



**CPEC in the Crossfire: Unraveling the Geopolitical Landscape of the
China-Pakistan Economic Corridor amidst US-China Rivalry**

Mudasir Hassan,¹ Muhammad Farhan,² Taimoor Zeb Khan,³ & Sayed Idress Hashimi⁴

Abstract:

This study explores the complex relationship between the China-Pakistan Economic Corridor (CPEC) and the growing rivalry between the United States and China. It examines how these two major global powers approach CPEC and uncovers the challenges and opportunities that arise from their competition. Employing a qualitative research methodology, this study delves into the intricate dynamics of the U.S.-China approach to CPEC. The research is grounded in the theoretical framework of Realism, providing a lens to scrutinize the nuanced interactions between these global powers. As Pakistan finds itself caught in the crossfire between the United States and China, it faces an important moment that requires a careful assessment of its future options. This study provides a detailed analysis of how this geopolitical tension affects CPEC and offers insights into the strategic decisions. The way forward for Pakistan necessitates a balanced approach, leveraging the benefits of CPEC while mitigating potential risks. Pakistan must make to protect its national interests in the midst of this global power struggle.

Keywords: China, the US, China Pakistan Economic Corridor, Belt and Road Initiative, interdependence, sstrategic rivalry

INTRODUCTION

In an era defined by geopolitical complexities, economic interdependence, and strategic maneuvering, the China-Pakistan Economic Corridor (CPEC) has emerged as a focal point in the evolving dynamics of global power play. This study delves into the multifaceted narrative surrounding CPEC, examining the contrasting approaches of the United States and China toward this ambitious infrastructure project. As the United States and China engage in a strategic rivalry that reverberates across continents, the CPEC initiative finds itself caught in the crossfire, presenting both challenges and opportunities for the nations involved.

¹ Holds M. Phil degree in International Relations from Department of Political Science, University of the Punjab, Lahore, Pakistan. Email: mudasirhassananwar@gmail.com

² Holds M. Phil degree in International Relations from Department of Political Science, University of the Punjab, Lahore. Email: muhammadfarhantufail@gmail.com

³ Holds M. Phil degree in Political Science from Government College University Lahore, Pakistan. Email: taimoorzeb343@gmail.com

⁴ Holds M. Phil degree in International Relations from Department of Political Science, University of the Punjab, Lahore. Email: sayedidresshashimi@gmail.com

The CPEC announced in 2013 as a flagship component of China's ambitious Belt and Road Initiative (BRI), has been heralded as a transformative force for the economies of both China and Pakistan. In 2023, a decade after initiation, the infrastructure and energy projects have concluded, yielding visible outcomes. Ongoing evaluation is crucial to address challenges and ensure timely project completion. With 27 projects, amounting to \$19 billion, already completed, an additional 63 projects, costing \$35.2 billion, are anticipated to be completed by 2030 (Mir, 2023). Envisaged as a network of infrastructure projects spanning energy, transportation, and communication, CPEC aims to connect the Gwadar Port in southwestern Pakistan to China's northwestern region of Xinjiang, creating a corridor of economic development. As an investment of unprecedented scale, CPEC holds the potential to reshape the region's economic landscape, providing impetus for growth and development in Pakistan while offering China strategic access to the Arabian Sea.

However, the global geopolitical context in which CPEC is unfolding is marked by the intensification of the rivalry between the United States and China. This rivalry is characterized by a multifaceted competition involving economic, technological, military, and ideological dimensions. The implications of this rivalry extend far beyond the immediate participants, influencing the strategic calculations of nations worldwide. CPEC, situated at the confluence of these competing interests, becomes a microcosm of the broader challenges and opportunities inherent in the evolving global order.

