



# Horns of a Dilemma

India faces a tough choice, whether or not to join the OBOR

ON 14 MARCH 2013 PRESIDENT XI Jinping took over as the president of People's Republic of China, and also became a 'paramount leader', wearing all three hats simultaneously: the all-powerful general secretary of the Communist Party of China and Chairman, Central Military Commission, in addition to being the President.

Within 24 hours of assuming the office, Xi Jinping cleared the China-Pakistan Gwadar agreement, giving China 40 years of management rights to Pakistan's Gwadar port. The management and control of the Gwadar port gives China the much needed strategic access to the Arabian Sea and the Indian Ocean. It is open to debate by China watchers, that the immediate clearing of the Gwadar agreement is a deliberate move signalling China's priority, or just a case of a project being cleared in the normal course wherein all process and formalities had already been completed.

## CPEC

The idea of developing China Pakistan Economic Corridor (CPEC) was first mooted by Chinese Premier Li Keqiang during his visit to Pakistan in May 2013. The idea gained impetus only after China publicly mooted the ambitious plan for an inter-continental Silk Route in March 2013. CPEC is pivotal to China's 'One Belt One Road (OBOR)' as an instrument of China's global economic reach and grand strategy. OBOR project has two components: first, the land-based 'New Silk Road' and second, a '21st Century Maritime Silk Road'. The strategic importance and priority of CPEC can be gauged by the fact that 51 agreements were signed amounting to USD 46 billion, during President Xi Jinping's maiden visit to Pakistan, in April 2015. Chinese officials have called the CPEC a 'flagship project' of the OBOR plan, pointing out that the corridor provides a link between the overland Silk Road Economic Belt and the Maritime Silk Road (through Gwadar Port).

CPEC is a comprehensive development programme worth USD 46 billion. The road network entails the linking

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of Gwadar Port to Kashgar in China's restive Xinjiang region through three alignments, the Eastern, Central and Western highways. In addition, this multimodal, multidimensional corridor will comprise railway links, oil and gas pipelines, and an optical fibre link. Infrastructure to be built includes 2,700-kilometre highway from Kashgar to Gwadar through Khunjerab Pass and the Karachi-Lahore motorway. The CPEC will also extend the Karakoram Highway that links Xinjiang with Pakistan's northern region, Gilgit-Baltistan and Khyber-Pakhtunkhwa.

The deep sea port of Gwadar is located at the mouth of the Persian Gulf, dominating the Strait of Hormuz, through which 20 per cent of the world's oil is transported. China is likely to invest another USD 1.62 billion on further development of the Gwadar port, constructing an expressway to link the harbour and the coastline, an international airport, as also nine more linked projects which are to be completed in the next five years including a 1,200 metres container and a 300-metre-long cargo terminal. A 1,800 km railway line is also planned to be constructed from Kashgar to Gwadar via Havellian which is already linked with the rest of the rail network in Pakistan. China will lay some 350 km of tracks from Kashgar terminus crossing the 4,730 metre high Khunjerab Pass mostly aligned along the Karakoram Highway, thus linking Pakistan with China's rail network.

The CPEC project also envisages establishing 29 industrial parks and 21 special economic zones with 11 of these in Balochistan alone, along the corridor. The CPEC also includes power projects with an estimated 21,690 MW power production. Seeing the alignment, CPEC will run through Gilgit-Baltistan, which is an integral part of India by virtue of having been part of the princely state of Jammu and Kashmir (J&K) that acceded to the Indian Union in October 1947.

## Fate Changer for Pakistan

Pakistani and Chinese geostrategic concerns have historically remained largely congruent and converge around many common areas and bilateral interests. The relationship between the two countries mainly hinges on four shared areas of interest that include 'economic cooperation, energy security concerns, internal security, and geostrategic interests to balance India.

China is the major beneficiary of the CPEC; however, Pakistan too is an equal partner and stands to benefit both in the economic and strategic domains. Pakistan has received USD 40 billion as military and economic aid from the US since 1950, of which USD 23 billion is post 9/11. China has now promised a package of USD 46 billion, mostly for the CPEC and allied projects spread over six years. The corridor will give a major boost to Pakistan's sagging economy, leading to its revival and will also ease the energy crisis. The corridor, once completed, will transform Pakistan into a regional trade hub and energy transit corridor.

