

The China Pakistan Economic Corridor and Shanghai Cooperation Organization: Implications for South Asia's Strategic Stability

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Abstract

OBOR offshoot initiative, the China Pakistan Economic Corridor (CPEC), is one of the six vital corridors envisioned to realise China's promise to shun protectionism, and promote global, regional and national economic growth. This paper assesses the existing architecture of strategic competition in South Asia. In relation to this, it studies in particular the potential of CPEC and the Shanghai Cooperation Organization (SCO) after admission of India and Pakistan as full members of the latter to shape and strengthen existing strategic stability in South Asia between these nuclear armed neighbours. Similarly, China's role is discussed in the event of any potential crisis (such as the Jammu and Kashmir dispute) between India and Pakistan to avert crisis escalation between them.

Key words: Crisis Stability, Shanghai Cooperation Organization (SCO), CPEC, Indo-Pak Nuclear Doctrines, Jammu and Kashmir

Introduction

To overcome its strategic dilemma, China has responded proactively by mustering its economic muscle to preclude the geopolitical and geostrategic constraints that are likely to confront it in the foreseeable future. However, China has responded to these possible

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developments by embracing a philosophy of 'Chinese Dream' under the leadership of President Xi Jinping. This Chinese Dream has been elucidated in the form of the One Belt, One Road (OBOR) initiative, or rather as the 21st Century Maritime Silk Road (MSR) which consists of six land corridors and various Sea Lines of Communications (SLOCs).¹ This grand initiative involves a massive undertaking of creating trade and infrastructure networks across the trading routes falling within the contours of Silk Road countries. The initiative will benefit 60 countries by improving connectivity in regions across the Asia-Pacific, Europe and Africa. To realise this end, China is dedicating USD 1.4 trillion for financing a diverse number of infrastructure projects. It is further committing itself by lending USD 50 billion to the Asian Infrastructure Investment Bank (AIIB). In order to finance similar projects across Central Asia, China has financed another USD 40 billion for infrastructure-related development goals. Similarly, to secure its shorter access to the Indian Ocean, China is financing projects of worth up to USD 54 billion. This massive endeavour is likely to enable the Republic to overcome its dilemma associated with the Strait of Malacca. For securing access to sea routes, the country is building a network of ports from Southern China to South East Asia, South Asia (Sri Lanka and Pakistan)² and Africa.³

As one of the most crucial corridors, the China Pakistan Economic Corridor (CPEC) offers both China and Pakistan an unprecedented scale of engagement. Although, the two countries have had a history of engagement across various sectors in the past, the scale of commitment enunciated through CPEC is enormous. Under CPEC, China is committing to finance and invest in different sectors including energy, infrastructure, particularly railway networks and road highways, and industrial units across designated Special Economic Zones (SEZs) in

¹ Carmen Ho, "Connecting the World," *Asia Weekly*, May 1- 7, 2017, 1-8.

² Zahid Latif Mirza, "Chinese Vision of One Belt, One Road and Strategic Dimensions of China Pakistan Economic Corridor," *Margalla Papers XX* (2016):1-22, http://www.ndu.edu.pk/issra/issra_pub/articles/margalla-paper/Margalla-Papers-2016/1_Zahid_Latif_Mirza.pdf.

³ David Pilling, "Ports and Road Mean China is 'Winning in Africa,'" *Financial Times*, May 3, 2017, <https://www.ft.com/content/65591ac0-2f49-11e7-9555-23ef563ecf9a>.

Pakistan. The undertaking of this economic Corridor is in congruence with achieving development through connectivity.