Under BRI, China and Pakistan collaborate on the CPEC, a flagship project aimed at fostering economic development. Connecting Pakistan's Gwadar Port to China's Xinjiang region, CPEC focuses on enhancing manufacturing, energy, and transport infrastructure. Comprising key elements like the Gwadar Port and a comprehensive network of road, railway, oil pipe, and optical fiber connections, CPEC addresses challenges such as energy security and poor infrastructure in Pakistan. Through a \$55 billion investment by China, the initiative supports infrastructure, agriculture, water conservancy, energy, and communication projects, fostering regional harmonization and inclusive growth. However, CPEC faces challenges including regional tensions, political instability, and security concerns. Overcoming these hurdles is crucial for Pakistan's sustainable economic growth, necessitating infrastructure development, energy security, effective governance, balanced regional growth, and counterterrorism efforts. Successful implementation of CPEC is seen as integral to the success of the broader BRI initiative, influencing not only Pakistan's economic trajectory but also impacting the economic growth of neighboring South and Southwest Asian countries (Wen & Saleem, 2021). However, some commentators believe, China's ascension poses a significant security challenge, impacting not only India's dominance in the Indian Ocean but also challenging the United States (Fayyaz, 2019).

The potential expansion of the China-Pakistan Economic Corridor (CPEC) within the broader framework of the Belt and Road Initiative (BRI) elicited an expectedly unfavorable response from the United States. The U.S. closely monitored all CPEC-related activities, expressing disapproval and perceiving CPEC as inseparable from China's larger goal of positioning itself as a global politico-economic leader. The U.S. contends that China aims to reshape the international system to align with its ambitions, promoting the "Chinese model" and "Chinese wisdom" as solutions for global issues. The U.S. underscores concerns voiced by the EU, India, and Japan regarding BRI, citing these as reasons for the European Union's alternative strategy and the Indo-Japanese 'Asia-Africa Growth

Corridor.' While these plans bear resemblance to BRI, the U.S. has not openly opposed them, implying a nuanced stance and possibly indicating covert approval, despite its partial and biased approach towards China (Iqbal, 2020).

In the intricate geopolitical landscape, Pakistan stands at a pivotal crossroads, delicately juggling its longstanding alliance with the United States and the flourishing economic ties with China amidst the intense rivalry between the two global powers. The research delves into the challenges faced by Pakistan in maintaining this equilibrium and explores potential opportunities within the complexities of the US-China competition. Additionally, the paper proposes strategies to navigate these challenges, leverage opportunities, and ensure the sustainable development of the China-Pakistan Economic Corridor (CPEC). Through a thorough analysis of the broader US-China rivalry context, the research aims to provide a nuanced understanding of how this competition impacts regional infrastructure projects and the countries involved, with a specific focus on Pakistan's crucial role in this intricate geopolitical puzzle.

This study focuses on the following research questions: what are the contrasting approaches of the United States and China towards their involvement in the CPEC, and how do these approaches influence Pakistan's strategic decisions? What are the possible implications of the Sino-U.S. strategic conflict for Pakistan's economic development and regional connectivity initiatives, such as the China-Pakistan Economic Corridor (CPEC)? What are the potential future scenarios for the CPEC given the ongoing geopolitical dynamics between the United States and China? What are the policy options for Pakistan in terms of this US-China Strategic rivalry about CPEC?

RESEARCH METHODOLOGY

Qualitative Research methodology has been used in this paper. This research study adopts a descriptive and exploratory research design that aims to explore and understand the complex dynamics of power play between China and U.S. strategic rivalry and the assessment of Pakistan's response to this antagonism. The literature has been obtained from secondary sources. More-over, the analysis has been under the theoretical framework of Realism. Realism Theory highlights the significance of power, security considerations, and the pursuit of national interests in understanding how Pakistan balances its ties with China and the U.S.

LITERATURE REVIEW

Gull et. al. (2022) highlighted the conflict between the China and US in Central Asia and its impact on Pakistan. The authors identify several dimensions, including political, military, and economic security that are influenced by this competition. Relations between Pakistan and the Gulf States, Iran, China, and Russia are impacted on a political level. Additionally, as a military frontline state against terrorism, the nation's strategic importance increases. Finally, the China Pakistan Economic Corridor offers economic opportunities and regional connectivity that contribute to Pakistan's economic security.

Zhao (2021) discusses the Build Back Better World (B3W) initiative, launched by G7 countries as an alternative to China's Belt and Road Initiative (BRI) for aiding infrastructure development in lower-income countries. He comprehends the strategic competition between the United States and China by analyzing the impact of the BRI, particularly in the Indo-Pacific region and the digital economy.

