

A CORRIDOR ACROSS THREE COUNTRIES: China Pakistan Economic Corridor

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Abstract-

The paper set forth deals with the China-Pakistan Economic Corridor (CPEC), a major part of One Belt One Route (OBOR) or New Silk Route Project, stands as an initiative of a long term infrastructural project taken up by the Chinese government, which is thought to be completed by 2030. The paper takes up this phenomenal, multibillion dollar “game-changer” from a historical, legal and political standpoint.

China Pakistan Economic Corridor is a project taken up jointly by the Beijing and the Islamabad governments. Under the project, the aforementioned governments are to invest in building in a series of roads, railways, pipelines, hydropower plants and other developmental projects that are to be established from Xinjiang Province in China to Gwadar in the southwest Pakistan.¹ The project is a \$46 billion project, financed through Chinese investments, from Chinese financial institutions; however, Pakistan would also be investing approximately 15 billion dollars², making the project to be termed, indeed, as “game-changer”.

The paper highlights the authenticity of the Corridor in the light of International, Pakistani and Indian laws and strives to answer certain questions which prick our curiosity. Whether the Corridor can be erected within the ambit of International Laws? What effect will the Corridor have on Gilgit- Baltistan residents? Whether the Corridor, a threat to India’s security and territorial sovereignty? Whether the Corridor can bring positive changes in the economic conditions of the two nations named in the project? Whether the Corridor serves a beginning of alliance and allegiance between China and Pakistan against major world communities?

The paper takes into consideration the relevance of the CPEC for both the protagonist countries- China and Pakistan, keeping in circumference the repercussions it would have on other world communities, especially, on its sandwiched and mutual neighbour- India, from parts of whom the corridor is to pass. The project is reciprocated with myriad views form various countries. It is considered a fine step by Eurasian countries- Russia, Iran and Central Asian countries, but is emphatically opposed by the United Kingdoms and the Western- European countries and by India. The differing views of these nations are also elaborated in the paper.

Lastly, the paper amplifies the strengths, weaknesses and the repercussions-social, economic, competitive, legal and fiscal of this Corridor, on the South Asian and Eurasian countries, centring the prominent countries from where it is to pass- China, Pakistan and India, followed by a conclusion the whole article with an overall analysis of the pros and cons of the project.

INTRODUCTION

In one of his visits to Asia and South Asia in 2013, President Xi Jinping announced the formation of the China Pakistan Economic Corridor, hereinafter referred to as the CPEC. It is since then considered to be a golden opportunity by the Pakistani government to establish, jointly with the Chinese government, a trade route that will incorporate 2000 kilometre transport link between Kashgar in northwest China and Gwadar port in Baluchistan (Pakistan). Besides the land routes between Kashgar and Gwadar, it includes a major chapter of sea-based maritime silk route that will be effortlessly and cost-efficiently connecting China through Gwadar to the broader Indian Ocean, the Gulf states and east Africa, then to the Mediterranean via Red Sea, thus connecting it with North Africa and Europe.

The perks of this Corridor to Pakistan are that she being a developing economy, with it GDP growth rate decelerating in the recent years grabs this opportunity with tight fists, which proves to be of great economic significance to her. Apart from the investment

¹ <https://www.aljazeera.com/amp/indepth/features/2017/02/china-pakistan-economic-corridor-worry-india-170208063418124.html> as viewed on 1st April, 2018

² Riaz A, Mi H (2017) “China-Pakistan Economic Corridor and its social implications on Pakistan: How will CPEC boost Pakistan’s infrastructure and overcome the challenges?” as viewed on 1st April, 2018

of \$46 billion from Chinese financing institutions and \$15 billion investment from the Pakistani government, the project is said to give 17,000 MW of power to Pakistan, in the coming five years and will connect more than 3 billion of the population in the course. Plus, the project huge expenses in trade which are incurred by the countries on both the sides, said to be empowering lives of almost 3 million people living in the areas where the corridor is to pass.