Another important variable that requires factoring in is the admission of Pakistan and India as full members of the Shanghai Cooperation Organization (SCO).⁴ To this end, it is also important to consider that the SCO Charter under Article 2 binds and encourages its members to refrain from active military conflict, including use of force against other states.⁵ Given that the multilateral forum has opened itself to two of the most significant countries from South Asia, other member states along with India and Pakistan also have a delicate responsibility of maintaining credibility and reputation of the multilateral organisation itself. Given that both new members have a history of mutual military conflicts, and deterrence doctrines primed at each other, it is significant to analyse the role and behaviour of other member states in shaping the mutual behaviour of India and Pakistan from engaging in violent military conflicts. The role of SCO as a multilateral organisation is relevant also in the backdrop of a neoliberal perspective which stresses cooperation between member states and to forego relative gains in favour of absolute gains. The same can be reviewed with expanding cooperation between Pakistan and China in the form of CPEC, as well as China's economic and trade engagement with India.⁶

On the other hand, under neo-realism, the anarchic structure, offers opportunities for states to either resort to reliable self-help measures and or in tandem explore security cooperation to maximise their security and power.⁷ CPEC's mutual security concerns for China and Pakistan in an

⁴ A.G. Noorani, "SCO's New Members," June 10, 2017, <https://www.dawn.com/news/1338524>.

⁵ Shanghai Cooperation Organization Charter, China-Kazakhstan-Kyrgyzstan-Russia-Tajikistan-Uzbekistan, June 7, 2002, <http://people.unica.it/annamariabaldussi/files/2015/04/SCO-Charter.pdf>.

⁶ Steven L. Lamy, "Contemporary Mainstream Approaches: Neo-Realism and Neo-Liberalism," in *The Globalization of World Politics: An Introduction to International Relations*, eds. John Baylis, Steve Smith, Patricia Owens, 6th ed. (Oxford: Oxford University Press, 2014), 131.

⁷ John Mearsheimer, "Contending Perspectives, How to Think about International Relations Theoretically," in *Essentials of International Relations*, eds. Karen A. Mingst and Ivan M. Arreguín-Toft, 5th ed. (New York: W.W. Norton, 2010), 54-72, http://www.ucsf.edu/~russellw/Teaching_files/Mearsheimer%20-%20Realism.pdf.

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anarchic geopolitical system necessitates the two countries to cooperate as allies in the economic and security facets to contribute to South Asian strategic stability.

Hence, this study discusses briefly the existing architecture and evolving nature of military and nuclear doctrines of India and Pakistan, followed by a detailed exploration of the impact of engagement through CPEC and SCO as important variables in shaping strategic stability between these two nuclear armed neighbours. Finally, it will discuss in the likely responses in face of eminent crises between India and Pakistan, including implications of possible aggravating crisis over the bilateral dispute of Jammu and Kashmir.

Pakistan and India's Military and Nuclear Doctrines: Implications for Strategic Stability in South Asia

Studies on CPEC have mostly been aimed at exploring its geoeconomic, regional and extra-regional geopolitical and geostrategic implications. However, unlike other studies, this study aims to understand CPEC's likely impact on India's ability to execute its Cold Start Doctrine (CSD). Citing Thomas Mahnken, Walter Ladwig notes that CSD is in its experimentation phase, where Indian military planners and political elite are at the stage of testing and trying out its proposed operational and strategic functions.⁸

The absence of a clearly defined and articulated nuclear doctrine allows Pakistan to retain the element of ambiguity and flexibility to reinforce deterrence vis-à-vis India.⁹ In ensuring a flexible response, Pakistan's unofficial nuclear posture reserves the option of first use, particularly for its conventional military asymmetry against India.¹⁰ India's CSD compelled a change in Pakistan's nuclear doctrine shifting it to Full Spectrum Deterrence (FSD) while subsuming CMD. Pakistan's

⁸ Walter C. Ladwig III, "A Cold Start for Hot Wars? An Assessment of the Indian Army's New Limited War Doctrine," *International Security* 32, no. 3 (2008): 158-190.

⁹ Zafar Khan, "The Conceptual Essentials of Minimum: Explaining Pakistan's Rationale of Minimum Deterrence," *Cambridge Review of International Affairs* 29, no. 2 (2014): 408-424.

¹⁰ Ibid.

nuclear doctrine of FSD can effectively deny India the option of limited war across different spectrums of the war.

However, India's investment in the buildup of Ballistic Missile Defence Technology (BMDT) merits attention. Misplaced reliance on BMD capability on part of the Indian military can enable it to implement its offensive-defensive doctrine of CSD. Such military action could further compound Pakistan's strategic calculus, if India's military and political leadership sanctions a pre-emptive first use of nuclear weapons (under the pretext of flexible posture) during an escalated crisis.¹¹ India might find incentive to engage in offensive military action against Pakistan, particularly, when it might perceive the balance of power to be swaying in its favour by offsetting the existing strategic balance in South Asia.

