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THE BRI & THE CPEC: AN ECONOMIC & STRATEGIC RECONFIGURATION

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Abstract

The transition from coal to oil unleashed modern capitalism anchored in supply-chain(s). Consequently, business organizations were born along with the Management and Chemical Sciences, to commence with. The academic disciplines proliferated to match the rise of the Hydro Carbon Man and oil based global society. Oil went metaphysical. The post-World War II (WWII) world was an American configured supply-chain with Europe and East Asia as the Eurasian centres of gravity. It was a world-order radiating influence across the Atlantic and Pacific Oceans. America dominated the chain economically and strategically, until, the Chinese Belt and Road Initiative (BRI) challenged to reconfigure the configuration. The BRI is an on-going mapping of the Chinese world-order and the concomitant supply-chain. The six-corridors including the China-Pakistan Economic Corridor (CPEC) and the three sea-routes are structural frameworks across Eurasia, Mediterranean Sea, Africa and the Indian and Pacific Oceans. It involves the higher, middle and lower ends of the entire supply-chain. China is creating a new map of the world, a new world-order as China perceives it. There is an Orbit. Chinese perception is trans-cultural. It is truly global. The Made in China 2025 concept and the brands symbolize. The strategic-management of a management-chain manifests an intended supply-chain. The idea is to organize things in a certain way. The objective is to create a new world economy with China as its pulsating heart. Plus, China is already vital to the global manufacturing value chain. The perception of CPEC is melodious of all melodies. Also, Eurasia is central to the BRI, as it was to the post WWII America. The concepts of Indo-Pacific and Asiatic Mediterranean have also emerged as a supply chain anchored in the Quadrilateral Security Initiative (Quad). The interests are clashing. The unleashing of tariffs and counter-tariffs indicate, not to mention the arms sales and strategic undertakings. Washington and Beijing have embarked upon different paths. Both the initiatives are geo-political. The context is global politics. Eurasia is the strategic fulcrum. Besides, Russia perceives itself as the Eurasian centre of gravity. The inner core of Eurasia is a challenge. Europe also is a player. Likewise, the Indian perceptual arc stretches from Suez Canal to Malacca Strait. And the Japanese with their history and infrastructure projects are not far behind. The reality is power and influence. The absence of pre-determinism is curious. Uncertainty is an inductive fact. The strategic environment is competitive. A gap exists on the theme in knowledge. This macro-level paper with empiric-analytic reason as a method will add to the perspective to help make decisions.

Keywords: Eurasia, BRI, CPEC, Indo-Pacific, Asiatic Mediterranean, Supply Chain(s)

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Modern capitalism originated in Pennsylvania where out of seeping Rock oil was born the ‘Rock Oil Company’. Organizations and the associated inductive processes rooted in rugged individualism began, too. An induction based tenacious *Mind* with a vivid imagination emerged as the pulse of American economy and its organizations, besides, its managers and management. It was an ushering-in of kerosene era. The single-mindedness got rewarded. By 1859, an estimated thirty-four companies in the United States were producing \$5 million a year worth of kerosene or ‘coal-oils’, as the product was generically known.¹ The discoveries continued. The subsequent application of knowledge, plus, the drilling and refining technologies directed the great transition from coal to oil. Oil emerged as an inductive reality of American economy and politics. It became the fundamental driving force. As industrial expansion took place, the concept of oil-pipeline also materialized. Standard Oil emerged as a symbol of monopoly-capitalism. And though innovation and organization was being imposed on the industry,² nevertheless, in the ensuing centuries, John D. Rockefeller emerged as the most important figure in shaping the oil industry, America’s industrial development and the rise of the modern corporation.³ Admired and hated, Rockefeller rolled organization and its management into an art form while practicing capitalism—methodical, ruthless and successful—all at the same time. A US led supply-chain was created after WWII. It functions through the United Nations Organization (UNO), the World Bank (WB), the International Monetary Fund (IMF), the Organization of Economic Cooperation and Development (OECD), the North Atlantic Treaty Organization (NATO), and the World Trade Organization (WTO), not to mention the Wall Street.

Earlier, an organization called ‘The Council on Foreign Relation’ (CFR), founded in 1918, had its special chance to be a ‘Board of Inventions’ during and after WWII when it played a pivotal role in formulating US war aims, constructing the post-WWII international economic and political order as WB/IMF and other organizations were founded.⁴ Behind that Bretton Woods deal long negotiations had stretched over two years between John Maynard Keynes and Harry Dexter White; the American plan for what eventually became the WB/IMF won over Keynes’s vision of a world clearing bank.⁵ The ‘Grand Area’, as the US-led non-German block called during 1941, was only an interim measure to deal with the emergency situation of 1940 and early 1941, since the preferred ideal was even more grandiose—one world economy dominated by the United States.⁶ The clarification of the objectives of US policy gave rise to ideas for specific methods for solving the concrete problems of American and world capitalism i.e., WB/IMF were worked out first since the council had proposed that economic means would play a key role in integrating the ‘Grand Area’.⁷ The unwritten goal of the WB/IMF—one that has been enforced with vengeance—has been to integrate countries into the capitalist world economy.⁸ That is to say, a global supply-chain controlled by the United States of America.

