

One Belt One Road Summit 2017 and its Implications for CPEC: An Overview*

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ABSTRACT

Much has been written on the One Belt One Road (OBOR) Initiative and also on the China Pakistan Economic Corridor (CPEC) but the historians has ignored the Belt and Road Summit 2017 and this paper attempts to fill the research gap in the historical writings. OBOR is a project which showcases China's global outreach in Asia, Africa and Europe and the CPEC project is an important component of this project. This paper will only discuss the CPEC project in light of the "The Belt and Road Summit" summit held in Beijing in 2017. Many heads of state and government attended it. Mian Muhammad Nawaz Sharif (Prime Minister of Pakistan), accompanied by four chief ministers of the country also participated it. The presence of this high-powered delegation from Pakistan helped to reaffirm the importance and continuity of the China-Pakistan Economic Corridor. The author argues that this summit was a landmark not only for the progression of OBOR but also a historic development for the economic, social, cultural and strategic partnership of Pakistan.

Key Words: China, Pakistan, Summit, CPEC, OBOR, Nawaz Sharif

Introduction

One Belt One Road initiatives (OBOR) is a project which showcases China's global outreach in Asia, Africa and Europe. The China-Pakistan Economic Corridor (CPEC) project is an important component of this project. This paper will attempt to highlight the CPEC project in light of the "The Belt and Road Summit" a summit held in Beijing on 14-15 May 2017. (The Dawn, Daily Nation, 2017, May 14; Zoon Ahmed Khan, 2017) Dozens of heads of state and government from all over the world took part in it. Mian Muhammad Nawaz Sharif (Ex-Prime Minister of Pakistan) was one of the 29 heads of state among participants from 65 countries; he was accompanied by all the four chief ministers of the country's four provinces. The presence of this high-powered delegation from Pakistan helped to reaffirm the importance and continuity of the. (The Daily Dawn, 2017, 12-14 May) This was the first time that Chief Ministers of all the four provinces of Pakistan also participated and deliberated this issue at the international level (The Daily Dawn, 2017, 12-14 May). Although welcomed by

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all the major political parties some doubts have still been voiced occasionally by a few sections especially concerning the routes of the corridor, its economic viability, transparency and execution of this project. The author believes this summit was a milestone not only for the advancement of One Belt One Road for China but also a historic development for the economic, social, cultural and strategic consolidation of Pakistan. This paper will also touch upon some concerns of the political leaders on the procedural matters adopted for the implementation of the CPEC by the Nawaz Sharif Government. This paper will highlight the momentous projects which will be undertaken under the umbrella of the CPEC and how it will be good for inter-provincial harmony, peace and prosperity and greater national integration of Pakistan.

One Belt One Road: Pakistan-China Ties

In 2013 Chinese President Xi Jinping officially announced the One Belt One Road Initiative which has been rated as an economic ingenuity (Arase, David, 2015; Pakistan Today, 2017, May 12) President Xi Jinping stressed the need for reconstruction of “a Silk Road Economic Belt and a 21st Century Maritime Silk Road, collectively referred to as One Belt, One Road (OBOR),”. (Arase, David, 2015; Pakistan Today, 2017, May 12) This entailed construction of a rail and land link involving huge building of new infrastructure projects linking China with rest of the world especially Asia, Africa and Europe. Keeping this in mind it undoubtedly deserves to be rated as one of the most ambitious international economic initiatives of contemporary times (Bhattacharyay, Biswa N., Masahiro Kawai & Rajat Nag, 2012; Szczudlik-Tatar, Justyna, 2013). By connecting to Central Asia via land the Sinkiang region will be linked with Europe as well. Another step of the OBOR involves building a Maritime Silk Road that will link up Southeast Asia to China’s southern provinces through ports and railways (Jash, Amrita, 2016; Cai, Peter, 2017; Ferdinand & Peter, 2016).

When the Chinese President launched ‘OBOR’ it invited criticism from those powers and forces which had previously enjoyed the political influence globally and in this region in particular. Xi clearly sees China’s considerable economic resources as a key tool in its efforts to maintain regional stability and assert China’s leadership in the country’s neighborhood (Peter Cai, 2017).

