

## TEST #03

### QUESTION NO: 1:

China and Pakistan are celebrating --- failures of the project.

### INTRODUCTION:

China has embarked upon its journey of economic integration in the Global South. With the announcement of six corridors world wide, CPEC was the flagship programme of the Belt and Road Initiative. CPEC was seen as a game changer for both states. CPEC incorporated different projects mainly in the energy, transport and agriculture sector. CPEC was envisioned to revolutionize Pakistan's infrastructure, energy sector and economy. It has achieved significant milestones including the successful completion of projects. However CPEC faced some challenges owing to the lack of political and economic stability. These challenges must be overcome for the second phase of BRI.

### CPEC : Flagship programme of BRI :

China emerged as an economic giant and threatened the hegemony of US. The difference between the two leading giants lies in their course of action.

China's major focus is on regional economic integration and development. The Chinese Global Security revealed that Beijing will provide political solution for the regional conflicts. Unlike US, the China's economic integration in the regional states started with the announcement of CPEC and BRI. Mainly focusing on the energy sector of Pakistan and to end its dependence on import of different materials.

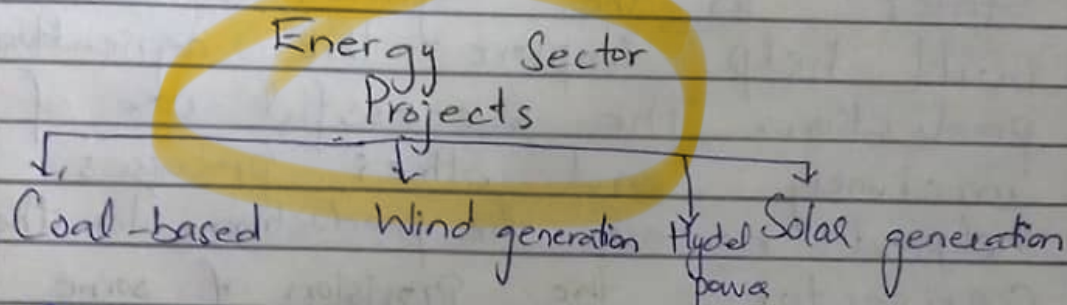
## A. SUCCESSES OF CPEC PROJECTS:

The initial launch of CPEC aimed at projects in the energy and infrastructure sector to uplift the dwindling economy. The process of implication of these projects involved three phase -

### 1. THE ACCOMPLISHMENTS IN THE ENERGY SECTOR:

In the energy sector the aim during phase I included establishment of different projects in different arenas. Investments were made to complete coal-based, wind

based and solar energy projects. CPEC was successful in adding projects with total installed capacity of 8020 MW of energy. The number was achieved by the completion of 13 such projects.



## 2. ACHIEVEMENTS IN THE TRANSPORT SECTOR:

CPEC was successful in improving transport networks from north to south. Foundation of resilient infrastructure including ports, airports, roads and railway lines. In the early phase six projects were completed including Muttan Sukkure M-5 and other rail and road projects. Some of the projects are under construction and will further improve the infrastructure of Pakistan.

## 3. ESTABLISHMENT OF ECONOMIC ZONES:

The establishment of economic zones plays significant role in the provision of business and investment opportunities.

Seventeen special economic zones were established under the projects of CPEC.

#### 4- ACHIEVEMENTS IN THE AGRICULTURAL SECTOR:

Cooperation between the two states in the agricultural sector will help improve the agricultural production. The successful use of machinery and other processes helped increase the production. In the agrisector the provision of some seed techniques and enhanced production of crops ~~at~~ revolutionized the agribased economy under CPEC.

#### 5- PROVISION OF EMPLOYMENT OPPURTUNITY:

The successful implementation of the projects in the energy and transport sector aimed and created around two lac job oppurtunities. The investment in different fields led to enhanced job oppurtunities for the citizens.

