



# Is America Against CPEC?

CommandEleven  
Commentary  
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#### ABOUT COMMANDELEVEN

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## A CommandEleven Commentary

The China Pakistan Economic Corridor runs through one of the most important and central geo-strategic locations in South Asia, its main port Gwadar's natural layout and depth enables largest tonnage ships to dock there, a characteristic which is absent in Dubai and Chahbahar ports. The CPEC project has the potential to generate thousands of jobs and revenue worth billions as well as provide Pakistan with essential infrastructure, energy investment and development.

As far as China is concerned, it is the realization of a long-term strategy to ensure its access to warm waters, traditionally China's US\$ 5 trillion worth sea-borne trade has plied via the South China Sea but the Straits of Malacca become a choke point, Gwadar provides it the alternative trade route for the Gulf regions via the Arabian Sea, it is also a much shorter and cost-efficient, inter-connected infrastructure network to link its economy with the rest of the world, Pakistan is the central link between China's dual Silk Road initiatives. CPEC was made possible because of the excellent relations between both countries, it is a synergy lacking in most strategic partnerships in the region, Beijing has always supported Pakistan's military ambitions and perpetually blocks Indian efforts to be member of UN Security Council, NSG etc.

The CPEC and OBOR projects will help materialise China's ambitions and make it an economic superpower, it has been a unipolar world for quite a while so it is important to know whether the U.S. is against these projects, especially since Pakistan has always been a U.S. ally.

In September 2016, when asked whether the US and India were working together against the CPEC, the US State Department Deputy Spokesperson Mark Toner replied, "[I would dismiss it outright](#). We have a strong bilateral relationship with Pakistan, but one that is premised on counter-terrorism cooperation and – as part of that conversation, or that dialogue and that cooperation that we have on counter-terrorism issues, we made it very clear that Pakistan can't pick and choose which terrorist groups it goes after and it has to go after those groups that seek to do harm to its neighbours and may seek refuge on Pakistani soil."

The U.S has never openly opposed the China Pakistan Economic Corridor, but traditionally it has always tried to contain China in the South China Sea, its allies in this endeavour have been India, Japan, Indonesia and Singapore. CPEC's Gwadar port is one of China's String of Pearls, this term denotes the naval bases/ports that it dominates, so it makes sense if the U.S. has been unobtrusively helping India stir up proxy terror attacks in Baluchistan, the Pakistani province where Gwadar is located and the China Pakistan Economic Corridor has to pass through.

The United States put Jamaat-ul-Ahrar on the terror list in July 2016, it was a faction of the Pakistani Taliban which claimed responsibility for a failed car bombing in Manhattan, this move made them scatter out of their hideouts in tribal areas towards Baluchistan, which is intrinsic to CPEC. The U.S. also used a drone strike to target Mullah Mansour of the Afghan Taliban while visiting Baluchistan, this is believed to have been a [strategy to sabotage the CPEC](#) by contributing to the degradation of security in the province. Daniel Markey states that the United States is not "opposed to the increased Chinese presence in Pakistan, especially on the commercial and economic front." In fact, "US policymakers would very much like China to help stabilise and grow Pakistan's economy because they see that economic stability as a way to reduce security threats. By extension, the United States does not perceive China's role in Pakistani infrastructure development as inherently threatening either."

Americans have been very busy with elections recently, the U.S. foreign policy received far less attention during the electioneering cycle than ever before. Trump's unexpected

win has brought about a spate of protests by Hillary fans even though two terms of Trump were predicted a year ago, he happens to represent the American blue collar, working class that felt ignored and beaten down for decades and had not been voting since several elections now, Clinton had nothing substantial to offer them. U.S. foreign policy mostly stays the same but Trump is all for ending the wars and concentrating on America for a change, he might concentrate more on the economy than global wars that have deprived America, it is hoped being a businessman he might favour joining CPEC related projects in the future.

India has been keenly watching the progress of CPEC, it is the third major player in this geo-strategic region, it views the Chinese economic venture as a mega-scale naval mobilization program that threatens its security and puts global sea lanes at risk. The fact that the CPEC gives China access to the Indian Ocean is India's biggest fear, it feels Pakistan and China have become a joint threat and their aim is to encircle and contain India.

India has always harboured this existential hatred for Pakistan, it does not want to see it assume its rightful place as a major regional power. It has tried its best to deny Pakistan the advantages of its geographical location, it has been involved in proxy terror attacks in Baluchistan since several years, to prove that it is an unstable province. Lately Indian PM Modi openly backed a 'Free Baluchistan' movement, this proved to be a landmark event in India's entire anti-CPEC strategy, it has undone all of India's hard work in Iran and overturned its investments on the Chahbahar port there, apparently, Iran has had a history of Baloch insurgencies in its province of Sistan, this runs in geographical continuity with Pakistan's Baluchistan province. Iran changed camps immediately and announced that it would like to join the China Pakistan Economic Corridor project.