¹ Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991), 23.

² Ibid. 33.

³ Ibid. 36.

⁴ Holy Sklar, *Trilateralism: The Trilateral Commission and Elite Planning for World Management* (Boston: South End Press, 1980), 5.

⁵ Marjorie Dean & Robert Pringle, *The Central Banks* (New York: Viking, 1995), 71.

⁶ CFR’s, *Memorandum E-A17 of 14 June, 1941*. War-Peace Studies: HLWRP.

⁷ CFR’s, *Memorandum E-B34 of 24 July, 1941*. War-Peace Studies: NUL.

⁸ Kevin Danaher (ed), *50 Years is Enough: The Case against the World Bank and the International Monetary Fund* (Boston: South End Press, 1994), 1.

America dominated the world economy and its supply-chain during and after the Cold War—especially in Europe and East Asia—until the 2008 financial crisis struck at the sub-prime level of American economy. The understanding of global financial crisis lies in the three layers of the global financial system: Loan Sharks, High Street Financial Institutions and the Sub-Prime Financial Institutions. The Loan Sharks are authorized and unauthorized lenders charging high interest rates. The High Street Financial Institutions are giants like Barclays and City Bank lending to Sub-Prime Financial Institutions and customers with good credit history. The Sub-Prime Financial Institutions in turn lend to consumers with poor credit history and their ability to pay back debt is never guaranteed. The high street financial Institutions have sub-prime arms involved in lending at the micro level. The problem of the credit crunch started at the sub-prime level. It started in the US and spread around the world as of the cross and co-cross investments e.g., the British banking giants with investments in the USA. The lack of confidence reigned. For the young Western generation is not willing to work. They love it. The credit and consumption led growth has failed. Moreover, the financial crisis got worsened due to the War on Terror. The supply-chain guarded by the *Gatekeeper* is dented. The revival is a million-dollar question. Now, the geo-political questions confronting the US and the international order it created are not simply the questions of power.⁹ They are equally the questions of perception and willpower.¹⁰ The perception is that the US influence and economy has declined. The Unipolarity is over.

President Xi during his visit to Kazakhstan in 2013 unveiled his vision of the BRI. The BRI is the Chinese path of economic development, compared to the WB/IMF dictated half-free market. Eurasia i.e. *Inner Crescent* is the stage where the two—like a Wagner’s High-Drama—are being contested. China is in an economic and strategic struggle for a geo-political influence to enlarge its Orbit. The BRI is more of a Leninist endeavour—not a Marxist—notwithstanding the Sinization of the capitalism. Nothing is preordained; nothing is settled until everything is settled. It is a question of reach and grasping of an opportunity. Eurasian trade in goods is now close to \$2 trillion each year, consistently more than double the volume of Transatlantic trade and significantly more than Transpacific trade.¹¹ China is ascending as a global power. The Belt and Road might even be said to resemble one of those classical novels where all the disciplines, all sciences and all corners of human activity are deliberately included.¹² The literary, artistic, scientific, management, economic and strategic capacities are at display. The Belt and Road by design is a project meant to encompass the whole world and the totality of human life and is so big that it is almost impossible for one person to have mastery over it.¹³ China is already the largest trading partner for almost every country in the region and—short of total war with the United States—its military is quickly acquiring superiority across the region.¹⁴ And in 2012—the year before the inauguration of the Belt and Road—China’s production-to-capacity ratios in iron and steel, cement, aluminium, sheet-glass and shipbuilding were 72 per cent, 73.7 per cent, 71.9 per cent, 73.1 per cent and 75 per cent respectively.¹⁵ China was all set to lead on the eve of BRI unveiling. It has since led a path of economic development; as an alternative to the WB/IMF financed double-pincers of ‘Stabilisation’ and ‘Structural Adjustments’.

⁹ Hal Brands & Charles Edel, *The Lessons of Tragedy: Statecraft and World Order* (New Haven: Yale University Press, 2017), 133.

¹⁰ Robert Jervis, *Perception and Misperception in International Politics* (Princeton NJ: Princeton University Press, 2017), 239.

¹¹ Bruno Macaes, *Belt and Road: Chinese World Order* (London: Hurst & Company, 2018), 3.

¹² *Ibid.* 8.

¹³ *Ibid.*

¹⁴ Howard French, *Everything Under the Heavens* (New York: Alfred A. Knopf, 2017), 120.

¹⁵ Bruno Macaes, *Belt and Road: Chinese World Order*, 24.

