

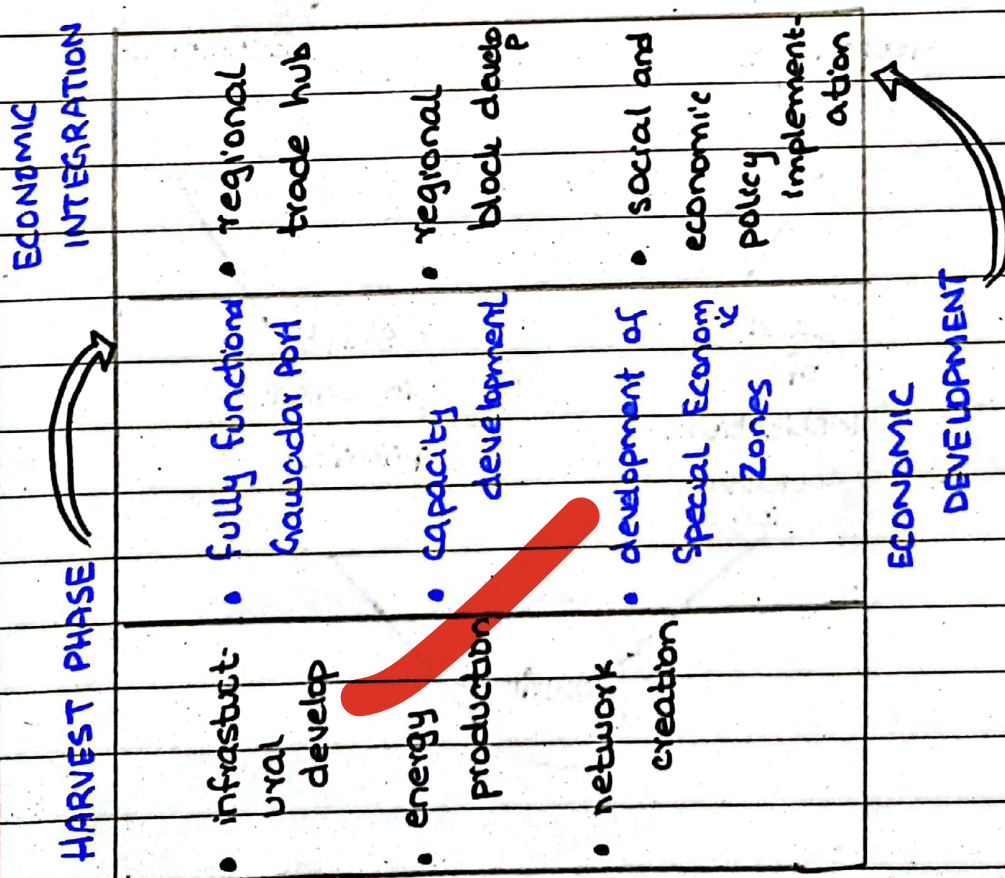
QUESTION : 01

Critically evaluate the reasons for slowing down of CPEC.

