

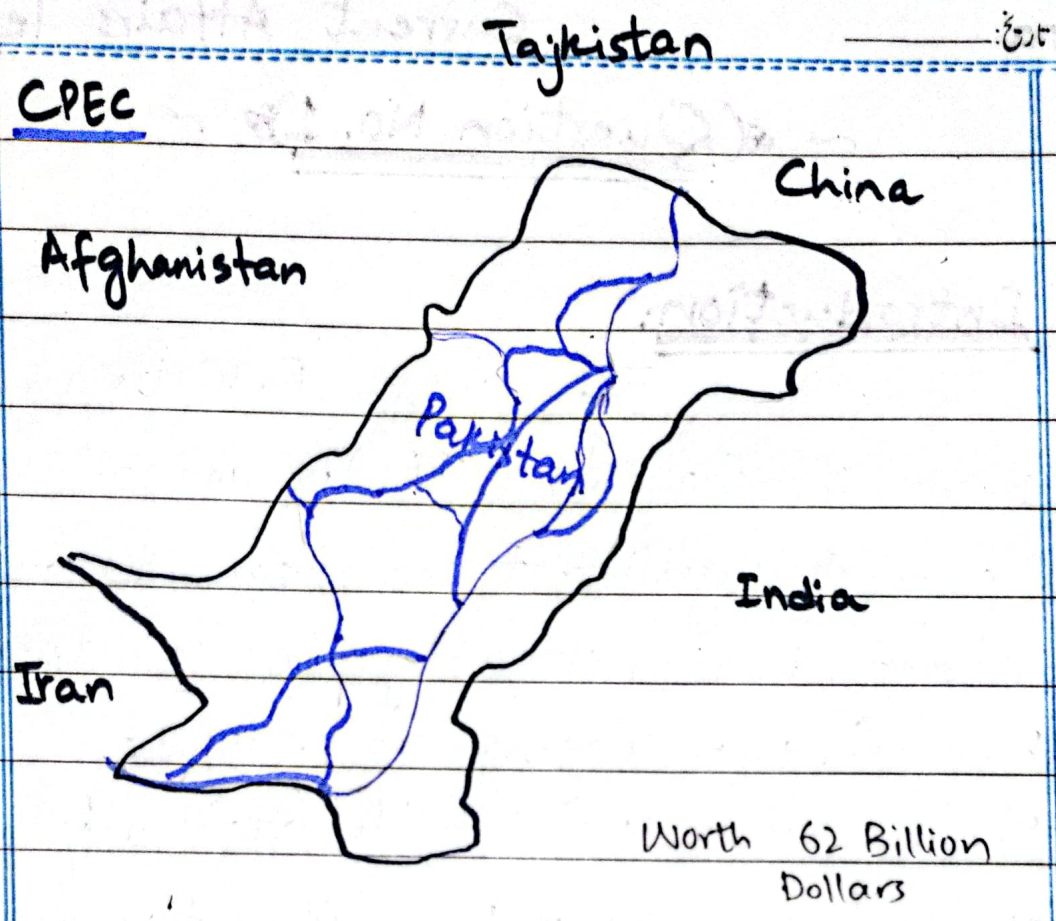
~ Question No. 1 ~1. Introduction:

The China-Pakistan Economic Corridor (CPEC) is one of the most significant developments in recent time, not only for Pakistan, but for the region as a whole. Phase 2 of CPEC, which officially started in 2020, has faced many challenges, which have resulted in the slowdown of the project. To unlock CPEC's full potential, both countries must address the obstacles and ensure the successful execution of Phase 2.