Obor: Geostrategy or Geoeconomics?

There have been impassioned deliberations led by Chinese think-tanks and academics about the strategic path of the China’s foreign policy (Zhai Kun, 2015), especially in its neighboring regions.(Financial Times, 2016, 11 January) In this context, in October 2013, China organized a significant work-conference regarding what it termed as ‘peripheral diplomacy’. It was a major and the first-ever meeting about its policy vis a vis its neighboring countries since the founding of the People’s Republic of China. This was a historic internal Chinese summit in which

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all of the important leaders including the entire Standing Committee of the Politburo participated and deliberated over imperatives of the new proposed foreign policy (Michael D Swaine, 2014).

At the 2013 Peripheral Diplomacy Work Conference, President Xi said that China's neighbors had "extremely significant strategic value". He also expressed China's wish to increase its relations with neighbors particularly by strengthening economic ties and deepening security cooperation. Principal point of his statement was that maintaining stability in China's neighborhood was the key objective of peripheral diplomacy. Pakistan was one of those countries which understood the actual value of the statement and therefore there was common feeling in Pakistan that it should become a partner in the OBOR initiative, thus resultantly China-Pakistan Economic Corridor was agreed upon and signed. Pakistan's objectives were clear, to become an instrument for its national economic expansion in addition to becoming a means for regional economic and security integration (Bai Yu, 2013).

The OBOR Summit of 2017 was viewed by a few quarters as clear sign for China emerging as a political actor in the main arena of global politics. It was argued that the Chinese new leadership had changed its doctrine of Deng Xiaoping, "hide your strength and bide your time" and now China was aspiring to emerge as a global power with political motives as well (Peter Cai, 2017; Douglas Paal, 2013). Therefore, this new approach created an impression, in the eyes of the critics, that OBOR was not an economic initiative rather its most important aspects were geared towards achievement of China's geo-strategic goals. To justify their impressions they put forth CPEC as an example. The CPEC will unite Kashgar in Xinjiang in China's far west with the Port of Gwadar in the Pakistani province of Baluchistan. The port would be used as a trans-shipment point for China's energy supplies obviating the need to go through the Straits of Malacca, which could be easily and effectively blocked to Chinese commercial shipping by maritime forces of the western powers in a period of rising tensions or an active armed conflict, in Southeast Asia. Getting direct access to Indian Ocean, this project may incapacitate consequence on Chinese sea-borne trade especially Persian Gulf and the Indian Ocean (Dipankar Banerjee, 2016).

The 2017 OBOR summit's main objective was to develop a mechanism for common welfare of the member states and its main theme was fostering "people-to-people ties". China has ambitious plans to spread the gains of industrialization to the common man of Asia, where 60% of the world's population deserves equal opportunities. It intends to do this by building huge infrastructure projects and connecting people to attain fruits of economic development so that everyone should feel the cooperation as 'win-win cooperation'. While political leaders and representatives seemingly symbolize the interests of the economic and political blocs, the end goal of these developments is to provide greater opportunities and better livelihood to ordinary people. How would the increasing cooperation between Beijing and the rest of the world, especially Beijing and Islamabad, connect the people? In China's philosophy of modernization, development and

cooperation, the benefits of all cooperation must lead to the people. China already has the distinction of lifting about 600 million out of the poverty trap. Therefore, with remarkable emphasis on people-to-people ties, China's plans for this century represent a marriage between the political, economic and social needs of our times. Russia, Turkey and Pakistan, three players of strategic importance for China, have collectively emerged as key partners for Beijing as the wheel turns in favor of the Global South. The signs of Pakistan's inclusion in this power bloc became increasingly apparent with Moscow's support for Pakistan's permanent-member status in the Shanghai Cooperation Organization (SCO) besides a recent convergence in security cooperation between the two countries. In the light of Russia's strategic relationship with India for decades, this unlikely partnership with Pakistan is a notable tilt in Moscow's policy. More winners from the win-win partnership series include Central Asia, East Asia, and the Middle Eastern and African nations, which have supported China's vision. Even Latin American countries with a history of connectivity with China, have expressed their desire to become a part of the Belt and Road Initiative (Zoon Ahmed Khan, 2017).

