China-Pakistan Economic Corridor's Security Concerns


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Abstract

The paper reviews the (CPEC) from a security lens. The upshot of CPEC is to bring in peace and prosperity in the region through laying a mix of road networks, railways, and pipelines in this area. It envisions to transform Pakistan by upgrading its economic profile through connectivity with adjacent regions, addressing energy shortfalls, and expanding societal links between Pakistan and China. Both sides perceive CPEC to be a game-changer. However, there are key challenges to establish a sphere of co-security interdependence through CPEC. The core risks and opportunities associated with the implementation of this crucial project are highlighted in this study. The paper dwells on the security dimensions of the CPEC from an integrated conception of security - to stamp the CPEC as a safety valve not only for Pakistan and China but for a host of countries associated with it.

Key Words: CPEC, Security, China and Pakistan, Economics

Introduction

The China Pakistan Economic Corridor is being hailed as the fate-changing investment in Pakistan. Given the status of “distinct advantage”, CPEC is a culmination of major foreign investment projects undertaken by China in Pakistan’s infrastructure, energy, and communication sector (Bina, 2018). The corridor focuses on a 2,000-kilometer road and rail links between Western China and Pakistan. It connects Kashgar to Gwadar port in the Arabian Sea. CPEC comes under the umbrella of a larger Chinese OBOR “One Belt One Road” initiative that encompasses the population of more than 4 billion and an economic output of US$ 21 trillion in Eurasia. Verifiably the Sino-Pakistan relationship will significantly deepen with CPEC from an economic-security point of view and can alter the geo-economic politics of South Asia.

In this context, OBOR is the reflection of regional political integration, humanizing economic development, trade, up-gradation of investing in transportation and energy sectors. By connecting China with Asia, Europe, Africa, and the Middle East, OBOR aims to reshape trade and diplomacy. In this context, CPEC will open doors to trade and prosperity not only for Pakistan and China but for Iran, Afghanistan, and Central Asian Republics too (Small, 2015).

However, there are credible security threats that encompass both traditional and non-traditional in nature exists for CPEC. Making it imperative for Pakistan to adopt a more sustainable approach to mitigate the challenges. To elaborate CPEC in terms of security dilemmas and goals it’s necessary to first clarify the conception and practice of security nowadays.

Part One CPEC’s Security Matrix – Theoretical Construct

We are no longer living in a military-dominated era and cannot ignore the non-traditional aspects of security. Today, non-kinetic threats ranging from water scarcity, population explosion, food shortages, climatic disruptions, terrorism, spiraling poverty, massive drug abuse, the surge in criminal activities and governance issues and so on – define the international security landscape along with the hardcore military security risks. The reality has given rise to new challenges to state security managers and planners. To rise to the impending economic

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needs and institute plans in line with the new security dynamics, Islamabad perceives CPEC as a most viable project.

Over the years, the United Nations ‘Human Security’ approach has gradually led to the shifting of the focus from a state-centric vision to a more human security centric-approach. Though, the WTC 9/11 incident and declaration of the ‘war on terror’ subsequently, stressed state security through kinetic means by many including Pakistan. However, the criticality of non-traditional security threats and the interrelationship between hard and soft aspects of security has become more pressed.

Within the context of CPEC, the present study postulates, security as a relational phenomenon and synonymous with the accumulation of power (hard and soft both). It involves the capabilities, desires, and fears of all interacting states. To understand the security paradigm of any state the regional and international environment in which it operates needs to be understood.

In a globalized world of nuclear weapons and interdependence, the security of one country impacts the security of others at the regional and international levels. Nations cannot escape security interdependence in this complex world. It is, therefore, apparent at two levels: first of individual state, and second of the international system. Each state examines its security threats given the stability of the state and society and its vulnerability to external threats. Meanwhile, at the second level, it operates and deals with the structure and nature of the international system as a whole. International security patterns and problems mostly influenced by a change in variables such as the balance of power, technological and economic advances, and the pattern of international commerce. The regional labels can be used in simply describing crises or conflicts involving more than one country but for security, in an interdependent world, it is more important than a situation involving two countries or a particular war or crisis in a specific region. This deeper understanding highlights that there are security groupings between states at the sub-regional level and these are determined by the geographical proximity of states (Barry, 2014). The model described under explains the conceptual underpinnings of the Security as follows:
China’s pursuit of OBOR and CPEC as one of its flagship projects is a reflection of its firm belief in the geo-economics as a vehicle to connect the world and achieve a well-deserved status of a global economic powerhouse. Geo-economics implies:

- The pursuit of profit is a vital national interest.
- Economic competition is directly influencing economic integration between countries.
- Regional multilateral trade regimes are increasing.
- States are competing for access to markets than resources (Mark, 2016).