Additionally, he focuses on the B3W initiative, providing an initial analysis of how the Biden administration employs B3W to compete with the BRI. Zhao concludes by arguing that international development should not be viewed as a zero-sum game, emphasizing that developing countries facing infrastructure and growth challenges need not choose exclusively between China and the US.

Allison (2015) examines the likelihood of conflict between China and the U.S. Inspired by Thucydides, Allison introduces the "Thucydides Trap," suggesting a higher risk of conflict when a rising power, like China, challenges an established one, such as the United States. Analyzing 16 historical power transitions, Allison underscores the tensions and structural factors leading to conflict, drawing parallels with events like the First World War and the Cold War. The focus is on the U.S.-China relationship, deemed the most significant power transition in history, considering economic, military, and ideological differences. Allison advocates strategic empathy, clear communication, and sustained dialogue to avoid misperceptions, offering policy recommendations for peaceful power transitions. This comprehensive analysis serves as a cautionary guide for policymakers, urging diplomatic measures to prevent a destructive U.S.-China conflict.

SILK ROAD REVIVAL, CHINA'S STRATEGIC VIEW ON THE CPEC

China views the China-Pakistan Economic Corridor (CPEC) as a pivotal component of its broader Belt and Road Initiative (BRI), emphasizing economic development, regional connectivity, and strategic cooperation. From China's perspective, the CPEC not only serves as a crucial trade route but also fosters deeper economic ties between China and Pakistan. It is seen as a flagship project reflecting the shared vision of the "Community of Shared Future for Mankind" promoted by China. The CPEC aligns with China's goal of enhancing connectivity across Asia, the Middle East, and Africa, promoting economic growth, and addressing infrastructure gaps. Moreover, China perceives the corridor as a means to secure its energy interests by facilitating more efficient access to the Arabian Sea and the Gwadar Port. Overall, China's perspective on the CPEC underscores its commitment to fostering regional development and connectivity through mutually beneficial partnerships.

In 2013, Xi Jinping presented a vision for increased Eurasian economic integration through two key speeches: one in Kazakhstan introducing the Silk Road Economic Belt (SREB) and another in Indonesia unveiling the Maritime Silk Road (MSR). These initiatives collectively constitute the Belt and Road Initiative (BRI), often referred to as "One Belt, One Road" (OBOR) previously. China's official justification for the BRI revolves around accelerating economic growth through infrastructure development, reducing trade barriers, strengthening energy connectivity, standard harmonization, and other measures. While Chinese authorities assert that the BRI aims to create an efficient Eurasian market, foreign analysts suggest various self-interested motives, including addressing industrial overcapacity, sustaining GDP growth for social stability, supporting struggling state-owned enterprises, and developing impoverished inland provinces. Despite foreign skepticism, Chinese rhetoric on the BRI emphasizes early successes, citing achievements such as port development in Pakistan and Greece, high-speed railway projects across Southeast Asia, the Middle East, and Eastern Europe, increased trade and investment with BRI partners, and substantial funding through AIIB loans. China's state-run media frequently highlights impressive

statistics, presenting the BRI as a prosperous endeavor, not only attracting potential investors but also enhancing Xi's legacy through association with economic success (Wuthnow, 2017).

The Belt and Road Initiative (BRI) is propelled by China's mix of geopolitical and economic interests. As part of Xi Jinping's vision for a more assertive China, the BRI plays a pivotal role alongside the Made in China 2025 strategy. It serves as a response to the U.S. "pivot to Asia," facilitating new trade connections, export market cultivation, income growth, and the alleviation of excess productive capacity. According to Xi "break the bottleneck in Asian connectivity,". China strategically redraws global trade maps, positioning itself at the center. The initiative also addresses neglected western regions, focusing on economic development in Xinjiang while securing long-term energy supplies from Central Asia and the Middle East (McBride, 2023).

China's view of CPEC is generally positive, emphasizing the mutual benefits of economic cooperation and infrastructure development. However, the project has also faced challenges, including security concerns, local opposition, and financial issues. Despite these challenges, China continues to invest in and support CPEC as a key element of its broader regional and global economic strategy.