Participation of Pakistani provinces in OBOR Summit

The travel of all the provincial chief ministers to China with Prime Minister Nawaz Sharif, materialized only after his opposing provincial chief executives fully realized that the China-Pak Economic Corridor (CPEC) would be a real game-changer for Pakistan and will equally benefit their provinces as well (Dawn, The News, & Pakistan Today, 2017, May 12). The inclusion of all the chief ministers in the premier's entourage reflects the spirit of national harmony, cohesion and unity about the CPEC (Dawn, The News, & Pakistan Today, 2017). China has worked hard to remove the baseless misgivings and suspicions created about the CPEC for political reasons (The News, 2017). More than once, it was compelled to issue clarifications so that all doubts were dispensed and to make clear to all that the CPEC was for the benefit of whole of Pakistan and not for any specific region. The participation of such a high-level Pakistani delegation was an unusual phenomenon for Pakistan. (Pakistan Today, 2017)

However, the CPEC is rated as one of the leading projects of OBOR (Markey, Daniel S., and James West. 2016; Zimmerman, 2015; Chhibber, Ajay, 2015; Casarini, Nicola, 2016; Ahmad, Talmiz, 2016; Wolf, Siegfried, 2016; Pant, Harsh&Ritika Passi, 2017; Business Recorder, 2017). The Belt and Road Forum (BRF) was attended by 27 other heads of state and government. (The Dawn, The News, Pakistan Today, Daily Times, May 12, 2017 Daily Times, May 12, 2017) It is well-known in Pakistan that some influential foreign countries and certain domestic elements are hell-bent upon sabotaging the CPEC, but their efforts have been successfully countered by Pakistan as it has continued its strong determination and resolve to carry out that project (The Nation, 2017, May 13). The reaction and remarks of US administrations about the CPEC amply show

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Washington's antipathy towards the CPEC (The News, 2017, May 13). He claimed that building of the CPEC in Pakistan would allow terrorist groups more targets for attacks. It is a very strange argument and is like saying that major development projects should not be undertaken for the sole reason that they would provide more targets to terrorists (The News, 2017, May 13). At this time when conspiracies are being continuously hatched against the CPEC, the unanimity in Pakistan's political leadership belonging to different political parties is a welcome development. These leaders proved that they have the courage to rise above their politics for national cause and progress. After their trips to China, Sindh Chief Minister, Murad Ali Shah, and Khyber Pakhtunkhwa (KP) Chief Minister, Pervez Khattak, changed their mind about the undertaking of the CPEC flagship, began supporting the prime minister and started describing it as a massive development plan that would transform the destiny and fate of Pakistan (The News, 2017, May 13).

Pervez Khattak, the KP chief minister belonging to a national political party of Pakistan namely Pakistan Tehreek-e-Insaf, was forced by his party to waste almost four years in its protests against the PML(N) government at the Centre. He was misled by the propaganda that all projects were being directed towards Punjab and ex-premier Mian Nawas Sharif and his brother chief minister of Punjab-Mian Shahbaz Sharif, were creating hurdles and therefore will not permit KP its due share of benefits in terms of new projects. Anyhow, Pervez Khattak, though very belatedly, realized the significance of the CPEC which could also truly benefit him in the next general elections. Thus, he went to China along with the Prime Minister to attend the Summit and prepared some projects for the development of his province, KP, and China extended a very positive response accordingly (The News, 2017, May 13).

The Sindh chief minister, who belongs to the opposition Pakistan People's Party (PPP), had also expressed reservations about the CPEC but in a rather low-key manner and was never as hard-hitting as was Khattak. However, whatever concerns and doubts he had spoken about were removed after he paid a couple of visits to China and received promises of Chinese funding for several projects recommended by him. Obviously, there was no problem about the CPEC from the previous Balochistan chief minister, Dr Abdul Malik, and the incumbent, Sanaullah Zehri. Among the provinces Balochistan will benefit from the CPEC much more than any other area because of the Gwadar port. A sprawling network of roads has been completed in this province, which will play a key role in the CPEC (The News, 2017, May 13).