The BRI

The BRI is truly a grand-bargain of historic proportions. An all-encompassing concept of the level of gestalt-consciousness, BRI deals with all of humanity across geographic and oceanic spaces. It is a Chinese led global supply-chain in gestation. The ‘belt’ refers to the overland routes, or the Silk Road Economic Belt; and ‘road’ refers to the sea routes, or the 21st Century Maritime Silk Road.¹⁶ The Chinese focus is on promoting win-win situation for all the BRI partners and China, both infrastructural and economic. The paradigm being promoted is an integrating and cooperative one. An infrastructural development to create an independent Chinese led supply-chain is central to it. Trade is at the heart of it. The timeline is 2049. Upon completion, the BRI countries should comprise 50 per cent of the world’s GDP, 70 per cent of the world’s population, 75 per cent of the world’s energy reserves,¹⁷ while stretching from the Pacific Ocean to the Atlantic Ocean. Ultimately, it could end-up being global.¹⁸ The geo-political influence too would be inclusive and world-wide. The sway is spreading. China has already committed an estimated \$1 trillion through 743 BRI infrastructure projects in 84 countries.¹⁹ An estimated \$8 trillion will be required to deploy it fully.²⁰ The Asian Development Bank (ADB) mentions a need of \$26 trillion investments in infrastructure on an equivalent region for the forthcoming 10 years.²¹ American led West is in an awe and is keeping its fingers crossed.

The BRI has been initiated. There is a long way to go that calls for hard work. For the time being, these investments are dedicated to South East Asia for 25 per cent, Common Wealth of Independent States (CIS) and Central Asia for 24 per cent, Africa for 18 per cent, South Asia for 16 per cent, Middle East for 14 per cent, Europe for 2 per cent, South and Central America for 2 per cent, and Asia for another 1 per cent of their value.²² The BRI that facilitates four autonomies of flow of people, goods, services and finances; besides, is an inductive integrating mechanism open to all. The effort is on making it easy for the partners. This easing is inductive and on case to case basis, and not yet an integrated one. Still, China is transcending time and space dimensions of history in a fascinating way in the greater context of BRI. It is dispensing with an evolution of mankind, i.e. from tribes to villages to cities to states to empires, plus, now the globalized world. The thought and language is global too. There is a conscious striking of a balance in four thousand years of continuity and what BRI is creating. Chinese wisdom has gone through many cycles, as opposed to nascent American expansionism based on profit and finance in addition to the use of force—as a last resort. Today, under the governance of the WTO facilitated by the ‘Pax-Americana’, China defines itself as a trade power.²³

¹⁶ Nicolas de Loisy, *Transportation and the Belt and Road Initiative: A paradigm shift* (Hong Kong: SCMO Research, 2019), 24-25.

¹⁷ Max Schwerdtfeger, “China’s Top Three Belt and Road Initiatives”, *Port Technology*, July 24, 2018, http://www.porttechnology.org/news/chains_top_three_belt_and_road_initiatives accessed on May 4, 2021.

¹⁸ Dandan Li, Miao Han, “China calls for US and European Companies to Join Belt and Road”, *Bloomberg*, March 14, 2019, <http://www.bloomberg.com/news/articles/2019-03-14/china-calls-for-us-european-companies-to-join-belt-and-road> accessed on May 4, 2021.

¹⁹ Nicolas de Loisy, *Transportation and the Belt and Road Initiative*, 25.

²⁰ Jonathan E. Hillman, “How Big is China’s Belt and Road?”, *Centre for Strategic and International Studies*, April 3, 2018, <http://www.csis.org/analysis/how-big-chinas-belt-and-road> accessed on May 5, 2021.

²¹ Michael Peel in Hanoi and Tom Mitchel in Beijing, “Asia’s \$26tn infrastructure gap threatens growth, ADB warns”, *Financial Times*, February 28, 2017, <http://www.ft.com/content/79d9e36e-fb0b-11e6-8d8e-a5e3738f9ae4> accessed on May 5, 2021.

²² Nicolas de Loisy, *Transportation and the Belt and Road Initiative*, 25.

²³ *Ibid.* 31.

China imports raw materials and energy to export finished products as part of an integrated global political economy. Overtime, dependence emerged on the foreign markets as an economic challenge. China could not develop beyond a point—economically, politically and strategically—in an American dominated supply-chain. China crossed the threshold. The BRI is a set of global-maneuverers to create new markets based on Chinese financed infrastructure and the resultant economic growth. During the Working Conference on Neighbourhood Policy in 2013, President Xi asked for ‘proactive diplomacy’, ‘sound external environment’ and ‘making Chinese economy beneficial’ for the countries around the world. Rising as a global power, China has regarded the existing world order unreasonable enough to meet the interests of China and other emerging powers.²⁴ Using its new quotient of wealth and influence, China has taken new initiative to reform the global governance to enhance its great power aspiration.²⁵ The BRI is the centre of gravity of China’s foreign policy in the 21st century. The mixture involves geo-political, geo-economic and geo-strategic dimensions of the long-game. The concept of interconnectivity is central to the Chinese awareness. In this context, Asian Infrastructure and Investment Bank (AIIB) is the main facilitator in accelerating the connectivity by providing loans and technical expertise. The AIIB has put China on a geo-economic and geo-political road, likewise, the geo-strategic path. The context is competitive. The BRI and the Chinese financial and infrastructural capacities are aimed at changing the economic landscape. And China Towns are global classics. The challenges are always there, how gracefully these are met is the question of High-Culture.