In the backdrop of these developing patterns, which can compromise the existing balance of power between the two countries, one dynamic that necessitates serious consideration is CPEC and the impact this is likely to entail on South Asia's strategic stability.

CPEC and Crisis Stability in South Asia

Authors have suggested that strategic stability exists when a balance of force exists between two adversaries and it complements nuclear deterrence, and consequently adversaries are precluded from initiating an armed conflict.¹² Strategic stability comprises of different components, which includes deterrence stability, crisis stability, and arms race stability. This study, however, seeks to understand the implications of CPEC on crisis stability between India and Pakistan. Zafar N. Jaspal cites Frank P. Harvey while describing other components of strategic stability, and refers to crisis stability as 'neither side perceives an advantage in escalating

¹¹ Chidanand Rajghatta, "Nuclear Scholars Infer India may be Jettisoning No-First-Use of Nukes against Pakistan," *Times of India*, April 1, 2017, <http://timesofindia.indiatimes.com/world/us/nuclear-scholars-infer-india-may-be-jettisoning-no-first-use-of-nukes-against-pakistan/articleshow/57946985.cms>.

¹² Zafar Nawaz Jaspal, "The Introduction of Ballistic Missile Defense in South Asia: Implications on Strategic Stability," in *Nuclear Learning in South Asia: The Next Decade* (Monterey, CA: Center on Contemporary Conflict, Naval Post-Graduate School, 2014), 127.

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violence in a crisis.¹³ This author attempts to precisely understand the influence of CPEC on strategic stability, particularly on crisis stability by trying to understand the impact of the ongoing engagement between China and Pakistan in the form of CPEC on crisis stability in South Asia.

In order to have access to the Indian Ocean and to provide connectivity to its Eastern province of Xinjiang, China under CPEC has invested USD 46 billion, across different sectors in Pakistan, most notably highways and railroads, energy, telecommunication, stock exchange, agriculture, livestock and mining.¹⁴ Lately, the cumulative investment is recorded to stand at USD 55 billion. The development is planned to span 15 years,¹⁵ with many of the projects to be completed under three phases. Land-based transport infrastructure is among the major focus areas, and this includes development of a network of highways and railroads spread over the Eastern and Western corridors.¹⁶ The combination of two-parallel railroad and highway networks across Pakistan is an attempt to make potent use of the latter's perennial dilemma of lack of strategic depth. The risk sharing approach to infrastructure development is wise for security against vulnerability of threats and risks from a strategic perspective. The laying out of infrastructure on the Eastern Corridor relies on redevelopment of the existing infrastructure across Punjab and Sindh. Similarly, as the plan discusses investment in the agricultural sector as well. Traditionally, Pakistan's agricultural belt spreads from Khyber Pakhtunkhwa (KPK) to Punjab and Sindh. However, when considering the threat from India, the agricultural belt of Punjab and Sindh becomes highly vital, as CPEC will cover investments across these two provinces in the aforementioned sector.

¹³ Ibid.

¹⁴ Ministry of Planning, Development and Reform, GoP, *Long Term Plan for China Pakistan Economic Corridor (2017-2030)* (Government of Pakistan, 2017), 13-23.

¹⁵ Zulfqar Khan, "Strategic Conundrum of US – China and India – Pakistan: A Perspective," *Margalla Papers* (2016): 37-61 (48), http://www.ndu.edu.pk/issra/issra_pub/articles/margalla-paper/Margalla-Papers-2016/3_Dr_Zulfqar_Khan.pdf.

¹⁶ "China Pakistan Economic Corridor (CPEC) Maps: Highways and Railways Networks," *China Pakistan Economic Corridor (CPEC) Official Website*, accessed January 12, 2018, <http://cpec.gov.pk/maps>.

