

Post 9/11 Sino-US Strategic Competition in South Asia: Analysis of Impact on the Region



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Declaration

I, Hafiz Muhammad Shahzad Qasim, hereby declare that the work presented here is my original work, except where otherwise I have acknowledged in text, and is not plagiarized. Moreover this dissertations has not been presented previously to any other institution and will not be presented for a degree. This work has been carried out and completed at International Islamic University, Islamabad.

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DEDICATION

I dedicate this research to my loving father, Muhammad Qasim Naz, my mother, Ayesha Bibi, my younger brother Muhammad Ijaz Qasim and my sisters who have been a source of strength for me, through their economic patronization, prayers and valuable suggestions during my educational career, being far away from home.

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May Allah bless them here and hereafter with happiness and good life! (Ameen)

Hafiz M. Shahzad Qasim

Abstract

At the end of Cold War, the US emerged as sole superpower of the globe while 21st century is believed to be Asian century due to miracle growth of China and other economies. The incidents of 9/11 and subsequent happenings changed strategic environment in Asia. Relative decline of the US as sole dominant power compelled her to concentrate in Asia. The US and China became the two biggest economic and military powers of the world competing for raw material, energy resources, markets, security partners and political allies around the world. South Asia is “key region” for Chinese and the US interests. In the post 9/11 era, South Asian affairs have largely been influenced by the role of extraterritorial powers: the US and China. Future of South Asia depends a lot upon the Sino-US bilateral relations and their interests in the region. Thus understanding political, economic and military affairs in South Asian region is difficult without accounting the influence and role of the two powers. Sino-US strategic competition has been playing and can further play important role in disturbing or improving state of affairs and fate of people in the region which needs to be analysed scholarly. The study has been done to highlighting the impact of the two powers’ interests and policies on economy and military affairs of South Asia. Research addresses three questions. How 9/11 incident and subsequent developments changed Sino-US approach towards South Asian states? What are the goals of post 9/11 Sino-US policies towards South Asian states? What is the impact of Sino-US engagement with South Asian states on their economic and military sectors? Four major countries of South Asia i.e. India, Pakistan, Afghanistan and Bangladesh have been taken for the study. The qualitative research method has been used to analyse impact while quantitative data of trade, investment and military supplies has been used from authentic sources. Few interviews have been included to address missing links in data. Analytical assessment has been made to evaluate impact instead of reporting trends of trade, aid and investments. The research deals with emerging trends and includes future prospects.

List of Abbreviations/ Acronyms

APEC	Asia Pacific Economic Cooperation
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
ASEAN	Association for South East Asian Nations
BCIM	Bangladesh, China, India Myanmar
BECA	Basic Exchange and Cooperation Agreement
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, China, India, South Africa
CAREC	Central Asia Regional Economic Corridor
CARs	Central Asian Republics
CPEC	China Pakistan Economic Corridor
CISMOA	Communication and Information Security Memorandum of Agreement
CTBT	Comprehensive Test Ban Treaty
ETIM	East Turkistan Islamic Movement
ECNEC	Executive Committee of National Economic Council
FDI	Foreign Direct Investment
GSOMIA	General Security of Military Information Agreement
GDP	Gross Domestic Product
GDA	Gwadar Development Authority

IMF	International Monetary Fund
ISIS	Islamic State of Iraq and Syria
JuA	Jamat ul Ahrar
JCC	Joint Cooperation Council
KKH	Karakoram Highway
LeI	Lashkar-e-Islam
LEMOA	Logistics Exchange Memorandum of Agreement
MNNA	Major Non-NATO Ally
MW	Megawatt
MTCR	Missile Technology Control Regime
NGA	National Geospatial-Intelligence Agency
NSSP	Next Step in Strategic Partnership
NAM	Non Alignment Movement
NPT	Non Proliferation Treaty
NATO	North Atlantic Treaty Organization
NSG	Nuclear Supplier Group
OBOR	One Belt One Road
PPP	Purchasing Power Parity
REEs	Rare Earth Elements
RSM	Resolute Support Mission

STF	Science and Technology Forum
SCO	Shanghai Cooperation Organization
SAARC	South Asian Association for Regional Cooperation
SEZ	Special Economic Zones
TTA	Tehrik-e-Taliban Afghanistan
TTP	Tehrik-e-Taliban Pakistan
HTCG	The High Technology Cooperation Group
TPP	Trans-Pacific Partnership
TAPI	Turkmenistan-Afghanistan, Pakistan, India Pipeline
USSR	Union of Soviet Socialist Republic
UAE	United Arab Emirates
UNSC	United Nations Security Council
UN	United Nations
US	United States
WB	World Bank
WTO	World Trade Organization

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Chapter 1

Introduction

The end of Cold War resulted in unipolar world leaving the United States (US) as sole super and dominant power of the globe. The incident of 9/11 suddenly changed the global geopolitical scenario, the US attacks on Afghanistan and Iraq brought the consequences throughout the world. High growth rate of China and other Asian economies, accessibility of resources, huge human capital, political developments and other indicators led the political commentators believe and predict that 21st century is the Asian century (Mahbubani, 2008).

The economic recession of 2009, steps of the US for managing the decline, as dominant sole super power, and announcement of ‘Asia Pivot’ policy caught attention of global major powers in Asia (Campbell & Andrews, 2013). It is believed that future of the world politics would be decided by Sino-US bilateral relations as the US and allies are sceptic of Chinese intention of accepting and integrating with the current global system and institutions while the US strategies are seen as replica of Cold War containment policy (Du & Ma, 2012). Some of the Schollars have referred Sino-US rivalry as a “New Cold War” with USSR’s replacement by China (Shambaugh, 1995).

Party dictatorship, controlled economy and closed society of China are the reasons for scepticism of Chinese intention perceived by the capitalist world but China did not only integrated itself with existing global system but also assured that it would support the system with some changes as per new power structure of the World (Ikenberry, 2008). Despite differences in political, economic and social system, China managed to create partnership with the US for closer cooperation in their agendas of development and managing the global institutions and affairs. Thus threat of “New Cold War” is being minimized but they continue to compete for strategic partners throughout the World (Deng, 2001). The new power structure has not been adjusted in international institutions as per aspirations of China

therefore, China has taken some initiatives for international interactions, engagements and cooperation as required by its new found economy, military and political stature.

Role of China in Shanghai Cooperation Organization (SCO), BRICS (Brazil, Russia, India, China, and South Africa) Bank and Asian Infrastructure Investment Bank (AIIB), Belt and Road Initiative and Silk Road Fund have clearly conveyed its intention to the World that China is on its way to establish institutions and influence political environment favouring its objectives for accommodating allies and providing the alternative against already established institutions (Park, 2016).

China has become the number one economy in terms of Purchasing Power Parity (PPP) while it is striving hard to become number one in nominal terms during the next decade by replacing the US (Bird, 2014). Thus China and the US are strategically competing for raw material, energy resources, markets, security partners and political allies around the globe especially Asia that would help them attain maximum power to influence and reshape the World suitable and subservient to their interests. South Asia is among the most the contested region of Asia due to many factors and reasons.

1.1 Statement of the Problem

South Asian states are not only vital for Chinese territorial integrity, domestic stability and internal security but also important for its agenda of economic growth and its strategic competition with the United States. On the other hand, South Asia is a vital card for the US for its policy of 'Indo-Pacific region' due to its location, huge population, economic potential and many other factors. In the post 9/11 era, South Asian affairs have largely been influenced by the role of extraterritorial powers particularly the US and China in many ways. This study is aimed at highlighting impact of two powers' interests and respective policies (strategic competition) on economy as well as military sectors of major countries of South Asia.

1.2 Hypothesis

Divergence and convergence of Sino-US interests and policies in South Asia are helping the regional countries to develop economically and militarily.

1.3 Objectives of the Study

Main objectives of the study are as under:

- a. To investigate the Sino-US foreign policies towards South Asian states before and after 9/11.
- b. To dig out determinants and objectives of Sino-US policies for South Asia.
- c. To find out the convergence and divergence of Sino-US interests in South Asia.
- d. To analyse the impact of Sino-US strategic competition on economic as well as military sectors of South Asian states.

1.4 Research Questions

- a. How 9/11 incident and subsequent developments changed the Sino-US approach and corresponding policies towards South Asian states?
- b. What are the goals of post 9/11 Sino-US policies towards South Asian states?
- c. What is the impact of Sino-US engagement with the South Asian states on their economic and military sectors?

1.5 Theoretical Framework

Theoretical framework includes the way of conducting research, methods of the data collection and toll of the analysis in thesis. This research analysis is based on the theory of Neo-realism or structuralism because it explains this research in better way. Special models have been derived out of the theory particularly for this research to examine/ analyze the data collected, dig out the answer of research questions, test hypothesis and draw conclusions of the study.

1.6 Theory of Neo-Realism

The need for a theory to conduct study of international relations at any level is actually aimed at bringing the better empirical analysis and understanding through the tool of already agreed principles among the Scholars of the subject worldwide. The theories equip scholar to analyze things rationally and making the study more comprehensible. As the realist paradigm still dominates and defines the most interstate relations in the World, Sino-US conduct in South Asia is not an exception. Among all the theories of international relations, the neo-realist school of thought better explain these complex and multi-dimensional relationships. Thus the data collected for the study of the Sino-US strategic competition in South Asia has been analyzed through the yardstick of neo-realists.

Kenneth N. Waltz's approach of the systemic study of international relations helps to explain the underpinning factors of the Sino-US strategic competition. The neo-realist theory elucidates the inter-state relations in an environment where international system affects their cooperation through making alliances for balancing of power, balancing of threat, addressing security problem and securing other common interests particularly the economic development (Waltz, 1986). Assumptions and main points of neo-realism are as under:

- a. Global/ major and regional power nexus creates the international system.
- b. Structure of international system is a primary determinant of the states' behaviour in system. International system determines geostrategic environment for rest of the countries and even for main players.
- c. States and non-state actors work together in an environment of anarchy as there is no central authority in international system to impose rules, principles and norms for the protection of the interests of the comity of nations.
- d. Survival of states is the most critical issue posed by the anarchic environment.

- e. Every other state is seen as the potential enemy and threat to its national security.
- f. Security problem, emerged by the horror and mistrust of potential enemies often stimulates the policies of states. States try to address the issue of survival before embarking upon the agenda of growth and development.
- g. States are always interest oriented while anarchic and competitive environment push them to rely on self-help instead of cooperation of others.
- h. States are always rational actors in the strategies to maximize their benefits and minimize losses (Waltz, 1990).

1.7 Neo-Realism and Sino-US Strategic Competition in South Asia

The current and emerging international system after 9/11 created a sense of insecurity for China due to unilateral actions of the US in Afghanistan and Iraq on pretext of preemptive strategy. Sino-US strategic competition for influence and engagement in South Asia are seem to be based on the assumptions made by Neo-Realists' school of thought. The US and Chinese behaviour have been quite similar despite differences in their systems only because of common goals to deal with the security dilemma created by fear and mistrust of each other in the anarchic system and strive for ensuring conducive strategic environment to grow and become the most powerful. Global, regional and domestic factors have been determining the behavior of South Asian states and their relations with the extra-regional powers but the strategic environment created by Sino-US strategic competition has been the key determinant in formulating foreign policies of South Asian states after 9/11.

Chinese Government often repeats the mantra of its support to the centrality of the United Nations (UN) in international relations and security issues but its handling of affairs clearly depict that Chinese approach is of neo-realists in foreign policy where suspicions and

threat of other states in the anarchic world drive its relations for self-reliance or forging alliances to ensure security and gain the perceived goals (Sørensen, 2013).

China mistrusts the world order led by the US. Western hawks have concluded that China has divorced its pragmatic approach that it practiced during the previous three decades. Cold War has started race for securing influence in different regions and states between China and the US. Japan and South Korea have announced closed defense cooperation, on support of the US, obviously against China (Ming-Te & Liu, 2011). The US wants China not to disrupt the current order and accommodate itself in the current world order that would obviously give the US opportunity to maintain upper hand while China is initiating to establish new institutions suitable for its designs.

There is debate among the Schollars that the US has started a New Cold War with China as China is challenging its monopoly over the international arena and the US plans to maintain its power and influence in the world (Wohlforth, 2009). Amid talks of the US decline as hegemonic power in the world and the emerging Asian century, the US Secretary of State Hillary Clinton maintained that the US will remain a major power of Asia.

Henry Kissinger said that China fears from the US military encircling its territory and the US considers China a threat to its interests and feels that China is strengthening its position to kick her out from the continent. The US is preparing India in South Asia, Philippine and Singapore in South East Asia, and Japan and South Korea in East Asia while engaging Central Asian states for containing and countering the rise of China or “China threat”. South China Sea and India Ocean are the most debated centers for flexing the power by these countries and possible conflict with clash of interest (Ahmad, 2009).

The international relations had two different phases; intense rivalry and intense interdependence. The chapter of history with intense rivalry was almost closed at the end of

Cold War and then it gave birth to the era of intense interdependence. Hillary Clinton said that it was still uncertain that either economic and defense interdependence keep countries pacific and the competition would not lead them to conflict. In the developing scenario, there are predictions of another Cold War of the US for the containment of China. Hence, China and the US are trying hard to grab their strategic partners and prepare for countering each other (Shambaugh, 2000) as per neorealist interests explained by theory as a race to be the most powerful state.

South Asia is very important for China to confront the US strategic threat and pursue its goal of economic development therefore, it is key region as contesting ground for the US and Chinese neo-realist interests. On the hand South Asian states are compelled to ensure their survival by addressing security threats not only from within the region but also from the extra-regional powers by aligning with the US or China. South Asian states are trapped in the strategic environment (or power structure as defined by neo-realists) created by Sino-US strategic competition. Therefore, South Asian states are vying for augmenting their defense capabilities and ensuring economic growth by forging and strengthening partnerships with the US and China. Sino-US race for winning South Asian partners by offering defense equipment, economic partnership and diplomatic support are enabling South Asian states to ensure security and get benefit of the situation.

Shifting of global power from the West to Asia and economic growth of China and other countries of continent have increased the opportunities for peace and prosperity of more than one fifth of global population living in South Asia. As every opportunity has its cost, the emergence of China has invited the US competition for influence in region. The governments of regional countries can either exploit the situation in their favour for peace and prosperity or those could be into trouble in case of their failure in taking steps accordingly to take benefit of the situation and face losses.

1.8 Research Methodology

It is a qualitative and exploratory research. Primary, secondary and tertiary types of data have been used for completing the study of this dissertation. Books, journal articles, magazines, newspapers, online available text and video resources have also been used. Interviews of government officials, Scholars and journalists have been included and cited in the research. Many aspects having not enough literature for providing basis or deep insights of the issues have been addressed through interviews to fill the gap and elaborate the study accordingly. Personal interviews have been taken by the Scholars available in Pakistan due to the limitations of travel to other countries which are part of the research. The study includes the literature from the various origins with a view to accommodate all subject countries' perspective. Data have been collected from three area study centres of South Asia, Central Asia and America established in Lahore, Peshawar and Islamabad respectively. However, research data available online have been main and key sources for conducting and completing the study.

Different types of sources have been used to include quantitative data about economy and military. In case of economy, the trade and investment data has been used to observe the amount and trend of increase or decrease to highlight the positive or negative impacts. In case of military development, data of SIPRI has been used to include military related equipment purchases/ supplies to South Asian states by China as well as the US. SIPRI data does not include the military supplies of less than five million dollar value to any country. Thus, this data includes main supplies. Other sources have also been included to cover the lower level details of military supplies as well as military trainings. Finally, an analysis has been included to assess the overall impact on development as consideration of huge trade, investment and military supplies data does not necessarily lead to the lasting positive results or impact. Conclusion and recommendation are based on authentic empirical and statistical data.

1.9 Operational Definition of South Asian Region

South Asia in this research would include the four major countries i.e. India, Pakistan, Afghanistan and Bangladesh.

1.10 Limitation

Visiting all the countries, subject of the research was not possible for the researcher therefore, data has been collected through internet and electronic means from other countries.

1.11 Chapters Organization

Chapters' organization for the research is as following:

Chapter One: Background. Theoretical framework has been mentioned in the beginning. This chapter is consisting of the background of Sino-US strategic competition in South Asia after 9/11. It includes changing global political power structure, Sino-US economic as well as military strength, their bilateral relations, the US policies in Asia especially towards the regions and countries surrounding China particularly South Asia while Chinese interests and policies in response.

Chapter Two: Indo-US and Sino-Indian Engagement. It explains the details of Indo-US strategic partnership aimed at safeguarding bilateral interest in Asia and countering 'the China threat'. On the other hand, Chinese quest for engaging India to minus its enmity from Sino-Indian partnership has been covered in this chapter.

Chapter Three: Pak-US and Sino-Pak Strategic Cooperation. China and the US both have strategic relations with Pakistan but in different contexts obviously for maximizing their diverging/ opposing interests. This chapter highlights and analyze the aims of their engagement and achievements while accommodating Pakistan's problems and policies in response to the emerging strategic competition.

Chapter Four: Sino-US Interest and Policies in Afghanistan. Afghanistan is a bleeding wound of South Asia rather Asia. The US has the main role in the war torn country while China has quite different approach and policy for securing its interest. This chapter analyzes the two different approaches for same purpose of securing their respective interest by the US and China besides consequences for Afghan people owing to the absence of single center of power in the country.

Chapter Five: Ties of the US and China with Bangladesh. Location of Bangladesh, cheap skilled labour, proximity to Indian Ocean and its market besides other factors have lured the US and China. This chapter highlights the geo-strategic and economic importance of Bangladesh for the two powers, their policies and impact of their relations on its economic and military sectors.

Conclusion: It is consisting on the summary of analysis, findings and discussed issues in the chapters earlier.

1.12 Significance of the Study

None of the recent researches provides the holistic view with the focus on the two extra-regional powers i.e. Chinese and the US role in disturbing and improving the inter-state and intra-state affairs of South Asia through their engagements aimed at winning their interests particularly with reference to the emerging strategic competition.

Analysis of the opportunities and cost would provide the better understanding to the regional establishments, intelligentsia, Schollars and the people who are at the helm of affairs and matter in the emerging scenario so that they could prepare for better handling of the situation. Engagement of external powers plays important role in disturbing and improving the interstate relations in South Asia. This wholesome and holistic analysis would highlight the economic and military issues in the region and external effects over it.

1.13 Literature Review

Abundant literature is available on the topic but mostly written from the US view point, lesser to some extent from the Chinese perspective while quite little from the South Asian countries. Indian researchers have produced the more literature from their perspective than any country of the region. Thus some of the literature has been quoted here mentioning the main theme related to the topic under study.

China became the second largest economy of the world in 2010. According to Goldman Sach estimates, China will become the largest economy in 2027, Standard Chartered predict the year 2020 for this milestone while the Economist's projections show that China will surpass the US in 2019 to become the biggest economic engine (Nye Jr, 2010).

“Harmonious society and the world” is a principle, vigorously propagated by Chinese thinker and leaders. China claims that its policy is to react if anyone interrupts in the harmonious regional or the world order. It clearly hints that China has assumed the status of global player (Zheng & Tok, 2007).

The US and China have divergent approach on some global issues and some US thinkers believe that China is a ‘game changer’ that does not only wants more share in international institutions but also seeks to remake the rules of the international arena. Some initiatives of China indicate that it mistrusts the US led world order. Western hawks have concluded that China has divorced its pragmatic approach that it practiced during the previous three decades (Economy, 2010).

The US is not ready to give up its monopoly in international affairs. That is why the US has plan to encircle, contain and counter China with the help of India, Japan, Philippine and South Korea. The US is using Indian Defense Establishment to provoke China and tie it with regional conflict and give up the dream of becoming a global power (Friedberg, 2011).

South China Sea and India Ocean are the most debated centre for flexing the power by main global player countries and possible conflict over clash of interest. The US joined India with a new naval doctrine for protecting energy routes and responding Beijing's inroads into the Arabian Sea as well as Indian Ocean. India is the fifth largest energy consumer and is getting its 90% from the Middle East. Therefore India is also planning to stretch its naval power from the Strait of Hormuz to the Strait of Malacca and the East coast of Africa to the shores of Australia (Ahmad, 2009).

China has no blue water navy and feels defenceless in Indian Ocean and Persian Gulf against any hostile activity that could disrupt its oil supply. For countering any such threat, China has envisaged a plan to keep its naval forces in Persian Gulf, Bay of Bengal and the Indian Ocean. The US calls this plan as assembling a "string of pearls". Besides Gwadar, string of pearls includes Hambantota of Sri Lanka, Chittagong of Bangladesh and a port of Myanmar. It has also established a post on Coco Islands of Myanmar to monitor the sea traffic. China has financed the road and railway track linking its Yunnan province to the ports in the Bay of Bengal. India feels encircled by China from three sides; Myanmar, Tibet and Pakistan (Levy & Thompson, 2010).

China is interested in Gwadar (of Pakistan), Hambantota (of Sri Lanka), Chittagong (of Bangladesh) and Sitwe (of Myanmar) for reducing its dependence on the straits of Malacca, as it is worried over the possibility of disruption in the movement of oil and gas tankers to its east coast from the Gulf and Africa through the straits of Malacca due to the attacks by pirates and/ or terrorists. Indian Scholars termed it a 'string of pearls' for countering and encircling India (Hassan, n.d. P. 52).

Afghanistan is geographically situated at the crossroad of Central Asia and South Asia therefore it has been battleground of major powers due their vested interests in the region though interestingly no power remained successful in controlling it that led to instability in

the two regions. The historical legacy of successes in resisting against the invading powers, traditional tribal system and experiences of waging long insurgencies amalgamated with Islamic concept of Jihad has transformed the countrymen as the warriors with strong nerves to become ultimate winner (Rahman & Hameed, 2009).

The aim of ousting Taliban from power could not have been met without the help of regional countries. Countries of the region provided the Western troops with necessary logistics and military support or at least refrained from protesting against the war on Taliban or war on terror due to obvious reasons of their interests. India was concerned due to ideological linkage of Taliban with freedom fighter in Kashmir. China was also concerned due to fear of Uygur Muslims' links with Taliban and Iran was not happy with fundamentalist Sunni regime while Pakistan supported US due to fear of attack in case of denial for cooperation. Thus here balance of threat from terrorism compelled India, China and Iran to support the US sponsored war on terror or at least remain silent over attack in Afghanistan and subsequent regime change (Sara, n.d. P. 55).

Russia is re-emerging after solving its domestic issues and coming back to cultivate its traditional influence particularly in Central Asia. Resources-rich Central Asia comprising a part of former USSR have tremendous deposits of fossils fuel and natural gas. Caspian Sea is considered one of the most important reserves in this regard. Energy experts are of the view that this region would be supplying oil and other energy resources to most countries of the world in future. Therefore, each country of the region and especially major powers intend to have access and relations with these countries i.e. Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan while Afghanistan is a gateway to this energy-rich region. A power having control over Afghanistan would be having easy access to all these landlocked countries of the region (Wooden & Stefes, 2009).

John R. Faust and Judith F. Kornberg in their book “China in the World Politics” stated that Sino-Pak friendship is based on the principle of “enemy of enemy is friend”. They added that China is supporting Pakistan to counter influence of India in South Asia. They claimed that China will never be neutral between India and Pakistan. They added that China’s attitude shows that it would be supporting Pakistan secretly (Faust & Kornberg, 1995).

Kashmir issue got importance only because of China’s role and China played this role to get support from Pakistan for its own internal issues of Tibet, Xinjiang and Taiwan. China remained neutral in Kargil war and later on in 2002 offered to play the arbitrary role for the solution of Kashmir issue maintaining her role as more rational and responsible global player (Singh, 2003).

Chinese leaders still believe that for their domestic development and stability, they need regional harmony that is why they will not go to confront India at any level. China will remain neutral and it has maintained its policy of equi-distance for India as well as Pakistan (Brødsgaard & Heurlin, 2002).

The first decade of Sino-Pakistan’s diplomatic relations was not warm because slogan of ‘Hindu-Cheeni Bhai Bhai’ had emerged. After 1962 border war of India and China, Pak-China friendship achieved the new heights and laid the foundation of model friendship. Later, he maintained that Pakistan has become more important for China for its rule as a global leader (Zaki, 1992).

Sino-Pak friendship is an exemplary in nature. Pak-China relations proved that that this is an ‘all-weather friendship’ that helped both of the countries to fight common challenges and pursue a common development strategy (Bhatty, 1996).

China maintained its good relations with regional countries under the five principles of peaceful coexistence for safeguarding itself externally and maintaining its pace of progress in

economic development. Chinese Scholar do not like to mention any threat that could be materialized in the future but it was added that Pakistan and China will tackle the common enemy and threat together as they did so in the past (Guihong, 2005).

China has the same relation with Pakistan as the US maintains with India. China is maintaining good relations with Myanmar and Pakistan for containing India. Predicting about future designs of China, author maintained that China intends to channelize her diplomatic, economic, and military power from Tibet and Xinjiang through Pakistan and Arabian Sea. China has planned to acquire naval bases of Pakistan for its naval presence in Arabian Sea. Later he mentioned that China will use Pakistan as a corridor for energy, raw material and finished good to and from South-Western region (Kapur, 2003).

The Sino-Pak partnership subtracting the Indian factor has attempted to showcase as India factor is not very much important rather Xinjiang, Gwadar and Pakistani corridor for Chinese development is more important as India has successfully eliminated its enmity from this rapprochement (Singh, 2007).

India got an opportunity to wield influence in Afghanistan under the umbrella of ISAF owing to the less Pakistani role wished by the US. Indian arrival in Afghanistan was driven by curtailing Pakistan's influence in Afghanistan, countering freedom struggle in occupied Kashmir by linking it with terrorism, encircling as well as weakening Pakistan and enhancing its presence in the region. India claims that it deals with Afghanistan as a gateway to energy-rich Central Asian and its non-military development role could stop the fusion of terrorism against it. India denies use Afghanistan as theater of rivalry with Pakistan (Muzaffary, 2008).

Pakistan is very much concerned about the increasing influence of its enemy India in its traditional sphere of influence i.e. Afghanistan. It does not only curb Pakistan's interest in Afghanistan but its internal instability is directly linked with insurgency in Afghanistan.

Pakistan's stability, territorial integrity and its road towards development passes through the peaceful Afghanistan and peace remains a far cry until the occupation forces withdraw from Afghanistan and hand over power to the just rulers, having roots in the Afghan masses. Energy crisis is very robust as primary problem of Pakistan while proposed Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline will remain only on paper till stability and peace in Afghanistan (Siddique, 2011).

After the Cold War, main security concerns of China shifted from external to internal one as China was facing trouble to maintain territorial integrity due to separatists tendencies in its three out of five autonomous region. Therefore, Chinese foremost problem lies within its own territory and it is the maintenance of territorial integrity and social order from mainland China to Xinjiang and Tibet to Taiwan. Therefore, post 9/11 period added the aspect of cooperation in countering terrorism between Pakistan and China. One sixth of Chinese land area, housing nine millions Uyghur Muslims and connecting Chinese border with eight countries including Pakistan, Central Asia and Mongolia make Xinjiang region very important for China strategically. The region contain two fifth of China's total oil reserves that are about thrice of those in Saudi Arabia and it has potential reserves of 160 billion cubic meter natural gas.

Xinjiang is the largest producer of cotton in China. The ancient silk route also passes from this region. It has the vast mineral resources too. Thus Xinjiang is not only important geographically but due to its economic potential too. 92% of the Chinese population belongs to the single ethnic Han group while other 8% is divided in other 56 minority groups. Uyghur Muslims are threat to China because of separatist tendencies and ideological influence from Afghanistan as well as political exploitation by forces hostile to China (Sheng, 2005).

China and Pakistan both are concerned over stationing of US and ISAF troops in Afghanistan as they consider it a threat to their regional interests. They both believe that

destabilized Afghanistan is a direct threat to their internal security and territorial integrity with regards to Xinjiang and Baluchistan issues respectively. China is a big country of Asia and it is connected with Central, North, South, East and South East Asia. Destabilized regions of Central and South Asia are affecting its plan of channeling its energy, raw material and finished goods through Gwadar port of Pakistan under CPEC (Akhtar, 2014).

1.14 Gap in the Literature

Most of the available literature is in the perspective of general policies and bilateral interstate relations with particular reference to major powers and the Indo-Pak rivalry dominating the scene while Afghanistan has been studied alone. The conducted researches do not take the holistic picture, emerging from the global political power structure to regional settings and the interstate relation to intrastate affairs, for finding impact of global power game on the domestic politics as well as policies leading to the effects on the fate of common masses in the region. Therefore, this study is aimed at finding out the big picture of global power politics, its nexus with regional political settings and impact on military and economic sector of the countries of the region.

In holistic approach, the emerging global political structure in the post 9/11 era has clearly marked that the US and China would be the main player out of the major powers in affecting the fate of South Asian people as other major players and countries have lesser role in the region. Troika of three big (the US, China and India) would initiate their preferential policies for the region while their bilateral relations would be the determinants of impact of the global political structure on South Asia. The nature of troika's engagement with other South Asian states would dominate the economic, military and other affairs in the region.

This study explains that how the Sino-US goals with corresponding policies in South Asian states, Indo-Pak rivalry rooted in their historical conflicts, factors behind war ravaged

Afghanistan and role of Bangladesh in the regional settings is intertwined that actually play the dominant role in affecting politics, military and economic fields of the region. This study is based on these and other interlinked factors to paint a bigger holistic picture for accounting and understanding the most important factors shaping the economy and military profile of the countries in the region.

1.15 Post 9/11 Sino-US Strategic Competition in South Asia

The end of Cold War resulted in unipolar world leaving the United States (US) as sole super and dominant power of the globe. The incident of 9/11 suddenly changed the global geopolitical scenario and the subsequent US attacks on Afghanistan and Iraq brought consequences throughout the world. Financial crisis at the end of first decade of 21st century marked the end of the US hegemony over the world. The high growth rate of China, India, Pakistan and other Asian economies based on their natural resources, immense human capital and developing militaries with changing political scenario led the global commentators believe and predict that 21st century is the Asian century.

The tragic events of 9/11 and its triggered response by the US changed the domestic and international security as well as political environment. Therefore, post 9/11 period is considered a new era in international relations when the states had to look for readjustment of their foreign policies' goals in the changed international arena (De Goede, 2008). Analysis of foreign policy has become complex as it is being affected by a number of factors other than traditional ones. States' foreign policy is not only driven by domestic needs and takes into account the power structure in neighbourhood as well as at the global level but also deals with phenomenon of climate change, transnational crimes and terrorism. Weaker states are destined to act in a given space left by regional powers' arrangements with the global power structure.

The US alleged Iraqi ruler Saddam Hussain for developing nuclear weapons through fake intelligence reports and declared him a threat for the US interests and international security. The US policy makers coined the idea of pre-emptive attack to diffuse the potential threat even before materialization (Litwak, 2002). Later, it has been proved fake as the Dick Cheney confessed that they had no other excuse to level against Iraq and attack it (Shane & Mazzetti, 2007). It was an overextension of the US power, meanwhile rising China felt

threatened and took steps for diffusing tension on its border as the initial response against the unilateralism of the US (Yunling & Shiping, 2005).

In an order, the power distribution determines the hierarchy of the states. Hierarchical order is the international or global order where the states have accepted their role as the leader or admirer as per their caliber of national power including economy. The beginning of 21st century, with the unilateralist policies of the US invasion of Afghanistan, Iraq and overextension of its power compelled the surging powers particularly China and Russia to concentrate on the military developments for the purpose of their survival and resist the unilateralism of the US which marked the erosion of postwar world order, liberal world order or order of the US hegemony. China started demanding to overhaul international financial institutions and the United Nations to match the 21st century power structure of the World.

The economic recession of 2009, the US announcement of ‘Asia Pivot’ policy and the US efforts through many steps, for management of declining economy as well as dominant sole super power status brought the attention of global major powers in Asia. Scholars believe that future of the world politics would be decided by the Sino-US bilateral relations as the US was sceptic of Chinese intention of accepting and integrating with the current global system and institutions while the US strategies were seen by China as replica of Cold War containment policy. Therefore, Sino-US rivalry was referred as a “New Cold War” with replacement of USSR by China (Kissinger, 2005).

As per IMF data shown in Figure 1, China has become the number one economy in terms of Purchasing Power Parity (PPP) while it is striving hard to become number one in nominal terms during the next decade by replacing the US. Purchasing power parity is derived with adjustment of currency exchange rates and the actual power of purchase by any countrymen to find out real economic strength.

China's Economy Surpasses the U.S.'s Based on Purchasing Power Parity

Billions of U.S. Dollars

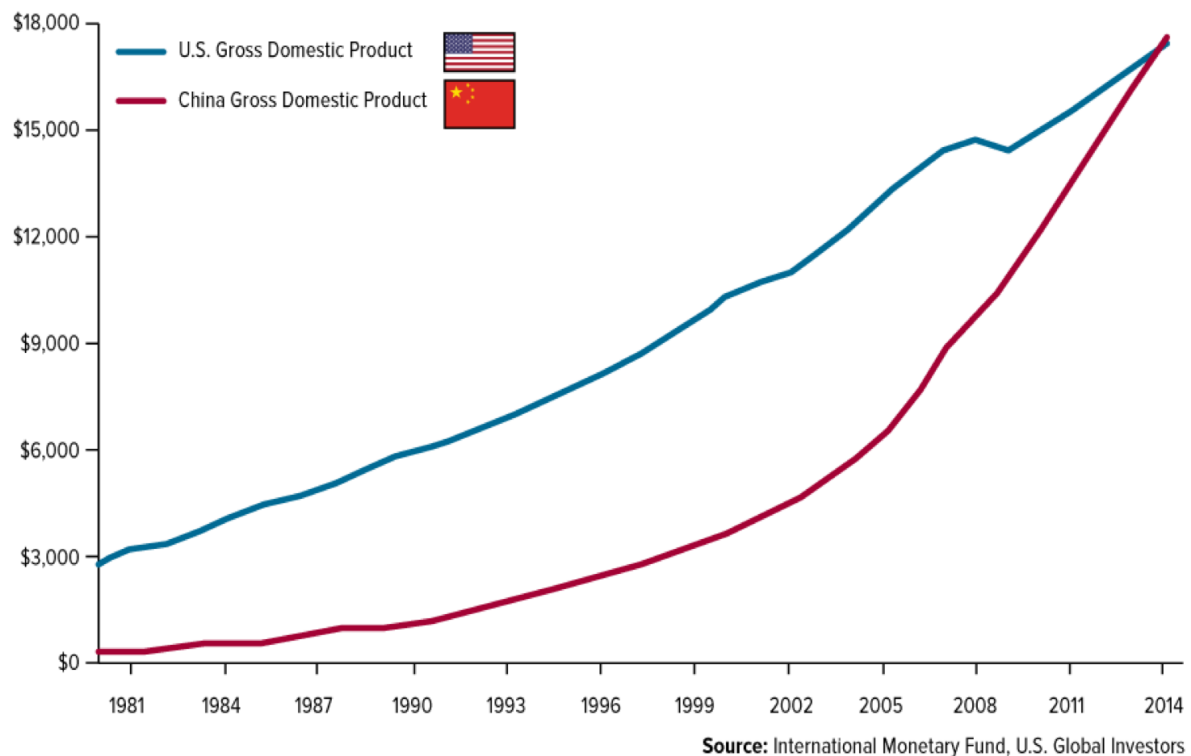


Figure 1. China's Economy Surpass the US' Based on Purchasing Power Parity

<https://www.quora.com/When-will-Chinas-economy-surpass-that-of-the-US>

Thus China and the US are strategically competing for raw material, energy resources, markets, security partners and political allies around the globe especially Asia which would help them attain maximum power to influence and reshape the world suitable and subservient to their interests. China felt that the US was not willing to accommodate her by reforming the existing institutions therefore, China also moved ahead to set up new institutions unilaterally or with the help of Russia, BRICS bloc or other countries sharing the interests at international or global level (Heilmann, Rudolf, Huotari, & Buckow, 2014).

Role of China in Shanghai Cooperation Organization (SCO), BRICS (Brazil, Russia, India, China, and South Africa) Bank and Asian Infrastructure Investment Bank (AIIB) have clearly conveyed its intention to the world that China is on its way to form the institutions

and political environment favouring its objectives, accommodating its allies and providing the alternative against already established institutions.

Party dictatorship, controlled economy and closed society of China were the reasons for scepticism of Chinese intention perceived by the capitalist world but China did not only integrated itself with existing global system but also assured that it would support the system with some changes as per new power structure of the world. Despite differences in political, economic and social system, China managed to create partnership with the US for closer cooperation in its agendas of development and managing the global institutions and affairs. Thus the threat of “New Cold War” is being minimized but they continue to compete for strategic partners throughout the world particularly in Asia.

1.16 Post War World Order in 21st Century or Asian Century

The current time is power transition time, where existing and emerging powers are struggling hard, to reshape the world order. The emerging powers are exerting influence and the existing powers especially the US are trying to “seize the moment” and maintain the grip. Rise of China does not necessarily means the world order dominated by China but possibly a multi polar one led by China, owing to its huge population, economy, political, military and cultural power and potential (Beeson & Li, 2016). The competition of the US and ‘rest’ is continuing to replace the old, US dominated institutions and world order at large to make it more democratic, just and representative by recognizing emerging powers. This competition would highly depend upon the strength and growth of the US and Chinese economy. Chinese economy seems to be winning against the US economy.

A survey comparative analysis of the two countries powers, capabilities and potential as global powers leads to interesting facts. The arguments of cheap labour economy, labour intensive, simple manufacturing industry are true for the Chinese economy which helped her

grow for four decades on the highest rate of around 10% per annum. On the other hand, argument of copycat and reverse engineering dependent economy has also been propagated by the US and European commentators where they argue that China would never be able to fully compete the US and surpass her economy due to strength and innovative posture of the US economy (Luo, Sun, & Wang, 2011). China is competing in every sphere of innovation and production. As per the global innovative ranking in 2017, South Korea tops the list while the US falls on number 11th (Dutta, Lanvin, & Wunsch-Vincent, 2017).

Some Schollars see that the US is not declining rather China is rising but it is not true as evident through rising unemployment and various other trends in domestic politics as well as economy of the US (Coplan, P. 70). Relative decline is also causing the weakness to the US as global hegemonic power. President Barak while giving interview to Monthly Atlantic accepted that all great powers have succumbed to their overextension. He confessed that the US is interfering militarily in every conflict throughout the world to maintain order as per the US vision but the US cannot afford it (Goldberg, 2016).

Translation of economic strength into diplomatic, military, political and cultural power is not the easier way. It is also argued that even if China grows economically, the US has edge over her in terms of military technology as the US innovative defence industry would lead in innovation of the state of the art technology. China's military modernization has not reached the US technological advancement level but China is continuously working over it (Nye Jr, 2016).

It is also widely propagated that China, having authoritarian single party political system and centrally controlled economy, does not have the cultural attraction for the other states to join and the people to go China. On the other hand, the US still remains the dream destination for people throughout the world owing to its large economy, open society and being the land of opportunity. China has not reached the level of the US to be the land of

dreams for the people throughout the world but China has become education destination for millions of students from Asia and Africa (Nye Jr & Jisi, 2009).

China has never invaded any country in history even when it was the center of power in the world although it has been fighting defensive wars on its border or in the countries along its border. China still proposes and adheres to the policy of non-intervention. It proposes five principles “Panjsheel” of peaceful coexistence. China has announced to build a community of shared destiny. China has rejected the idea to interfere in the affairs of other countries in the name of “humanitarian intervention” (Tiewa, 2012). Chinese leaders claim that they do not believe in coercive diplomacy. They continue to maintain that China would never play zero-sum game and believes in win-win cooperation. The US has very bad reputation owing to its coercive diplomacy and notorious role in regimes changing in many countries around the World. Considering these few argument, it seems that China is not far behind the US as argued by some Schollars.

1.17 Transition of Global Order and Sino-US Strategic Competition

The US economy started relatively declining after waging full-fledged wars in Iraq and Afghanistan besides a global campaign against terrorism but global economic recession of 2009 is considered to be the end point of the US dominance in the world politics and culminating point of uni-polarity in the world order (Layne, 2012). The current period is a transition time where the US wants to maintain grip over global politics while the rising powers are competing for their maximum share corresponding to their economic strength, military power and political capacity.

There are a number of occurrences which hint at the change in the US behavior in international relations. The US policy in Syria and accepting Russia as a stake holder by signing agreement on ceasefire and agreement with Russia over intervention terms hint that

the US is no more able to persuade all the countries worldwide solely and has accepted Russia a stakeholder in the Middle East. Decline to handle Islamic State of Iraq and Syria (ISIS) unilaterally and accepting Taliban as stakeholders in Afghanistan are also important developments. The Obama Administration's settlement over nuclear program with Iran, establishment of diplomatic relations with Cuba and change of stance over Palestinian conflict are not the coincidences but the recognition that the US is no more able to dominate the world affairs and keep the house in order, perceived by her (Schweller & Pu, 2011).

Trump has come in to power corridors with the slogan of "America first". His popular slogan remained "hire American, buy American"(Suneja, 2017). The US President Donald Trump withdrew from Trans-Pacific-Partnership (TPP), a flagship project for its "Asia Pivot Policy" (Solis, 2017). The US has retreated from the global agreement of Paris on climate change (Figueres et al., 2017). The US even has withdrew its leadership role in G-20 to lead the global economic agenda and take measure to achieve it. These are enough indicators that the US has realized its relative decline and seems to be concentrating on national economy by withdrawing from number of international and global commitments despite agreements signed in the past. In January 2018, the US announced to shift its policy concentration from countering terrorism to interstate strategic competition with revisionist powers i.e. China, Russia (Mattis, 2018).

In the history, the US has been practicing the cycles of internationalism and domestic reforms for catching up the moment for internationalism again. These cycles of foreign policy shifts used to be practiced for decades. Policy of restraints by the Obama administration was for isolation to improve domestic front by minimizing the outside engagements but President Trump changed policy by undoing steps taken by his predecessor was probably based on the idea, in researcher's view, the it was a moment for the US as now or never to keep her relevant in the central game of global political power.

The US is still an important and big economic power while its military might is unmatched so far. Experts believe that the marginal decline of the US may benefit China but its total decline would not favour her as the US is its largest trading partner. China has a huge investment in the US and last but not least the US is an important partner in governing global affairs too (Shambaugh, 2000). Thus the US will continue to enjoy the status of super power for long time if it can revive its economy as it has been doing in the past through isolation.

The US has been passing through cycles of isolation and internationalization and they expect the US would revive its economy and it would come back in global politics gain. In researcher's view, the US revival to its previous status as dominant power seems unlikely as rise of China, resurgence of Russia and growth Brazil, India, South Africa beside other countries would create multiple hurdles to attain previous status even if the US revives as economic leader and maintains military power.

Chinese fast paced development for four decades was based on export of labour intensive manufacturing with edge of cheap labour which has declined in speed of growth. It was the time when the US economy was relatively declining and the debate of 'end of liberal order' emerged as there would be no power like the US to support it (Acharya, 2018). Chinese leaders were perhaps waiting for the time as they announced to revive Silk Route which had given trade links to China with Europe, Asia and Africa establishing it as the central power.

Guangdong is the domestic name of China which means "the Central State" of the world. Chinese remember the old glory of the China when all the routes for trade and knowledge used to lead towards China giving it the position of center of the world. China announced One Belt One Road (OBOR) initiative to connect 66 countries in Asia, Africa and

Europe housing 60% of global population and producing 35% of the global GDP (Ruankham, 2018). This connectivity would be through sea, road, railways and pipelines. OBOR has three spheres or dimensions i.e. land, sea and space. The partner countries will join together to benefit from all three spheres facilitated by China.

China has established a Silk Road Fund for financing the projects under the OBOR with initial capital of US dollar 40 billion (Len, 2015). As per Financial Times report, China has planned to construct 2300 projects worth US Dollar 1485 billion under OBOR across Asia, Africa and Europe. More than a dozen of countries including Britain, Germany, Australia and France have agreed to share financing of those projects (Minghao, 2015).

OBOR is comprised of six routes connecting China with different regions through land and sea routes. China is transforming its economy from previously cheap consumer manufacturer to mega infrastructure construction and financing abroad stretching from regional countries of Asia to partners states in Africa and Europe (Brandt & Rawski, 2008). Huge foreign exchange reserve accumulated through less import and more export throughout the world enabled China to finance such huge projects under OBOR.

China announced the construction of China Pakistan Economic Corridor (CPEC) to improve economic development in its western province Xinjiang which lagged behind the developed areas of Eastern China. The Province is facing conflict of Muslim Uyghurs, fighting for independence due to historical legacy, ethnic differences and the Chinese oppression of religion and religious practices (Ramachandran, 2015).

China, being a an export led manufacturing economy, largely depends on the supply and shipment of raw material of Africa and energy resources of Middle East which are brought through India Ocean via strait of Malacca. The route of strait goes through South China Sea, a contested area by China and US led and South East Asian countries. The US had

heavy presence of its forces and allies in the region which threatened the Chinese import and export supply smoothly. Announcement of 'Asia Pivot', finalization of Trans Pacific Partnership (TPP) and Indian agreement with the US for patrolling Indian Ocean rang the bells of insecurity in Beijing (Kaplan, 2009).

Indian Ocean is the most strategic area contested by the emerging powers of 21st century for ensuring free movement of their ships and supply chain security, prerequisite for their economic security. China developed a series of ports for its shipping needs which are being referred as the "string of pearls". India has been considering it as its encirclement. Chinese explicit aim appears to secure the shipment and diversify routes for minimizing the high dependence on Strait of Malacca. The US perceives it a part of grand strategy of China to challenge the US supremacy in Indian Ocean (Khurana, 2008).

Central Asia, once buffer zone to counter Russian influence became luring field for the US to contain and counter "China threat". In the meantime, China has been successful in easing out tensions with Central Asian states and integrate their economies through various projects. Two corridors of OBOR pass through Central Asia for connecting China with Central Asia, Europe and Middle East (Cooley, 2016).

Economic growth pace decline is also considered as source of drive for announcing OBOR which would provide China an opportunity to invest its huge accumulated foreign exchange reserves and get extra sources for national growth through foreign direct investment (FDI). It is also argued that China launched the Belt and Road Initiative (BRI) to facilitate its overcapacity mega projects construction industry which had completed the internal construction in China (Vangeli, 2017). BRI would help run the mega construction industry and continue the growth in this sector of China. China has also established Belt and Road Forum (BRF), a platform to discuss the challenges and opportunities arising in OBOR among

the member countries. It is also vehicle for trust building to continue trade and cooperation under the mutually beneficial policies (Tiezzi, 2017).

New Bank was established with the vision that the US had overwhelming role in World Bank and despite membership of BRICs in World Bank, they were not able to fulfil their agendas (Griffith-Jones, 2014). China further felt that Asian Development Bank (ADB) had monopoly of Japan where China had no substitute to meet the requirements arising with development as global economy therefore, it founded Asian Infrastructure Investment Bank (AIIB). Thus both newly formed banks became substitutes for the existing global institutions.

“Shanghai Five” formed in 1995, was tuned into Shanghai Cooperation Organization (SCO) later in 2001. It has now eight members, four observers and six dialogue partners. Its permanent members include four nuclear powers housing about half of the global population. It is being seen as a major platform for political, economic and military cooperation among member states in Asia and a vehicle to stop eastward expansion of North Atlantic Treaty Organization (NATO). Expansion of SCO by inclusion of observers and dialogues partners would strengthen Chinese influence in all regions of Asia.

China has formed Boao forum for Asia, a forum to discuss economic issues in Asia like World Economic Forum of Davos. The forum has discussed the integration of economies and liberalization of trade policies in Asia engaging almost all regions of the continent (Swaine, 2015). Geographically, all major regions of Asia, except Middle East form a ring around China making it the center of the continent. Even all East Asian countries are in the East of China. South East Asia, South Asia, Central Asia and North Asia cover rest sides of Chinese geography. Greater integration of Chinese economy with the Asian partners would push growth of Chinese economy and its partners. Chinese physical geography already makes it the center of Asian regions while making it the economic center is easier for China than any other country of Asia.



Figure 2. Countries around China

<http://robertthornettgeography.blogspot.com/2015/10/chinas-uyghur-region-contains-more-than.html>

China emerged as the leading economy among the rising five economies bloc of BRICs. As China felt that the US is not going to allow China to assume the larger role as per her weight, power and political aspirations, it announced to establish Asian Infrastructure Investment Bank (AIIB). The launch of AIIB was so successful that only Japan and the US were left out of the major countries while Australia and Britain joined it despite a lot of diplomatic persuasion by the US. Success of AIIB launch gave China confidence that it could change the world order in its favour. China claims that it wants to become the center of global power and engage the world through inclusive development with win-win cooperation while avoiding interference in internal affairs of other countries or lecturing for their political system. China and the US have certain different strengths and weaknesses to compete for the resources, markets and power worldwide (Yu, 2017b). These traits need a glance to imagine

the possibility of continuation of the emerging trends and probable future of the Sino-US strategic competition.

1.18 Chinses and the US Strengths: A Comparison

French ruler Napoleon Bonaparte said, “China is a sleeping giant. Let her sleep, for when she wakes she will move the world”.

The military, economic and political developments have come to a point where time to coerce, dictate and dominate the whole community of states is over but a leading power could emerge with potential to persuade the majority of the countries to toe a specific line marked by her, using mixture of policy through the diplomacy, trade, grants, loans, investment, technology transfer, and other concessions/ favours etc. China, possessing number of edges, seems most likely to take this position of leading power in the world order.

Chinese foreign exchange reserves are more than US dollar 3 US trillion, the highest foreign reserves in the world (Gray & Jang, 2015). The total US national debt has exceeded the US dollar 21 trillion on 15 March 2018 while it had touched US dollar 20 trillion in September 2017, Financial Tribune reported. President Trump has signed debt limit suspension in February 2018 to allow unlimited borrowing till March 2019. The economists expect rise in the budget deficit further leading to the debt. The foreign reserves give China heavyweights against the US to attract the countries through investment and make itself economically and politically stronger through trade and outwards investments (Kolstad & Wiig, 2012). It is the only strength that helped China to establish two development banks, Silk Road Fund and initiate the project like OBOR which could alter the course of politics, economy and military at global level. On the other hand, the US is lacking this capacity and is even indebted to meet requirements of its current stature.

China is number one in purchasing power parity (PPP) since 2014 while the US is number two. IMF and the World consider the Chinese economy number one based on PPP. As per the World Bank, the US has been the biggest economy of the last century. However, some US based Scholars argued that China could never surpass the US economy even in next century. Chinese economy is growing at the rate of 7% despite the much noise created over decline of Chinese growth while the US growth rate is approximately 2.5%. The US growth rate since last two decade has been around 2% and no miracle is expected in the US economy to catch up pace of Chinese growth. Hence the current growth rates would let China surpass the US economy in overall volume to become the number one in the World within a decade.

The US economy depends a lot on the domestic consumption while Chinese local consumption would grow now onward further. China is the largest exporter and its highest population would make it the largest importer too soon with rise in domestic consumption. As per World Economic Forum estimates by 2021, the Chinese consumerism would add US dollar 1.8 trillion in its GDP. The Chinese population is 1.4 billion and the US population is 320 million. Having four times greater population than that of the US, Chinese rising consumerism would increase with higher rate of growth.

The US is still attracting more foreign direct investment than China. Chinese exports in high technology items is four times less than the US but the gap is expected to be filled in future soon as China has more university students than the US and European Union combined while the demand for higher education is still increasing. China is also making transition from resource intensive manufacturing hub to modern and the high technology leader with modest level of consumer economy. China reached the level of patent filing of Germany followed by the US and Japan in 2014 (Neuhäusler, Rothengatter, Frietsch, & Feidenheimer, 2017). In 2017 China made it into the list of top ten innovator countries while the US was

dropped out of it owing to the lesser share in global inventions of the year. China is investing highly in solar power and other green energy resources also.

