SOUTH ASIA-CENTRAL ASIA INTERREGIONAL CONNECTIVITY: THE FUTURE PERSPECTIVE

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Abstract

Progress and prosperity require joint intra-regional and inter-regional collaboration, utilizing resources at their maximum and exploring new avenues for transit and trade. This will not only bring the prosperity, uplift the socioeconomic conditions of the masses, but also contain the role of non-state actors. In the contemporary world, economic interests and benefits have become more important players rather than ideologies in defining the mutual relations and cooperation among the states. Land-sea corridors connect several states, regions and continents into single transnational entity. Resultantly, mutual trade and commerce cooperation multiplies. The paper aims to have an insight into whether the revival of the Silk Route and access to Caspian region will play any role to improve political, cultural and socioeconomic ties between both the regions and how it will become the economic hub of the world economy. The study will explore how new possibilities will provide the rational and cost-effective transitional and trade route to the non-coastal states of Central Asia and how the strategic energy reserves will be beneficial for South Asian States.

Keywords: OBOR, Economic Corridor, China-Pakistan Economic Corridor (CPEC), inter-regional collaboration, Gwadar Port, Chabahar port, South Asia, Central Asia Republics (CARs).

1. Introduction

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Conflicts and wars can be managed and averted by cultivating and promoting multilateral cooperation among the states regardless their territorial connectivity. Inter-state cooperation opens new avenues of multifaceted cooperation among different sectors and areas. However, the modes of interaction and cooperation have to be managed carefully, so that, “the states be benefited in positive and productive manner”. The states can improve and enhance their mutual relevance and create a conducive environment through mutual economic activities, especially in the field of trade, exchanging technical expertise, infrastructural development, expedite joint ventures to cope with natural disasters, and people to people interaction. The designated proposition can be achieved if the ruling elites and intelligentsia of the regional and non-regional states cope up the prevailing issues through meaningful dialogues. The mutual cooperation will deplete the chronic stigma of terrorism.

In the contemporary world, internal politico-economic synchronization and resilience have become the most effective and influencing variables to determine the state’s role at international level. Market economy, privatization and exchange of goods and services regardless the states’ borders have been recognized as the basic pillars in the globalized international system. Economic ties and interests have become the most important features in defining the states mutual relationship rather than ideologies and territorial linkages. Sub-regional, regional and inter-regional politico-economic groups and their mutual mode of interactions are playing a significant role to deplete the international issues and vice versa. This multi-faceted and multi-dimensional inter-state cooperation have attracted the greater attention of the world towards the “soft power” rather than “military power”. The said proposition, however, can be achieved through joint economic ventures based on mutual relevance, progressive and vibrant media, political and social-cultural connections. It requires strong political will, dedicated leadership, continuity of the policies, inclusive society and devising mechanism to manage the differences among states through peaceful manner.

2. Economic Corridor: Historical Perspective

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2 J. E. Dougherty, & Pfaltzgraff, R. *Contending Theories of International Relations: A Comparative Survey* (5th ed.). Pearson, 2000
Economic Corridors are defined as “the culture of trade agreements and treaties, status, delegated legislation, and customs that govern and guide trade relations, institutions and structures, or movement of products, services and information in a geographic vicinity among people in and across borders”.

It promotes and boosts the economic activities along an identified geography and provides “a connection between economic nodes or hubs…. In which a large amount of economic resources and multiple actors are concentrated.” It links “the supply and demand side of markets.” Therefore, an economic corridor does not represent “mere transport connections along which people and goods move.” It is “integral to the economic fabric and the economic actors surrounding it” which “have to be analyzed as a part of integrated economic networks” (Brunner, 2013).

In the present world, the development of economic corridors has become the most important instrument to enhance trade as well as for expanding economic relations, regional integration and political harmony. These corridors are useful to provide interconnectivity among various economic nodes and hubs along a defined geography. These also provide the new opportunities to accelerate commercial activities in the region which leads to the socio-economic development and regional integration.

In short, land-sea connectivity has become the permanent source of transitional transportation among states which would become more time and cost effective.

3. Research Questions

1. Whether or not CPEC can play a dynamic and productive role in the regional connectivity between South Asia and Central Asia.
2. Will the proposed CPEC be helpful for the China to maintain its growth momentum and a new economic order be established?