On 28th March 2015, China’s National Development and Reform Commission (NDRC), Ministry of Commerce and Ministry of Foreign Affairs jointly released the blueprint of BRI that included ‘frameworks’, ‘principles’ and ‘action plans’.²⁶ The blueprint was both quantitative and qualitative. And quantitative is how much, whereas, qualitative is change in that how much—whether for good or bad. It is an ambitious and continuing foreign policy initiative to establish a Chinese led supply-chain as a two-way assimilating concept. Of course, China will be at the higher-end of manufacturing and services of the supply-chain. It has already geared up for the next stage of modernization. In the process, China is creating an alternative global strategic environment. How smooth will be the transition is the great strategic question of the great power competition. For America and China are separated not only by divergent interests, some of which could conceivably be reconciled, but by incompatible visions for the future of Asia and the world.²⁷ The BRI transport corridors have the potential to substantially improve trade, foreign investment, and living conditions for citizens in the initiative’s participating countries—but only if China and corridor economies adopt deeper policy reforms that increases transparency, expand trade, improve debt sustainability, and mitigate environmental, social, and corruption risks.²⁸ Collaboration between China and participating countries has led to efforts to improve customs-authority cooperation, investment protection, and corruption mitigation.²⁹ The CPEC among others is the flagship connectivity enterprise of the BRI. Apart from being an infrastructure-cum-transportation management challenge, CPEC has economic and strategic dimensions too.

²⁴ Suisheng Zhao, (ed), *China’s New Global Strategy: The Belt and Road Initiative (BRI) and Asian Infrastructure Investment Bank* (New York: Routledge, Taylor & Francis Group, 2020), 1.

²⁵ *Ibid.*

²⁶ Hong Yo, “Motivation behind China’s One Belt, One Road Initiatives and Establishment of the Asian Infrastructure Investment Bank”, in Suisheng (ed), *China’s New Global Strategy: The Belt and Road Initiative (BRI)*, 5.

²⁷ Bruno Macaes, *Belt and Road: Chinese World Order*, 175.

²⁸ World Bank Group, *Belt and Road Economics: Opportunities and Risks of Transport Corridors* (Washington: International Bank for Reconstruction and Development, 2019), xiii.

²⁹ Ibid. 9.

The CPEC

Whether the American or the futuristic BRI, an economic globalization has five choke-points: ‘Water, transportation, digitalization, sustainability and energy’. The control of coal, oil and gas is fundamental to the functioning of modern society.³⁰ The three major fossil fuels are non-renewable and represent 76 per cent of the world’s primary energy sources.³¹ The biomass i.e. wood and charcoal is 10 per cent of worldwide energy consumption, along with 10 per cent of nuclear energy. The Chinese modes of energy supplies of coal, oil and gas—depending on the location of supplier—includes sea-lanes, pipelines, rail-links and road transportation. The six corridors of the BRI are primarily meant to address the main concern of energy in China’s globalization project i.e. the BRI. The four to Russia (24 projects amounting to \$130 billion), Kazakhstan (22 projects amounting to \$9 billion), South East Asia (185 projects amounting to \$171 billion), and the Middle East (98 projects amounting to \$93 billion) go directly to energy sources.³² The two corridors through Myanmar and Pakistan allow bypassing the Strait of Malacca chokepoint and addressing China’s ‘Malacca Dilemma’.³³ It helps China be less dependent of the Strait of Malacca which controls 82 per cent of China’s oil,³⁴ and 64 per cent of China’s trade.³⁵ This strategic aspect makes Pakistan and Myanmar two of the most strategic BRI actors after China itself.³⁶ It gives the two an influence within the BRI ecosystem.

The CPEC is new face of the decades old Sino-Pak strategic partnership. The \$62 billion investment through a budding CPEC is becoming. It is a win-win situation. Pakistan needs to convert this geo-political success into a geo-economic achievement. Once again, geography is central to it from all angles. The construction of transportation and pipeline links between the Indian Ocean and the landlocked Xinjiang province of China is an operational and strategic challenge, besides the logistics. CPEC, ostensibly intended to connect the Persian Gulf port of Gwadar with Kashgar in northwest China’s Xinjiang province is framed as a key part of China’s BRI.³⁷ CPEC has a major focus on enhancing energy and transportation infrastructure in Pakistan.³⁸ Metaphorically, Pakistan is ‘Middle Kingdom’ in its own right. The Big Question is: Whether Pakistanis realise what they have done for China, since on another occasion in 1971, they were made aware by the Chinese. What a display of wisdom it was! The BRI and CPEC are questions of Strategic-Management in the *sense* and *meaning* of *Management Science* too.

³⁰ Marin Katusa, *The Colder War: How the Global Energy Trade slipped from America’s Grasp* (Wiley: Casey Research, 2015).

³¹ Jean-Marc Jancovici, “A couple of thoughts on the energy transition”, *Le Debat*, First published May 1, 2012 and last modified December 1, 2015, <https://jancovici.com/en/energy-transition/societal-choices/a-couple-of-thoughts-on/the/energy/transition/> accessed on May 7, 2021.

³² Nicolas de Loisy, *Transportation and the Belt and Road Initiative*, 40.

³³ B.A. Hamza, “Alleviating China’s Malacca Dilemma”, *Institute for Security and Development Policy*, March 13, 2017, <http://isd.dp.eu/alleviating-chinas-malacca-dilemma/> accessed on May 7, 2021.