China produces the cheaper goods while the US economy is dependent on “brands” limiting itself to a specific portion in the world market. The US economy also depends a lot on sale of military hardware which makes it higher earning after limited use of metals adding the complex intellectual input. For example, China imports rubber from Africa, processes it to produce the cheap shoes for rough use and exports in Europe. Here is the intensive use of raw material, cheap labour and import, export expenses while the earning margin remains very low. On the hand, the US produce an F-16 aircraft with limited use of various elements but it earns more than the Chinese bulk production of consumer goods. However, decline in customers of US military hardware with Chinese, Russian and other exporters entry can also hit the US lead and economic growth (Kapstein, 1994).

China being the largest exporter and the potential largest consumer or importer who can any time announce to trade in its national currency and it will easily transform the global currency market by raising the Yuan status and degrading the US dollar from its current status. Chinese leaders have deliberated that the dollar was the currency of past so, the currency card is on the Chinese agenda.

China has the largest indigenous population with an instilled desire to become the World’s number one while the indigenous population of the US could not compete in numbers, passion, commitment and skilled number of citizens, necessary for fueling the competition. The US depends a lot on drained brain through immigration. President Obama had accepted that the US citizens are losing the urge for higher education (Blumenstyk, 2014). The US government data shows decline in college enrollment and predicts the increase of non-white students in universities (Ma & Baum, 2016).

China has the largest diaspora in number of countries throughout the world which has not only the potential of soothing the host countries but also garner support for China linked with proud belongingness or primordial attachment to a leading power of the World. As the US data shows that higher education share would increase for non-whites in the US, the US dependency on immigrants and drained brain would increase while Chinese diaspora could have the significant role. Chinese diaspora in ASEAN countries and migrant businessmen in other parts of the World can also play the role favouring China (Bolt, 2000).

Chinese domestic political system is stable and seems to be gradually reforming but the US politics appears, after election of President Donald Trump, that the domestic constraints would further compel the US to withdraw from the external engagements as President Trump has already withdrawn from many international commitments. Changing immigration laws, targeting of Mexico and some Muslim countries also testify the argument.

The new Chinese plan for domestic economy envisages minimizing the imports and pursue import substitute production for local consumption. The US trade with China was in deficit of US dollar 375 billion in 2017 (Amadeo, 2018). The US tried to minimize the trade deficit. The US and China locked horns in trade war but they had to come to the negotiating table when China imposed taxes on the US goods reciprocally. Chinese economy is dependent on exports but the US could not keep Chinese cheap consumer goods away from its domestic consumers. It would certainly have some effects on the US economy.

The Chinese military is acquiring state of the art technology necessary for its operations to secure national interests while the US accepted to be unable to continuously increase financing of its highest military spending the World over for longer time. China is increasing military relations while the US seems withdrawing from ensuring military strength globally.

Unclassified part of the US national strategy paper accepts that the US military power is being challenged by “revisionist powers and rogue regimes” (Mattis, 2018).

Clash of civilization is an idea projected by the US establishment to remake the world order, suppress Muslims and stop Chinese-Muslim civilization growth as both are pacifist and share similarities (Huntington, 1997). On the other hand, the US ban on entry of citizens of six Muslim nations would automatically turn them towards China, making her a natural ally of Muslim countries. China is on continuous look for importing raw material, export cheap production and invest in infrastructures. China is proving to be an alternate for military supplies to the countries rejected by the US. The US history as a leading and dominant power exposes her tactics of coercive diplomacy by threatening for war to dictate the countries. The US has also been involved in regime changing to bring in power the rulers, favouring her foreign policy objectives. On the other hand, China has options of foreign direct investment, infrastructure development and trade through cooperation for win-win situation to lure partnerships.

The US has been pursuing the agenda of foreign policy by meddling the domestic politics of other countries in the name of promoting market economy, democracy and human rights while China has no such plan to export its social, political or economic model. China has introduced Social Credit System which keeps track of whole activities of an individual to gauge his credibility as a citizen for punishment or privileges by states accordingly.

Andy Hu, research fellow of National Institute of Strategic Communication at Peking University in Beijing wrote in Daily the Nation Pakistan on CPEC: Clearing Controversy on 9 July 2017 that “Beijing exports no Bible and seeks no land.” “Beijing isn’t and will never be part of any power bloc”. Chinese intention is neither to manage nor contain any nation rather China wants to engage the all countries in common and shared development. He

quoted Rolf Hochhuth: "When the missionaries came to Africa they had the Bible and we had the land. They said 'Let us pray.' We closed our eyes. When we opened eyes, we had the Bible and they had the land." Hu adds that people with Cold War mentality could not understand CPEC and BRI which are aimed at embracing the potential of complementing each other by sharing resources. He maintained that majority of overseas projects under OBOR are market driven and market oriented i.e. "capitalistic" instead of altruistic.

The US has a very negative image throughout the world especially in Asia, Africa and Europe due to its role in the international arena and interference in domestic affairs of the countries in these continents (Lacorne & Judt, 2005). Edward Snowden also exposed the US agencies' intrusion in domestic affairs of other countries especially European by spying against them and even taping telephones of the leaders of those states. China is pursuing policy of non-interference in other nations. China has a very positive image for its policies of interaction with other countries which provides her a golden opportunities to fill the gap.

At the time of terrorist incident in Saint Petersburg, President Putin said that CIA was behind the 95% attacks throughout the world ("Putin: 95% of World Terrorist Attacks are Made by the CIA," 2017). A similar statement was made by a former French President on the eve of terrorist attack during a match between Germany and France. It support a theory that US was behind terrorist activities to get political and financial support of Russia Europe and push NATO members to pursue her agenda under campaign of war against terrorism. Ram Puniyani has also argued that religion was being used as mask in producing terrorism by the US for economic and political gains (Puniyani, 2015).

Most of the countries in Asia, Africa and Europe have been cooperating with the US as they had no other alternative to join while rise of China has been taken by those as balancer and substitute for leaving the US or making the bargaining position better by joining hands

with China. China is becoming alternate for economic, military gains and political support to many countries against the US.

A Chinese retired Major General Luo Yuan wrote in a newspaper article that, "You have America first, we have community of common destiny for mankind, you have a close country, we have One Belt One Road". The increasing US debt and the accumulating Chinese foreign exchange reserves have also a decisive role in favour of China.

Electoral victory of Donald Trump has given a message that the US would not be at the heart of emerging World Order as he had announced that the US should no more be the World policeman. The US scholars claim that the European world order or the free world was built on the economy, military and the ideological power of the US. The US was actual forerunner of NATO, World Bank, International Monetary Fund and the World Trade Organization (WTO) where it had dominant position (O'brien, 2000).

Trump Administration's national security strategy 2018 admits that the US was in strategic competition with China and Russia. Loosing competition would lead to decline in the US global power, prosperity, security and threat to their way of life. The US policy of "Pivot Asia" was focused in East and South East Asia but the US national security strategy in 2018, envisages strengthening power and partnerships in the key regions (Mattis, 2018). South Asia is among the key regions, battleground for strategic competition.

1.19 South Asia: Location and Profile

Decolonization ushered an era of regionalism i.e. regional integration for limited opening with protectionism to pursue for growth and development. South Asia has not been able to integrate itself for economic development. Three major countries of South Asia located in the sub-continent have been under colonial rule of Britain. Political division of Sub-continent was done by colonial masters in such a way that it left the bleeding wound like

Kashmir and sowed seeds of further subdivision of Pakistan. India-Pakistan rivalry in the region have been hindering the region to achieve the objectives of South Asian Association for Regional Cooperation (SAARC).

On the other hand, Afghanistan has been battleground of ideologies since last quarter of the 20th century. Four decades of continuous war in Afghanistan have also played role in keeping the South Asian region away from the agenda of regional integration and path of economic development. South Asia is the least integrated region of the world with 5% intraregional trade as compared to 58% of EU, 52 among NAFTA and 26% in ASEAN (Habiba, Abedin, & Shaw, 2015).

South Asia has large number of dimensions of its importance. Its geography lies at the crossroads of Central Asia, Middle East, South East Asia, East Asia and Indian Ocean. It inhabits roughly 40% of the global population. It also hosts two nuclear powers i.e. India and Pakistan. India and Pakistan have fought four wars and the animosity still continues because of border conflicts of Sarkareek and Siachen but mainly due to unresolved issue of Kashmir making it the nuclear flash point. South Asia is one of the cradle of ancient civilizations and one of the most populous regions of the world where poverty is prevailing in the age of globalized economy despite the abundance of natural resources, enormous potential and proximity to the Indian Ocean. Poverty is not only due to indigenous problems only but the external and global players which have been determining geostrategic environment and preventing the regional integration through mingling in the internal and regional affairs. The super powers have also been achieving the same objective by not playing the rule for dispute settlement, regional integration and economic development as actions and absence of action both are the considered as policy.

South East Asia was expected to witness major round of Sino-US strategic competition as it was China's first outpost and the closest region while the US was also concentrating its focus and resources to bar Chinese expansion. China was highly dependent on the countries and Sea Line of Communication (SLOCs) in South East Asia. China brought a twist in the geo-strategic environment with announcement of Belt and Road Initiative and dispersed the focus (Kobelkova, 2017). South East Asia lost the earlier importance in this regard which is why, perhaps that, the US President Donald Trump revoked the Trans Pacific Partnership (TPP). South Asia, being host of two proposed Chinese corridors and close proximity with the third corridor make it the center stage of Sino-US strategic competition.

The US and China are the two main extra regional powers which have been playing important role in South Asian affairs in the 21st century. Sino-US competition has turned South Asia as battleground for their competing interests and the major four countries have been largely influenced by the interventions of these foreign powers.

Military and economy are two main areas for undertaking by the state in domestic affairs and inter-state relations. If a state prioritize the military then it would pool its resources for it and pay the opportunity cost in the economy and if it concentrate on economy neglecting the military then it would have to suffer in defense. Its balance could only be possible with a certain level of economic development (Deger & Sen, 1983).

Human beings on earth are known to act on their will but everything is not in their hand or under his control when they are subject to act in some natural surroundings and follow the practices of society they live in. Same is the case with the states therefore, it is important to understand the state's behaviour and achievements in a given surrounding environment. Global power structure and regional settings play the important role in determining the states' behaviour while theories of international relations help in analyzing the situation and explain

it. Therefore, theory is required for better analysis of impact of Sino-US strategic competition in South Asia.

1.20 Theory of International Relations

Theory is description of some thing or some action. In international relations, theory is a software and guiding principle for the actors and actors' behavior which reflects on the theories. Thus actions reflect in theory and theory is replicated in actions. In international relations where states are actors and conduct relations, theories of international relations become important to guide and explain. Theories are either derived from the beliefs or thought culture of state inhabitants or from observation of behavior of other states. Then theories are put into practice by the states. Thus following the rules already set or setting the new example for the interstate relations.

Evolution of human consciousness, statecraft, societies and technology especially industrial, warfare and communication technology have revolutionized the state conduct and international relations. It has also brought doctrinal evolution in theories of international relations. Modern states have got variety of choices in theories to select theory, suitable for state preferences and tackling the strategic scenario surrounding the state and practice it accordingly. States are not bound to practice any single theory or some theory in letter and spirit. States are free to change the theory to make it a new formula suitable for challenges and opportunities faced by them but theories are so comprehensive that those describe the state overwhelming behavior accurately in their domain.

On the other hand, theory is used as a yardstick for analyzing the international relations in research studies by academics. Theories better describe different types of state behaviour in international arena. Therefore, researchers need to select the most relevant theory describing the behaviour of the state under study. The need for a theory to conduct the study

of international relations at any level is actually aimed at bringing the better empirical analysis and understanding through the tool of already agreed principles among the Scholars of the subject worldwide. The theories equip scholar to analyze things rationally and making the study more comprehensible.

For understanding the state behavior, it is necessary to analyze it in the global context. Any lesser scale would ignore the actual factor mainly determining and shaping the state role and interstate relations. Despite a lot of evolution in state structure, technology and theory, human nature remains overwhelmingly the same as for self-interest, power and desire to rule is concerned therefore the theory of neo-realism remains the most relevant to the international relations. It explains the foreign policy in a strategic environment of regional and global power structure interaction and the space left for reaction of weaker states.

As the realist paradigm still dominates and defines the most interstate relations in the World, Sino-US conduct in South Asia is not an exception. Among all the theories of international relations, the neo-realist school of thought better explain these complex and multi-dimensional relationships. Thus the data collected for the study of Sino-US strategic competition in South Asia will be analyzed through the yardstick of neo-realists. The theory would help analyze the impact of Post 9/11 Sino-US strategic competition in South Asia. Neo-realism is the most appropriate theory to apply in the analysis of this study as it covers the global power structure, regional politics and its impact on foreign policies of the states.

1.21 Neo-realism

Theory of neorealism suits the best to explain the study at hand. Theory of neorealism is known or referred as structuralism also. The theory implies that power is the prime factor in international relations. The theory was first conceived and written by Kenneth N. Waltz in 1979 in his book “Theory of International Politics” (Waltz, 2010). Neorealism is different

from the classical theory of realism coined by Hans Morgenthau which relates the international relations with human nature subject to the ego and emotion of global leaders or state heads.

Neorealist thinkers asserted that “structural constraints” instead of strategy or the ego determine the states behaviour in international relations. The key assumption of the theory explain that the international system is anarchic one owing to absence of central government or authority among the formally equal sovereign states of different caliber. States devotedly pursue for their interests rationally on the principle of self-interest and self-help to strengthen sovereignty. States primarily seek the power at least necessary for ensuring their survival. This drive leads to development of strong military forces and enhance the national power relatively (Waltz, 2010). Lack of trust among states, owing to uncertain intentions of other states, gives birth to security dilemma, intense competition for ensuring survival and enhancing relative national power among states of varying abilities. States’ needs are similar but they have different capabilities to attain them.

The distribution of capabilities of states place them in global power structure ranking. Accepted and assumed role by different states in global power structure form an order which is called international or global order. The fear of relative gains by other states and dependency bars them from cooperation. The capabilities and intense desire to enhance relative power ends up in balance of power. Balancing is done on internal and external fronts. Internal balancing is done through raised economic growth and military spending while external balancing is pursued through forming or joining alliances to check the more powerful nations and alliances. These practices shape the international relations.

Neorealist scholars opine that there could be three types of international system i.e. unipolar, bipolar or multipolar based on the number of great powers in the respective system or order. It is also argued that the bipolar system is less prone to wars of great powers and is

considered more stable as compared to unipolar or multipolar system owing to the easy and open choice of balancing among them (Waltz, 2010).

1.22 Theoretical Framework or Model for the Study

Theoretical framework is a model for description of the theory of international relations. The framework is based on the theory and its features. Theoretical framework is required for analysis of the research study under academic pursuit by scholars. Sometimes theoretical models explain the theory graphically for easy comprehension.

Neorealism or structural realism suits the most to analyze the Sino-US strategic competition in south Asia and its impact on economy or military development in the region. No other theory explains the global, regional power structure and its impact on the state behaviors as it is the case of this study.

The model developed by the researcher is to analyze the impact of convergence and divergence of interests of the US and China in South Asia. The initial model explains that global and regional powers interests and policies interplay leaves no option for smaller states but to toe the line marked by them. The model describes that the US and China would affect the South Asian countries when the relations are stronger either with China or the US. If the US would have strong relations, the impact of the preferences of the US would play greater role while if Chinese role is stronger than the US then impact of Chinese interests would be robust. The model also explains that dominant powers' role in creating strategic environment is crucial and the same strategic environment compels smaller states to adopt the similar policies as reactionary strategy is left as option for them. The power politics, high politics or geopolitics would fuel the arms race and military development as priority turning the most of the state resources towards security dilemma.

On the other hand, geo-economic competition of dominant powers creates opportunities for the regional powers and weaker states to integrate its economy with international economy and become part of the economic growth. The US and China are competing for global leadership by achieving the strongest military and the biggest economy besides winning political, economic and military partnerships throughout the World. However, the US and China have varying political/ diplomatic, economic and military capabilities as well as different approaches to achieve the objective of strengthening these competencies through engagement with other powers and countries. Putting it simply, China is pursuing geo-economic while the US is following geopolitical approach for engagement with the World.



Figure 3. International System

The figure 3 is graphical representation of core theme of neo-realism which explains that global and major powers nexus with regional power structure formulates the international system or strategic environment for the weak and small state while the weak state, as a rational actor, has to strive for survival and maximization its interests. Convergence and divergence of interests of global and regional powers decides the nature of the nexus. Nature

of interest is another factor which decides the concentration of these states' power as well as resulting international system or strategic environment.

Geo-strategic environment disturbing balance of power and posing security threat instigates the arms race in the region and compels the states in surroundings to priorities military power strengthening as key objective. On the other hand, geo-economic environment provides surrounding states with an opportunity to pursue for the economic growth and development as the top national priority to achieve the goals of eliminating poverty and attaining prosperity.

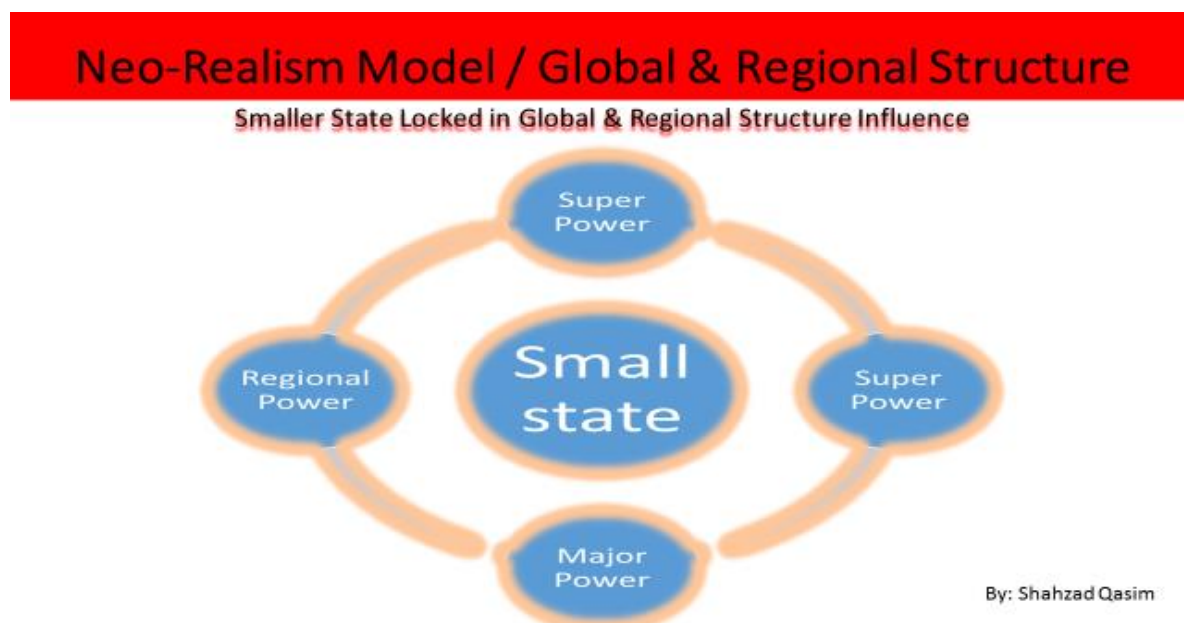


Figure 4. Smaller States Locked in Global & Regional Structure Influence

Figure 4 explains that super power, major power and regional power's nature of relations surrounds the small states to deal with the specific influence in this structure for its endeavors in foreign policy. It is the simplification of previous figure explaining the structure of regional and global power nexus around weak states. Neorealism is also called structuralism or structural realism so the figure has been formulated to portray the structure and indicate the small states are encircled by the global, major and regional powers creating specified strategic environment suitable for their interests.

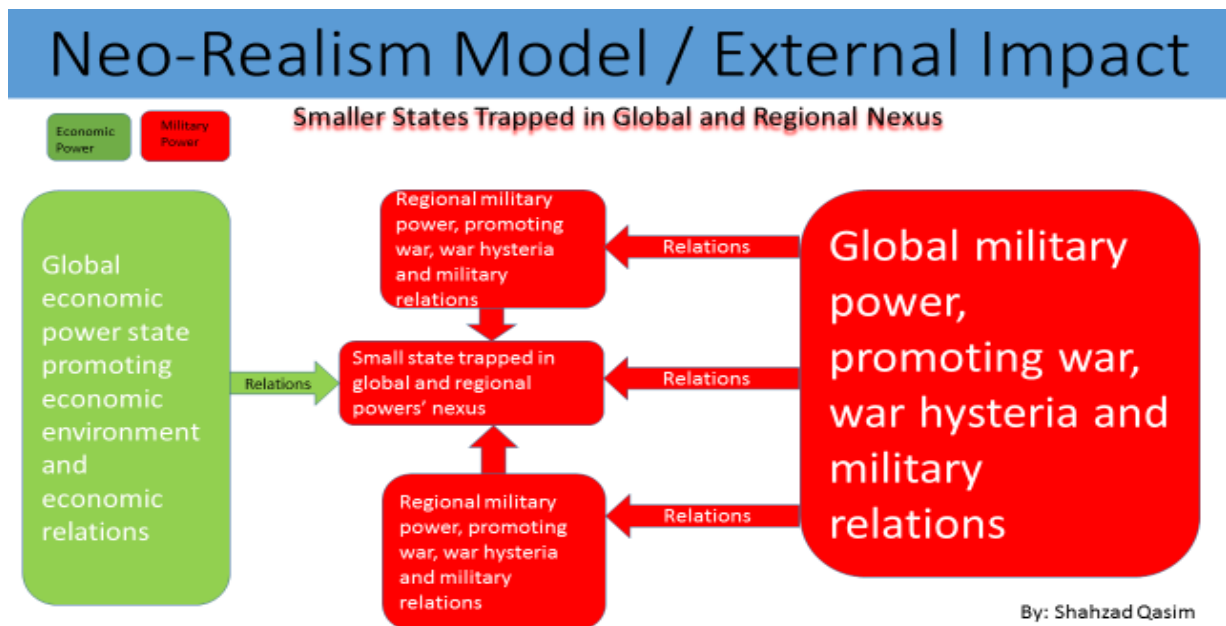


Figure 5. Smaller States Trapped in Influence of Surrounding Strategic Environment

Figure 5 is a model derived out of the neo-realism for explaining influence of the competing powers prioritizing geo-economic and geo-strategic agenda in any given part of the world. It tends to explain that when regional powers choose to align with geo-strategic agenda and endorse it coupled with their interest then the strategic environment encircling weak and small states would encourage military modernization and development. On the hand, if super power with geo-economic agenda win the partnership with regional powers then geo-economic environment would activate the agenda of economic growth and development in the region. Smaller states remain trapped in global and regional powers' competition environment. External strategic environment impact plays important role in smaller states for prioritizing military modernization over economic development or vice versa. Thus weapons versus welfare is not solely the discretion of every state but it depends a lot on the surrounding international political culture or the strategic environment.

Strength of global and regional power's nexus based on their interests' convergence decides intensity of military or economic connotations of the strategic environment in the particular region. In the case of this dissertation, the US has been considered as the one

prioritizing geo-strategic agenda particularly in South Asia while China is pursuing geo-economic objective in its international relations. Applying and relating this model in South Asia explains that India is endorsing the US geostrategic endeavor instead of supporting the Chinese quest for economic development, though much needed for Indian poor population. This nexus creates military development oriented international environment for Pakistan, Bangladesh and Afghanistan.

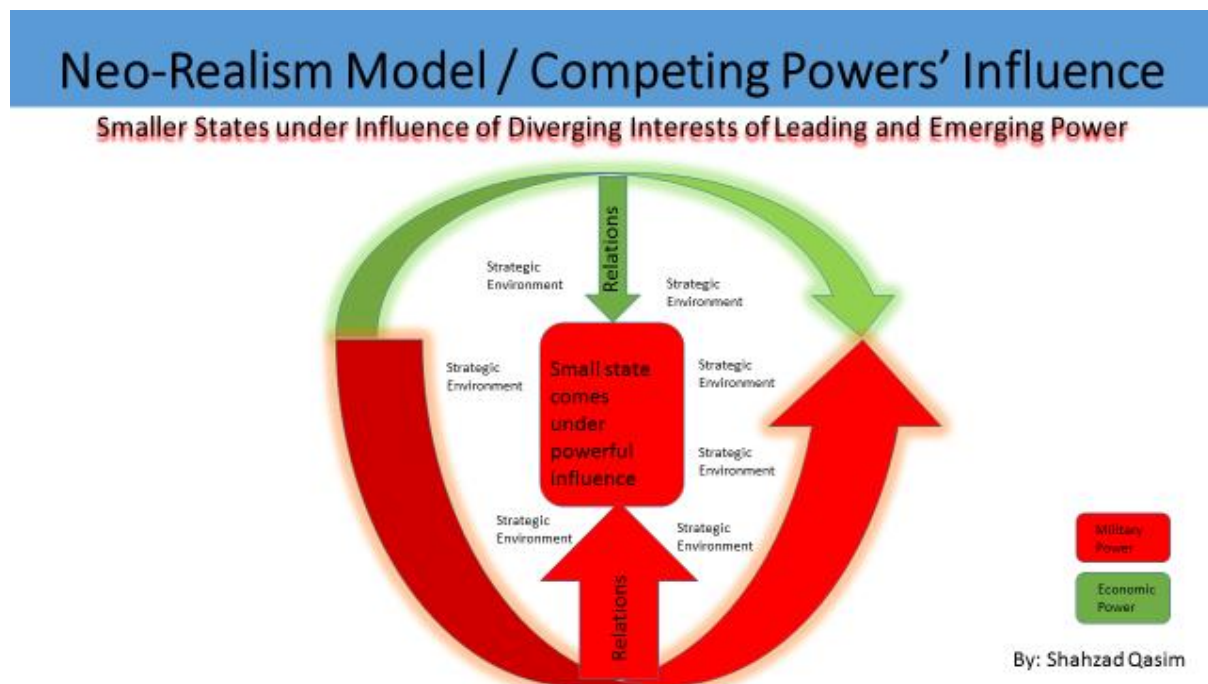


Figure 6. Small State under Diverging Interest of Leading and Emerging Power

The figure 6 represents constant competitive position of the emerging economic and leading military power i.e. China and the US respectively. Smaller states remain under the influence of diverging interests of leading and emerging power. Countries with strong relations of economic power can go for economic development while alliance with military power would help modernize military or security apparatus. Here it may be argued that the US is an economic power also while the model picture shows her as a military power so the reason here to show it as military power is that the US is promoting the geo-politics instead

of geo-economic environment or competition. This is somehow true in the case of India but the main promotion of the US in South Asia is military and geostrategic environment.

On the other hand, China is also a military power but Chinese priority area in South Asia is economic diplomacy and the establishment of economic cooperation with the South Asian states. Thus the priority areas of the two powers have been taken as their role in South Asia and the corresponding impact which is the actual subject of the study at hand instead of taking their actual strength. India, major power of South Asia, forms nexus with the US therefore, geostrategic environment dominates South Asia.

1.23 Neo Realism and Global Power Structure after Cold War

The world is an anarchic society of states where states are the main actors and there is no central authority to control them and prevent them from creating chaos or going to war. Thus states always keep competing for resources to attain more and more power through economic growth and acquiring destructive weapons.

Rules of the game are always set by the dominant players. The leading countries would always prefer to set the rules prioritizing their edge, objective or the belief about the right ways of the game. The dominated or weaker states are compelled to play by the rules set by the dominant state or states. Thus foreign policy is actually pursued by the superpowers or the major powers, who have abundance of relevant resources, strategy and powers to materialize it. Weak, underdeveloped and small states have to come up with reactionary strategies only, for securing maximum benefits, based on considerations and calculations of superpowers and major powers' interests and policies. The West has been leading the World since last three centuries in economic as well military power therefore, the West has set the rules of the international relations game defined by Clausewitz and Machiavelli so, and all the countries with other thought cultures are also being compelled to follow those rules.

Since the industrial revolution and beginning of colonization, the European powers got the occupation of undeveloped territories and colonized those as per their power and weight. Those powers introduced the platforms of global governance like the League of Nations followed by the United Nations and International Monetary Fund (IMF). These platforms legitimized the states' globalized role as per their weight and power. The subject role of major powers and the rest has been clearly defined in the United Nations Security Council (UNSC). Thus since mid-20th century, the states got another tool of international institutions to augment their power, prevent threats and ensure interests. These global institutions still serve the powerful states' interest and could not get the independent status to be democratic and act independently.

The US remained at the heart of this postwar global order and it became dominant and sole global super power at the end of Cold War i.e. disintegration of USSR. The US policy makers announced to create a "New World Order" dominated by the US after end of USSR. The US has been successful to some extent to "Seize the Moment" (Nixon, 1993). The US invaded Afghanistan with approval of the UN and Iraq without approval of the UN to counter the perceived threat through "pre-emptive attack policy". The US longer wars and use of excessive resources relatively declined its economic as well as political power.

People Republic of China rose in meantime through labour intensive manufacturing, cheaper labour and reverse engineering. Russia revived its economy and Brazil also emerged as an economic power. India, the second largest populous country and the largest democracy attracted the foreign direct investment for the economic development. South Africa also joined the fast rising economies club known as BRICs (Brazil, Russia, India, China and South Africa).

Rise of the 'rest' have started questioning the relevance of postwar world order and in the 21st century as it represents the world of 1950s. Therefore, rising powers have been

advocating reforms in the UNSC for accommodating them. They advocated to replace the outdated system with more representative one, incorporating the powers of the current age. The United States did not heed to the voices for reforms and tried to continue with its dominating role in the institutions, using those as vehicles for implementing its foreign policy. BRICs established a New Development Bank with capital of US dollar 100 billion (Khanna, 2014).

Until the US was enjoying as the dominant power and continuing to reshape the world, power structure in neo-realist terms, to match its image and meet its economic as well as security needs, America was referring it as the liberal and rules based world order. The rise of China and the relative decline of the US economy and political power, the US started taking steps to contain China. The US had strengthen relations with countries like Japan, South Korea and India to counter China. The US policy of “Asia Pivot” was mainly focused on South East Asia. Feeling threatened by the US build up in East and South East Asia, China announced BRI to strengthen engagement with the World and termed CPEC as the pilot project and flagship project (Kobelkova, 2017). The rise of China caused strategic competition between China and the US all around the world but South Asia became the most contested region.

1.24 Determinants of Post 9/11 Sino-US Policies in South Asia

The US interest in South Asia in the postwar world order (power structure) has mostly been to counter threat and influence of communism and ensure strategic interest for its global power. The US has been using the South Asia states for its priorities and strategic interest instead of considering their regional issues and helping them overcome. The quest for acquisition of nuclear technology concentrated efforts for preventing the South Asian states especially Pakistan from acquiring nuclear arsenal and declaring it through testing it. The advent of nuclear technology warranted a little more attention of the US for diffusing tension

to avert the danger of nuclear war and bar the two major countries of South Asia to stop stockpiling nuclear weapons (Guihong, 2003).

South Asia sits on the strategically vulnerable belly of China which makes it more important for China and the US both for strategic competition to counter the influence of each other. China wants to increase influence through economic, military and political engagements while the US wants to strengthen its relations with South Asian countries to minimize the space for China (Guihong, 2003). China and the US both want to decrease influence of each other in South Asian states besides increasing own influence to use it as strength for power maximization and the competition.

The US announced “Asia Pivot” policy for Asia Pacific to forge partnerships with East Asian and South East Asian nation to counter the Chinese rising power and influence. Thus East and South East Asian region were the initial grounds for Sino-US strategic competition. Agreements like Trans-Pacific Partnership (TPP) and similar Chinese agreements were the vehicle to materialize it. Announcement of Belt and Road Initiative (BRI) changed the game. President Trump withdrew from the TPP and started concentrating in South Asia and other countries partnering BRI.

All four major South Asian countries have clashes with neighbours of different type and different level. Most prominent of them are the border issue coupled with others. Such conflict are hurdles in regional integration and economic development. Kashmir issue between India and Pakistan is the major issue plaguing the whole region. Until Kashmir issue is solved, shifting of geopolitics into geo-economics of regional countries seems impossible (Dubey, 2007).

Most important and longstanding issues of Kashmir and Afghanistan are the key source of security dilemma in the region, triggering arms race and imposing war hysteria. Kashmir is

unfinished agenda of partition (Musarrat, 2007). India has rejected the US, Russian, Chinese and Turkish offers of arbitration and mediation on Kashmir issues with Pakistan after the recent home grown youth movement hit the important capitals of the world.

1.25 Convergence and Divergence of Sino-US Interests in South Asia

The US is a leading power while China is an emerging power therefore their interest clash in the global arena for power, resources and grip on international system for leading the world to ensure the lion's share in almost all spheres of influence through the power. The same replicates in almost all regions of the globe however, their interests converge in some countries owing to the profile of the countries.

South Asia is one of the least integrated regions of the world. South Asia is the region where clash of the regional countries provide the lucrative opportunities to the major and extra regional powers to interfere and ensure their interests. China and the US are the two major extra regional power who have got their role in the region making themselves more relevant to ensure their own interests and somehow helping regional countries to develop their economy as well as military. In the region as a whole, the US and China are opposing each other's role and corresponding influence. Thus Sino-US strategic competition is result of divergence of their interest and policies in South Asia as a whole.

The US wants to contain Chinese outward growth and influence to maintain her strategic influence in the regions and dominance over the global order. South Asian, Chinese and Russian policy makers believe that the US is not interested in solving Afghanistan issue and restoring peace in the country as it would ultimately compel her to leave the country while its presence in the region is necessary to ensure its strategic interests i.e. stop Chinese expansion and expansion of markets.

Russia, China, Pakistan and Iran joined hands to help solve the conflict at regional level to push the US and other international forces out of Afghanistan. Russia has hosted a conference where all the stakeholders from the region or Asia were invited to discuss Afghanistan issue while the US and NATO countries were left out of the process. These countries are trying to come up with the viable solution even without withdrawal of foreign troops, prerequisite demand of Taliban to stop insurgency.

China wants to eliminate or minimize the US role in political and military affairs of the regions in her neighborhood including South Asia (Jacques, 2012). China shares border with fourteen countries and China wants to have friendly relations with all of them. China is not only focused in East Asia where Japan and South Korea have joined hands with the US to counter China's rise but also in South East Asia and Central Asia as well. South Asia is very important in this regard as a regional geostrategic competitor India is there but a trustworthy friend of China i.e. Pakistan is also located in the region besides its importance over proximity with Indian Ocean. War of Afghanistan and Kashmir issue are also important areas of Chinese interests in the region. Peace and stability in Afghanistan is important not only for extension of the CPEC to Afghanistan but also security of and potential growth of CPEC in Pakistan (Butt & Butt, 2015).

CPEC passes through disputed territories while solution of Kashmir can end the controversy of CPEC and solution in Pakistan's favour can secure Chinese held parts of Kashmir strategically important for China. South Asian states except India would be benefitted highly with the Chinese emergence and the order led by her in case India remains out of it otherwise, India could also shares benefits through increased trade and following agenda of SCO. All of the South Asia states located along the Chinese border are important for internal security of China particularly states along sensitive regions of Tibet and Xinjiang. Chinese trade relations exploited at full potential with South Asian neighbours can help grow

Chinese economy and diversify trade partners besides leading to the integrated economic block (Butt & Butt, 2015).

1.26 Impact of Sino-US Strategic Competition in South Asia

South Asia is cradle of many problems, issues and conflicts exploited by the extra-regional powers for their interests. Chinese and the US interests and corresponding policies in the region determine a lot about the issues of the region. Convergence of their interests and policies in the region can facilitate countries of the region to solve their issues but divergence of interests and policies exacerbate the problems faced by them.

The US and Chinese interests in South Asia diverge in general and vary from country to country as per profile, geographic location, military strength, economic worth, population, political system, culture and the strategic objectives. International relations mostly revolve around the two fields of cooperation among states at bilateral, multilateral and global level. Two overwhelming fields of inter-state relations are military cooperation or confrontation and economic cooperation or competition.

Under assumptions of theories of realism, states remain sceptic of other states and try to be self-sufficient to get the status of autarky to ensure sovereignty. Both are the key areas for any state to function but all of its development and dilapidation does not solely depend on the same state which compels her for cooperation and competition with other countries. Thus role of other country or countries remains vital in development or dilapidation of any countries' military as well as economy. Regional, major and global powers play overwhelming role in determining geo-political or geo-economic environment and instigating military or economic growth respectively.

Sources of military development are the strength, training, exercises, joint exercises, technology acquisition, technology know-how and the edge of technology advancement.

External intervention in military development comes from high politics, geopolitics through training troops, providing advanced weapons, supplying modern military equipment, ships, aircrafts, sharing technology know-how, intelligence sharing and even financing of military budgets. The external military powers can help any country or compel any country to go for military might through the means mentioned above.

Economic development is attained if stable security structure in the region is enabling states to invest in economic growth instead of pooling resources to have large, strong and better equipped military. External intervention in the economic development of any country has various dimensions for cooperation. External funding in various sectors, loans for development projects and grants in gifts can help countries improve its national economy. External power can help some country in economic growth through trade access, concession in custom duties and other preference including eliminating the non-tax trade barrier.

An economic power can assist the other country in growing economy through foreign direct investment (FDI), technology transfer, transfer of know-how and sharing knowledge through imparting various types of education and training. Supporting at international institutions and multilateral forums for grant of credit and other economic concessions by building the image of client state as stable, capable and deserving for the favour under discussion. Global and major powers lure the weaker states to align with them for various types of economy or military related favours or support.

Chapter 2

Indo-US and Sino-Indian Engagement

2.1 Indian Profile

India is the second largest populous country of the world with around 1350 million population. Owing to its large population, important geography and rising economy, it has the leading role in South Asia and is aspiring for important role to play at global level. India is major power in South Asia and considers itself a strategic competitor of China. India is the biggest democracy of the world. India's nexus with global power structure and relations with the regional countries play a key role in formulating the geo-strategic environment in South Asia. India has been an important country for the US even when it was champion of Non Aligned Movement (NAM) or it was leaning towards the USSR. Trust deficit occurred when India signed 20 years treaty of friendship with USSR in 1971 after Pakistan's mediation in Sino-US rapprochement.

Territorial nation states emerged on the pretext of self-rule, autonomy and sovereignty but globalization has not only decreased autonomy but also affected sovereignty. External powers affect domestic affairs not less than the internal factors and sometime even greater. India has the second highest population but tops the list of the countries hosting poor people in the world. Indian foreign policy aiming for the regional hegemony and global role needs very powerful military and effective diplomatic role to achieve the goal. India is modernizing military and often tops the list of military equipment purchasers throughout the world (Bhattacharyya, 2018).

India is a big market for the US produced consumer goods and arms industry. India's designs to establish regional hegemony and become major global power which makes it an important ally of the US against China threat (Curtis & Cheng, 2011). Dr. Ejaz Akram opined that Hindu dominated India and the US nexus strengthens further as both consider Pakistan

and China common enemies (Personal communication on 11 May 2017). Post 9/11 period provided India with important opportunity of rapprochement for extending its interest by playing the US directed role against China as well as Pakistan and remain subservient player in Afghanistan.

Indian foreign policy interest does not only clash with China but also with Pakistan which compel her to align with the US against rapprochement and strategic partnership of China and Pakistan (Curtis & Cheng, 2011). India is the only major country in South Asia, which aspires for regional hegemony and global role clashing with Chinese foreign policy objectives. The US is looking for containment of China and it makes India the natural partner in South Asia to use her against China.

2.2 The Indo-US Rapprochement after 9/11

From the end of Cold War, the US had normal relations with India but its foremost concern was preventing nuclear proliferation in the region. Indian importance for the US highly increased after Cold War but particularly after 9/11 therefore, the rapprochement started strengthening later. As Atal Bihari Vajpayee became Prime Minister in India, he approved the nuclear weapons tests in 1998 at Pokhran. The US promptly condemned the nuclear tests and then imposed sanctions. Besides, the US voted in the United Nations Security Council (UNSC) supporting a resolution to condemn the nuclear tests of India. President Bill Clinton went a step ahead by imposing economic sanctions over India. The US announced to cut all the military and the economic aid, freeze loans by the US banks for state owned companies of India and credits to Indian government for any kind of activity except for purchasing foods.

The US prohibited Indian access to the US aerospace technology and uranium. The US also went to oppose any kind of credit requests by India in the lending agencies. The Indian

exports to the US at that time were very small portion of its total exports. Japan joined the US in sanctions while rest of the major countries kept trading with India. The sanctions remained effective for a short period of time as Vajpayee and Clinton soon exchanged their high level representative to negotiate and help improve relations between Indian and the US government (Kapur & Ganguly, 2007).

Neorealism takes global powers' relation with regional power to define the strategic environment in any region. In this case, the US being the hegemonic power sought nexus with India, owing to its population, geography and political aspirations to become regional hegemon. This notion worked well after 9/11 when the US started imposing its world order. Therefore, at the dawn of 21st century, India emerged as the vital partner for core interests of the US foreign policy.

The US recognized India as a vital partner for its strategic interests and then moved ahead for rapprochement. In March 2000, the US President Bill Clinton visited India and discussed bilateral economic issues with Indian Prime Minister Vajpayee while Indo-US Science and Technology Forum (STF) was established. The US President George W. Bush and Indian Prime Minister Atal Bihari Vajpayee again met in November 2001 and decided to transform the bilateral relations. Exchange of high level visits and talks during 2002-2003 paved the way for the agreement "Next Step in Strategic Partnership (NSSP)" in January 2004 (Kumar, 2008). The US declared Pakistan a Major Non-NATO Ally (MNNA) in 2004 while extension of same status offer to India for strategic working relations was refused by Indian government. India and the US cooperated after Tsunami in 2004 for rescue operation and development of affected areas in India. Since 2004, India and the US relations were transformed into "strategic partnership" thriving on the converging geopolitical interests and shared values (Mansingh, 2006).

In July 2005, Prime Minister Manmohan Singh and President Bush appreciated the accomplishment of necessary steps under NSSP. Cooperation between the two countries was done in the field of civil nuclear technology, civil space technology, high technology and the commerce. The two leaders announced to initiate Indo-US economic and energy dialogue, collective fight against AIDS and cooperation in sharing the modern technology. Disaster relief cooperation, knowledge sharing in field of agriculture and establishment of trade policy forum was also agreed upon. The two democracies agreed to assist each other in furthering the essence of democracy and freedom.

India and the US moved a step ahead and signed a bilateral ten years defence agreement (Nayar, 2006). Agreements were signed between the two countries for business, trade and tourism enhancement through increased flights. Air India purchased 68 aircrafts by the US Boeing Company against US dollar 8 billion. As Hurricane Katrina affected the US in 2005, India donated US dollar 5 million to American Red Cross and sent two aircrafts loaded with relief goods. President Bush reciprocated visit to India in March 2006 and both countries reviewed the progress on ongoing cooperation while some other initiatives were taken. From 2004 to 2008, volume of bilateral trade tripled and two way investment also increased.

In 2015, US Defence Secretary Ashton Carter became the first US Defence Secretary who visited an Indian Military Command. Indian Defence Minister Manohar Parrikar reciprocated the similar visit to the US Pacific Command in December of the same year. The visits marked the deepening military relations of the US and India.

The US has four different types of defence agreements which she signs with defence partners. The agreements provide base to the US for promoting military cooperation with the partner countries. First agreement is General Security of Military Information Agreement (GSOMIA) which was signed between the US and India in 2002. This agreement facilitates

the two countries to share military intelligence and binds both to protect secrets of each other (Schaffer, 2009). On 29 August 2016, the Logistics Exchange Memorandum of Agreement (LEMOA) was inked by India and the US. The agreement permits the two countries to use bases of other country for the purpose of repairing and resupplying logistics. The agreement does not make it binding for each other rather gives the option for scrutiny and clearance on request to request basis (Pant & Joshi, 2017).

The two agreements which have not been signed yet by the two strategic partners are Communication and Information Security Memorandum of Agreement (CISMOA) and Basic Exchange and Cooperation Agreement (BECA). CISMOA allows the two signatories to share information about approved equipment during joint exercises, trainings and operations. It also permits to share secure communication with each other. BECA authorizes the signatories to get unclassified and controlled unclassified geospatial information with National Geospatial-Intelligence Agency (NGA). It can also help India to get unclassified nautical, aeronautical, topographical and geospatial data, services as well as products (Pant & Joshi, 2015). Indian Defence Minister Manohar Parrikar, at the eve of LEMOA signing ceremony, said that India will eventually ink the rest two agreements also.

George Bush's and Obama's administration declared India as the important player in global politics and accommodated its national interests. The US partnership with India helped her getting support for candidature of the permanent membership of UNSC to be stakeholder in global security and be part of decision making for global governance. The US cooperated with India for increased representation in International Monetary Fund (IMF), World Bank and Asia Pacific Economic Cooperation (APEC) (Scott, 2012). India was supported by the US for admission in export control regimes like Nuclear Supplier Group (NSG), Missile Technology Control Regime (MTCR), Wassenaar Arrangements and the Australia Group. The US is cooperating with India for the joint manufacturing and technology sharing after

declaring her a Major Defence Partner of the US. The US has encouraged the business and companies in the US to heavily invest in India. FDI data indicates that the US direct investment in India has been increasing since 2001.

2.3 Cooperation in Nuclear Technology

In late September 2001, the US President lifted sanctions on India under 1994 Nuclear Proliferation Prevention Act which were imposed soon after the tests by India in May 1998. A series of non-proliferation dialogue had paved the way for it. India agreed for close international monitoring of its nuclear development while it denied to give up its developed arsenals. Indo-US civil nuclear cooperation, initiated in 2005, changed its 30 years old policy of non-proliferation. The US Congress passed Henry J. Hyde US-India Peaceful Atomic Cooperation Act in December 2006 which allowed the US civil nuclear trade with India (Pant, 2007). “India-United States Civil Nuclear Agreement” was signed on 10 October 2008 and it gave way to the US firms for participation in nuclear energy projects. Nuclear operator and supplier have to abide by the Nuclear Liability Act 2010 of India which implies that the suppliers have to bear the financial cost in case of any accident (Kerr, 2012).

Since the post-Cold War era, the US emerged as global hegemonic power, it has been forging alliance and collaborating with the regional powers to strengthen its influence in those regions and maintain global power as a whole. India has been considered by the US, a regional player, suitable for its designs ever since inception of modern India after partition of subcontinent at the end of the British rule. Since the end of Cold War until 9/11, the US interest in South Asia has been to stop nuclear proliferation in South Asia (Guihong, 2003).

The US announced its “Asia Pivot” policy during Obama administration which marked its shift of concentration to Asia or even Asia-Pacific only for ensuring presence in emerging power center of the world and remain connected and integrated with the rising economies.

The US had already closed some of its issues with other countries like Iran, Cuba and withdrawn majority of troops from Iraq and Afghanistan. Announcement of “Asia Pivot” policy for maintaining relevance with global power politics was itself evident that the US had already calculated the relative decline of its economy and military power and could not dominate the world anymore (Campbell & Andrews, 2013). An agreement of the economic integration and cooperation with ASEAN named as Trans-Pacific Partnership (TPP) was negotiated and signed.

The US President Donald J. Trump came into power and announced exit from the TPP (Malik, 2018). The exit marked that the US was no more interested to take ASEAN at previous level as China had changed the game with initiation of OBOR and allied projects. OBOR corridors were key to minimize its dependence on ASEAN, South China Sea and Strait of Malacca. South Asia became more important for the US which is why, Donald Trump reviewed Obama’s policy of complete withdrawal from Afghanistan and increased the number of troops (Trump, 2017). The US got closer to India and signed agreement of using each other’s military facilities.

Dr. Najim Din Bakar believes that so much facilitation and support to India by the US is actually like sharpening teeth of a dog that would bite her in future as Indian ambitions are global and clash of interests is obvious (Personal Communication, 13 October 2017). Thus the Indo-US partnership against China may not be continuing after the point when India gets sufficient US military technology and do not necessarily need the access to the US market for its export trade. India, having clash of interests with China, finds the US as natural ally for acquiring best military technology and opportunity for economic growth by luring trade as well as investment. It has also been observed in foreign policy history of India that it has been able to maintain independent foreign policy unless it required for alignment or rapprochement with global powers due to domestic or regional compulsions.

After declaring Global War on Terror (GWOT), the US announced Pakistan as non-NATO ally and frontier state against its war on terror but the relation became tense and the situation aroused when the US declared India an overall strategic partner owing to its weight and position against China. Former US ambassador to India Frank Wisner while speaking at Council on Foreign Relations in conference, “New Geopolitics of China, India and Pakistan” said that India was of immense importance for the US to maintain balance of power in the Asia-Pacific. He added that India also see the United States as an important partner to secure itself in the long term and manage its relation with the rising China (Schaffer, Mitra, Lanzeni, Asuncion-Mund, & Walter, 2005).

The US tilt towards India after 9/11 has been robust and their bilateral rapprochement got strength gradually. Three various administrations have been in the US after 9/11 and all those have been increasing cooperation with India in various areas. Bush administration has been denying Pakistan as nuclear power, kept pushing to roll back its nuclear program and sign Comprehensive Test Ban Treaty (CTBT) as well as Non Proliferation Treaty (NPT) (Khan, 2013). On the other hand, the US has been supporting India and signed civil nuclear deal by signaling acceptance of its nuclear program as legitimate. India has been importing arms, weapons and military equipment from the US on large scale for equipping its army to compete at global level that is why India is among top importers of arms in the world.

2.4 Indo-US Defence and Economic Cooperation

The US has been a key partner of India in the post-Cold War era because during Cold War India was associated with Soviet Union. The US President Donald J. Trump welcomed Prime Minister Modi in White House on 26 June 2017 and signed the agreements for cooperation, taking the bilateral cooperation to the new highs in the backdrop of Chinese announcement of outward expansion through OBOR (Pant, 2017). The US provided India

Apache attack helicopters and C-17 aircrafts. Agreements of US dollar 9 billion helped India overhaul its military. The US offered India to provide F-16 and F-18 aircrafts also.

Under the Defence Technology and Trade Initiative (DTTI), both countries have established seven working groups which they continue to negotiate for cooperation and joint initiatives in the field of defence and defence technology. The US does not only wants to purchase weapons from the US but also wants to get technology and improve the bilateral cooperation for defence production (Janu & Kaur, 2015). A meeting of both countries' representatives under DTTI was held in April 2017 to move forward in this regard.

The Indian army conducts Yudh Abhyas exercises with the US military. Armies of both countries carry out the joint exercise on annual basis (Malik, 2007). Navies of India and the US have included Japan in 2017 for their annual war games in Malabar region. Red Flag exercises of the US and Indian air forces are also being conducted every year (Malik, 2007).

The High Technology Cooperation Group (HTCG) has been formed for transferring modern technology to India as the US has termed India as "Major Defence Partner" (Sidhu, 2013). About 24% of items exported to India needed license in 1999 but in 2016, only 0.4% of items required license for export to India (De & Rahman). This change in restrictions on military equipment sales to India is evident enough to mark the importance of India for the US. The US considers that a militarily strong India would keep check on rise of Chinese threat within the neighbourhood or continent.

India and the US started and enhanced cooperation in the field of counter terrorism. The two countries adopted a mechanism for exchange of secret information and intelligence in this regard. The US Terrorism Screening Centre and respective Indian organizations started cooperation. The US and India also cooperated in taking steps for minimizing the use of

internet by terrorists. The US trained about 1200 Indian security officials since 2008 to counter terrorism and enforce law (Curtis, 2008).

Trade between India and the US has been increasing gradually. Indian GDP growth rate is about 7% per annum. Trade in goods and services between the two countries had reached US dollar 114 billion in 2016. In 2017, Indian airline Spice Jet Company had ordered to purchase 100 Boeing Max-8s-737 aircrafts and later formed a committee to purchase 20 more after Paris Air Show. The collective amount of aircraft purchases by India reached up to US dollar 20 billion which helped create 130,000 job opportunities in the US (Bipindra, 2018).