However, the implementation of this project is a debatable topic to the world communities. As the Corridor is to pass through Gilgit- Baltistan in POK (Pakistan Occupied Kashmir), which is still a disputed area between the two neighbours and is not legally annexed by the Pakistan government, therefore the validity of the Corridor still is unclear in the eyes of international law and other world communities. Similarly, the Corridor is to pass through Baluchistan (Gwadar Port) and recalling a crucial fact that Baluchistan is also not a legally occupied territory by Pakistan as it was illegally annexed in 1948 and that Baluchistan holds an independent status in the International Law, therefore, without the consent of Baluchistan and Gilgit-Baltistan, Pakistan is not entitled to consent to the CPEC agreement.

While from Pakistan's standpoint, according to a vision for 2025 from political view, the aim of the governments was to bring Pakistan under top 25 economies. Pakistan Ambassador in UAE, Mr. Asif Ali Khan Durrani also witnessed the benefits of CPEC and declared it a positive game-changer for Pakistan, China and Gulf countries. It was because the Corridor is to connect China with the Middle East by which Pakistan could easily connect with the Middle Eastern countries with a low cost. The Planning, Development and Reforms Mr. Ahsan Iqbal in the "Punjab Board of Investment and Trade" said, "A container which usually takes 50 days to reach Heimburg from Beijing with \$3,000 will now arrive in only 15 days saving \$1,800 after completion of the CPEC"³

Observing China's stand on the advantages of CPEC, are two prominent advantages- first, China will get an easy access to the Western and the Middle eastern countries and second, investing such a huge amount would make China take an upper pedestal stand as the situation of 2004, 2008 and 2014 when the Chinese officials in Pakistan were terrorized by the Baluchi insurgents (2004) and the Taliban (2008 and 2014). Hence, the position of CPEC is that of "one man's meet another man's poison".

THE HISTORY OF ONE ROAD ONE BELT

In 1983, the United States in her engagements with Afghanistan wanted to develop the Gwadar port, but the idea became dormant when Soviet troops left Afghanistan. The idea for developing the Silk Route emerged again after the dismantling of USSR in the Central Asia- Caucasus Institute and Silk Road Studies Program at the SAIS, Johns Hopkins University under the Great Central Asia Partnership Doctrine, connecting Central and South Asia.⁴ Then again, during the government of President Pervaiz Musharraf in Pakistan, the idea of economic corridor was discussed with Chinese government. The idea was pondered upon for many years, but gained power in May 2013 when Chinese Premier Li Keqiang visited Pakistan keeping Gwadar its core and signed the CPEC agreement, worth \$18 billion including the 200 kms tunnel for the CPEC, then. He said in his speech in the Parliament: "Our two countries need to develop a closer relationship and enhance cooperation to jointly meet international uncertainties and challenges in Asia. The both sides should deepen China-Pakistan comprehensive strategic cooperation, boost pragmatic cooperation in all areas and develop a long-term plan for China Pakistan Economic Corridor."

A year later, Pakistan's president visited China for clarifying the plans for CPEC in 2014, at which point China promised a sum of \$45.6 billion for energy and infrastructure of the corridor. In April 2015, President Xi Jinping of China visited Pakistan and signed 51 agreements having a total worth of \$46 billion including development of CPEC. The amount invested is said to be more than anything Pakistan has received since 9/11.⁵

The Red Dragon has been trying to strengthen its economic diplomacy and has been trying its destiny with myriad regions in Asia, Africa as well as Europe.

INDIA'S CONCERN OVER THE CPEC

On June 15, when it was only a matter of two months after Chinese President Xi Jinping announced his intentions of erecting the China Pakistan Economic Corridor and his investment for the same, the current Prime Minister of India Mr. Narendra Modi told China that the plan was "unacceptable". The resentment of India over this game-changer is because of the fact that the Corridor is to pass through Gilgit-Baltistan in Pakistan administered Kashmir- a territory that is still disputed and is claimed to be that of

³ <https://www.ia-forum.org/Content/ViewInternalDocument.cmf?ContentID=8596>

⁴ Federick Star S (2007) New Silk Roads: transit and trade in greater central Asia, Central Asia-Caucas Institute and Silk Road Studies Programme at SAIS, John Hopkins University, Wahington DC

⁵ Ali S (2015) the far reaches of the corridor, the tribunes, Islamabad

India. On 17th January, PM Narendra Modi spoke at a seminar in New Delhi, “Only by respecting the sovereignty of the countries involved, can regional connectivity corridor fulfil their promises and avoid differences and discord.”