US RESPONSE TO CHINA'S GROWING INFLUENCE THROUGH CPEC

The United States views the China-Pakistan Economic Corridor (CPEC) with a mixture of interest, caution, and strategic consideration. While recognizing the potential for economic development in Pakistan through infrastructure projects, the U.S. has expressed concerns about the geopolitical implications of China's increasing influence in the region. CPEC's strategic location and its connection to the broader Belt and Road Initiative (BRI) raise questions about the transparency of financial agreements, potential debt burdens on Pakistan, and the impact on regional stability. The U.S. has underscored the importance of adherence to international standards and norms in infrastructure development, expressing reservations about the lack of open bidding in CPEC projects (Zhao, 2021). Additionally, the U.S. monitors the security dynamics surrounding CPEC, given the geopolitical sensitivities and the potential for the corridor to influence regional power dynamics. Overall, the U.S. navigates a complex stance on CPEC, balancing economic considerations with geopolitical implications and a commitment to ensuring transparency and adherence to international norms.

The U.S. has consistently expressed strong reservations and disapproval regarding the China-Pakistan Economic Corridor (CPEC) within the broader context of the Belt and Road Initiative (BRI). The U.S. perceives BRI as part of China's global ambitions, and its opposition to CPEC stems from various concerns. One major point of contention is the corridor's route through the northern region of Pakistan, which is claimed by India as part of the disputed Jammu and Kashmir territory. The U.S. argues that the project could escalate tensions between India and Pakistan, as well as between China and India, undermining global peace. President Trump reiterated this stance during his visit to India in February 2020, aligning with the U.S.'s dual objective of appeasing India, its recent political-economic partner in South Asia, and hindering a development plan that could benefit China. The U.S. emphasizes that the financial assistance for CPEC is in the form of a loan, not aid, raising concerns about Pakistan's ability to repay and the potential involvement of U.S. taxpayer dollars in an IMF bailout for Chinese-directed companies. U.S. Secretary of State Mike

Pompeo warned against IMF funds going towards Chinese interests, stating that the U.S. will closely monitor such developments. Assistant Secretary of State for South Asian Affairs, Alice Wells, cautioned Pakistan about the risk of accumulating a higher debt burden, emphasizing that CPEC is a form of financing benefiting Chinese enterprises rather than aid to Pakistan (Iqbal, 2020).

United States' response to the China-Pakistan Economic Corridor (CPEC) reflects a complex and multifaceted approach. While expressing concerns over strategic implications and debt sustainability, the U.S. has also acknowledged the potential for economic collaboration and development in the region. The evolving dynamics of geopolitics and economic interests underscore the need for nuanced and adaptive policies. As CPEC continues to shape regional connectivity and influence, the U.S. response remains a critical aspect of global diplomatic relations and economic strategies. Balancing security considerations with economic opportunities will be pivotal in shaping the future trajectory of U.S. engagement with the CPEC initiative.

CPEC CHALLENGES AND OPPORTUNITIES

The intensifying rivalry between the United States and China has significant implications for Pakistan's regional connectivity initiatives, particularly the China-Pakistan Economic Corridor (CPEC). The China-Pakistan Economic Corridor (CPEC) is a flagship project under China's Belt and Road Initiative (BRI) that aims to enhance regional connectivity and promote economic development in Pakistan. However, the project's success and sustainability are influenced by the complex and evolving dynamics of the US-China strategic rivalry.

The vast collection of development and investment initiatives was intended to connect East Asia and Europe via physical infrastructure. Since then, the project has expanded to Africa, Oceania, and Latin America, considerably increasing China's economic and political influence in this region. China through BRI, wanted to build a massive network of railways, oil pipelines, motorways, and border crossings westward through the mountainous former Soviet republics and southward to Pakistan, India, and Southeast Asia. China has enormous ambitions for BRI in the region. 147 countries—two-thirds of the world's population and 40% of global GDP—have joined the initiative or expressed interest. China has invested \$62 billion in the China-Pakistan Economic Corridor (CPEC) which connects China to Pakistan's Arabian Sea at Gwadar Port. China spent \$1 trillion on such endeavors. Xi sees the BRI as a strategy to counter the U.S. "pivot to Asia" and build new trade links, export markets, incomes, and productive capacity. China also wants to improve global commercial linkages to its neglected western regions (McBride, 2023).