Since the announcement of the CPEC project both China and Pakistan have focused national efforts to build and operationalize its energy and infrastructure projects. Both sides realize the gains and challenges facing the mega-project. CPEC is considered critical for the success of their “One Belt, One Road” initiative. Meanwhile, external and internal security challenges have been making efforts to undermine the project. Making it essential for both Pakistan and China to collaborate and mitigate the risks (Hafeez, 2018).

**Part Two CPEC Security Challenges**

The strategic importance of CPEC is immense, however, Pakistan’s relatively weak governance pattern directly undermines economic development. Luan Jianzhang at the Central Committee Communist Party of China professed. Daunted by poor administration, lack of accountability, and external threats like terrorism. Pakistan faces a multitude of internal and external challenges that opposes the implementation of CPEC projects (Abid & Ashfaq, 2015).

Challenges also exist at the diplomatic front. The onset of Chabahar port and India’s claim that Gilgit-Baltistan to be part of a disputed territory poses a challenge to CPEC. The United States has also expressed concerns over the growing Chinese footprint in the region. The US has suggested to Pakistan to refrain from having Chinese presence on the Gwadar port. Washington supported the Singapore Port Authority as a viable agency to manage the Gwadar Port. The US is a major source of defense, economic aid, and, the second-largest export destination of Pakistan cannot be ignored. Making it essential for Islamabad to diplomatically involve the United States and other countries for discussing their apprehensions regarding CPEC and insulate the project from adverse fallout.

**Political Discontent in Pakistan**

Though almost all political parties in Pakistan are on one-page vis-à-vis CPEC viability as a national pursuit, however fissures exist on its implementation dynamics. The concerns are mostly related to routes of the corridor, allocations of funds for CPEC projects, and their dividends. These concerns have emerged from the chequered history of political-economic and federation-provincial relationships during the past seven decades of Pakistan. Center has always asserted greater control over-allocation of resources, consequently politicizing the process of development.

Moreover, political parties, media, and various stakeholders have expressed concerns about the non-transparent nature of CPEC projects and negotiations being undertaken with the Chinese government. Political parties have called for making public agreements of CPEC projects and the larger framework agreement signed by two countries. The Pakistani government, however, is hesitant to make public official records and agreements, which increases concerns related to transparency (Ali, 2016).

**Economic Challenges**

As an economic and trade initiative, CPEC faces a major challenge from regional competitors. The most important is the development of the Chabahar port by India and Iran. Which will strengthen Iranian-Indian-Afghan economic and political nexus. For India, access to Chabahar is crucial to linking up with landlocked Afghanistan and Central Asia, hence threatening Gwadar port strategic importance.

**Finances and Tax & Tariff Issues**

Meanwhile, Chinese authorities have expressed reservations about the taxation regime related to CPEC power
projects. Beijing has raised concerns about implementation mechanisms and details of Pakistan’s Federal Board of Revenue’s tariff and taxation regime. These issues emerged with the delay in gaining approval from FBR on the taxation relief on imports of machinery and instruments. Beijing contends such an exemption is a part of the CPEC agreement. Delay is leading to negatively undermining the completion timetable of the power project. Moreover, China has expressed reservations over the reduction in tariff on renewable energy projects.

Conferring to the reports, tariff revision will lead to negative effects on the smooth implementation of power projects. Pakistani regulatory authorities have assured to address Chinese concerns through NEPRA reviews, which determines the tariff on fuel independently. Moreover, some media reports have speculated that interest rate loans being extended by China for CPEC projects to Pakistan are highly manipulative in the long run for the country. This is disputed by Islamabad as negative propaganda and False News generation.

Pakistan’s Finance Ministry maintains that Chinese investors and companies have been granted the facility of duty-free import of machinery which is not manufactured locally. This facility extends to infrastructure projects, power plants, and development works of Gwadar port. Moreover, 23 years of tax exemption has been given to the earning income and dividends from port operations by the China Overseas Ports Holding Company, the Gwadar International Terminal Limited, the Gwadar Marine Services Limited, and the Gwadar Free Zone Company Limited (Subohi, 2017).