³⁴ Max Schwerdtfeger, “China’s top three Belt and Road Initiatives”, *Port Technology*, July 24, 2018, http://www.porttechnology.org/news/chinas_top_three-belt_and-road--_initiatives accessed on May 7, 2021.

³⁵ Marex, “Strait of Malacca Key Chokepoint for Oil Trade”, *The Maritime Executive*, August 27, 2018, <https://www.maritime-executive.com/article/strait-of-malacca-key-chokepoint-for-oil-trade> accessed on May 7, 2021.

³⁶ Marcelo Duhalde, Adolfo Arranz, Marco Hernandez, Darren Long, “China-Pakistan Economic Corridor”, *South China Morning Post*, <https://multimedia.scmp.com/news/china/article/One-Belt-One-Road/pakistan.html> accessed

on May 7, 2021.

³⁷ Jeremy Garlick, “Deconstructing the China-Pakistan Economic Corridor”, in Suisheng Zhao (ed), *China’s New Global Strategy: The Belt and Road Initiative (BRI) and the Asian Infrastructure and Investment Bank (AIIB)*, 191.

³⁸ Ibid. 192.

Pakistan needs a management-strategy to successfully manage the CPEC in the context of BRI. The management of CPEC is a competitive phenomenon. For a management-strategy is a set of goal directed actions to gain and sustain superior performance *relative* to competitors.³⁹ An inductive competition is central to capitalism. This makes it a question of good governance based on academic and practical capacities, especially to generate resources. It has to be attractive, affordable and consistent. In an environment where nothing is absolute; strategic-commitment becomes a force-multiplier. A good strategy is based on a strategic management process that consists of three key elements: Diagnosis of the competitive challenge, a guiding policy to address the competitive challenge, and a set of coherent actions to implement the guiding policy.⁴⁰ Although strategic positioning requires *trade-offs*, the important point is that strategy is about delivering superior value, while containing the cost to create it, or by offering similar value at lower cost.⁴¹ Likewise, strategy is as much about deciding what *not to do*, as it is about deciding what to do.⁴² For American perception is ‘the obvious that if China’s military growth can no longer be effectively negated, the only remaining alternative to subjection would be to impede China’s economic growth, and in sufficient degree to preserve a tolerable balance of power’.⁴³ Imperialism has taken on new characteristics in today’s globalized production,⁴⁴ e.g., the rare-earth and the minerals and metals important for high-tech gadgets and advanced hardware. The critical moment is here since the speed of technological change will soon outpace our supply lines to produce rare metals at the price demanded.⁴⁵ Already, there is a devastating impact of population and economic growth on a world of limited resources.⁴⁶

By mid 2021, a statement by the legally-covered CPEC Authority included: An improved Sino-Pak connectivity that will further improve in time, only a section of Sukkur-Hyderabad Motorway incomplete along the eastern-alignment, full-focus on western-alignment with almost complete Islamabad-D.I.Khan Motorway, approved D.I.Khan-Zhob Motorway, initiation of Zhob-Quetta Motorway, plus, the ongoing work from Quetta to Khuzdar to Awaran to Hoshab to Gwadar. The assertions further included: Full-cycle agricultural cooperation, special economic zones (SEZs) at Rashakai, Faisalabad, Dhabeji and Bostan, tourism, science and technology, information technology, besides, the poverty alleviation, Gwadar Port and its operations under CPEC-II. However, the claim by the Chairman CPEC, that, ‘no power on earth could sabotage the CPEC as it was the country’s national project’,⁴⁷ requires integrity, hard-work and merit. Pakistan’s foreign policy challenges have been the strategic partnership with China and nuclear programme. The BRI and CPEC are the new policy challenges opposed by India and America. These are in the cross-hair of Indo-Pacific anchored in the strategic calculations of Quad in the Asiatic Mediterranean and beyond. And since the equations are nuclear, the operationalization of hybrid-war as well. It is a test-case of Pakistan’s socio-economic and strategic-management evolution. A trial of the required capacities, CPEC has surfaced like a realm of management-warriors, as opposed to software and paper tigers. It is the BRI vs. the Indo-Pacific.

³⁹ Frank T. Rothaermel, *Strategic Management* (New York: McGraw Hill, 2021), 6.

⁴⁰ Ibid. 7.

⁴¹ Ibid. 11.

⁴² Ibid.

⁴³ Edward N. Luttwak, *The Rise of China vs. The Logic of Strategy* (Cambridge: The Belknap Press of Harvard University Press, 2012), 167.

⁴⁴ Intan Suwandi, *Value Chains: The New Economic Imperialism* (New York: Monthly Review Press, 2019), 150.

⁴⁵ David S. Abraham, *The Elements of Power: Gadgets, Guns, and the Struggle for a Sustainable Future in the Rare Metal Age* (New Haven: Yale University Press, 2015), 230.

⁴⁶ Antony Loewenstein, *Disaster Capitalism: Making a Killing out of Catastrophe* (London: Verso, 2015), 1.

⁴⁷ “CPEC improved China-Pakistan connectivity, says chairman”, *Dawn*, May 5, 2021. 4.