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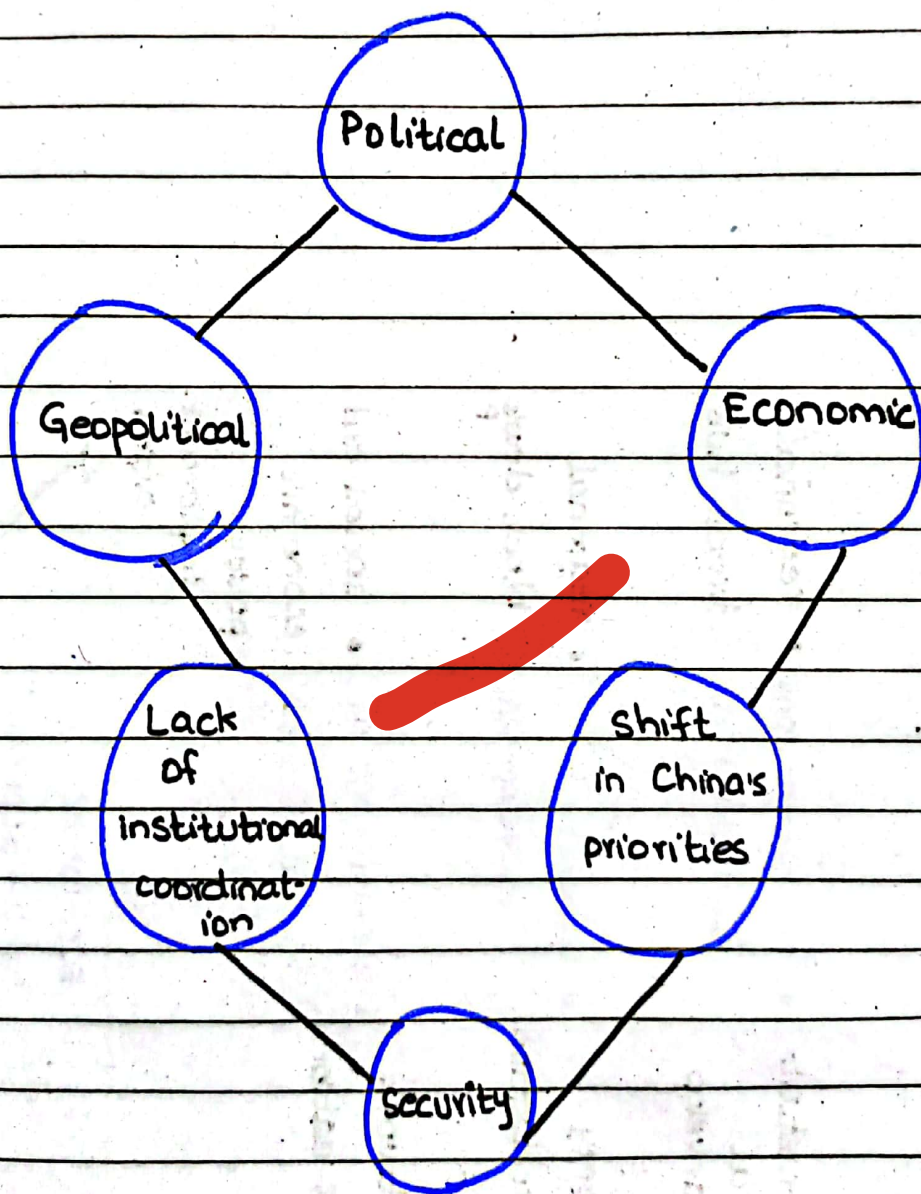
CPEC PROJECTS ::

China Pakistan Economic Corridor (CPEC) is a transformative project under China's Belt and Road Initiative (BRI), that aims to enhance development and connectivity across Pakistan. One Belt One Road Initiative comprises of three phases of CPEC.



REASONS FOR SLOWDOWN

The reasons for the slowdown of CPEC II are various with most prominent be the outbreak of COVID-19. The major focus is on the establishment of Special Economic Zones and enhancing the agricultural sector of Pakistan.



POLITICAL INSTABILITY

The frequent changes in government structure and the policy shift along with divergent priorities have harmed the successful implementation of CPEC. Political controversies, bureaucratic inefficiencies and policy management downsizing have slowed it.

During Imran Khan government (2018-2022), he prioritized renegotiating agreements, and opaque deals done in previous govt but the ousting of Khan in 2022, and caretaker setup in 2023, instilled decision-making and the project itself challenging.

ECONOMIC INSTABILITY

Pakistan's finances including high level of debt, foreign reserve instability and inflation has paused the working of the project and China's concern about debt repaying, further aggravated the risk of situation. Therefore, Pakistan's fragile economy is marked by shrinking foreign reserves.

In 2023, Pakistan's external debt crossed \$130 billion, leading to concerns about debt sustainability for CPEC related obligations.