**Gwadar Residents' Concerns**

Although the Gwadar port is hailed as a game-changer for Baluchistan’s economic development. There are some reservations amongst the residents of Gwadar city. Their fear of being outnumbered by the settlement of Chinese and non-Balochi citizens in Gwadar coupled with their fear of not reaping any benefit from CPEC is a major source of concern for them.

In response to concerns of residents, political government and security officials have time and again assured locals that CPEC will ensure better economic prospects for them. Furthermore, they should be also assured that existing residents will not be displaced as a result of the development process, dispelling the notion that such development would bring along riches only for the more empowered classes.

**CPEC Core Security Challenges Terrorism and Militancy**

As an economic and trade initiative, CPEC faces major challenges from both intra and extra-regional competitors. These include several challenges being posed by rival states as well as non-state actors all of which pose several threats to the viability of CPEC.

**CPEC and Afghanistan**

The regional security environment is one of the major threats to the CPEC as Pakistan is located in a troubled neighborhood. The urgent challenge to the CPEC is the instability in Afghanistan. The success of CPEC and OBOR greatly depends on peace in Pakistan, Afghanistan, and Western China. Islamabad and Beijing have facilitated efforts to bring the Taliban to the negotiating table by holding peace talks between Pakistan, the Taliban, the US, and China to bring an end to the Afghan war.

**CPEC and Xinjiang**

Western Chinese region of Xinjiang has been classified as the soft underbelly of China due to poverty, underdevelopment, and ethnic tensions. It is a Muslim majority region of the Uyghur population. ISIS's assistance to ETIM has led to the formation of militant training camps in Uyghur. In recent years Xinjiang Uyghur Autonomous Region (XUAR) has been declared as a major hot spot of violence. To address this Beijing has promoted economic development in the region to dissolve the ethnic tensions and has conducted wide-scale operations (Ramachandran, 2016).

**CPEC and Baluchistan**

Baluchistan is abundant in natural resources. However, Baluchistan has remained a hotbed of ethnic tensions and
violence due to political-economic issues. Local insurgents and political leaders have raised concerns about the under-development of the province and the exploitation of its resources. Since independence, they oppose the development actions by the federal government. In a few instances, they have also attacked and kidnapped Chinese workers and blown up civil infrastructure and communication lines.

CPEC and India

India is Pakistan’s age-old strategic rival is widely perceived as having vested interests in the failure of CPEC. These perceptions are further grounded in the fact that both India and China while boasting serious economic growth over the last two decades have been competing for regional supremacy and security particularly concerning their maritime interests in the Indian Ocean.

Pakistan’s port of Gwadar which holds the key to CPEC’s success, has thus, been propelled to the forefront of the emerging security dynamics of the South Asian region. The situation has been further complicated with Indian support to the South-Western Iranian port of Chabahar which is being perceived as a direct competitor to Gwadar. For India, access to Chabahar is crucial to forming a direct maritime link with landlocked Afghanistan and Central Asia by bypassing Pakistan. If successful, Chabahar would effectively serve as a transit port or energy and trade imports coming from the Gulf region destined for Afghanistan and Central Asia, hence offering an alternative to the Gwadar linked CPEC route.

Islamist Militants

During the past decades, Pakistan has faced an Islamist insurgency that emerged during the last years of the Musharraf era. The outlawed Tehrik-i-Taliban Pakistan (TTP) led the insurgency. It has claimed responsibility for attacks on Chinese workers in Pakistan. Consequently, Chinese analysts have expressed concerns about the safety of Chinese nationals within Pakistan. In particular, Chinese authorities are concerned that militants active in Xinjiang could collaborate with Islamist militants in Pakistan (Reuters, 2014). The Zarb-e-Azb operation was launched by the Pakistani military in 2014 to eliminate terrorism from Pakistani territory, following an attack on Karachi’s airport.

Though terrorism-related violence sharply declined in Pakistan during 2016, the frequency and intensity of attacks increased in Baluchistan in 2019, where separatists maintain a degree of subversive capability. The attack on security officials traveling on the Makran coastal highway by the Baloch Raaji Aajoii Sangar (BRAS) (an alliance of ethnic Baloch militant armed groups), and in May 2019, the attack on luxury Pearl Continental hotel in Gwadar by Baluchistan Liberation Army (BLA) has added to the prevailing insecurity of the Chinese investors in Baluchistan.