All these factors could have a huge impact on the industrial, agricultural and overall economic growth and development of Pakistan. Presently, in a manner of speaking, Pakistan has isolated itself from trade along the land route as it does not allow trade with India through its territory. With the CPEC, Pakistan can become a hub of trade with Central, South and West Asian countries. According to experts, the completion of the corridor and Gwadar would make it an economic hub and create a strategic nexus between Pakistan, China and Central

Asia, generating billions in revenue and providing shorter land routes. It would provide links from the Caspian Sea to the Strait of Hormuz, and enable Gwadar to compete with Persian Gulf ports.

A major strategic advantage that accrues to Pakistan is that, China has strategic and economic stakes in the corridor which effectively balances India. The corridor can also be exploited to move military material and wherewithal in the event of impending hostilities with India. As the corridor passes through Pakistan Occupied Kashmir (POK), any security threat will directly impact Chinese assets and interests. This will embolden Pakistan to create more trouble for India, as any reaction by India will also impact Chinese interests. A lesser known aspect of the CPEC arrangement is the likely sale of eight diesel-powered attack submarines to Pakistan by China. Though these are purportedly armed with conventional weapons, it nonetheless leads to Pakistan upping the ante in the Indian Ocean. The sale will further cement China as Pakistan's principal

arms supplier, and complicate the military balance at sea in the subcontinent.

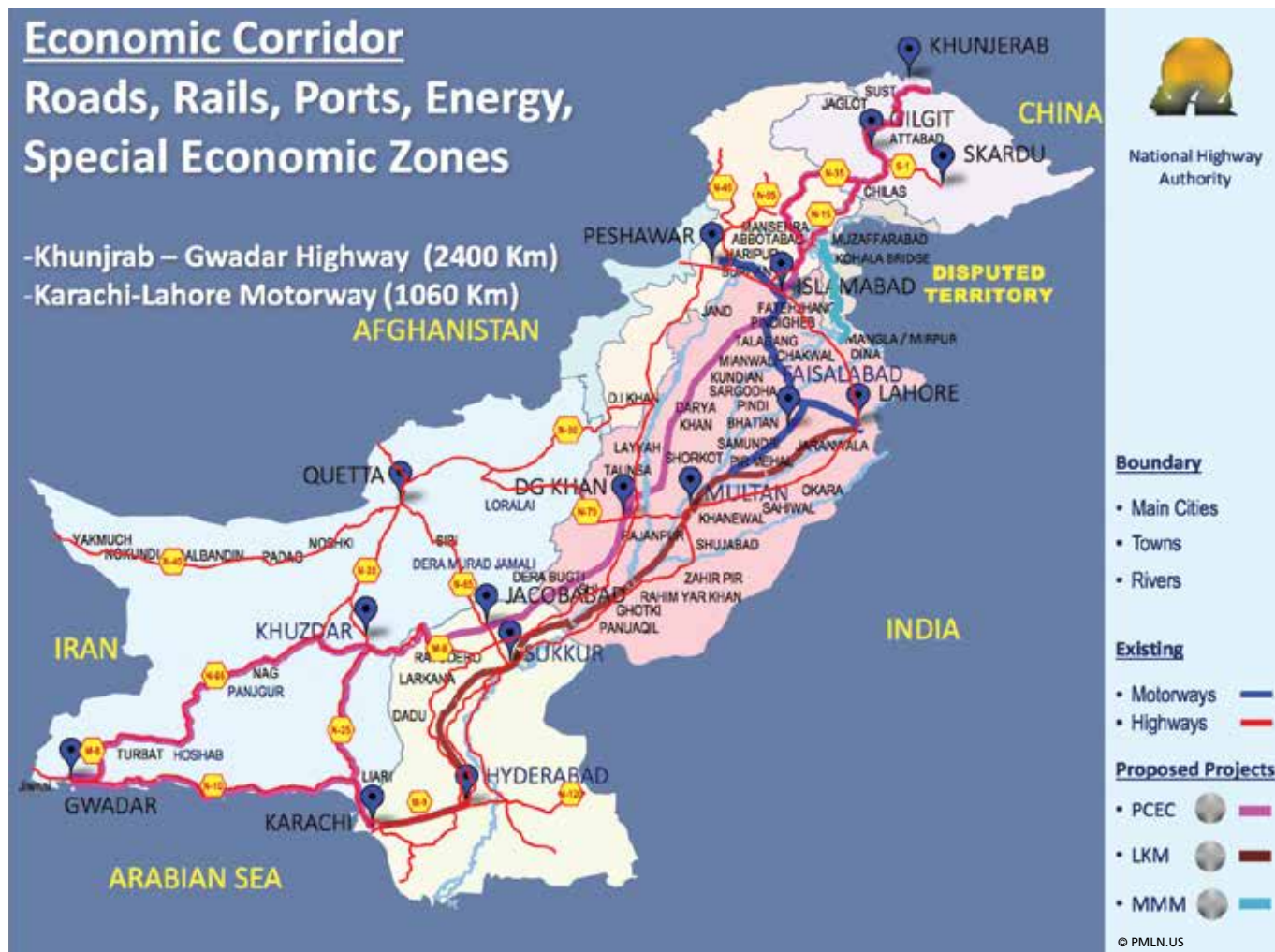
The investment and projects do face uncertainties and obstacles, on account of not only the security situation but also local politics. Leaders in Baluchistan and Khyber-Pakhtunkhwa are already up in arms against the proposed change of the alignment. The fact that as Chinese companies will be employing workers from China, and hence will not benefit the local populace is not lost in the insurgency-prone underdeveloped region. Chinese nationals have been targeted in the past by extremists; and given the ongoing insurgency, the security and safety of Chinese is a major concern. Pakistan's commitment to provide a 12,000-man security force, which may include a 5,000-strong Special Services Group (SSG) component, considered adept at anti-terrorist operations is an indication of the seriousness of the challenge. As per some reports, China too plans to deploy its Special Forces to safeguard their nationals and assets. Terror attacks on Chinese workers as