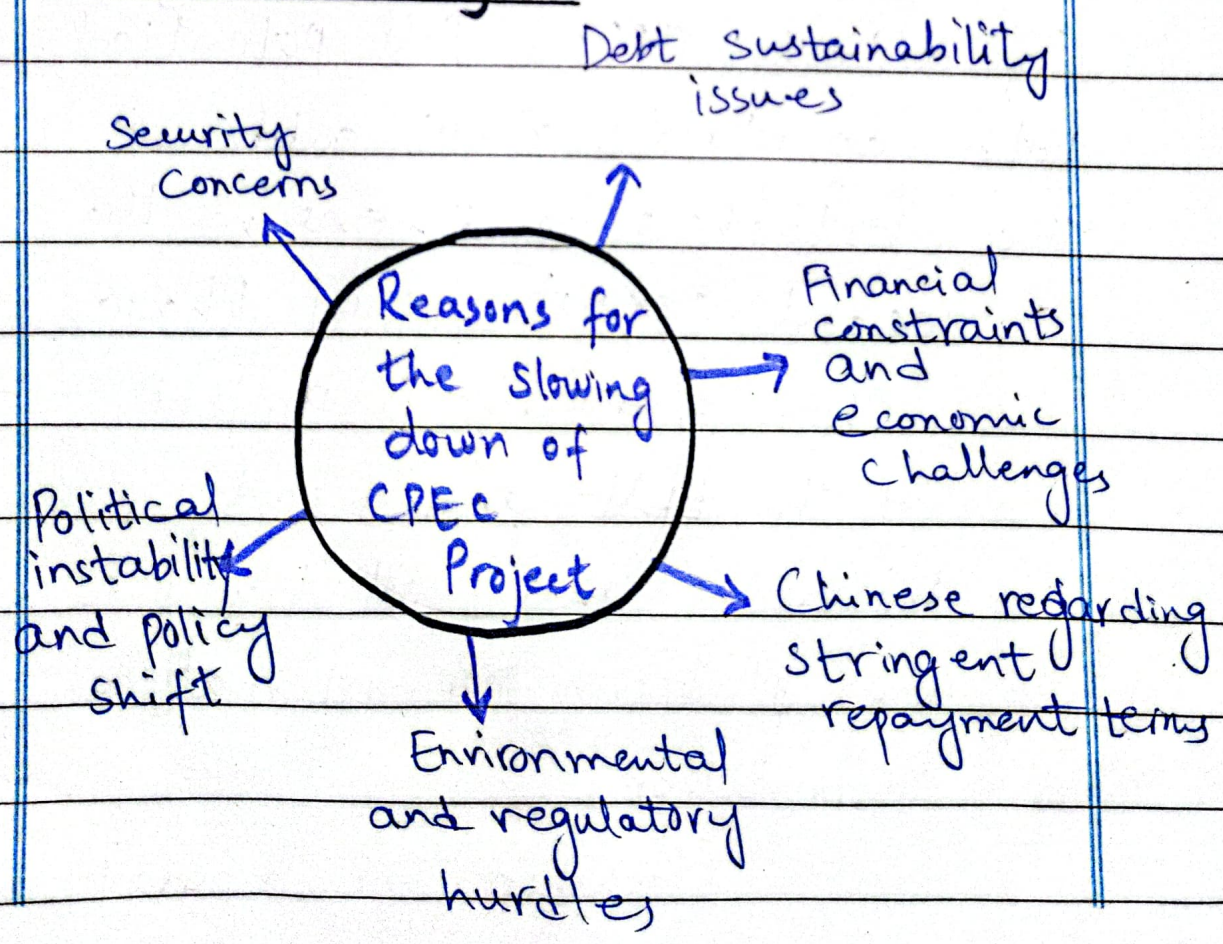
"CPEC is a flagship project of the Belt and Road Initiative and will build a new platform for international cooperation"

[President Xi Jinping]

CPEC



2. Reasons for the slowing down of CPEC Project



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ci) Contemporary security issues and regional instability:

Security remains a paramount concern, particularly in regions like Balochistan, where militant activities pose a direct threat to Chinese investments and workers. Insurgencies and attacks on Chinese nationals have created an atmosphere of uncertainty, making it difficult to proceed smoothly with major projects, particularly in Balochistan and KP.

cii) Political instability and policy shifts - disrupting long-term plans:

Frequent changes in political landscape create inconsistencies in CPEC's management and long-term planning. Political shifts often result in delays and re-evaluation

of ongoing projects, affecting investor confidence and hampering smooth progress.

(iii) Debt sustainability issues, creating diplomatic tensions;

Growing tensions due to Pakistan's debt obligations and certain unmet project expectations can strain relations. Additional, geo-political tension between USA, ^{India} and China can further complicate the diplomatic landscape of CPEC. CPEC's funding model, which relies heavily on Chinese loans, has raised questions about Pakistan's ability to manage and service its debt.

(iv) Financial constraints and economic challenges - limiting Pakistan's ability to finance

CPEC Project:

Pakistan's economic difficulties, including a growing fiscal deficit, inflation, and balance of payment issues, have limited its ability to finance CPEC project. These financial constraints, combined with the heavy debt burden associated with Chinese loans, have raised concerns about the sustainability and financial viability of the initiative.