SECURITY THREATS

Pakistan's since its inception has wide range of security concerns and a setback for international economies to rely on. Military attacks particularly on Chinese personnel and CPEC projects have restricted them in their endeavours.

Dasu Dam Attack 2021 killed Chinese engineers, leading to strained relations from Beijing. Second instance of 2023, where Gawadar port facilities were disrupted, deterring foreign labours to large extent.

GEOPOLITICAL FACTORS

Geopolitical dynamics especially the international pressure from US and China have amplified the external pressures.

India opposes CPEC projects in Gilgit-Baltistan - as it claims to be the part of Jammu and Kashmir.

Similarly,

the rapprochement of US-Pak under Biden administration has complicated Islamabad's balancing act between the strategic partners.

PRIORITY REASSESSMENT

China's focus has been shifted towards the economic challenges that led to the shift in foreign investment.

Beijing has become selective about loans extending that is visible from the delay in industrial zone projects re Rashakar SEZ.

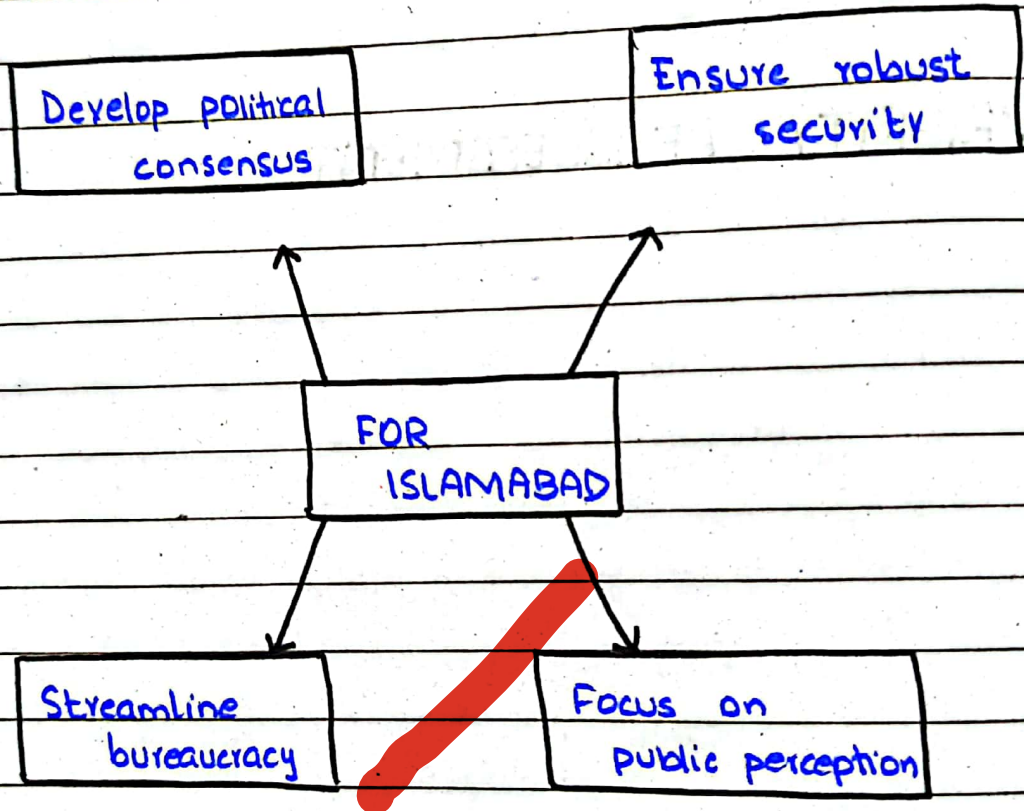
GOVERNANCE ISSUE

Governance issue arising from the weak coordination between federal and provincial governments resulted in delay. The lack of unified solid planning undermined progress of CPEC II, focus on socio-economic development.

The Karachi Circular Railway, has faced delay due to bureaucratic inefficiencies and land disputes.

Poor governance created bottlenecks in project execution, especially in agriculture and industrial development.