4. Research Methodology

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Qualitative research techniques are used to conduct the research. The study is based on exploring the set of secondary data including research articles, journals, reports, web site and books.

5. **China Pakistan Economic Corridor (CPEC)**

Global and regional politico-economic and strategic milieu has been reshaped during the 21st century. Rapidly and persistently changing global trends have inspired the states to develop and promote mutual economic relevance, geo-political and geo-strategic cooperation and collaboration. Old loyalties are being changed and new alliances are being constituted befitting their economic, political and other interests (K. masood Khan, 2016).

In the contemporary world, state economy has become one of the most decisive factors to define the significance and importance of states at international canvas. It has become almost impossible for states to protect their interests at international level availing domestic resources and capacities. Resultantly, multilateral inter-state and inter-regional cooperation, collaboration and connectivity have been emerging across the board. Therefore, “high level talks and diplomatic consultations have become the hallmark of ever-growing cooperation among states in multi-faceted fields such as industrial ventures, capacity building, infrastructure development, defense, commerce and related areas of the economy.”

In 2013, China envisioned intra-regional and inter-regional connectivity to boost the economic activities and mutual relations of the states adopting latest modes of transportation and communication. President Xi Jinping, in April 2013, addressing in the Boao forum stressed over the expediting of cooperation between Asia and the rest of the world. He said,

*“China will increase connectivity with its neighbours... advance economic integration within the region.... China will take an active part in Asia’s regional cooperation process and promote regional and sub-regional cooperation with non-Asian regions and countries”.*

Later on, in the last leg of 2013, he floated an idea to re-originate Silk Route for economic activities and connect China with Eurasia.

China’s vision of “One Belt One Route (OBOR) “ and “21st century Maritime Silk Road” emphasis to lay highways and develop maritime links for geo-strategic and geo-economic cooperation and collaboration among the states. China is eager to maintain her economic growth momentum through cutting its energy import bill and increasing her exports to rest of the

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China is excited to connect with South Asia, Russia, Central Asia, the Persian Gulf and Europe, on one hand, and extending its land-sea connectivity with ASEAN countries, Southeast Asia and the Indian Ocean region, on the other hand. China is enthusiastic for the revival and functioning of the ancient Silk Routes in the present day context.

The CPEC is a multifaceted and multi-dimensional initiative by both China and Pakistan to avail the resources at their maximum. It is designed to connect the Gwadar port to Xinjiang, China’s northwestern region, through motorways, railway tracks, energy pipelines and telecommunication links. The designated corridor has designed to lay 2700 Kilometers highway to connect Kashgar and Gwadar through Khunrjab. Railway tracks between Gwadar-Khunrjab and further extends to China for freight trains are being laid to enhance the commerce and trade activities between both the states. This connectivity will be beneficial to other intra-regional and inter-regional states (Government of Pakistan, n.d.; Sial, 2014). Moreover, under the project appropriate measures will be initiated for the revival and extension of the Karakoram Highway, which connects Pakistan’s northern area and Khyber Pakhtunkhwa to China’s Xinjiang.

Besides physical links, both countries have agreed to establish several multi-dimensional economic zones along the corridor. To meet out the energy deficit in Pakistan, both China and Pakistan have decided to complete the CPEC power projects on a priority basis. In this regard, an Energy Planning Group (EPG) under CPEC has been constituted. It is estimated that 21,690 MW energy will be produced (Government of Pakistan, n.d.; H. Khan, 2015).

Under the CPEC project, three main routes have been designed in Pakistan. The Western route indicates that CPEC will enter the Balochistan Province via D.I. Kahn and connect Gwadar through a highway via Zhob, Qila Saifullah, Quetta, Kalat, Punjgur and Turbat. The Central route will provide connectivity D.I. Khan, D.G. Khan and Gwadar port via Dera Murad Jamali, Khuzdar, Punjgur and Turbat. The Eastern route will enter in the Punjab Province from Khyber Paktun Khwa. The said route will enter the Balochistan Province via Lahore, Multan and Sukkur and lead towards Gwadar port passing through Khuzdar, Punjgur and Turbat. An alternate route is also designed which will pass through Sukkar to Karachi and from there to Gwadar along the coastal highway (Ali, 2015; Government of Pakistan, n.d.; K. Hussain, 2017).