The Indo-Pacific

The core hypothesis of the US National Defence Strategy Document (NDS) 2018 was the statement that the strategic environment is increasingly competitive owing to the revisionist China. The Chinese BRI was cited as reordering of the Indo-Pacific and an intended hegemony. The NDS pointed-out China’s capacity to deploy military forces in the Middle East, Europe and the Indo-Pacific. Therefore, the concept of Indo-Pacific was deployed to enlarge the strategic-context of great power competition. It tore-off the confines. American perception now perceives the Indo-Pacific as an undivided geo-political, geo-economic and geo-strategic space. The considerations involved are seen as practical; operationally and strategically. The original vigour behind the concept of Indo-Pacific was the rise of China and India as great powers. The reality blew in the face of post-WWII Euro-Atlantic balance of power. And the most important fact about the world today is that it has not become a zone of political unity, but remains a Hobbesian stage of chaos, conflict, non-cooperation and anarchy.⁴⁸ The Chinese strategic and trade involvement in the Indo-Pacific is now two decades old with investments in the ports of Hambantota, Gwadar and Djibouti, not to mention the BRI inroads in Southeast Asia. India too is expanding into the Indo-Pacific for the reasons of trade, investments and value-chains. India is ready to compete with China for an influence deep in the Indo-Pacific, Africa and Europe,⁴⁹ though, the emerging balance of power is a trans-oceanic and trans-continental challenge. Chinese believe America and its partners have no economic and financial capacity to compete with the multi-trillion-dollar BRI, so they are little concerned with the US complaint about it.⁵⁰

The perceptions and the definitions exclude the *other* e.g., the Maritime Silk Road component of the BRI, compared to the Indo-Pacific/Quad. The objectives are in conflict. The suspicions are deep. The descriptions and demarcations reveal opposing interests in the new economic integration of Eurasia. The *Heartland* is being fought for, however, decisive is the *Rimland* across the arc of Indo-Pacific and the *Asiatic Mediterranean*. China always sees the big picture when seeking investment overseas and aims for reciprocity and mutual benefit.⁵¹ Yet, geopolitics triumph. The BRI and the Indo-Pacific are perceived as strategic threats by the rivals. China’s strategic-advantage is an exportable infrastructure-surplus. India has no such export-capacity. The same is true for the United States. Both are no match to the trillion-dollar BRI. The concept of Indo-Pacific is deployed as a ‘Free and Open Indo-Pacific Strategy’ to disrupt the BRI. Asiatic Mediterranean is the strategic-turf. The domestic context of the BRI countries is an important variable where the two sides are influencing the outcome of the internal power-struggles. A Cold War like situation has emerged, especially in Eurasia.⁵² If CPEC comes to fruition, China would build a trade and economic empire of unparalleled scope and realise the old Russian dream of extending the empire to the Indian Ocean—without military means.⁵³

⁴⁸ Zhao Tingyang, “Rethinking Empire from a Chinese Concept ‘All-Under-Heaven’ Tian-xia,” *Social Identities*, January 2006, <https://www.tandfonline.com/doi/abs/10.1080/13504630600555559> accessed on May 10, 2021.

⁴⁹ Amy Kazmin, “India blames China for deadly Himalayan clashes”, *Financial Times*, May 20, 2021, <https://www.ft.com/content/e69ff835-cf63-40d7-8517-2f0c96d26db8> accessed on May 22, 2021.

⁵⁰ Josh Rogin, “Trump’s Indo-Pacific Strategy: Where’s the beef?”, *Washington Post*, June 6, 2018, <https://www.washingtonpost.com/news/josh-rogin/wp/2018/06/06/trumps-indo-pacific-strategy-wheres-the-beef/>

accessed on May 10, 2021.

⁵¹ “Investment in Indonesia’s Sabang port will be test of India’s diplomatic wisdom,” *Global Times*, June 28, 2018, <https://www.globaltimes.cn/content/1104493.shtml> accessed on May 10, 2021.

⁵² Edward Lucas, *The New Cold War: Putin’s Russia and the Threat to the West* (New York: Palgrave, 2008).

⁵³ Christoph Baumer, *The History of Central Asia: The Age of Decline and Revival*, vol. iv. (London: I. B. Tauris, 2018), 297.

Hence, the US strategic-worldview was redefined in its strategic-orientation. An explicit shift of focus and a reorienting generalization transpired in the sense of things. The meaning of the things followed, next. The rest as they say are details. The Pentagon, in 2018, announced the ‘Indo-Pacific Command’ under Admiral Phil Davidson in an altered naval posture. The centre of gravity shifted from the Euro-Atlantic regions and the Middle East to the Indo-Pacific. There is a new consensus in the United States. The perception of the struggle is generational. Holding unto incumbency is perceived as a challenge. Asian hegemony is up for a grab. The displacement of the other is the game. The Asian Reassurance Initiative Act of 2018 and the subsequent Department of Defence’s 2019 *Indo-Pacific-Strategy Report*—confirmed ‘a free and open Indo-Pacific’ the principal goal of American policy.⁵⁴ American focus is on the key waterway that includes Sea of Japan, the Yellow Sea, the East and the South China Seas,⁵⁵ i.e. the Asiatic Mediterranean. China too responded to the new American naval posture with an operational commitment. General Wei Fenghe, Chinese state councillor and defence minister, in his April 2018 meeting with the Pakistani naval chief in Beijing, for the first time committed to provide security guarantees for the BRI. This brings in the west of Indus, Afghanistan and the Indo-Pacific. CPEC, as an extra-regional strategic-manoeuvre allows China to bypass and contest the US Indo-Pacific strategy at the same time. China is linking maritime and land trade routes in the Indo-Pacific, likewise, it has an Anti-Access/Area-Denial (A2AD) capability and an Air Defence Identification Zone (ADIZ), plus, the deployed military, air and naval assets in the Indo-Pacific.