Thus, to date, credible threats from non-state actors to jeopardize the life of Chinese and Pakistani personnel working on CPEC projects and attack project sites cannot be set aside.

Part Three of CPEC’s Security Risks & Response

Security Force

Internal security in Pakistan has shown visible improvement as a result of various military operations against terrorist organizations. However, the security landscape still poses formidable challenges to secure the implementation of mega development projects within the ambit of CPEC. Despite raising a special security force unit to ensure the security of project sites and Chinese personnel, terrorism emanating from Afghanistan and the difficult terrain in Baluchistan will continue to pose security challenges.

In the maritime security domain, Pakistan and Chinese naval forces have started a collaboration to guard trade convoys on international waters. This is helping Pakistan expand its maritime footprint in the Arabian Sea. Pakistan’s Navy announced raising a special taskforce “TF-88” to ensure security for CPEC sea-bound trade (Gul, 2016).

To specifically address security challenges to the CPEC, the federal government has launched the ‘Special Security Division’, an army led command, as a response to major concerns over how to protect CPEC and its workforce. Pakistani security agencies have conducted COIN operations against ETIM and the TTP. However,
more measures can be taken to improve the security situation. Pakistan needs to further proactively engage residents to address their concerns.

CPEC and Regional Organizations

Without economic growth, political stability cannot be cemented. Therefore, Pakistan has always advocated that without expanding economic and trade linkages between regional nations of Central and South Asia, their economic challenges cannot be resolved. The regional organizations such as the South Asian Association for Regional Cooperation (SAARC) and Shanghai Cooperation Organization (SCO), the primary objective is to promote trade and economic interaction among the members of these regional bodies.

Islamabad has proposed to its regional neighbors and beyond to join the CPEC projects. It will enhance the significance of this development project and also boost investor’s confidence. At this juncture, it needs to be registered that fruitful completion of CPEC is an uphill task and requires conducive internal and external geopolitical, geo-economic, and geo-strategic environment. CPEC is essentially a part and parcel of China’s grand Belt and Road Initiative (BRI) and offers a one-time opportunity for Islamabad to be on the right side of history. That is, to be an economically stable and integrated nation within and beyond. The following table illustrates the CPEC dynamics:

CPEC model - Actors; Implications & Security concerns

Besides the Baloch insurgency, the threat of domestic militant groups (particularly Tehrik-i-Taliban Pakistan - TTP), and international Jihadi organizations (al-Qaeda and Islamic State/ISIS & ISKP), exploiting economic opportunities of CPEC to damage Pakistan persists. The Islamic State, declared Jihad against China, declaring them to be an “enemy of all Muslims” due to the mistreatment of the Uyghur Muslim population (Wolf, 2016). ISIS has declared its “Islamic responsibility” to fight against the Chinese.
Details of Terrorist Activities Conducted on CPEC Related Projects

1. 30 May 2016 – IED blast injuring Chinese Engineer in Karachi.
3. 20 Jul 2016 – 20 x Miscreants cordoned OGDCL camp at Gwadar and fired 2 rockets. No loss to human life.
4. 11 Nov 2016 – Firing by Miscreants at road project at Hushab (Turbat) Baluchistan. No loss to human life.
5. 26 Nov 2016 – Ambush by Miscreants on workers of “Coal and Geo Physical Exploration Company” at Nagi, Gwadar. 2 x Private guards died due to miscreant’s fire.
7. 10 Jan 2017 - 2 x Motor Cyclists caught with Kalashnikovs at Taranda Sector of Multan – Sukkar Motorway. No loss to human life.
8. 13 May 2017 - Firing by Miscreants on laborers working on a road project near Pishgan, Gawadar. 10 x laborers killed.
9. 19 May 2017 - Firing by Miscreants on laborers working on a road project near Hushab, Turbat. 3 x laborers killed.
10. 11 May 2019 Pearl Continental Hotel attack in Gwadar.