India is expected to become third largest aviation market in the world by 2020 which has helped the US earn US dollar 600 million by assisting India to improve safety standards of civil aviation. As per the US Institute of Economic Analysis, India has invested around US dollar 11 billion in 35 states of the US which have helped in creating about 52000 jobs opportunities there (Pradhan, 2017). India is not only a source of investment for the US but the US also wants to make India a market for its capital investment. Indian companies have invested US dollar 10 billion in Shale gas and Liquefied Natural Gas (LNG) sectors. The Indian companies have also signed agreements of around US dollar 30 billion for import of LNG from Louisiana and Maryland (Pradhan, 2017). The US has imparted training to Indian experts for improving the level of oil refining.

India has signed agreements with the US for installation of six nuclear reactors in Andhra Pradesh (Westinghouse Electric AP-1000) which would help India produce clean electricity for its population's domestic use and run the wheels of industry (Mishra, 2017). The US and India are establishing joint research centers in the field of clean energy and a consortium for smart grids and energy storage system. Indian energy market is estimated

roughly US dollar 1200 billion in which the US wants to increase its share. The US foreign offices is seen active for cooperation in this field (Mishra, 2017).

Around 4 million Indians or people of Indian origin were living in the US while approximately 0.7 million citizens of the US were living in India in 2017 while about a million Indians were given visas for the US during the year. The US wants to increase people to people contact and grow its tourism industry (Colby & Ortman, 2017). In 2016, there were 164 thousand Indian students in the US who spent US dollar 5 billion and helped create 64000 jobs in the US. In a decade, Indian students spent US dollar 31 billion in the US (Stigall, 2017). This money also helped the US education sector create more jobs. India and the US are conducting joint research in fields of space technology, agricultural development and pandemic human diseases while the US is helping India to eliminate tuberculosis from India by 2025 (White et al., 2017).

Though Indian students in the US are a great sources of income for the US but as per estimates, 15% experts of Silicon Valley in the US belong to India who bag a huge amount of remittance to India (Yatanoor, 2009). Bangladeshi ambassador to Pakistan mentioned that Indians were occupying all of the fields in the US. The Indian are not only low level workers in the US but have grabbed few key positions also. After attaining education in the US, a considerable number of Indians have got space in the research institutes of the US and media which is helping India penetrate deeply in the US perception of the world and influence the US policies towards India, South Asia especially Pakistan and China.

The US and India have worked a lot to bring down the tax and non-tax barriers to enhance their bilateral trade. At a time when the US is imposing extra taxes on imports from China, it is working with India to bring down the taxes and other trade barriers (Singh et al., 2018). The US is facing huge trade deficit with China but China has asked the US to lift ban

on some technological exports to China which would decrease deficit in bilateral trade. Giving access to Indian goods in the US market indicates the inclination towards India.

National Security Advisor of Pakistan Nasir Janjua once said that the US had played role in disturbing the balance of power in South Asia. The view is shared by academics in Pakistan that Indo-US nexus was disturbing balance of power in South Asia (Farooq, Kazmi, & Javed, 2018). Trump administration hailed and encouraged India for its leading role in South Asia particularly Afghanistan. Pakistan does not accept India as local hegemon which India wants to be. The US wants India to counter balance China while China wants Pakistan to keep India restricted to South Asia. It is recognized that stronger Pakistan would keep India tied on Western border instead of focusing on Northern border and limited in South Asia. The two powers are actually patronizing India and Pakistan for serving their strategic goals and it is helping the two South Asian powers to develop militarily and economically in the ongoing strategic competition of China and Pakistan after 9/11. The US supplied huge quantity of arms and defence equipment to India after 9/11.

2.5 Sino-Indian Conflicts, Competition and Cooperation

China and India still have disputed bordering territories. Number of clashes have occurred after war of 1962 and China reminds India that it is more powerful now than 1962. The US unilateralism in 2001 and later developments affected Chinese and Indian behaviour. Indo-US nexus defined under structuralism earlier in this chapter was not only aimed at achieving neorealist interests of the US by strengthening foothold in South Asia but also by extending it to counter Chinese influence. As the US attacked Afghanistan and gradually improved rapprochement with India for extending it to strategic level in Indo-Pacific region, China ignited its efforts to improve relations with India. China and India signed an agreement in 2003 to enhance their trade and economic relations where they made commitment not to

let their geopolitical differences or border issues halt their economic relations (Hsu, 2008). It is an example where geo-economics overcame the geo-politics despite border issues.

China and India have bilateral trade of more than US dollar 80 billion annually in favour of China and they have agreed to enhance it up to US dollar 100 billion per annum (Adhikary, 2017). India is the biggest trading partner of China in South Asia. Sino-Indian rapprochement have not been extended to the deep strategic partnership despite relative peace on border, strong trade relations and somewhat cooperation on political front. India and China have divergence over Indian candidature for membership of United Nations Security Council (UNSC) and Nuclear Supplier Group (NSG).

Dr. Swaran Singh claimed in his book *China-South Asia: Issues, Equations, Policies* that India and China have agreed that they would reciprocally rebate each other on Kashmir and Tibet issue respectively (Singh, 2003). In practice, it seems different as China has reiterated its support for Pakistan over Kashmir time and again while equating Tibet and Kashmir issues in this context also seems nonsense. India has not same interest and role in Tibet as China has stakes in Kashmir.

Shanghai Cooperation Organization (SCO), led by China and Russia, is an important vehicle for cooperation mainly in the field of security, dispute settlement and economic development among member countries. SCO has become as an alternative of the Western led Security and cooperation organizations. It is also seen as important platform to stop the Eastward expansion of North Atlantic Treaty Organization (NATO). The US led NATO's arrival and presence in Afghanistan had rung the alarm bells in Beijing and Moscow that is why Russia and China devotedly formed and extended SCO towards South Asia. SCO is an important organization to minimize the US influence among the member states as well as the regions it covers.

India has also joined SCO as the permanent member. It is a point where India seems to be confused at a cross road where it has to either endorse the US design, against SCO's agenda, or move with SCO against the US objectives in the region as well as continent. Indian security as well as economic interests are more linked with China, Russia or regional countries as compared to the US therefore, sooner or later, India would be realigning its policies towards China or SCO member states including Pakistan. Indian media has been trying to realize the establishment of India that it was missing the train by not joining the BRI while aligning and endorsing the US policies.

2.6 The Politics of Corridors

In 1820, Chinese population was 33% while its economy was 32% of the world. In 1913, China's population dropped from 33% to 25% while GDP was 9% of the global GDP. Currently, its population is approximately 20% of world population while share of economy is 25%. Now China is trying to catch up its previous level which she had lost due to industrial revolution in Europe (Dr. Ijaz Shafi Gillani, Personal communication on 20 January 2018).

China has the highest population (as per World Bank estimates 1.379 billion in 2016). China is the fourth largest country of the world in terms of territory with area of around 9.597 square kilometers. Only 15% of Chinese territory has the cultivatable land. China has 14000 kilometers long coastline and 22000 kilometer long border (Hsu, 2008). Majority of the population is concentrated in Eastern part of the country where density further increases near the coastal areas.

After 9/11, the US attack on Afghanistan made China concerned about its security as Afghanistan shares border with China. China started campaign of improving relations with neighboring countries especially those sharing borders by advocating the five principles "panjsheel" of peaceful coexistence (Hsu, 2008). Concentration of the US focus in East Asia,

South East Asia and South China Sea led to further feeling of insecurity for China. The tremendous growth of China led to the Belt and Road Initiative with change in policy again especially towards the neighbouring countries.

The US, UK, Germany, India and Japan are in trade deficit with China. The US tops the list in trade deficit with US dollar 375 in 2017. The US downfall caused due to trade deficit would also affect Chinese trade with the US and ultimately Chinese growth. Recently, around half of Chinese trade is with the Euro-American economies (Cameron, 2017). Diversification and expansion of trading partners by China is necessary to keep the pace of trade as well as growth. China seems conscious in foreign direct investment ratio in developed and under developed countries. Chinese foreign direct investment in the Euro-American world is 53% while it is 47% in Asia and Africa (Sun & Shao, 2017). The investment is mainly in the infrastructure development while in Euro-American world, it is in different sectors including the real estate.

China earned money through cheap manufacturing goods trading and started investing in the US banks for further increasing the foreign exchange reserves. Huge amount of Chinese savings was lost in the economic crunch in the US in 2007. The lost amount of Chinese foreign exchange reserves, invested in the US banks, is estimated roughly around US dollar 1 trillion. Chinese considered the loss of foreign exchange reserves in 2007 as turning point and China opted for foreign direct investment. China is the largest exporter of energy plants, nuclear power plants and the bullet trains throughout the world (Drezner, 2009). China has the highest foreign exchange reserves in the World exceeding US dollar 3 trillion and Chinese trade surplus is also piling up the Chinese reserves.

The US and Europe did not believe that China would develop so much and emerge in such a surprising way in the shortest time. The Euro-American world believed that Chinese

economic bubble would soon burst and it would not continue pace of economic growth due to its domestic as well as external reasons. They were of the view that the absence of liberal democracy would lead to political instability and communist philosophy would not let China emerge and it would decline ultimately (Barth, Lea, & Li, 2012).

During Cold War, China aligned with the US to balance against the USSR but after 9/11, China resolved its border issues, standing since long, in 2004 and conducted joint exercises with Russia to balance against unilateralism of the US. China and Russia are strengthening their partnership. Chinese and Russian partnership would get more strength to play further role and secure their interests in the region (Ahrari, 2001). Russia has announced that it was maintaining contacts with Taliban. Arrival and pro-active role of Russia in Afghanistan and support to Taliban enabled her to take revenge of her defeat in Afghanistan and provide it an opportunity to establish desired sphere of influence beyond Central Asia.

Sino-US strategic competition in South Asia is part of their larger policy around the globe. South Asia is among the most contested region between China and the US owing to its proximity with China, location of war torn Afghanistan, Indo-US nexus, Chinese plan to access India Ocean through Pakistan, Central Asian link and many other reasons. Both contestants i.e. the US as well as China have initiated corridors for establishing their spheres of influence.

India is the second largest populous and developing country of the world and major economic power of Asia but it is unable to compete China due to socio-political reasons while Indian resources spent on wasteful strategic competition against China on behest of the US are further detracting it from the real objective. Politics of corridors is a tool the US and China are using in the strategic competition while India has chosen to side with the US and is supporting its initiatives.

2.7 Chinese BRI and India

China and India are the most populous countries of the World respectively with little difference as compared to other countries. Both are fast developing economies. Both are part of BRICs (Brazil, Russia, India, China and South Africa) economic bloc. Both have participated in establishing BRICs Bank (New Development Bank), an alternative to already existing Western dominated banks. Both aspire for the global power status and consider each other as strategic competitor. Both are continuously modernizing their military for meeting their ambitions as global powers.

China and India both have announced to establish economic corridors for linking their economies with the developing and underdeveloped countries in Asia and Africa. Despite all these similarities, India is far behind China economically as well as militarily. Chinese BRI is such a huge project that the US seems unable to bring any alternative even with the help of longtime allies. The US even failed to stop the strategic partners from joining the Chinese led BRI and AIIB. India has been opposing BRI so far.

In 2013, China announced to build One Belt One Road (OBOR). Name of One Belt One Road (OBOR) has been changed officially after criticism by French President that there could be no single or one road of China. Now it is called Belt and Road Initiative (BRI). China has different aims and objectives behind the largest investment of US dollar 1485.91 billion in 2238 projects under the BRI in 65 countries of three continents (Zhai, 2018). As per Chinese view, BRI is aimed at connectivity, policy coordination, unimpeded trade and people to people contact. BRI is referred as Chines vehicle to export FDI. BRI is aimed at achieving many purposes while key objectives are following.

Safeguarding economic security: China has raised its economy with labour intensive manufacturing and cheap marketing in the world. China is largely depending over purchase of its finished cheap goods by customers throughout the world especially the developed west.

Once the countries having trade deficit with China (mainly the US, France, Germany and Britain) decide to impose ban or huge taxes, China would be in trouble not only to keep its factories running, maintain its growth and finance the development projects. Therefore, China aims at diversifying the trade partners for purchase of raw material and export of finished goods through BRI. (Len, 2015). It is also worth consideration that the main markets of Chinese goods in the West and the US have reached the maximum purchasing capacity where making inroads further seem impossible therefore, China wants to explore and develop new markets for its goods and products.

Energy security through diversification of routes and sources: Around 80% of Chinese oil imports pass through Strait of Malacca which poses a threat of disconnection in case of any trouble in the region. Tension between China and the US in South China Sea raised this concern to high level among decision makers in China. India has also competing interests with China while Indian Andaman Nicobar Islands are located very close to choke point of Malacca Strait. China imports oil mainly from African and Middle Eastern countries while BRI would help access Central Asia as new source besides acquiring the rerouting facility for oil imported from the earlier two region via Pakistan (Len, 2015).

Border security by developing neighbors: Border security is very much important for ensuring the security either in narrow traditional concept or modern wider concept of national security. Donald Trump has recently highlighted importance of non-traditional security threat to the US emanating from border with Mexico. The threat is only because of underdeveloped economy, drug cartels operating in Mexico and lose control over illegal movement on border. China also fears that the similar non-traditional or even traditional threats could emerge from neighbouring countries especially the ones directly sharing border with it. China wants to improve security with neighbouring countries through trade linkages and investment. China senses that weaker military or economic states could be exploited by the US against China

posing a serious challenge for her economic development as well as future vision or plans of China (Poh & Li, 2017).

Ensuring domestic economic security: Domestic security of China is largely linked with quashing of wealth distribution gap within China among various parts of the country. Tibet, Xinjiang and Central China is not rich as compared to Coastal areas of China. These regions have political problems while the minorities living in these areas are also affected by situation in regional countries sharing borders. Belt and Road Initiative envisions to improve and integrate the economy of these parts with regional countries. Investment in the regional countries would also help yield considerable influence and positive support for Chinese territorial integrity (Len, 2015).

Formation of New Security Order: The US believes that China is remaking the Indo-pacific region by using its power of predatory economics. It would surely change the US' created security structure of the region making it advantageous for China. Formation of new security structure under Chinese leadership would provide regional countries an alternative and balancing power against traditionally coercive power of the US and ensure better security to China against the unilateralism of the US (Callahan, 2016).

Fighting the evil of terrorism, extremism and separatism: Once Chinese President Xi mentioned in China that investment in Pakistan under CPEC was a source for weaning out the population from the menace of extremism and terrorism. China is keen to invest in Pakistan, Afghanistan and Central Asia to eliminate poverty, the root cause of extremism and terrorism. Xinjiang has been targeted through attacks by terrorist influenced by the militant organizations operation in in Central and South Asia. SCO was formed with the objective of fighting these evils while miracle economic growth of China is important in this regard to bring the masses out of the clutches of poverty (Serikkaliyeva, 2016).

Maintaining growth: China has been developing for four decades at very high growth rate by producing the cheap, labour intensive consumer goods but the economic model of growth practiced so far is unable to sustain the same level of progress of China therefore, China had no option but to consider the alternatives for continuing the growth at the same pace. BRI brings China to export Foreign Direct Investment (FDI), diversify trade partners, and integrate Chinese economy with developing and underdeveloped countries of Asia, Africa and Europe. The big economies of the Euro-American world, the main source of trade and development for China, are facing the trade deficit at large which they would not be able to bear any longer therefore, diversification of the trade partners had become necessary for China to maintain its economic growth, key for the Chinese economic security (He, 2017).

Quashing the income and development inequality: BRI has external interests as well as domestic agenda for improving the domestic economic development and income gap among Eastern and Western parts. Traditionally, the Chinese economic development has been concentrated in Eastern parts of China. BRI would usher an era of economic development in neglected, undeveloped and less developed areas by integrating domestic economy with the regional countries. Different areas of Chinese domestic economy specialize in various sectors which would be interlinked with similar economies the world over (Abid & Ashfaq, 2015).

Overcapacity Production of China: China has developed the chain of large scale industrial production related to infrastructure development. A vast land of China and its population required huge infrastructure development which was met by the Chinese planners within short time on miracle basis. At a time when China has almost completed the main requirement of infrastructure development throughout country, the overcapacity production of its infrastructure related industries needs new avenues of projects for completion. BRI provides an important avenue for using the overcapacity production for infrastructure projects

in the partner countries and grow the economy (YU, 2017a). It would also add to the growth of GDP as domestic economy could not continue the same pace of progress without BRI.

Vehicle for Shifting Labour Intensive and Low Technology Industries: Ageing population with on child policy has important factor in future growth of Chinese economy. Ageing population and the rising labour cost are interlinked domestically. New generation, educated, skilled and technology users need to end the unskilled or low skilled labour industry. It has been the natural process of the developing economies to move over to the latest technology by leaving the basic technology. Major economies highly depend on the innovation and complex technology related production. China is using BRI as a vehicle to shift the labour intensive and low technology industries to the partner countries for upgrading the domestic economy to the less labour and complex technology industries (Tong, 2015).

Vehicle to Export Environmentally Problematic Industry: China is facing problem of environmental degradation. China has not been able to balance the environmental hazards by taking the counter measures in time. By shifting the industry which is major contributor of pollution and environmental degradation, China could reduce carbon emissions and hazards for environment in China. The environmental problem may affect recipient countries but they can try to balance emission with parallel counter measures (Zhang, Andam, & Shi, 2017).

Countering the geopolitics of the US: Geopolitics played by the US in the region is dominating almost all of the world especially Asia and Africa. China wants to counter geopolitics played and led by the US. The US and India consider all the projects of BRI as tools of replacing the economics and geo-political influence of the US as it would help China to become a leading global power. The US considers BRI as a strategic project instead of economic one. China has denied the narrative and maintained that all the project are commercially viable and market oriented instead of having geopolitical connotations. India

refers CPEC and BCIM as part of its encirclement by China and considers BRI a geopolitical agenda instead of a project of economic growth through win-win cooperation as promoted by China (Prabhakar, 2018).

China wants to become a global super power and India also has the similar designs but both consider each other an obstacle against interests of each other. The OBOR is comprised of six corridors connecting 65 countries of Asia, Africa and Europe with 35% of global GDP.

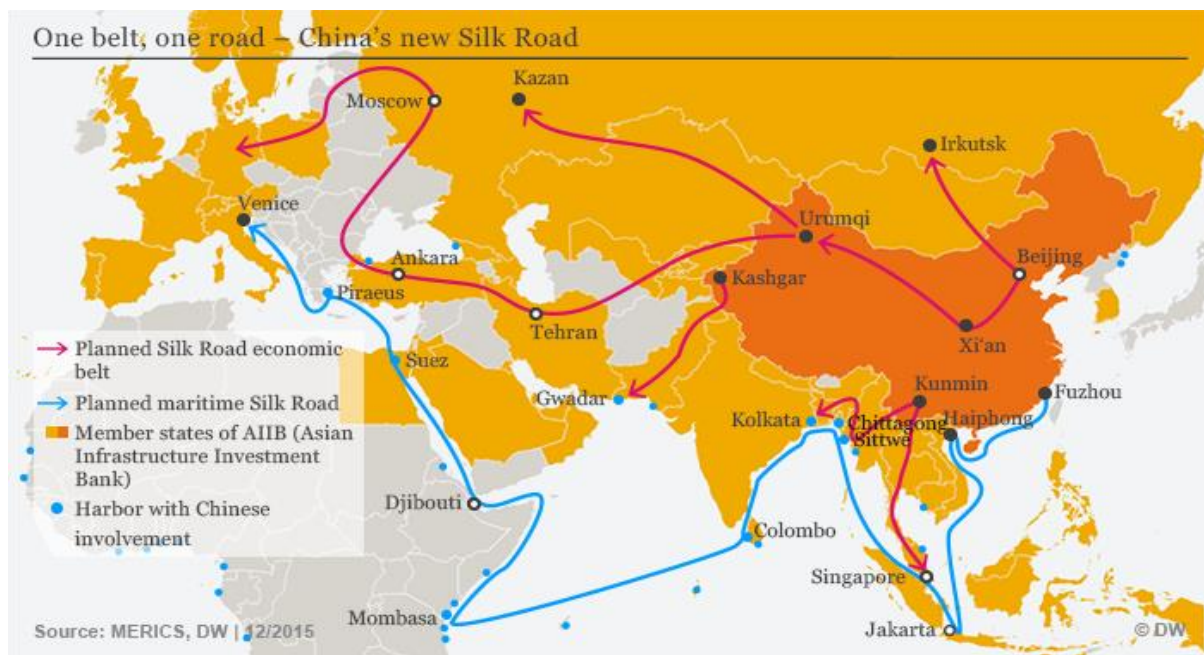


Figure 7. One Belt, One Road – China's New Silk Road

<https://www.dw.com/en/new-silk-road-and-chinas-hegemonic-ambitions/a-38843212>

- China–Pakistan Economic Corridor runs from the South-Western China i.e. Xinjiang to the South West of Pakistan i.e. Gwadar.
- Corridor for China–Mongolia and Russia which runs from Northern areas of China to the Eastern parts of Russia.
- Corridor for Central and West Asia runs from the Western China through Central Asia and ends up in Turkey.

- d. Corridor for Indochina peninsula runs from Southern part of China and leads to Singapore
- e. Corridor named as “New Eurasian Land Bridge” runs from the Western part of China to the Western part of Russia.
- f. “Bangladesh-China-India-Myanmar (BCIM)” corridor originates from South East of China and leads to India via Myanmar and Bangladesh.

“Maritime Silk Road” begins from the Chinese Coast over Singapore and leads to the Mediterranean Sea for accessing Europe. Development of their ports was referred as broader policy of “string of pearls” stretching from Arabian Sea to Indian Ocean including Sri Lankan Port of Hambantota (Pehrson, 2006).

2.8 Bangladesh-China-India-Myanmar (BCIM)

China has announced to construct corridor linking its Yunnan province with Myanmar, Bangladesh and India respectively. The route directly links Myanmar with China while Bangladesh and India would be linked with it later. China has included Sitwe port in so called string of pearls (Pehrson, 2006). Chinese bid to construct BCIM was led to instability in Myanmar caused by displacement of Rohingya Muslims.

Rohingya Muslims crisis took place in 2017. Muslims living in Arakan (Rakhain) state were killed, their houses were burnt by Buddhists and Myanmar army and they were compelled to take refuge in Bangladesh. Senator Abdur Rahman Malik, former Federal Investigation Agency (FIA) officer wrote article in daily paper The News that Central Intelligence Agency (CIA) was behind Rohingya crisis. Few fanatic Muslim youth were instigated to target posts of security forces in the name of Al-Qaeda which led to fierce reaction and crisis. However, it gained the wider coverage in international media and shook the important global capitals. It was a created instability in Myanmar for blocking the route

construction of BCIM (Karim & Islam, 2018). An attempt was made to drag China in the crisis but China with its low profile diplomacy got its cleared.

The US brought a resolution in the United Nations Security Council to send UN forces in Myanmar for the crisis which was badly failed with criticism by other UNSC members. Researcher considers it as a failed attempt of the US to create instability in Myanmar for stopping the Chinese expansion through BCIM.

India has not shown the interest in BCIM like Pakistan in CPEC as it knows the route is not directly linking India with China. China proposed that CPEC could be linked with BCIM to link South Asian economies with East Asian and China. CPEC has become operational but the future of BCIM is in jeopardy due to no interest of India.

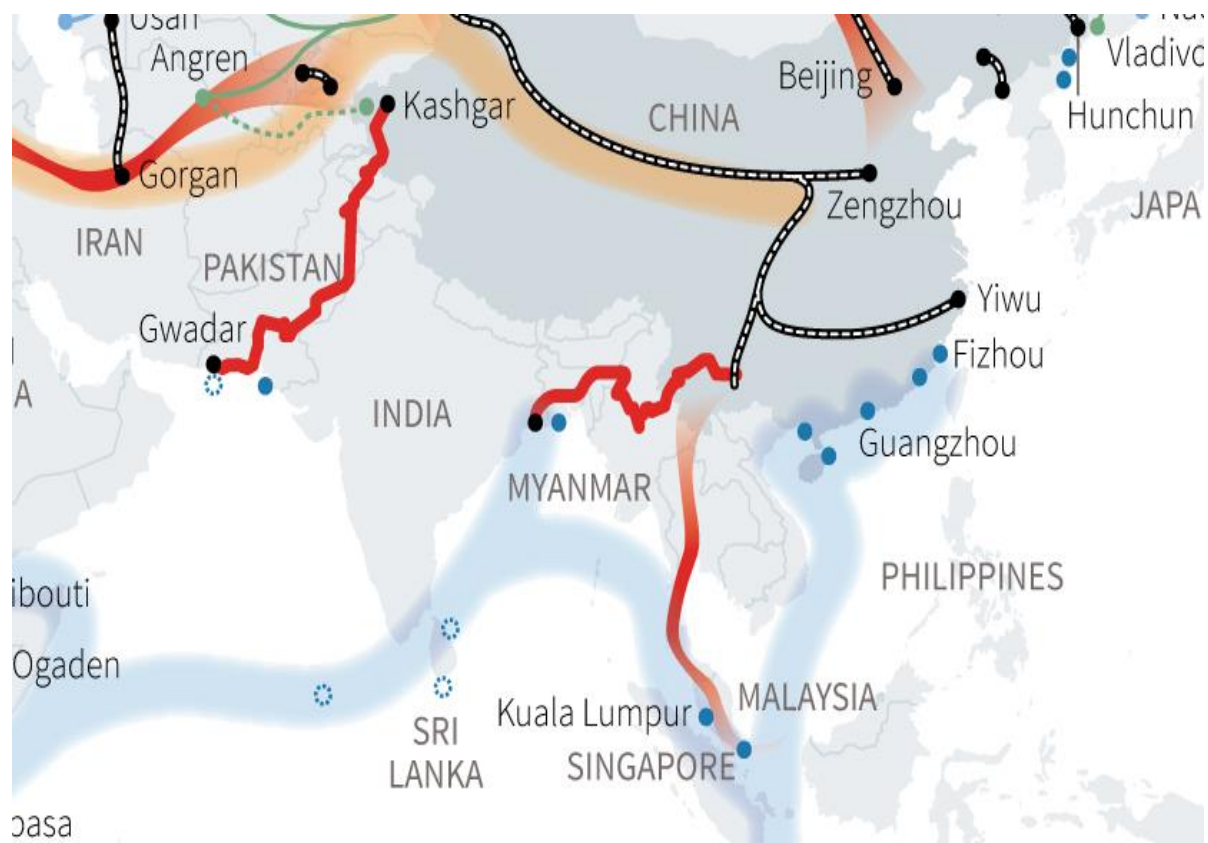


Figure 8. CPEC and BCIM

India and China have opened Nathu La pass in 2006 which is playing a key role in bolstering the bilateral trade and developing their economies. China has also shown interest to link India through Nepal.

Asia-Africa Growth Corridor (AAGC) was announced by India to develop corridor with the help of Japan to counter OBOR. The corridor is designed to link African economies with India through sea lanes and roads infrastructure. Indian opinion writers believe that proposed corridor could not compete and counter BRI as China bags more money than India. India is asking Japan, US and Australia for help to complete this corridor (Panda, 2017).

India is developing an alternate route for Central Asia to access Persian Gulf and Indian Ocean via Chabahar port instead of solely relying on CPEC and Gwadar port operated by Pakistan and China. India has got operational control of the port and has constructed a road to Afghanistan. It would be a route for Indian access to Central Asia also (Daniels, 2013). The port cannot remain operation for the whole year due to local weather conditions and the port is not as deep as Gwadar. Therefore, this link to access Afghanistan and Central Asia cannot compete CPEC and Gwadar. Even it would be cheaper for India to access Afghanistan and Central Asia via Pakistan or CPEC. Additionally, a rail track in Pakistan is operational which is connected up to Turkey via Iran. These both options through Pakistan are more economical and viable for India as compared to Chabahar.

2.9 The US, China and Struggle for Power in Indian Ocean

After 9/11 attacks in 2001, the US President George W. Bush helped India to exercise control and police the Indian Ocean from Suez Canal to Singapore. However, in 2016, India rejected the US offer to join for patrolling South China Sea along with Japan and Australia. Oceans and seas had the key role to play for the economy and military power of the global players throughout the history. In the modern history, colonial powers and the US had strong

naval forces for exercising their economic as well as military power. With the predictions of emerging Asian century, the vital role of Indian Ocean was highlighted by the strategists and the existing as well as emerging powers started centering to have maximum presence and power there (Green & Shearer, 2012).

At the dawn of 21st century, Indian Ocean became the most important waterway for international trade. As per estimates of 2007, half of the global oil produced was taken in tanker through fixed maritime routes. As 36% of the global oil derived from the Middle East was mostly being transported through Indian Ocean (Kaplan, 2009). Oil imports security was very important as 80% of Japanese, 39% of Chinese, 21% of European and 16% of the US oil was being imported from Middle East. In 2006, 80% of seaborne transported oil was passing from choke points of Indian Ocean i.e. Strait of Hormuz 40%, Strait of Malacca 35% and Bab el Mandab 8%. Besides oil, most of the other trade goods of import and export of the countries of adjacent continents besides the mentioned notable economies are also taken through Indian Ocean.

As per transportation experts, shipping through oceans/ seas is the cheapest way as compared to road, rail or air transportation. Thus importance of security of Sea Lines of Communications (SLOCs) emerged at peak. All these states including India besides countries of Indian Ocean Rim (IOR) increased their concerns, attention and role for security and stability in the Indian Ocean (Vivoda, 2009).

Major South Asian countries except Afghanistan are located on the rim of Indian Ocean and heavily depend over it for security as well as economy. India, Pakistan and Bangladesh have strong naval presence in the Ocean as per their weight respectively. Chinese bid to develop CPEC and BCIM are actually aimed at accessing Indian Ocean traversing South

China Sea and Strait of Malacca. China has helped Pakistan and Bangladesh to enhance their naval power and presence in Indian Ocean.

The US has accepted in the new strategy paper by defence department that the US would not be able to enjoy the level of prosperity and power if it fails in strategic competition with the “revisionist powers”. Increasing ageing population of West, growing economies and militaries of China, India and the competition for resources of Middle East, Central Asia and Africa has multiplied the importance of Indian Ocean (Mattis, 2018).

Rising military and economic powers of China and India challenged the dominance of the US in Indian Ocean. The US strategist thinkers view Indian Ocean as necessary waterway for have strong presence and in order to ensure maintenance of the US power in future. The US has been supporting liberalism against regionalism or multilateralism in the past but in case of Indian Ocean, it has been observed supporting regionalism (Kaplan, 2009).

An Indian geopolitical thinker coined the term Indo-Pacific region to refer international waters linking the important economies of Asia. India-Australia, Japan and the US have forged an alliance to exert their influence in Indian Ocean and counter the Chinese emerging influence in Indian Ocean and neighbouring regions (Scott, 2013). The US has even officially changed the name of its Command in the Pacific as Indo-Pacific Command to deal the region and Indian Ocean through said command.

On the hand, China has been developing ‘string of pearls’ and relying on BRI to diversify trading routes for minimizing dependence on Indian Ocean besides supporting and developing partners like Pakistan therefore, Indian Ocean has become a contesting ground between Chinese led and the US led alliances of naval powers. India is the key partner of the US while Pakistan is partner of China for maintaining presence and ensuring their interests in Indian Ocean. The US is strengthening naval power along with allies with claim that it is

trying to maintain freedom of navigation in international water and ensuring freedom of sea lane of communication. China is ensuring presence to ensure its supply security.

2.10 Sino-Indian Relations

Since border war of 1962, Chinese and Indian relations have mainly been geopolitical and they have been considering it a zero-sum game. The nature of China-India relations began to transform in 1980s with the reforms and subsequent opening of economies of both countries. That was a period when both countries were shifting their economies from the import substitution to export promotion policies and they were devising the respective strategies for shifting focus to economics. The accelerated process of globalization in 1990s with imperative of interdependence and appreciation for possibilities of mutual gains in trade had increased focus on trade and investment instead of geopolitics only (Wesley Scott, 2005).

In 2003, China and India signed an agreement to recognize that geopolitical issues or border disputes between them would not affect their bilateral trade or economic relation. The agreement included consensus to resolve bilateral issues through negotiations (Jain, 2004). It was an achievement of China after the US invasion in Afghanistan and announcement of policy of pre-emptive attack. Indian and Chinese borders forces have been reported clashing on Kashmir border of Ladakh and Arunachal Pradesh many a times but the clashes have been of low intensity and didn't provoke responses from capitals. Later, Doklam standoff made the headline and caught the attention for possible escalation and limited war.

India tried to stop China's road construction in Doklam linking Bhutan with China. India considered it a threat as the road passes near Silligori Corridor (or chicken neck) which links seven eastern states (seven sisters) of India with the mainland India. India fear that it would enable China to act any time for disconnecting seven states link with mainland India.

In fact it was a bilateral issue of Bhutan and China while India had nothing to do with it but India acted aggressively beyond its border.

China West Normal University Center for Indian Studies Director Long Zing Qin said that “even if Bhutan had requested India to protect its territory then India would have restricted itself to recognized borders of Bhutan instead of interfering in disputed territories. He added that if India justifies the case then Pakistan has the right to request any third country to help her in disputed territory of Kashmir. The dispute was later resolved through bilateral dialogues and it was stopped to become a reason of war. The peaceful settlement of the issue without going to war is indicator that China and India have built a consensus that war is not an option between them and both countries need each other for their endeavors of economic development (Smith, 2017).

2.11 India-China Economic Cooperation

States are established to be source of socio-political, economic, and cultural units for the citizens. States have different economic postures based on their geography, mineral and natural resources, domestically invented as well as accessible technology, available financial capital, human resources, human skills, industrial and agricultural production capacity, system of governance and the nature of integration with neighbouring and other economies.

For a long period of history, states have been trying to attain autarky through producing all item required for the sustenance and sustainability of state but the time changed this all and the states turned to depend on trade. The practice of past has gradually been changed as technology has improved the pace of development. In 21st century, all developed countries neither have all industry nor have the same road to economic development. With the mobility of financial capital, production technology and human capital have revolutionized the way of economic growth by making it the matter of few decades.

The all economic system and even the market economy have a special role for the central political decisions to affect the growth and development. The degree of role played by some state differs case to case. State calculates and decides economic outlook through policy and makes bid to realize the development of economy. Market economy today even in the developed countries have the similar practices. Geography has an important role to plays in determining economic posture and the structure of a country. Trade plays the key role in economic development while availability of huge market in the neighbourhoods becomes a blessing for the growth. China and India considered the same point to keep bilateral issues at back burner and rushed for grabbing huge market of each for the common goal of developing their national economies.

In 2000, the developments towards increasing the bilateral trade ushered while China and India established a Joint Study Group (JSG) to focus on possibilities and opportunities for bilateral economic cooperation. Based on report of Study Group, both countries formed an agreement for economic cooperation and it was signed in April 2005 on the eve of Premier Wen Jiabao's visit to India (Kumar, 2011).

End of Cold War and disintegration of the USSR ushered a new era of international relations and changed the global strategic environment leading the states to review and reset policies for their foreign policy objectives in a unipolar world. Incidents of 9/11 and ensuing reaction of the US in Afghanistan and Iraq alarmed bells in international arena under the clout of Global War on Terrorism (GWOT). Countries perceived threatened by unilateralism of the US and reframed their foreign policies with security as top priority.

China was among the top countries observing the US unilateralism and perceiving it a direct threat to its security. This push brought China close to India for economic partnership and create interdependence to minimize the threat perception of each other. Mutual trade and

investment have been key in endeavor of pursuing geo-economic politics against geostrategic one. Rise of trade and investment brought some positive results.

Chinese and Indian bilateral trade grew very fast. In 2004, India was among top 20 trade partners of China, 15th in import and 18th in export. China was among top 5 trade partners of India i.e. 2nd in imports 3rd in exports (Wu & Zhou, 2006). Now India is among top 10 trading partner for China while China tops the list of Indian trade partners.

China could introduce a direct route towards India instead of coming from Myanmar and Bangladesh as bilateral trade between the two is projected to reach US dollar 100 billion soon. India does not need to construct a new road like Karakorum as it has constructed link road up to Nepal. Linking India in BCIM at the end portrays that the geo-strategic interests yet play at the center even in China with respect to India instead of economy.

There are different thought cultures around the world. The societies derive the thoughts about life, nature, society and state from those thought cultures. Western culture derives its basis of thoughts regarding statecraft from Greek philosophers, Machiavelli and Clausewitz. Russians have traces in their thought from Karl Marx. Chinese mainly derive their thought from philosophy of Confucius and Sun Tzu. Indian inheritance of thoughts about politics and state comes from Chandragupta's advisor Chana Kya Kautilya.

Muslim Schollars emphasize to derive their thoughts, about all aspects of life and society including state, from religion and practices of early period of Islam. India being home of Chana Kya practices his thoughts and tries to get benefits from both sides i.e. China as well as the US. The policy is still continuing and both competitors are trying hard to woo India for pursuing their strategic interest while India is engaging both sides.

Chinese ambassador in India has offered India to rename CPEC and change the route to link it with India. The proposal was seen as impractical and just a diplomatic statement to

woo India. The two countries are continuously and gradually increasing their bilateral trade essential to keep running their economic engines and enhancing growth. India has not been the top most destination of its foreign direct investment in South Asia as in the case of trade even then China has made significant investment in India. There are 46 projects where China invested in India till 2017. The projects were initiated in different sectors and would benefit Indian economy overall.

2.12 Impact on Indian Economy and Military

Prioritizing the needs of single social class misleads the politicians as well as states. Concentrating only on defence leaves less resources for welfare and sometime even survival of the citizens who are meant to be defended from the external aggression through strong defence (Benoit, 1978). Chana Kya Kautilya, Clausewitz, Machiavelli and Greek philosophy have similarities while Confucius philosophy is lenient as Islam therefore, the Indian alliance with the US and Chinese partnership with Pakistan appears natural. Israeli Prime Minister Netanyahu during his visit to India stated that Indian and Israeli alliance was natural to protect their way of life obviously from Muslims.

Role of China and the US in military development of South Asian countries is not only through export of weapons, transfer of technology, sharing know-how or training troops and joint production but also through creating the strategic environment which leads them to pool major share of resources in military or defence development. It is worth mentioning that significant number of think tanks and research institutes in South Asia are focused and devoted to political, geopolitical and geostrategic studies instead of education, culture and economy to make it a priority issue as needed for the highest population and ratio of poverty.

Think tanks play as the main sources of narrative initiating, building and defining the national, regional as well as global issues. Owing to higher number think tanks focused on

geostrategic studies, poverty and its related issues do not get attention like local politics, geopolitics and issues related to defence. That is why war mongering still remains the election stunt in India.

Number of think tanks working independently and privately in South Asia have been getting funds from the West especially the US to conduct the studies on geopolitical issues in the region. This trend included a huge share of research on fundamentalism, extremism and terrorism after 9/11. Narrative and action has cause and effect relationship. This funding has also been a factor in keeping the national narrative in geopolitical context and creating clouds of geopolitics in South Asia. Over emphasizing of some phenomenon is always equal to propaganda and misleading research or narrative. Neglecting the number of important issues arising parallel and focusing on some specific problems in the national as well as regional debates also leads to wrong results.

The US funding in terrorism related research had created the clout and produced results keeping national and even regional narrative in geostrategic paradigm. Huge funding to the private research bodies helps donors to wield influence and use it accordingly as they get opportunity to portray and mislead host countries (fund receiving think tanks) that what were their issues of national concern to de-track thinking mindset and redirect national resources. Looking beyond this, one concludes that narrative and actions have cause and effect relationship which is why the geostrategic narrative kept South Asian states trapped in geopolitics instead of duly focusing on economic development.

The US has been practicing the principle of “control the narrative to control the world” (Raheemullah Yousufzai, Personal communication 18 September 2017). All forms of South Asian mass media narrative revolves around high politics and defence issues. Unfortunately western media trends and news analysis feed is taken without cautious scrutiny for national

and regional interests by South Asian media. Local and genuine narrative of South Asia or countries of the region is found rarely. Retired military officers, politicians, bureaucrats and technocrats have more share in the national rhetoric than the academia, intellectuals and experts from all walks of life which remains bent on discussions less relevant to economics.

It further takes the masses debates revolving around high politics with the support of mass media consequently neglecting the due attention towards national economy. It is pertinent mention that already generated narratives are so persuasive that educated class accepts those issues as their (as individual, as society and even state) needs and problems instead of observing itself and using own brain to feel and define own issues/ needs. Democratization of the regional and national rhetoric by giving the due attention to all the issues related to the people in the region can improve the situation.

Overemphasis and focus on Euro-American world denies just space for Asian powers and countries in globalized narrative. India is leading in Asia for endorsing the US narrative about the world and affairs of Asia while narrative is not universal in its essence. The international media and publishing houses shape the debate and narrative in South Asian countries therefor, only few Scholars get the understanding of affairs beyond the mainstream international and national narratives.

India is deliberately supporting the US narrative about war on terrorism, Islamophobia, regional politics, Afghan conflict, “Pakistan’s dubious role against terrorism” and “the China threat” to maximize its interests linked with Kashmir, Pakistan, Afghanistan, China and the region. Supporting the US narrative provided India with a justification to crush Kashmiri liberation movement in the name of terrorism, suppress Muslim minority in India, cultivate hatred among Afghans about Pakistan and diplomatically alienate Pakistan over alleged dubious role in War on terror. The support provided an opportunity to India to get benefits

from the US as a counter weight power against China and exert influence in Afghanistan, Middle East, South East Asia and Central Asia besides South Asia.

India is the largest power in South Asia and an important partner of the US in forming the geostrategic environment of South Asia. The South Asian states including Pakistan, Afghanistan and Bangladesh has to face the Indo-US strategic clout. China is taking Pakistan as key ally to counter the US designs in Chinese neighbourhood in South Asia. Military and economic cooperation of the US with India is leading her to become a global power. Indo-US cooperation is highly militarized while economy is second in the bilateral relations. India is the second largest populous country of the world where poverty is rampant and the highest in the world. Indian foreign policy seems focusing on weapons purchase first then the welfare of its masses. The priority have been set under the influence of the US policy of containment of China with support of India by pushing her for regional leadership and compete China for regional as well as global role.

A report published in 2016 claimed that India had planned to spend US dollar 223 billion for purchasing the weapons to overhaul its military for becoming an imminent global power by maintaining the matching military power ("India planning to spend \$223b on weapons over next 10 years," 2016).

Under new plan, Indian government has proposed to purchase 500 modern helicopters, 12 state of the art submarines, around 100 single engine fighter aircrafts while over 120 two engine fighter jets and procure an aircraft carrier by 2027 ("India planning to spend \$223b on weapons over next 10 years," 2016). India is the main regional power in South Asia which has been given a role by the global power structure as per neorealist lens, to form the regional geostrategic environment. India was given lead role in Afghanistan among the regional players to create planned strategic game among Asian and South Asian stakeholders.

It is main impact that global power structure has given to India the desired role to give impetus to the geopolitics. China has not been able to forge strategic partnership with India owing to Indo-US nexus against it and relations remained restricted in trade and investment. As per neorealism, Indo-US and Sino-Pak nexus creates regional strategic environment for smaller South Asian states including Afghanistan and Bangladesh. The huge and modern weapons purchase would create the imbalance in military power of South Asia and Pakistan would also follow the suit. Smaller regional countries may not be able to participate in the arms race and their security may be undermined.

The US arms sales to India in 2009 were almost zero while it jumped to US dollar 9 billion in 2014. Before this, Russia used to be the major arms supplier to India. India started purchasing weapons from Israel, Germany and France. As per Stockholm Peace Research Institute report Germany is the fourth largest arms exporter in the world while it sells arms only to India.

Volume of the US arms sale to India is not equal to all of its purchases but the US maneuvering of security structure in Asia or its strategic competition with China encourages India to be the major arms importer in the world. This purchase works as ignition to arms race in South Asia especially between Indian and Pakistan as India brackets itself with China while Pakistan brackets itself with India. The push by the US to India and Chinese military modernization are creating the domino effect in South Asia.

China has no significant military cooperation with India but the economic cooperation mainly through trade is helping India grow its economy. Military cooperation is limited to exchange information and communication over security of region. China is keen to neutralize India and avert Indo-US partnership from being the anti-China partnership. The two sides have faced many conflicts since 1962 war. Now the focus is to keep strategic communication

open and avert the possible conflicts on border. China and India conducted military exercises in 2016 which have helped established contacts and improve bilateral military relations.

Huge volume of Sino-Indian bilateral trade is important development in relation of the two countries especially after 9/11. Availability of cheap Chinese goods is also important for India as compared to the other trading partners. The two countries have agreed to increase their bilateral trade up to hundred billion dollars which seems to be achieving before the set deadlines. Indian economy is becoming dependent on Chinese while the interdependence may help the two countries avert the possible conflicts. Thus Sino-US' converging interests and strategic competition have helped India grow economically as well as modernize militarily.

Hypothesis of this research is that convergence of Sino-US interest in any country helped in development of economy while divergence of interests was instigating development of military in the respective country. It seems to be incorrect as Chinese and the US interests do not converge in South Asian countries while divergence does not bring the same results in every country. Divergence of interest does not necessarily result only in the development of military but in economy too. It has brought different result in different countries while it brought the disaster in of Afghanistan.

Divergence Sino-US of political and strategic interests in India has helped India develop economically and militarily both despite rivalry and no military supplies from China. Convergence of interest with respect to economy helped India grow its economy. The US has been supplying India with military technology and India has also been acquiring the bulk of weapons, at its own, to modernize it's military. India and China have been committed to increase their bilateral trade to boost their economies despite divergence of strategic interests and clashes on border.

2.13 Way Forward

Industrial revolution and political advancement in Europe led to the colonization of Asia, Africa and Americas. Three centuries of political, economic and military dominance of Europe around the world also resulted in dominance of European thoughts about nature, life, society and state. Thus European thoughts have become dominant in global arena especially interstate relations. Most of the thoughts, currently in practice, have been derived out of the experiences of Europe and the Euro-American dominance have tried to present those practices as the eternal global reality which is factually not.

European economists have been claiming that economic development would only follow the liberal democracy in the form of market economy but controlled economy under the authoritarian rule of Communist Party in China is a glaring opposite example. Inheritors of Greek philosophy, followers of Clausewitz and believers of Nicholas Machiavelli came into power and started practicing their ideas leading to the domination of realist paradigm. State has been taken as center and priority in all the affairs therefore, human being is subject to the priorities of the state. Unless liberal paradigm, derived out of Sami religions' teachings, becomes dominant which takes the human being as center, humanity on earth would suffer at the hands of wrong assumptions of the past. But until the paradigm change in practice of global dominant power structure, China and Muslim countries even with opposite thought culture, have to protect them the way they are threatened remaining in the same realist paradigm. India, being home of Chana Kiya believes and practices his thoughts but those are almost same as of the Western legacy.

Shanghai Cooperation Organization (SCO) is an important platform founded by China and Russia for cooperation among Central Asia while now India and Pakistan have also joined it. Russia has edge in military technology therefore, her politics and diplomacy have

mainly been based on military sector. On the other hand China keeps economic development sector on priority and cooperation for the same but both have consensus to replace the US influence from their neighbouring countries and their respective spheres of influence. Chinese role in neighbouring regions and inclusion of India and Pakistan in SCO is changing the political, economic as well as military scenario on the continent.

SCO has so far has taken more than half of Asian important powers in membership for cooperation and represents around 50% of global and population. SCO's objectives include cooperation in the fields of security and pursue for economic development but it also aims to shield Asia against eastward expansion of NATO in the continent.

India is trying to get benefits from the US as well as from the opposing bloc i.e. China and Russia being member of SCO. India cannot attain its real interests until it takes regional countries along and adjust with the common interest of the region. India will have to sit with regional powers in Shanghai Cooperation Organization to resettle or readjust agenda which is confronting the interest of the organization and the region (Scott, 2008).

China has already created interdependence with India through huge volume of bilateral trade. India appears to be willing to integrate itself with regional economies and it will also be inclined towards the regional geopolitical interests. BCIM also looks to be realized same like CPEC as China is committed to access Myanmar, Bangladesh and India Ocean through it. "Act east" policy of India envision linking of its economy with South East Asia through road and rail link which converge with the vision of BCIM (Parameswaran, 2014).

The US seems to continue to have strong economic and military and strategic relations with India as it would be key partner of the US for its interests in South Asia, India Ocean and the world in the larger context besides being a reliable ally to counter Chinese influence. China is trying hard to neutralize India being part of the US designs against China, Russia

and the region as a whole. China is being supported by Russia, Pakistan and Iran to eliminate the US influence from the region. India acting as an Island would not be able to work as per its vision of becoming the global power only through alignment with the US and facing confrontation of regional powers including China and Russia.

Chapter 3

Pak-US and Sino-Pak Strategic Cooperation

3.1 Profile of Pakistan

Pakistan has around 210 million population and shares border with China, India, Indian Ocean, Iran and Afghanistan. Pakistan is located at the crossroads of South Asia, Central Asia and the Middle East. Pakistan is a bridge for landlocked Central Asia, Afghanistan, China and Indian Ocean for trade. Pakistan is important country of South Asia owing to its geo-strategic location, strong military power, nuclear weapons, enmity with India and a long known role in Afghan wars.

In the primitive period, the economic, social, cultural and political life of people was mainly determined by physical geography, natural environment, and clans' culture of hierarchical or interpersonal relations and by the relations with the people and clans surrounding them but the scale was very small. Establishment of the states has increased the level of integration of society which means connectedness to share benefits and bear consequences of anything wrong throughout the territory of the state. Though, conquerors like Alexander the Great and Genghis Khan also lasted impact on the people in large part of the world in a bid to establish the large empires but still not at the global level. Colonial powers also ruled the weaker, less developed and less powerful people by subjugating them. Empires provided the larger structures to govern and control life of the people.

World wars destruction remained mainly in Europe or Eurasia but during Cold War policies of the US and USSR affected people in most parts of the World. Globalized integration of 21st century especially in the age of computer, information technology, global business and communication has increased the connectedness throughout the world which means being part of the whole world sharing problems and reaping fruits altogether. Sino-US strategic competition in 21st century is going to affect the fate of people, positively or

negatively, in every nook and corner of the world particularly in Asia and key of regions of Asia including South Asia.

Majority of Pakistani people have not been able to get out of the clutches of poverty owing to the opposite priorities of the rulers. Pakistan was carved out of united India in 1947 and later it was dismembered with the help of India as it played the key role in keeping the country defence-centric and bid for military development always comparing itself with India. Pakistan had to fight a war with India over injustice regarding division of geography, state property and annexation of Kashmir, only few months after partition.

Pakistan has fought four wars with India so far while the danger of war still looms, due to Kashmir conflict, making the region a flash point for possible nuclear war. Out of 70 years of Pakistan's existence, almost half of the period, people have been ruled by the military dictators. The military rule has not been in single portion of the history but there were three different reigns intervening after brief pauses of civilian rule. Military had the influence to maneuver the affairs, even in civilian rule, being out of power (Shah, 2003). Thus the socio-political environment of the country was never in control of civilian rule completely. The Indo-Pak rivalry, conflict of Kashmir, Cold war, Afghan wars and alliance with the US has kept Pakistan trapped in geopolitics instead of moving on to the geo-economic agenda.

3.2 China-Pakistan Strategic Partnership

There are many attractive slogans for describing "special and unique" Sino-Pakistan relations in the current history. The slogan are "permanent, all-weather, time tested, time honoured, deep rooted, higher than Himalayas, deeper than oceans, stronger than steel and sweeter than honey friendship". A new slogan has recently been added as "Iron Brothers".

Pakistan provided air corridor to China's aircrafts in early years of their friendship when China was not being given the facility by other neighbouring countries. Considering the

nature of regional geo-strategic environment, posture of the two countries and their good relation, China came up with the idea of constructing road link between China and Pakistan. Karakoram Highway (KKH) was constructed over the highest mountains on earth to link China with Pakistan. Around 800 workers lost their lives while cutting the mountains for construction of the strategically important corridor.