RECOMMENDATIONS



ADDRESSING ECONOMIC CHALLENGES

In order to stabilize foreign reserves, there must be policy for revenue collection, reduced fiscal deficits.

Reviving Special Economic Investment Council (SIEC) has attracted foreign direct investments:

POLITICAL CONSENSUS

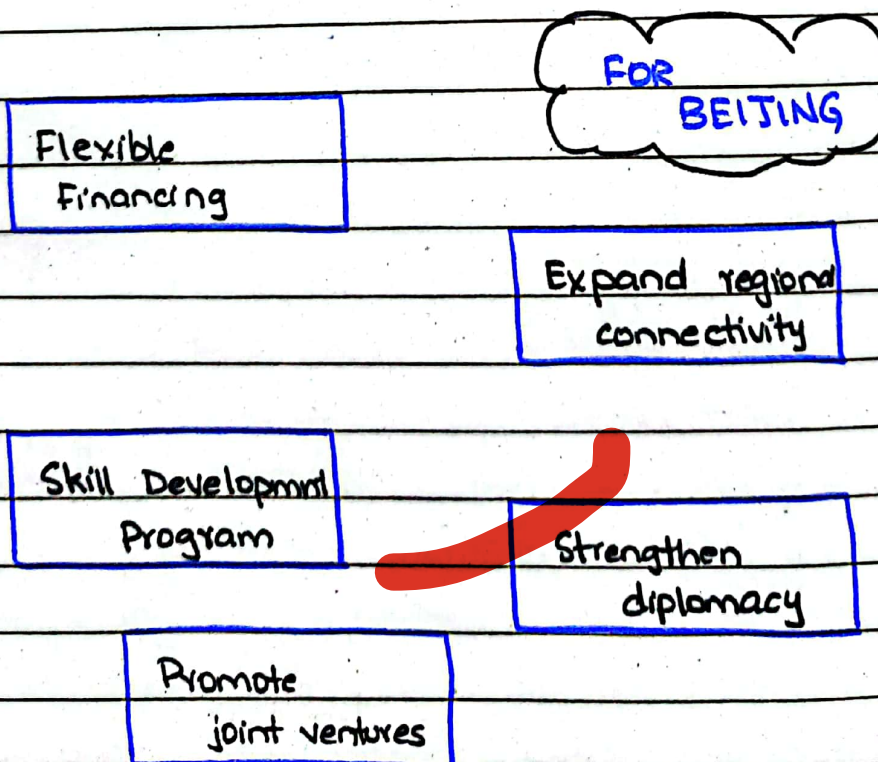
It can be developed by a bipartisan CPEC Parliamentary Committee in order to ensure political stability.

Successful collaboration b/w provinces on the matter of Gwadar - model for coordinated decision making.

STREAMLINE BUREAUCRACY

The accurate and centralized authority powers to fast-track powers must be established to coordinate between stakeholders.

CPEC 2019 Authority, to be reconstructed and empowered to focus on CPEC II.



CONCLUSION ³⁰

The slowdown of CPEC is due to the intricate interplay of domestic, economic, political and security challenges. By addressing issues like governance related, economical and fostering of mutual trust can shift the focus from stalled vision to tangible reality. Thus, the joint collaborative ventures relying on local benefits can ensure the success of CPEC phase II project.

QUESTION - 03

Russia China growing economy strategic collaboration is effort to challenge US led world power.

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US LED WORLD POWER

The Russia China's growing economic, strategic and geopolitical concerns represents one of most significant development in global politics due to the liberal nationalism characterized by free market, promotion of democracy, and by the dominance of US dollar currency & reserves. This alignment is driven by shared interests and opposition to western dominance.

BASIS OF RUSSIA CHINA COLLABORATION

SHARED OPPOSITION

Both Russia and China are against the unilateral system that is imposed by the West. The opposition by China of US in Indo-Pacific and Russia challenging the NATO expansion along with the Western sanctions.