Uncertain global economy has become a threat for the states to maintain political stability and defuse the existing social unrest across the board. The

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11 D.Hyder, M. Khan. CPEC:The devil is not in the details. Herald, 2017
prevailing proposition instigated China to explore new markets so that its economic growth momentum be maintained. The proposed CPEC will become a more beneficial and productive project for China’s economy. To maintain the growth momentum, China requires huge resources of oil and gas. As it has become the world’s largest oil and gas consumer and importer, fluent, uninterrupted and time and cost effective energy resources transportation has become a life line for China. It is most important for China to maintain the uninterrupted energy transportation to keep its industry operational.

Moreover, the China’s trade flow has become the central pillar of its “hard power”. US presence in Indian Ocean, Thailand, Philippine and Australia is a permanent source of threat. US geo-strategic presence in the sea has a potential to disrupt trade flows destined for and originated from China, if there has been a standoff with USA on any issue. Gwadar-Xingjian route will be the alternative route for the transportation of energy to China, which will be time and cost effective and safe passage rather than Malacca straits.

Through CPEC, China will be able to find new markets to export its products and import raw material from Africa, Middle East and Central Asia. The proposed CPEC will provide an opportunity to China to utilize its installed but under-utilized capacity in steel, cement, chemicals and heavy machinery at their maximum and reap economic benefits through export and building infrastructure in neighboring countries. The operational CPEC will provide an access to warm waters of Arabian Sea to China through Xingjiang, which will be conducive to initiate vigorous economic activities in comparatively less developed North-Western province.

The operational CPEC would be the game changer for Pakistan. The proposed CPEC will bring a huge foreign investment in Pakistan. It is estimated that direct foreign investment involved in CPEC would exceed all the investment in Pakistan since 1970. It would be equivalent to 17% of Pakistan’s 2015 gross domestic product. It will generate new avenues of employment in Pakistan. It is estimated that more than 0.7 million jobs would be created in the period of 2015-2030. Moreover, the proposed operational CPEC would add up to 2.5% to the country’s growth rate (“How will CPEC boost Pakistan economy?,” 2015). It is proposed that more than 11 billion dollars will be fueled up in the infrastructural projects to construct

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13 Ibid.
and overhaul the road and rail connectivity. It is planned to construct 1100 kilometers long motorway between Karachi and Lahore. Moreover, Karakoram high way will be reconstructed and overhauled to develop a connectivity between Rawalpindi and China (“Karachi to Lahore motorway project approved,” 2014).

It will provide an opportunity to overcome the energy crises and stabilize the economy; develop infrastructure through constructing roads, laying railway tracks, bolting energy pipelines and making Gwadar port an economic and transit trade hub for regional and non-regional states. Moreover, Pakistan will be able to develop strong political and economic ties with its neighboring states. The proposed CPEC will further improve defense and security cooperation between China and Pakistan. Resultantly, this will overcome the problems like terrorism, extremism, and separatism. Through CPEC, Pakistan and China would also get an opportunity to enhance strategic cooperation including joint naval exercises and trainings. Moreover, the capacity building will enable both the states to eradicate the menace of high seas piracy.

However, Pakistan should make it ensure to maintain the sovereignty of the state invulnerable as a vast area of land in Gwadar city and along the route of corridor has been leased out to the China. Secondly, China has planned to bring all or most of the equipments for the projects from its own suppliers. The proposed proposition would be a threat to the Pakistan’s industry. It would be more beneficial for Pakistan if the investment be made in setting up industry in Pakistan to supply the diverse range of equipment and machinery to the various CPEC projects.

5.1 CPEC: Geo-strategic and geo-economic impact on Regional and Extra-Regional Actors

Political and economic pundits are optimistic that in near future the proposed CPEC will bring the drastic changes in overall geo-political and geo-strategic landscape of Asia. The corridor will boost the economic activities and reshape the economic outlook of the regional and extra regional states. The project has potential to increase transnational and trade linkages, enhance technical and methodological cooperation, generate new paradigms of financial and commercial opportunities, and multiply political

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17 N. M. Qureshi. Critical Analysis Of China Pakistan Economic Corridor, 2015
and socio-cultural connectivity among the people across the board. However, some regional and extra-regional actors are of the opinion that the corridor will be a threat to their national interests and doing their utmost to jeopardize the project (Ibid).