Response of the Western Bloc

The rise of an Asia ready to unite in order to take charge of its own destiny is not limited to the Global South. President Xi's invitation was extended to important leaders of Europe and the United States, but received a lukewarm response. Even though European countries are significant stakeholders in China's economic

development and globalization plans, their hesitation to attend the OBOR summit was unfortunately necessitated by traditional alliances. There is also no doubt about China's growing political clout and emergence as a global leader. The vision promulgated by this new diplomacy of shared destiny, respect for sovereignty and focus on people, has in a sense revolutionized the global order. The endorsement of over 100 countries has also stoked this energy. Questions remain regarding the nuances and technical challenges in actualization of this vision, but the needed political will demonstrated by the success of the OBOR summit stands as a firm foundation. China, Russia, Pakistan and Turkey are truly winners of this major development project. It is also important to note that economic cooperation of both India and US with China has been on the rise. Therefore, it would be wise to note, that China's clout neither begins nor ends with the Belt and Road initiative (Youlin Magazine, May 16, 2017).

Sadly, the response of the developed countries of the Western bloc, including the United States, Japan and Australia was one of suspicion about the OBOR and the summit. As a result, France, Germany and Britain, countries which are part of the Western bloc, did not sign any trade agreement at the summit. The delegates of these countries were of the opinion that the objectives of the OBOR initiative were unclear judging the so-called positive outcomes of the OBOR. The delegates of 30 countries, who are part of OBOR initiative, signed and validated a joint communiqué, agreeing to work together to build key infrastructure under the Belt and Road umbrella. The communiqué said "the countries would promote "practical cooperation on roads, railways, ports, maritime and inland water transport, aviation, energy pipelines, electricity and telecommunications" to boost growth, and work on a long-term stable and sustainable financial system."

In the communiqué, China said it would promote partnership with Europe, Asia, Africa and South America. There was no reference to the US, but the statement said its welcome was extended to "other regions". (South China Morning Post Diplomacy and Defence, 15 May, 2015.) Let us see what will be the response in future of those states who so far have been reluctant or are against becoming a partner in the OBOR initiative, but one thing is sure that OBOR is gaining substantial support from the governments and the people of the member states which certainly guarantees its success.

Conclusion

The OBOR initiative may change socio-economic landscape of the member countries including Pakistan. It obviously aims at connecting Asia, Africa and Europe via road, rail and sea routes. Undoubtedly, the prime objective behind the "One Belt and One Road" is to foster trade links among the member states and stakeholders. Its stated goals are for combined economic growth, peace and prosperity and of course creating security in the region of Asia in particular and in the world in general. It is expected that once these projects are completed they will help to stabilize Asia, Central Asia, Africa and Europe. USA and its allies are viewing it in diametrically opposite ways and they point out its political and

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strategic implications in the region and the world at large. The CPEC will greatly benefit and reap great dividends from the overall Chinese dream. The CPEC investment initially promised by China was \$46 billion but now has risen to \$57 billion and is expected to rise further as the project moves forward. Though CPEC would be a game-changer not only for Pakistan but also for the entire region, yet India and USA have been trying to create hurdles through Afghanistan in its successful completion. Therefore, China and Pakistan need to understand growing US-India ties and their geostrategic plans in the region which aim at destabilizing Pakistan and China. Despite this opposition, CPEC should be implemented forcefully and speedily to reap its full benefits.

It was the first time that the Prime Minister of Pakistan Mian Nawaz Sharif took with him the chief ministers of four provinces to the OBOR Summit and they were given equal opportunity to realize the full fruits of the CPEC for Pakistan and for their respective provinces. Thanks to the participation and understanding of the four chief ministers in the OBOR Summit in 2017, they realized the actual benefits of the OBOR and the CPEC which they can reap. Even those chief ministers who had reservations regarding CPEC, sensing the CPEC is most beneficial for their provinces, started supporting the CPEC wholeheartedly. They felt that mega projects envisioned in the CPEC, after completion, serve as engines of economic and job-growth. In short, projects undertaken under the umbrella of the CPEC would result in establishing a vast infrastructure and network of roads, railways, ports, maritime and inland water transport, aviation, energy pipelines, electricity and telecommunications which eventually not only bring peace and prosperity in Pakistan but greater national integrity as well.

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