt and Road Initiative (BRI)

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Abstract

The Long-Term Plan (LTP) of the China-Pakistan Economic Corridor puts connectivity at the core of the whole corridor's projects and future initiatives. Within the CPEC it is defined as the link between the space (Chinese and Pakistani territories) and the economic opportunities that lie in. Connectivity creates the basis for strategic underpinnings throughout the Chinese and Pakistani lands and within the Belt and Road Initiative (BRI) projects that the CPEC links. As part of the BRI, CPEC becomes one major security, trade, finance and infrastructure connectivity asset which links the South Asian region to Europe, Middle East and Africa, in the attempt to strategically encompass their lands into one compact security- and trade-related area. This article is a brief outline of the strategic connectivity and mobility along the CPEC as part of the BRI and its significance to the regional environment.

Keywords

Strategic connectivity, China-Pakistan Economic Corridor, Belt and Road Initiative, energy, transport, technology

Introduction

Connectivity, as a means to include different lands for economic purposes by connecting them through different infrastructure projects, is one of the key ways to achieve the territorial, physical

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dimension of the three principles. As part of the Belt and Road Initiative (BRI), CPEC links the Port of Gwadar in Southern Pakistan through land route with China's Xinjiang Province and Shanghai and the rest of BRI infrastructures. This allows CPEC to become the 'growth axis', as it is called in its Long Term Plan, which is planned to improve access to resources, territorial connections and trade relations between several regions. Strategic connectivity is one of the features of CPEC as it connects Pakistan to the Chinese Xinjiang province thus increasing trade, energy and technology mobility. As an effect of strategic connectivity, mobility is the feature that essentially characterizes the CPEC and its components as it increases access among the core zones and radiation zones of the corridor. The core zones of the CPEC, include Kashgar, Tumshuq city, and Atushi city and Akto county in Kizilsu Kirghiz autonomous prefecture of Xinjiang, China, as well as Islamabad, parts of Punjab, Sindh, Khyber-Pakhtunkhwa, Balochistan, AJK and Gilgit Baltistan'[1] The radiation zones are represented by the "three axes" which connect Lahore and Peshawar, Sukkur and Quetta, and Karachi and Gwadar and through railways and highways.

It is therefore important to mention the strategic importance that is given to the Port of Gwadar and to its connection to other major cities and ports of Pakistan in the whole CPEC initiative and within BRI. The aforementioned space division of CPEC speaks a lot about the territorial specialization of the corridor and of Pakistan. And that is when mobility, the effect of connectivity, becomes the core rationale of trade specialization, as people, raw materials and goods would move faster from one core zone to a radiation zone for example, or vice versa, in order to accomplish the growth results that the corridor was designed for. Moreover, the role of Gwadar in the BRI would be triggered by its location in the Arabian Sea and being the Persian Gulf, the area that is most frequented by oil tankers yearly.

Strategic connectivity and means of mobility

The logic of trade network building reveals connectivity as the economic upgrade of the regions involved in the network. From what we have seen above, the CPEC may be described as a trade platform which is meant to build territorial and trade specialization through the spatial division into Special Economic Zones (SEZs). This division is aimed to bring industrial and commercial concentration to key regions that will become specialized as per the model offered by the corridor's website regarding the SEZs[2] and would therefore strategically connect those specialized regions with the integrative economic system of BRI which is designed to facilitate movement of products to industries located in one area to other regions or countries of the system.

Connecting far away lands and assuring access to resources is the key aspect of strategic connectivity, but to do that for a longer term one needs to connect the territorial evolution of one region to another. That means connecting identities and mobilizing them in a way that triggers their motivation to develop and externalize their products and receive more imported goods. That is probably the most challenging part of trade network building. How does one connect one specialized territory to another and motivate their people to trade their specific goods as parts of one supply chain without diluting their identity and amplitude? Maybe the territorial development of each CPEC project could provide that answer in time.

Strategic connectivity is about diminishing the distances between trade regions and spaces by creating the physical advantages that link those spaces. So how do territorial specialization and strategic connectivity operate distances? When it comes to strategic connectivity, space and distance are considered physical obstacles to be overcome, while in terms of territorial specialization space is one static dimension of industrialization and of economic configuration and even economic identity of one particular space. Industry and trade specialization would set the trend for the commercial

relationships, distances and proximities among the CPEC projects once all the projects are implemented according to the plan provided by the website of CPEC.

The strategic connectivity of CPEC includes multiple dimensions and prospects. As a pilot project of the BRI, the model of CPEC is expected to be implemented in other countries along the BRI, too. We may see if they would be divided into Special Economic Zones for that purpose. The SEZs are meant to become industrial clusters and plants whose final products could receive more mobility through the already built and planned to be built in future transport infrastructures that could take them to final markets around Pakistan. Countries from Central Asia could become some of these markets as well.

