



CPEC is part of China's Ambitious Plan to Dominate Eurasia

News:

Last week, at the Council of Ministers' meeting before the formal opening of the 13th Summit of the Economic Cooperation Organisation (ECO), Pakistan's Foreign Affairs Adviser Sartaj Aziz declared that CPEC could "galvanize trade opportunities with the ECO region" by acting as a catalyst to boost intra-regional trade through greater connectivity. He stressed that CPEC could help the entire ECO region emerge as a "formidable economic bloc" in the world as greater connectivity promoted greater trade and investment flows amongst its member countries.

Comment:

China-Pakistan Economic Corridor (CPEC) is a hot topic of discussion amongst Pakistanis. Some view it as a bonanza for Pakistan, while others are skeptical of China's motives. One thing is definitely clear that China has enormous ambitions to shape the future of Eurasia and this in many ways, echoes Mackinder's ominous foresight "who rules the Eurasia commands the world".

CPEC worth \$54b is a very small component in China's aspiring One Belt, and One Road Plan or expressed officially "The Silk Road Economic Belt and the 21st-century Maritime Silk Road". This comprises of physical roads—starting in China and ending deep inside Europe—complemented by an assortment of sea routes connected by ports. McKinsey estimates that the ambitious geopolitical project covers "about 65 percent of the world's population, about one-third of the world's GDP, and about a quarter of all the goods and services the world moves".

Such a voracious appetite signals China's determination to play a greater geopolitical role. For starters, China is adroitly maneuvering itself to counter America's pivot to Asia strategy. Beijing is fully aware that America's naval power dominates the security of the sea-lanes stretching from the Indian Ocean via the Malacca Straits and into the East and South China Sea. Any potential conflict between the two powers could see America cut off vital supplies to China.

Having alternative land routes supplemented by a myriad of seaports can help China circumvent America's nefarious blockade scheme. For instance, China could use the recently inaugurated Gwadar Port to ferry important energy supplies and goods transported over land—via yet to be constructed roads and railways links—to China through the Karakoram Highway.

By seeing, the big picture from this perspective it becomes abundantly clear China's underlying motive is to help itself and not Pakistan. Nevertheless, some Pakistanis acknowledge such concerns but are still gleeful that any inward investment from China would be beneficial to Pakistan. This is also extremely doubtful, as there is plenty of mystery surrounding the working of Chinese banks in providing funds to Pakistan.

The absence of transparency around the operations of the Asian Infrastructure Investment Bank (AIIB), the Silk Road Fund, the New Development Bank, Exim Bank of China and China Development Bank raises questions about the interest charged on loans and the disbursement of funds. The latter is especially dubious, as funds often tend to circulate from Chinese banks to Chinese companies constructing the infrastructure.

Furthermore, the Pakistani government has not elaborated on how Pakistani companies will benefit from CPEC, and whether Pakistani companies will operate the infrastructure post completion. If Chinese companies operate the newly built infrastructure then this indicates that profits repatriated to China will strengthen China's economy at the expense of Pakistan. Hence, the vast majority of the \$54b will simply remain in Chinese hands.

But more importantly the government has remained mute on the transfer of technology. For example, the expertise to build railways, trains, power stations, solar parks etc. is necessary for Pakistan to stand on its own feet. Previously, China restricted technology sharing to a few high profile projects, and there is no sign that the Chinese are about to volte-face on this matter.

The government has estimated CPEC will create 2.3 million jobs; however, the government remains muted on the influx of Chinese workers coming over to Pakistan. Anecdotal evidence such as the streets of Islamabad teeming with Chinese workers and their families suggests a new wave of colonization from the East is about to hit Pakistan.

China's behavior towards Pakistan is dangerously reminiscent of the early days of the East Indian Company, which later morphed into an aggressive strand of Western colonization. Instead of upending the Western liberal economic order, China is meticulously using neoliberal policies to promote a Chinese brand of capitalism. With President Trump pulling out of Trans Pacific Partnership (TPP) and China pledging to fill the void, the world can expect Chinese capitalism to accelerate and fulfil Professor Ikenberry's wish of seeing China as an important pillar of the West and not its destroyer.

The onus is now on the Muslims of Eurasia to firmly oppose American, Chinese and Russian forms of economic slavery. In the past, the Ottoman Khilafah liberated the people of the Silk Road to enjoy unrivaled economic prosperity. Today, Pakistan is placed at the epicenter of this struggle and can lead efforts to unite the Muslims of Eurasia under the leadership of the rightly guided Khilafah state, which will return lost economic riches to all the people of the Silk Road.

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