Foreign Secretary Subrahmanyam Jaishankar, two days later, reflected the meaning of what Prime Minister Modi announced and said, “The CPEC passes through a territory that we see as our territory. Surely people will understand what (the) Indian reaction is. There needs to be some reflection and I am sorry to say that we have not seen signs of that.”

The speeches of Indian officials prove that constructing CPEC would be a catalyst in the on-going strained relations of India with Pakistan. Two most paramount and consequential reasons for the grains of worry sprouting in the heart of India with regard to the CPEC are-

Gilgit-Baltistan Issue-

The disputed region of POK (Pakistan Occupied Kashmir) is not legally annexed by Pakistan. Neither Gilgit-Baltistan is a part of Pakistan’s Constitution, nor do its residents (Kashmiris) have any say and seat in the Assembly of Pakistan, which makes Pakistan incompetent to make any decision, or indulge in negotiations on the part of the said areas, that too without consulting the citizens of Gilgit-Baltistan. It is clearly stated in the Pakistani Laws that the provinces must be consulted before any negotiations and agreements. The agreements to be made on behalf of any Pakistani state must be first ratified by the state, as per the law. Since the annexation of Gilgit and Baltistan was not legal hence, the agreement of the CPEC to pass through those areas cannot be considered legal. Thus, Pakistan is not entitled to conclude the CPEC agreement. Apart from this, it is thought by the citizens of Gilgit-Baltistan that the Corridor will allow easy exploitation of the water resources of the said areas that too, for the sole benefit of Pakistan. The high herald of employment of labour from Pakistan to generate employment is without any single Kashmiri being involved of the said area, in the project.

Recently, United States Defence Secretary James Mattis also questioned the legality of the CPEC as it is to pass over the disputed territory of Gilgit-Baltistan (GB). The South Asia Democratic Forum, has highlighted the fact that the implementation of the multi-billion dollar project is being enforced violently, leading to large-scale and systematic human rights violations perpetrated by the Pakistan Army.⁶ Plus, a large number of political and human rights activists from Pakistan Occupied Kashmir (POK), who have been opposing the CPEC project are now put to sedition charges for opposing the CPEC with many of them, also charged under the Anti-Terrorism Act and are languishing in jails throughout Pakistan. Similar was the state of citizens of Sudan, while a trade link was being built there.

Moreover, Strategic Analyst at the Brussels-based Hague Centre for Strategic Studies, Willem Oosterveld observed, “there are certain international legal provisions for when you can or cannot build in occupied territory.” To which he further added, “The CPEC does not conform to the International Law.”⁷

Another prudent cause of worry for India with regard to this project is that, since China has been on a neutral stand on the Kashmir issue since 1963, will now be economically biased on grounds of security interests in the territory of Pakistan. The evidence of which was seen after the 1962 Indo-China War when China sowed good relations with Islamabad, while in turn, Islamabad emerged as the biggest buyer of the Chinese developed defence equipment in the recent years.

Any man of ordinary acumen would understand the latent diplomatic ties being set up since 1962 between the neighbours of India. Acquiescence for construction of the corridor through the territories claimed by India will hit hard on the roots on Indian sovereignty and will make Gilgit-Baltistan, de-facto, to be under Pakistan’s dominance or control. Hence, the frivolous reaction of India’s PM Narendra Modi stands to be quite comprehensible.

China’s String of Pearl-

It is quite pragmatic on the part of New Delhi to consider CPEC as a step towards adding another pearl to the China’s already existing “String of Pearls” bases, which extends from Chinese mainland to Port Sudan. Gwadar, deep-sea- port located in Baluchistan, is being seen as another part to be added in the string. China has already developed ports in Sri Lanka, Bangladesh, Maldives and Somalia which are considered a military challenge against India. The Gwadar is eyed as one of the world’s busiest shipping lanes in the Arabian Sea and has been leased to Beijing for over 40 years. Since, more than 2/3rd of India petroleum imports pass through the said area, thus, it is obviously, feared by India that the port might become a Chinese naval outpost, threatening India’s energy and economic security, keeping in mind the actions of China after 1962.