The terrain of the KKH is difficult and on high mountains, known as roof top of the globe, therefore the road is some time referred as “eighth wonder” of the world. Rendering so huge number of sacrifices in construction could never be imagined without understanding of the importance of the corridor and trust in partnership with Pakistan. Chinese partnership with Pakistan has been strengthening with every passing day by extension of cooperation in almost every field of mutual interest. Post 9/11 period marked a further shift to strengthen Sino-Pak rapprochement.

Model derived out of neorealism for this study explains that interaction of global and regional power structure defines the strategic environment so, Sino-US strategic competition and the US tilt towards India created a situation for Pakistan to embrace China more closely. Similarly, strengthening Indo-US nexus to counter China and establish an envisioned order in South Asia compelled China to strengthen the strategic partnership with Pakistan. In this backdrop, an important development took place in bilateral relationships in 2005 when Pakistan and China signed a treaty of friendship. The treaty bind the two countries to defend each other's territory and not let anyone to use their territory against the interest of each other. The treaty also binds the two countries that they both would not sign any agreement equating it with any third country, making it unique partnership. The treaty includes the agreement for regular strategic consultation and support for developing defence capabilities (Akhtar, 2014). The strategic cooperation has helped Pakistan a lot to strengthen its defensive power.

In 1965, China supported Pakistan in war against India openly. Such cooperation has also been observed when China assured again to Chief Minister Punjab in Lahore that China would come for all out support to Pakistan in case of any foreign aggression, the report was published in Daily Dawn on 24 September 2016. The statement was released when there was tension on borders with India but it conveyed a message to all that if Pakistan is attacked then China would not remain neutral in the war.

China-Pakistan relations have been mainly defence centric and diplomatic in nature despite all the rhetoric until 2013 as the trade between the countries have been very limited. The Sino-Pak relation was trustworthy, reliable and credible in many ways especially in strategic cooperation but actually the unfolding “Chin-Pakistan Economic Corridor (CPEC)” as flagship project of BRI has added the much needed substance to the slogans. As the relationship for last six decades has been overwhelmingly “defence-centric”. The defence, diplomatic and political relations of the past have now included economic aspect up to the full scale potential of both countries (Faisal, 2018).

CPEC was also developed in the backdrop of the US concentration in South Asia and South East Asia surrounding China for neorealist interests. Though CPEC is a part Chinese larger Belt and Road Initiative (BRI) but CPEC is considered and termed as the pilot project of worldwide connectivity corridors of China. CPEC has the shortest route, passing through a friendly country, to connect China with South Asia, Central Asia, Middle East as well as Indian Ocean for accessing Africa and Europe bypassing South China Sea and Strait of Malacca.

CPEC is transforming inherent liability of Pakistan’s geography into a vital asset by strengthening the regional integration and reinforcing economic development of Pakistan. Pakistan has paid enormous cost of sharing borders with India, China, Iran, Afghanistan and

proximity to Arabian Sea since its inception which made its geography, an inherent liability due to effects of geopolitics, strategic competitions of the global powers and conflicts in the neighbourhood. Now with the emergence of China and race for economic development in neighbourhood have transformed its borders from threats into opportunities.

CPEC is the manifestation of this changing role of geography. China has announced to shift some of its textile, automobile and light engineering industry in Special Economic Zones (SEZs) to be established along CPEC route in Pakistan. Thus CPEC is not only name of roads, railways, fibre optics and pipelines connectivity of China to Gwadar and beyond through Pakistan rather it means integration of economies of the regions which will transform the role of Pakistan's geography from a source of problem to an asset.

As China developed economically, its needs for import and export grew exponentially besides changes in its military and defence capabilities as well as defence partnerships. China strengthened the partnership for defence and economic relations. Chinese trade is mainly focused in Europe and America but it has been growing everywhere including its neighbours whereas Pakistan is no exception. Although bilateral trade also saw some surge since 2001 but it has not actually reached the level yet as far as its actual potential is concerned. Annual volume with increase in bilateral trade has brought positive impact.

Deputy Chinese Prime Minister during his speech on Independence Day Celebrations of Pakistan in Islamabad acknowledged that Pakistan had played crucial role in ending Chinese blockade at international level (PTI, 2017b). This open recognition is a sufficient to highlight the strategic importance of CPEC for China.

According to Pakistan's ministry of planning and development, CPEC is not the name roads only but a framework of cooperation in almost all fields of bilateral interests. Initially dozens of agreements worth dollar 46 billion were signed for the construction of energy

projects, roads, airport in Gwadar and development of port. The number of projects grew and the investment was increased up to US dollar 62 billion. As per initial plan, there were three type of projects, early harvest, midterm projects and long term projects to be completed 2030. In early harvest projects, energy and some road projects were included to meet the energy shortfall and connect the missing links of roads up to Gwadar for starting the transportation through Gwadar.

The next phase includes establishment of special economic zones besides construction of Western and Central CPEC routes, construction of communication infrastructure and investment in development projects (Faisal, 2018). As per plan of the economic or industrial zones, nine zones would be established in first phase. One zone in each province besides Gilgit-Baltistan, former FATA, and Kashmir while two for the federal government out of which one would be established in Islamabad whereas other would be revival of Dhabeji economic zone. Initially China pledged to invest the US dollar 46 billion, more than the investment for whole of Africa in 2013. The large list of investment projects in Pakistan indicates the Chinese commitment to transform the economy of Pakistan.

It is the age of virtual image management where the countries had to manage their peaceful and stable image to attract foreign direct investment required for their projects of development. There was a time when Pakistan used to be reported as the most dangerous place on the planet and tourists used to be warned from visiting Pakistan. Investment in Pakistan was decreasing but China came with the project of CPEC through Pakistan and initial investment changed the outlook of Pakistan's profile. Prime Minister of Pakistan Nawaz Sharif once stated that there were 52 countries who were interested to invest in the projects designed under the CPEC (Observer, 2017). Japan repeatedly requested Pakistan for opening of the projects of CPEC for investment by other countries also. Government of Pakistan announced that other countries would also be able to invest in CPEC projects.

China has announced to shift some of its textile, auto industry and light engineering industry in Pakistan under CPEC, the flagship project of OBOR (Tong, 2015). It is aimed at shifting the basic industry to its periphery and elevate domestic industry to more complex technology. The reason of shifting is also stated as end of cheap labour in China required for these industries to keep the products competitive in the world markets therefore, China is shifting said industry to Pakistan. Another reason of shifting is also referred by the critics of CPEC as shifting of carbon emissions from deteriorating climate of China.

Central Asian Regional Economic Cooperation (CAREC) was formed on the pretext of improving regional connectivity for economic integration and development. 15th Ministerial Conference of the organization was held in October 2016 in Islamabad where Pakistan projected the CPEC as the ideal project for realizing the dream and vision of the organization necessary for the economic development of member countries (APP, 2016).

Chinese President Xi Jinping once termed the investment, for construction of projects under CPEC, in Pakistan as a way of weaning out the population of Pakistan from extremism and terrorism (Butt & Butt, 2015). Perhaps there could be concerns in Chinese policy circles that security of Xinjiang could be disturbed and its neighbourhood could be insecure if the extremism increases or extremist elements come into power in Pakistan. Chinese consider the religious extremism and terrorism a result of poverty in Pakistan.

CPEC has three routes of roads, Eastern, Western and Central. Khunjrabad to Hassan Abdal is the same road link for CPEC in Pakistan. Eastern routes connects Khunjrabad with Gwadar through Hazara, Faisalabad, Multan, Sukkur and Quetta. Western routes takes turn from Hassan Abdal to Mianwali and D. I. Khan to Zhob, Quetta for Gwadar. Central route is same as the Western up to Mianwali then it leads to D. G. Khan, Kashmore and then links it with Eastern route in Baluchistan (Abid & Ashfaq, 2015).

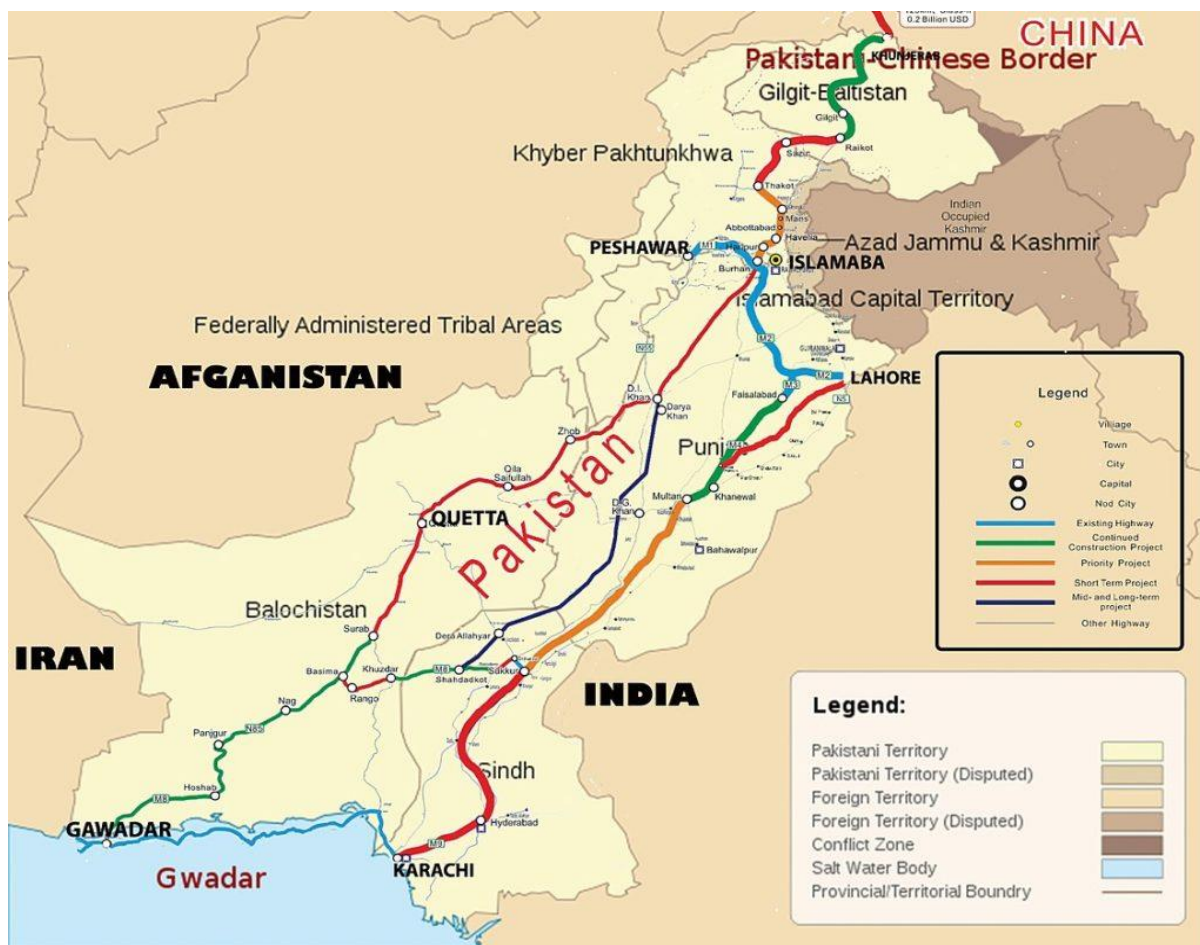


Figure 9. CPEC Routes

<https://www.farmlandgrab.org/post/view/28153-is-pakistani-agriculture-ready-for-cpec>

At the beginning of CPEC projects, it was emerged through various circumstantial evidences that China had sought guarantee from the military establishment of Pakistan that CPEC would be completed as agreed and planned even if the civilian rulers in government change, keeping in view the civilian government record and ongoing protests over alleged rigging in general election of 2013 (Wolf, 2016).

Pakistani military commanders kept assuring China that CPEC projects would not be rolled rather those would remain priority even after disqualification of Prime Minister in Panama Leaks Corruption Scandal. Chinese foreign ministry announced that disqualification of Pakistani Premier Nawaz Sharif was internal matter of Pakistan while bilateral cooperation

of the two countries would continue. It was added that Pakistani people and state would surely support the policies of development. Soon after election as Prime Minister of Pakistan Mr. Shahid Khaqan Abbasi said that the policies would remain same and work on CPEC projects would be continued with same zest and zeal.

The US had shaped “Asia Pivot”, “Trans Pacific Partnership” and other important policies for countering the Chinese outward expansion by accumulating regional support in East Asia and South East Asia on Chinese traditional main gate to the outside world opening on eastern side in maritime belts. China felt threatened and realized the need to minimize dependence on eastern waters for heading towards South Asia, Middle East, Europe and Africa by getting routes via friendly countries in Western and South Western parts. Pakistan is one of those important countries which provided the best option of routes to access these region by using its territory and Gwadar port.

Reports of Chinese naval base construction in Jiwani Peninsula has been surfaced. On the other hand, it has been confirmed by Chinese officials that Gwadar would mainly deal with merchant ships and it would not be able to meet the supply needs of Chinese patrolling war ships in Persian Gulf and Indian Ocean therefore a naval support base is being built (Gertz, 2018). It would be the second naval base of China on foreign land after Djibouti.

The US claims that China is using predatory economics to reorder Indo-Pacific region to its advantage. It would be important for expansion of Chinese influence to deliver through win-win cooperation instead of only making out of BRI projects. The US intelligence report declare that Pakistan would be in Chinese orbit in 2019 quitting the US sphere of influence (Iqbal, 2018). The reports seem to be late as Pakistan had already gone in Chinese orbit. Blockade of the US military supplies and indictment of the US contractor were the indicators that Pakistan was not going to be the embodiment of the US desires. Huge investment by

China also indicates that China was convinced at least a decade earlier that Pakistan was not happy with the US and it would slip out of the US clutches provided she was assured to be an alternate of the US military and economic supplies.

Russia and Pakistan discuss peace process in Afghanistan. Russia has got closer to Pakistan after Crimea issue and deteriorating relation with the US and the West. Russia has provided Pakistan with military helicopters and directly sold engines of JF-17 Thunder aircraft, an equivalent to F-16 jointly built by Chinese and Pakistani engineers. Russia has showed keen interest to investing in a gas pipeline to be laid in Pakistan. Russia has changed its policy of neglecting Pakistan on behest of India as India was getting closer to the US. An important development in Russia for Pakistan has been the announcement of loyalty to Pakistani state by Juma Khan, a former separatist leader of Baluchistan. Dr. Juma Khan had designed flag of independent Baluchistan. He disclosed that India was sponsoring insurgency in Baluchistan while Baluch leaders were stooges of Indian agency RAW (APP, 2018a).

China is not only investing and increasing trade with Pakistan but it is playing a key role in defining the economic structure in Pakistan. It is determining the business friendly culture. There were rumors that Economic Zones, being constructed under CPEC, would be solely for Chinese companies and even Pakistani industries would not be allowed in zones. Pakistan government clarified categorically that not only Pakistani businessmen but also investors from other countries would be allowed to join and invest in the special economic zones (Tribune, 2017).

3.3 Military Support by China

There has been a significant time of six decade when Sino-Pak relation were considered as restricted in defence sector only. The two countries were not major trade and investment partners of each other but they were reliable major security partner (Pant, 2012). It is only

after initiative of CPEC that the two countries became very important for each other's economic development. There are five dimensions in national security. These dimensions include the cyberspace, space, air, ground and sea. Sino-Pak military cooperation includes all of the five dimensions.

China and Pakistan have agreed to lay down an optical fiber between Khunjrab Pass and Rawalpindi as part of CPEC (Ahmar, 2015). The 820 kilometer long cable would cost US dollar 44 million to be completed. The Project was envisioned in 2009 but it was included in CPEC to be completed in 2018 (Afridi & Khalid, 2016). The cable would link Pakistan with Trans Europe-Asia Terrestrial Cable Network. The project is being financed by Exim Bank of China. This project would improve internet connectivity, minimize dependence of Euro-American controlled cable and enhance cybersecurity of Pakistan.

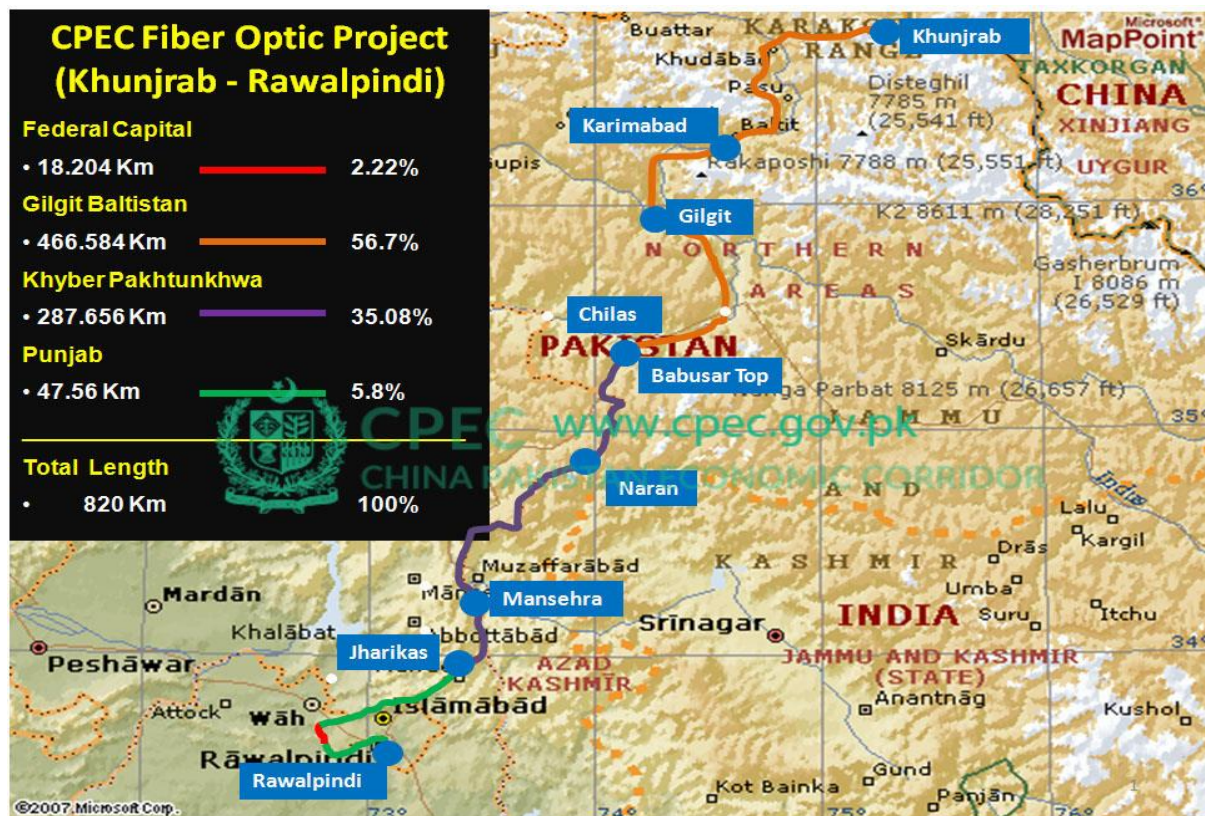


Figure 10. CPEC Fiber Optic Connectivity Project

Pakistan and China are working to develop a satellite to be launched in June 2018 for planning, developing and monitoring CPEC projects. The cooperation in space technology between the two countries would be enhanced further on running and completion of project. Satellites are being used for monitoring the security affairs also. The project would enhance not only security arena but also the surveillance capability and would open new vistas for socio-economic development of the country (Zahid, 2016).

China has provided Pakistan the multi target missile tracking system which would help Pakistan speed up work on multi warheads carrier able to hit various targets. It would highly improve Pakistani nuclear missile system by improving its defence through acquiring the lethal power to target many sites with the same missile (Chen, 2018).

Pakistan Navy signed an agreement with China to order the four F-22P light frigates besides six Z-9c helicopters of worth dollar 750 million in 2005. The agreement included all the associated accessories or systems besides transfer of technology. Three of the ships were built in China while the fourth one was built in Karachi Shipyard (Makhdoom, Khan, & Khan). Pakistan and China made another deal of Fast Attack Craft (FAC). One of the FAC was built in China while the other in Karachi (Makhdoom et al.).

Pakistan secured another deal with China in 2015 to purchase six patrol boats with technology transfer. Four of the boats were to be built in China while the two in Karachi. Pakistan navy ordered four attack crafts with anti-ship missile system. China handed over two ships to Pakistan navy for security of Gwadar port in January 2017. The handed over ships were named after nearby rivers' names Hingol and Basol. China was making two more ships to be handed over to Pakistan. The under construction ships were referred as Zhon and Dasht (Baloch, 2017). Pakistan and China have signed a deal worth US dollar 6 billion for eight Chinese submarines with transfer of technology. It is the major defence deal in Chinese and

Pakistani defence cooperation history (Medcalf, 2015). China has signed deal with Pakistan for modernization of Karachi shipyard as China has already helped Pakistan built army and air force complexes.

Chinese Navy conducted joint exercise with Pakistan navy as its first ever exercise with any foreign navy in 2003. China continued bilateral and multilateral naval exercises with Pakistan. In 2011, the two countries' navies conducted anti-piracy exercise. Pakistan navy has also participated in an exercise near Chinese coast including anti-submarine technology use. Scale and scope of the exercises have been improving gradually over 16 years of the bilateral naval exercises (Mukherjee & Mohan, 2015).

China provided 425 pickup vehicles and 80 ambulances along with some office use equipment for free to Pakistan. The aid was given to Pakistani police to improve law and order situation in the country. The vehicles were distributed among police of capital, provinces, Gilgit-Biltistan and Kashmir for the purpose. On establishment of Special Security Division in Police of Punjab like other provinces, China provided 10 vehicles to support the mission of police (Khan, 2016). It is clear indication that China is not only cooperating with Pakistan for its external or border security but internal security and improvement in law and order situation by enabling the law enforcement agencies.

JF-17 Thunder is an important joint project of Chinese and Pakistani air forces to have an alternate of F-16 while Pakistan is also exporting JF-17 Thunder to other countries. It has helped Pakistan to be self-reliant and strengthen its economy by exporting it. China Pakistan cooperation in military and security equipment have been broad, covering all dimensions of national security. China has played key role in development of Defence technology. China has been the man supplier of defence equipment to Pakistan while it supplied the more equipment during the period of study comparing it with previous whole history.

Pakistan has been dependent on the US for defence supplies more than China due to state of the art technology and ability of the US to offer it. But after 9/11 this equation start changing and Pakistan became more dependent on Chinese supplies while its dependence on the US has been substantially decreased (Fels, 2017).



Figure 11. China Emerges as Leading Arms Supplier to Pakistan

<https://www.ft.com/content/8dbce0a0-3713-11e8-8b98-2f31af407cc8>

3.4 Sino-US Role & Kashmir Issue

The two giant countries of South Asia are intertwined in war since inception due to grudge of partition and forced occupation of Kashmir by India. This continuous conflict since seven decades have stuck both countries in geo-politics and war hysteria leading to arms race ultimately resulting in pooling of majority resources in military might instead of economic development or people welfare (Akhtar, 2015). The fall out of conflict hinders regional integration and economic development in South Asia at large.

Kashmir is unfinished agenda of partition of subcontinent. India annexed Kashmir against the will of population and agreed formula of partition under British Viceroy. Pakistan fought war to push the Indian forces back but only one fifth of the area was freed. Pakistan then moved to the United Nations Security Council (UNSC) where the issue was recognized as just and plebiscite was proposed as solution for the Kashmiris right of self-determination (Ashraf, 2017). India has been denying to implement UNSC resolution and suppressing the Kashmiris freedom movement. In 1990s Kashmiris took up arms for their right and teach a lesson to the occupation forces. India increased number of troops and continued brutalities by killing, committing violence and raping Kashmiri women as policy (Wirsing, 2016).

Majority of Kashmiris want merger of Kashmir with Pakistan while India is trying continuously to suppress Kashmiris through large number of troops with terrorism as the state policy. It is the longstanding international unresolved issue of struggle for self-determination recognized by the United Nations Security Council under international law. There are 18 resolutions of Security Council passed in favour of Kashmir solution as per the recognized right of self-determination through plebiscite (Wirsing, 2016). India has been continuously denying the just right of Kashmiris despite the domestic, regional and international pressure. Despite denial to fulfil international obligation, under the United Nations Security Council (UNSC), India is lobbying for reforms in global body and running for permanent membership in the UNSC.

Kashmir liberation movement has four significant periods of ups and downs. Pre nineties period of peaceful struggle through protests, armed struggle in 1990s, post 9/11 suppression in the name of terrorism and post Burhan Muzaffar Wani's martyrdom. A fresh strong and energetic wave of Kashmiris rise for right of self-determination has been witnessed which is led by fourth generation of Kashmiris youth that has been observing the Indian forces violence and cruelties very closely since childhood. Kashmiris have got up with

the mission that it is time of “now or never” (Hill & Motwani, 2017). The wave is not consisting on guerrilla attacks of 1990s but the peaceful protests demanding right of self-determination, questioning Indian forces occupation and brutalities and calling the attention of international community towards the issue.

India is trying hard to suppress the movement by ruthless state terrorism using all kind of barbaric tactics unmatched in recent global history. Time and again, Kashmiris have been deprived of social media, internet and mobile phone service to bar strengthening of movement and stop Kashmiris from exposing Indian brutalities to international community (Hill & Motwani, 2017). The heat of new wave of Kashmir movement has hit every nook and corner of the World and has got response from various countries voicing for solution of the issue. India and Pakistan have fought wars over Kashmir and both are convinced that settlement of Kashmir is possible only through peaceful negotiations. Though India has rejected arbitration of any third party by terming the issue as bilateral between India and Pakistan but Indian Foreign Minister said that India was ready for negotiating with Pakistan on Pakistan’s Kashmir (Carranza, 2017).

It was not first time, India had agreed and even if the two countries come to negotiation table, it would not be something new as many round of talks have been held in the past too but in vain. This time negotiation would bring any breakthrough or not? It depends a lot on three factors i.e. sustainability of Kashmiris youth movement for self-determination, domestic pressure on India for solving the longstanding issue to embark upon the road of economic development and international pressure for solution of Kashmir issue. Kashmir issue is a thorn in the peace of South Asia as Indo-Pak rivalry affects all South Asian countries. Unless and until Kashmir issue is solved, South Asian integration and wish to embark upon path of economic development does not seems possible. China and the US are the two leading powers and extra-regional players which matter the most in South Asian affairs therefore,

interests and policies of these two countries towards Kashmir are important to be highlighted particularly. Sino-US strategic competition is also impacting Kashmir and appears to lead it towards settlement.

3.5 Kashmir Issue after 9 /11

Changing degree of interest brings about changes in foreign policy accordingly. 9/11 is an important point in history of international relations which brought about changes in the foreign policies of states especially in this part of the world known as Asia. The US has been changing its policy towards Kashmir and it happened particularly after 9/11 although the two belligerent states had become nuclear powers. The US considers India a strategic partner in the region after 9/11 due to its large population, economic size, democratic system, global designs and common interests in Asia so while her policies have tilt towards Indian stance over Kashmir issue (Wirsing, 2016).

Soon after 9/11, the US was successfully persuaded by India for not showing interests in the issue. Many a time, the US leaders stopped even mentioning Kashmir and kept stating that Pakistan and India should resolve their bilateral issues through mutual dialogue (Javaid & Rashid, 2017). After 18 resolution by UNSC, Kashmir does not remains a bilateral issue and becomes an important international issues after Palestine. India however, always tries to downplay Kashmir issue and claims that Pakistan should not raise the issue at international forums as they had agreed that Kashmir was a bilateral issue.

China has forged strong strategic partnership with Pakistan by initiating China-Pakistan economic Corridor (CPEC) under its One Belt One Road (OBOR) initiative. Pakistan had given a large area of Kashmir to China in exchanges of territories for border issues settlement in 1963 with provision to resettle its status after permanent solution of Kashmir issue.

The area given by Pakistan to China is not only large chunk of land but a strategically important area for mainland China, linking Xinjiang with Tibet (Afridi & Khan, 2016). Steady and sustainable development of China also requires the peaceful surrounding and neighbourhood. These factors determine Chinese interest and policies towards Kashmir and peaceful solution of the issue. Dr. Sawaran Singh claimed that China had agreed with India to stop siding with Pakistan over Kashmir for reciprocal end of Indian support to Tibet and Xinjiang (Singh, 2003).



Figure 12. Administration of parts of Kashmir by Pakistan, China and India

<https://www.bbc.com/news/world-south-asia-11693674>

Kashmir issue was overshadowed after the US invasion in Afghanistan. Global War on Terror (GWOT) affected struggle of Kashmiris under the US pressure. India started linking the efforts for right of self-determination of Kashmiris with terrorism and continued with its

policy of state terrorism (Ahmed, 2016). India had improved its relations with the US as strategic partner in the region and the US kept mum over issue of Kashmir despite Pakistan's close cooperation over GWOT and war in Afghanistan. The US Presidents didn't even mention Kashmir issue during visit in South Asia in 2006. Kashmir went missing from the mainstream discussion at international level and got very less attention as compared to pre 9/11 times.

In July 2016, killing of freedom fighter Burhan Muzaffar Wani ignited the much needed flame of freedom burning in heart of Kashmiri Muslims (Hill & Motwani, 2017). The strongest protests followed by Indian forces' brutal violence knocked the major capitals in the world and those voiced for the right of Kashmiris in one way or the other.

Indian foreign Minister said that the issue is bilateral as agreed in Shimla Agreement and Lahore Declaration therefore, Pakistan must not take it to the International Court of Justice (ICJ). India has been offering readiness to negotiate Kashmir issue as a tactic for time taking and calming down the movements against Indian accession in Kashmir. India has been showing non-seriousness towards solution through negotiation. Whenever there is pressure from Kashmiri people or international community, India would announce to start negotiations with Pakistan over Kashmir but later she would not take it to task.

Indian forces have killed tens of thousands Kashmiri youth for suppressing the demand for self-determination but killing of a young Commander of Hizbul Mujahideen Burhan Muzaffar Wani on 8 July 2016 gave birth to a fresh, domestic and powerful uprising against India demanding freedom from occupation forces. The protests were continued for two months while India government imposed curfew for months in Kashmir valley whereas it was re-imposed in some areas again. Indian government used pellet guns, tear gas, rubber bullets and assault rifles to target the protesters. It was resulted in killing of around 100 civilians and injuries to more than 15000 where 1750 became blind due to the use of pellet guns (Showkat,

Yousuf, Wazir, & Bhaghat, 2017). It is the deadliest, cold blooded force used against people demanding Azadi in history.

Large number of Kashmiri youth, without discrimination of gender holds Pakistani flag while demanding “*Azadi*” and chanted slogans of Pakistan. The most surprising procession was of Kashmiri youth to celebrate Pakistan Cricket Team victory against India in final of International Cricket Council Champions’ trophy despite brutal and deadly violence of Indian forces which resulted in killing of four Kashmiris on the same day (TNN, 2017). The killing and atrocities are not decreasing participation of Kashmiris rather it is increasing anger and furiousness of Kashmiris.

Struggle for self-determination by Kashmiris is not only in streets and in grounds through protests, hoisting of flags, chanting of slogans of *Azadi* but also on the social media with similar passion and force therefore, Indian government has been clamping the curfew on movement not only through ruthless, coldblooded force, pellet guns but also disconnecting the mobile communication and suspending internet service. It also led to the media blackout by banning newspapers over allegations of inciting violence in Kashmir. India has been blaming that freedom movement was led by Pakistani mujahedeen. First anniversary of Burhan Wani was proved to be a nightmare for India when it had to announce no go areas including grave of late Mujahid and suspend telephone and internet services (Jamil, 2017).

3.6 OBOR, CPEC and Chinese Policy of Kashmir

In current international system where no international issue can be solved peacefully even through international law without interests and role of the major powers having Veto authority in the UN therefore, the interest and subsequent policies of these countries matter a lot. China has not been given the due share in international system as per her weight which compelled it to establish some new institutions to play desired role. China is committed to

transform the international system to get the leading role in Asian as well as the global affairs.

China Pakistan Economic Corridor is also part of its objectives. India is objecting CPEC because it passes through the disputed territories where India claims its sovereignty (Wagner, 2016). The US came to support Indian stance by opposing CPEC and saying that CPEC was passing through disputed territory (Iqbal, 2017). China is of the view that CPEC is a project of connectivity and integration and it is not aimed at any politics but it would also benefit the people in disputed territories also. China has rejected the Indian concerns by stating that the CPEC construction would not change the Chinese policy towards Kashmir (PTI, 2017a).

There are other concerns of India regarding CPEC that it would internationalize the issue of Kashmir. It would make Pakistan stronger which would be able to have stronger position against India for liberating Kashmir (Noonari & Memon, 2017). It would indulge China more in the issue making Indian position weaker than the earlier. China and Russia have brought Pakistan and India in Shanghai Cooperation Organization (SCO) to settle the regional issues and integrate the Asian continent for economic development pushing the extra-regional forces out of the regional affairs. SCO leaders have openly suggested India and Pakistan to settle their bilateral issues through negotiations (Siddiqi, 2016). China and India are bigger trading partners as compared to Pakistan but both still have the border conflicts and consider each other the strategic competitor. China being the stakeholder in Kashmir and major beneficiary of peace in the region want peaceful settlement of the issue of Kashmir while Russia also supports the negotiated solution of the issue. Thus major powers in Asia i.e. China and Russia and leading powers of SCO want negotiated settlement of Kashmir issue to avoid conflict in the region which could affect the peace and economy at larger level.

3.7 The US Return to Previous Policy

Being the leading power of the World, the US wants to play its role for settlement of Kashmir and keep its role in region. The US claims that she wants the solution of Kashmir issue so that India could resettle its domestic and international preferences and concentrate on economic development to pursue strategic competition with China in the region. It also states that peaceful solution of the issue could avert the possible nuclear war in the region. The US reiterated its support for peaceful solution of Kashmir through bilateral dialogue of India and Pakistan in the beginning of 2018 (Das, 2018).

As Pakistan's position improved with the announcement and implementation of CPEC, the US announced that it could mediate between Pakistan and India to solve the problem of Kashmir. It was previous position of the US over Kashmir before 9/11. It clearly highlights that strong China-Pakistan partnership forged under CPEC compelled the US to revisit its policy towards Kashmir. Lashkar-e-Tayeba Chief Hafiz Saeed was put under house arrest amid the US pressure under influence of India. His group was banned and his party was also barred to work under new name. The US has recently declared Supreme Commander of Hiab-up-Mujahideen and Chairman of Muttahida Jihad Council Salah-ud-Din as the global terrorist. Although Kashmiri leader has no international agenda but still Indian persuasion worked and the US acted on her behest.

The US could not totally neglect Pakistan to pursue an Indian policy over Kashmir as in the past. It has been inferred through overall policy of the US in Asia particularly South Asia is preventing regional integration especially led by China to contain China and bar expansion of markets in the region therefore, peaceful and early solution of Kashmir does not seem actual agenda of the US. The overt policy is to reiterate for negotiated settlement of Kashmir between India and Pakistan but the covert agenda would unfold with the passage of time.

3.8 Strengthening Pakistan's Bargaining Position over Kashmir

India is all out to oppose China-Pakistan Economic Corridor (CPEC) while Kashmir is major reason behind it. CPEC passes through the disputed territory of Kashmir. India has various types of fears that CPEC implementation would result.

- a. CPEC would result in internationalization of Kashmir issue in favour of Pakistan.
- b. India fears that infrastructure linked with Pakistan would strengthen Pakistan's control and influence on the disputed region.
- c. CPEC would make people of disputed region prosperous and prosperous Muslims would also prefer to slip away from Indian clutches.
- d. CPEC would strengthen Pakistan's economy as well as military, reshaping the balance of power, and the potential of Pakistan to compete India in every sphere particularly Kashmir.
- e. CPEC would increase the influence of China in South Asia and India Ocean, minimizing the space for India.
- f. Chinese and Pakistan's partnership in military would also disturb the equation of power for India in the region and beyond.
- g. CPEC would result in the integration of Pakistan, Afghanistan, Central Asia and Middle East, the important regions for energy supplies bypassing the South East Asia or Indian Ocean.

CPEC execution has improved Pakistan's position in international affairs and obviously has strengthened its bargaining position over Kashmir against India. China is siding with Pakistan over Kashmir. In 2016, Chinese Prime Minister assured Prime Minister of Pakistan Nawaz Sharif that China supports Pakistan over Kashmir and solution of Kashmir would only be possible according to the wishes of Kashmiris (Abrar, 2016).

It seems that the US could not stop China to surpass its economy and become number one followed by military and political strength by wielding influence to turn into global power. Thus delaying the development in the region and rise of China through sustaining the existing conflict and fuelling the fault lines for igniting additional conflicts could help the delay the regional integration in Asia and expansion of markets. It is known that the US has the most powerful military and arms industry giving it the edge to get strength through wars and arms sale respectively. The huge market, democracy and posture as Chinese competitor enable India to become a natural partner of the US (Swaine, Deng, & Lescure, 2016). The US also considers India an ally against China, Muslims and emerging anti-US powers in Asia.

China considers the war in the region, a direct obstacle against her development and rise therefore, it has been pursuing Pakistan for peaceful solution of Kashmir issue. China itself is a primary party in the conflict. Solution of issue in favour of Pakistan would benefit China as the latter has already been given, in exchange, a large piece of land under border settlement, which is crucial for its land route to Tibet.



Figure 13. Parts of Kashmir Controlled by Pakistan, India and China

China would never let India to put the Kashmir issue under the carpet. China would not even allow the US to put the Kashmir problem on the back burner in international forums. China would use the platform of SCO to pursue both neighbours for negotiated settlement of Kashmir. China can also take Russia on-board for persuading the giant countries and nuclear powers of South Asia. The domestic movement led by youth and fuelled by Indian forces atrocities is not going to be calmed in foreseeable future which would help Pakistan to use its attained strength for bargaining the peaceful solution of Kashmir. Thus peaceful solution of Kashmir issue seems inevitable but the form of the solution seems unpredictable because it could be divided between the two neighbours or be given the autonomous status given that Kashmiris demand continues with full impetus.

According to report published on the CPEC by Stockholm-based International Peace Research Institute, Indian is opposing the CPEC due to her concerns and fears about the internationalization of the Kashmir issue. The report added that India also perceives it as a tool of facilitation for China's growing presence in the Indian Ocean. Coalition government Chief Minister of Indian held Kashmir and People Democratic Party head Mehbooba Mufti has repeatedly said that CPEC and the Kashmir issue are separate and completely different issues (Javaid & Rashid, 2016). There is clear indication that CPEC has brought a new life to the movement in Kashmir for self-determination.

3.9 SCO and Kashmir

Chinese efforts have enabled Pakistan to get full membership of Shanghai Cooperation Organization in June 2017 which is emerging as large, important and effective organization in Asia. On the other hand, Russia has been supporting India for its membership in SCO. China and Russia both consider it as a tool to settle the regional issues and minimize the role

of extra-regional powers particularly the US. China and Russia have expressed hope that Pakistan and India would come closer to negotiate and settle their issues.

China is doing business with all its geostrategic opponents and competitors to further the agenda of economic development. It is same formula, China has been suggesting Pakistan to buy and follow for improving her ill-economy which was the reason for other geo-strategic and geo-political problems. Having a substantial part of Kashmir territory, the disputed land, China is also a primary party in Kashmir issue. India has been opposing CPEC and OBOR on the same pretext to claim that it was Indian territory (Harris, 2014). China is becoming the superpower and it would never like to lose any single inch of territory and especially the one which has the strategic importance for her. China has used Veto power to block the Indian move to declare Masood Azhar as terrorist by the UN. It is enough to indicate the level of cooperation and relationship between China and Pakistan and foreseeable role of China that it could play in future through SCO.

3.10 Future of Kashmir Issue

The global power is shifting from West to the East and India is keen to grab the opportunity to become global player which is impossible without strong economy while economic development would only be followed by end of geopolitics and regional conflicts, sucking economic resources and wasting human energies. Domestic pressure is increasing in India for solving the Kashmir issue while youth uprising in Kashmir seems to sustain as Indian tactics of handling the issue are only exacerbating the situation. CPEC is giving Pakistan a strong diplomatic, economic and political strength to have its voice heard and bargain better in international affairs.

Concentration of power in Asia and the region also provides opportunity to Kashmiris for luring attention of international community towards the problem. Chinese development

would be hindered in case of war or conflict in the region therefore it is her prime goal to persuade regional countries for settling bilateral issue through peace negotiations. The US could only remain relevant in South Asia if she plays the due role in solution of Kashmir conflict. Thus the trends indicate that solution of Kashmir is inevitable in foreseeable future while Chinese and the US policies would play important role in this regard. Hopes are there for settlement of Kashmir issue either under SCO umbrella, with Sino-Russian diplomacy or bilateral negotiations after increasing pressure for economic integration and compulsions of the region.

People of South Asia especially believe that Kashmir issues was not deliberately resolved by the Western powers dominating the global politics and having major role in the UN (Einsiedel, Malone, & Ugarte, 2015). Citing the examples of East Timor and South Sudan, it is argued that Kashmir issue was purposefully ignored while bleeding to keep the region trapped in geopolitics. Permanent envoy of Pakistan in the UN, Dr. Maleeha Lodhi, asserted that UN was losing credibility by not playing the due role in resolving the issue of Kashmir and Palestine (APP, 2018b). Thus situation is ripe for solution of Kashmir either through the UN, major powers' role or bilateral negotiations.

3.11 Pak-US Relations

The US and Pakistan have a long history of relations since the emergence of Pakistan on the global geography. At the time of inception of Pakistan, comity of nations was divided into two blocs i.e. capitalist and communist. The capitalist bloc was led by the US while the communist bloc was led by the USSR. Communist bloc was striving to extend geography and implement its economic and political model at the global level. On the other hand capitalist bloc was resisting the expansion of communism and the policy of containment was adopted to compete through partners and alliances (Hussain, 2016).

Pakistan needed economic and military support which was provided by the US under SEATO and CENTO. The US banned the supply of arms to Pakistan after the use of weapons supplied by the US, against India in war of 1965 as those were meant to contain communism. Pakistan mediated between China and the US to improve relations in 1971. Pakistan became the main partner of the US campaign against USSR after its invasion in Afghanistan in 1979. After, dismemberment of USSR, the US imposed sanctions over Pakistan on the development of nuclear weapons (Hussain, 2016). India and Pakistan tested nuclear weapons and it brought the increased attention of the US towards the region. The US interest was limited to defense, trade relations and to prevent India and Pakistan from nuclear war over Kashmir and maintain strategic or neo-realist interests in the region for its strengthening global hegemony (Abbasi & Bakar, 2015).

9/11 incident brought a new turn in the US interests in Pakistan and region molding its policies towards Pakistan. Pakistan again became frontline states against the US campaign of Global War on Terrorism. It was also declared as major non-NATO ally. Pakistan provided its airbases for supporting military operations in Afghanistan and offered routes for NATO supplies to troops in Afghanistan. Pakistan army conducted many operations in Federally Administered Tribal Areas (FATA) against Taliban fighting in Afghanistan against invading forces. It gave birth to Tehrik-e-Taliban Pakistan which started attacks in Pakistan. Thus supporting the US against Taliban brought terrorism inside Pakistan (Abbasi & Bakar, 2015).

Operation against Osama Bin Laden in Abbottabad, attack on Pakistani Check Post Salala and arrest of the US contractor Raymond Davis after killings by him in Lahore brought jolts in bilateral relations. Pakistan stopped the supply route and ended cooperation which caused further mistrust among the two countries. In the meantime, the US has been alleging Pakistan for supporting Taliban and differentiating between bad and good Taliban fighting against Pakistan and the US respectively. The US has been providing economic assistance to

military and government of Pakistan. Coalition support fund given to army was actually the expenditure of Pakistan troops in operations along Afghan border to counter the cross border attacks in Afghanistan (Fels, 2017).

Operation against Lal Masjid in Islamabad by Musharraf regime strengthened Tehrik-e-Taliban Pakistan for the agenda to wage jihad in Pakistan for implementing Sharia rule in the country on the pretext that Pakistani ruling class had forged alliance with infidel forces to eliminate Islamic rule in Afghanistan. The US has been blaming Pakistan for sheltering Haqqani Network and sponsoring terrorists affiliated with it. Haqqani Network is a splinter group affiliated with Tehrik-e-Taliban Afghanistan (TTA) (Ahmed, 2016).

The US did not recognize the efforts of Pakistan in countering terrorism despite losing about five thousand soldiers and officers of Law Enforcement Agencies and Security Forces. Whereas, about sixty thousand civilians also laid their lives in the war on terror in Pakistan (Johnston & Sarbahi, 2016). Pakistan's Minister for Economic Affairs Ishaq Dar stated that Pakistan had lost about 123 billion in economy due to role in war on terror. China had come to forefront to hail the efforts of Pakistan in countering terrorism and asking the international community to recognize it (Bhattacharjee, 2017). The US and Pakistan's economic relation have been strengthened during the period under study but the volume of trade and investment has been lesser as compared to the Indo-US relations during the same period.

A gradual increase in the Pakistan and the United States bilateral trade was observed after 2001 but it started declining again after the US forces withdrawal from Afghanistan in 2014. Pakistan had been failed to grab the opportunity for forging the permanent partnership in trade with Pakistan while the US has not facilitated Pakistan to become a regular trade partner. Thus high and low in interests of the US in Pakistan has been directly reflecting in ups and downs in the trade relations of the two countries.

The similar trend was observed in the US foreign direct investment in Pakistan as well. The US aid and military support fund surpassed the amount of investment in Pakistan by the US during the period under consideration. Aid and funding has been subject to good relations and did not provide a permanent source for national economy.

Pakistan armed forces carried out operation in Swat to eliminate militancy in the area. Swat, Bajaur Agency and Mohmand Agency were cleared earlier. During early operations, militants moved to Afghanistan and took shelter there to relaunch activities against Pakistan. Pakistan started demanding the US, ISAF and Afghanistan to act against the militants hiding in Afghanistan and operating against Pakistan but no substantial steps were taken. A US official called it a two way traffic i.e. of militants hiding on both sides of the borders and operating on the other side. In June 2014, Pakistan army launched operation Zarb-e-Azb to eliminate the hideouts and safe of heavens of militants in FATA especially North and South Waziristan Agencies (Abbasi, Khatwani, & Hussain, 2018). Operation Khyber I, II, III and IV were launched to get rid of the militants operating in the agency and having access to Afghanistan and Peshawar simultaneously.

The US and India have repeatedly been alleging Pakistan for discrimination in militants by calling them as ‘good’ and ‘bad’ Taliban. As per the US narrative, Pakistan considers Taliban operating against the US and ISAF forces or in Indian held Kashmir as ‘good’ and Taliban operating against Pakistan as ‘bad’ Taliban. Pakistan categorically announced that they were carrying out operations against militants of all hue and colour but the US did not recognize it (Johnson, 2016).

Operation Raddul Fasad was launched to hunt militants and their facilitators including patrons throughout the country. Thousands of intelligence based operation were carried out to capture militants and their facilitators and number of times at the last moment when they

were about to launch the terrorist activity. Even though the US does not recognize Pakistan's efforts to counter militancy, number of attacks and terror related incidents in Pakistan have been decreased significantly especially after completion of Operation Zarb-e-Azb and launch of Operation Raddul Fasad (Hussain, 2018).

Pakistani media and politicians openly claim that the US was using those militants as proxy against Pakistan (Rao, 2016). Pakistan has started working in different ways to safeguard its western border with Afghanistan. Border safety strategy includes various layers of security i.e. barbed wire, trench, check posts and construction of small forts for reinforcing troops (Bhatti, 2017).

3.12 Sino-Pak Partnership, CPEC and the US

The empires and colonial powers used to expand territorially, imperial powers used to expand ideologically while China is going to expand through financing and trade. China is investing over production, skills of its trained professionals and foreign exchange reserve accumulated through labour intensive production and trade. The West occupied territories to expand economy and universalize its civilization. China has never tried to extend its values but has been demanding respect in the past.

Chinese have not yet forgot their humiliation due to colonization of the parts of China and defeat in war. China contains one fifth of the global population and dealing with welfare and security of them is enough for China. China still has the internal problems of Tibet and Xinjiang while Taiwan is a test case for Chinese emerging and accumulating power. There is no chance that China will ever resort for any adventure with neighbouring country or even any distant power however, any conflict imposed on China may receive appropriate response by China. BRI is considered as part of Chinese economic, political and strategic expansion in the world to become the "center of the world". Chinese soft power may influence the world to

some extent but it does not seem to be exporting its economic, political model or cultural traits (Garcia-Herrero & Xu, 2018).

The US is not only struggling and competing with China for maintaining global power but as well as ensuring economic security. Economic security of the US needs sustained competitive access to markets, uninterrupted supply of cheap raw material and blockade of expansion of markets throughout the world. Shifting of Chinese industries to Pakistan and investment in the neighbouring countries of the region would not only expand China but additional markets also. On the other hand, a relative decline of the US economy with the higher growth of Chinese economy and competitiveness for access to raw material and markets is also taking place simultaneously.

President Obama had tried to windup the US issues with other countries to concentrate on the domestic issues but President Donald Trump policy's unclassified document suggest that the US is resorting for another containment policy jointly for China and Russia. Pakistan and the CPEC are important for Chinese expansion towards Central Asia, South Asia, Middle East and access to Indian Ocean. According to the new US policy, the US will look for new partners and form new alliances to counter the emergence of "revisionist powers" i.e. China and Russia (Mattis, 2018). The US can never abandon Pakistan nor can it get support of Pakistan against China. The US has been left with the option to engage Pakistan and maintain its presence and influence in Pakistan and the region.

Russia and China both are supporting Pakistan not only in its endeavor for economic growth, defence development, facing the US pressure over issue of terrorism but also solution of Afghan war. Containment of China and Russia is important for the US to maintain global power, ensure economic security and political interest while pushing back and eliminating the US from Central Asia, South Asia and Middle East is important for China and Russia to

attain desired development and political power (Mattis, 2018). The US has been favouring India more as compared to Pakistan in defence exports as compared to Pakistan despite close relation for countering terrorism and Afghanistan war. Detail of the US defence exports to Pakistan from 2001 to 2017 indicate that the US supplies to Pakistan were sufficient but less than Chinese supplies to Pakistan during the same period.

Pakistan is opposing the US over partnership with India especially in Afghanistan and the support extended to become regional power. Pakistan would never submit as submissive power to India while existing bilateral conflicts especially Kashmir may lead to geopolitical tug of war. Thus, BRI and CPEC meant for replacing the geopolitics with geo-economics may not bring all the desired results. The US would also opt for igniting the geopolitics in the region and keep the region struck in traditional enmities and high politics instead of shifting to geo-economics. Pakistani military establishment views that path of regional integration and geo-economics passes through Kashmir which would only work after solution of the issue.

3.13 Impact on Pakistan's Economy and Military

Dominant and powerful cultures would always have leading role in producing thoughts, knowledge and the specialty in the art of rhetoric too. Inventions of printing machine, radio waves and cyber space gave impetus to the power of rhetoric by becoming tools of spreading information and ultimately getting shape of media for building the narratives. The West has been successful in building the narrative, with monopoly over global media outlets, suitable for its culture, civilization, economic as well as political power despite the fact that human beings in other parts of the world had different experiences and some opposite beliefs.

Think tanks are also used for lobbying by the financiers, sponsors and patrons thus donors buy influence at think tanks (Lipton, Williams, & Confessore, 2014). Over emphasis of any factor or aspect also brings the misleading results as it would automatically downplay

other important reasons. If donor does not make any extra demand even then the tremendous funding to think tanks for investigating the specific issues would make it the overwhelming part of debate and knowledge resulting in inappropriate representation of other factors. Social science journals also accommodate the interests of their states and their editorial board and policies have sufficient role in this regard (Archibald & Finifter, 1987). Clash of interest at any level also affect the issues highlighted or ignored and vice versa.