Pakistan’s Measures to Avert Terrorist Threats and Ground Realities

Pakistan recognizes strategic importance according to its economy by China. Islamabad, thus, views CPEC - an economic corridor as mutually advantageous in terms of its long-term development. As per Vision 2025, made public by Pakistan’s Ministry of Planning, Development, and Reform, the aim is to gradually transition Pakistan towards an upper-middle-income nation (Khawaja, 2018). Hence, Pakistan needs to gain the trust of foreign investors and simultaneously make Pakistan an investment-friendly country. The federal government is focusing on improving economic indicators through energy projects and a rapidly expanding infrastructure network which will generate employment (Zhiqin & Yang, 2016).

At the security front the following measures to Avert terror incidents are underway:

- Physical deployment of Army and other Law Enforcement Agencies (LEA) troops on all static and roving projects.
- Deployment of covert security means (Hang Around Security).
- The protected move of Chinese from Airport to Project sites and vice versa.
- Coordination with civilian law enforcement agencies like local Police, Levies, etc.
- Sensitization of Chinese working on various projects about the prevailing security environment and measures taken for their protection.
- The fusion of Civil and Military intelligence agencies on the sharing of intelligence.
- Intelligence-based operations (IBOs) in the near vicinity of project sites.
- Employment of private security guards on less threatened sites.
- Clarity on rules of engagement to respond to firing from miscreants.
- Approval of “Terms of Reference” for better cohesion amongst LEAs.

Quantum of Force (Raised or Being Raised) for Security of CPEC:

- Army 15000 (Raising completed and partially deployed)
- Special Police Units (SPU) Punjab 6000 (Raising completed and deployed) Sind 3000 (Raising in the process) KPK 3000 (Recruitment of 600 individuals completed so far) Baluchistan Nil

Conclusion

The smooth trajectory of CPEC in an envisioned timeframe depends upon the surmounting of multiple complex irritants of internal and external nature. On the security front, despite assurances by the Pakistani government
and armed forces, there are many challenges ahead. Given the magnitude of the project and Islamabad’s troubled relations with India, instability in Afghanistan, and tense Iran - the project’s pace may suffer given host of traditional and non-traditional security concerns. As the Project progresses, envious neighbors and outside interferences are likely to increase --- thereby cumulatively compounding the security dimension. Unless multi-pronged measures are stringently implemented, challenges posed by extremism and terrorism in Pakistan cannot be whisked away. CPEC is perceived as a vehicle to foster economic development and stability at home and abroad.

In nutshell, political, cultural, and security challenges facing CPEC and its implementation cannot be left unaddressed:

- Foremost risks are of terrorism, which has long undermined Pakistan’s security and stability.
- Second, a stable political system is necessary for the success of CPEC. Pakistan has always struggled for political stability. Hence, Pakistan needs to ensure stability at its domestic front.
- Third, diverse cultural practices can lead to misunderstandings, and this can undermine the implementation of CPEC projects. For Chinese businesses to be successful in Pakistan, they will need to understand local culture and, norms (Falak, et al., 2015).

There are a lot of measures taken to secure CPEC in diverse dimensions from bilateral to regional and international integration. Securing CPEC from terrorism is the toughest challenge, increased China-Pakistan military cooperation is occurring against the backdrop of intensifying tensions between Pakistan and India (Kaura, Weinbaum, & Zahid, 2016). However, as evident in the swift response of security forces in repelling the attack, Pakistan remains steadfast and ever ready in its resolve to combat all forms of terrorist threats. Pakistan duly recognizes the strategic importance accorded to its relations with China and views CPEC as a mutually advantageous enterprise in terms of not only its long-term economic development but also from a National Security perspective.

Thus, by jointly working together, both countries can surmount these obstacles, provided that they are given the due care and attention required of them. By continuing to believe in its shared vision of regional peace and prosperity, a robust response to CPEC’s security challenges now can greatly reduce the potential security risks to the broader region over the long run. This in itself would serve as direct evidence of how an emphasis on combating more non-traditional risks to regional security can bring about such a massive transformation within the overall international security framework.

In sum, the construction of the “China-Pakistan Economic Corridor” is a vital part of China’s “One Belt One Road” strategic vision. It is of great significance for realizing China’s economic blueprint, safeguarding national economic security, promoting the rapid development of West China, maintaining the stability of border areas, and establishing a land-based safe channel to dispel worries about energy security. Pakistan hopes CPEC will bring economic vibrancy, infrastructural development, huge foreign investment, technology transfer, employment opportunities, ending the marginalization of far-flung areas, and more regional, national, and sub-national connectivity. That is, CPEC is an opportunity not devoid of challenges!
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