Geographical dilemma posed in the form of Pakistan's lack of strategic depth and its lines of communication, which run parallel along its eastern border pose a significant vulnerability.¹⁷ This vulnerability could be further compounded because of the presence of SEZs across the province of Punjab and Sindh. The establishment of these zones is not undesirable. However, the presence of large-scale infrastructure, industrial units and an economic zone at a scale as vast as this not only poses a security challenge for Pakistan, but also for China, which remains the prime investor, particularly, in the event when India attempts to compromise existing crisis stability between the two countries. Despite, how limited a punitive action Indian military planners and political leadership may have initially planned, there are concerns highlighted by scholars as George Perkovich and Toby Dalton that escalation dominance sought by India is not likely to be possible. Firstly, Pakistan may find incentive to either retaliate in kind or attempt to raise costs for India by deployment, or signaling or actual use of nuclear weapons either against counter-force or counter-value¹⁸ targets.¹⁹ A perilous spiraling of events could morph and shift a limited war strategy to culminate into a total war. Despite this, it is worth mentioning that FSD is likely to remain effective in denying India tactical, operational and strategic gap.²⁰ Halperin quoting King and Brodie suggests that the 'use of any kind of nuclear weapon in a limited war markedly increases the difficulties of maintaining any limitation.'²¹ While hinting at even instability of conventional limited war (in the case of nuclear armed adversaries), he argues that 'conventional limited war is unstable in the sense that as soon as any war breaks out, nuclear weapons will be used.'²²

However, despite the exercise of FSD, the existence of CPEC projects, whether in their completely developed or developing stage, will

¹⁷ Feroz Hassan Khan, *Going Tactical: Pakistan's Nuclear Posture and Implications for Strategic Stability*, Proliferation Papers 53 (Paris: IFRI Security Studies Centre, 2015), 31, https://www.ifri.org/sites/default/files/atoms/files/pp53khan_0.pdf.

¹⁸ Counter Force in Nuclear Strategy encompasses use of nuclear weapons and targets consisting of purely military targets and with military value. On the other hand, Counter Value, refers to the use of nuclear weapons against large cities.

¹⁹ Perkovich and Dalton, "Air Power," 104.

²⁰ Abbasi and Khan, "Pakistan in the Global Nuclear Order," 15.

²¹ Morton H. Halperin, "Nuclear Weapons and Limited War," *The Journal of Conflict Resolution* 5, no. 2 (1961):146-166.

²² Ibid.

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be additional intervening variables,²³ and offer an opportunity in strengthening deterrence between the two nuclear neighbours. CPEC is likely to serve as an additional factor to inhibit India from miscalculated adventurism. The possible apprehension of CSD (a limited war doctrine) converting into a total war in its actual implementation is likely to trigger China. To this end, China despite its overt policy of maintaining a neutral position could be under overwhelming strain to manage the crisis from manifesting into a full blown violent conflict. The intervention could be a result of perceived mutual threat (for Pakistan and China) or likely consequences in the event if India attempts to operationalise its CSD. The eminent fear of mutual loss faced by two committed countries would mobilise them to act to this mutual threat.

China's Crisis Management

The three regional states China, India and Pakistan have a complicated relationship. India and Pakistan have both fought three wars (1948, 1965, and 1999) over Jammu and Kashmir and one war in 1971 which resulted in Pakistan's dismemberment of the Eastern Wing resulting in creation of Bangladesh. On the other hand, India and China have fought a war over the Aksai Chin dispute in 1962. Similarly, the two countries have an existing bilateral issue over the state of Arunachal Pradesh.²⁴ Moreover, despite diametrical military strategies towards Indian Ocean and nuclear weapons programme, the consequent complex and multi-level military balance of power is not likely to result in peace, but stability between India and China.²⁵ Bilateral trade between India and China has soared from USD 3 billion to USD 70.50 billion during the last fifteen years.²⁶

²³ Stephanie, "Intervening Variable (Meditating Variable)," *Statistics How To Blog*, October 15, 2017, <http://www.statisticshowto.com/intervening-variable/>.

²⁴ Paul J. Smith, "The Tilting Triangle: Geopolitics of the China-India-Pakistan Relationship," *Comparative Strategy* 32, no. 4 (2013): 313-330.

²⁵ Jonathan Holslag, "The Persistent Military Security Dilemma between China and India," *Journal of Strategic Studies* 32, no. 6 (2009): 811-840.