(v) Chinese demand regarding stringent repayment terms, slowing down the project:

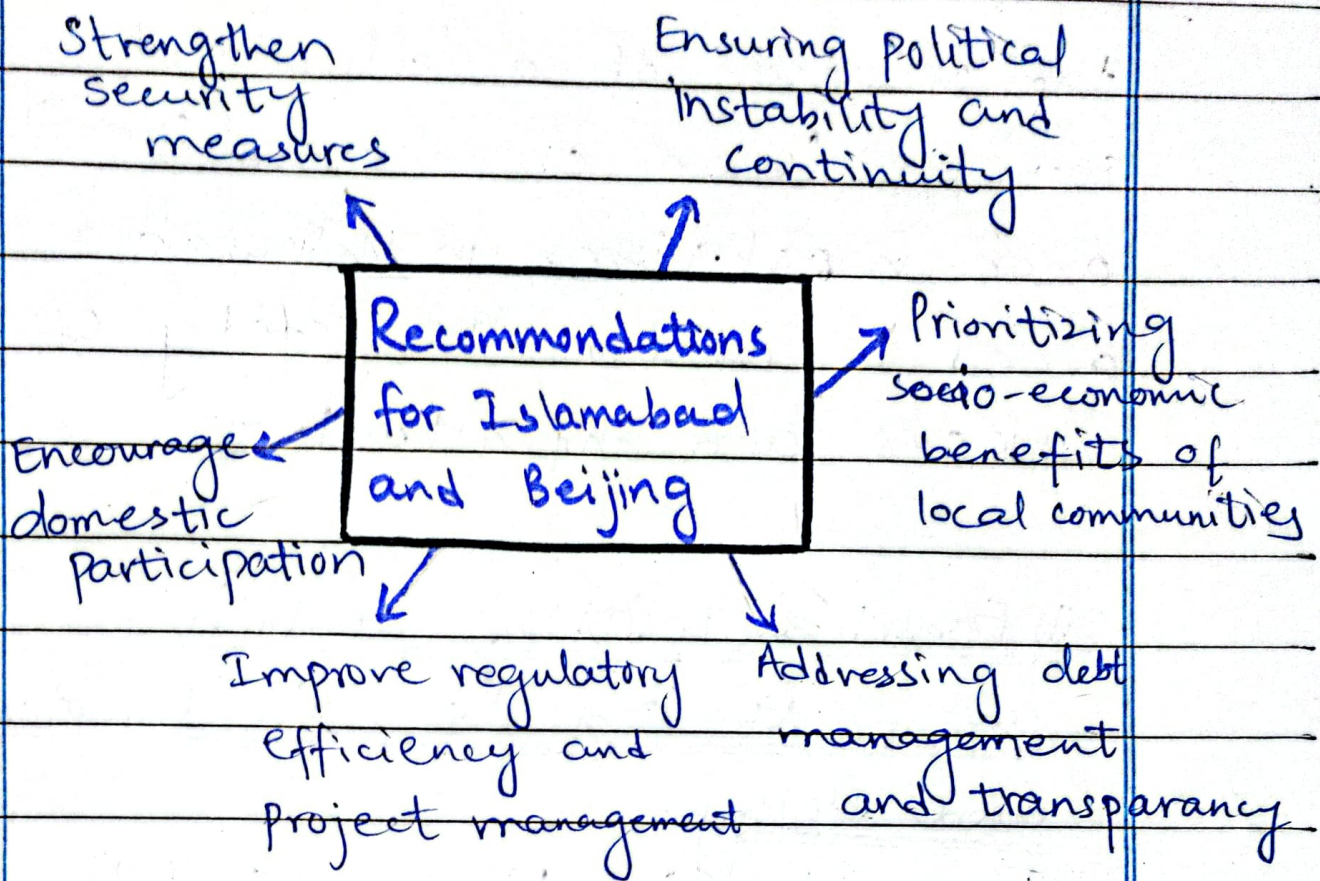
Chinese demand for favourable project conditions, including stringent repayment terms, can strain Pakistan's already fragile economy. The debt burden is a major challenge which is slowing down CPEC

Project.

vii Environmental and regulatory hurdles - hindering the pace of CPEC development.