The US-China rivalry is primarily a contest for global influence and power. As the CPEC serves as a critical component of China's BRI, the US perceives it as an expansion of Chinese influence in South Asia, challenging its own regional hegemony. Consequently, the US has expressed concerns about the strategic implications of the CPEC and has taken steps to counterbalance China's influence, including deepening ties with India.

For the past two decades, China's rise has caused concern in the United States; nevertheless, the Belt and Road Initiative (BRI) has worsened the antagonism. The United States expressed its concern over CPEC, and its policymakers progressively began to associate Pakistan with China. At a time when the US was already dissatisfied with Pakistan as a result of various Afghanistan-related developments, its severe dissatisfaction with CPEC had a significant impact on bilateral relations.

China is a reliable friend and natural strategic ally in the face of India. The CPEC-related squabble has pulled the United States closer to India, which is a major source of anxiety for Islamabad. Pakistani policymakers are perplexed by the issue of balancing relations between the United States and China (Iqbal, 2020).

The US-China rivalry has significant security implications for the CPEC. Pakistan's stability and security are vital for the success of the project. The US has historically been an important security partner for Pakistan, providing military aid and assistance. However, the intensification of the US-China rivalry has led to growing mistrust between the US and Pakistan, impacting security cooperation.

Since the CPEC passes through the old princely state of Jammu & Kashmir, whose territory is claimed by both India and Pakistan but only partially under their control, BRI has courted conflict. Some political groups from the Indian state of Jammu & Kashmir have asked that Kashmir be included in CPEC, even though the Indian government has rejected it as a violation of its sovereignty. India's government has declined invitations from China and Pakistan to join CPEC. The Indian Ministry of External Affairs issued a statement in April 2018 claiming that 'the so-called' China-Pakistan Economic Corridor "violates India's sovereignty and territorial integrity" (Parvaiz, 2019).

Moreover, China's expanding influence has raised concerns about the debt burden on South Asian countries. Some critics argue that China's infrastructure loans may lead to a debt trap, where countries become economically dependent on China and risk losing their sovereignty. China's rise as an international financier (particularly in low-income countries) has been accompanied by allegations of debt-trap diplomacy. The term was coined in 2017 to describe a deal in which Beijing received a 99-year lease for the Hambantota Port in Sri Lanka after the country fell behind on debt payments, but it has since come to refer to any Chinese project that conflicts with Western interests, particularly those under the Belt and Road Initiative (BRI). Western media and senior policymakers appear to believe that China is using the BRI to exert undue influence over the world, particularly because the initiative primarily funds infrastructure rather than social sector projects such as health and education initiatives, which are frequently supported by large multilateral donors and Western nations. Critics are concerned that China may seize control of these assets for military purposes or to use them as leverage in future negotiations (Clark, 2023).

The US-China rivalry has significant implications for the China-Pakistan Economic Corridor. It introduces geopolitical competition, raises security concerns, and poses economic challenges for Pakistan. However, it also presents opportunities for Pakistan to negotiate better terms, diversify its economic partnerships, and benefit from alternative infrastructure projects. Pakistan's success in sustaining the China-Pakistan Economic Corridor (CPEC) amid the U.S.-China rivalry depends on its skill in managing relationships with both countries, ensuring the protection of its national interests.

Challenges for Pakistan

The China-Pakistan Economic Corridor (CPEC) aims to enhance regional connectivity and foster economic development by establishing a network of infrastructure projects spanning from China's Xinjiang province to Pakistan's Gwadar Port. While CPEC presents numerous opportunities for

Pakistan's economic growth, it also faces several challenges that require careful consideration and strategic planning. CPEC faces both internal and external challenges.

Externally, the CPEC has been under fire from India and the United States. The Indian objections are purportedly based on India's unilateral claims over the state of Jammu and Kashmir, which certain CPEC road construction projects pass through. India actually sees the project as a means for China to advance its geostrategic position and influence in the Indian Ocean. It opposes India's desire to exercise regional hegemony, which is supported by the United States.