China is contesting the near-seas and the skies over it, whereas, America dominates the high-seas with an air and naval dominance. The integrated waters of the Sea of Japan, the Yellow Sea, and the East and South China Seas are as vital to history, identity, and trade of eastern Asia as the Mediterranean is to Europe.⁵⁶ Asiatic Mediterranean is now the centre of gravity. A riposte by the Chinese in the near-seas will make it difficult for the Americans. It will involve major naval battles. Besides, Taiwan as part of ‘first island chain’ is the main focus of China’s strategic orientation and a primary test of the great strategic struggle of the 21st century. The strategic ambiguity over Taiwan is falling-apart.⁵⁷ American arms sales (M1 Abrams Tanks & F-16 Viper-jets) to Taiwan were an indicator of the expanding conflict. So are the Basic Exchange and Communication Agreement (BECA) and the expanded Five-Eyes. One chooses his Theatre of Operations to have a trial of strength. The main-theatre is troublesome. The *Outer Crescent* remains critical.⁵⁸ The competition is for the various chokepoints from Kamchatka Peninsula in the north to the Malacca Strait in the southeast. This involves strategic and trade dominance of the Asiatic Mediterranean. The strategic equation in the Indo-Pacific is Sino-Pak-Russian, as opposed to the Indo-US. Historically, an imbalance leads to war. American intelligence and academic estimates predict an Indo-Pak war, as also a Sino-American in the next five years. The wars will have to be short and limited, unless the idea is to use nuclear weapons. The escalatory ladder can be slippery. And since choosing is abandoning, a better thought is to keep the competition pacific in the Indo-Pacific, as opposed to the two-wars. Besides, Russia joining CPEC—with a naval presence on the Pakistani coastline—will be an icing on the cake of BRI and a major reconfiguration. Time appears to be on the side of centuries old Russian dream.

⁵⁴ Michael R. Auslin, *Asia’s New Geopolitics: Essays on Reshaping the Indo-Pacific* (Stanford: Hoover Institution

Press, 2020), 9, 15, 171, 176.

⁵⁵ Ibid. xi.

⁵⁶ Ibid. 13.

⁵⁷ Graeme P. Herd & John Kriendler, “NATO in an age of uncertainty”, in Graeme P. Herd and John Kriendler (eds), *Understanding NATO in the 21st Century: Alliance strategies, security and global governance* (New York: Routledge, Taylor & Francis Group, 2013), 7.

⁵⁸ Peter J. Taylor, *Political Geography* (London: Longman Scientific & Technical, 1989), 48.

Conclusion

Historically, the two ideas of resurgence and creativity go side by side. Imagination is the creative-link to integrate these resurgent and creative capacities in order to develop new mixtures and combinations. This is true for individuals, societies and civilizations in the realms of arts, morals and sciences. Chinese worldview is imaginative, resurgent and creative at the civilizational level. It is also backed by energy. The Mars landing of China’s spacecraft was the next-level. Others appear an aberration. China as a civilization has taken a position. The BRI is an inductive vision backed by an infrastructure and financial capacity. Numbers alone readily attest to China’s emerging status as a global power centre.⁵⁹ The Chinese strategic capacities are equally at display. The Arabian Sea Bay and the Bay of Bengal are critical for China’s BRI and its corridors and sea-routes. The Ports of Gwadar and Djibouti solve China’s Malacca Dilemma, economically and strategically. Balochistan is a strategic-pearl and the Strait of Malacca links the Indian and Pacific Oceans. Other than what is operational in Balochistan, an aspect of the struggle is for the Gates of Malacca to be Gatekeepers of the Asiatic Mediterranean. Balochistan and the Asiatic Mediterranean are the focus of struggle for a new strategic and trade balance of power in the Indo-Pacific region. Temporising can be a dangerous charm as such.

The modern strategic thought continues to have regional and global implications in the 21st century. It remains vibrant. Mind is wonderful in the sense of doing wonders. The great authors not only reveal themselves aware of statecraft, some are themselves strategists, exploring ideas fundamental to statecraft.⁶⁰ The Self-Starters are watching as to how a competitive advantage is gained and sustained. For the world is generally an imbalanced and lawless place; especially for women, children and elderly, not to mention the conscious destabilization of the Middle East. The periphery is at the receiving end since centuries due to the military defeats, client-rulers and the total absence of induction. The state of decadence continues. Friction is an everyday ugly reality in a display of injustice, incompetence, inefficiency and corruption, both within and without. The great power competition makes it dangerous. Diplomacy is failing and a new set of values is replacing the old one to the dismay of declining West.