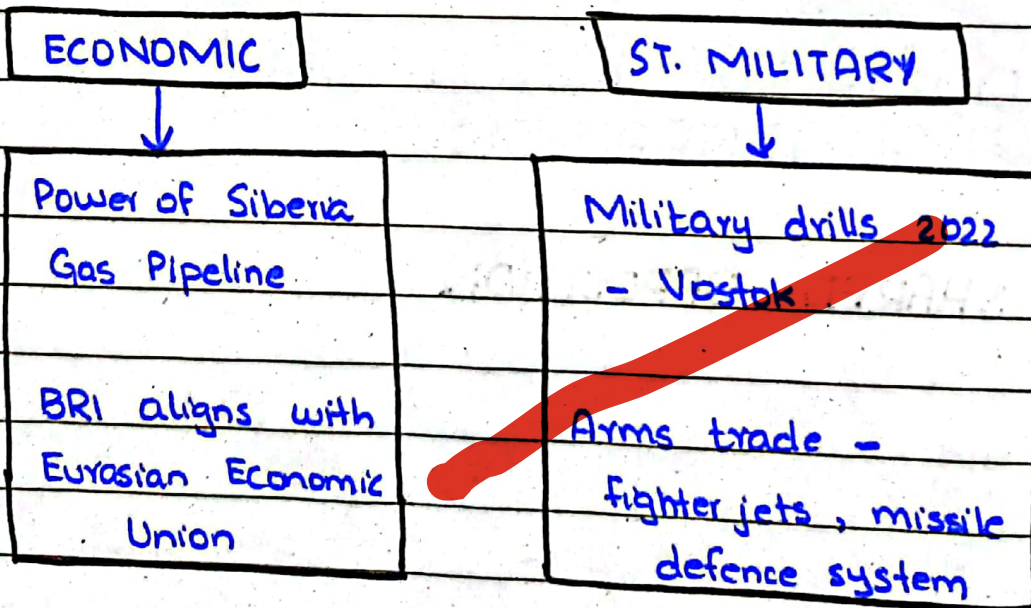
ECONOMIC COOPERATION

The trade between Russia and China has exponentially increased, reaching \$190 billion in 2022 with the designated target of \$200 billion 2024. Secondly, now instead of Saudi Arabia, Russia is the largest oil supplier to China.

GEOPOLITICAL COOPERATION

Both the countries support each other on the international forums like BRICS or SCO. The combined veto of Western resolutions of Ukraine, Palestine and Syria.

KEY AREAS



CHALLENGES TO US-LED ORDER

EROSION OF DOLLAR DOMINANCE

Russia China have increased their efforts to make trade in their local currencies, diminishing the dollar's dominance.

The recent establishment of Cross Border Economic Payment System (CIPS) as alternative to SWIFT by China.

FINANCIAL INSTITUTE SHIFT

The focus towards and dependence Western banking like IMF and World Bank had been redirected to the establishment of China Russia's own fiscals and transactions.

The New Development Bank (NDB) was formed for financial dependency.

SHIFTING ALLIANCES

Institutes like BRICS have been expanded to BRICS + with six more new members, reflecting its fiscal growing strengths.

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REGIONAL INFLUENCE

The growing role of China as a mediator globally complements the hardpower approach of Russia.

China brokered the Saudi-Iran rapprochement in 2023, undermining US dominance in Middle East.

LIMITATIONS OF RUSSIA CHINA ALLIANCE

Longterm diversion of interests

Asymmetry in Partnership

Economic pressures on Russia

The focus and interests of China prioritizes Indo-Pacific and Russia on Central Asia and Europe. And also sanctions made Russia dependent on China.

IMPLICATIONS FOR US, ALLIES

The Russia - China alignment intensifies the competition in regions like Indo-Pacific and Arctic. Most importantly, the emergence of parallel systems, such as alternative payment mechanism and security alliances weakens the US-led cohesion.

CONCLUSION

The growing collaboration represents significant shift in the global balance power by challenging US - world led order. From energy pipelines and military drills to regional influence and currency realignment, this partnership is reshaping the contours of global politics.