The United States thinks that China's ultimate objective is to use Pakistan's Gwadar deep-sea port, which is strategically located, for energy security and for power projection into the Indian Ocean. The United States appears to wish to deny the Chinese this advantage in its worldwide struggle with China. Thus, CPEC and BRI indicate a geopolitical and financial advantage for China and Pakistan. As China challenges the United States over its backing for India, the United States has urged Pakistan against furthering its relationship with China out of concern for its growing global influence. The United States has supported the Indian naval force to offset the expanding Chinese dominance in the Indian Ocean, as seen by the strengthening of U.S.-Indian strategic ties during the past ten years. According to the U.S., China engages in "debt trap diplomacy" that purportedly gives China access to Pakistan's strategic assets. There are many comparisons made between Pakistan and Sri Lanka's dire economic situation. The system, at least in Pakistan, did not, however, adhere to the industrialization timeframes intended to generate income and jobs to repay the Chinese loans (Ashraf, 2022).

The CPEC holds immense economic promise for Pakistan, as it includes infrastructure development, energy projects, and industrial cooperation. However, the US-China rivalry introduces economic challenges. The US has raised concerns about the debt sustainability of CPEC projects, cautioning Pakistan against falling into a debt trap. The US has also sought to undermine the CPEC by promoting alternative economic initiatives, such as the Indo-Pacific Economic Corridor, which could divert investment away from Pakistan. Secretary John Kerry stated at the 2013 US-India Strategic Dialogue that the US is "cooperating to realize the potential of the Indo-Pacific Economic Corridor, which can spur development and investment as well as trade and transit between the dynamic economies of South and Southeast Asia." The Indo-Pacific Economic Corridor, which will connect India to South Asia, South East Asia, and East Asia via Myanmar, has been dubbed the "New Silk Road" (Maini, 2016).

Internally, a variety of measures within Pakistan are threatening the CPEC project. Militant actions such as kidnapping/murder of Chinese personnel, kidnapping/murder of Pakistani personnel, bombings of sites, and acts of violence in large Pakistani cities pose a significant risk. The recent heinous collective murder of 43 members of the Ismaili community in Karachi is a method of spreading instability in the country. Because Ismailis constitute a sizable proportion of the population in Gilgit-Baltistan, this could spark sectarian unrest, jeopardizing the CPEC project. Furthermore, Balochistan remains the CPEC's Achilles heel. Baloch ethno-nationalist separatists continue to be the province's most vocal opponents of Chinese investment. Three Chinese engineers were killed in an incident claimed by the BLA in Hub, a town west of Karachi, in 2006. At least 20 laborers were massacred in cold blood by BLF gunmen in Turbat a week before the Chinese

president's visit. Apart from other acts of terrorism within Baluchistan, separatists often destroy electricity and energy transmission infrastructure (Falak, 2015).

Pakistan's weak governance is, among other obstacles, the greatest hindrance to the completion of CPEC. In Pakistan, it is very time-consuming to advance a project through the various government requirements. Obtaining a building permit, having commodities cleared from customs, paying taxes to the Federal Board of Revenue (FBR), establishing an electricity connection, etc., is a very complicated process that cannot be completed without paying bribes to the relevant authorities. The Chinese are unhappy with Pakistan's colonial government structure. If governance is not enhanced, CPEC will never be a game-changer for Pakistan. For example, the British spent a substantial amount of money in the subcontinent, including what is now Pakistan, on the construction of canals, roads, railways, barrages, and dams, among other things (Samo, 2020).

Pakistan finds itself in a delicate position, needing to balance its relationships with both the US and China. It heavily relies on economic and military assistance from the US while benefiting from Chinese investments and support for the CPEC. Pakistan's ability to manage this balancing act will determine its success in leveraging the US-China rivalry for its national interests. Pakistan must navigate the geopolitical competition and ensure that its economic and security concerns are addressed.

Opportunities for Pakistan

Despite the challenges posed by the US-China power play, there are opportunities for Pakistan to benefit from the situation. Pakistan can exploit the competition between the US and China to negotiate better terms for CPEC projects and attract more investments. Islamabad can diversify its economic partnerships beyond China, engaging with other regional powers to reduce its dependence on a single country. The rivalry may stimulate the development of alternative infrastructure projects, creating additional avenues for investment and regional connectivity.