India has raised and conveyed its apprehensions to China over the CPEC and termed it “unacceptable”.  
 India alleges that Gilgit Baltistan is a disputed area and the passage of CPEC from the Gilgit Baltistan will undermine its sovereignty. On January 17, 2017, Narendra Modi, the Prime Minister of India says “only by respecting the sovereignty of countries involved, can regional connectivity corridors fulfill their promise and avoid differences and discord” (“china-pakistan economic corridor pakistan: US should not look at CPEC from India’s perspective: Pakistan,” 2017, “Don’t look at CPEC from Indian perspective, Pakistan urges US,” 2017).

Moreover, India has a concern that if CPEC became operational, it would be the “economic boon” for Pakistan. The fate-changer project will transform Pakistan into an economic hub. The strategic location of functional Gwadar deep sea port will become the junction of naval traffic and will strengthen the already Pak-Sino strengthened ties. India seeks the CPEC as a major hurdle in implementing its regional hegemonic doctrine.

The functioning Gwadar sea port will undermine the importance of Iranian Chahbahar sea port. Iran is concerned that if Gwadar port became functional, it will challenge its port’s importance especially for Central Asia and Afghanistan. To contain the strategic importance of the Pakistani Gwadar port, India has initiated a plan to invest a huge amount to develop Iranian Chahbahar port to make its access to Central Asia and Afghanistan.

USA is also concerned that CPEC will change the strategic balance of the region. China will manage to make an access to the warm water from two sides. This will increase the trade and strategic depth of the China, which the USA is assuming a threat to its interest in the area. USA has a permanent eye over the CPEC and propping up India in the region as the competitor of China.

5.2 CPEC and Afghanistan:

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The corridor will become the reinforcing agent for the Afghanistan in geo-strategic and geo-economic sense. The project has the potential to enloop the landlocked state to develop its fragile economy. Pakistan has planned to link up Afghanistan with CPEC. In this regard, Pakistan has decided to construct 265 Kilometers highway which will connect Peshawar and Kabul. The designated connectivity will integrate Afghanistan with other regional actors and provide her a way to avail Indian Ocean for transnational trade (Tahir, 2015).

Moreover, a trilateral transit trade agreement (PATTTTA) has been signed among Pakistan-Afghanistan-Tajikistan to boost the economic activities by providing a transit trade route to these landlocked states.

The interstate connectivity will enhance time and cost effective mutual trade between the two neighbors. The corridor will facilitate Afghanistan to reap maximum benefits as it will provide an easy access to hot water of Arabian Sea.  

5.3 CPEC and Central Asia Republics (CARs):

After the disintegration of USSR, central Asian Republics attract the world attention due to their geo-strategic location and wide range of natural resources, especially oil and gas reservoirs. The international community is looking forward to develop close relations with these states on one hand, and all these landlocked states are striving to get an easy and shortest access to warm water to explore new markets to export their natural resources, on the other hand. It is believed that proposed CPEC will become a bridge between consumer based economy of South Asia and central Asian production-based economy.  The corridor can facilitate CARs to develop trade and transnational relations with the Middle East and Europe via Gwadar port. Moreover, the CPEC will be a catalyst for these resources rich states to come out from the control of Russia. “Central Asian States, especially Kyrgyzstan and Tajikistan attach great importance to the transport infrastructure, the lack of which remains a chief hurdle for their slow cooperation with the international markets; however CPEC will relatively overcome the issue.  If the proposed Pak-China Railway track is completed, Tajikistan could access to Indian Ocean directly through connecting with

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it”. Moreover, CASA-1000 project (Electricity Transmission and Trade Project for Central Asia and South Asia) is the evidence of inter-regional cooperation.

The project will become a game changer in the region. On one hand, Pakistan and Afghanistan will be able to overcome their energy crisis and on the other hand, Tajikistan and Kyrgyzstan will be benefited through exporting their energy. In addition, the proposed project will elevate the socio-economic conditions of the livelihood, living along the CASA-1000 corridor. This would be a shining opportunity to make the way of economic success for Pakistan and Tajikistan.