²⁶ Chinese Consul General Ma Zhanwu speaking at an event organized by Calcutta Chamber of Commerce, "Mistrust, between India and China Getting in the Way of Economic, Trade Relations," *Indian Express*, May 28, 2017, <http://indianexpress.com/article/india/mistrust-between-india-china-getting-in-way-of-economic-trade-relations-4677219/>.

These trends indicate the paradoxical nature of the relationship between these three states. However, this also underscores the intertwined overlapping interests between India, China and Pakistan, particularly in the form of economic and trade engagement between India and China, China and Pakistan, and the fear of losing escalation domination between India and Pakistan in the event of a limited or a total war.

China has insisted on maintaining neutrality in issues that remain outstanding between India and Pakistan. However, it hinted at various occasions its keen interest in regional stability, particularly, given Pakistan's fight against terrorist groups such as the Islamic State, Al-Qaeda, Tehreek-e-Taliban Pakistan, and Eastern Turkestan Islamic Movement and its commitment to provide all the necessary security arrangements for CPEC.²⁷ These terrorist organisations not only pose asymmetric threats to Pakistan's internal security, but also to China's domestic security, particularly its Eastern province of Xinjiang.²⁸

During September 2016, in the aftermath of the Uri attacks when the crisis between Pakistan and India was severe given Indian allegations of Pakistan launching the attacks on the military base in Indian Occupied Kashmir (IOK), the Chinese Foreign Ministry indicated that it was employing multiple channels to communicate with both India and Pakistan during the crisis. Expounding on the object of these communications, the Chinese Foreign Ministry stated:

We hope that India and Pakistan can enhance communication and properly deal with differences and work jointly to maintain peace and security of the region... China hopes that both the countries could properly deal with their differences [through] dialogue and consultation and improve their bilateral relationship, strengthen cooperation in different fields and work jointly for regional peace and development and stability.²⁹

²⁷ "China Lauds Pakistan Efforts for Regional Stability," *Dawn*, March 17, 2017, <https://www.dawn.com/news/1320974/china-lauds-pakistan-efforts-for-regional-stability>.

²⁸ *Ibid.*

²⁹ Atul Aneja, "China Says it is in Touch with India and Pakistan," *Hindu*, November 1, 2016, <http://www.thehindu.com/news/international/China-says-it-is-in-touch-with-India-and-Pakistan/article15005900.ece>.

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This is indicative that China despite its restraint from getting embroiled in South Asian security conundrums, is likely to actively engage in crisis management between the nuclear armed neighbours. Instead of posing grave threats to the regional stability of South Asia or the broader region at large, such a role at the sidelines through backchannel diplomacy is going to contribute in strengthening the stability of nuclear armed South Asia. Frequency of such a pattern in the future may increase, despite China's reluctance in order to protect its own interest of a 'peaceful rise'.³⁰ Moreover, its combined interest to protect its economic ground lines of communications and infrastructure, are also likely to compel the Republic to intervene and play a role in South Asian crisis management. This is likely to see improved trajectory when considering the role of the Shanghai Cooperation Organization (SCO), of which India and Pakistan both became permanent members on June 10, 2017, which the latter termed 'as a historic day.'³¹

SCO: Another Potential Stabiliser

SCO is a regional organisation aimed at strengthening cooperation between the eight member states, namely, China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The organisation was created in 2001, which was preceded by Shanghai Five mechanism. The goals of the organisation include:

³⁰ Khan, "Strategic Conundrum of US-China and India – Pakistan: A Perspective," 37-61.

³¹ Amir Ilyas Rana, "Historic Day: Pakistan Joins SCO at Astana Summit," *Express Tribune*, June 9, 2017, <https://tribune.com.pk/story/1431365/pakistan-becomes-full-member-shanghai-cooperation-organisation/>.