#### 6. PROVISION OF BUISNESS OPPURTUNITIES:

The establishment of road and rail projects passed through the far flung regions, connecting them with the mainstream. This resulted in provision of buisness oppurtunities in those areas -

## 7- INCREASE IN BORDER TRADE:

The successful implementation and investment of China under the flagship program of CPEC, resulted in the increase of border trade. The completion of development infrastructure projects will further increase the trade across border.

## 8- ~~THE~~ ROLE IN STABILIZING RUPEE:

The investments under CPEC resulted in the stability of rupee. Moreover due to the currency swap agreements, the security and stability of CPEC rupee will be guaranteed further. The role of CPEC in stabilizing rupee has been prominent due to investments.

## B. FAILURES OF CPEC:

### 1- DEBT CRISIS PERSISTANCE:

The accumulation of debt from the Chinese loans has been a challenge for Pakistan. It raises concerns about Pakistan's ability to manage repayments. The Chinese loan is almost 25 billion dollars, out of which 10 billion dollars is direct loan liability.

## 2- USE OF IMPORTED COAL IN PROJECTS:

The use of imported coal in the projects under CPEC has raised concerns. The imported coal definitely means the outflow of dollars. Already struggling economy of Pakistan is further burdened by the import of coal for coal based projects.

## 3- AFFECT ON POLITICAL DECISIONS:

The ability of Pakistan to take independent political decision has also being compromised. The decision of Pakistan to attend the democracy Summit should have been independent. Pakistan did not attend the Democracy Summit hosted by US as China was not invited.

## 4- RESURGANCE OF SECURITY THREATS:

The increased risk of security for the chinese professionals is another challenge to CPEC.

The increased attacks on the Chinese officials halted progress on some of the key projects including Dasu. The security must be ensured for the success of second phase of CPEC.

## 5- HURDLE IN ESTABLISHMENT OF SPECIAL ECONOMIC ZONES:

Total of 2400 special economic zones were to be established under CPEC. But only twenty four such economic zones were established which is seen as failure of the first phase of CPEC.

## 6- SLOW PROGRESS ON PROJECTS:

Very slow progress on some of the hydel projects was observed. This may be due to the security threats. Progress in the completion of hydel projects was perceived to be slow as the results indicate. Similarly the construction of MLI, an important project was delayed and is now set to complete in second phase.

## 7- ISSUES IN COOPERATION OVER AGRICULTURAL SECTOR:

The cooperation in agricultural sector were faced due to the land and water issues of Pakistan. The expected production target in the agriculture was not achieved.

## CONCLUSION:

CPEC emerged as a game changer for the region since its inception. The success of the projects was measured by the completion and working of ~~ne~~ many projects. The infrastructure projects and energy sector was boosted due to the completion of projects. The rising political instability and security concerns resulted in failure to achieve some target. The slow progress in different projects was another failure of CPEC. It can be concluded that there is an enormous potential in the completion of CPEC and Pakistan must provide secure environment for CPEC completion.



## QUESTION NO: 2:-

Critically evaluate ----- on the other.

### INTRODUCTION:

Normalization of KSA-Iran relations mediated by China is an achievement of Chinese Global Security Initiative. The long-standing issues of these two rivals were settled. The normalization is a good news for the region, but not for all. Israel's foreign policy faced a major setback as the normalization is perceived to deteriorate the expected normalization of Israel-KSA relations. The US policy towards middle east has been affected as broker of deal, i.e. China appears to be more influential in the region. The normalization raised serious concerns over the claims of US as the leader of the world in general and middle east in specific.

### ISRAEL'S FOREIGN POLICY GOALS:

Israel ~~has~~ enjoys full monetary and political support of US. Right perceived as the brain-child of US. The major existential threat felt by Israel is

from Iran. The major objective of Israel's foreign policy is the containment of Iran. The influence of Iran in the middle in the form of different proxies is evident. Israel faces existential threats from Iran. Therefore the US brokered wave of normalization aimed to further push out Iran from the world.