has happened earlier, by militants with links to Pakistan could not only jeopardise the project but also adversely impact Pak-China relations.

### Chinese Strategic Gains

China's strategic interests and involvement in Pakistan have contributed to Pakistan's military arsenal and nuclear capabilities. With the US' drawdown from Afghanistan and the shifting focus to IS, the US involvement in the region has declined, and China seems to be effectively filling the vacuum created by America's diminishing interest. The August 2015 'Karamay Declaration' detailed Pakistan's role in China's global scheme.

The CPEC is pivotal to the 'OBOR' and the investment is part of the package of Silk Road initiatives to build new trade corridors and markets for China's West, enabling export of excess industrial capacity with access to the virtual tri-junction of South Asia, West Asia and Africa. The corridor equally importantly provides alternative transporta-



tion routes to and fro China other than the vulnerable Malacca Strait. Control of Gwadar allows China to transport oil from the Middle East via Pakistan's land routes to Xinjiang, thus mitigating the 'Malacca Dilemma' and ensuring China's energy security. The corridor, once completed, will provide a much shorter route than the 12,900 km from the Persian Gulf through the Strait of Malacca to China's Eastern seaboard. It will also further China's policy of opening up and developing its Western regions because of its geographical proximity to these areas.

Development of the Xinjiang region will contribute to containing the unrest by Uighur separatists who have been fomenting violence. Some of these separatists have sanctuaries in Pakistan and Afghanistan, and China has asked for the Uighurs to be deported. The deep sea port of Gwadar will also facilitate the People's Liberation Army Navy (PLAN) to establish a presence in the Indian Ocean, giving China the ability to protect the maritime oil transport routes from the Middle East and investments in Africa. China will have a direct and dedicated access to the Indian Ocean, enlarging strategic footprints and thus changing the regional power matrix. Along with the process of regional economic integration, the CPEC will contribute to the development of closer relations and cooperation between China and the countries of Central, Western and South Asia.

The seamless integration of China and Pakistan has adverse security implications also, as the already restive Xinjiang region will be more vulnerable to the many jihadist elements in Pakistan and Afghanistan. China's soft underbelly Xinjiang will inevitably be more prone to Pakistan-based jihadist elements exporting their terror ideology to China.