The Euro-American media and the US funding to Pakistani think tanks and media have been depicting a specified picture of terrorism ridden and unstable Pakistan not suitable for investment by market forces. At a time when market forces were opposing the investment in Pakistan, China started investing in Pakistan. China is investing in priority areas of Pakistan. China agreed to invest US dollar 60 billion in Pakistan. Chinese government is providing finances to Chinese entrepreneurs to investment in Pakistan (Khan, 2017).

The Chinese investment under CPEC has increased from initial US dollar 46 billion to 62 billion. As per government of Pakistan estimates, the Chinese investment is expected up to 300 billion in its all early harvest, medium term and long term projects (ISSI, 2016). China is investing in many sector of Pakistan which are directly related to the development of the country. China is well aware and recognizes that Pakistan is facing more terrorism, pressure from the US, India and their allies only for being part of Chinese BRI project especially the flagship project known as CPEC. On the announcement of policy for South Asia by the US President Donald Trump, China immediately came to support Pakistan as the US continued with the same mantra of hideouts and support of Pakistan for Taliban fighting against the allied forces in Afghanistan (Yang, 2018).

Chinese Deputy Prime Minister Wang Yang in 70th Independence Day celebrations in Islamabad hailed Pakistan's role in ending Chinese international blockade. It is a geopolitical

recognition of Pakistan's importance for China. The US had shaped "Asia Pivot", "Trans Pacific Partnership" and other important policies for countering Chinese outward expansion by accumulating regional support in East Asia and South East Asia on Chinese traditional main gate to the outside world opening on eastern border in water or maritime belts (DeLisle, 2016). China felt threatened and realized the need to minimize dependence on eastern waters for heading towards South Asia, Middle East, Europe and Africa by getting routes from its West and South Western parts via friendly countries. Pakistan is one of those important countries which provided the best option of routes to access these region by using its territory and Gwadar port.

CPEC, flagship project of OBOR, is a test case for the completion and success of all Belt and Road Initiative (BRI) projects in Asia, Africa and Europe. Hue and cry over piling up debts for Pakistan and the arguments that Pakistan would not be able to pay back the loans has created a lot much noise. It is not only an issue for Pakistan but China too as if Pakistan remains struck in the "debt trap" of the CPEC then it would also affect and frightened the other partner countries of China under BRI.

Peshawar to Kabul four lane expressway road is being constructed by Pakistan through foreign funding. Peshawar to Torkham 50 km is remaining, Torkham to Jalalabad 76 KM is under construction and Jalalabad to Kabul 150 km is under consideration. This corridor would be further extended to Tajikistan and Uzbekistan. Pakistan is working on another route with Afghanistan to link Turkmenistan with Gwadar through Chaman and Herat. These corridors would provide access to those countries to Indian Ocean, China and South Asia and vice versa for accessing market and resources (Javaid & Rashid, 2016).

There is a lot hue and hue and cry over the non-transparent deals of CPEC projects in Pakistan. Politicians, academics, bureaucrats and media has questioned over the terms and

conditions for the projects and out of the way granting of contracts to the Chinese companies (Venkatachalam, 2017). Media reporting and analysis has negative view of the CPEC and looks over it with suspicion. The debate tends to remain negative even without knowing the complete facts and quoting the real cost and benefit analysis.

Many facts confirmed claims that China was being given advantages but it has also been revealed that all projects do not favour China. Projects are market competitive also but the commentators request people at the helm of affairs that they need to bargain better with China to secure the interest of the people of Pakistan. Government is trying to clarify the situation through media briefing and listing the project details over the official websites of the relevant government departments.

Important issue is debate of increasing Pakistani debt with Chinese investment under CPEC and the possibility to pay back the loans. It is argued that CPEC could lead Pakistan to debt track and Pakistan may not be able to pay back the debts and it may have to compromise its sovereignty. Examples of Sri Lanka and Kyrgyzstan are quoted as evidence that China had taken Hambantota for 99 years lease and 1% Kyrgyz territory over inability to pay back the loans to China (Venkatachalam, 2017).

Construction of CPEC is prompting regional countries to join Pakistan in the process of regional integration while the subsequent interest for investment by extra-regional powers is evident that Pakistan is successfully transforming borders from threats into the opportunities. Military establishment has also been observed supporting geo-economics over geostrategic politics in the region. China has not only become the sources of economic development and military strength but also a strong resource of support in case of foreign aggression by any country particularly India by converging economic and security interest of Pakistan and

China. Integration in Asia is an overwhelming trend that is taking place and seems to continue as supported by China and Russia.

Pakistan is expected to get the energy and other export goods from Iran instead of Shiite-revolutionary ideas on Islam and goods transportation instead of communist ideology from China. India and Afghanistan are also expected to be exchanging trade goods instead of bullets, shells and rockets on borders with Pakistan. Thus CPEC is a project of economic development in Pakistan and integration of regions' economies through Pakistan by changing role of its geography and turning threat into opportunities. It has swiftly transformed the security state into a state vying for economic development. This change has been welcomed and supported by military establishment of Pakistan also as General Bajwa recognized that there is no sovereignty without economic stability.

3.14 The Way forward and Sino-Pak-US Tringle

CPEC is the flagship project of BRI. CPEC is the shortest route for China to access Middle East, Africa, South Asia and Indian Ocean. CPEC is the only route of BRI which passes through a single country for accessing so huge and important markets besides the international sea lanes of communication of Indian Ocean bypassing the conflict prone South China Sea and Strait of Malacca. CPEC is the only route which passes through such friendly country, traditional strategic partner and welcoming masses. CPEC is a project of strategic as well as economic interest. CPEC's realization would provide China the economic security, energy security, domestic stability, border security, victory in the US strategic competition in the region and important partnership for future endeavors.

The US has openly expressed its objection over CPEC on the pretext of its passage through a disputed territory. India has termed it "against the sovereignty of India" owing to its claims over Kashmir and Gilgit-Baltistan. The US is trying to thwart the CPEC or at least

delay if it cannot stop it as it is the important part of strategic competition with China. Pakistani military commanders have openly claimed that India had allocated huge funds to sabotage CPEC through proxies in Baluchistan and FATA (Iqbal, 2017). India has showed resentment against China and refrained from being part of BRI, its associated events, projects and accepting to be part of CPEC despite many offers and efforts of China.

Few Chinese nationals including some important officials working on various projects of the CPEC have been kidnapped, targeted and killed. Indian and Western media has been on the top to flourish speculated and hyped stories over the incidents portraying Pakistan as dangerous place for Chinese and other investors to tarnish image of Pakistan and ultimately sabotage the CPEC. Chinese government have been proactive in responding development by clarifying situation that China wanted Pakistan to take the culprits to task but overall China was satisfied with the security arrangement for Chinese national by Pakistan (Hameed, 2017).

Security of Chinese nationals, other foreign investors, projects installations, movement of goods and improvement in overall sense of public security are the main issues that could be hurdles in realization of the CPEC as viewed by many geo-strategic experts. Researcher believes that China has already rendered huge human losses in construction of KKH so, few killings in Pakistan do not matter for China while she already knows that Pakistan is facing the phenomenon since decade and it is striving hard to eliminate the menace. Government of Pakistan has already taken China on board in this regard and both are convinced that they have to continue the construction of projects while facing terrorism. Researcher concludes that terrorists are pursuing agenda of not only destabilizing Pakistan but making it difficult for China to shift its labour intensive, low technology industry to Pakistan and access Indian Ocean, Middles, Africa and Europe through Pakistan.

Early harvest or short term projects of the CPEC have almost been completed in Pakistan. Medium term projects are under construction with speed and Chinese government has expressed satisfaction over the pace of work on the CPEC. Long Term Plan (LTP) for the CPEC projects has included seven fields for cooperation in every potential project of bilateral benefit. The salient features of the plan are connectivity, energy, trade and industrial parks, agricultural development, poverty alleviation, tourism and cooperation in areas concerning people's livelihood (Iqbal, 2017). Five years of successful cooperation and increasing base of talks and fields for cooperation validates commitment of the two sides for completion and realization of vision of development envisaged under CPEC.

Chinese leaders have time and expressed their commitment to complete the CPEC and realize the vision behind it as it would be a model project of BRI. Chinese leaders would also be considering that keeping Pakistan in debt trap and making it compromise over sovereignty would only serve to end its positive image with mantra of win-win cooperation and help the US attract back the strategic partners and strengthen alliance against her development and expansion. CPEC is test case for success of BRI (Rahman, 2018). China has almost no option to retreat back from making CPEC a demonstrated success for the larger dream of BRI.

A comparison of research and development fund allocated and incurred by China and the US is important to be considered for future trend of the two giant economies and their subsequent impact on their national power instead of military only. Ranking of the US in of innovations has fallen down to 11th position while China has improved in the ranking to become third most innovative country of the world in 2018 (Lu, 2018). China has tested newly developed solar drone also. There are two competing ideas and policies in international relation and strategic environment of South Asia. It is only power that wins and prevails with its objectives and power is linked with strong military financed by healthy economy. Healthy economy always depends upon strong ability of research and development. Research and

development trends in China are directly linked to the peace, security, poverty and prosperity of Pakistan as well as South Asia.

The US power's relative decline and Chinese rise have not resulted in end of the US role in international arena and it has not been replaced with Chinese dominance the world over. Global politics would no more remain dominated by any single state. The US is there while China, Russia, India and other states are emerging and are expected to share key role with existing and declining powers. China however, has some edges over other emerging political, military and economic powers to grab the leading role instead of hegemonic or dominant one. China having largest population, the bigger size of diaspora, huge reserves of foreign exchange, the biggest economy and modernized internationally expanding military is enough for her strategic competition. Chinese foreign policy of win-win cooperation, non-interference in other countries' affairs and plans to transform the global governance system is making it more inclusive would soon be successful in ambitious of making herself the centre of the world.

Pakistan and China have unique friendship since the previous five decade. The security related and India centric friendship of China and Pakistan has been converted into the all rounded bilateral partnership of cooperation worldwide. Pakistan is one among 65 partner countries of BRI but Chinese investments in Pakistan are higher as compared to many other partner states under OBOR. Surprising Pakistani success in countering terrorism has been greatly hailed by the countries throughout the world. The US companies and UK are keen to invest in Pakistan as opposed to their contrary claims about Pakistan that it was a failed state (Mustafa & Zafar, 2017). Pakistan has aligned its security interests with Chinese one in Indian Ocean. Pakistan has strong defence forces, many type of natural and human resources (with 60% population younger than 30 years) and potential to be the one among big twenty economies globally in foreseeable future. Potential role of Pakistan to be the energy hub and

the transit route for South Asia, Central Asia, Middle East, China and Europe can give it the opportunity and edge to assume greater role in Chinese world order, Asia and beyond.

Pakistan's geography has played very critical role in military, political growth and now ultimately for economic development (Shaikh, Ji, & Fan, 2016). Pakistan has paid enormous cost for sharing borders with India, China, Iran, Afghanistan and Arabian Sea since inception which turned its geography as an inherent liability. Like the resource curse, Pakistan has been facing many problems due to "geography curse". Regional integration was impeded by ideological wars of communism versus capitalism and jingoistic posture of India. Chinese emergence as the second largest economy and eminent political and military power, brought the US concentration in South Asia and improved importance of Pakistan.

China felt threatened by the US and its local allies and decided to re-establish old Silk Route for accessing the world for trade instead of solely depending on Strait of Malacca. South China Sea conflict involving many countries including China and the US shows good evidence for possible large scale conflict in future (Kaplan, 2014). Diversification of routes to access the world has become the main agenda for China but CPEC and Pakistan have the key role and centre position in this regard.

3.15 Progress on CPEC Projects and Impact on Pakistan's Economy

CPEC is playing key role in transforming the inherent liability of Pakistan geography into vital asset by realization of regional integration and supporting economic development in Pakistan. CPEC is indicator of changing character of Pakistan's geography. China has declared to shift some the textile, automobile and the light engineering industry in Special Economic Zones (SEZs) to be established under CPEC in Pakistan (Ali, & Faisal, 2017). Thus CPEC means integration of economies of China, Pakistan and region. It would alter character of Pakistani geography from cause of problem to window of opportunity.

Execution of the CPEC is encouraging regional states to join Pakistan for investing in various projects and reinforce regional integration while the expression of interest to invest by extra-regional powers also validates that Pakistan is effectively converting its borders from the threats into the opportunities. China is fast becoming the source of economic growth and military development while a strong partner for support in security in case of any foreign aggression by any country particularly India, converging the economic and security interest of Pakistan and China. Integration of economies in Asia is an overwhelming trend, taking place and it seems to endure.

CPEC is a venture of economic development and domestic integration of Pakistan besides integration of the regions' economies via Pakistan. As per hypothesis of the study, convergence and divergence of Sino-US interests in Pakistan in various areas have provided Pakistan the opportunity to develop economy and modernize military.

Divergence of interest in Pakistan helped her get the military and economic benefits from both countries. The US provided financial aid of US dollar 33 billion in various forms to benefit Pakistan (Ahmed, 2018). However, Pakistan's foreign Minister Dastgir claimed that the US has not paid US dollar 7 billion in lieu of military expenditure to support the US mission in Afghanistan (Ahmed, 2018) while loss to economy while supporting the US has been more than dollar 100 billion. Pakistan also got the military hardware from the US. On the other hand, China become the highest investor in Pakistan as Chinese investment in Pakistan accounts for more than its investment in whole of Africa combined. Pakistan did get benefits from both countries and suffered losses in terms of economy and human lives due to war on terrorism linked with Afghan war.

Chapter 4

Sino-US interest and Policies in Afghanistan

4.1 Afghanistan Profile

Afghanistan is located at crossroads of South Asia, Central Asia, East Asia and Middle which makes it the strategic point of attraction for regional and global players. Great powers had been trying to subjugate the people of Afghanistan but failed. Britain, USSR and recently the US sought the same interest. Great powers faced losses of men and material and even their power therefore, it is referred as “graveyard of great powers”. Landlocked Afghanistan is a strategic gateway to untapped rich resources of Central Asia. It is becoming a bridge between energy hungry region i.e. South Asia and energy rich region Central Asia.

The Union of Soviet Socialist Republics (USSR) had invaded Afghanistan and the Capitalist bloc led by the United States came to help Afghan resistance led by Mujahidin. Pakistan, Iran, Saudi Arabia and China supplied arms and money to the resistance movement (Javaid, 2015). The USSR withdrew troops and the US lost interest in Afghanistan without stabilizing it consequently, warlords and Taliban started fighting for control of the areas. In 1996, Taliban with support of Pakistan Saudi Arabia and other Muslim countries had got control over most of Afghanistan including Kabul and implemented their version of Sharia rule (Laub, 2014).

Pakistan and Saudi Arabia recognized the Taliban as legitimate rulers of Afghanistan in 1997. Afghani people consider Taliban era as the peaceful and drug free period in brief history of Afghanistan. In the West, Mujahideen and Taliban are taken as two different movements but in Asia, particularly South Asia where this whole phenomenon has been going on, both of the terms are considered indifferent as Mujahideen and Taliban refer to the same group of fighters who fought against the USSR and later, succeeded to establish government in Kabul.

The declared objective of the US although have not been achieved except dismantling of Al-Qaeda whereas Taliban have been accepted legitimate stakeholders and negotiations have started with them over conclusion of Afghan conflict. The US presence in Afghanistan is considered as a single remedy to its quest to contain China and Russia, pressurize Iran, persuade Pakistan, oversee Central Asian resources and bar regional integration as well as market expansion which could result into the rise of the regional economies.

Heart of Asia i.e. Afghanistan is well known in the world due to prolonged war of four decades is going-on there. Invaders and the actors in war have been changed but fate of Afghans has not yet. Hundreds of thousand people have been killed and still the war continues without any hope for its end and restoration of peace and stability in near future. Many forums and rounds of talks have not culminated in end of Afghan war as envisaged by Taliban because Taliban want total withdrawal of foreign troops while the US wants to prolong its stay there.

4.2 Reasons of the US Attack in Afghanistan

The tragic incidents of 9/11 occurred and the US led Allied forces and North Atlantic Treaty Organization (NATO) invaded Afghanistan on 7 October 2001 under a declared “Operation Enduring Freedom” (Roy, 2015) on the pretext that Afghan territory was used for the attacks. More than 2000 US soldiers have lost their lives in 17 years war against Taliban. The US demanded Taliban regime to hand over Al-Qaeda head Osama Bin Laden and other leaders of the organization present in Afghanistan. Taliban regime declined to handover Osama Bin Laden under the local value system and with the view that the infidels would not handle him with true justice (Fischer, 2014).

Former foreign secretary and ambassador of Pakistan to China Mr Akram Zaki argued that the US had already decided to attack Afghanistan even before 9/11. In an address to a

conference at Institute of Policy Studies, “15 Years of 9/11 and War on Terror: Pakistan, Impact, and Future Approaches”, on 29 September 2016, he claimed that attacks of 9/11 were staged as an excuse to attack Afghanistan while the decision to attack Afghanistan had already been made prior to the drama. He added that the US was involved in “creative instability” in South Asia and the Middle East while she was not interested in stability of Afghanistan or stabilizing it (IPS, 2017).

The former US President Nixon wrote in his book “Seize the Moment” that the Muslims were searching for the revival of Caliphate for Ummah therefore, the US will have to tackle Muslims after the USSR (Nixon, 1993). Professor Dr. Mumtaz Ahmed, former teacher of Hampton University USA, were of the view that the US and Europe consider Muslims as enemy after collapse of the USSR. It is stated that NATO was sustained even after the evaporation of USSR to counter the revival of Muslim Ummah which was in search of past glory (Gorka, 2013). Russian President Vladimir Putin had raised question over existence of NATO while the threat of USSR is no more (Shifrinson, 2016).

Majority of Pakistanis and Muslims in South Asia believe that the US attacked Afghanistan to end the rule of Taliban implementing Sharia as it was another competing idea against liberal democracy and market economy like communism. Many political scientists consider Islam as a political system coupled with some rituals of religion. Muslim Scholars believe that Islam is a complete political, economic and social system which is considered a threat by the West to its evolved democracy and market economy. Professor Dr. Sohail Mahmood narrated that he met Francis Fukuyama in Moscow and made him realize him that his thesis of “The End of History” was wrong because Islam was somehow anti-thesis of democracy and market economy. He was of the view that Francis Fukuyama had accepted that Islam was a complete system and said that he had changed his thesis (Dr. Sohail Mahmood, Personal communication, 16 Dec 2014).

Ram Puniyani, a Hindu scholar of India has wrote a book and stated that Islam had nothing to do with terrorism while religion and terrorism were being used as mask by super powers for attaining the economic and strategic interests (Puniyani, 2015). Thus it emerges that chasing Osama Bin Laden was not the reason to attack Afghanistan but it was a strategic objective to end Taliban regime and stay there for covert goals against contiguous regions and contain Chinese and Russian outward expansion.

4.3 Domestic Dynamic of Conflict

Ethnographic, sectarian and linguistic profile of Afghan population struggling for power in the government makes the Afghan conflict complex by interference of regional and global powers pursuing for their interests. Thus Afghan conflict is an interplay of domestic rivalries intertwined with the regional players' role coupling interests of global powers. Pashtuns are the dominant ethnic group in Afghanistan comprising around 60% of the total population. Taliban also mainly belong to the Pashtun ethnicity and they have tribal, ancestral linkage and relatives across border in Pakistan (Rais, 1994). Long porous border with Afghanistan has always been open and unwatched by Pakistani forces considering it friendly one. Mountains and the tribal collective security system have been the defence lines of Pakistan. This linkage is mainly overlooked by the Western writers while loading baggage of problems on Pakistan as an easier excuse of the US failures in Afghanistan.

Since USSR's invasion, there were two section of Afghan warlords. Groups resisting USSR's invasion were called Mujahideen while groups supporting the USSR were referred as Northern Alliance. The USSR's supporters were from northern parts of the country while most of them were Shias ethnically Hazaras, Tajiks and others. Mujahideen were mainly Pashtuns, Sunnis and belonged to the Easter and Southern parts of the country. Similarly, there are number of groups fighting against the US for its withdrawal but they are mostly

from Pashtun belts in Easter and Southern parts of Afghanistan as people from old Northern Alliance have been accommodated in the government particularly army and the intelligence.

Pashtun have been ruling the country in the modern history of recent past while ethnic and sectarian groups who have been out of power have always been vying for power with the support of invaders therefore, ethnic and sectarian division of Afghans has made the conflict complex. People from Northern and Western areas are trying to suppress their old rulers and current resistance members i.e. Taliban while Taliban do not completely accept that minority as the rulers of the country. Thus government, installed by the US is disproportionate to the native population and makes the conflict dynamics more complex as Afghans fight against each other for rule in the country.

Afghanistan's economy became drug economy especially during invasion of the USSR while the US, Pakistan, Saudi Arabia and other countries supported it for financing resistance of Mujahidin against red army. Taliban came into power, they controlled poppy cultivation, marking it the ideal period as drug fee economy. The US invasion and destabilization of the country again gave rise to the poppy cultivation and drug production. Taliban have been collecting funds from foreign countries, locals under their influence and supporting the drugs business for fuelling their resistance against the US and ISAF troops. Thus poppy and drugs are again part of the Afghan economy (Goodhand, 2008).

4.4 Ideology of Militant Groups

Science and philosophy are meant to find the facts, identify their characteristics and comprehend the relation between those. An independent move instigates the other while it still affects the next, making the chain of cause and effect relationship which is known through the scientific method of research. Every happening in the society and world is not

always result of single cause but consequence of many factors. Some of those may be less effective but single could be the leading one.

Social science is not like the natural or pure sciences where results remain the same if the conditions are same because human nature is subject of social science which changes with different factors including geography, culture and economy while even same human being do not always react the same way under same conditions. Societies are also composed of human beings which ultimately would represent features of its components i.e. human beings thus social sciences results could differ with difference of time and space. Similarly, many key factors and facts in Afghan conflict are taken in West and Asia differently.

Afghan, Pakistani, Arab, Tajik, Uzbek and Uyghur militants have been operating in Afghanistan in post 9/11 era. Afghan, Tajik and Pakistan militants have been resisting against the invading forces while many Uzbek and Uygur have been getting training to operate at their home land. Chinese interest to secure Xinjiang region from the Uyghur militants have been a key factor in foreign policy of China towards Afghanistan (Rashid, 2000).

Al-Qaeda was formed with a mission to fight against the force responsible for atrocities of Muslims worldwide. It was a transnational organization, operating without the limits of borders. The group was held responsible for 9/11 attacks by the US and she invaded Afghanistan for eliminating it and dismantling supporting regime of Taliban (Burke, 2004). Members of the group have been operating in other parts of the world also.

Taliban are local Afghans, mainly Pashtun by ethnicity, and their ideology is to fight against invading forces. Agenda of Taliban is limited for their activities inside Afghanistan until withdrawal of the invaders. Taliban have neither been operating outside their country nor they have any such ideology but they were alleged as a supporting regime for militants or

breeding ground of militancy. Taliban were not only referred as direct threat to the US security but indirect threat to the US and international security (Shahrani, 2002).

Da'esh is self-proclaimed group of Islamists vying for establishing the global caliphate under leadership of Abu Bakar Baghdadi by starting in Iraq and expanding it to other parts of the world. The group has claimed responsibility of some terrorist activities carried out in Europe and the US but surprisingly the group has never carried out any activity against Israel despite presence in the neighbourhood. The group has strict sectarian profile and is comprised of Sunni Muslims only and brutally kills Shias as policy. Russia, China, Pakistan, Iran and Afghanistan consider it a threat to their national security and integrity of territory and society (Malik, 2018).

Islamic State of Iraq and Syria (ISIS), better known as Da'esh with its Arabic acronyms, emerged in Middle East and its chapters were established worldwide especially in South Asia. It has got control of some Eastern areas in war ridden Afghanistan where from it launches attacks in Afghanistan and Pakistan. Da'esh militants operate mainly on border of Pakistan. The regional powers including Russia and China have declared it a threat as it could be used against them. Pakistani and Russian Scholars term it a tool of the US for use as proxy to attain the strategic interests.

Da'esh is a multi-dimensional weapon which could be used against Muslim and non-Muslim countries equally (McFate, Denaburg, & Forrest, 2015). Afghan Parliamentarians on the floor of house alleged the US forces for supporting Da'esh and broadcast of Da'esh radio from US forces base. Regional players believe that Da'esh was created by the US as a multidimensional weapon to sow seeds of Shia-Sunni conflict in Muslims and use it against China, Russia and other targets (Tribune, 2018).

Tehrik-e-Taliban Pakistan is the main umbrella organization which came into being after 9/11 comprising of the militants, earlier part of Afghan Taliban. TTP emerged with the ideology to fight against Pakistan army and wage jihad in Pakistan over Pakistan's support to the US for attacking Afghanistan. This group got strength and increased activities over killings by Pakistan army in Lal Masjid Islamabad. The group started targeting army, intelligence, police, other state institutions and common Muslims on the pretext that they do not practice Islam and align with infidels against Afghanistan. The group stated its plan to ultimately enforce Sharia in Pakistan (Khan & Wei, 2016). Number of its splinter groups like Jamat-ul-Ahrar, Lashkar-e-Islam and other are carrying out terrorist activities in Pakistan on the same pretext (Rana, 2015).

East Turkistan Islamic Movement (ETIM) has also been operating in Afghanistan and bordering areas of Pakistan where from they received training. The member of organization are Uyghur Muslims hailing from Xinjiang province of Afghanistan. They are ethnically Turks. They fight against China over oppression of Islam and Muslims and demand liberation of Muslim region (Rashid, 2000).

Thus Afghanistan is hotchpotch of militant groups with different ideologies, fighting against different states of the region with varying objectives. Thus conflict is not limited inside borders of Afghanistan but it is linked with regional countries also. Besides security and stability of regional countries linked with Afghanistan, its strategic location, resources and market of Afghanistan are attraction points for the regional countries who bid for the early solution of the conflict as oppose to the US.

4.5 Regional Dimensions of Afghan Conflict

The continuous US pressure and repeated allegation against Pakistan for patronizing Taliban and not acting against their hideouts painted the picture as Pakistan was the only

responsible for Taliban insurgency against the alien forces in Afghanistan. Afghan leaders' and government's statements about Pakistan's negative role stamped it as the only reality in public sphere while the matrix of Afghan conflict is very complex. Regional players like Iran, India, while extra-regional players like Saudi Arabia, United Arab Emirates (UAE), China and Russia have also been actively involved in Afghanistan war (Rashid, 2013).

Iran, despite sectarian differences, has been supporting Taliban, to fight against the invading troops present close to its borders, considering those a direct threat to its security and stability. Iran has targeted the US drones entering its airspace from Afghanistan which clearly indicate that the US was using Afghanistan as base for operations against Iran also. Iran has been trying to keep the invading troops away from its border through resistance of Taliban. Second Taliban leader Mullah Akhtar Mansoor, who was targeted by the US drone, was actually coming from Iran at that time. Iranian support to Taliban has not been highlighted as it is the case for Pakistan.

India has been maintaining its relations and role in Afghanistan before USSR attack for interfering in Pakistan. India had no relation with Taliban regime in Afghanistan. The US invasion in Afghanistan opened a vista for India to come in and pursue its foreign policy goals. Despite knowing the historical facts about Pakistan's interest and role in Afghanistan, the US denied space to Pakistan but facilitated India to invest and engross in Afghan government and society (Usman, 2008). India has been given extra role by the US to counter Pakistan's influence which has created resentment in Pakistani circles and they have been raising the issue with the US which she never heeded. Pakistan blamed India for patronizing anti Pakistan elements in Afghanistan for activities of terrorism inside Pakistan and fuelling insurgency in Baluchistan. Consulates established in areas near Pakistani border were pointed out for alleged involvement in the dirty game (Dalrymple, 2013). Tug of war between India and Pakistan on territory of Afghanistan has made the conflict complex further.

4.6 Pakistan's Role in Afghanistan

As per Pakistani estimates, there are 2.7 million refugees still residing in Pakistan since USSR's invasion in Afghanistan. Pakistan demands the return of Afghan refugees but every time the stay is extended. Pakistan has been supporting the US troops, International Security Assistance Force and later Resolute Support Mission in Afghanistan. Pakistan provided basis and air corridor for the US forces to attack Afghanistan. Pakistan provided the routes for military and logistic support as well as necessary supplies. Pakistan is a neighbour which has trade relations with Afghanistan. Pakistan has been key neighbour in helping Afghanistan to meet the needs of food, medical and sponsored students of Afghanistan for higher education in Pakistani universities (Dalrymple, 2013).

The support extended to the ISAF and the US to attack Afghanistan created anger in Afghan population. Narrative of Pakistani support to Taliban for destabilizing Afghanistan and targeting the alien troops created such a clout that the grudges against Pakistan grew with high pace. Even after successful military operations by Pakistan and expulsion of militants across the border into Afghanistan did not change the narrative (Hilali, 2017). The rhetoric was initiated by the US while India supported and Afghan government stamped the narrative as reality. Commander of Central Command of the US General Johan Nicolson revealed later that Russia and Iran were providing arms to Taliban (Nojumi, 2016).

Pakistan has helped Afghanistan to construct some infrastructure projects but it has not been given the role like India and Pakistani economy could not afford to invest much in Afghanistan as compared to India. Pakistan has been facilitating China to have role as well as links in Afghan conflict for ensuring her security, territorial integrity and national interests (Khan & Wei, 2016). Pakistani Advisor on Foreign Affairs Sartaj Aziz admitted that Pakistan had influence over some Taliban as their families had taken refuge in Pakistan. The US and

China both have been pursuing Pakistan to use its influence over Taliban to come to the negotiating table for finding the solution of prolonging war (Small, 2015a).

Pakistan's role of supporting the US by providing military bases and corridor to reach Afghanistan has been the main and key role. The supply routes are still being used by the US while air bases were taken back. Another important role Pakistan played for the US was to launch military operations along its western border to dismantle infrastructure of militants which caused a huge price to Pakistan as war entered Pakistan. Pakistan's concern have been to end the role of India and have early and viable solution of Afghan conflict.

4.7 Interest and Role of India in Afghanistan

India is not only investing in infrastructure and development projects of Afghanistan but it is far ahead in exploiting economic resources in Afghanistan. Iron Ore mining project of Haji Gak in Afghanistan was taken by India only because of the US umbrella to exploit it in Afghanistan otherwise it would have not been possible (Small, 2015a). India wants prolonging stay of the US in Afghanistan which would facilitate India to sweep Pakistani influence, penetrate in Afghanistan and exploit mineral and natural resources besides ensuring a long term presence as well as influence there. India is using Afghan territory to destabilize Pakistan by training and funding militants and separatists elements of Baluchistan.

India has been working on construction of roads, dams, schools and even building of Afghan Parliament. India has provided easy access to Afghans to travel India for medical treatment and business in a bid to integrate India with Afghanistan. India has opened many Consulates in Afghanistan. Pakistan claims that there was no need to open many consulates especially in those areas where India would have no apparent reasons of interests. Pakistan government, politician and media narrated that the consulates were involved in destabilizing Pakistan by sponsoring militancy in FATA and Baluchistan. Many Baluch separatist leaders

and militant organizations' commanders exposed India over its involvement in financing and patronizing anti-Pakistan elements for causing terrorism, destruction, instability and chaos (Javaid & Javaid, 2016).

India is so much interested in Central Asia that it has the only military base there and Central Asia is accessible through Afghanistan. India also wants to minimize the influence of Pakistan in Afghanistan. India helped Afghanistan to construct "North-South Corridor" to link Central Asia with Iranian port of Chabahar. India invested in Chabahar port for the purpose of constructing corridor to Central Asia as well as have an alternative to Gwadar port (Balooch, 2009).

4.8 Military Training of Afghans by India

Human beings need to "know" for their actions to interact with nature or other fellow human beings in order to spend their life better. The quest for knowing to improve results of actions and human's faculty of curiosity to "know" contributed to the collection of facts referred as knowledge. Knowledge is collective asset of mankind and only true findings of reality by human beings would prevail eternally while other are subject to change with the variation of time and space. The most purified scientific method is adopted to dig out the reality and then the findings are put in to actions while these are also used as base for other findings too. Some new experience and experiment result in new findings which deny the few previous one while rest would remain part of the collective human knowledge.

Militaries are equipped with two facets of strength i.e. doctrinal and technological empowerment. Doctrinal equipment is the most important aspect of military power which is imparted through training. It is the main source of morale and it also, somehow, chart out the exact or tentative enemy setting the foundations for a particular mindset against any state or a group of states. Doctrinal or ideological equipment set the goal post and direction as well as

objective of the military power while technology facilitates in achieving the objective through a pre-set or indoctrinated direction.

The US has been supporting Indian plan to train Afghan forces. Training of Afghan forces by India rang alarm bells in Pakistan as it could hurt the interest of Pakistan. Military training does not only consist on instilling the art of dealing with weapons besides physical readiness and behavior in organization but also mentoring or inculcating nuances of the probable enemy (Kier, 2017). Indian mentors probably injected their narrative of Pakistan as the only trouble maker for Afghanistan or the region which resulted in few border clashes of Afghanistan and Pakistani forces.

Terrorist attacks launching by TTP's splinter groups and Da'esh from Afghanistan and changing posture of Afghan forces compelled Pakistan to secure the border with Afghanistan. Pakistan is working on border fencing, excavating trench, constructing posts and forts for logistics and reinforcing troops (Bhatti, 2017). Traditionally, Pakistani military has remained focused and concentrated on Eastern border. This engagement of troops on both sides of the border caused the huge expenditure in the defence sector.

Border security is such a complex issue that super powers like the US is not able to ensure the border security with Mexico despite abundant resources and state of the art technology. Pakistan had to redirect lot of resources for incurring on border with Afghanistan which was traditionally secure and open for movement of locals especially Afghans. Pakistan is working fast on fencing of border with Afghanistan but forces of the two countries are not at the comfort level with each other although the tension is not high (Bhatti, 2017). Thus instilling of Indian narrative in minds of Afghan troops has brought the results un-favourable for Pakistan. Therefore, Pakistan had to make deployment of troops along the Western border and keep those alert as compared to previous practices. No major war is expected between

Pakistan and Afghanistan on border except low intensity clashes as occurred on construction of gates and installation of fencing at few occasions but it is a new front for Pakistan army. It is not only dividing the attention and resources which were traditionally directed towards Indian particularly on Kashmir.

4.9 Indo-Pak Rivalry in Afghanistan

India want to eliminate Pakistani influence in Afghanistan, it has wielded through role in war against USSR, support to Taliban regime and later. Pakistan considers Indian presence on Afghan soil as part of its encirclement and conspiracy against its stability as well as territorial integrity. India-Pakistan rivalry in Afghanistan has turned it into a land of proxies fighting on behest of Pakistan, India and the US ultimately bleeding the blood of Afghans and destabilizing the country as well as the region (Ahmad & Ebert, 2015).

The US General and head of Central Command in Afghanistan John Nicolson had declared that Russia and Iran were also financing Taliban in Afghanistan. Before this, the whole mantra of Taliban sponsorship used to revolve around Pakistan. Russia is increasing stakes in Afghanistan and obviously China would also support Russia instead of the US in Afghanistan. Exposing sponsors of Taliban would make it difficult for the US to continue with its mantra about Pakistan and Afghanistan. Pakistani journalism Hamid Mir had tweeted directly to President Ashraf Ghani by mentioning the presence of foreign trainers in north western provinces of Afghanistan and questioning that who was behind those trainers as they always blame Pakistan only (Mir, 2018). Afghanistan has become the battleground for global as well as regional powers' competing interests. Sino-US strategic competition is on the top while other countries are part of the game with varying degree.

India seems continue to stay with similar position if there is conflict otherwise, Indian presence may not be at the level it maintains at the time of conflict and after Taliban's ouster

from power. As soon as Taliban are taken in mainstream, India would not be able to play the game, it has done so far in Afghanistan due to the specific conducive situation. The situation would change if Pakistan remains successful in mounting pressure on India and the US with support of China, Russia, Iran and other regional countries to initiate the peace negotiations through Afghan led and Afghan owned peace process (Ahmed, 2016) and those become successful. The first and foremost interest of Pakistan seems to be the Indian expulsion from Afghanistan and end of its game which would be ensured at priority.

4.10 Changing US interests, Policies and Role in Afghanistan

Former Inter-Services Intelligence Chief and Lt. General retired Asad Durrani believes that Afghanistan is the best location for global powers to have an outpost for looking after interests in the neighbouring regions. He added that presence in Afghanistan helps the US to check Iran, Pakistan, observe Central Asia and even bar the outward expansion of Russia and China (Personal communication 19 September 2016). Presence in Afghanistan enables the US to keep eyes on countries of South Asia, Central Asia, West Asian and the Middle East.

Containment of China is also widely believed by scholars through war in Afghanistan and presence in the region. It is also argued that another Cold War has been started where the US is continuing with its old mentality of containment. In the past, US wanted to contain USSR and China as a Communist threat while now the US wants to contain Russia and China as military and economic powers respectively (Zimmerman, 2015). The US interest, at least apparently, kept changing and so is the case of its corresponding policies. This change of stances, objectives and role in Afghanistan which helped the US and NATO prolonged their stay in Afghanistan. On the other hand, intellectuals and media are continuously trying dig out and unleash the US objectives in Afghanistan.

It is believed that Rare Earth Elements (REEs) are a family of seven vital metals that are in abundance in Afghanistan and the US has invaded Afghanistan to extract those which are estimated roughly worth one trillion US dollar (Skinner, 2015). The mineral resources of Afghanistan are not discussed up to the level those deserve as conflict has economic reasons too. The mineral resources exploitation during the conflict by the US or even India would be at the conditions imposed by invaders while end of conflict would empower the people of Afghanistan to get the right price of their mineral wealth. Besides exploitation of Afghan sources by the US as well as India, the conflict is being used to barred opponent or competing powers like China to extract minerals despite having contracts of billion dollars. The US trade with Afghanistan has not been very impressive in the meantime that could help to build the modern Afghanistan.

It is also speculated that the US is interested to access and acquire the abundance of gas and oil resources of Central Asia. Central Asian energy resources are important for current and upcoming global politics as the vast reserves are considered to play the key role in deciding global powers' status and role in the world (Rumer, Sokolsky, & Stronski, 2016). The US presence in Afghanistan could be for all these reasons as economic interests are also part of strategic goals and competition. The US trade with Afghanistan has been increasing since invasion in 2001. The US exports have been higher than the imports from Afghanistan and this led to improvement of economic relations of the two countries. Bilateral data shows that the US exports to Afghanistan have gradually been increasing throughout period under study but imports from Afghanistan saw increase till 2010 but later, decreased again.

4.11 The US Role in Building National Army of Afghanistan

Post 9/11 attack on Afghanistan eliminated military of Taliban regime and the US laid the foundation of national forces of Afghanistan. The US has been investing in all dimensions

of Afghan forces i.e. recruiting, training, equipping and financing. The US constructed compounds, established military bases, trained Afghan forces and equipped them with small and heavy weapons. Afghanistan being landlocked country has air force and ground army only. The US has provided helicopters to Afghan National Security Forces. It has also planned to provide helicopters and aircrafts to Afghan forces till 2023. Military supplies have been sufficient in quantity but not very advance in technology.

As per estimates in SIGAR report, the US has poured around US dollar 840 billion during last 17 years of war in Afghanistan. Afghan forces may collapse suddenly if the US ends the financial aid to ANSF. US dollar 5 billion were demanded by the US for ANSF budget of 2018 from Congress. Despite spending such a huge amount in Afghanistan, the US did not concentrated on the issue of sustainability. Huge investment of the US and modern training would not work if Afghan forces are not sustainable. Regional countries have been raising the issue of sustainability but the cries have been falling on the deaf ear resultantly the issue is still there (Cordesman, 2016).

Considering the role of the US in development of Afghan forces, it is pertinent to note that the US has developed a modern military which does not have the ability to confront the powerful forces of neighbouring Iran and Pakistan but perhaps could defend rest of the border. Afghan forces are not supposed to defend border with full potential as there is no adversary penetrating Afghanistan or posing existential threat rather Afghan forces are meant to fight Taliban and militant destabilizing Afghanistan and region but this capability is missing. Capability to play the desired role and ability to sustain without external aids are still missing (Sopko et al., 2016). Thus it could be considered as failure of the US in raising a strong and sustainable military of Afghanistan.

The US made two types of financial investment in Afghanistan those include security appropriation and non-security appropriation investment in. The US money spending in Afghanistan have been higher in security sector than the non-security sector although it did not help the US to attain the desired results and even no hope for sustainability of the force in future. Everything is judged by its utility and goal behind its existence. Afghan National Army (ANA) is meant to fight guerilla forces of Taliban and maintain peace to support the regime installed by the US and other foreign forces but it is not fulfilling the desired goal while issue of its sustainability without a viable economy is critical.

The US has provided a lot of military equipment to Afghan forces. It includes heavy and small weapons for ground forces as well as air force. The equipment detail collected and released by Stockholm International Peace Research Institute (SIPRI) provided evidence that supplies were suffice to equip Afghan forces.

4.12 Afghan Economy, Drugs Economy and the US Role

Afghan economy was destroyed in the long war of forty years. The Afghan society has been relying on war economy and drugs economy as the main sources of national income. Taliban had controlled the poppy cultivation and abolished the drugs economy in Afghanistan to almost zero level (more than 95% eliminated). War and drugs have a nexus as the war lords and even Taliban have been using drug economy as a financing source for their war. Bid for nation building or state building by the US would have concentrated on economic transformation in Afghanistan (Goodhand, 2008). As the US invaded Afghanistan, war lords and locals again resorted to the drug economy and even after 17 year the drug production is increasing. As the policy of Trump in Afghanistan changed few things in strategy, some drug labs were also targeted but the action has not been enough to produce the desired results (Shahed, 2018).

It is clear in the whole war strategy of the US, ISAF and even RSM have been touted as to destroy Al-Qaeda, Taliban's power and militancy to rebuild and stable Afghanistan but it is still missing the right plans to leave the functioning and self-sustaining economy besides respect for culture which has deteriorated the situation instead of improving it. Disrespect to Afghan culture has also deteriorated the situation (Lansford, 2017). Russia, China, Pakistan and Iran are convinced that the US is not interested in ending the conflict in Afghanistan.

Researcher concludes that missing links to the cultural respect and building sustainable economy were part of the US strategy since it invaded Afghanistan. The US was clear in its plan to deteriorate the situation instead of state or nation building in Afghanistan which again leads to the conclusion that the Bush, Obama and Trump administrations have pursued for the same goal, keeping Afghanistan and the region destabilized. There was no change in the goal except modus operandi based on the US economy's ability to finance war in Afghanistan. Thus the operation "enduring peace" has been better termed as "operation enduring presence" (Lutz & Desai, 2014).

The US spent US dollar 18.8 billion during 10 years in different sectors of economy but Senate Foreign Relations Committee accepted that all this plan was missing the concentration on sustainability (Collins, 2015). Spending so little amount of money out of a trillion dollar spent over the Afghan conflict is also evident that keeping Afghanistan handicapped and dependent was deliberate and as per policy .

4.13 Chinese Increasing Interest, Policies and Role in Afghanistan

China had lesser contacts with Afghanistan before invasion by the USSR. On invasion in 1979, China felt encircled by USSR and started supporting the resisting Mujahidin through Pakistan. At the end of Cold War, China became concerned about the Uyghur militants of East Turkistan Islamic Movement (ETIM) and got surety by Taliban regime through Pakistan

that militants of ETIM would not be allowed to operate from Afghanistan against China under Taliban regime. Pakistan was a trusted friend of China for handling Taliban as deemed right (Small, 2015a). China had not recognized the Taliban regime in Afghanistan and had no direct diplomatic relations therefore, end of Taliban regime was probably not considered any loss for China because perhaps in Chinese considerations, the extremist religious regime was promoting extremism in the region including China but the stationing of US and Western troops was taken as 'direct threat' to the Chinese security and security of its interests.

Neorealism articulates that weak state survives in surrounding environment while in this case the US and Indo-Pakistan rivalry were creating strategic conditions for Afghanistan before Chinese direct involvement. Then Chinese involvement created a balancing situation for Afghanistan otherwise the US and India were manoeuvring it as per their strategic goals. Afghanistan is a weak state and all dependent on the US therefore political forces out of power including Taliban have been looking towards China, Russia, Iran, Pakistan and other stakeholders but the state itself has been unable to balance among competing powers and strengthen itself as it was mainly in the clutches of foreign invaders.

Chinese interest in Afghanistan before 9/11 was just limited to ensure peace in the neighbourhood and persuade Taliban regime through Pakistan that Uyghur insurgency may not increase and China should remain peaceful. After 9/11, China felt threatened on arrival of the US on its borders but considered it fine that militancy and militant groups may be eliminated (SWANSTRÖM*, 2005). China gradually felt that the US objectives were not only those, declared openly but there was a hidden agenda which needed her presence in Afghanistan for long time. China started taking interest in Afghan conflict and peace process for its solution. China took interest in Istanbul process. China became part of trilateral dialogue of China-US and Pakistan to facilitate negotiations between Afghan government and Taliban (Scobell, 2015).

In February 2014, Chinese Foreign Minister Wan Yi visited Kabul and told Afghan government that China would play its role by supporting Afghanistan for its gradual and smooth transition in political, security and economic areas (Huasheng, 2016). There are three objectives of Chinese foreign policy towards Afghanistan. First: China wants peace and stability in Afghanistan which is prerequisite for regional peace as well as security of China especially its Western autonomous region of Xinjiang. Second: China wants regional integration and access of Central Asia and West Asia through Afghanistan for expediting its growth under larger project of Belt and Road Initiative. Third: China wants to access natural resources of Afghanistan and invest in infrastructure projects in war torn country having huge deposits of minerals and natural resources (Huasheng, 2016).

China entered Afghanistan with contracts of road building and investment in telecom sector of the country. China won a major bid of US dollar 3 billion of Aynak copper mine, the highest investment of Afghanistan's history in 2007 (O'Donnell, 2014). China has never been left able to extract mine of Aynak. Terrorism and counter terrorism operation has never left the Chinese investors to benefit from it. Thus understanding the phenomenon of the US forces presence and results shows that the aim has been different.

Increasing security risks, unresolved land claims and uncertainty about the security and future made it difficult for China to extract the copper while the issue was discussed in detail with President Hamid Karzai during his state visit to China

China started the visible political role for peace in Afghanistan by hosting meeting of Istanbul Ministerial Process in Tianjin Province in August 2014. China had been realizing friends and foes that China would not remain aloof after withdrawal of ISAF troops to allow Afghanistan to slip into civil war like post-Cold War period. Hosting of Istanbul Ministerial

Process was first public diplomatic sign which the West considered robust sign of increasing interest and involvement of China in Afghanistan (Jin, 2016).

Russia gathered all stakeholders of Afghan crisis san NATO and the US. China and Russia were the major powers while Pakistan and Iran were the key neighbours having stakes in the conflict, invited in the peace process. Russia has been increasingly taking interest in Afghan conflict and supporting Taliban against the US and NATO. Presence of invading forces in Afghanistan is a security threat and threat to the Russian interests in the region (Katz, 2014).

China has been providing development aid to Afghan government from 2001-2013 totaling US dollar 240 million. In 2014 alone, China provided US dollar 80 million in aid to Afghan government (Kitano, 2016). Chinese interest in security of Afghanistan increased after President Ashraf Ghani came in power. Chinese Army Chief Fang Fenghui announced roughly dollar 70 million in aid for Afghan army operations to counter militancy in February 2016. During visit of Abdullah Abdullah in China, the two countries signed an agreement of technical cooperation and non-emergency humanitarian aid worth US dollar 76 million. In July 2016, first Chinese military equipment consignment was received by Afghan forces (Gul, 2016).

China had already taken Central Asia on board while Afghanistan was seen as the last pawn in the chess board of Chinese grand strategy in the region therefore, the memorandum of understanding for cooperation under OBOR was signed between Afghanistan and China during visit of Abdullah Abdullah to China in May 2016. Afghanistan was included in BRI and for its success peace and stability is pre-requisite.

Heart of Asia process was initiated in 2011 to tackle issues of regional security and economic cooperation in and around Afghanistan in which many countries including China

participated to take steps for the purposes. China hosted the secrets talks of Taliban and Afghan government also (Wong & Mashal, 2015). Chinese Foreign Minister visited Pakistan and Afghanistan to discuss deteriorated Pak-Afghan relations after some conflicts on border. He met military and political leadership of both countries and got consensus on two points that all aspects of Pak-Afghani relations with special focus on economic relations would be discussed in trilateral dialogue of foreign ministers of China-Pakistan and Afghanistan.

Pakistan's foreign affairs advisor Sartaj Aziz told the media that a bilateral crisis management mechanism between Pakistan and Afghanistan would be established to enable the two countries to maintain timely and effective communication in case of any emergency for seeking proper solution through dialogue and consultation (Garver, 2016). The step was taken by China to enable the regional mechanism for settling the regional issues and putting the relations on the right path to focus on economic relations. China feels that finding the solutions of conflicts through extra-regional powers serves the interests of those powers instead of the conflicting parties (Bolt & Cross, 2018).

In July 2016, a group of Taliban representatives visited China probably to share their perspective on prevailing and developing situation in Afghanistan. Afghanistan protested over Chinese hosting of Taliban and said that China was providing a platform to the killers of Afghans. Similar protest was also launched by Afghan government when Russia invited the regional stakeholders in Afghan issue neglecting NATO and the US (Wong & Mashal, 2015). The both protests may be viewed in context of the US and NATO's presence in Afghanistan who would never like to see solution of Afghanistan suggested, negotiated or implemented by "others" without incorporation of their interests for which they waged war and faced money and material losses for 15 years. Afghan government said that it was like interference in Afghanistan. Later, China Russia and Afghanistan got closer to broker peace in Afghanistan neglecting India (Bagchi, 2016). India being key regional country and having stakes in

Afghanistan has never been included in peace negotiations either by Russia or China which indicates that Pakistan has been successful in achieving goal at diplomatic front.

4.14 China's Trade with Afghanistan

Chinese economic and strategic interests have increased to a large extent as compared to the past while the risks for China are also greater owing to its growing economy with ambition of regional and global power. China wants to see the Western troops winding up from Afghanistan and considers her role as crucial to ensure her economic and strategic interests as for how long China had to depend on the West for political stability in its neighbourhood especially next to the sensitive and volatile region, Xinjiang (Small, 2015b).

Andrew Small is of the view that China would not like to take the lead role for security in Afghanistan which may collide with interests of other country and may lead to enmity with transnational network of terrorists. China has tools of economy and diplomacy to deal with the issue and she may offer some support and benefits to other regional players in the game for achieving desired results. China brought Afghanistan in SCO as observer to incorporate Afghan conflict in regional platform to settle along with member states (Small, 2015a).

China, Pakistan, Afghanistan and Tajikistan also agreed to set up four countries alliance for countering the menace of extremism and terrorism. The four countries agreed to cooperate through training and intelligence sharing by quadrilateral mechanism (Jaffer, 2016). It is clearly evident that it is all aimed at securing Xinjiang region from the threat of militancy from bordering countries especially Afghanistan which has become host of such elements owing to long war and weak or no control of many areas by Afghan government.

According to Angela Stanzel of European Council on Foreign Relation, China had evolved into a notable, although not major, player in economic development, humanitarian assistance and military supporter till the end of 2016 in Afghanistan (Stanzel, 2017). China

seems to take the direct security role as it could lead to the conflict of interests with other powers or this could lead to the retaliation of militants against China. China's approach has been to stabilize, empower and strengthen local economies of the partner countries to enable them solve their problem. China is the large trader and investor in the world therefore, it seems indirect approach of using trade and investment for strengthening partners effectively used by China. China has been increasing its trade with Afghanistan after 9/11 particularly after initiating BRI.