Pakistan has already intended to be connected with Central Asia via Termez (Southern City of Uzbekistan). In this way, the landlocked CARs can greatly be benefited from a shortest viable land-sea access to the world market.

6. Chabahar: Iran-Afghanistan-India Trade and Transport Corridor:

Rapidly changing regional geo-strategic situation is in the wake of safeguarding of the world powers’ interests and containing each others. Old loyalties are being changed and new alliances are being constituted befitting their economic, political and other interests (K. masood Khan, 2016).

To boost the economic activities, redrawing the geopolitics of the region and developing connectivity with Afghanistan and Central Asia via Iran bypassing the Pakistan, India signed a deal with Afghanistan and Iran to upgrade the Chabahar port of Iran, about 150 Kilometers away from Gwadar port under its “Connect Central Asia Policy (2012)”. According to the deal, India will invest millions of dollars to develop two terminals and five berths at Chabahar. The proposed corridor will connect the Chabahar port to Zaranj, a town of the Afghan border via Zahedan. The Zarang town already has been connected through Indian built highway to Delaram, a city of Afghanistan, 135 miles away from Zaranj. In this regard India has invested billions of dollars and constructed link roads to get an access to Afghanistan and Central Asian Republics (CARs). Moreover Indian’s move to engage Iran and Afghanistan through Chabahar is designed to counterbalance the

27. A. Naseem. China Pak Economic Corridor could be a game changer. 2015
presence of China in Gwadar.\textsuperscript{31} The Chabahar port agreement will be beneficial for Afghanistan, in a sense, that it will provide an alternate transit and trade route to a landlocked state.\textsuperscript{32} However, both for India and Afghanistan, the proposed route will not be cost and time effective as compared to the land based connectivity path through Pakistan.

Srivastava believes that “the economic rewards of this pact are huge. The development of Chabahar port and the connecting transport and trade corridor has the potential to unlock the untapped energy and mineral riches of Iran, Afghanistan, and Central Asia for export towards India, one of the largest and fast growing economies in the world”.\textsuperscript{33}

Bhaskar said, “The Chabahar pact, if realized, will connect India to Afghanistan and Central Asia and Kabul will get an alternate route to the Indian Ocean. The proposed corridor is of immense importance for the landlocked Afghanistan, as it changes the geopolitics of the region and is seen as a way out of its dependency on Pakistan”. He further stated that “the deal would not cause much comfort and happiness for China and Pakistan”.\textsuperscript{34}

However, Pakistan has welcomed the trilateral deal and expressed a hope that both the ports would complement each other rather than compete and would become “sister ports”.

\textbf{Conclusion}

In short, geo-strategic and geo-political significance of Gwadar and Chabahar ports is unique. Economically and strategically both are vital choke-points which provide unrestricted access to the Indian Ocean where about 100,000 ships and around 70 percent of the world’s petroleum trade passes each year. The strategic significance of theses ports is visibly clear from the fact that these sea trade centers are located at the crossroads on international sea shipping and oil trade routes while linking three regions that are: South Asia, Central Asia and the Middle East (http://www.voiceofjournalists.com). However, the experts believe that Gwadar deep sea port is more beneficial and located at strategic location that it would be more time and cost effective for world trade. Through the port China will be able to have a sizeable cut in its energy import bill and increase its exports to the rest of the world. The operational Gwadar port

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will be beneficial for China in a sense that she will make her economic growth momentum intact and manage to capture the world markets. Pakistan will reap the maximum benefits from the CPEC. However, Pakistan should take necessary steps to make her sovereignty supreme and make it sure to boost her industry.

Both the ports, when become operational, Inter-regional politico-economic cooperation and collaboration will be enhanced. Resultantly, the economic activities will be enhanced and socioeconomic conditions of the masses will be uplifted. Furthermore, these ties will defuse the tension between or among the states, boost the people to people contact and the expertise will be exchanged. Both the ports will be the game changer for the regional and non-regional peace and prosperity. However, it requires political will, internal political harmony and vision to move forward to solve the pertaining issues in cordial and peaceful manner, so that, the menace of poverty, extremism and terrorism be washed-out. If all the regional and non-regional actors work together, the poverty and terrorism ridden region would become the economic hub for the international community.

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