### Picture for India

The CPEC project implies that the Chinese presence and strategic interests in Pakistan and especially in POK will become quasi-permanent. The CPEC has direct strategic and security implications for India. It also needs to be factored that by signing the Border Agreement with Pakistan in 1963, China indirectly became a third party to the J&K dispute.

Though China's stated position is that 'Kashmir' is a bilateral issue between India and Pakistan, however, now with the CPEC, Chinese economic and strategic interests make it a direct stakeholder in

a hither-to-fore bilateral issue. Pakistan has already ceded over 5,100 sq km of Shaksham valley in POK to China in a 1963 agreement. While the Sino-Pakistan axis is not new, the sheer magnitude of the CPEC makes it clear that it is not only dictated by economic considerations but also to exploit strategic pay-offs. CPEC enhances the collaborative and collusive threat China and Pakistan pose to India. In the event of a military confrontation, CPEC infrastructure will facilitate an uninterrupted and timely flow of military aid to Pakistan, thus enhancing the war endurance.

Another major concern for India will be the deployment of PLA troops in POK to safeguard Chinese interests and assets. Any perceived threat to these interests may elicit a military response and has the potential to spiral into a conflict duly aided or manipulated by Pakistan. Pakistan will now be emboldened to up the ante in employing terrorism as an instrument of state, and further bolster the quarter century-old proxy war against India.

China with access to Gwadar will wield a powerful influence in the Indian Ocean even though geographically speaking China is not an Indian Ocean power. Gwadar will also put China and Pakistan in a strategically advantageous position along the Arabian Sea, compounding Indian concerns from China's stakes in Hambantota in Sri Lanka, Sittwe in Myanmar and Chittagong in Bangladesh, wherein China retains the options of positioning naval assets.

Gwadar, with a 40-year management control by China is the westernmost 'pearl' and completes the 'string' to isolate India. A restructured and modernised PLA, as demonstrated during the September 3 military parade at Beijing, is a far greater threat as it prepares for a regional war, and addresses the four critical domains of seas and oceans, space, cyber and nuclear. Military coercion has been exploited by China, more so in the last few years with some major and well-timed intrusions along the Line of Actual Control (LAC).

India is likely to face a more assertive and aggressive PLA along the LAC as part of Chinese military coercion, to ensure that India does not in any way interfere or retard the progress of CPEC, which is pivotal and crucial to China's OBOR. Over 60 per cent of India's energy needs are transported through the Strait of Hormuz, which are vulnerable to interdiction; hence any Chinese naval assets in the Indian Ocean threaten

India's energy and economic security. The CPEC is a win-win for Pakistan and China and lose-lose situation for India. So far, taking a conservative stance, India has expressed its reservations on the proposed corridor as it passes through Indian territory occupied by Pakistan.

The options for India are limited. India has no choice but to safeguard economic and security interests, by building deterrence and dissuasion capabilities and enhancing capacities, especially so along the northern borders and maritime domain. India can continue to lodge protests, but as the stated position is that Kashmir is a bilateral issue between India and Pakistan, the protests will not be able to either stop or retard the progress of the project.

The only other option for India is to become an integral part of the OBOR and further the BCIM corridor. As a counter India needs to stay invested and expedite the Chabahar project. Strategically located 170 km west of Gwadar, Chabahar will give access to Central and West Asia, as also to an extent act as a counterbalance to Chinese presence at Gwadar. India will need to strengthen the strategic partnerships with US and Japan and seriously consider multilateral partnerships to balance the growing China-Pakistan alliance, at the same time focus on the 'Act East' policy.

The prevailing environment of insecurity, militancy and violence may pose a serious threat to the construction of the corridor. However, given the strategic, economic and political stakes, both Pakistan and China will ensure the completion of the project. The project, once complete, will be a fate changer for Pakistan as it strategically balances India, dominates Afghanistan and provides a much needed critical boost to the economy. For China the project is pivotal to the OBOR, an alternate to Malacca Straits and provides an access to the Indian Ocean Region.

India cannot and should not endorse the CPEC project, but there is little that can be done except formal protests. While China seems to have found an answer to the 'Malacca Dilemma', it is India now which faces the devil's alternative, whether or not to be part of the OBOR. The CPEC is an 'Indian dilemma' much like China's 'Malacca Dilemma'. ■

*(The writer is former director general military operations, director general infantry and colonel of the parachute regiment)*