China had been playing the role behind the scene by supporting and directing Pakistan for ensuring interests of both countries. China seems to continue this bilateral cooperation with Pakistan for peace, security, stability and bid for managing interests in Afghanistan. China and Germany agreed to cooperate in Afghanistan for establishing disaster management office and training Afghan people in the mining sector. China has been reluctant to extend similar cooperation with the US perhaps with the perception that Chinese and the US interests differ at large (Saud & Ahmad, 2018).

The interpretation of every single action in international relations is considered by two different social scientists as different and even quoted as empirical evidences in opposite contexts at the same time accordingly owing to their schools of thought. This opposite consideration is widened among the social scientists living in different countries and different cultures. Therefore, consensus on the same result is not necessary and both of the opposite conclusions are taken as perspectives if they are based on logical scrutiny. Well trained and honest academics driven to find out the truth even have some positive or negative biases in the personality due to various reasons. If they are conscious enough of their biases even then they are unable to view the things from every angle of 360 degree therefore, conclusions drawn on some logical basis are respected and considered the perspectives.

It is inability of human being to view the closer and distant location with the same level and considerations therefore, location of social scientist determines interpretation of events and concluded perspective. Thus, different perspectives have been included in the research to have a better and balanced conclusion about the effects of Chinese and the US role in region including Afghanistan. The US is the main player in Afghanistan and her narrative on Afghan war was the main narrative believed by most of the world and even neighbouring countries of Afghanistan. With the passage of time and prolonged war, the US narrative was challenged by regional player especially Russia, Iran, China and Pakistan respectively.

4.15 Chinese Role in Military Development of Afghanistan

Wakhan strip, a buffer zone between Pakistan and Tajikistan, is part of Badakhshan Province. It is same belt that touches Chinese border and shares boundary of 53 kilometers. Presence of some ETIM militants in Badakhshan Province has been reported (Saud & Ahmad, 2018). Even if the militants are not in the province but it is the only province which provides the incursion point to the militants directly from Afghanistan. The news regarding Chinese plan to establish an airbase in Badakhshan Province surfaced on the media which was denied by China. China stated that it had no such plan however China was willing to help Afghanistan in establishing the base in said province. Afghan government had confirmed that China was ready to finance all construction, equipment and manning of base (Toktomushev, 2018). Chinese interest in Badakhshan Province of Afghanistan is increasing. China has reportedly formed regional forum for Badakhshan, Wakashan, Gilgit-Biltistan and Kashghar Province for security and economic development. Reason of this increasing interest is perhaps the presence of Da'esh and ETIM militants in North Eastern areas of Afghanistan. This base may help China contain northward expansion of Da'esh and counter the militant's incursion to Xinxiang Province from Afghan soil. It would be major development for not

only security of China but also for Pakistan and Afghanistan as it would help counter the militants in north-eastern provinces of Afghanistan.



Figure 14. Afghan Border with China

<http://mantraya.org/road-to-the-dragon-overcoming-challenges-to-the-wakhan-corridor/>

In 2016, a Chinese military General Feng paid his first visit to Afghanistan for offering to provide military equipment to Afghan National Security Forces. The equipment was not offering any modern technology or significant weaponry but perhaps it was a sign or gesture of cooperation for supporting peace in the neighbourhood. Cost of the equipment was also around US dollar 73 million. The equipment has not brought any specific development but it was all assistance to Afghan forces (Mitchell, 2018).

Various reports, with variation, declare that most of Afghanistan was under control of Taliban while the percentage of territory control goes up and down frequently. The US has acknowledged that Taliban control was increasing (Walsh, 2018). Taliban wrote an open

letter to the US masses urging for the building pressure on government for the US troops withdrawal from Afghanistan and recognition of Taliban's political role (Constable, 2018). It is contradictory role of the US that even after recognition of Taliban as political force, the US did not made any progress in negotiations for ending the war.

4.16 Important Projects Dependent on Peace in Afghanistan

There are around half dozen important projects of energy transport and communication which pass through Afghanistan. The projects are important for integration and development of contiguous regions with potential to positively impact more than half of global population.

Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline is a project of US dollar 15 billion passing through Afghanistan. Afghanistan has key position for realization of the project and boosting economy of South Asia. The work has started on the project. India being part of the TAPI project has to play role for stability of Afghanistan (Huda & Ali, 2017).



Figure 15. Turkmenistan-Afghanistan-Pakistan-India Pipeline

<http://www.geocurrents.info/news-map/tapi-and-turkmenistans-natural-gas/attachment/tapi-map-from-heritage-foundation>

CASA-1000 (Central Asia-South Asia-1000) is another important project of energy imports for Afghanistan and Pakistan from Tajikistan. It is much needed link between energy hungry South Asia and energy rich Central Asia. In the project, 1300 megawatt electricity would be imported from Central Asia. 300 megawatt of the electricity would be purchased by Afghanistan while rest of 1000 megawatt would be for Pakistan (Sadat, 2015). The project is viable and partner countries are ready to implement it once Afghanistan becomes stable.

North South Corridor is an important communication infrastructure project to interlink the landlocked countries of Central Asia with Russia and further south to access sea routes for trade and commerce. The corridor would integrate Central Asian states with Afghanistan, Iran and neighbouring countries (Singh, 2017). It is the project of regional integration supported mainly by Russia and regional countries.



Figure 16. Chabahar link to Afghanistan

<https://www.voj.news/the-port-politics-gwadar-and-chabahar/>

India has got operational control of a portion of Chabahar port of Iran. India has already worked on the construction of the link road between Iran and Afghanistan. India wants to

further extend it to Central Asia for accessing the natural resources of Central Asia bypassing Pakistan. India is trying develop Chabahar as an alternate of Gwadar for its trade and Central Asian access to Persian Gulf or Indian Ocean. Gwadar Port is a project of Pakistan and China while India being out of the game is trying have its access to Central Asia through Chabahar.

The US has strained relations with Iran but it seems that the US is supporting India to build the alternate route against China and Pakistan perhaps to create an option for accessing Central Asia (Yousaf, Ahmad, & Shah, 2017). Iran has expressed time and again that it was interested in CPEC. Iran can access China through CPEC and China needs the energy of Iran which could be taken through Pakistan. Gwadar is a deep sea port and Chabahar cannot be like that but is an alternate card in the regional geopolitics.

Lapis Lazuli Route is another transportation route envisaged to start from Afghanistan and end in Eastern Europe i.e. Turkey. The success of Lapis Lazuli Route is also dependent on peace in Afghanistan. It would link South, Central Asian and even Middle East with Western Asia and Eastern Europe. Afghanistan is center of integration of the all regions of Asia except South East Asia (Roy, 2017). Thus peace in Afghanistan would play the pivotal role in integration and development in Asia as a whole but South Asia particularly.



Figure 17. The Lapis Lazuli Route

<https://nation.com.pk/16-Dec-2018/lapis-lazuli-corridor-to-connect-asia-europe>

China wants to extend CPEC not only to Afghanistan but also link it with other regional countries beyond Afghanistan. The regional projects need peace and stability in Afghanistan to be realized and bring forth the desired results. Until there is conflict in Afghanistan, realization of these projects regional connectivity and leap forward to progress would remain a distant dream.

4.17 Impact of Sino-US Intervention and Interaction

The world is not flat militarily, technologically and economically. On a part of the world, people enjoy the highest level of comfort while on the part, people are deprived of the basic necessities to survive. In some parts of the world, people face poverty which is not the result of their laziness, absence of work or inefficiency but due to the global economic order and subservient role assigned to their country by global power structure. It is not the reason that people in under developed countries work less and people in the developed world do harder but it is their state and its policies and surrounding environment that actually makes the difference. In the developed world, animal rights are being ensured while in developing world, people are killed like carrots or vegetables cold bloodedly without any consideration for them as human being whereas many a time the same so called civilized world leaders are involved in the killing.

States have voluntarily and compellingly surrendered the traditional concept of sovereignty against the international regimes, domestic and transnational actors respectively. Advent of the lethal nuclear fire power and devastating memories of world wars are compelling states to review presumed objectives of states and states' powers. Therefore, economic development and social welfare of the people in country are becoming the prime objective of the state. States are mainly competing for economic security which provide the basis for hard power to ensure state survival and strength.

The US role in Afghanistan has helped in constructing some of its infrastructure and sustain a military of about 200,000 to defend its borders. It is believed that Afghan economy is not so healthy to finance the existing military if the US ends financing the troops. Afghan regime of Taliban was also receiving funds from friendly countries but the current regime is more dependent on foreign assistance. As long as the aid and assistance is there, Afghan government and forces may thrive but these are not self-sustaining yet (Roberts, 2016). Researcher believes that China, Russia and other stakeholder may start financing Afghanistan economy as well as defence needs but perhaps after the US and RSM forces withdrawal from Afghanistan. Foreign troops' withdrawal and Taliban's role in post withdrawal Afghan state would again decide the interest of the stakeholders and their role respectively. Until now Asia powers and NATO are in opposites camps on Afghan issue despite apparent consensus for peace and stability in Afghanistan.

Sino-US strategic competition in all South Asia has been very favourable for national economic growth, military strength and her overall integration with the global community especially major player in Asia while in Afghanistan the strategic competition of China and the US along with other regional and extra-regional powers has complicated the problem.

Strategic competition with diverging interests has exacerbated the conflict in Afghanistan as the country is suffering from a war where different groups are fighting for power besides different interests linked to the invading forces and competing powers. Important difference of Afghanistan with other countries is that other countries have a single center of power and that is government while in the case of Afghanistan there are many centers of power i. e. National Unity Government and resisting forces including groups of Taliban and Da'esh. Competing powers are supporting these different power centers to ensure their interests that is why the result is continuous destruction and bleeding in Afghanistan. Thus divergence of interest in Afghanistan and even rise of China has brought

the war, devastation, bloodshed and negative impact for Afghanistan through global as well as regional players.

4.18 Steps towards Solution

President Barak Obama came into power in in 2008 and he announced to withdraw troops from Afghanistan by the end 2014. There were around 165,000 troops. The US withdrew most of its troops and around 10,000 were left with non-combat mission and the objective to guide, train and supervise the Afghan National Army (ANA) operations against Taliban (Akhtar & Sarkar, 2015).

The war was continuing as Taliban were not being defeated though the US claimed to have destroyed the structure and capacity of Al-Qaeda to launch attacks against the US from Afghanistan. The UN proposed to remove Taliban from list of terrorist organization to start dialogue for peace in Afghanistan in 2011. The US declared plan to restore the peace and stability in Afghanistan by negotiations with Taliban leaders through Afghan government but simultaneously, the US wanted to keep its basis there for long. Taliban demand the complete withdrawal of foreign troops from Afghanistan before negotiating the peace in Afghanistan (Dobbins & Malkasian, 2015).

The US started secret diplomacy and helped Taliban establish office in Qatar in 2013. The US had to release few Taliban leaders from Guantanamo bay jail as a step for confidence building measure to go towards negotiated settlement in Afghanistan. Negotiations started but did not achieve as per the goal. President Hamid Karzai led Afghan government established a High Peace Council (HPC) under Burhan-ud-Din Rabbani for bringing the groups, continuing the armed struggle, in national mainstream. Later on, Pakistan, China and the US were also involved to facilitate the peace negotiation but as the process moved ahead after the initial

Confidence Building Measures (CBMs), the news about death of Mullah Omar was released by the US and eventually the negotiations were stopped (Shah & Wiqar, 2014).

The US considered that Taliban, with death of Mullah Omar, would not be able to remain powerful and would be scattered but Mullah Akhtar Mansoor became successor of Taliban leadership and showed that Taliban were powerful and united enough to fight against the alien invading troops. The US again asked Pakistan to bring Taliban to the negotiation table and the process of peace talks was resumed but as the process became in swing, the US targeted Mullah Akhtar Mansoor with drone strikes as he entered Pakistan while returning from Iran. The negotiation process was again derailed by the US (Basit, 2016).

In February 2015, the US States Department avoided to call Taliban terrorists and referred them as “armed insurgents” a month after the end of combat operations. A report by VOA claimed that Taliban were not listed in foreign terrorist organizations to make easier for the US and Afghan government to have contacts with Taliban and continue the negotiations for peace (Dhaka, 2017).

The US pressurized Pakistan to use its influence over Taliban to bring them to the negotiating table but at the end US has been sabotaging the all negotiations processes before their culmination into a logical conclusion. Pakistan has been supporting all efforts for peace in Afghanistan whether it is Doha Dialogue, Istanbul Peace Process, Trilateral peace process or even Quadrilateral Peace process led by China and Russia. Pakistan has been reiterating that peace in Afghanistan is in favour of Pakistan. Pakistan would support all efforts of peace which is Afghan led and Afghan owned (Rubin, 2017).

The US has ‘recognized’ Taliban as the legitimate stakeholder in Afghanistan delisting them from terrorists list in 2015 but still the US has not allowed them to be part of political process and share power by various tactics even after negotiations and conducting many

rounds of talks. The talks have been continuing unilaterally by the US and later under Quadrilateral Group consisting the US, China, Pakistan and Afghan governments but in vain (Khan & Abbasi, 2016).

Russia, China, Iran, Pakistan and other regional countries have raised questions over prolonged presence of the US and her seriousness in achieving the described goal. Careful observation for a long time bring them to the conclusion that the US seems not interested in restoring peace in Afghanistan for its strategic reasons. Therefore, a bloc of China, Russia, Pakistan and Iran was forged to resolve the conflict in Afghanistan (Price, 2015).

Trump Administration of the US has announced to resend more troops to Afghanistan and many NATO countries have also followed the suit while few other are expected to come to Afghanistan for supporting the US objective in Afghanistan. Reinforcement of troops after withdrawal indicates the reshuffling of policy and revoking of decisions made by Obama administration to wind up the conflict in Afghanistan (Das, 2017).

The US attack on Afghanistan may be considered as the main manifestation of Sino-US strategic competition in South Asia as before that the US has been calculating the emerging threat to its global hegemony and probably trying low level covert strategies. The intensity of strategic competition was expressed with the invasion of Afghanistan which ranged the alarm bells in Moscow and Beijing.

A recently published report by the US claims that Russia, Iran and Pakistan malign the US and NATO for the crisis as even after a long period there no significant achievement towards the goal of a stable Afghanistan. It has been compiled after the formation of regional block on Afghan conflict where NATO and the US were not invited deliberately. Recognition of concerns of regional powers may generate response from either the US or NATO to change the situation of conflict ridden country in the heart of Asia. Numbers of conferences

have been held with participation of stakeholders in Afghan conflict but could bring the desired result so far. Many rounds of talks have also been held but those have not brought any development on ground but perhaps a consensus among the regional countries that the US was not interested in solving the issue and bringing peace in Afghanistan as the US seems interested only to pursue its neo-realist interests in the region.

Without the US, no regional country is leading to take steps for the negotiation between Taliban and Afghan government but they are offering facilitation and good offices in this regard. All efforts of the regional countries confined to Taliban and Afghan government for peace would be unfruitful until the US agrees to withdraw troops from Afghanistan as Taliban demand. Many forums, number of events and the countless efforts have not been able to bring peace in Afghanistan due to competing interests of domestic, regional and extra-regional players in Afghanistan and it seems impossible until the alien troops withdraw and leave Afghan territory.

4.19 Way Forward in Afghanistan

In 21st century, citizens for their wellbeing and socioeconomic development are dependent on the governing rules and dominant ideas of the society they live in despite having the essential ingredients of developments. These rules are formulated and ideas are imposed by the state. Sometime religion and business also lead in propagating specified ideas. State adopts those rules and ideas due to domestic compulsions and international reasons i.e. it has to remain struck in security dilemma or embark upon the path of economic development according to the prevailing and dominating strategic environment surrounding it. Though states have to pursue for both objectives simultaneously but one of the aspects becomes dominant agenda of state.

Domestic compulsions come from geographic features, available resources, form of government and citizens' culture while international system is formulated by regional players and global powers. Thus policies formulated and imposed by super powers directly affect the socioeconomic wellbeing of citizen even in the far flung poor nations. This research is aimed at highlighting the role of Washington's and Beijing's policies in helping South Asian nations in their endeavor of economic development or keeping them struck in the "security dilemma and war hysteria leading to arms race".

Thinking of regional connectivity is emerging in South Asia with a view that regional countries should tell each other about themselves instead of waiting for the West to come and tell what others are. China and Russia also proposing and supporting for the regional solution for the regional conflicts. The issue of designating Taliban as terrorist is being raised again by various circles during Trump Administration with the argument that only delisting Taliban is not enough to encourage Taliban to start negotiations while listing Taliban as terrorists would enable Trump Administration to press the foreign governments supporting Taliban, namely Pakistan (Shahed, 2018). Revival of the issue hints that the US government has decided or being pushed to review its policy of early solution to the conflict in Afghanistan through negotiations while the announcement of re-sending troops to Afghanistan also testifies the change in direction of the US policy from Obama's drawdown and windup from Afghanistan.

Four Asian nuclear powers are directly involved in conflict but degree of involvement is not open. Thus six out of eight declared nuclear powers are involved in Afghan conflict. The US, the UK and India are in one camp while Russia, China and Pakistan are on the other side now. Involvement of nuclear power and their further division into two camps has complicated the situation of Afghan conflict.

Taliban is not the name of counted Madrassah graduates fighting for purging their land from infidel invading forces but the group include the young boys with nominal religious education but wield support of the locals as protector of land, values and religion from the alien barbarian forces (Laub, 2014). Taliban have control over many provinces and rural areas of almost 80% of Afghanistan. The area under control of Taliban remains changing with the passage of time but during most of the time in the conflict, majority area has been under control of Taliban (Nojumi, 2016).

Tajiks, Uzbeks and Hazaras who have always been ruled over by Pashtun majority in Afghanistan have got opportunity to access corridors of power and main institutions of the state with the help of the US and allied forces therefore their interest is that the US and ISAF should prolong so that they could continue to remain in power and entrench their roots in the institutions (Gopal, 2016). High Peace Council seem incapable to deal and negotiate with the militant groups having regional and extra-regional players on their back. Afghan President Ashraf Ghani has urged Taliban to come to negotiating table and participate in mainstream politics as a political party and stakeholder (Khan, 2018).

The US has claimed that it has eliminated Al-Qaeda, destroyed the infrastructure of militants and abolished their ability to launch attacks against the US from Afghanistan. The US has also recognized Taliban as stakeholder and participated in various rounds of talks with Taliban for reconciliation process in Afghanistan. The US has targeted Taliban leader Mullah Mansoor while the talks could bring the positive results therefore, the US role and intention is questioned again and again by Pakistan and the regional powers. (Dhaka, 2017). A thinking has emerged to involve regional stakeholder for negotiating peace in Afghanistan. Former Afghan President, who otherwise being in power used to criticize Pakistan, came with a view to include Pakistan, Iran, Russia and China for negotiating peace in Afghanistan (Tiwari, 2016).

Former Afghan President Hamid Karzai in a television interview with BBC on 5 October 2017 said that he rejects Trump policy for Afghanistan. Replying to a question, he said that Iran, Russia and China had roles in long war of Afghanistan while the US, India and Afghanistan blame only Pakistan for the deteriorating situation. He added that the US was the patron of Da'esh in Afghanistan. He said that he feels that the US had some agenda, plan or strategy against the region (Dhaka, 2017).

Afghanistan is the heart of Asia. The US presence in Afghanistan seems to be aimed at spreading and maintain instability in Afghanistan. The US has signed an agreement with Afghan government for stay in Afghanistan till 2024. The US presence in Afghanistan for so long period would not only mean continuation of conflict but a bar against development of Afghanistan and integration of three contiguous regions for sharing resources for prosperity.

For the issue of Afghanistan, future is in two points: winning the war or wrapping up the war. The US has again reiterated the plan to win war in Afghanistan. The reinforcement of troops in Afghanistan is part of same strategy. National Unity Government of Afghanistan has also been supporting the stance and narrative against Taliban and kept demanding the end of resistance. Taliban were of the view that they would only come to the negotiation table after the withdrawal of the US troops from Afghanistan. President Ashraf Ghani changed the stance and maintained that they wanted to end war instead of winning it (Dobbins, 2015). Russia, China, Iran and Pakistan want settlement of Afghanistan issue through negotiations. The ongoing conflict and rising interest of regional stake holder depict the trends that the US can only end the war instead of winning it as bid to victory would only exacerbate situation further not only in Afghanistan but the region also.

The divergence of interests in Afghanistan, has resulted in prolonged war while it seems to continue in similar way in the foreseeable future. As Afghanistan got somewhat

stability under Taliban rule, the US invaded Afghanistan on the pretext that Osama Bin Laden was responsible for the attacks of 9/11. The US destroyed Afghan economy and then invested in various sectors for state building. The US has also improved the military of Afghanistan.

The US seems not leaving Afghanistan in foreseeable future while the stability, peace and economic development would remain a far cry until the US troops quit Afghanistan even if the military assistance, training and support continues. Although China is trying to stabilize Afghanistan and restore peace through various channels but divergence of interest would prolong the conflict until the predictable and foreseeable future.

Converging and diverging interests of the competing powers i.e. the US and China have not helped Afghanistan to either grow economically or militarily but existing military is all dependent on the US aid and is not sustainable. Little improvement in both areas is not what it could have done without foreign assistance had the alien forces not invaded the country. Diverging interests in Afghanistan have prolonged war there and made it devastating as well as bloody due to absence of powerful state and single stakeholder of the country. Division of stakeholders within Afghanistan and absence of powerful state would continue to weaken and destroy it further.

The announcement of One Belt One Road (OBOR) hints that China is reshaping the economic geography of the World. China is the important factor behind the economic growth of South and Central Asian economies (Yu, 2017b). Afghanistan is suffering by war since long but reshaping economic geography would also change fate of Afghanistan and poverty ridden masses as it is bridge of Central Asia, South Asia and Middle East. Changing geo-economic posture of surroundings would automatically reflect in Afghanistan. Participation of Afghanistan in inclusive growth is prerequisite for realization of peace and economic

growth in the region and the continent. The changing geostrategic outlook in the region would be the big push for peace in Afghanistan and peace in it would play the key role in growth and development of the adjacent regions.

Chapter 5

Ties of the US and China with Bangladesh

5.1 Bangladesh Profile

Geography of Bangladesh makes it an important geopolitical and geostrategic country in South Asia. It is the third largest populous country of South Asia and seventh largely populous country of the world. Its proximity with Myanmar, long unique borders with India and location at the Bay of Bengal in Indian Ocean make it more important. It is a culminating pointing of South Asia and South East Asia which makes it the bridge between the two strategically important regions of “emerging Asia”. Indian Ocean has become battleground among littoral states, the emerging and established powers of the region, continent and the globe for showing muscles and ensuring presence to secure their interests. Indian Ocean is being highly militarized by regional and the extra-regional powers. At this point of time for geopolitical scenario, importance of Bangladesh has multiplied (Mostafiz, 2017).

Bangladesh was known as ‘food basket’ among the comity of nations owing to its large population and extreme poverty but it has been growing with six percent per annum GDP rate for two decades. Bangladesh has discovered 15.51 trillion cubic feet of oil and gas reserves. Bangladesh is a democratic country with overwhelmingly Muslim population totaling 165 million. Bangladesh is now included in the list of the next group of countries emerging as bigger economies (LaFranchi, 2015).

Bangladeshi foreign policy experts believe that its foreign policy is not formed on true national preferences and needs of state but the interests of the ruling regime therefore, policy keeps changing from regime to regime. Bangladeshi Prime Minister Hasina Wajid had the traditional tilt towards India over patronization of her political career and political role but the US and China’s growing interest and the increasing role had cut the Indian role to its size (McBride, 2015). Increasing interest and role of the US, China, India, Japan and Russia have

made the foreign policy formulation process more mature and balanced for pursuing the core and other national interests more independently and wisely (Wohlforth & Brooks, 2015).

Premier Sheikh Hasina has been ruling the country with two consecutive terms in office after 2010. She was alleged by Human Rights Watch (HRW) and Amnesty International (AI) that she was targeting political opponents in the name of terrorism (Mozahidul Islam, 2015). Pakistan had also protested over hanging of Jamar-e-Islamic members after death sentences by courts. She is in politics since long therefore, she has been successful in accumulating power and calming the resistance against her policies (Mahmood, Farooq, & Awan, 2015).

5.2 China-Bangladesh Rapprochement

China had historical links with Bangladesh connected through the southern Silk Road. In modern history, China opposed, by veto power, Bangladeshi membership in the UN on behest Pakistan until 1974. China and Bangladesh established diplomatic relations in 1975. India had played the main role in partition of Bangladesh from Pakistan. Bangladesh is surrounded by India from three sides including Western, Northern and parts of North-Eastern side of its geography. Since then, Bangladesh needed China as a counterweight to India. Both of the countries had political, economic, military and cultural relations since the dawn of rapprochement. Chinese President paid its first ever visit to Bangladesh in 1986 to recognize the importance China attaches to the country (Lee, 2016).

China surpassed India as the largest trading partner of Bangladesh in 2004. Bangladesh is the third largest trading partner of China in South Asia while the trade balance is highly in favour of China. China has also favoured Bangladesh by eliminating custom duties over the imports from Bangladesh under Asia-Pacific Free Trade Agreement (AFTA). China imports mainly raw material of cotton, jute, leather, fish etc. China's exports to Bangladesh include

textile machinery, electronic machines, cement, raw silk, fertilizers and maize and other items (Hussain & Ejaz, 2017).

As per the neorealist explanations, rise of China and strategic competition with the US led to increased interest of China towards Bangladesh as the US and India were forming strategic conditions for her earlier. China proved to be a blessing and rescuer for Bangladesh from the strategic trap of India and the US with huge investment and support for military modernization as compared to the pre-9/11 period.

5.3 Bangladesh-China-India-Myanmar (BCIM) Corridor

Professor Rahman Siobhan coined the idea of connecting Bangladesh, China, India and Myanmar through various projects of road transport for increasing the regional trade and eliminating poverty. The idea flourished in 1990s and resulted in “Kunming Initiative” in 1999 (Rao, 2015). Later it was developed as a platform of BCIM Forum. The forum became an annual event to discuss issues related to integration. The forum highlighted the priority cooperation in trade, investment, energy, water management and tourism and the potential benefits. The four countries have also agreed to encourage potential cooperation in education, sports, science and technology (Rao, 2015).

Chinese Prime Minister Li Keqiang discussed the corridor with Indian counterpart Manmohan Singh in 2013. A car rally was also held to highlight the connectivity of the four nations. On 18 December 2013, all members gave approval of connectivity. Under OBOR initiative, China has included BCIM corridor for realizing the vision conceived in BCIM Forum. The corridor included access to various markets, improvement of transport infrastructure and development of economic processing zones (Hussain, 2015). Inclusion of BCIM in BRI increased the importance of Bangladesh as compared to previous the one before BRI.

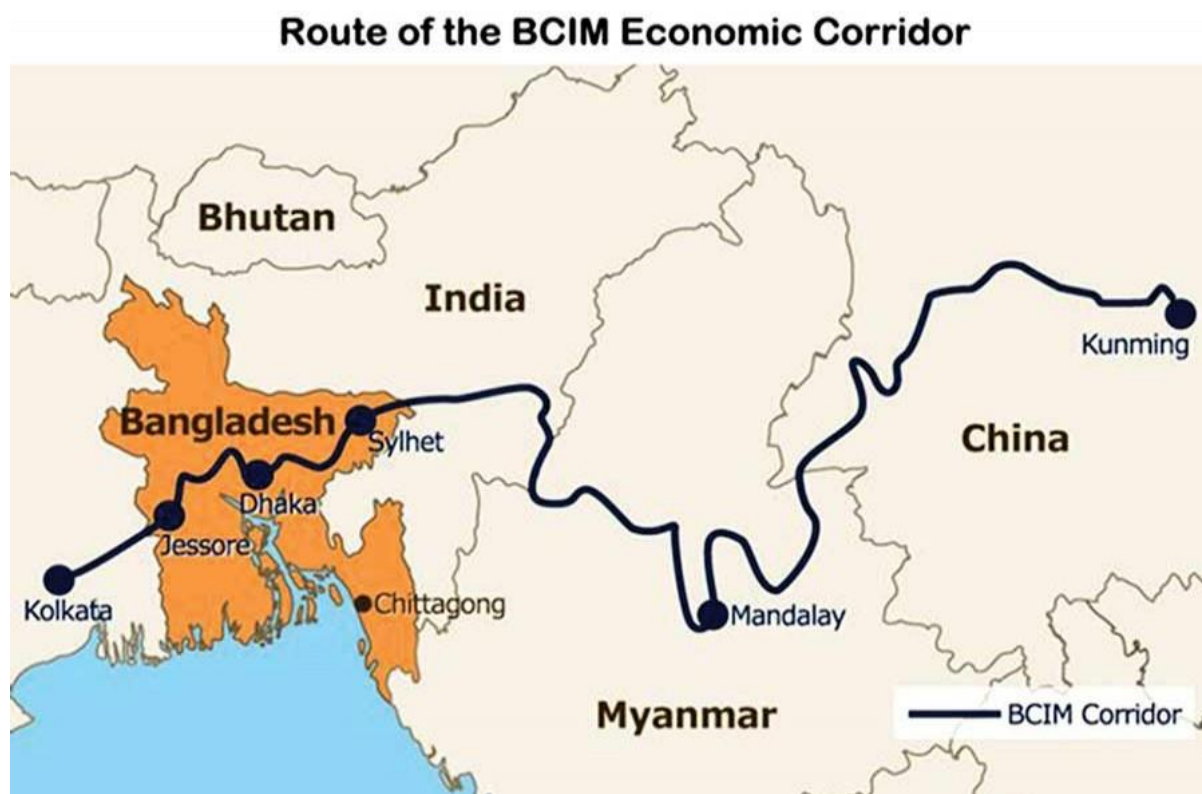


Figure 18. BCIM Route

https://www.researchgate.net/figure/BCIM-Economic-Corridor-Source-Asia-Briefing-2013_fig2_329642717

China offered Bangladesh to build nuclear power plants for meeting the energy needs. China is the largest exporter of nuclear energy plants throughout the world. China is leveraging its partners to help in establishing nuclear power plants and benefit from the nuclear energy (Bhuiyan, Jasim, Taluckder, & Sarker, 2015). At a time when the US is offering this facility to the selected and prioritized military, economic and political partners, China seems to be the best available option for exploring this avenue by the poor countries of the world particularly South Asia.

Bangladesh issued postal stamp in 2000 to mark Sino-Bangladesh relations. In 2002, Premier Wen Jerboa visited Bangladesh and the two countries signed nine different agreements for bilateral cooperation. On his arrival, both countries declared 2005 as the year

of their friendship (Kumar, 2015). Tibet is a weak point for China's internal security and Chinese control over it is still sensitive and not normal. South Asian states, located in neighbourhood of Tibet are persuaded by China to downplay the humanitarian problems related with the issue. Chinese embassy in Dhaka intervened twice to censor the art work exhibitions highlighting plight of Tibetan refugees in South Asia. Police was also used to disrupt the exhibition for censorship (AFP, 2016).

Hasina Wahid visited China in 2009 and stayed there for six days to discuss the bilateral cooperation. China has extensively been discussing the bilateral cooperation with Bangladesh after 9/11 and the urge increased with the passage of time. China did so to implement model of integration with neighbouring economies.

The US ambassador in Bangladesh Marcia Bernice said in February 2017 that the US competition with China and India for influence in Bangladesh is a myth as it is widely believed by the people and intellectuals in Bangladesh that the three powers are in competition for influence owing to its geostrategic significance. The remarks were made in a seminar titled, "China, India and the United States in Bangladesh: Catalyzing Competitive Cooperation", held in Independent University of Bangladesh. She opined that the US, China and India share the common goals of safe, prosperous and stable Bangladesh while for this purpose Bangladesh needs ideas and resources of more than a country. Bernice hailed assistance of Bangladesh by other countries and expected that the fair rules to participate in Bangladeshi development would prevail while the region is missing many opportunities due to lack of regional connectivity. She added that Bangladeshi location connecting South and South East Asia with 165 million population, young workforce and sustained growth of six percent for the last two decades are enough indicators for it to be the hub for foreign direct investment and regional production (Begum, Salahuddin, Chowdhury, & Wahid, 2018).

Bangladesh is looking towards East, China and India, for geostrategic and economic benefits while many tension arose with the US in recent years. Weakening of the US role in Bangladesh have given impetus to Sino-Indian competition for inroads in Dhaka. Chinese economic relations with Dhaka, in past, have been mainly trade centric where Bangladesh used to import a lot and exported little to China (Bahmani-Oskooee & Rahman, 2017).

India and China both consider Bangladesh as an important player in their respective geo-strategic and economic considerations in the region. Chinese relations with Bangladesh have increased manifold in limited period of time. Bangladeshi Prime Minister Hasina Wahid visited India to sign 25 agreements of cooperation in various fields including defence and civil nuclear cooperation. India supported Hasina Wahid to form government in 2014 amid controversy over the election. India considers Bangladesh as key in its “Act East Policy” for using its land and maritime routes to connect to South East Asia and needs Bangladeshi cooperation to increase its role via Bay of Bengal (Downie, 2015). India has also been using Hasina for suppressing Muslim radicals while India claims that it wants to save Bangladesh from China’s designs to get political and defence leverages against economic cooperation (Chatterjee, 2015).

China outclassed India by becoming number one trading partner of Bangladesh in 2004. Bangladeshi trade with China has been mainly defence centric. Bangladesh was the second largest importer of Chinese arms in the world following Pakistan between 2011 and 2015. Bangladesh got delivery of two large patrol crafts of Duron class in 2015. Two others would be provided by China while four others would be built-up in Bangladesh. Thus China would be transferring the technology to Bangladesh. Chinese Navy has conducted jointed exercises with Bangladeshi Navy in 2016. Indian researcher Probable Gosh objected and highlighted the strategic importance of submarine transfer. He argued to “prevent Bangladesh from using China card further” (Bahini & War).

Chinese anti-piracy deployment in Indian Ocean began in 2008. Chinese conventional and nuclear submarines continued patrolling the Ocean later which was questioned by India (Brewster, 2018). India is worried that Chinese crew attached in submarines for training of Bangladeshi Naval staff would be aimed at gathering information for improving Chinese naval operations in Indian Ocean. India feared that Chinese coming to Bangladeshi port for supervising the construction of submarines would also gather information for the same purpose. China offered Bangladesh to train its crew at Hainan port while India intervened to offer the training by Indian Navy instead of Chinese Navy (Brewster, 2018).

China provided Bangladesh with two diesel electric submarines Ming-Class Type 035B to enable her to join the prestigious club of Asian Maritime powers. Bangladesh was unable to purchase the high technology submarines but China provided it the submarines on discount in 2013 against the US dollar 203 million. The submarines were used by China in 1970s and 1990s as training submarines but those were provided to Bangladesh upgraded with advance technology of torpedoes and sonar (Gupta, 2014).

Bangladesh and India have conflict over water division of Teesta River, a tributary to Brahmaputra. The Teesta River passes through Indian state of West Bengal and enters Bangladesh before merger with Brahmaputra. Bangladesh demands 50% of its water since its independence. Indian government also favours Bangladeshi demand but the state of West Bengal denies the demand and is not agree to share more than 25% of the water. The issue was pending despite Indian desire to solve it before the interference of any third party (Wirsing & Jasparro, 2007). The North Eastern Indian states demands waterways access to India via Bangladesh which could further integrate India and Bangladesh if realized.

China was considered with favourable view by 77% of Bangladesh respondents in Pew survey report conducted in 2014 (Survey, 2014). In October 2016, Chinese President Xi

Jinping visited Bangladesh to further strengthen bilateral relations by pledging cooperation in various fields. Indian Interior and Defence Minister had already visited Bangladesh to persuade her under Modi's policy of "Neighbourhood First" aimed at balancing against China (Kaya, 2017). India has been failed to finalize in the past while it signed water sharing treaty and successfully concluded land and population exchange agreement in August 2015 which resolved the issue of 162 enclaves and some 53000 people separated on both sides of their border (Bhattacharya, 2017).

In 2014, India accepted the UN Tribunal decision to grant 19500 out of 25500 square kilometers of maritime boundary disputed between both (Rajput, 2018). Constantine Xavier, researcher at Carnegie Institute India, believes that Bangladesh could not follow equidistance policy for China and India owing to its geographic, cultural and historical links with India while Hasina Wahid is pursuing "India First" policy informally (Xavier, 2017).

5.4 Economic Relations of China and Bangladesh

China has been helping Bangladesh grow its economy slowly but in October 2016, Chinese President Xi visited Bangladesh and signed agreements worth dollar 24.45 billion for 34 projects of various kind from ports development to energy generation, its distribution and construction of communication infrastructure of railways and motorways. Besides China has pledged to invest US dollar 13.6 billion in 13 joint ventures making its aggregate as dollar 38.05 billion (Copper, 2016). It is the second such investment by China after Pakistan in South Asia. On pledging of such a huge money by China, a newsman asked Sheikh Hasina Wahid if the Chinese relation would threaten Bangladeshi relations with India. Bangladeshi Prime Minister replied that Bangladesh would maintain its relations with 'everyone'. She added that the investment would enhance the purchasing power of Bangladeshi people and then it would benefit India too (Liebau, 2017).

Bangladesh is not receiving funding by China and India without any role in the game played by these powers rather Prime Minister Sheikh Hasina had played active role in boycotting and postponing the South Asian Association for Regional Cooperation (SAARC) conference which was to be held in Pakistan (Ahmed, 2017). India had already denied to participate in the conference in Pakistan earlier on the pretext that Pakistan was not a safe country. Bangladesh supports India over issue of Kashmir against Pakistan. Bangladesh has been endorsing Indian stance that Pakistan was responsible for the unrest and instability in Kashmir (Bdnews, 2016).

In 2015, Indian Prime Minister Narendra Modi visited Bangladesh and announced the US dollar 2 billion credit for Bangladesh but Chinese huge investment agreements in October 2016 tempted Indian leaders though but they could not finance the projects like China. India announced new amount of US dollar 4.5 billion line of credit for the projects in priority areas of Bangladesh during visit of Sheikh Hasina Wahid to India in April 2017 (Shah, 2017). India announced additional US dollar 500 million for purchase of military equipment from India. India pledged US dollar 8 billion for Bangladesh during six years after 2010.

Indian Prime Minister said on the occasion that India has been supporting Bangladesh for prosperity of its people so, India is “longstanding and trusted partner for development”. The two sides signed 22 agreements including first ever defence agreement between the two countries (Shah, 2017). Chinese investments in Bangladesh have suddenly changed the economic profile of Bangladesh.

The data list of 42 projects constructed by China highlight and indicate that Bangladesh received huge investment for development of its infrastructure to lay strong foundations for a developing economy. The projects were initiated under various forms of cooperation i.e. joint ventures by companies from both countries and public sector infrastructure.

India considers Bangladesh as traditional sphere of influence with the national aim to become hegemonic power of the region. India was taking Bangladesh as an easy and for granted but the increasing role of China and the US made it complex for her to remain relevant in Bangladesh. Chinese and Indian investment, credit or military assistance comes with the aim of strategic interests while the US investment also pursue the similar objectives.

A steady and gradual upsurge in bilateral trade of Bangladesh with China can be observed with rising amount of import and export bills during the period under study. The surge was not coincident with the US advent in Afghanistan but a deliberately policy of China to engage the neighbours through economic relation and increased cooperation in various fields.

5.5 China-Bangladesh Defence Relations

China-Bangladesh defence cooperation started strengthening since the dawn of 21st century after the US invasion of Afghanistan. In 2002, China and Bangladesh signed “Defence Cooperation Agreement” which covers the aspects of training and joint defence production. As per a Chinese report to the UN, China sold 65 large caliber artillery systems, 16 combat aircrafts and 114 missiles and related equipment to Bangladesh in 2006. China also supplied 200 small arms and related artillery parts. China has given Bangladesh Type 69 Tanks for its army (Kinne, 2018).

In 2008, China helped Bangladesh in construction of anti-ship missile launch pad near Chittagong port. China has provided the missile C802A with strike range of 120 kilometers. The missile is a modified form of Chinese missile Ying-Ji 802 whose weight was reduced from 815 to 715 kilogram to increase the striking range from 42 to 120 kilometers. The missile was test fired on 8 May 2008 from frigate BNS Osman near Kutubdia Island in the Bay of Bengal with the help of Chinese experts. The 1500 ton frigate, BNS Osman, was

commissioned in Bangladeshi Navy in 1989 and it is Jiangsu class frigate, built by China. Chinese aim of strengthening military power of Bangladesh would help her sustain against the hegemonic designs of the US and India (Kinne, 2018).

Chinese policy had been observed with a clear shift of enabling Bangladesh to develop its defence capabilities for ensuring national as well as regional security. This cooperation also helped China to make inroads in Bangladesh. Although study is aimed at highlighting Sino-US competition but India is the key player besides the two powers therefore, it is necessary to mention that Indo-Chinese competition minimized the US role as compared to their role due to proximity and corresponding influence. China has supplied a lot many defence related equipment to Bangladesh from 2001 to 2017 as per SIPRI data.

Bangladeshi intellectual endorse that the US is being considered as the dominant military power in Indian Ocean and the globe as a whole while China is emerging as global military power with a status already achieved in terms of economy. They argue that China is cooperating with the US and India despite some disputes while Bangladesh has no conflict with China therefore, China-Bangladesh relation can grow to the higher levels without any restrictions (Kaplan, 2016).

Hasina Wahid has been favouring India and assured that Bangladesh would not be a base for anti-India maneuvering but rise of Hindutva has alarmed Bangladesh that it has to have a distance as the extremist Hindu politicians have been raising anti-Bangladesh slogans in bordering states' elections (Mannan, 2018). Indian designs of regional hegemony are also an open secret for South Asian smaller states. Persecution of Muslims by Hindu extremists in India has also been creating hatred against India in the hearts and minds of Muslim majority population of Bangladesh. Experts in Bangladesh fear that what could be the balance for them if Hindu hawks take over the Bhartiya Janata Party completely? They again see China

and the Muslim world as the solution at a time when they feel that the US is not taking much interest in the regional issues of South Asia. Going too close to India is being considered as putting all the eggs in a single basket (Mannan, 2018).

China considers Bangladesh an important partner for accessing the Indian Ocean through alternate route. Yunnan Province of China has a population of 165 million which could easily access India Ocean through a short cut route via Myanmar and Bangladesh. It would decrease Chinese dependency on Strait of Malacca and diversify trading route towards South Asia, Middle East Africa and even Europe (Uberoi, 2016).

Majority of Chinese population lives in Eastern part of China and most of the Industry is also located in these areas. In case of any blockade from Eastern ports of China, route via Bangladesh can ensure the supply security for China. Even in peace time, the route is worthy use as it could help China cut down the transportation cost also for the goods produced in this Southern part of the country and raw material brought there (Uberoi, 2016).

Bangladesh, being a Muslim country has religious organizations in the country. After 9/11, news about exposing affiliates of militant organization were surfaced. Bangladesh quickly took action against the extremists and facilitators while China has been supporting Bangladesh for tackling the problem (Arase, 2010).

Bangladesh became partner of the US, India and China to counter the elements operating against the interests of these power on its territory. Bangladesh has hunted and handed over to India some of the North-East Indian terrorists operating from Bangladesh. Bangladesh took action against the militants of Al-Qaeda, followers of Da'esh and other militant organizations (Staniland, 2009).

China has constructed Zingmu Dam on Brahmaputra (Yarlung Zangbo) River in Tibet which became operational in 2014. China announced to construct three more hydro power

projects Dagu, Jiacha and Jiexy on middle of the river basin which has caused anxiety in India and Bangladesh as it could result in acute shortage of water in North-Eastern India and Bangladesh. Around 75% of Bangladeshi rivers water comes from Brahmaputra River. China has told India that the projects by her would not affect the downstream while Bangladesh expressed intention to discuss the issue in a trilateral meeting (Biba, 2014).

5.6 The US and Bangladesh Relations

The US was sending its Seventh Fleet of Navy to support Pakistan against liberation forces of Bangladesh while now the US wants Bangladesh to host the same fleet for ensuring its strategic interest in the region as well as the Indian Ocean. Bangladesh, being the third largest Muslim country, has become very important for the US (Sharma, 2001). The rise of religious extremism in youth also seems factor of attraction after 9/11. The US ambassador to Bangladesh in an interview said that the strategic engagement of US and Bangladesh has changed following 9/11.

In the beginning, the US had no good relations with Bangladesh due to strong ties with Pakistan but the US established its relations with Bangladesh later. The US has been assisting Bangladesh for food since establishment of bilateral relations after 1971 which was started as emergency relief program and it continues since then. It has been the cardinal program in the two countries' relationship. The US has provided around US dollar 6 billion under this program so far with the aim to help Bangladesh meet minimum food requirements, increase food production and moderate the food prices fluctuation for consumers (Sharma, 2001).

Bangladesh and the US signed an investment treaty in 1989. Bangladeshi troops joined the US forces in Gulf War of 1991 and further strengthened the relations. A rescue operation by the US Navy in Cyclone of March 1991 is credited over saving around 200,000 lives. The US donated 700,000 metric ton food grains to mitigate food crisis in 1998 when Bangladesh

witnessed the worst flood of the century (Vaughn, 2006). The US has been increasing its relations with Bangladesh to help eradicate poverty by facilitating Bengali exports to the US.

The importance of Bangladesh was increased in the eyes of American policy makers while first time sitting US President Bill Clinton visited the country in March 2000 (Vaughn, 2006). After 9/11, high level visits by the US secretary of state and defence were made in 2003 and 2004 respectively. The US and Bangladesh have formed annual forum for Partnership-Dialogue to discuss areas of bilateral cooperation and setting the direction for realizing the cooperation (Haque & Islam, 2014). The partnership has been broadening every passing year and it has been bringing positive results for the people of Bangladesh. The US investment in Bangladesh has been a very important factor for Bangladesh to uplift its economic growth and eradicate poverty.

The US is the largest export market for Bangladesh. Throughout history of bilateral trade, the balance has always been in favour of Bangladesh with exception of the years when Bangladesh imported aircrafts from the US which changed the trade balance sheet. The trade cooperation of the two countries included the sector of establishing Export Processing Zones (EPZ) where government of Bangladesh provided several tax, foreign exchange, customs and labour incentives to the investors in EPZ. Bangladeshi government granted some concessions in labour rights which directly affected the formation of trade unions in the EPZ.

Generalized System of Preference (GSP) status in the US requires beneficiary country to satisfy certain conditions of labour rights therefore, a US labour organization filed a case for suspension of Bangladesh's GSP status. Bangladesh passed a law in 2004 for limited unionism in EPZ. The implementation of the law remained slow therefore the US had to suspend its status in 2013 again. The US provided Bangladesh with an action plan to ensure workers and workplace safety for reinstatement of its GSP status (Riaz, 2013).

The US Naval hospital ship “Mercy” visited Bangladesh in 2006 when the US medical personnel with Bangladesh medical staff provided treatment to Bangladesh patients. The US provided dollar 2.2 million aid grant to Bangladesh for purchasing Defender class boats to strengthen Coast Guards of Bangladesh during 2005 to 2008 (Kaplan, 2009). The US granted US dollar 934,000 for education and training of Bengali armed forces (Department, 2009). During cyclone Sidar of 2007, millions of people were affected due to the wide spread devastation while two US Naval Vessels came to assist Bangladesh in relief operations. US AID provided dollar 36.5 million for food and relief items. Additional dollar 80 million were pledged by the US for building houses, rebuilding livelihoods, strengthening governance at local level and construct cyclone shelters in the areas prone to be affected by disasters in future (Vaughn, 2006).

Highest population growth in Bangladesh has been an issue for the government to tackle for better service delivery and the role of population in the development of the country. Bangladeshi was among the highly growing populations but now it has moderated the growth rate. The US AID helped the government to address the issue with better health care, low-cost quality contraceptives and family planning services (Dietrich, Mahmud, & Winters, 2018). It has also provided health care facilities to more than a million mothers during pregnancy while tens of thousands of newborn also got the vaccination and related treatment. Population affected with the sexually transmitted diseases was also provided awareness about the treatment of the illness (Baxter, 2018).

Bangladesh has been the third largest recipient of the US AID after Afghanistan and Pakistan in Asia. The US AID has worked for early education in Bangladesh. The program covered the help for 1800 preschools and teaching programs of older age children. It also enabled schools to address problem of low attendance, low quality results and improve

standard of education at primary level. The US funded a street television channel “Sisimpur” to educate the children about basics of life and society (Lahiri, 2016).

5.7 The US-Bangladesh trade and Defence Relations

Bangladesh is highly prone to the natural disasters like cyclones, droughts, landslides, earthquakes and floods which makes its population highly vulnerable. The US has been helping 3500 villages of the country which are highly at risk. The help include preparation for the disasters, provision of food during the disasters and enable them to sustain through income generation, income enhancement, food security, better health care and construction of shelters. It has worked to construct 100 schools in 11 southern coastal districts where those would serve as shelter in case of flood. Thus the US has been working on both short term and long term cooperation with Bangladesh for the economic development (Dietrich et al., 2018).

The US AID worked for earthen banks construction to save crops and provide more time for harvesting. It has also worked to raise the grounds of 4400 rural homes aimed at protecting the vegetable gardens and animal farms. Walls have also been constructed with the help of the US aid to minimize the risk of soil erosion in low-lying areas. The US has worked with Bangladesh for electricity generation and supply in rural areas of the country. It has also been promoting the horticulture and aquaculture and helping in accessing global market for increasing livelihood of the people especially women and youth (Svefors et al., 2016).

The US has not only played role in strengthening political parties and improving the political process by making elections transparent but also helped in capacity building of elected officials and eradicating corruption to maximize the service delivery to the masses. The US joined non-governmental organizations to increase citizens’ oversight of the national budget and make the government accountable (Feldman, 2015). In a bid for making the

government effective, the situation was improved by the US in revenue generation as well as the service delivery and good governance (Amundsen, 2016).

Human trafficking is a robust international crime in Bangladesh. The US worked with Bangladesh government for significant progress in curtailing the menace. The progress in this regard has saved the country from the US sanctions list. The US AID has also been providing assistance to the human trafficking survivors (Curtis & Enos, 2015).

Thus the US has not only helping in strengthening the government for effective service delivery but also supporting the masses in improving the health, family and livelihood. This work on the two fronts make the US efforts in partnership with Bangladesh unique and different from India as well as China.

The US provided defence equipment to Bangladesh military for improving its defence capability. Although, the US supplies were less than China but even then the two countries had defence cooperation in their overall relationship which made it a strategic partnership. Although SIPRI data of defence related supplies includes only consignment of US dollar five million or more.

5.8 Impact on Economy and Military of Bangladesh

The deep study and analysis disclosed that the US is the oldest and close partner of Bangladesh but the relation has not been very strong. However, the relations have been flourishing in every area of cooperation from political, to economic and military. The US has been aiding Bangladesh continuously through its aid for food under food for peace program. The US has been helping Bangladesh during natural calamities and even taking part in rescue operations to save lives of Bangladeshi citizens during cyclones. It also worked in family planning, agricultural improvement, education sector, health sector, income generation, income enhancement and ensuring workers' rights.

The US provided access to Bangladeshi products to its markets to for playing role in the economic growth of the country but the scale has been small. On the other hand, the US also granted aids for military education/ training and purchase of Defender class boats to ensure security of its coastal areas by strengthening coast guards. The US sold aircrafts and weapons military equipment to help her build strong military forces (Zahid, 2015). In overall assessment, the US role after 9/11 in Bangladesh has been predominantly in economic development instead of military might perhaps due to lesser interest of Bangladesh. However, the US also helped Bangladesh in overhauling its military power also.

Before 9/11, Bangladesh had lesser importance for the US, China and even India. The US invasion in Afghanistan, its war against terrorism and rise of China are the factors that gave Bangladesh more importance and attraction. In other words, increasing presence of the US and China in South Asia and Indian Ocean led to emphasizing the importance of South Asia including Bangladesh. Bangladesh does not directly share border with China but even close proximity of China and Indian Ocean makes her important for the US and China both (Haque & Islam, 2014).