CPEC, a key player in the region's economic landscape, presents Pakistan with a transformative opportunity. Aligned with the Belt and Road Initiative, it fosters cooperation in infrastructure, transportation, industry, Gwadar, and energy security. Positioned at the crossroads of South Asia, Central Asia, and China, Pakistan's strategic location enhances regional connectivity and economic development. The \$50 billion budget for CPEC, divided into energy and infrastructure projects, aims for completion by 2030, with specific milestones for each sector by 2020, 2025, and 2030. This initiative positions Pakistan to emerge as the "Tiger of Asia," leveraging its geostrategic position and abundant natural resources (Raza, 2021).

Cooperation between China and Pakistan can be used to utilize natural resources. With its top-notch infrastructure, CPEC would hasten Pakistan's industrialization. The region's overall growth is driven by the CPEC, which also aims to advance socioeconomic progress, prosperity, and security in the area. It will have a significant impact on not only China and Pakistan, but also on Afghanistan, Iran, India, and the Central Asian republics. Linkages via land, air, and sea will result in a win-win scenario for all parties involved and are seen as genuine hope for a better future with economic expansion and progress.

The China-Pakistan Economic Corridor (CPEC) has marked significant progress, with seven infrastructure projects valued at \$6.7 billion already completed and an additional twelve projects, totaling \$10.4 billion, expected to be finished between 2023 and 2030. Gwadar, a focal point, has witnessed the completion of three projects totaling \$200 million, with two \$230 million projects in the pipeline and two more \$150 million projects scheduled for completion. Notably, five Special Economic Zones (SEZs) are set to make strides in 2023 with a \$1 billion investment, and four out of nine SEZs, backed by a \$500 million investment, will be completed in the near future. A total of 27 projects, amounting to \$19 billion, have been completed under CPEC, and an additional 63 projects, valued at \$35.2 billion, are slated for completion. The economic impact is substantial, with the potential for up to 700,000 new job opportunities by 2030, complementing the 192,000 jobs already generated in projects encompassing power supply, highway construction, and transmission lines. This transformative initiative is anticipated to contribute significantly to Pakistan's socioeconomic development, as indicated by assessments from both the China Three Gorges South Asia Investment Ltd and Pakistan's Ministry of Planning, Development, and Reform's CPEC Centre of Excellence (Khan, 2023).

In conclusion, the China-Pakistan Economic Corridor brings both challenges and opportunities for Pakistan. While the project holds immense potential to transform Pakistan's economy, it also requires careful planning, effective governance, and proactive measures to address the associated challenges. By addressing security concerns, promoting socioeconomic inclusivity, managing environmental impact, and ensuring sustainable debt management, Pakistan can maximize the benefits of CPEC and steer the country toward long-term economic prosperity.

CPEC in the Crossfire and Way Forward for Pakistan

The China-Pakistan Economic Corridor (CPEC) finds itself in the crossfire of the escalating rivalry between the United States and China, presenting a complex landscape of challenges and opportunities for Pakistan. As the two global powers vie for geopolitical influence, Pakistan, a key player in the Belt and Road Initiative (BRI), must navigate the delicate balance between its longstanding alliance with the United States and its deepening economic ties with China. The strategic significance of CPEC, which aims to connect Gwadar Port in southwestern Pakistan to China's northwestern region of Xinjiang through a network of highways, railways, and pipelines, has drawn attention and scrutiny from both sides. The U.S. views China's expanding influence with skepticism and its concerns about CPEC include fears of a growing debt trap for Pakistan and the potential militarization of the region, given China's increasing naval presence in the Arabian Sea.

However, amid these challenges lie significant opportunities for Pakistan. CPEC has the potential to transform the country's economic landscape by enhancing connectivity, boosting trade, and attracting foreign investment. The infrastructure development under CPEC can address critical bottlenecks in Pakistan's economy, fostering industrial growth and job creation. To navigate this complex scenario, Pakistan could adopt a nuanced and balanced approach, engaging in constructive dialogue with both the U.S. and China to address concerns and build mutual understanding. Emphasizing the economic and developmental aspects of CPEC, Pakistan can position itself as a bridge between the two global powers, contributing to regional stability and economic prosperity. Additionally, diversifying its partnerships and leveraging CPEC as a platform for broader

international collaboration could help Pakistan mitigate the risks associated with the U.S.-China rivalry and maximize the benefits of this transformative initiative.