Environmental concerns and regulatory challenges, such as delays in obtaining necessary approvals, have further hindered the pace of CPEC development. Projects that affect environmentally sensitive areas or communities require careful planning and adherence to regulatory guidelines causing additional delays.

3. Recommendations for Islamabad and Beijing to re-invigorate the project and make Phase II a tangible reality



(i) Strengthening security measures to protect Chinese workers and CPEC projects from external threats:

Pakistan must establish stronger security protocol to protect Chinese workers in order to boost Chinese confidence. Both Pakistan and China should enhance their security arrangements to protect CPEC projects from

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external threats. This could include the creation of a dedicated security force or enhanced surveillance mechanisms in vulnerable areas to ensure the safety of workers and infrastructure.

cii) Ensuring political stability and continuity to avoid disruptions and delays:

To avoid disruptions and delays caused by political transitions, both governments should work towards policy consistency in relation to CPEC. Establishing an independent, long-term workforce could help ensure that projects are not delayed due to changing political environment.

ciii) Prioritizing socio-economic benefits for local communities especially,

Balochistan:

Involving local population in the planning and execution of CPEC projects will ensure social acceptance and long-term sustainability.

Many times, Beijing and Islamabad signed agreements for CPEC projects in Balochistan without due consideration of the provincial government. So, both government should prioritize the consideration and benefits of local communities

(iv) Addressing debt management and transparency:

Pakistan and China should work together to ensure that debt servicing remains manageable, with clear repayment structures that do not jeopardize Pakistan's financial stability. Transparency in the allocation of funds will help

will help to build confidence among all stakeholders.

(v) Encourage domestic participation

To maximize industrial growth, Pakistan should encourage domestic participation in Special Economic Zones. Both government should encourage domestic investors to invest in project to maximize the benefits.

(vi) Improve regulatory efficiency and project management:

Simplifying bureaucratic process and improve regulatory efficient will help Pakistan to attract both local and foreign investment. Both Beijing and Islamabad should streamline approval projects and processes, increase transparency and enhance the technical

capabilities of project teams can help address these challenges

4. Conclusion:

CPEC holds great promise but its success depends on overcoming key challenges. By addressing the challenges of security concern, political instability, and debt finance, both Beijing and Islamabad can re-invigorate the project, turning Phase 2 a tangible reality and securing long-term benefits. A comprehensive strategy is required by both governments. After adopting practical measures, Pakistan can take benefits from CPEC project

“CPEC is the game changer for Pakistan.”

[Former Pakistani Prime Minister of Pakistan]

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1. Introduction:

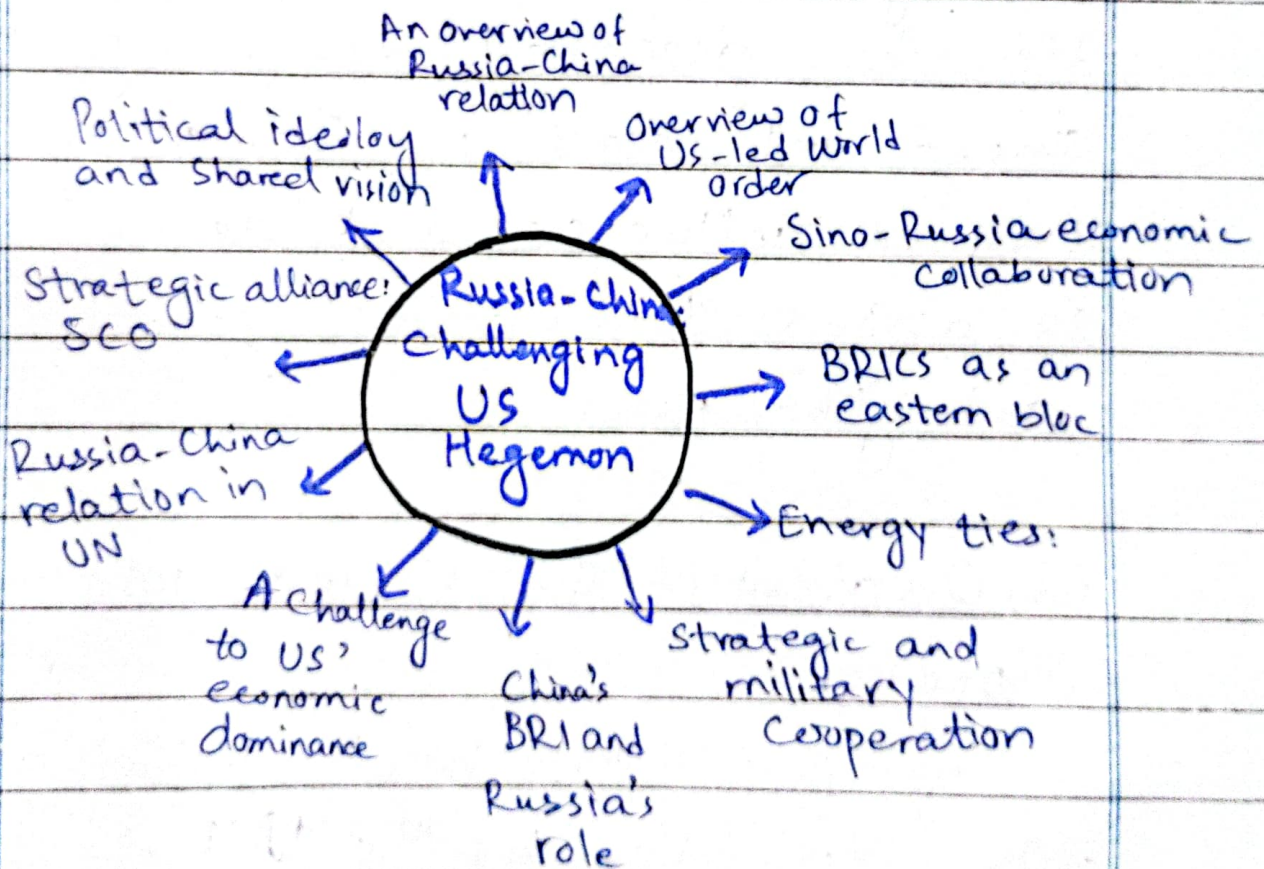
The relationship between China and Russia has undergone significant transformation in recent years' driven by their growing economic, strategic, and geo-political collaboration. Their mutual ambition is to challenge US led world order and reshape global ^{balance of} power. Both countries, which have historically had different interests, now share common objectives in countering the influence of the United States and Western-led institution.

"The most important question of the 21st Century will be how to manage the rise of China and the resurgence of Russia, in a way that avoids conflict and preserves global

Stability."

[Henry Kissinger, World Order, 2014)

2. The growing Russia-China economic, strategic, and geopolitical collaboration: A challenge to the US-led World order



ci) An overview of Russia-China relations - Historical context

The Russia-China relationship has been shaped by centuries of geo-political and economic interaction. Since the devolution of the Soviet Union, both countries have worked to overcome past tensions because they were rivals during the Cold War. Their cooperation has deepened, driven by shared interests in countering Western influence and ^{the} desire to assert their own regional and global power.

cii) Overview of the US-led world order:

The post-World War II global order, dominated by the United States, established Western liberal democratic values, economic institutions

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like IMF, WB, and military alliance like NATO, QUAD, and AUKUS. This structure has been the foundation of global governance for over 70 years. However, as power shifts toward emerging economies like China and Russia, the current order is facing significant challenges. The Us, while still a dominant player, now finds its global influence being tested by the resurgent Russia and growing China.

ciii) Sino-Russia economic collaboration, trade and investment:

One of the strongest elements of the Russia-China partnership is economic cooperation. Russia supplies oil, gas and other resources to China. Through initiatives like the Power of Siberia pipeline, Russia has strengthened its energy ties with

China. In return, China offers technological and industrial investment that help boost Russia's economy.

(iv) BRICS as the Eastern Bloc -

A counter to Western Dominance:

BRICS which is also called BRICS+ is considered as anti-Western or anti-G7. China and Russia are the founding members of BRICS. The BRICS countries have a larger share of the World's GDP than the G7 countries. It represents as a counterpart and alternative to the G7 bloc-led by US.

(v) Strategic and military cooperation:

The Bear-Dragon Tandem in action:

The Bear-Dragon Tandem represents the growing strategic and military cooperation between Russia and

China. Both nations significantly strengthened their military ties through joint exercises, technology sharing, and increased defense cooperation. Their joint military exercises, such as those in the East-China Sea and Central Asia, demonstrate their mutual interest in expanding influence while countering US military presence in these regions.