"Situated at the crossroads between the Caspian Sea and Western China, Central Asia has always been a strategic region for a variety of reasons. First of all, thanks to its geographic position, it has always represented one of the most important hotspots for world trade."[3] Then, after the completion of the International Security Assistance Force's (ISAF) mission in Afghanistan in 2014, China's stepping in into the region gained more advantage. Afghanistan, another essential country where the BRI may extend, carries important reserves of minerals to which China needs access, therefore connectivity infrastructures. Although nothing concrete has been built yet, the China-Pakistan-Afghanistan dialogue has been approaching the subject of the BRI extension under different aspects such as culture, peace process, military alliance. The development of BRI to Afghanistan is seen as a necessary step in the peace process from Afghanistan, as Chief Economist of China Center for International Economic Exchanges (CCIEE), Dr. Chen Wenling, stated during her discourse at the China-Pakistan-Afghanistan fourth Trilateral Dialogue in Islamabad[4]. The land connections with Central Asia and the rest of the BRI countries set Pakistan and CPEC on the trend of geographical connectivity. This trend also raises the stake for Pakistan

to develop among other BRI projects or other countries' connectivity initiatives.

Strategic connectivity and territorial specialization have an important share in determining trade relations and increasing mobility throughout the corridor. As observed before, the divisions of the corridor into core zones and radiation zones, into functional zones and SEZs do offer clues on the spatial planning under CPEC as a measure to increase mobility and focus on priority zones, especially on the Port of Gwadar from Balochistan, 'a strategic periphery'[5], as key land and sea mobility hub. Both strategic connectivity and territorial specialization speak about how space is shared by workers, investors, locals and the CPEC projects. Defining one space through the economic opportunities that it creates and sells could prove relevant to its land and sea mobility facilities and to the facilities of the countries that export to that particular space. This might be a factor to trigger more industrial development with all its benefits like cost effectiveness and proximity to population centers to transportation links. "Development requires the enhancement of physical and political accessibility. It acts upon and broadens the social, economic, and political potential of a state's territory and a nation's people. It denotes increases in the physical reach of the state and its capacity for political negotiation with or control of its peripheries,'[6]or its control over them.

Dimensions of mobility under CPEC

Energy is one of the core fields where mobility is represented within CPEC and under BRI. The pipelines and electricity networks thus planned have also the role to bring improvements in terms of mobility of resources and supplies to and from the working sites of CPEC, to and from different countries under BRI. Energy links under CPEC play a key role in the diversification of the supply options for Pakistan and in fostering relations between Pakistan and other countries as part of BRI as an energy supply system. The mobility of energy resources from Central Asia for example describes one of the ways to provide

the region with the shortest route to transport those resources through the Arabian Sea, through Gwadar, or by land to China. "China is not only motivated by securing access to resources, but also by improving its position in global supply chains. Dominating the global supply of rare earth minerals such as cobalt is key to Beijing's ambitious plan to reshape the global battery market, ensuring that China is well situated to benefit from rising global demand for electric vehicles. Under the leadership of President Xi Jinping, China plans to become an indispensable component of the world's electric vehicle supply chain."[7] As owner of minerals[8], Pakistan is looking forward to find investors for its mineral resources to be exploited.[9] China has been materializing opportunities to continue its BRI investments including in the mining sector in Balochistan and Gilgit-Baltistan areas of Pakistan.[10] Transport infrastructure developed under CPEC, just as mining projects are, could mark a stage of minerals' transportation from Pakistan to China.

Technology is another component of mobility if judged by the way in which data and technologies generate and develop the flux of information that circulates around the world. Moreover, China is trying to bring the Digital Silk Road (DSR) under the Belt and Road Initiative[11] and the development of technology under BRI is a core dimension promoted by China in order to augment its standards and production.

'The leadership of Chinese companies in the deployment of 5G technologies worldwide will support and enable the creation of this "Digital Silk Road," which will also be leveraged to promote preferred indigenous standards. In the process, Huawei is partnering closely with Europe, including to pursue engagement on issues of standardization. […]"One Belt, One Road" Action Plan" (标准联通共建"一带一路"行动计划) (2018-2020), […] calls for promoting the implementation of national standards for 5G and smart cities in "One Belt, One Road" countries, while supporting the expansion of the

infrastructure of China Unicom, a state-owned telecommunications operator that has emerged as a major player in 5G, including partnering with Huawei. As a "5G pioneer," ZTE has also committed to supporting the development of the Digital Silk Road […]'[12]

Examples of CPEC connectivity in the field of technology would be the 'construction of Cross – Border OFC System Between China and Pakistan for International Connectivity of voice/Data Traffic (SCO)' or 'Provision of Seamless GSM Coverage Along KKH for Proposed Gwadar –Kashighar Economic Corridor in Gilgit Baltistan (SCO)'.[13] Technology is not particularly mentioned as an economic dimension of the SEZs in Pakistan, industries are. The contribution of technology to the corridor lies in the connectivity that technology provides itself. The two aforementioned examples refer to data connectivity and reflect another physical aspect of connectivity beside land and sea linking projects. Practically, the data connectivity is set as a prior stage of industrialization from the SEZs.