Bangladesh became partner of the US in its global campaign against terrorism. Bangladeshi Government tightened control over borders and took steps to curtail the practices of money laundering to ensure that territory of Bangladesh does not become safe haven for terrorists. As per the US considerations, despite porous borders, poor service delivery and ungoverned areas, Bangladesh government became successful player against extremism due to moderate Islamic traditions and strong national identity of Bangladesh (Khan, 2017).

The US wants to contain China through Asia centric policy therefore, it has been strengthening relations with Chinese neighbors particularly. The US forged strategic alliance with Philippine and India and improved partnerships with Japan, South Korea and Australia

for the purpose. The US tried hard to focus on neighbouring regions of China to keep her inside its borders and bar outward expansion. South Asia, being under belly of China got the considerable attention and importance of China which eventually came with some better packages of trade, investment and cooperation for neighbours to won the balance in her favour (Sidhu & Rogers, 2017).

India and Bangladesh had conflict over Teesta River land border and maritime boundary. Indian border forces used to violate boundary and kill Bangladeshis near border. Bangladesh looked towards China and the US for settlement of these issues. Bangladesh sees China and the US both as counterweigh to India and each other. India and the US want to minimize Chinese influence and ensure their strategic interest through Bangladesh while China wants to curtail impact of the US and India for securing own strategic interest. Bangladesh has become the battleground for competing interest of three powers and this triangle, through complex interplay of relation with Bangladesh, increases its importance and impacts its economy as well as military positively (McBride, 2015). India has been trying to settle down the border conflicts, improve economic relations and provide credit for economic development besides striving for military cooperation.

It was feared by some strategic commentators that a tripartite Indo-Bangladesh-US strategic alliance may emerge in the region against the rise of China and Chinese maritime ascendancy but China remained successful in making inroads to Dhaka with large amount of investment, credit and cooperation in many fields under win-win formula. An argument here may be made that the US invasion led to Chinese search for security and its 'rise' was catalyst in improving Bangladesh's strategic importance for the US and even India making once 'food basket' an important country in the region and the world as a whole.

Sino-US strategic competition in Bangladesh did not only lead to increased attraction of India and its improved behaviour but also got attention of Japan and Russia. Japan offered Bangladesh to provide concessional loans for infrastructure development of a sea port and a power complex (Abdin, 2015). Russia offered Bangladesh to construct nuclear power plant for its ever increasing electricity needs. The involvement of India, Japan and Russia made the competition for influence very interesting. It is pertinent to mention that the game became complex on the rise of China after 9/11 while the competition has been favourable for Bangladesh by helping her get the required finance, technology, technical know-how and access to import and export markets for widening the scope of fulfilment of national goals. Divergence of interests of the competing powers has helped Bangladesh achieve the desired goals and it is still on its way of economic growth and military development.

After 9/11, China and the US have been competing for winning influence therefore their interests diverge in Bangladesh. The US wanted partnership of Bangladesh to keep check on rising Chinese power in the neighbourhood and Indian Ocean while China inclined further towards Bangladesh to have strategic partnership for military as well as economic cooperation aimed at minimizing the dependency on the US and even exploitation by India. Interests diverged for winning influence on the opposite directions but the policies or modus operandi converged to lure Bangladesh by increasing military and economic cooperation by competing powers which provided Bangladesh opportunities to get maximum benefit of it.

Divergence of interests in Bangladesh has helped her secure more benefits and attain economic as well as military strength. China invested in Bangladesh. Bangladesh is key connection in Bangladesh-China-India-Myanmar Corridor (BCIM). China has also developed Chittagong port of Bangladesh. China has also supplied military technology, ships and weapons to Bangladesh. The US could not compete Chinese investment and cooperation but

it has been trying to woo Bangladesh through provision of military equipment, access to markets and role in domestic infrastructure development.

6. Conclusion

Weapons versus population welfare are two different options for states to choose one as priority considering the domestic dynamics, surrounding strategic environment and regional interaction with global power structure. Although, it is discretionary choice of state but global and regional power structure is the key determinant of state preference. Even if the minimum deterrence for countering the existential threat is maintained by the state but still surrounding geostrategic situation could keep changing the balance of power and security dimensions at priority.

The research is actually aimed at highlighting the impact of global powers' policies on life of a common man in South Asia as the states have to set priorities and act as per the geopolitical or the geo-economic environment created by the dominant international relations structure. This structure is created by the global and regional powers. Relatively smaller or weaker states have to become security states and pool the resources for strengthening defence forces, purchase or produce arms and remain trapped in the security of the state, leaving less or no resources, attention, energies for development of economy. Sometime surrounding geo-economic environment do not compel states to waste resources for defence preparations and offers a lot many opportunities to concentrate on economy, prosperity and welfare of the masses. Thus global order and regional power structure directly impact the life of individuals either by trapping them in poverty or lifting them out of it.

Researcher is of the view that as economists have a trickledown theory to alleviate poverty similarly, trickle down of awareness to common masses would not only hold the state more accountable but also help alleviate the poverty by resetting their and state's preferences. Informed masses can compel the state functionaries to concentrate on domestic issues instead of diverting all resources for endless arms race and 'neorealist interests' interests.

Since Cold War, South Asian states have not been able to settle down bilateral conflicts and integrate economy while regional and global power structure have been exploiting them to remain trapped in geopolitics. People in South Asia are struggling hard to fight against poverty and attain the prosperity. Poverty is grounded in the wars of past and the prevailing conflicts in region fueled by the global power structure for the vested interests. The states in South Asian region despite efforts to resolve disputes and integrate for prosperity could not be culminated in the desired outcome.

Smaller states in the region are suffering due to Indo-Pakistan rivalry and the exacerbated situation due to interference of global powers. Smaller states time and again expressed that conflicts of India and Pakistan were barring the regional integration and economic development. Bleeding wounds like Afghanistan and Kashmir still persist due to direct involvement of the global and regional power players while regional power politics keep horns of South Asian states locked. The US is primary party in Afghan conflict and indirectly responsible for not playing due role in solution of Kashmir issue. The US did not compel India to implement resolutions of UNSC about Kashmir but supported India for candidacy of permanent membership at the UNSC.

The region's states have been battlegrounds for global powers since independence or Cold War. As the world was already divided in Capitalist and Communist bloc at the time of decolonization of Subcontinent therefore, Pakistan had to become part of the on-going global game instead of being free to settle intra-state or inter-state issues and concentrate on its masses' welfare. Interestingly, global powers pursued their interests with the help of South Asian countries but these countries could not get help for solution of their problems and even the problems got worst due to their role. The countries of the region have been aligned with opposing camps, competing for global power, due to inter-state and intra-regional complex chessboard of power politics.

Matrix of South Asian poverty is complex interplay of regional fault lines with global power structure. Many countries with lesser natural and human resources as compared to South Asian states have prospered by getting independence even later. Fault lines existing in the region were exploited by the global powers and made more deep-rooted and long-lasting.

The end of Cold War resulted in the birth of uni-polarity or sole super power, the US. Then the US announced to restructure the world under “New World Order” by suppressing the anti-US forces or states to make the world subservient to its interests. The US and the West considered Muslims a threat to their monopoly of world order after disintegration of the USSR. Existence of NATO after disintegration of USSR has been questioned by many. Professor Dr. Mumtaz Ahmed was of the view that NATO was sustained to counter the threat of Muslims (personal communication, 12 August 2015). The US interest in South Asia after Cold War was limited to stop nuclear proliferation, diffuse threat of nuclear war, promote democracy and secure the political and strategic interests vital for her global hegemony.

Post 9/11 period was a beginning of new era in international relations and it proved to be the turning point for changing equations of power on the globe and re-align blocs in the regions. Attack on Afghanistan under “Operation Enduring Peace” was aimed at strategic and neorealist interests instead of excuses made after 9/11. The US declared the objectives in Afghanistan as destruction of terrorists’ havens and elimination of Al-Qaeda. Taliban regime was toppled but they could not be eliminated and the US recognized them as stakeholders.

The US created hurdles in peace and reconciliation process despite posing to be part of the negotiations. Russia questioned the prolonging stay of the US troops in Afghanistan and got support of China, Pakistan and Iran for playing role in the peace process in Afghanistan. The US has got signed an agreement with Afghan government to keep her troops in Afghanistan till 2024. In his first State of Union address, President Trump said that the US

could not work with deadlines. The US stay is prolonging conflict and destabilizing the region while certain militants' group i.e. Islamic State of Khurasan is being patronized by the US. George Friedman hinted in his book "The Next 100 Years" that the US objective in Afghanistan was destabilizing the region. This destabilization bars Afghanistan to become bridge for economic development of China, South Asia, Central Asia and Middle East.

West-centric and mainly English-based structure of global knowledge and international mass media has been a key contributor to some level of obliviousness about China and its surprising achievements but the US objectives of invading Afghanistan included eyeing on Chinese expansion. In spite of this, China succeeded to improve relations with neighbours, forming political, military alliances and maintaining high growth rate.

China's foreign policy objectives in South Asia were limited to defend her borders, limited trade, secure Muslim population of Xinjiang from Afghan war and support Pakistan for tackling India and Afghanistan. China had strategic relations with Pakistan since border war with India but depth of rapprochement developed after 9/11. Chinese relations with India were soar and with Bangladesh were limited. The US attacks in Afghanistan and Iraq alarmed China. China immediately took steps to improve relations with Russia and India by solving bilateral problems especially border issues. The US came to South Asia to suppress Radical Islamists and contain China.

The US launched global war on terror, formed the strategic partnership with India and got support of Pakistan by declaring her as Major Non-NATO Ally (MNNA). In the meantime, while the US was overwhelmed by Global War on Terror, economic crisis hit the US in 2009. It is considered the end point of the US dominance and uni-polar world. President Obama winded up many fronts of the US conflicts, withdrew troops from Iraq and minimized troops in Afghanistan. Obama administration signed deal with Iran, improved

relations with Cuba and accepted Russian intervention in Syrian conflict. It was retreat of the US for perhaps reviving its economy while President Trump came into power with slogans of “Hire American, Buy American” and “America First”. Trump deteriorated relation with Cuba, quit agreement with Iran and increased troops in Afghanistan again.

China announced to build six connectivity road and sea routes to connect 65 countries in Asia, Africa and Europe. President Trump revoked Trans Pacific Partnership (TPP) and withdrew from the US environmental commitments. The US concentration in South East Asia under “Asia Pivot” was to contain Chinese outward expansion and the US created warlike situation in South China Sea also but announcement of OBOR changed the matrix of Sino-US strategic competition. China focused on CPEC construction in Pakistan while the US also shifted its focus from South East Asia to South Asia. The US opposed CPEC on the pretext that it was passing through the disputed territory. In January 2018, the US declared that competing with Russia and China was its priority so, the US would compete Russia and China while countering terrorism simultaneously. It has all contributed to make South Asia an epicenter or “key region” of Sino-US strategic competition.

Pakistan, a frontline state against global war on terror and major non-NATO ally was used against Afghanistan. Pakistan provided the airbases, air and land corridor for logistic support to the mission in Afghanistan. Pakistan was compelled to fight war against the Taliban elements and Haqqani network in FATA to stop their incursion in Afghanistan for attacking the US and International Security Assistance Force (ISAF) in Afghanistan. It gave birth to Tehrik-e-Taliban Pakistan which started attacks inside Pakistan from Afghan soil. It resulted in killing of sixty thousand civilians, four thousand security forces personnel and destruction of infrastructure. The US gave US dollar 31 billion in aids for different sectors against the role for GWOT but the economists and Pakistani government argue that losses are many times higher than the support and it could not balance the equation.

Pakistani border with Afghanistan has been peaceful and not completely marked on ground but now Pakistan is being attacked by infiltration from Afghan territory hosting TTP elements under umbrella of different splinter groups beside Da'esh. Pakistan has started fencing the border besides other layers of security to stop infiltration of militants. The US did not even recognizes the contribution made by Pakistan and alleges Pakistan for patronizing Taliban. Sometimes, the US accepts the role played by Pakistan but continues to suppress Pakistan to “do more”.

The US, considering Pakistan's increasing tilt towards China, started strategic negotiations with Pakistan for long term strategic partnership but the talks have not brought any robust change in the bilateral relation. The US could not ignore, an important country like Pakistan, while Pakistan also wants to keep relations with the US but now China would be a great factor in the bilateral relations. China has been recognizing the role of Pakistan in countering terrorism and kept asking international community especially the US to accept role played and the sacrifices rendered by Pakistan. CPEC, the flagship project of BRI is important route for China to import raw material, energy and export the finished goods via Gwadar. CPEC would not only integrate Chinese economy with South Asia, Middle East, and Central Asia and minimize its transportation time and cost but also provides an alternate route to access Indian Ocean, bypassing Strait of Malacca, for reaching Africa and Europe.

China has been onboard with Pakistan to ensure its strategic interests in the region. China has been pursuing the same policy for long time but endless presence of the US in Afghanistan has compelled China to come on forefront for role in Afghanistan as peace broker, being convinced that the US is not interested in ending the conflict soon. Despite winning contracts of mining in Afghanistan, China has never been able extract the minerals due to militancy. China has also been facing the attacks of East Turkistan Islamic Movement (ETIM) militants trained along Pak-Afghan border. Security and economic concerns brought

China on the forefront to take Afghan government and Taliban on board for negotiating peace in Afghanistan which would be instrumental for Chinese said interests.

India became the strategic partner of the US to counter China and Islamist extremism. India used the situation in her favour and started labeling Kashmiri freedom fighters as terrorists. India increased its trade with the US as well as China. The US signed various agreements with India for strategic partnership, cooperation in military, economy, science and technology and defence affairs. India could not become the strategic partner of China but got support for membership of SCO. India won favour of having major role in Afghanistan after the US despite objections by the “declared” non-NATO ally and frontline state for war in Afghanistan. India got mineral resources agreements and political space in Afghanistan.

Pakistan started opposing role of India in Afghanistan and stated that India was using Afghan soil for launching proxies of militant groups i.e. Tehrik-e-Taliban Pakistan, Jamat-ul-Ahrar, Da’esh, Lashkar-e-Jhangvi and Baloch sub nationalists against Pakistan. China under CPEC pledged to construct projects worth US dollar 62 billion in energy, transport and communication sectors besides Gwadar port and an airport. Nine economic zones are under construction while medium and long term projects are expected to attract US dollar 300 billion.

According to a report by Pakistan, India had allocated US dollar 500 million to sabotage the CPEC projects. India is all out to oppose CPEC on the pretext that the route passes through the disputed territory. India fears that CPEC would not only internationalize issue of Kashmir, strengthen economic as well as military power of Pakistan and increase the role of China in South Asia. It would result in favour of international community for solution of Kashmir. Pakistan would be able to garner support for Kashmir with its increased and

strengthened role in international arena. Chinese increased role in South Asia would marginalize Indian role, shattering Indian design of regional hegemony.

China has included India in connectivity projects of OBOR under BCIM. India did not heed much on BCIM for its connectivity with China perhaps because of the US partnership. China, having about US dollar 80 billion bilateral trade, could also link India through Silligori corridor, chicken neck, where from China connects its road with Bhutan but India remains the last destination of BCIM after Myanmar and Bangladesh respectively.

Taliban demand foreign troops to leave the country and assert that they would not abandon armed struggle until foreign troops quit. The US wants Taliban to negotiate without demand of foreign troops' withdrawal. The US also pressurizes Pakistan to use its influence over Taliban to persuade Taliban for negotiating again and again. Both the parties i.e. Taliban and the US are sticking to their opposite demands and thus the conflict seems continuing.

Conflict ridden, ungoverned and instable Afghanistan is a bleeding wound and breeding ground for the terrorist groups operating against foreign troops besides Pakistan, China, Iran, Russia and Central Asia. These are Tehrik-e-Taliban Afghanistan, Tehrik-e-Taliban Pakistan, East Turkistan Islamic Movement and Da'esh. Russia, China, Pakistan and Iran have declared Da'esh. Former Afghan President Ashraf Ghani said that the US forces were patronizing Da'esh in Afghanistan and using it as agenda against the region.

Bangladesh, due to its strategic location with Indian Ocean, was used by India by forming alliance against Pakistan and China in the past. Post 9/11 strategic competition of the US and China gave opportunity to Bangladesh to bag billions of dollars as investment in key areas of development. It also helped Bangladesh to have counterweight strategic balancer against India and the US which were using her with minimum benefits.

The US had different approach for South Asia before 9/11 and it changed paradigm later. The US started revisiting its global policies after domestic economic crisis starting from bankruptcy of Lehman Brothers and jolting economies integrated with the US economic order. President Obama's administration tried to windup the US involvement in international conflicts to concentrate on domestic economy. President Donald Trump came into power with the slogans of domestic issues but it also returned to the international front by perhaps realizing that it was the moment of now or never for the US therefore, Trump announced policy of strategic competition with the 'revisionist powers' i.e. China and Russia. Resetting directions by the US affected South Asia and it would continue to do so in foreseeable future.

China also had three different approaches towards South Asia during the time of the study. Before 9/11, China had little concerns towards Taliban regime in Afghanistan linked with East Turkistan Islamic Movement (ETIM). China was neutralizing Taliban through Pakistan and used Pakistan as counterweight to India. China had little interest and normal relations with Bangladesh. After 9/11, China felt threatened from unilateralism of the US and its presence in South Asia and improved relation with Pakistan, India and Bangladesh to have peaceful neighbourhood. In 2013, China announced BRI and resorted to further strengthen its partnership with neighbors through huge investments. India and Afghanistan received little investment due to different reasons. India remained at distance due to clash of strategic interests with China but Afghanistan received little investment due to conflict and instability.

Sino-US strategic competition helped India, Pakistan and Bangladesh develop militarily and economically. Both powers provided military equipment and weapons to Pakistan, Afghanistan and Bangladesh but India got only from the US. Divergence of interests of China and the US exacerbated conflict in Afghanistan while strategic competition and divergence of interests in South Asia would continue to prolong Afghan conflict in foreseeable future and Kashmir issue may also continue to bleed. Thus impact of the competition in South Asia has

been positive for the three major populous countries except Afghanistan. The US continues to pursue her strategic interest through prolonging conflict and its stay in Afghanistan i.e. at the crossroads of Central, South and West Asia. People of Afghanistan are paying price for it.

The number of weapons or the amount of investment or trade does not matter for the impact under consideration here. It is about actual lasting impact. Afghanistan has been on the top in getting all types of assistance for military development i.e. financing, training, weapons and equipment. The magnitude of the assistance is not small but the impact is lesser as the military would lose if it is not financed until the economy of Afghanistan becomes able to finance its military. Bangladesh has got lesser aid in military and has made lesser purchase but it has developed somehow credible military in the meantime.

Creation of a specified geostrategic environment inside and outside a country and the region impacts the most. South Asia is among the key region poised to be the battlefield for strategic competition of China and the US. Its location in Chinese neighbourhood, location of two nuclear rivals i.e. India and Pakistan and features of Kashmir and Afghan conflicts have defined its complexity which led to the fierce competition for military development and bid for economic growth. The Sino-US strategic competition has laid the foundation for all these developments while many other powers like Russia, Japan, Australia and Iran have been playing the supporting role.

CPEC is key manifestation of Chinese economic role in Pakistan. Under CPEC, China has helped Pakistan to solve the energy crisis through direct and indirect investment. China has improved bilateral relations with India and signed agreement that they would not let their geo-political issues hinder their economic cooperation.

Indian economy has benefitted by concessions of both competitors. Indian trade has increased with the both giant economies of the world substantially. China also encouraged

India in bilateral trade to create interdependence and neutralize India in strategic competition. The US support and sponsorship provide India ample space for forging and strengthening the strong economic partnership with the US. The US patronization also brought the US allies towards India for enhancing trade and showering investment. The current unclassified US defence strategy paper, prepared by Trump administration, clearly defines that the strategic competition victory against China and Russia is necessary to ensure security and prosperity of the US and its allies or partners.

The US gave 31 billion dollars in different forms to Pakistan but it did not resulted in significant development in Pakistan's economy. Most of the amount was paid against military expenditure while rest of the amount was invested in non-productive sectors in Pakistan i.e. cultural preservation, protection of wild life, human rights advocacy and promotion of child, women and minority rights etc. The strategic competition and terrorism led to extra expenses on security sector in the society. However, China gave little aid and invested substantially in key sectors which has changed economic outlook of Pakistan.

Afghanistan is once again depending a lot on drug economy while alternate economy has neither been developed by the US and allies so far nor it seems to emerge in near future until the conflict is settled and China is also included in the effort. Afghan government has been run through aid and it still heavily depends on it. Afghan economy is necessary to be built on healthy foundation which should replace and eliminate the drug economy, a source of problem for the country, region and the global community. Afghanistan economy has not been linked with Chinese or the US economy on permanently and exploitation of its mineral resources have also not delivered the national economy rightly.

Bangladesh has been fortunate in receiving the dividends of strategic competition in the form of support and sponsorship by the troika of US, China and India striving for wielding

influence in the country. China has been leading bidder while bringing investment of more than US dollar 30 billion. It has helped change economic posture of the country to grow faster as compared to the past. Had not been the strategic competition occurred at all or brought to South Asia, Bangladesh would have received less attention for its economy and would have faced problems. Strategic competition and its concentration in South Asia has proved to be a blessing for Bangladesh which has brought incentives for its economic as well as military development without paying any price. It's not the end, Bangladesh has also got the better strategic position to bargain in national affair with option of China as balancer.

Prioritizing security or economic development is a puzzling question but it clear that even for the basic development peace and security is prerequisite. A strong security system is important for a state to be powerful to provide enabling environment for economic growth. Sufficient, strong and disciplined military equipped with modern weapons is necessary to ensure the security in the international arena but the required minimum strength vary as per regional environment. A sustainable and healthy economy could afford to finance the military. A strong economy also reinforces the strong military or defence system but huge spending on military at a time when there is no growth in economy would prove to be liability and burden on economy deteriorating situation further.

As per new policy of the US, she would maintain maximum possible power in the “key regions” of the world and South Asia seems to be one of those regions. Military supplies by the US and China are not enough to consider military development in the region rather environment created by their strategic competition which actually created the whole umbrella situation for regional countries. Regional countries especially India and Pakistan were compelled to invest further in their militaries even soon after testing their non-conventional or nuclear arsenals. Terrorism has been a manifestation of strategic competition. This competition led to arms race and huge investment in security and defence sector. Extension

of militaries' role in countering security threats within states also caused a huge burden on economy for training in new dimension equipping accordingly.

Militaries' role since the known history has been to defend borders of the country. Then later, the role was extended to defend nation and national interest beyond borders. Post 9/11 period proved to be another turning point for defining the role of national armies to fight the terrorists and elements causing law and order problem within the country or inside borders also. Thus making societies safer has also been included in the role of national armies where law enforcement agencies are not very much strong and capable to confront the challenge.

The US gave substantial support in the form of weapons to Afghan forces but the forces are not up to the level those should be to defend borders and maintain security inside the country. The US efforts and investment for state building could not build the self-sustaining economy of Afghanistan. Modern military raised by the US could be referred as developed comparing it with pre-9/11 defence forces of Taliban regime in Afghanistan but it could not be compared with neighboring countries especially Pakistan and Iran. Afghan forces have got the ability to defend border as there is no aggressive power in neighbourhood but the ability to counter Taliban and militants on its soil is beyond its capacity especially when it comes to securing the gains and maintaining writ of the state.

Chinese and the US military supplies to Pakistan have substantially increased strength of its forces. Pakistan has got the ability to defend itself against any aggressive power of the world. Pakistani military was already known a strong and leading military but the technology, weapons, aircrafts and ships provided by the competitors have sharpened its power further to become a lethal force at least for its national defence. Pakistan army has got expertise in countering challenges inside borders while conducting number of operations against militants

throughout the country. The expertise have been hailed the world over while many countries have sent forces to conduct joint exercises to benefit from Pakistan army's expertise.

India got the military supplies only by the US although it conducted joint military exercises with China too but the strategic competition encouraged her to become the leading importer of arms and military technology in the world. The US support to India to assert itself as global power and counter weight to China has made her spend substantially for military development. This encouragement and posture brought considerable economic benefits too in the form of increased access to the US, Japanese and European markets. India is going to achieve benchmark of maintaining modern global military with ability to defend its interests especially in Indo-Pacific region.

Bangladesh has also developed its military to some extent although not a powerful but its status has improved from the pre-9/11 period. The military would continue to develop as her economic status has improved much more than military. The growing economy would help Bangladesh develop strong military taking it out of dependency of any other power especially one sided exploitation of India or the US as China is there to balance the situation and providing Bangladesh an edge to bargain for national interest better.

Reality of a period in an area could become the stereotype for the other area and time. A thought culture would remain in practice when founders and believers of the same thought culture would be dominating the arena. So, important is not the reality but the belief of the ruler about reality. Same is the case with the currently Western thoughts culture dominating the world especially in strategic international relations. Every forecast basis on current trends and practices but change in the practice as repeated by China for win-win cooperation can change the scenario and situation for the region.

Shift of economic power followed by political and military power from West to Asia is a change of power taking place after around 400 years. The long rule of the West would not be easily forgiven and the West especially the US would resort to all possible sophisticated and dirty means to stop it. Thus the process would also affect the South Asian countries and the region as a whole. The US is the most beneficiary of the current global order therefore, the US is leading the campaign to suppress the Asian growth. As per Ram Puniyani (an Indian Hindu Scholar in his book “Deconstructing Terrorism”), the US and West is using the terrorism as a tool to gain and maintain economic benefits while the terrorism has nothing to do with the religion as religion is being used just as a cover.

French former President, on terrorist attack in France, said that political leaders must not be fooled by these incident. It hints that the US was manipulating situation for getting support by the Western governments for the campaign against the Muslims and Muslim states in the name of terrorism. After release of audio message of ISIS head Abu Bakar Baghdadi in October 2017, for stating aim to fight against the Syrian regime and infidels was analyzed by former Australian Defence Minister as it would help some elements to continue terrorist activities in the name of ISIS.

President Bush started Wars in Iraq and Afghanistan to save liberal international order. President Obama’s advocacy of “just” and “unjust war” segregated the US wars in Iraq and Afghanistan to differentiate between the two for winding up in Iraq and continuing in Afghanistan to save the money and continue to pursue the strategic interests in South Asia. The US has been practicing cycles of internationalization and isolation to revive economy. President Obama tried to wind up the US wars, conflicts and clashes to revive economy in isolation and saving financial resources pooled in these commitments but President Trump has increased the defence budget record high i.e. US dollar 660 billion (in 2017) to continue with conflicts obviously by resetting the policy after realizing that this time “isolation” would

not work for the US. This time, the US has realized that it would not be able reassert its lost status and the rising powers would leave less room for her in global power structure therefore it was “now or never moment” for the US.

It is widely believed that apparently an ill-mannered, non-serious and racist Donald J. Trump got elected accidentally and reached White House but South Asian political analyst believe that he has come to power with the help of sharp US establishment which believes that the US need to withdraw from its line, toed as dominant power under “primacy policy” because the US economy is no more able to finance such behaviour. It was not easy to change the direction followed for long because few hawks in the US consider her, an indispensable power and insist to continue with the past behavior.

An important change in the US foreign policy has been observed by the researcher that number of foolish steps taken by the US administration have been attributed to Donald Trump instead of the United States of America as it is would make it easier for the US establishment to put all the wrongs in Trump’s credit. The other thing is that the name of Trump could be used to take any kind of unusual step too.

Political commentators in South Asia are of the view that the US is provoking China for war and bidding hard to initiate or fuel conflict in Chinese neighborhood which would serve the US purpose to support its declining economy and reinforce its declining military power. The US would be able to use military edge for destruction in the region and sale of arms in neighbouring countries as well as halting the Chinese growth and emergence. The US has been openly threatening North Korea to attack while the changing policy in Afghanistan also indicates that the US intends to start or continue war in neighbourhood of China to achieve its strategic goals of economy and military.

Dr. Ejaz Akram once stated that with the emergence of China and Asian economies, change in international relation is greater. It is reforming different paradigms. It is shifting from Europe to Asia, Western values to Eastern values, security oriented to economy oriented, geopolitics to geo-economics, zero-sum game to win-win cooperation, exclusive development to inclusive development, confrontation to cooperation, interference to non-interference and disintegration to connectivity (personal communication 19 June 2017).

Schollars in the US claim that China has neither the requisite power and nor could afford to go to war with the US. Chinese military power is not as of the US but China considers more of the devastation and impact than the ability to wage the war and win against the US. Chinese priority is to go for economic development through win-win cooperation. Any erupted war or conflict would not only result in slowing the global economy and directly affect the Chinese economy but it would also affect the regional countries' economy and shift their concentration towards military development and arms race. The economic slowdown would also effect the construction of project under BRI. Thus a lot much of the future of the world order and South Asia depends upon the bilateral relation of China and the US and their approaches to deal with each other.

Agreements of US dollar 250 billion trade between China and the US, on Trump visit to China in November 2017, stamp the realization by the both countries that China does not wants the US economic giant to sink while the US also need Chinese help to revive its economy considering each other complimentary for their economies. Bilateral cooperation would continue parallel with the strategic competition in international politics for position in global order. Possibility of direct confrontation cannot be ruled out in foreseeable future despite interdependence and realization of power of each other by both countries however, battleground countries and regions would continue to suffer or benefit from the competition through respective situation arising there.

7. Findings

1. Hypothesis of the research has been proved to be wrong in general and particularly in case of Afghanistan as divergence of interest deteriorated conflict in Afghanistan.
2. Before 9/11, China had border issues and was less integrated economically as well as militarily with its neighbours in South Asia.
3. Before 9/11, the US had limited interests in South Asia as region was not the major economic partner and had no issue with its supremacy.
4. BRI shifted the US focus from South East Asia and South Asia became a key region for Sino-US strategic competition over inclusion in CPEC and BCIM.

7.1 Findings about the US Policy

1. The US had four phases of foreign policy for South Asia during the period of study i.e. pre-9/11, war on terror, Obama's policy of withdrawal and Trump's policy to contain revisionist powers. Each phase was aimed at maintaining hegemony and preventing others to emerge or stop expansion of markets.
2. The US changed policy for South Asia after 9/11 from preventing nuclear proliferation and having low level relations to ensure presence and forge alliances to contain China.
3. The US War on Terror was aimed to suppress reviving Muslim and keep an eye on 'Chinese threat' to eliminate emerging challengers to its hegemony.
4. The US is creating hurdles in regional integration or stopping expansion of markets in the region particularly through its military presence in Afghanistan.
5. The US is prolonging its military stay in Afghanistan to use it as a base for creating and maintaining instability in the region.

7.2 Findings about Chinese Policy

1. China had three phases of foreign policy for the region during the period of study i.e. pre 9/11, post 9/11 and after BRI.
2. China's policy in South Asia was to ensure "peaceful coexistence" but after 9/11 China established and fortified strategic relations to counter the US threat. Under BRI in 2013, South Asian states were made partners in corridors and "community of shared destiny".
3. BRI is meant to diversify Chinese trade partners and routes to minimize dependence on Euro-America and Strait of Malacca respectively. China is utilizing extra production capacity and foreign reserves to invest abroad for maintaining growth and extend power in four continents.

7.3 Findings about Afghanistan

1. War on terror is for pursuing strategic interests but religion is being used as mask. The US policymakers declared "Islamic revivalism" a threat to the US interests after USSR.
2. Divergence of interests of China and the US is exacerbating the conflict in Afghanistan.
3. During the US stay in Afghanistan, militant groups have increased, viable economy and stable state have not been established while negotiations are failing again and again which hint that the US is ensuring "endure presence" instead of "enduring peace".
4. The US seems not interested in ending conflict as she wants to keep troops in Afghanistan while Taliban demand total withdrawal. The situation gives space for interplay of regional players to interfere, manipulate and deteriorate situation further through government and forces out of power.

7.4 Findings about Pakistan

1. Sino-US strategic competition brought terrorism and CPEC in Pakistan. Terrorism led to the loss of 70 thousand civilians and 4 thousand security forces personnel beside loss of more than US \$ 123 billion to its economy while CPEC helped Pakistan to develop economically and militarily.
2. The US provided around US dollar 31 billion since 9/11 but funding did not brought significant economic or military development in Pakistan.
3. CPEC projects completion has changed profile of Pakistan and increased importance of Kashmir. China and Russia are persuading India and Pakistan to settle Kashmir issue through negotiations.
4. Pakistan has emerged as a strong country militarily while emerging economically due to the implications of strategic competition.

7.5 Findings about India

1. India has been the most beneficiary of Sino-US competition as it provided her with opportunity to materialize designs for development and pursue for regional hegemony by securing role in Afghanistan, destabilizing Pakistan and down playing Kashmir issue while crushing freedom fighters in the name of terrorism.
2. The US wants India to compete and counter China which helps India to exploit the situation and enjoy economic and military cooperation offered by the US and even by China because China strives to neutralize India by luring through trade and cooperation.

7.6 Findings about Bangladesh

1. Bangladesh was a subject of Indian coercive policies and has lesser attention by the US due to its posture as “food basket” before 9/11 or emergence of strategic competition.

2. The Sino-US competition helped Bangladesh to attract huge investment and become strategically important country after competition.
3. Bangladesh got China as balancer against the US and India. Sino-US Competition made her economically and militarily developed.

7.7 Findings about the Region

1. Strategic competition has shaken the South Asian countries and overall it is lasting the positive impact.
2. Trade, investment and military supplies data has been used to find impact but huge investment and trade does not always mean positive impact because increase in trade, investment and military supplies do not necessarily resulted in lasting positive impact.
3. India and Bangladesh got positive impact on their economic and military development with little cost of being sandwiched in strategic competition.
4. Pakistan has got the positive impact but it has paid the heavy price too in the form human and material loss by being non-NATO ally and facing terrorism.
5. Afghanistan has been main victim of strategic competition and conflict is continuing to prolong only due to this strategic competition.
6. China seems to be winner of strategic competition due to many edges over the US but impact on South Asian states would vary due to domestic and regional conditions.

8. Recommendations for the Region

1. The current Euro-American world is resisting the extension of Markets in this part of the world by sowing, igniting and enduring the conflicts while the region could go for integration with peaceful settlement of existing conflicts in South Asia.
2. Region needs to support SCO's agenda of security and local solution of the problems which would lead to overall development of the region.
3. Asian narrative needs to counter the Euro-American narrative about the global order as well as realities in the regions and countries of Asia particularly south Asia as originally local narrative would lead to the right actions.

8.1 Recommendations for the US

1. The US needs to integrate its economy with South Asian countries to remain relevant and maintain her economic power by cooperation with economies of future.
2. The US needs to play its due role as leading power in solution of Afghanistan as well as Kashmir conflicts to remain relevant.
3. The US needs to re-evaluate patronization of India as global power competing China because it would further squeeze the space not only for China but the US itself also.
4. The US needs to play the role of balancer if it wants to avoid the situation that the whole region falls prey to the Chinese designs.

8.2 Recommendations for China

1. China needs to remain alert to deter, avert and forefend any kind of direct conflict provoked by the US or its allies to win strategic competition.

2. China needs to take deeper role in Afghanistan and remain diplomatically active for diffusing the inter-states tension in neighbourhood and adjacent regions as instability would affect its growth.
3. There is a lot hue and cry on looming Chinese debit trap due to CPEC projects, China need to take Pakistan's economic position into account and enable Pakistan's economy to pay back the loans. CPEC could be a glaring example of either success or failure under BRI for 65 countries or debt trap respectively so making CPEC a success is a challenge for China.
4. China needs to increase interdependence with India to reduce chance of conflict and neutralize India in strategic competition with the US.

8.3 Recommendations for Afghanistan

1. Government needs to bid for reconciliation with Taliban for viable solution of conflict.
2. Afghan government need to focus on the economic growth for improving position of Afghan masses and government.
3. Afghan government needs to get close to regional countries and powers for slipping away from the clutches of the US and solution of conflict.
4. Afghan government should support regional initiatives for infrastructure development and integration which make Afghanistan as a bridge and hub for economic activities.
5. Afghan government need to ensure stop use of its territory against regional countries.
6. Afghan government may take China as new financier for development and supporters for building the institutions.

8.4 Recommendations for Pakistan

1. Pakistan needs to focus on economy as its military has already developed enough for minimum deterrence as compared to its economy. The economic priority may set the basis of its relations with China and the US respectively.
2. Pakistan needs to ensure internal security as well as political stability for being in better position to secure its interests in strategic competition.
3. Pakistan needs to focus on the successful and early completion of the CPEC projects to develop economically and politically but bargain the projects with China rationally.
4. Pakistan needs to facilitate merger of CPEC roads and railways infrastructure to other regional integration initiatives to be part of the larger pan-Asian integration and linkage with Europe.
5. Pakistan needs to balance its relations with China and the US for securing maximum interests in strategic competition and avoid situation of hostage by any single power.

8.5 Recommendations for India

1. India has joined SCO as permanent member but is still endorsing the US narrative and designs in the region. India needs to readjust its foreign policy to side with China and Russia or SCO
2. India is missing the train by not joining BRI or CPEC so, it needs to join for economic growth, much needed for its poverty stricken population.
3. Until India comes out of regional syndrome and improve relations with China, Pakistan and Afghanistan, it can never be a global power despite size of population and military.

4. Kashmir conflict and Hindutva mindset would hinder the Indian state from attaining its due share in global economy as well as political and diplomatic role and can become a hurdle in the peace and growth of the whole region.

8.6 Recommendations for Bangladesh

1. Bangladesh needs to reset its priorities as per emerging global and regional geopolitical environment to secure the maximum interests and ensure political independence.
2. Bangladesh needs to have balanced relations with the US, China and India to further develop economy as well as military.
3. Bangladesh needs to support BCIM and BRI leaving aside the US and Indian pressure.
4. Bangladesh needs to play its role for materializing the regional integration envisaged under SAARC. Further integration of its economy with the regional countries would help in its additional growth and ensuring peace.

9. Areas for Future Research

1. Comparative analysis of elements of global soft power of the US and China
2. Chinese role in resolution of Afghanistan crisis after 2014
3. China as a balancer against Indian and the US hegemonic designs in South Asia
4. Regional economic integration in led by China under CPEC/ BRI
5. Impact of Chinese investment on socio-economic development in Pakistan
6. CPEC and political stability in Pakistan
7. CPEC and Its Impact on Kashmir Issue
8. Gwadar versus Chabahar Port: Technical features and growth potential
9. Battleground of Sino-US strategic competition: South Asia or South East Asia
10. Comparison of CPEC with five OBOR routes in terms of potential for use and benefit

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11. List of Interviews

In Social Sciences, a research is always mean to deal with a new phenomenon to find out the facts or re-examine some subject to find out changes occurred during some period of time. Research based on earlier conducted research and documented literature would always have some missing links to mend where interviews of intellectuals and the men at the helm of affairs work well to complete the picture. Interview are also key source of introducing whole new ideas or different perspectives. For the same purpose few interviews were conducted to complete research and accommodate perspectives different to the available literature.

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12. Appendix

Appendix A

The US-India Trade

Years	The US Imports in US Dollar Thousand	The US Exports in US Dollar Thousand
2001	9,737,138	6,109,357
2002	12,449,858	3,757,045
2003	13,754,750	4,101,055
2004	16,447,126	4,979,693
2005	19,873,206	7,918,597
2006	22,992,713	10,091,104
2007	25,113,349	17,592,455
2008	26,931,322	18,666,534
2009	22,042,750	16,462,437
2010	30,708,298	19,248,887
2011	37,455,489	21,542,181
2012	41,904,468	22,105,715
2013	43,217,508	21,811,337
2014	46,985,468	21,607,499
2015	46,677,950	21,451,880
2016	47,740,264	21,652,274
2017	50,601,305	25,700,462

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|842||699||TOTAL||2|1|1|1|2|1|1|1|1

Appendix B
The US FDI in India

Year	FDI in Billion US dollar
2001	2.5
2002	4.23
2003	4.87
2004	7.66
2005	7.16
2006	7.95
2007	14.62
2008	18.35
2009	21.75
2010	24.67
2011	19
2012	25.41
2013	24.85
2014	27.81
2015	29.94
2016	32.94

<https://www.statista.com/statistics/188633/united-states-direct-investments-in-india-since-2000/>

Appendix C
China-India Trade

Years	China's Imports in US Dollar Thousand	China's Exports in US Dollar Thousand
2001	1,699,093	1,895,833
2002	2,273,871	2,671,164
2003	4,251,377	3,343,225
2004	7,678,030	5,936,008
2005	9,766,216	8,934,277
2006	10,277,449	14,581,297
2007	14,617,156	24,051,380
2008	20,258,886	31,585,381
2009	13,714,289	29,666,560
2010	20,846,313	40,913,958
2011	23,372,279	50,536,416
2012	18,797,191	47,677,452
2013	16,970,270	48,432,411
2014	16,358,691	54,217,422
2015	13,368,553	58,228,027
2016	11,764,125	58,397,761
2017	16,333,354	67,925,121

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|156|699|TOTAL||2|1|1|1|2|1|1|1|1

Appendix D
Chinese Investment in India

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
1	2006	Shandong Electric Power	1,500 dollar		Vedanta	Energy
2	2007	Shandong Electric Power Construction	3,990 dollar			Energy
3	2007	Chinalco	100 dollar		Vedanta	Metals
4	2007	Gezhouba	180 dollar			Transport
5	2007	Sino steel	250 dollar			Metals
6	2007	CNPC	560 dollar			Energy
7	2008	Minmetals and Xinxing Iron	1,200 dollar	20%, 35%	Kelachandra and Manasara	Metals
8	2008	Shanghai Electric	1,310 dollar		SASAN	Energy
9	2008	Three Gorges	160 dollar			Energy
10	2008	ZTE	400 dollar		Aircel	Technology
11	2009	Huawei	200 dollar		Unitech	Technology
12	2009	Shandong Electric Power	810 dollar		China Light and Power	Energy
13	2009	SAIC	350 dollar	50%	GM India	Transport
14	2010	Harbin Electric	450 dollar		Nagarjuna Construction	Energy
15	2010	Datang	1,400 dollar		Spice Energy	Energy
16	2011	Shandong Electric Power	300 dollar		Tamil Nadu Power	Energy
17	2012	China Nonferrous	110 dollar		HZL	Metals
18	2012	Tebian Electric Apparatus	200 dollar			Energy
19	2013	Power Construction Corp	2,700 dollar			Energy
20	2014	Alibaba	200 dollar	25%	One 97	Technology
21	2014	Tebian Electric Apparatus	100 dollar			Energy
22	2014	MCC	240 dollar			Metals
23	2014	BAIC	300 dollar			Transport
24	2015	Huawei	170 dollar			Technology
25	2015	SAIC, Wuling	390 dollar	56%		Transport
26	2015	China Small and Medium Enterprise Investment	790 dollar		Gujarat government	Other
27	2015	Phicomm	100 dollar			Technology
28	2015	Alibaba	200 dollar	4%	Snapdeal	Other
29	2015	Xian Longi	250 dollar			Energy

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
30	2015	Alibaba	680 dollar	16%	One 97	Technology
31	2015	Power Construction Corp	150 dollar			Transport
32	2015	Trina Solar	230 dollar		Welspun Energy	Energy
33	2016	Ctrip	180 dollar	27%	MakeMyTrip	Tourism
34	2016	Inspur Group	100 dollar			Entertainment
35	2016	Sany Heavy	100 dollar			Real estate
36	2016	XCMG	250 dollar			Real estate
37	2016	Tidfore Heavy Equipment	150 dollar		Uttam Galva Metallics	Metals
38	2016	Jiangsu Longze	130 dollar	51%	Diamond Power Infrastructure	Energy
39	2017	China National Building Material	250 dollar			Real estate
40	2017	Alibaba	180 dollar	22%	Paytm Mall	Other
41	2017	Tencent	700 dollar		Flipkart	Other
42	2017	Guangdong Midea	120 dollar			Other
43	2017	Jiangsu Nantong	190 dollar		Golden Gate Properties	Real estate
44	2017	Fosun	1,080 dollar	74%	Gland Pharma	Other
45	2017	Tencent	400 dollar		Ola	Transport
46	2017	Alibaba	210 dollar	25%	Big basket	Other

<http://www.aei.org/china-global-investment-tracker/>

Appendix E
China-Pakistan Trade

Years	China's Imports in US Dollar Thousand	China's Exports in US Dollar Thousand
2001	581,874	814,968
2002	557,497	1,242,111
2003	574, 936	1,854,991
2004	594,749	2,465,792
2005	833,169	3,427,662
2006	1,007,214	4,239,365
2007	1,104,226	5,831,349
2008	1,006,800	6,051,066
2009	1,260,256	5,515,074
2010	1,730,949	6,937,792
2011	2,118,460	8,439,729
2012	3,140,394	9,276,492
2013	3,196,840	11,019,596
2014	2,753,870	13,244,482
2015	2,474,764	16,441,888
2016	1,912,593	17,232,654
2017	1,830,041	18,309,555

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|156||586||TOTAL||2|1|1|1|2|1|1|1|1

Appendix F

Chinese Investment in Pakistan under CPEC

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
1	2006	Huawei	550 dollar		Ufone	Technology
2	2006	China Communications Construction	490 dollar			Transport
3	2007	China Mobile	280 dollar	89%	Paktel	Technology
4	2007	Shanghai Shengong and Municipal Government	100 dollar			Utilities
5	2007	Sinomach	150 dollar			Energy
6	2007	China Mobile	180 dollar	11%	Paktel	Technology
7	2008	Three Gorges	320 dollar			Transport
8	2009	Three Gorges	180 dollar			Real estate
9	2009	Harbin Electric	600 dollar			Energy
10	2009	China Mobile	500 dollar			Technology
11	2010	Three Gorges	120 dollar			Transport
12	2010	Sinomach, Gezhouba	2,690 dollar			Energy
13	2010	Sinomach	160 dollar			Energy
14	2010	Sinohydro	110 dollar			Energy
15	2010	China Communications Construction	160 dollar		DP World	Logistics
16	2010	China Communications Construction	280 dollar			Transport
17	2011	State Construction Engineering	450 dollar			Transport
18	2011	United Energy	750 dollar		BP	Energy
19	2011	Three Gorges	240 dollar			Energy
20	2011	Three Gorges	130 dollar			Energy
21	2012	Three Gorges	270 dollar		SIDA	Agriculture
22	2012	United Energy	200 dollar			Energy
23	2012	State Construction Engineering	230 dollar			Tourism
24	2012	Huawei	500 dollar		Vimpelcom	Technology
25	2013	China Communications Construction	300 dollar	80%		Energy
26	2013	Three Gorges	260 dollar			Logistics
27	2013	Three Gorges	1,650 dollar			Energy
28	2013	China National Nuclear	6,500 dollar			Energy
30	2014	Power	240 dollar			Energy

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
		Construction Corp				
29	2013	China Communications Construction	100 dollar			Logistics
31	2014	China Communications Construction	230 dollar			Transport
32	2014	Three Gorges	900 dollar			Energy
33	2014	China Communications Construction	220 dollar			Transport
34	2014	Shandong Ruyi	120 dollar			Other
35	2014	China Communications Construction	130 dollar			Transport
36	2014	China Mobile	520 dollar	100%	Spectrum	Technology
37	2014	Power Construction Corp	130 dollar			Energy
38	2014	China National Chemical Engineering	240 dollar		NRL	Energy
39	2014	Power Construction Corp	1,300 dollar		Oracle	Energy
40	2014	Sinomach	1,130 dollar		Sindh Engro	Energy
41	2014	China Energy Engineering	140 dollar			Transport
42	2014	Sinomach	100 dollar		Tenaga	Energy
43	2015	Huaneng and Shandong RuYi	1,810 dollar			Energy
44	2015	China Railway Construction, China Energy Engineering	160 dollar			Transport
45	2015	Power Construction Corp	1,070 dollar	51%	Al Mirqab Capital	Energy
46	2015	Tebian Electric Apparatus	190 dollar			Energy
47	2015	China Railway Corp and Norinco	1,620 dollar			Transport
48	2015	Power Construction Corp	120 dollar			Energy
49	2015	ZTE	1,440 dollar			Energy
50	2015	Harbin Electric	1,100 dollar			Energy
51	2015	Sinomach	150 dollar		Engo	Energy
52	2015	Zhuhai Port Holdings, State Construction	1,620 dollar			Transport

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
		Engineering				
54	2015	State Construction Engineering	2,890 dollar			Transport
53	2015	China Railway Construction	1,460 dollar		Zahir Khan and Brothers Engineers and Constructors	Transport
55	2015	Power Construction Corp	100 dollar			Energy
56	2016	Three Gorges	2,400 dollar			Energy
57	2016	China Communications Construction	1,320 dollar			Transport
58	2016	Power Construction Corp	220 dollar			Transport
59	2016	China Energy Engineering	360dollar	20%	Suki Kinari	Energy
60	2016	Power Construction Corp	910 dollar			Energy
61	2016	China Communications Construction	190 dollar			Energy
62	2016	China Energy Engineering	530 dollar		KAPCO	Energy
63	2016	Three Gorges	220 dollar			Energy
64	2016	State Grid	1,760 dollar			Energy
65	2017	China Energy Engineering	1,720 dollar			Energy
66	2017	China National Building Material	130 dollar			Real estate
67	2017	Power Construction Corp	130 dollar			Energy
68	2017	State Power Investment	1,480 dollar	74%	HUBCO	Energy
69	2017	Sinomach	280 dollar			Energy
70	2017	State Construction Engineering	380 dollar			Transport
71	2017	Minmetals	200 dollar			Energy
72	2017	China Railway Engineering	100 dollar			Transport
73	2017	Sinomach	520 dollar			Energy
74	2017	China Communications Construction	140 dollar			Transport

<http://www.aei.org/china-global-investment-tracker/>

Appendix G
The US-Pakistan Trade

Years	The US Imports in US Dollar Thousand	The US Exports in US Dollar Thousand
2001	2,249,393	541,300
2002	2,482,751	693,399
2003	2,733,544	842,733
2004	3,090,377	1,680,083
2005	3,492,929	1,251,632
2006	3,964,457	1,989,533
2007	3,830,622	2,035,079
2008	3,828,338	1,993,051
2009	3,361,197	1,624,888
2010	3,727,939	1,901,072
2011	4,025,928	1,988,748
2012	3,828,393	1,530,065
2013	3,887,604	1,645,795
2014	3,869,193	1,512,132
2015	3,909,839	1,837,507
2016	3,618,676	2,107,520
2017	3,762,706	2,809,139

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|842||586||TOTAL||2|1|1|1|2|1|1|1|1

Appendix H
The US FDI in Pakistan

Year	FDI in Million US dollar
2008-2009	869.9
2009-2010	468.3
2010-2011	238.1
2011-2012	227.7
2012-2013	227.1
2013-2014	212.1
2014-2015	223.9
2015-2016	13.2
2016-2017	44.6
2017-2018	81.6

<http://boi.gov.pk/ForeignInvestmentinPakistan.aspx>

Appendix I
CPEC Energy Projects

Ser No	Project Name	Progress Update
1	2×660MW Coal-fired Power Plants at Port Qasim Karachi	<ul style="list-style-type: none"> • Financial Closed (FC) achieved • Civil works on site started in May 2015 • Jetty completed • Plant 2 months ahead of schedule • Energization in October 2017 • Ist Unit Inaugurated in November 2017 • Second Unit Commercial Operation Date (COD) 25th April 2018 • Project completed 67 days ahead of schedule
2	Suki Kinari Hydropower Station, Naran, Khyber Pakhtunkhwa	<ul style="list-style-type: none"> • Financial Close achieved. • Land acquisition award announced on 17th Nov, 2016. • Construction work under way. • Commercial Operation Date (COD) 2020/2021.
3	Sahiwal 2x660MW Coal-fired Power Plant, Punjab	<ul style="list-style-type: none"> • Project Completed in 2017. • Project has been connected to National grid. • Current Status: Operational
4	Engro Thar Block II 2×330MW Coal fired Power Plant TEL 1×330MW Mine Mouth Lignite Fired Power Project at Thar Block-II, Sindh, Pakistan Thal Nova 1×330MW Mine Mouth Lignite Fired Power Project at Thar Block-II, Sindh, Pakistan	<ul style="list-style-type: none"> • Financial Closed (FC) achieved in April, 2016. • Construction work in progress. • Construction of Transmission line-contract awarded. Contractor mobilized • Commercial Operation Date (COD) June, 2019
	Surface mine in block II of Thar Coal field, 3.8 million tons/year	<ul style="list-style-type: none"> • Financial close attained in April 2016. • IA/EA signed. • Mining work in progress • 3.8 metric tons per annum (MTPA) • 8.1 MMT overburden removed and depth of 72 /185 meters achieved. • COD expected December,2018
5	Hydro China Dawood	<ul style="list-style-type: none"> • Financial Closed (FC) achieved on March 27, 2015.