(v) Strategic alliances: The Shanghai Cooperation Organization -

as an alternative to US-led alliances in Asia:

The Shanghai Cooperation Organisation (SCO) is an important multilateral organization that includes Russia, China and several Central Asian countries. The SCO serves as a platform for military and security cooperation, and provides an alternative to US-led alliances in Asia.

(vii) Russia-China relation in the United Nation, both having veto power to challenge US-led resolutions:

China and Russia, both permanent members of the UN Security Council, have used their veto power to challenge US-led resolution. Today, they have opposed Western interventions in countries like Syria

and Libya, seeking to preserve state sovereignty. Their united stance in international diplomacy allows them to challenge US dominance in global decision-making processes.

(viii) The Challenge to US economic dominance - China and Russia's joint efforts of de-dollarization:

Through their growing economic collaboration, Russia and China are making significant strides towards diminishing the US' economic dominance. Their joint efforts are directed towards de-dollarization and giving dents to dollars. They conduct their trade in their local currency. For currency diversification, alternative financial institution is Asian Infrastructure Investment Bank (AIIB), pose a direct challenge to US-led global economic

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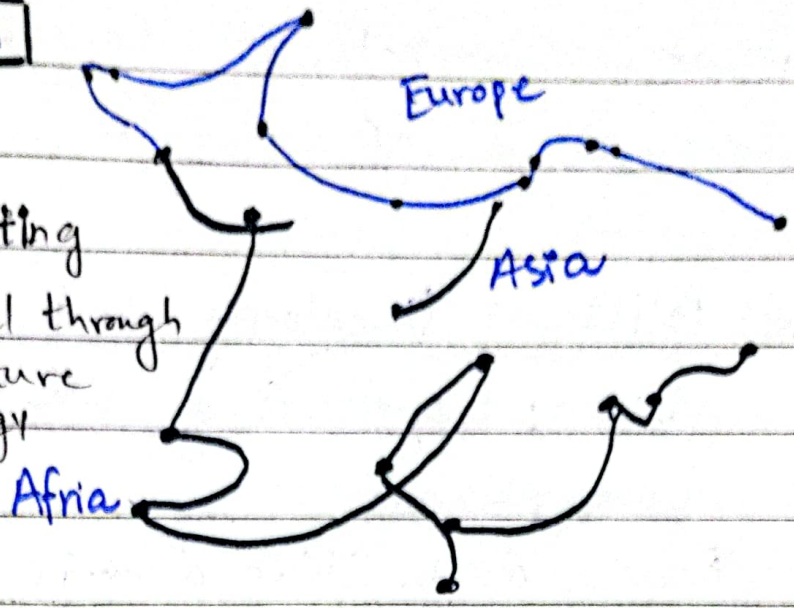
institutions like the IMF and World Bank.

(ix) China's BRI and Russia's role offering countries alternative financing and infrastructure development options:

China's BRI is another major development that has enhanced the Russia-China alliance. The BRI aims to connect Asia with Africa and Europe through infrastructure investments, trade routes, and new economic corridors. Russia, with its central position of Eurasia, plays a pivotal role in this initiative, facilitating trade and connectivity across Central Asia. The BRI challenges Western-dominated trade networks, particularly by offering countries alternative financing and infrastructure development options.

China's BRI

Russia boosting
China's BRI through
infrastructure
and energy
ties



x) Energy ties: A pillar of Russia-China relations:

Energy cooperation is a cornerstone of Russia-China partnership; with Russia providing China with significant supplies of oil, natural gas and other resources. While China helped Russia to come out from isolation at the time of Ukraine invasion. Europe and west has put sanctions on Russia's oil. China as an importer of Russian oil saved its economy from being collapsed. Their energy collaboration has reduced their reliance on

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western markets, challenging US-dominated global energy system.

(xi) Political ideology and shared vision: Countering Western Liberalism:

Russia and China, despite their different political systems, share a common vision of promoting state sovereignty and non-interference in internal affairs which often contrasts with Western liberal democratic values. Both countries oppose Western-led interventions and advocate for a multipolar world order where global governance is not dominated by Western ideologies.

3. Conclusion:

To conclude, the growing cooperation between Russia and

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China represent a challenge to the US-led world order. Through joint cooperation, both nations are working to reshape global power dynamics and establish a new multipolar world order. The strength of this partnership lies in the shared desire to counterbalance Western influence.

“China and Russia together, pursuing a common strategy, represent the most important challenge to America's global dominance.”

[Zbigniew Brzezinski, The Grand Chessboard, 1997]