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...strengthening mutual trust and neighborliness among the member states; promoting their effective cooperation in politics, trade, the economy, research, technology and culture, as well as in education, energy, transport, tourism, environmental protection, and other areas; making joint efforts to maintain and ensure peace, security and stability in the region; and moving towards the establishment of a democratic, fair and rational new international political and economic order.³²

In terms of regional stability involving India and Pakistan, the Chinese Foreign Ministry Spokesperson ahead of the annual SCO Summit in 2017, remarked:

We sincerely hope that after their admission, India and Pakistan will act in strict accordance with the SCO Charter and the Treaty on Long-term Good-neighbourliness...work for the shared goal, conduct friendly cooperation, uphold the Shanghai spirit, improve their relations and add fresh impetus to the development of the SCO.³³

Apart from the normative counsel to India and Pakistan, the multilateral organisation underscores and stipulates under Article 2 of its Charter:

...mutual respect of sovereignty, independence, territorial integrity of States and inviolability of State borders, non-aggression, non-interference in internal affairs, non-use of force or threat of its use in international relations, seeking no unilateral military superiority in adjacent areas.³⁴

The certainty or credibility of norms in guaranteeing compliant behaviour on part of Pakistan and India could be challenging. However, observing Pakistan and India's participation in the Summit since the provision of Observer Status in the 2005 Summit at Astana to acceptance as a permanent member in 2017, not only adds multifold value to SCO, it

³² SCO Secretariat, "Shanghai Cooperation Organization" (Beijing: Shanghai Cooperation Organization), http://eng.sectsc.org/about_sco/.

³³ "China Hopes of better Pakistan, India Ties after Inclusion in SCO," *Dawn*, June 1, 2017, <https://www.dawn.com/news/1336760/china-hopes-of-better-pakistan-india-ties-after-inclusion-in-sco>.

³⁴ Shanghai Cooperation Organization Charter, China-Kazakhstan- Kyrgyzstan-Russia-Tajikistan- Uzbekistan.

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also explains the two countries' persistence to join the multilateral regional organisation. Although, questions on the credibility or efficacy of the regional body's dispute settlement procedures could be speculated,³⁵ the inclination of previous member states, particularly China, Russia and the other Central Asian States is likely to ensure that during any crisis, the newly included member states restrain from compromising the prevailing stability between them. Since any spillover of dragging friction between the two nuclear armed South Asian neighbours could lead to crisis instability and full-blown violent confrontation, in order to rescue and safeguard credibility of the SCO if not in the least offer a sustainable conflict resolution or bilaterally agreed upon dispute settlement mechanism, member states are likely to influence India and Pakistan to yield to the pressure of maintaining stability in the region, even if there is no outright realisation of desired peace between them.

The role of Russia and China as key members of the organisation is worth mentioning here to the pivotal role SCO can play to influence strategic stability in South Asia. After the end of the Cold War, United States emerged as the sole super-power in the global order. This development led to the need for cooperation between China, Russia and the Central Asian states to establish a multilateral institution. The primary concern of which was to curtail America's influence across Central Asia.

SCO's constitution initially resulted in cooperation between China, Russia and the new Central Asian Republics (CARs) on terrorism, separatism, and religious extremism. Although, at present SCO is not entirely a military-political organisation, however, if such a role materialises, it is most likely that the forum is likely to be guided by China and Russia's mutual security interests.³⁶ The strategy of political balance by both countries through adopting a regional approach is crucial in shifting from unipolar to a multipolar international order. Moreover, at the economic level, Russia as one of the major natural oil and gas producers

³⁵ Mutlaq Al-Qahtani, "The Shanghai Cooperation Organization and the Law of International Organizations," *Chinese Journal of International Law* 5, no.1 ((2006)): 129-147.

³⁶ Mahmoud Vaezi, "Goals and Interests of China and Russia in the SCO," *Center for Strategic Assessment and Forecasts*, October 11, 2011, <http://csef.ru/en/politica-i-geopolitica/416/czeli-i-interesy-kitaya-i-rossii-v-shos-2093>.

appreciates China's mutual dependence as world's second largest importer of oil and gas products.³⁷ This avenue allows for cooperation between the two great powers of the organisation in the area of energy. On the other hand, China appears convinced in exploring this multilateral institution for its energy security, and trade through large-scale infrastructure investment, and connectivity with the CARs.³⁸ As a consequence, given mutual security and interdependent economic interests, both countries will likely push India and Pakistan to conform with the objects and norm expectations of SCO and play a crisis management role if and when needed. Traditionally, Russia-India and China-Pakistan have experienced cordial relations and cooperation across different areas. Particularly, Russia in India's case has more leverage to make it engage with Pakistan through diplomacy than through the instrument of war.