Transport is another key pillar of the BRI infrastructures, especially one that has increased international visibility for Pakistan by making it a transport nexus, as part of the flagship CPEC project within the BRI. Pakistan has become the part of BRI where projects are implemented as starting points of the next connectivity landmarks. Strategic connectivity and the transport system developed so far in Pakistan under the CPEC share the view of an infrastructure system whose values are shared by the whole community of states around or within it. The transports routes built by China from its Western Xinjiang province through Pakistan are planned to 'reshape China's geopolitical and geo-civilizational sphere of influence'[14] Therefore, the transport routes of CPEC, just like many other attempts of its kind in the history, are an attempt to also bring together different civilizations and build a shared market based on land and sea transport infrastructures. So, what do culture, transport and strategic connectivity have in common for them to be able to work under such an ambitious project like the OBOR? Of course, none of these domains

of this ambitious projects are self-contained. They are all interconnected and share common objectives under the BRI. Both Pakistan and China follow their common purposes in terms of connectivity between each other and with other countries. And these purposes are related to improved position vis a vis the Indian Ocean and Persian Gulf, land connections with Central Asia, strategic land and sea connections with the rest of the world. Just as Professor. Li Xiguang, scholar from Tsinghua University, stated in his discourse during the China-Pakistan-Afghanistan fourth Trilateral Dialogue in November 2018 in Islamabad, China needed to strategically develop westwards because it was facing 'odds' around it and that 'it has no choice but to rise through the odds around it'.[15] Transport is also a core trade-related issue, since CPEC infrastructure is built to carry goods and resources to and from different locations. Transport is another means for China to put its print on the trade from the region- by building physical transport routes and creating new infrastructures, like a new basis of trade was started in the region under the Chinese attempt to develop towards the west.

Security is another dimension of the corridor. Although it was launched fourteen years after the 9/11 events, it also marks China's goal to fight against terrorism alongside other great powers that act in the region. Moreover, China's involvement in the peace process in Afghanistan is one of the signs that show the Chinese commitment to bringing Afghanistan to its BRI project. This lengthy process will also bring more news on the integration of Afghanistan into a trade network like the one China is trying to design for the region. Although Afghanistan is not yet involved in any BRI project of road, railway or any kind of infrastructure, one may observe that discussions, on this subject were shared by the media often even before CPEC was launched. Could Afghanistan turn into a water management hub to boost its economy due to its location in the region? How would Pakistan relate to such a stage of BRI? And these are only a few of the questions that may rise if China advances on the path of linking

Afghanistan and Pakistan through new land routes under BRI. What's obvious so far is that, once mobility is enhanced in the region with implementation of CPEC, the increase of mobility of security would become an inherent theme for Afghanistan as well.

Since more than 40% of the population of Pakistan works in the field of agriculture, this dimension has become increasingly important to both China and Pakistan in their outreach to develop the corridor. The development of agriculture under CPEC and the ease of farm produces agricultural products. Through the infrastructures developed under the corridor could lead to the development of agri-economy of Pakistan. Moreover, this would help raise standard of living of rural population in the country. Efficient planning would be needed in this case, so that Pakistan can reap benefits by investing in this sector.

Potential of strategic connectivity under CPEC

Connectivity projects that compromise the corridor are at different stages of development. According to the website of the CPEC, some projects are operational like the wind turbine at Jhimpir, District Thatta, others like Matiari (Port Qasim) —Faisalabad Transmission Line Project are still in progress and projects like Phandar Hydropower Station are under review.[16] More connectivity among the Pakistani regions and SEZs could come once transmission lines and technologies achieve the planned goal of connecting all these zones in order to prepare them for next industrialization stage. There are goals to achieve under CPEC related to its completion.