## KSA - Iran Normalization and Historical timeline:

- 1980 during Iran-Iraq War KSA supported Iraq. Relations strangled.
- 2013 Arab Spring Unrest in the region.
- 2015 Hajj pilgrimage incident.
- Execution of (2016) Nimr al Nimr, burning of KSA embassy.
- 2018, KSA threatened to pursue its nuclear program as well.
- 2019 Aramco attacked blamed on Iran.
- Failed talks of normalization facilitated by Oman.
- March 10, 2023 China brokered Iran-KSA Normalization.

A Normalization of KSA-Iran: A potential setback for Israel:

## 1- THE CONTAINMENT POLICY OF ISRAEL :

The main objective of Israel's foreign policy is the containment of Iran. As Iran is perceived as the only major threat by Israel. With the help of US, Israel always contained Iran even through the normalization of ties with other Arab states. The containment and isolation of Iran in the region now remains a dream for Israel.

## 2- THE DREAM OF KSA-ISRAEL NORMALIZATION :

Israel pursued the normalization of KSA - Normalization. Many channels were conducting meetings and the normalization of ties was to be meant soon. The KSA-Iran rapprochement was a setback to Israel as it is visualized to hinder their normalization with KSA. Israel wanted to utilize the sectarian issues between the two rivals and further ignite the situation, but all efforts in vain.

### 3. DIPLOMATIC AND FOREIGN POLICY FAILURE:

The opposition leader of Israel Yair Lapid said

"A total and dangerous foreign policy failure for Israel's government." The plan of Israel to sabotage the ongoing sectarian and other issues and hurt Iran's Nuclear programme failed due to the normalization of ties between Iran and KSA.

### 4. ISOLATION OF IRAN AND REGIONAL INFLUENCE:

Israel dreamed of influencing the region more than Iran and isolate Iran further.

The imposition of sanctions on Iran and normalization of ties with other Arab States, the dream of Israel was to emerge as a major game changer for the region and maintain US's hegemony.

## US POLICY OBJECTIVES FOR MIDDLE EAST:

The major policy objectives of US for middle east are:

- 1- To secure and ensure the survival of Israel's interests.
2. Free flow of oil from Gulf.
- 3- Eliminate the influence of former Soviet - Either make a flow chart or write in paragraph form
4. Countering terrorism and nuclear proliferation.
- 5- Arms sale to its allies.

## KSA - IRAN NORMALIZATION: AFFECT ON US MIDDLE EAST POLICY:

### 1- HURTING INFLUENCE OF US IN THE REGION:

The KSA - Iran rapprochement has resulted in hurting the dream of more influence on the region - Keeping the two major states of the region strained was in favor of US. But the normalization brokered by China, the rival of US is a major setback to US policy.

## 2- FAILURE TO STRENGTHEN ISRAEL'S POSITION IN THE MIDDLE EAST:

The major foreign policy objective for US in the middle east is survival and safeguard of Israel's interests. The set back to Israel-KSA normalization to be brokered by US, is a major setback to US policy on middle east and needs to be renewed.

## 3- THE EFFECT ON US' ARM SALE:

Another objective policy of US is arms sale. The role of China in the normalization and her growing integration may threaten US arm sale market. KSA may now consider other options and the dependency of KSA on US will be reduced. As KSA has found an alternative.

## 4- THE NUCLEAR PROGRAM OF IRAN:

Major policy of US is to halt any further nuclear proliferation in the region. This points towards the nuclear

§/- program of US, which will be a challenge for US to resist its policies.

## CONCLUSION:

KSA - Iran rapprochement is an opportunity of peace establishment in the region. As both states will work for the mitigation of their proxies and bring peace. It can be concluded that the normalization served a major blow to Israel and US foreign policy. The objectives set for middle east by US will be difficult to achieve and US needs to revisit -