⁶ https://www.google.co.in/amp/wap.business-standard.com/article-amp/international/cpec-violating-rights-of-gilgit-baltistan-residents-european-think-tanks-117101700377_1.html

⁷ ibid

Mihir Sharma, author of “Restart: The last chance for Indian Economy”, says, “India’s relations with Pakistan are simple too unstable for the former’s primary land connectivity corridor to Central Asia, Russia and Europe, to run through latter’s territory. The risk of investment and of trade through that corridor, in both geo-strategic and economic terms, might be too high.”

Similarly, Claudia Wadlich Heidelberg, a German activist and writer holds the opinion that China is using One Belt One Road project to conquer strategic positions through Asia, Africa and Europe to gain world power. Democratic intentions and free trade are not their goals.

This clearly indicates an open threat to India’s security which can become more vulnerable if India consents to the construction of this passage from its territories.

Conclusion & Analysis

China on 29th January, 2018 had offered open talks with India to clarify the issues and bridge the conflicts on China Pakistan Economic Corridor, which shall prove to be a removal of prick from the New Delhi-Beijing relations. Chinese Foreign Ministry spokesperson Hua Chunying said, “Regarding CPEC, China has repeatedly reiterated our position. As to the differences between China and India, China stands ready to communicate and talk with India to seek proper solutions so that these differences will not affect our general national interests.”

While, China’s ambassador to India, Luo Zhaohui, in November, vocalised his eagerness to accommodate according to India’s concerns, said in his speech at Jawaharlal Nehru University, New Delhi “We can change the name of CPEC (China Pakistan Economic Corridor). Create an alternative Corridor through Jammu and Kashmir, Nathu La Pass or Nepal to deal with India’s concerns.”

India’s counter to the CPEC

However in order to counter the CPEC, India has announced an investment of \$500 million to develop the Chabahar Port in Afghanistan, as this can prove to be a similar project to connect with the Central Asia and Europe, while bypassing Pakistan. India also committed an amount near to \$ 2 billion for developmental aid to Afghanistan, while maintaining proximate military ties with Kabul. This will provide a brownie-point to India by granting her access to Afghanistan- something which Pakistan has been denying her since years! Plus, Iran can transport goods from Chabahar Port to Mumbai and also provide opportunity to Afghanistan to connect with the Gulf, Arabian Sea and the Indian Ocean, as well.

Though it is obviously thought that Chabahar Port and the CPEC are rival and competitive projects, but it is also thought that may be projects end up functioning together as a network.

Though the CPEC stands as a beneficial economic endeavour for Pakistan and China, and as alleged by them, for the whole of Asia, yet, in Indian perspective one fails to understand the legality and the real motive of constructing this Corridor. Is it a way to simply establish a strong economic tie for becoming the country with world’s highest GDP growth rate? Or, is it to add another pearl in the “string of pearls”, by which China can get another naval base in the neighbouring water body of India? Or, does the corridor serves a corridor to Pakistan for calling the POK to be under their sovereign control, even though it legally belongs to India? Everything said and done, these questions still remain unanswered and to be pondered upon.

However, viewing this CPEC agreement in the light of law, which it should be eyed under, one, can see that since Baluchistan and Gilgit-Baltistan are not legally annexed states of Pakistan due to which decisions on international matters cannot be made on their behalf, hence, the agreement stands to nullifying in the eyes of international law’s pursuance. Moreover, strains have begun in the Doklam plateau as shown in the satellite pictures, India needs to be cautious, vigilant and pragmatic enough to not to be a sheep only to get eaten by wolves, instead to be the fox to recognise the trap of economic, social and even border-security casualties which might take place, though by not the initiation of this project, but definitely by the misuse of this project against India.