Ser No	Project Name	Progress Update
	50MW Wind Farm(Gharo, Thatta)	<ul style="list-style-type: none"> Commercial Operation Date (COD) attained 5th April, 2017. Current Status: Operational (5th April 2017)
6	300MW Imported Coal Based Power Project at Gwadar, Pakistan	<ul style="list-style-type: none"> PPIB issued LOI Site finalized by CCCC Section IV for land acquisition reprocessed by Deputy Commissioner for 200 acres Environment report prepared by EMC consultant and submitted to EPA and GDA. GDA submitted comments on report to EPA. Need approval of Government of Baluchistan.
7	Quaid-e-Azam 1000MW Solar Park (Bahawalpur) Quaid-e-Azam	<ul style="list-style-type: none"> COD of 3 x 100 MW attained in August 2016.
8	UEP 100MW Wind Farm (Jhimpir, Thatta)	<ul style="list-style-type: none"> Financial Closed (FC) achieved on March 30, 2015. Commercial Operation Date (COD) attained 16th June, 2017. Current Status: Operational.
9	Sachal 50MW Wind Farm (Jhimpir, Thatta)	<ul style="list-style-type: none"> Financial Closed (FC) achieved on December 18, 2015. Commercial Operation Date (COD) attained 11 April, 2017. Project Completed Current Status: Operational (11 April 2017)
10	SSRL Thar Coal Block-I 6.8 mtpa & SEC Mine Mouth Power Plant(2×660MW)	<ul style="list-style-type: none"> Financial Close of Plant and Mine second quarter of 2017. Mine Commercial production is expected by 2019. Plant Expected Commercial Operation Date (COD) 2018/2019.
11	Karot Hydropower Station	<ul style="list-style-type: none"> Land acquisition award done. Financial Close achieved on 22nd February 2017. Construction of access road/bridge, concrete batching plant, diversion tunnel and spillway, etc. are in process. Work initiated through equity – 25% civil works completed. Commercial Operation Date (COD) 2020/2021.
12	Three Gorges Second	<ul style="list-style-type: none"> LOS issued in August 2016.

Ser No	Project Name	Progress Update
	Wind Power Project Three Gorges Third Wind Power Project	<ul style="list-style-type: none"> EPA initialled on 30th Nov, 2016. Construction activity already started from equity. Financial Close March 2017. COD September, 2018.
13	CPHGC 1,320MW Coal-fired Power Plant, Hub, Baluchistan	<ul style="list-style-type: none"> IA/ Power Purchase Agreement Signed on 25th January 2017 LOS issued on 12th April 2016; 1st extension to LOS issued on 24th January 2017 Ground breaking ceremony held on 21 March 2017 Expected Commercial Operation Date (COD) 660 MW Dec 2018, 660 MW Aug 2019
14	Matari to Lahore ±660kV HVDC Transmission Line Project	<ul style="list-style-type: none"> Feasibility study completed. Tariff determined by NEPRA. TSA/IA initiated in December 2016. Land acquisition for converter stations at Lahore and Matari completed. China Electric Power Equipment and Technology Company (CET) / State Grid nominated by Chinese side. COD expected in 2018 / 2019.
	Matari (Port Qasim) —Faisalabad Transmission Line Project	<ul style="list-style-type: none"> Feasibility study completed Decision on tariff review petition announced by NEPRA COD expected in 2018 / 2019 TSA/IA initiated during 6th JCC China Electric Power Equipment and Technology Company(CET) / State Grid nominated by Chinese side
15	Thar Mine Mouth Oracle Power Plant (1320MW) & surface mine	<ul style="list-style-type: none"> Feasibility stage tariff obtained for coal. Shareholding agreement on new equity partners in process. Under issuance of NTP/LOI.
16	Kohala Hydel Project, AJK	<ul style="list-style-type: none"> Feasibility Study (stage-1) Tariff Announced by NEPRA. Land Acquisition process started. Environmental approval in process. Financial close planned in Dec 2017. Expected Commercial Operation Date (COD) 2023.
18	Cachro 50MW Wind Power Project	

Ser No	Project Name	Progress Update
19	Western Energy (Pvt.) Ltd. 50MW Wind Power Project	
20	Phandar Hydropower Station	<ul style="list-style-type: none"> • Under review of experts from both sides
21	Gilgit KIU Hydropower	<ul style="list-style-type: none"> • Under review of experts from both sides

<http://cpec.gov.pk/progress-update>

Appendix J
CPEC Infrastructure Projects

Ser No	Project Name	Progress Update
1	KKH Phase II (Thakot -Havelian Section)	<ul style="list-style-type: none"> • Work commenced in September, 2016. • Contractor mobilized. • To be completed by March 2020. • Havelian- Abbotabad-Mansehra (39 KM) section will be completed by May, 2018
2	Peshawar-Karachi Motorway (Multan-Sukkur Section)	<ul style="list-style-type: none"> • Construction works commenced in August, 2016. • Contractor mobilized. • 129 km Multan- Tranda M. Panah (Bahawalpur) section to be completed by Mid of 2018. • 125 km Sukkur- Sadiqabad section to be completed by Mid of 2018. • 04 out of 07 sections to be completed by Mid of 2018. • Completion planned in August 2019.
3	Khuzdar-Basima Road N-30 (110 km)	<ul style="list-style-type: none"> • Feasibility and PC-I completed • LOI forwarded to Chinese side • Procedural formalities to be completed shortly (ECNEC approved the projects in May 2017) • Frame Work Agreement shared with Chinese Side
4	Upgradation of D. I. Khan (Yarik) - Zhob, N-50 Phase-I (210 km)	<ul style="list-style-type: none"> • PC-I Approved by ECNEC on 12th April, 2017. • Land acquisition in Progress. • Frame work Agreement Forwarded to MOC.
5	KKH Thakot-Raikot N35 remaining portion (136 Km)	<ul style="list-style-type: none"> • Feasibility and PC-I completed • LOI forwarded to Chinese side • Procedural formalities to be completed shortly
6	Expansion and reconstruction of existing Line ML-1	<ul style="list-style-type: none"> • Feasibility completed • Project to be put on fast track • Framework agreement signed in May 2017 • Project will be completed in 2 phases • Expected COD 2022
7	Havelian Dry port (450 M. Twenty-Foot Equivalent Units)	<ul style="list-style-type: none"> • Feasibility completed • Project to be put on fast track • Framework agreement signed in May 2017
8	Capacity Development of Pakistan Railways	<ul style="list-style-type: none"> • Focus groups be established for effective training and capacity enhancement

<http://cpec.gov.pk/progress-update>

Appendix K
CPEC Gwadar Projects

Ser No	Project Name	Progress Update
1	Gwadar East-Bay Expressway	<ul style="list-style-type: none"> • Cost approved by ECNEC • Ground breaking held on 22nd Nov, 2017 • Construction work underway • Completion planned in 2018
2	New Gwadar International Airport	<ul style="list-style-type: none"> • Design and work plan agreed • Grant Agreement signed in May 2017 • Construction work to start in 2018
3	Construction of Breakwaters	<ul style="list-style-type: none"> • Draft business plan has been received from Chinese (COPHCL), under review by MoP & GPA
4	Dredging of berthing areas & channels	<ul style="list-style-type: none"> • Draft business plan has been received from Chinese (COPHCL), under review by MoP &S and GPA • Draft MoU for joint Technical and Commercial Feasibility has also been Prepared and being vetted by concerned Ministries
5	Development of Free Zone	<ul style="list-style-type: none"> • Tax exemptions for port and Free Zone notified in Finance Bill 2016 • Ground breaking done by the Prime Minister • 100% private Investment inside Free Zone. To be operated by COPHCL • 1st phase completed and inaugurated in January 2018 • Significant progress and response from investors • Gwadar Free Zone investment guide line published • First Gwadar Expo was held in January 2018 • A number of industries to start construction work in soon
6	Necessary facilities of fresh water treatment, water supply and distribution	<ul style="list-style-type: none"> • PC-I for 5 MGD RO plant for Gwadar cleared by CDWP • Phase-1, laying of pipelines from Swad Dam to Gwadar is near completion. • Desalination plant establishment on BOT is floated
7	Pak China Friendship Hospital	<ul style="list-style-type: none"> • Grant request sent by EAD to MOFCOM • Feasibility study completed by Chinese team to add 100 beds from existing 50, for subsequent extension to 300

Ser No	Project Name	Progress Update
		beds <ul style="list-style-type: none"> • LOE is signed in April 2018.
8	Technical and Vocational Institute at Gwadar	<ul style="list-style-type: none"> • Technical feasibility is conducted. • LOE is signed in April 2018
9	Gwadar Smart Port City Master Plan	<ul style="list-style-type: none"> • MoU signed in Nov 2015 • LOE signed in August 2015 • Chinese Fourth Harbour Design Institute has been nominated for Gwadar Smart City Plan • Contract Signed in May 2017 • Completion planned in August 2018
10	Bao Steel Park, petrochemicals, stainless steel and other industries in Gwadar	<ul style="list-style-type: none"> • Necessary approval process would be completed at the earliest for inclusion as new CPEC Project under Gwadar JWG
11	Development of Gwadar University (Social Sector Development)	<ul style="list-style-type: none"> • Chinese side will identify a leading Chinese university for collaboration with University of Gwadar on marine & maritime related subjects along with other disciplines
12	Gwadar Livelihood Project	<ul style="list-style-type: none"> • Upgradation and development of fishing, boat making and maintenance services to protect and promote livelihoods of local population • COPHCL would take effective measures for social sector development

<http://cpec.gov.pk/progress-update>

Appendix L

CPEC Others Projects

Ser No	Project Name	Progress Update
1	Cross Border Optical Fibre Cable	<ul style="list-style-type: none"> • Ground breaking ceremony performed by the Prime Minister • Work commenced October 2015 • Work on 450km/ 820km segment completed • Expected Completion Dec 2018
2	Pilot Project of Digital Terrestrial Multimedia Broadcast (DTMB)	<ul style="list-style-type: none"> • Project completed. • Demonstration project with Chinese side is being processed. • PC-1 of the Demonstration project approved by CDWP on 2nd May 2018.
3	Early Warning System (EWS), Pakistan Meteorological Department	<ul style="list-style-type: none"> • PC-I for CPEC is being revised in light of CDWP observations • Planning Division allocated EWS (unapproved project), Rs. 100.00 million for PSDP Projects 2017-18 • EWS stands split between CPEC and World Bank • Work is at advance stage with World Bank • The components don't overlap • System will be integrated to draw maximum benefit

<http://cpec.gov.pk/progress-update>

Appendix M

CPEC Rail Based Mass Transit Projects

Ser No	Project Name	Progress Update
1	Karachi Circular Railway	<ul style="list-style-type: none"> JCC agreed in principal for inclusion of Mass Transit System as part of CPEC component. Transport Working Group has been asked to work on the projects based further studies and consultation. Feasibility of Karachi Circular Railways completed in May 2017. Ground-breaking is expected in 2018.
2	Greater Peshawar Region Mass Transit	<ul style="list-style-type: none"> JCC agreed in principal for inclusion of Mass Transit System as part of CPEC component. Transport Working Group has been asked to work on the projects based further studies and consultation. Feasibility of Greater Peshawar Region Mass Transit is under process.
3	Quetta Mass Transit	<ul style="list-style-type: none"> JCC agreed in principle for inclusion of Rail Based Mass Transit Systems in Provincial headquarters as part of CPEC. JWG on Transport Infrastructure has been asked to complete the necessary formalities. Feasibility of Quetta Mass Transit is under process.
4	Orange Line - Lahore	<ul style="list-style-type: none"> Construction work is underway. Orange line project will be complete in 2018

<http://cpec.gov.pk/progress-update>

Appendix N

CPEC New Provincial Projects

Ser No	Project Name	Progress Update
1	Keti Bunder Sea Port Development Project	<ul style="list-style-type: none"> • Further studies and consultations to be initiated • Projects referred to concerned JWG's for consideration
2	Naukundi-Mashkhel-Panjgur Road Project connecting with M-8 & N-85	<ul style="list-style-type: none"> • Further studies and consultations to be initiated • Projects referred to concerned JWG's for consideration • Planning-PC-1 preparation is underway
3	Chitral CPEC link road from Gilgit, Shandor, Chitral to Chakdara	<ul style="list-style-type: none"> • Further studies and consultations to be initiated • Projects referred to concerned JWG's for consideration • Planning-PC-1 preparation is underway
4	Mirpur – Muzaffarabad - Mansehra Road Construction for connectivity with CPEC route	<ul style="list-style-type: none"> • Further studies and consultations to be initiated • Projects referred to concerned JWG's for consideration • Approval of PC-1 in process
5	Quetta Water Supply Scheme from Pat feeder Canal, Baluchistan	<ul style="list-style-type: none"> • Relevant Provincial Govts. to work out proposals on implementation of projects
6	Iron Ore Mining, Processing & Steel Mills complex at Chiniot, Punjab	<ul style="list-style-type: none"> • Relevant Provincial Govts. to work out proposals on implementation of projects

<http://cpec.gov.pk/progress-update>

Appendix O

CPEC Proposed Special Economic Zones (SEZs)

Ser No	Project Name	Progress Update
1	Rashakai Economic Zone , M-1, Nowshehra	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
2	China Special Economic Zone Dhabaji	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
3	Bostan Industrial Zone	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
4	Allama Iqbal Industrial City (M3), Faisalabad	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
5	ICT Model Industrial Zone, Islamabad	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
6	Development of Industrial Park on Pakistan Steel Mills Land at Port Qasim	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
7	Special Economic Zone at Mirpur, AJK	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
8	Mohmand Marble City	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.
9	Moqpondass SEZ Gilgit-Baltistan	<ul style="list-style-type: none"> Feasibility studies of SEZs is shared with Chinese side.

<http://cpec.gov.pk/progress-update>

Appendix P

CPEC Social Sector Development

Ser No	Project Name	Progress Update
1	People to People exchanges	<ul style="list-style-type: none"> Efforts for intensification of People to People contact, media and cultural exchanges (including movies, drama, theatre etc.) would be done through agreed yearly programmes. Both sides resolved to promote Chinese and Pakistani culture and heritage as a way of long term partnership
2	Transfer of Knowledge in different sectors	<ul style="list-style-type: none"> Experts from industrial zones, rural and urban development, job creation & SMEs, water resources management & treatment and agriculture. Training workshops on industrial zone held from 11-18th October 2017.
3	Establishment of Pakistan Academy of Social Sciences	<ul style="list-style-type: none"> Efforts to being made for establishment of PASS with the Chinese Academy for Social Sciences. HEC has been made focal agency on Pakistan and consultative process has commenced.
4	Transfer of Knowledge in Education through Consortium of Business Schools	<ul style="list-style-type: none"> Consortium of Top Business Schools from Chinese and Pakistan Side established. HEC is leading the Project.

<http://cpec.gov.pk/progress-update>

Appendix Q
The US-Afghanistan Trade

Years	The US Imports in US Dollar Thousand	The US Exports in US Dollar Thousand
2001	769	5,824
2002	4,157	80,011
2003	62,705	60,759
2004	25,106	150,392
2005	67,650	262,153
2006	45,827	417,631
2007	76,810	488,783
2008	86,907	481,648
2009	124,108	1,511,460
2010	87,474	2,151,401
2011	26,637	2,921,862
2012	37,927	1,521,555
2013	46,316	1,409,639
2014	72,810	792,389
2015	24,494	478,851
2016	34,459	912,557
2017	14,758	937,320

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|842||004||TOTAL||2|1|1|1|2|1|1|1|1

Appendix R
Chinese Investments in Afghanistan

Ser No	Year	Chinese Entity	Quantity in Million US dollar	Transaction Party	Sector
1	2007	MCC and Jiangxi Copper	dollar 2,870		Metal
2	2011	CNPC	dollar 400	Watan	Energy
3	2017	China Communications Construction	dollar 210		Transport

<http://www.aei.org/china-global-investment-tracker/>

Appendix S
The US Investment in Afghanistan

Year	Security appropriations in Billion US dollar	Non-security appropriations in Billion US dollar	Total Investment on Economy & Military
2001	0	0	0
2002	0.05744	1.00762	1.07
2003	0.19139	0.94058	1.13
2004	0.63655	1.99761	2.63
2005	1.90728	2.80393	4.71
2006	2.01717	1.48920	3.51
2007	7.69857	2.34410	10.04
2008	2.94447	3.21504	6.16
2009	5.84840	4.56815	10.41
2010	9.56080	7.15153	16.71
2011	11.00067	4.86114	15.86
2012	9.67416	5.03174	14.71
2013	5.20344	4.42762	9.63
2014	4.20280	2.60889	6.81
2015	3.94038	2.33727	6.28
2016	3.64188	1.89878	5.54
2017	4.39912	1.18964	5.59

<https://www.sigar.mil/pdf/quarterlyreports/2018-04-30qr.pdf>

Appendix T
China-Afghanistan Trade Balance

Years	China's Imports in US Dollar Thousand	China's Exports in US Dollar Thousand
2001	162	17,265
2002	80	19,911
2003	612	26,447
2004	947	56,973
2005	1,512	51,209
2006	186	100,487
2007	2,376	169,533
2008	2,693	151,627
2009	1,376	213,366
2010	3,580	175,265
2011	4,403	230,010
2012	5,187	464,034
2013	9,595	328,259
2014	17,372	393,559
2015	11,771	361,820
2016	4,534	430,653
2017	3,255	541,094

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|156||004||TOTAL||2|1|1|1|2|1|1|1|1

Appendix U
Chinese Investment in Bangladesh

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
1	2009	Sinohydro	170 dollar			Transport
2	2010	China National Chemical Engineering	160 dollar			Energy
3	2010	Guangdong Power Engineering	270 dollar			Energy
4	2010	Genertec	110 dollar			Energy
5	2010	Sinomach	220 dollar		Teletalk	Technology
6	2011	China Railway Engineering	200 dollar		Tongi-Bhairab 1	Transport
7	2011	State Development and Investment Corp	590 dollar			Agriculture
8	2012	Sinomach	170 dollar			Energy
9	2012	Sinomach	310 dollar			Utilities
10	2012	China Energy Engineering	210 dollar		SUMMIT	Energy
11	2013	China Energy Engineering	180 dollar			Energy
12	2013	Sinomach	130 dollar			Technology
13	2013	China Energy Engineering	280 dollar			Energy
14	2013	State Construction Engineering	290 dollar			Agriculture
15	2013	Sinomach	180 dollar		Pacific Bangladesh Telecom	Technology
16	2014	Huadian	1,450 dollar			Energy
17	2014	China Railway Construction	1,060 dollar			Transport
18	2015	Power Construction Corp	1,360 dollar		S. Alam	Energy
19	2015	Power Construction Corp, HTG	750 dollar	30%	S. Alam	Energy
20	2015	Power Construction Corp	1,130 dollar			Transport
21	2015	China Communications Construction	1,070 dollar			Transport
22	2016	Power Construction Corp	110 dollar			Energy
23	2016	China Energy Engineering	780 dollar	50%	Genertec and North-West	Energy

Ser No	Year	Chinese Entity	Quantity in Millions	Share size	Transaction Party	Sector
					Power Generation	
24	2016	Genertec	780 dollar	50%	North-West Power Generation	Energy
25	2016	China Energy Engineering	220 dollar			Energy
26	2016	Sinomach	100 dollar			Energy
27	2016	China Railway Engineering	3,140 dollar			Transport
28	2016	Jiangsu Yongding, Harbin Electric	300 dollar			Energy
29	2016	Tebian Electric Apparatus	1,660dollar		Dhaka Power	Energy
30	2016	CNPC	690 dollar			Energy
31	2016	Jiangsu Yongding, Sinomach	1,140 dollar			Energy
32	2016	China Communications Construction, State Construction Engineering	510 dollar			Transport
33	2016	Power Construction Corp	280 dollar			Energy
34	2017	China Energy Engineering	110 dollar			Transport
35	2017	Power Construction Corp	190 dollar			Transport
36	2017	Power Construction Corp	470 dollar			Transport
37	2017	China Communications Construction	110 dollar			Other
38	2017	China Energy Conservation	120 dollar			Utilities
39	2017	China Railway Engineering	110 dollar		Toma's Construction	Transport
40	2017	China Railway Engineering	210 dollar		Max Infrastructure	Transport
41	2017	China Railway Construction	1,550 dollar			Transport
42	2017	China Railway Construction	1,290 dollar			Transport

Appendix V
China-Bangladesh Trade

Years	China's Imports in US Dollar Thousand	China's Exports in US Dollar Thousand
2001	16,699	955,155
2002	32,359	1,066,271
2003	33,393	1,334,669
2004	57,007	1,906,268
2005	78,603	2,402,740
2006	98,835	3,090,403
2007	114,171	3,349,758
2008	131,910	4,556,074
2009	140,722	4,441,067
2010	268,876	6,789,097
2011	449,036	7,810,658
2012	479,727	7,970,093
2013	602,366	9,705,087
2014	761,108	11,782,272
2015	816,845	13,894,708
2016	869,398	14,300,635
2017	870,833	15,202,749

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|156||050||TOTAL||2|1|1|1|2|1|1|1|1

Appendix W
US FDI in Bangladesh

Year	FDI in Million US dollar
2001	30.85
2002	24.5
2003	32.1
2004	61.76
2005	141.8
2006	175.72
2007	120.36
2008	40.92
2009	42.89
2010	56.95
2011	117.74
2012	43.8
2013	75.95
2014	33.67
2015	573.77
2016	449.74

<http://www.ccsenet.org/journal/index.php/ijbm/article/view/67212/37074>

Appendix X
The US-Bangladesh Trade

Years	The US Imports in US Dollar Thousand	The US Exports in US Dollar Thousand
2001	2,359,015	306,890
2002	2,286,292	269,061
2003	2,213,469	225,884
2004	2,464,879	289,303
2005	2,881,335	319,770
2006	3,496,714	332,555
2007	3,634,597	456,421
2008	3,982,746	468,066
2009	3,886,495	434,896
2010	4,541,169	575,698
2011	5,083,031	1,144,148
2012	5,107,248	508,181
2013	5,583,498	708,816
2014	5,475,305	1,113,364
2015	6,225,863	942,540
2016	6,120,528	905,703
2017	5,891,642	1,464,573

https://www.trademap.org/Bilateral_TS.aspx?nvpm=1|842||050||TOTAL||2|1|1|1|2|1|1|1|1

Appendix Y

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (The US Supplies to India)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Supplier/ Recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapons of order	Year delivery	of delivered	No. Comments
United States							
R: India	(112) 8	TPE-331 P-8A Poseidon	Turboprop ASW aircraft	1983 2009	1986-2011 2012-2015	(112) 8	For 56 Do-228 MP aircraft from FRG; incl production in India dollar2 b deal (offsets 30% incl production of components in India); P-8I version
	(28) 6	TPE-331 C-130J-30 Hercules	Turboprop Transport aircraft	(2012) 2013	2013-2016 2017	(28) 6	For 14 Do-228MP MP aircraft from FRG probably dollar1.1 b deal (30% offsets including production in India of components for all future C-130J); for Special Forces
	22	AH-64E Apache Guardian	Combat helicopter	2015			dollar1.2-1.4 b deal (incl production of components in India; part of dollar2.4 b deal)
	(68)	TPE-331	Turboprop	(2015)			For 68 HTT-40 trainer aircraft produced in India; incl production in India
	4	P-8A Poseidon	ASW aircraft	2016			dollar1 b deal; delivery 2019/2020-2020/2021
	(6)	AH-64E Apache Guardian	Combat helicopter	(2017)			Incl production of components in India; selected but not yet ordered end-2017
	6	LM-2500	Gas turbine	(1999)	2010-2012	6	For 3 Shivalik (Project-17) frigates produced in India; possibly from Italian production line
	8	TPQ-37 Fire finder	Arty locating radar	2002	2006	8	Part of dollar142-190 m deal; originally planned for 1998 but embargoed by USA after Indian nuclear tests in 1998; AN/TPQ- 37(V) 3 version
	4	LM-2500	Gas turbine	(2003)			For 1 Vikrant (IAC or Project-71) aircraft carrier produced in India; from Italian production line
	4	TPQ-37 Fire finder	Arty locating radar	2003	2006-2007	4	Part of dollar142-190 m deal; AN/TPQ-37(V) 3 version
	1	Austin	AALS	2006	2007	1	Second-hand; INR2.2 b (dollar48 m) deal (incl modernization); Indian designation Jalashwa
	6 24	S-61/H-3A Sea King F404	Transport helicopter Turbofan	2006 2007	2007 2016-2017	(6) (6)	Second-hand; dollar39 m deal; UH-3H version dollar100 m deal; F404-IN20 version for 20 Tejas Mk-1 (LCA) combat aircraft produced in India

6	AE-3007	Turbofan	2008	2017	4	For 3 ERJ-145 transport aircraft from Brazil modified in India to AEW&C aircraft
6	C-130J-30 Hercules	Transport aircraft	2008	2010-2011	6	dollar962 m deal (incl dollar596 m for aircraft and rest for special equipment; 30% offsets incl production in India of components for all future C-130J); for Special Forces
512	CBU-97 SFW	Guided bomb	2010	2013-2017	(348)	dollar258-311 m deal; CBU-105 version
(20)	RGM-84L Harpoon-2	Anti-ship MI/SSM	2010	2013	(20)	dollar170 m deal; AGM-84L version for Jaguar combat aircraft
10	C-17A Globemaster-3	Heavy transport ac	2011	2013-2014	10	dollar4.1 b deal (offsets dollar1.1 b)
(32)	Mk-54 MAKO	ASW torpedo	(2011)	2013-2015	(32)	dollar86 m deal; for P-8I ASW aircraft
99	F414	Turbofan	(2012)			dollar800-900 m deal (incl 81 produced in India); for Tejas Mk-1A (LCA) combat aircraft produced in India; most assembled in India; selected but not yet ordered by end-2017
..	Paveway	Guided bomb	(2012)			Paveway-2 version
(21)	RGM-84L Harpoon-2	Anti-ship MI/SSM	2012	2014	21	dollar200 m deal; AGM-84L version for P-8I ASW aircraft
(245)	FIM-92 Stinger	Portable SAM	(2013)			FIM-92 Block-1 version for AH-64 combat helicopters
(542)	AGM-114K HELLFIRE	Anti-tank missile	2015			AGM-114R-3 version; for AH-64 combat helicopters
(812)	AGM-114L HELLFIRE	Anti-tank missile	2015			AGM-114L-3 version; for AH-64 combat helicopters
15	CH-47F Chinook	Transport helicopter	2015			dollar1 b deal (part of dollar2.4 b deal); delivery planned 2019
(6)	T-700	Turboshaft	(2015)			Spares for AH-64 combat helicopters
12	APG-78 Longbow	Combat heli radar	2016			For AH-64E combat helicopters
1	C-130J-30 Hercules	Transport aircraft	(2016)			
12	RGM-84L Harpoon-2	Anti-ship MI/SSM	2016			Part of £82 m deal; UGM-84L version for Type-209 submarines
(24)	TPE-331	Turboprop	(2016)			For 12 Do-228 MP aircraft from FRG
1	C-17A Globemaster-3	Heavy transport ac	2017			Delivery planned 2018

http://armstrade.sipri.org/armstrade/page/trade_register.php

Note: - The transactions worth less than US dollar 5 million are not included in the data table.

Appendix Z

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (The US Supplies to Pakistan)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Supplier/ Recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapon of order	Year delivery	of delivered	No. Comments
United States							
R: Pakistan	1047	M-113A3	APC	1998	2000-2014	(1047)	
	(250)	6V-53	Diesel engine	(2000)	2005-2006	(250)	For Talha APC and Al Qaswa ALV produced in Pakistan
	5	Bell-205/UH-1 Huey-2	Helicopter	(2001)	2002	5	Second-hand UH-1H rebuilt to Huey-2 before delivery; part of dollar73 m US; for Ministry of Interior; aid for Afghan border patrol and anti-narcotics operations
	3	Cessna-208 Caravan	Light transport ac	(2001)	2002	(3)	For Ministry of Interior; aid for Afghan border patrol and anti-narcotics operations
	(100)	Paveway	Guided bomb	(2001)	2002	(100)	Paveway-2 version
	6	CT7	Turboprop	2002	2004	(6)	For 3 CN-235 transport aircraft from Indonesia; CT-7-9C3 version
	(40)	T-37B	Trainer aircraft	2003	2009-2012	(40)	Second-hand; aid; possibly modernized before delivery; probably 19 more delivered for spare parts
	(12)	AH-1F Cobra	Combat helicopter	2004	2007	(12)	Second-hand but modernized before delivery; dollar48 m 'FMF' aid; 20-28 more for spare parts only
	26	Bell-412	Helicopter	2004	2004-2005	26	Originally dollar230 m deal for 2 year lease but given to Pakistan in 2007 (financed with 'CSF' aid); from Canadian production line; for use in 'war on terrorism'; incl some for police; Bell-412EP version
	(2007)	BGM-71 TOW	Anti-tank missile	(2004)	2006-2008	(2007)	dollar82 m deal; TOW-2A version; for AH-1 combat helicopters
	6	C-130E Hercules	Transport aircraft	2004	2005-2007	(6)	Second-hand aircraft sold back to US producer and sold to Pakistan; dollar64 m or dollar76 m deal (financed with 'FMF' aid); modernized before delivery; 1 more for spares only
	300	AIM-9M Sidewinder	AIM-9S	2005	2007	300	dollar29 m deal; AIM-9M1/2 version
	14	F-16A	FGA aircraft	2005	2005-2008	14	Second-hand (but only used 2-4 years); originally produced for Pakistan but delivery embargoed 1988, taken over by USA 2002 and after few years given as aid to Pakistan); aid
	7	P-3CUP Orion	ASW aircraft	2005	2007-2012	7	Second-hand P-3C rebuilt to P-3CUP (paid with dollar970 m US 'SAP' aid); first 2 delivered without complete systems (to be installed later)

(50)	RGM-84L Harpoon-2	Anti-ship MI/SSM	2005	2006-2007	(50)	dollar63 m deal; incl 40 AGM-84L version
6	TPS-77	Air search radar	2005	2008-2009	(6)	dollar89 m or dollar100 m deal (financed with 'FMF' aid)
500	JDAM	Guided bomb	(2006)	2010-2011	(500)	
115	M-109A5 155mm	Self-propelled gun	2006	2007-2010	(115)	Second-hand; dollar87 m deal (incl dollar53-57 m 'FMF' aid)
1600	Paveway	Guided bomb	(2006)	2010	(1600)	Incl 700 GBU-12 and 300 GBU-10 version
2	TF-50	Gas turbine	2006	2007-2008	2	For MRTTP-33 FAC delivered by Turkey
18	AAQ-33 Sniper	Aircraft EO system	2007	2010	(18)	For F-16 combat aircraft
(500)	AIM-120C AMRAAM	BVRAAM	2007	2010-2014	(500)	dollar265 m deal; AIM-120C-5 version; for F-16 combat aircraft
200	AIM-9M Sidewinder	AIM-9S	2007	2010	(200)	AIM-9M8 and AIM-9M9 version; for F-16 combat aircraft
(35)	APG-68	Combat ac radar	2007	2012-2014	(35)	APG-68(V)9 version for 'Mid-Life Update' (MLU) modernization of 35 F-16A combat aircraft to F-16C (F-16AM or F-16MLU)
4	Bell-205/UH-1 Huey-2	Helicopter	(2007)	2008	(4)	Second-hand UH-1H rebuilt to Huey-2 before delivery; for Ministry of Interior; aid for Afghan border patrol and anti-narcotics operations
(3198)	BGM-71 TOW	Anti-tank missile	(2007)	2008-2011	(3198)	dollar185 m deal; incl 2776 TOW-2A and 422 TOW-2RF
18	F-16C Block-50/52	FGA aircraft	2007	2010	18	dollar1.4 b 'Peace Drive 1' deal (part of dollar3.1 b deal); incl 6 F-16D
10	RGM-84L Harpoon-2	Anti-ship MI/SSM	2007	2009	(10)	dollar16 m deal; AGM-84L version; for P-3C ASW aircraft
4	AAQ-33 Sniper	Aircraft EO system	(2008)	2011	(4)	
5	Bell-205/UH-1 Huey-2	Helicopter	(2008)	2009	5	Second-hand UH-1H rebuilt to Huey-2 before delivery; for Ministry of Interior; aid for Afghan border patrol and anti-narcotics operations
2	King Air-350 ISR	AGS aircraft	2008	2011	2	King Air-350 version; aid
2	Bell-412	Helicopter	2009	2010	2	dollar23-24 m aid, Bell-412EP version
(2)	DB-110	Aircraft recce system	(2009)	2009	(2)	For F-16 combat aircraft
10	Mi-8MT/Mi-17	Transport helicopter	2009	2009	10	Second-hand; Mi-17 version; incl 6 on 5-year lease; aid
1	RH-800RA/SIG	Reconnaissance ac	2009	2010	1	Hawker-850XP version
20	Cougar	APC	2010	2010	(20)	Buffalo EOD version; aid
(550)	M-113	APC	(2010)	2011-2015	(550)	Second-hand; M-113A2 version; aid
1	Perry	Frigate	2010	2011	1	Second-hand; aid; modernized in dollar65 m deal before delivery
(10)	APG-68	Combat ac radar	(2011)	2014	(10)	APG-68(V)9 version for 'Mid-Life Update' (MLU) modernization of 10 F-16A combat aircraft to F-16C (F-16AM or F-16MLU)
5	DB-110	Aircraft recce system	2011	2013	(5)	Part of dollar72m deal; for F-16 combat aircraft
2	King Air-350 ISR	AGS aircraft	(2011)	2013	2	King Air-350 ISR version; aid
(1)	King Air	Light transport ac	(2013)	2013	1	Second-hand; King Air-350i version
22	MaxxPro	APC	2013	2013	(22)	Second-hand; aid
15	ScanEagle	UAV	(2013)	2015	(15)	dollar30 m 'FMF' aid
1	Cessna-208 Caravan	Light transport ac	2014	2015	1	Cessna-208B EX version
500	M-113	APC	2014	2015	(500)	Second-hand; aid; M-113A2 version
(230)	MaxxPro	APC	(2014)	2015-2016	(230)	Second-hand; aid
15	AAQ-33 Sniper	Aircraft EO system	2015	2015-2016	(15)	
(1000)	AGM-114K HELLFIRE	Anti-tank missile	2015			

9	AH-1Z Viper	Combat helicopter	2015			dollar170 m deal; delivery planned from 2018
2	Cessna-208 Caravan	Light transport ac	2015	2016	2	Cessna-208B EX version
2	Cessna-208 Caravan	Light transport ac	(2015)	2016	2	Cessna-208B EX version
2	Cessna-208 Caravan	Light transport ac	2016	2016	2	Part of dollar14 m deal; Cessna-208B EX version; incl for medevac
4	Cessna-U206	Light aircraft	2016	2017	4	Part of dollar14 m deal; Cessna-206H version
2	Island	Patrol craft	2016	2017	2	Second-hand; aid; for coast guard
(30)	MaxxPro	APC	2016			Second-hand; ARV version
4	LM-2500	Gas turbine	(2017)			For 4 MilGem frigates from Turkey
40	MaxxPro	APC	2017	2017	40	dollar35 m deal; MaxxPro Dash DXM version

http://armstrade.sipri.org/armstrade/page/trade_register.php

Note:- The table does not contain the transactions worth less than US dollar 5 million.

Appendix AA

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (The US Supplies to Afghanistan)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Supplier/ Recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapons of order	Year delivery	of delivered	No. Comments
United States							
R: Afghanistan	(188)	M-113	APC	(2004)	2005	(188)	Second-hand; aid; M-113A2 version; incl 15 M-577A2 CP version
	(800)	HMMWV Up-Armoured	APV	2006	2007-2008	(800)	Second-hand; aid
	(4735)	HMMWV Up-Armoured	APV	2008	2008-2011	(4735)	dollar760 m deal; aid; M-1151 and M-1152 versions
	4002	HMMWV Up-Armoured	APV	2010	2011-2013	(4002)	Part of dollar1 b deal; M-1152A1B2 version; incl for police
	(237)	HMMWV Up-Armoured	APV	2010	2012	(237)	dollar45 m deal; incl 137 M-1152 and 100 M-1151 version
	2566	HMMWV Up-Armoured	APV	2010	2011-2012	(2566)	Second-hand; M-1114 version
	(41)	ASV-150/M-1117	APC	2011	2011-2012	(41)	
	240	ASV-150/M-1117	APC	2011	2012-2013	(240)	dollar257 m deal; MSFV version; incl command, ARV, AEV, ambulance and mortar carrier versions
	6	Cessna-180 Skywagon	Light aircraft	2011	2011	(6)	Part of dollar88 m deal; Cessna-182T version; for training
	26	Cessna-208 Caravan	Light transport ac	2011	2011-2012	(26)	Part of dollar88 m deal; Cessna-208B version
	(744)	HMMWV Up-Armoured	APV	2011	2012	(744)	
	6	MD-500E	Light helicopter	2011	2011	6	dollar17-20 m aid; MD-530F version; incl for training (but armed 2015)
	71	ASV-150/M-1117	APC	2012	2014	(71)	dollar79 m deal; MSFV version
	(136)	ASV-150/M-1117	APC	(2012)	2013-2014	(136)	MSFV version
	4	C-130H Hercules	Transport aircraft	(2012)	2013-2015	4	Second-hand; aid
	135	ASV-150/M-1117	APC	2013	2014-2015	(135)	dollar113 m deal; MSFV version
	222	MaxxPro	APC	2014	2015	222	Second-hand; incl 20 recovery vehicle version
	12	MD-500E	Light helicopter	2014	2015	12	Armed MD-530F version
	55	ASV-150/M-1117	APC	2015	2015	55	
	12	MD-500E	Light helicopter	(2015)	2016	12	Armed MD-530F version
	65	Scan Eagle	UAV	2015	2016-2017	(45)	dollar71 m deal; delivery 2016-2018
	1673	HMMWV Up-Armoured	APV	2016	2016-2017	(1673)	dollar356 m deal; incl 1259 M-1151A1B1 and 414 M-1151A1B2 version
	433	HMMWV Up-Armoured	APV	2016	2017	433	dollar109 m deal; incl 360 M-1152A1B2 and 73 M-1151A1B1 version

53	S-70/UH-60A	Helicopter	2016	2017	4	Second-hand but modernized to UH-60A+ before delivery; aid; delivery planned 2017-2019
(55)	ASV-150/M-1117	APC	2017			Delivery planned from 2018; option on 200 more
7	Cessna-208 Caravan	Light transport ac	2017			Armed Cessna-208B version; aid; selected but not yet ordered by end-2017
(150)	MD-500E	Light helicopter	2017			Armed MD-530F version
106	S-70/UH-60A	Helicopter	2017			Second-hand; aid; delivery 2019-2022

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Note: - The table does not contain the transactions worth less than US dollar 5 million.

Appendix BB

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (The US Supplies to Bangladesh)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Supplier/ Recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapon of order	Year delivery	of delivered	No. Comments
United States R: Bangladesh	4	TPE-331	Turboprop	2011	2013	4	For 2 Do-228 MP aircraft from Germany
	1	Hamilton	OPV	2013	2013	1	Second-hand; aid (Bangladesh pays dollar 8.8 m for overhaul and training); Bangladeshi designation Somudra Joy
	1	Hamilton	OPV	2014	2015	1	Second-hand; aid
	4	TPE-331	Turboprop	(2017)			For 2 Do-228 MP aircraft from Germany

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Note: - The table contains information regarding transactions worth higher than US dollar 5 million.

Appendix CC

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (Chinese Military Supplies to Pakistan)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Supplier/ Recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapon of order	Year delivery	of delivered	No. Comments
China							
R: Pakistan	..	Red Arrow-8	Anti-tank missile	1989	1990-2017	(23850)	Pakistani designation Bakhtar Shikan
	..	QW-1 Vanguard	Portable SAM	(1993)	1994-2017	(2150)	Pakistani designation Anza-2
	(530)	Type-90-2M/MBT-2000	Tank	(1998)	2001-2017	(325)	Al-Khalid and Al-Khalid-I (or Al-Khalid-1) versions
	(50)	JF-17 Thunder/FC-1	FGA aircraft	1999	2007-2013	(50)	JF-17 Block-1 version; developed for Pakistan; incl production of components and assembly in Pakistan; incl 8 mainly for testing and first 42 production version ordered 2009 for dollar800 m
	6	K-8 Karakorum-8	Trainer/combat ac	(2001)	2003	6	Incl production of components and assembly in Pakistan
	4	F-22	Frigate	2005	2009-2013	4	dollar500-750 m deal; F-22P version; incl 1 produced in Pakistan; Pakistani designation Zulfiquar
	27	K-8 Karakorum-8	Trainer/combat ac	2005	2007-2010	27	K-8P version
	(48)	A-100 300mm	Self-propelled MRL	(2008)	2011-2013	(48)	
	(20)	CH-3	UAV/UCAV	(2009)	2013-2016	(20)	
	2	Azmat	Corvette	2010	2012-2014	2	Incl 1 produced in Pakistan
	(50)	JF-17 Thunder/FC-1	FGA aircraft	(2011)	2015-2017	(48)	JF-17 Block-2 version
	(50)	JF-17 Thunder/FC-1	FGA aircraft	(2012)			JF-17 Block-3 version; delivery possibly from 2019
	2	Azmat	Corvette	(2013)	2017	1	Delivery planned 2017-218
	2	CSTC-1500	OPV	2015			Designation uncertain (reported as '1500t patrol vessel' from Chinese company CSTC); for coast guard; incl 1 produced in Pakistan; Pakistani designation Hingol; delivery probably planned 2018-2019/2020
	4	CSTC-600	OPV	2015	2016-2017	(3)	Designation uncertain (reported as '600t patrol vessel' from Chinese company CSTC); for coast guard; incl 2 produced in Pakistan; Pakistani designation Hingol; delivery 2016-2019/2020
	8	Type-041/Yuan	Submarine	(2015)			Probably S-20 version; incl 4 produced in Pakistan; delivery 2022-2028
	46	F-7MG	Fighter aircraft	(2001)	2001-2003	(46)	F-7PG version; incl 6 or 9 FT-7PG version
	11	F-7MG	Fighter aircraft	(2002)	2003	11	F-7PG version

(6)	A-5C/Fantan	FGA aircraft	(2003)	2003	6	
(20)	C-802/CSS-N-8	Anti-ship missile	(2003)	2006	(20)	For Jurrat FAC
(143)	D-30 122mm	Towed gun	(2003)	2003-2004	143	
2	Type-347G	Fire control radar	(2003)	2006	2	For 2 Jurrat FAC from Thailand
1	YLC-2	Air search radar	(2003)	2003	1	
10	YLC-6	Air search radar	(2003)	2005-2006	(10)	
(6)	AS565S Panther	ASW helicopter	2005	2009-2010	(6)	Z-9EC version
(70)	C-802/CSS-N-8	Anti-ship missile	(2005)	2009-2013	(70)	For Jiangwei (F-22P) frigates
(100)	R-440 Crotale	SAM	(2005)	2009-2013	(100)	For Jiangwei (F-22P) frigates; HQ-7 (FM-80) version
(600)	PL-12/SD-10	BVRAAM	(2006)	2010-2017	(375)	For JF-17 and possibly modernized Mirage-3/5 combat aircraft
(1000)	PL-5E	SRAAM	(2006)	2009-2017	(760)	For JF-17 combat aircraft; PL-5E-II version
(100)	C-802/CSS-N-8	Anti-ship missile	(2008)	2012-2017	(60)	For JF-17 combat aircraft
(750)	LS-3	Guided bomb	(2008)	2010-2017	(575)	For JF-17 combat aircraft
(1000)	LS-6-500	Guided bomb	(2008)	2010-2017	(625)	For JF-17 combat aircraft
(750)	LT-2	Guided bomb	(2008)	2010-2017	(550)	For JF-17 combat aircraft
(2)	SLC-2	Arty locating radar	(2008)	2010	(2)	For use with A-100 MRL
(150)	WMD-7	Aircraft EO system	(2008)	2009-2017	(85)	For JF-17 combat aircraft
4	ZDK-03	AEW&C aircraft	2008	2011-2014	(4)	dollar278 m deal; designated KE-03 in Pakistan
(50)	FN-6	Portable SAM	(2009)	2010	(50)	
(30)	C-802/CSS-N-8	Anti-ship missile	(2010)	2012-2014	(30)	For Azmat FAC
(50)	CM-400AKG	Anti-ship missile	(2010)	2012-2016	(50)	For JF-17 combat aircraft
4	F-7A/J-7	Fighter aircraft	2010	2010	4	Second-hand; FT-7A version; aid
20	GDF 35mm	AA gun	(2011)	2012	(20)	Type-90 version
(100)	LD-10	ARM	(2011)	2014-2017	(100)	
10	Skyguard	Fire control radar	(2011)	2012	10	For use with GDF (Type-90) 35mm anti-aircraft guns
(30)	C-802/CSS-N-8	Anti-ship missile	(2013)	2017	(15)	For Azmat FAC
(10)	FM-90	SAM system	(2013)	2014-2016	(10)	
(400)	FM-90	SAM	(2013)	2014-2016	(400)	
8	IBIS-150	Air search radar	(2014)	2016-2017	(8)	dollar40 m deal
(300)	LY-80	SAM	2014	2015-2016	(300)	
(3)	LY-80 SAMS	SAM system	(2014)	2015-2016	(3)	dollar599 m deal
(3)	WZ-10	Combat helicopter	(2014)	2015	(3)	
(80)	C-802/CSS-N-8	Anti-ship missile	(2015)			For 6 Type-041 (S-20) submarines
(100)	SET-65 Yenot-2	ASW torpedo	(2015)			Yu-3 version; for Type-041 submarines
2	Wing Loong-1	UAV/UCAV	(2015)	2015	(2)	
(100)	Yu-4 533mm	AS torpedo	(2015)			For 6 Type-041 submarines
1	Type-054A/Jiangkai-2	Frigate	(2017)			Option on 2 more

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Note: - The table contains information regarding transaction worth higher than US dollar 5 million.

Appendix DD

Transfers of major weapons: Deals with deliveries or orders made for 2001 to 2017 (Chinese Military Supplies to Bangladesh)

Note: The 'No. delivered' and the 'Year(s) of deliveries' columns refer to all deliveries since the beginning of the contract. The 'Comments' column includes publicly reported information on the value of the deal. Information on the sources and methods used in the collection of the data, and explanations of the conventions, abbreviations and acronyms, can be found at URL <<http://www.sipri.org/contents/armstrad/sources-and-methods>>.

Source: SIPRI Arms Transfers Database

Information generated: 14 April 2018

Supplier/ recipient (R)	ordered	No. designation	Weapon description	Year(s) Weapon of order	Year delivery	of delivered	No. Comments
China							
R: Bangladesh	5	CSOC-50m	Patrol craft	2011	2013	(5)	
	2	LPC-1	Corvette	2014	2017	2	Bangladeshi designation Durjoy
	(21)	HN-5A	Portable SAM	(2000)	2001	21	HN-5JA1 version
	(114)	Red Arrow-8	Anti-tank missile	(2000)	2001	114	
	20	Type-83 122mm	Towed gun	(2003)	2004	20	
	1	Crotale	SAM system	(2004)	2007	(1)	FM-90 version; for DW-2000 frigate
	(250)	QW-2	Portable SAM	2004	2007	(250)	
	(10)	C-802/CSS-N-8	Anti-ship missile	(2005)	2008	(10)	For 1 Jianghu (Type-053 or Type-510) frigate
	(54)	D-30 122mm	Towed gun	(2005)	2006-2007	(54)	Type-96 version
	(100)	PL-7	SRAAM	(2005)	2005-2007	(100)	For F-7MG combat aircraft
	(14)	PL-9	SRAAM	(2005)	2006-2008	14	For F-7MG combat aircraft
	(20)	R-440 Crotale	SAM	(2005)	2007	(20)	FM-90 version; for DW-2000 (Bangabandhu) frigate
	16	F-7MG	Fighter aircraft	(2006)	2006	16	\$44-118 m deal; F-7BG version
	1	F-7M Airguard	Fighter aircraft	2007	2007	1	F-7A(M) or FT-7A version; possibly loan
	(174)	Type-59G	Tank	(2009)	2014-2017	(120)	Bangladeshi Type-59 tanks rebuilt to Type-59G in Bangladesh with kits from China
	(58)	Type-69-IIG	Tank	(2009)	2010-2013	(58)	Bangladeshi Type-69-II tanks rebuilt to Type-69-IIG in Bangladesh with kits from China
	(2)	FM-90	SAM system	(2010)	2011	(2)	
	(75)	FM-90	SAM	(2010)	2011	(75)	
	(16)	C-704	Anti-ship missile	(2011)	2012-2013	(16)	For LPC-1 corvettes
	16	F-7MG	Fighter aircraft	2011	2012-2013	16	F-7BGI version
	2	LPC-1	Corvette	(2011)	2013	2	Bangladeshi designation Durjoy
	3	Type-654	ARV	2011	2012	3	
	44	Type-90-2M/MBT-2000	Tank	2011	2012-2013	(44)	BDT12 b (\$160 m) deal

(30)	C-802/CSS-N-8	Anti-ship missile	(2012)	2014	(30)	For Type-053 or Type-510 (Jianghu) frigates
(15)	C-802/CSS-N-8	Anti-ship missile	2012	2015	(15)	For Type-056 (Shadhinata) frigates
(50)	HHQ-10	SAM	2012	2015	(50)	For Type-056 (Shadhinata) frigates
2	Type-053H2/Jianghu-3	Frigate	2012	2014	2	Second-hand; Bangladeshi designation Abu Bakar
2	Type-056	Frigate	2012	2015	2	Bangladeshi designation Shadhinata
9	K-8 Karakorum-8	Trainer/combat ac	2013	2014-2015	9	K-8W version
2	Type-035G/Ming	Submarine	(2013)	2016	2	Second-hand but modernized before delivery; BDT16 b (\$203 m) deal; Bangladeshi designation Nabajatra
(18)	WS-22 122mm	Self-propelled MRL	(2013)	2014-2015	(18)	
(60)	Yu-4 533mm	AS torpedo	(2013)	2016	(60)	Probably second-hand; for Type-035G submarines; designation uncertain
(11)	BT-6/PT-6	Trainer aircraft	(2015)	2016-2017	(11)	
(15)	C-802/CSS-N-8	Anti-ship missile	(2015)			For Type-056 (Shadhinata) frigates
2	FM-90	SAM system	2015	2016	2	
(75)	FM-90	SAM	2015	2016	(75)	
(100)	FN-6	Portable SAM	(2015)			FN-16 version; possibly incl assembly in Bangladesh
(50)	HHQ-10	SAM	(2015)			For Type-056 (Shadhinata) frigates
2	Type-056	Frigate	2015			Bangladeshi designation Shadhinata

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Note: - The table contains information regarding transaction worth higher than US dollar 5 million.