The West is in decline, the East is on the rise.⁶¹ Plus, the dynamic between Russia and China is one of strategic convenience—an *axis of convenience*.⁶² In a broader cultural context, it is Wei qi vs. Chess. China has moved into the empty spaces on the board in Asia, Europe, Africa and the Middle East e.g., Iran. The Chinese power is concentrated on the chokepoints. The competitive engagement is manifold and multidimensional. The balance of power in the due course, with each move, will be more fluid on the Eurasian and Indo-Pacific boards. Historically, Chinese are fond of strategic-encirclements and empty spaces to weaken an opponent by notches. Chinese play for a subtle psychological and strategic advantage, as opposed to Americans playing for a decisive victory by checkmating or *shah-mat* i.e. King is dead. Chess symbolizes power and power-politics since centuries. The 21st century is to a bumpy-start for a murky mix of geo-politics, geo-economics and geo-strategy in an altered global and regional strategic environment(s). It will impact the centre and the periphery in unexpected ways, *as time goes by*.

⁵⁹ Bates Gill, “China as an emergent centre of global power”, in Graeme P. Herd (ed), *Great Powers and Strategic Stability in the 21st Century: Competing visions of world order* (New York: Routledge, Taylor & Francis Group, 2010), 137.

⁶⁰ Charles Hill, *Grand Strategies: Literature, Statecraft, and World Order* (New Haven: Yale University Press, 2010), 7.

⁶¹ Gideon Rachman, *Easternization: War and Peace in the Asian Century* (London: The Bodley Head, 2016).

⁶² Bobo Lo, *Axis of Convenience: Moscow, Beijing and the New Geopolitics* (London: Chatham House, 2008), 3.

Pakistan on its independence became part of the US configuration, economically and strategically. Likewise, Pakistan is vital to an evolving Chinese reconfiguration too, both economically and strategically. The impact of being part of the reconfiguration is an extra-regional undertaking. Although it is challenging, Pakistan’s national interest and an evolving balance of power demands as such. The pressures over India and Afghanistan are plausible; however, the convergence of Sino-Pak-Russian interests in the region and beyond is an empirical and interpretive truth. One takes sides in the Real-World of statecraft. One has to be insightful, too. The tendency to be part of two-orbits and its management is a foreign policy contradiction; leave alone the impact on the nucleus. One cannot be part of two competing-chains, especially when the lines are drawn. The desire for a balancing act is dissonance, notwithstanding the debt. Otherwise too, there is nothing of substance on offer or on the table. It is just a matter of time, before the old demands resurface along with sanctions. Pakistan must cling to national interest like grim-death. Inductively, it will be a long haul. An inductive mix of—patience, imagination, creativity, focus, attention, will, energy, dedication, organization, management, entrepreneurship, processes, transparency, merit, capacities, commitment and hard-work—is vital to take CPEC to its logical conclusion. The mixture is a calling, since; CPEC is a calling-plus—economically and strategically—more so in the sense and meaning of strategic-management.

Besides, integrity is the scarlet-thread to integrate inductively a management-chain and the concurrent decision-making woven into it. The heart and soul of Management Science is decision-making—which in turn is—two-third science and one-third art. It is both empiric and intuitive. What *Management Scientists* in Pakistan need to understand is, that, an implementation of CPEC is little more than soft-ware reductionism, not to mention an induction based reasoning. The delegation of decision-making to soft-wares and passing it on as the only truth under the sun is problematic and least academic. It simply kills scholarly curiosity and resilience, the two essential fundamentals of serious scholarship. There is no other way to judge a school, college or a university, except for the nature of reasoning promoted. What soft-wares? The Real-World is knowledge, not an education. Deduction posits in the context, whereas, induction examines the truth on case to case basis. More than anything else—Pakistan badly needs Self-Starters—despite the Gatekeepers. For the struggle, ahead is a *Night of Trial* with twists added by the Covid-19 linked supply-chain stresses and an escalating great power competition in the Indo-Pacific and beyond. A conscious understanding of an inevitability of the conflict is needed.

Methodologically, CPEC is an economic and strategic ideal that one creates by creating an ideal type. It is part of a bigger Universe of Analysis involving events, institutions, peoples and processes constituting the universe and its study i.e. the BRI. The supervision of the bigger-universe is the big-question of strategic-management in the 21st century. This brings in the management-chain to create a Chinese led supply-chain. And a management-chain sequentially includes an idea, the concept, planning, resources, implementation, supervision and a control that treasures decision-making from one end to another. Though variables and indicators are multiple—time and space dimensions are critical for a chain—no less are the geo-political and

geo-strategic stresses and the correlation of forces. For trade, instead of moderating the great power competition has escalated geopolitics around the world. Far from softening the rivalry, trade has become an instrument of competition. The short of surplus configuration is waning, whereas, the reconfiguration brimming with surplus and energy is ascending. All are adjusting to the new reality in the Indo-Pacific and Asiatic Mediterranean. The *Outer Crescent* studded with solitaire diamonds is at the heart of the struggle. The Chinese Southern Theatre Command and the US 7th Fleet are gradually squaring-off in the South China Sea. Intuitively—since these are the times when this is becoming that—the intuition is to let the passage of time decide.