Judging by the goals set for the corridor and what has been so far achieved within the BRI, one may observe that strategic mobility and connectivity goals set for the coming years. 'Extensive consensus on the Vision 2025 has been reached, which seeks to harness "locational advantage of Pakistan at intersection of South Asia, China and Central Asia for greater geo-economic cooperation and development by stronger regional connectivity."[17] Once observed, these remarks on the planning of CPEC and its role within the BRI set the trend for a

long term project. Both China and Pakistan have engaged in turning the CPEC into one major physical expression of their long time relationship. So what follows for technology, energy, transport and security under the corridor's projects? "The Chinese side vision: to further advance the western development strategy, promote economic and social development in Western China, accelerate the Belt and Road construction, give play to China's advantages in capital, technology, production capacity and engineering operation […]. The Pakistani side vision: to fully harness the demographic and natural endowment of the country by enhancing its industrial capacity through creation of new industrial clusters."[18] Moreover, the segment of agriculture has been added recently as a new component of the corridor's future development and that means another field of action of CPEC.[19]

These areas of cooperation between China and Pakistan would set the pace of the whole corridor. Progress or stagnation of CPEC projects may trigger similar effects on other BRI projects. Achieving strategic connectivity in energy, transport and technology domain will infuse synergy in other CPEC projects and help in achieving their respective goals. As for the foreign policy goals which may lie ahead, China will continue its "efforts to rebalance" between coastal and interior regions'[20] and security needs will dictate a further commitment to fight against terrorism, extremism and separatism in order to reach unity and stability inside and outside China. Pakistan's efforts will focus on building more visibility for Pakistan, as part of the CPEC and BRI, reach the level of development and industrial progress that it promoted so far as part of the corridor.

The role of CPEC in the shaping of the geostrategic landscape in the region also remains strongly linked to the land and sea connectivity that the corridor entails. The strategies to connect different regions physically, in order to get economic benefits by land and sea are not new. What is different from the past is China's trade network developing westwards to Pakistan, Central Asia and beyond. One of

the major assets of CPEC is the Port of Gwadar. The development of the port and the importance that it now gains in terms of trade and access to resources and markets in the Arabian Sea and the Middle East may mark the trade relations and the routes developed or planned by India, the United States, China and Russia. The Strait of Malacca is largely used for the trade transport to and from Southeastern Asia, while China is trying to build an alternative route through the Kra Thailand Canal. "The proposed 135 km canal would connect the Gulf of Thailand with the Andaman Sea across Southern Thailand providing an alternative to transit through the Malacca Straits, thereby reducing the distance by 1200 Nautical miles and the sailing time by 48 hours."[21] Once the canal is built and developed, that would mean a shorter trade route for China to the Indian Ocean and a sea connection between Gwadar and Kra Thailand may diminish distance and sailing time for Southeastern Chinese merchandise to reach markets from the Middle East and North and West Africa. That's a geostrategic advantage that is worth considering for the further development of CPEC and Gwadar as connectivity initiatives under BRI.

Just like any other strategic connectivity plan, BRI poses the challenge of governance especially as it extends to so many countries and regions with so many different economic, political, social specifics. A case-by-case agenda is followed by China under this aspect, considering the multitude of countries gathered under BRI. What works for Pakistan might not work for Central Asian countries. The need for infrastructure development and other development projects may be needed to be undertaken there too. Although some Chinese proposals under CPEC were refused by Pakistani authorities, the country is still very much inclined to accept most of the Chinese initiatives.

Conclusion

Strategic connectivity and its effect, mobility, influence trade relations are determined by the way the territorial planning is made. Once we

consider CPEC as a trade network, or a segment of an infrastructure-based trade web like the BRI, we might also observe the connections between different regions and countries which make trade in the region easier by diminishing the distances among the large population centers.

The advantages of the implementation of SEZs in Pakistan could be measured in the results of the territorial specialization in the future. That means that the industries located in some parts of Pakistan could define those regions by the products they deliver to the BRI as a whole. It's up to Pakistan how far its products reach in the BRI supply chain and how much profit they bring. This territorial specialization project of the corridor brings with it the sign of significant industrial plans of China in Pakistan with specific development concentration especially in the Gwadar Port area. If Pakistan wishes to benefit from that asset, that could mean that the country should also develop on its own and have its own agenda in addition to the Chinese one. This way Pakistan may have a bigger contribution to the BRI and increase its own added-value and access to other markets, than when it only relies on Chinese projects.

One also needs to consider access to important regions and trade zones as a major factor of connectivity. Whether we speak about Central Asian or Middle Eastern markets, the CPEC assures this access both by Central Asia to the Middle East and North Africa and vice versa. Though not certain, if any of the countries from the Middle East joins the CPEC, they would have the access to markets from Central Asia and vice versa. But the main purpose related to access refers to China's need of primary resources for its own economy and shorter and alternative routes to those resources, whether they are in Afghanistan, Pakistan or Central Asia.

Finally, connecting energy and transport routes and technologies to different parts of the world could prove a major benefit for the regions where the CPEC may have an impact within the Belt and Road

Initiative. Whether the CPEC projects will develop into a country-wide market with external impact on mobility, access and growth for both Pakistan and China, and with internal impact on the progress from the lives of the local people, it is going to be up to both parties of the corridor.

Endnotes

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