Lingering Stability–Instability Paradox in South Asia

The subject of stability–instability paradox resembles a rocking boat in the context of South Asian strategic stability and security given the recurring violations of the ceasefire between India and Pakistan across the Line of Control (LoC), the Working Boundary and the International Border. The paradox refers to a classic conundrum, where stability exists at the higher levels between nuclear armed rivals, and inhibits adversaries from engaging in nuclear exchange. However, on the other side of the continuum, there exists instability between the adversaries because of violent engagements at lower levels of conflict through skirmishes, proxy conflicts, or recurring crises as surrogates to full blown violent conflict.³⁹ This stability–instability paradox is likely to continue in the subcontinent. As the preceding and following arguments reinforce the existing nature of stability between India and Pakistan, paradoxical instability is likely to

³⁷ Ibid.

³⁸ Gisela Grieger, "China's Leading Role in the Shanghai Cooperation Organization," briefing (London: European Parliamentary Research Service, June 26, 2015), [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/564367/EPRS_BRI\(2015\)564367_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/564367/EPRS_BRI(2015)564367_EN.pdf).

³⁹ Michael Krepon, "The Stability – Instability Paradox, Misperception, and Escalation Control in South Asia" (essay, Stimson Center, Washington, D.C., 2005), <https://www.stimson.org/sites/default/files/file-attachments/stability-instability-paradox-south-asia.pdf>.

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exist. This apprehension was shared by Daniel R. Coats, Director for National Intelligence, before the US Senate Armed Services Committee:

...increasing numbers of firefights along the Line of Control, including the use of artillery and mortars, might exacerbate the risk of unintended escalation between these nuclear armed neighbours...Anti-Pakistan groups probably will respond to this sustained pressure by focusing their efforts against soft targets.

This ominous revelation, however, only corroborates that the instability paradox will persist. Considering the threat calculus, scholars have also indicated India's involvement in using proxies, particularly separatist groups in Balochistan, to exacerbate Pakistan's internal security.⁴⁰

Jammu and Kashmir Dispute and CPEC's Implications

Among one of the reasons for Indian reluctance to join the OBOR initiative is the CPEC. India sees passage of the Corridor through Gilgit-Baltistan to be compromising its security interest.⁴¹ Indian Prime Minister Modi termed it as 'unacceptable' when President Xi Jinping undertook his historic trip to Pakistan for its inauguration.⁴² This angst continues despite assurance from the former Prime Minister of Pakistan Nawaz Sharif on the platform and inaugural ceremony of the Belt and Road Forum in Beijing that the Corridor should not be politicised.⁴³ China has, on different occasions, iterated its policy of non-interference in the Jammu and Kashmir dispute. It continues to maintain that:

⁴⁰ Zulfqar Khan, "Pakistan's Evolving Strategic Outlook: Strategy and Nuclear Deterrence," *The Korean Journal of Defense Analysis* 28, no.1 (2016): 103 - 121.

⁴¹ "India's Objections to CPEC," editorial, *Dawn*, June 3, 2015, <https://www.dawn.com/news/1185779>.

⁴² Fahad Shah, "Does the China-Pakistan Economic Corridor Worry India," *Al Jazeera*, February 23, 2017, <http://www.aljazeera.com/indepth/features/2017/02/china-pakistan-economic-corridor-worry-india-170208063418124.html>.

⁴³ "CPEC Open for All; Must Not be Politicized, Pakistan Tells India," *News International*, May 14, 2017, <https://www.thenews.com.pk/latest/204401-CPEC-open-for-all-must-not-be-politicized-Pakistan-tells-India>.