CONCLUSION

The China-Pakistan Economic Corridor (CPEC) finds itself in the crossfire of the escalating rivalry between the United States and China. As these global powers vie for influence, CPEC becomes a focal point, presenting both challenges and opportunities for Pakistan. The strategic significance of the region has intensified geopolitical competition, with the U.S. expressing concerns over China's expanding influence through CPEC. Amidst this rivalry, Pakistan stands at a critical juncture, navigating a complex landscape that requires careful diplomatic maneuvering. While challenges abound, including the risk of being drawn into great power conflicts, there are also opportunities for economic development and regional stability. Moreover, Pakistan cannot solely rely on the U.S. to guarantee its security, especially by expanding the crucial alliance between India and U.S. Because of this, Pakistan should keep its ties to China strong. In addition, Pakistan has less access to modern combat technologies than India does, so Pakistan must purchase cutting-edge defense systems if it wants to preserve strategic stability with India. Due to increased chances of developing long-term defense strategies in a hybrid war, Pakistan should try to expand defense collaboration with China, notably in space and cyberinfrastructure. Artificial intelligence, Autonomous systems, quantum computing, and Air defense systems might all be used in defense collaboration with China to close the strategic imbalance gap. The way forward for Pakistan necessitates a balanced approach, leveraging the benefits of CPEC while mitigating potential risks. Diplomacy, economic diversification, and regional cooperation will be crucial elements in charting a path that ensures Pakistan's interests are safeguarded in the evolving dynamics of the U.S.-China rivalry.

References:

- Allison, G. (2015, Sep. 14). The Thucydides trap: Are the U.S. and China headed for war? *The Atlantic*. <https://www.theatlantic.com/international/archive/2015/09/united-states-china-war-thucydides-trap/406756/>
- Ashraf, S. (2022, Jun. 2). Why CPEC Faces Challenges in Pakistan. *China-US Focus*. <https://www.chinausfocus.com/finance-economy/why-cpec-faces-challenges-in-pakistan>
- Clark, N. (2023, Apr. 23). The rise and fall of the BRI. *Council On Foreign Relations*.
- Falak, J. (2015). CPEC: Internal significance and challenges. *Stratagem*.
- Fayyaz, M. (2019). China-Pakistan Economic Corridor (CPEC): The road to Indian Ocean and its geopolitical implications for the India-Pakistan strategic relations. *International Journal of Educational Research and Studies*, 1(1), 14-22.
- Gul, A., Munir, M., Hussain, M., & Hussain, M. (2022). Revisiting US-China strategic competition in Central Asia and its impact on Pakistan. *Journal of Public Affairs*, 22(1), 1-12.
- Iqbal, N. (2020). The U.S. Stance and its Impact on Pakistan-U.S. Relations. *Global Political Review*, 5, 145-54.
- Khan, Y. H. (2023, Jan. 7). CPEC 2023: Hopes & challenges. *Daily Times*.
- Maini, T. S. (2016). Indo-Pacific Economic Corridor Opportunities and Challenges. *East Asia Research Program*.
- McBride, J. (2023, Feb. 2). China's massive Belt and Road Initiative. *Council on Foreign Relations*.

- Parvaiz, A. (2019, Jan. 14). Can BRI push peace in South Asia? *The Third Pole*. <https://www.thethirdpole.net/en/climate/can-bri-push-peace-in-south-asia/>
- Raza, S. (2021, Feb. 21). CPEC-challenges and opportunities. *Daily Times*. <https://dailytimes.com.pk/719184/cpec-challenges-and-opportunities/>
- Samo, S. H. (2020, May 19). Challenges and opportunities of CPEC. *The Authentic Post*. <https://theauthenticpost.com/challenges-and-opportunities-of-cpec/>
- Wen, R., & Saleem, H. (2021). The opportunities and challenges that the Belt and Road Initiative brings: Analysis from perspective of China-Pakistan Economic Corridor. *American Journal of Industrial and Business Management*, 11(6), 675-91.
- Wuthnow, J. (2017). *Chinese perspectives on the Belt and Road Initiative: Strategic rationales, risks, and implications*. Washington: National Defense University Press.
- Zhao, Zhao, M. (2021). The Belt and Road Initiative and China-US strategic competition. *China International Strategy Review*, 3, 248-60.

Date of Publication	November 15, 2023
---------------------	-------------------