The CPEC project will change a lot of realities in this region, China's mega-investments are mainly equity investments, it may not like India trying to sabotage its long-term strategy and financial interests. In the future, it would be fitting to envisage the China-Pakistan strategic partnership according to its collective interest, China's security is now interlinked with that of Pakistan, things are not so simple any more.

Recently, in its unreasonable quest to subvert the CPEC, India even abandoned its previous stance of 'non-alignment' and adopted a vehemently pro-American direction. It obviously felt that the United States would also be interested in sabotaging the economic project, to gain the trust of the Americans, it signed the [Logistics Support Agreement](#) which will let the latter use all its airbases and military facilities. This obvious shifting of camps was not well received by its long term ally Russia, it almost immediately consolidated relations with Pakistan and extended support for the China Pakistan Economic Corridor to enhance the economic stability of the entire region. Russian elite forces arrived in Pakistan for military drills in Gilgit-Baltistan and [FATA](#) regions and a counter-terrorism deal is also in the offing. The entire region has become consolidated as a whole due to CPEC today, only India is standing alone with its major ally in a faraway continent.

The general perception is that Pakistan's relations with the U.S. will deteriorate due to the CPEC, U.S. investors have pulled out \$71.9 million in the last 11 months whereas U.S. investment amounted to \$197.1 million in the previous year, this is just one of the indicators of its displeasure, in the Obama years Pakistan-U.S. relations lacked enthusiasm. Some U.S. foreign policy experts, like the Wilson Center have been predicting an imminent 'downgrade' in U.S. relations with Pakistan, and an 'upgrade' in relations with India.

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China increased its investment even more at this point to cover the loss as other investors pulled out, it offset the decrease in investments from the rest of the world. The CPEC has global trade implications, Pakistan must secure its strategic and economic interests and learn how to balance the two major powers, U.S. and China, without upsetting the apple cart. In this scenario, Pakistan emerges as a major player that can balance superpower rivalries and promote trade co-operation. In reality, the United States and China are co-dependent on each other as far as business is concerned.

In the last 13 years, the U.S. gave Pakistan about \$10.5 billion in economic assistance, \$7.6 billion in security-related aid, and \$13 billion in counterterrorism support, even recently the U.S. Senate passed \$1.1 billion under the Security Enhancement Act on account of mutual strategic partnership, but somehow it never took interest in building dams, power plants, roads, bridges or ports. The United States could plan on a similar pattern to that of China and help put Pakistan on the road to financial security and political stability, it could direct some civilian assistance into CPEC-aligned projects such as improving Pakistan's national power grid. The U.S. will most definitely continue to play a constructive role in Pakistan as it has since the last 70 years, it is an opportunity for trilateral cooperation and it already has heavy economic and trade ties with China so it should have no compunctions about it.

China views its relationship with allies on a geo-strategic, and geo-economics basis, the purpose of the CPEC is to spur foreign investment and accelerate trade, its mega-investment in Pakistan has grabbed the world's attention and many foreign investors are interested. "[Pakistan has turned the tide](#)," said Mattias Martinsson, the Stockholm-based chief investment officer at Tundra Fonder AB, which holds about \$160 million in Pakistani stocks. "The CPEC agreement was probably the trigger for many investors to actively start looking. We all know China does not take short term decisions." New power plants financed by China will help strengthen industries, even Renault and Nissan have announced they will start production. Pakistan has the world's sixth largest population and international consumer companies are preparing to invest as well. China has also been actively pursuing its investments in infrastructure, power, aviation and tourism sectors of Pakistan.

[Christine Lagarde from the IMF](#) recently said, "This is an important time – a moment of opportunity – for Pakistan, a country undergoing an economic transformation that can place it well among the ranks of emerging market economies." Since a couple of years, there has been very negative coverage of the China Pakistan Economic Corridor in local media, as well as Indian and Western media, calling it a non-starter and trying to pick flaws in the project. Disproving all the propaganda, Gwadar port has now been formally inaugurated by the Pakistani PM Nawaz Sharif, the first convoy of goods made its way across the 3000 km land route to Gwadar port from the Chinese border and 300 containers were sent by ship to Africa.

CPEC is now officially open for business, and by the end of this year and early next year, the first phase of infrastructure projects will be complete.

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