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China's position on the issue of Kashmir is clear and consistent. It is an issue left over from history between India and Pakistan and shall be properly addressed by India and Pakistan through consultation and negotiation... [both to] properly handle differences by increasing communication and dialogue, and jointly uphold regional peace and stability.⁴⁴

Despite concerns cited by the Indian military establishment and its political elite,⁴⁵ no evidence is rendered to establish veracity about China's strategic role in Gilgit-Baltistan. Chinese authorities emphatically rebutted these claims and termed them as 'baseless.'⁴⁶ Chinese position holds credence and accuracy since 2011, when these claims were first raised by India. So far, their presence in this area has remained confined to cooperation on joint projects of infrastructure development.⁴⁷

China's emphatic insistence on maintaining its neutrality towards the Jammu and Kashmir dispute is pivotal for smoother rolling out and timely completion of the OBOR-related development work, however, despite this reluctance, the PRC is likely to keep in check any move on part of India which brings the security of CPEC projects, either passing through Gilgit-Baltistan or other Eastern parts of Pakistan under potential jeopardy. China, to this end, is likely to play an active role in managing the crisis, and preventing it from escalating. This may manifest depending on how China decides to respond from an array of options.

China's Coercive Options

In order to dissuade India from escalating any crisis, not only will Pakistan's FSD deter India from undertaking any actions that are in alignment with its limited war strategy, China is also likely to exercise a range of diverse options⁴⁸ to complement deterrence and consolidate crisis

⁴⁴ "China Rejects Possibility of Interference in Kashmir Dispute: Report," *Dawn*, May 5, 2017 <https://www.dawn.com/news/1331199>.

⁴⁵ "India's Objections to CPEC," *Dawn*.

⁴⁶ "China has no Military Presence in Gilgit or AJK," *News International*, October 11, 2011, <https://www.thenews.com.pk/archive/amp/325807-china-has-no-military-presence-in-gilgit-or-ajk>.

⁴⁷ *Ibid*.

⁴⁸ Zafar Nawaz Japsal, "War and Strategic Environment: Actors for Change and Future Wars," *Margalla Papers* (2009): 67-93, http://www.ndu.edu.pk/issra/issra_pub/Margalla_Papers_2009_final.pdf.

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stability in South Asia. Possible Chinese responses can range from exercise of coercive diplomacy, including signalling through press briefings, or reassurance to Pakistan on CPEC's security, to possible mobilisation of troops along the Pakistan-China border, Aksai Chin region or the North-Eastern border between India and China to deter or compel India from undertaking any provocative designs or undertaking a limited war strategy. However, the last two options are postulated as responses in an extreme crisis situation, and not deliberated here as conditioned responses in a given crisis. Despite these options, they cannot discount or defer the probable use of non-violent means notably diplomacy, such as bringing the use of platforms such as SCO or use of multiple backchannels to defuse tensions in order to restore or complement the overall architecture of strategic stability, particularly crisis stability in South Asia.

Conclusion

The aforementioned arguments presented are open to critical debate, however, they offer an opportunity for scholars to examine and understand the role of CPEC in shaping strategic stability between India and Pakistan, particularly by keeping India from operationalising its Cold Start Doctrine. The study examines China's role in its inclination to protect its interest while assuring India of the consequences that may lead to crisis instability between the latter and Pakistan. Given the scale of investment in financial, human and technical resources, being undertaken over the next decade and a half under CPEC, China's commitment to having a conducive environment will become more central, and as a consequence, it is likely to play an active role in strengthening strategic stability, particularly crisis stability from breaking down between India and Pakistan. This finding becomes more compelling as CPEC starts translating into communication infrastructure in the form of highways and railway networks and Special Economic Zones across Pakistan.

Similarly, with the inclusion of India and Pakistan as new members of the Shanghai Cooperation Organization, the forum is likely to influence both the South Asian countries to compromise on the pursuit of short-term exclusive gains in favour of mutual ones to strengthen the credibility of

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SCO. Moreover, other members that have long been the part of the multilateral organisation prior to joining of India and Pakistan are likely to ensure sustainability of the existing prestige and credibility of SCO by influencing the newer entrants to remain committed to its charter for promoting good neighbourliness among its member states. Therefore, the inclusion of Pakistan and India in SCO and completion of CPEC will not only contribute to the development of Pakistan's domestic economy, they are likely to have an impact on strategic stability in South Asia between India and Pakistan. ■