

CHINA'S BRI: FROM GEO-POLITICS TO GEO-ECONOMICS IN THE CASE OF PAKISTAN

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ÇİN'İN KUŞAK VE YOL GİRİŞİMİ (BRI): PAKİSTAN ÖRNEĞİNDE JEO-POLİTİKADAN JEO-EKONOMİYE

Article Info	ABSTRACT
Article History Received: 01.05.2021 Accepted: 06.06.2021 Published: 30.12.2021 Keywords: Jeoekonomi, Jeopolitik, BRI, CPEC, SCO Jel Codes: F06, F10, F15	<p>Bu çalışma, Çin'in yeni jeoekonomik stratejisinin göstergesi olarak Kuşak ve Yol Girişimi (BRI) çalışmalarına bir katkı niteliği taşımakta ve yeni ekonomik stratejinin bir örneği olarak, Çin Pakistan Ekonomik Koridoru'nda (CPEC) ifade edildiği şekliyle, Pakistan ve Çin arasındaki ilişkiyi analiz etmeyi amaçlamaktadır. Bu sebeple, Çin'in jeo-ekonomik stratejisinin, Kuşak ve Yol Girişimi (BRI), Çin Pakistan Ekonomik Koridoru (CPEC), Şanghay İşbirliği Örgütü (SCO) ve Çin Pakistan Ekonomik Koridoru (CPEC) şeklinde komşu devletler arasında bölgesel birleşme ve işbirliği yoluyla jeopolitika ile paralel olarak nasıl işlediğini açıklamakta ve buna odaklanmaktadır. Ek olarak bu makalede Pakistan'ın bu Çin girişimlerine katılma gerekçesini ve Pakistan-Çin ilişkilerini nasıl şekillendirdiklerini de anlamak üzere tartışmalar yürütülmektedir. Bu amaçlar dahilinde Çin'in BRI ve ŞİÖ'ye jeoekonomi biçiminde zorlayıcı mekanizmalar sağlayıp sağlamadığı veya bunun sadece bir başka jeopolitik oyun biçimi olup olmadığı değerlendirilmektedir. Bir başka ifade ile bu makale, Çin'in çevre ülkelerin ekonomik bağımlılığını artırma, bu ülkelerden daha fazla destek alma ve jeoekonomi stratejisini kullanarak ilişkileri güçlendirme isteklerini test etmeyi amaçlamaktadır. Dolayısıyla ile bir bütün olarak değerlendirildiğinde bu çalışmanın Jeoekonominin Çin'in BRI'sini anlamak için bir çerçeve olması beklenmektedir. Amaçlar dahilinde, yöntem olarak süreç izleme metodolojisi, Çin altyapı tekliflerindeki nedensel mekanizmayı görmek ve bunlar içinde jeoekonomik zorlamanın izlenebilir olup olmadığını test etmek için kullanılmıştır.</p>

China's BRI: From Geo-Politics to Geo-Economics in the Case of Pakistan

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Article History Received: 01.05.2021 Accepted: 06.06.2021 Published: 30.12.2021 Keywords: Goeconomics, Geopolitics, BRI, CPEC, SCO Jel Codes: F06, F10, F15	<p>This work is a contribution to the studies of the Belt and Road Initiative (BRI) as indicative of China's new geoeconomic strategy. This paper analyses the relationship between Pakistan and China, as expressed in China Pakistan Economic Corridor (CPEC) as illustrative of this novel economic strategy. This paper explains and focuses on how China's geo-economic strategy operates in parallel with geo-politics through the regional incorporation and cooperation among neighbouring states in the form of the Belt and Road Initiative (BRI), China Pakistan Economic Corridor (CPEC), and Shanghai Cooperation Organization (SCO). The paper also seeks to understand Pakistan's rationale for participating in these Chinese initiatives. In addition, how they shape wider Pakistan-China relations. In this research, author attempted to study geo-economics made of condense geographic, political, and economic dynamics. Moreover, the paper analyzes whether China is providing BRI and SCO with coercive mechanisms in the form of geoeconomics or it is just another form of geopolitical game. This paper seeks to test China desires to escalate the economic dependency of peripheral countries to gain more support from these countries and to strengthen the relationship by employing geoeconomics strategy. In this paper, Geoeconomics is anticipated as a framework for understanding China's BRI. The process tracing methodology has been used to see the causal mechanism in Chinese infrastructure proposals and to test whether geoeconomic coercion is traceable within them.</p>

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INTRODUCTION

Contemporary geo-economic strategies involve a synergy of geo-political objectives and an innovative economic-sloping realism, which recognizes the global economy as a zero-sum geo-economic game where one achieves on the loss of other. In this respect, the concern of fiscal security of the country transpires as a main concern, spinning geo-economic calculations into an exceedingly imperative apparatus for regional development in the expansion of national economic course of action (Roberts, et al., 2018). Economic integration and geopolitics are two sides of a single coin. Roberts argues, China wants to increase the economic dependency of peripheral countries on them to gain more support from these countries and to strengthen relationship and influence (The CCICED, 2013 as cited in Roberts, et al., 2018).

China has been using its new geoeconomic strategy BRI as a tool for expanding its relationships across the Global South, a strategy that in turn is supportive of their internal economic reforms. Involving in such initiatives may push developing nations in Asia, Africa, and Europe to obey the fixed financial and security framework of China. BRI and SCO will further influence its political and economic impact in the Asian region. Generally, BRI is viewed not only from a purely commercial perspective but also it has been linked with geopolitical and geostrategic goals. The paper analyses how geo-economics is central to understanding/explaining BRI and CPEC as China's new geoeconomic strategy.

The present research is qualitative in nature and based on a triangulation method, which has been used at the data collection stage. Secondary source data used in this research include documents based on content analysis, a historical description, as well as comparative and analytical reports. The documents include government publications, organizational reports, academic research papers, news, books, journals and electronic sources in order to reach optimal results and conclusion. This research paper comprises of five sections. Succeeding this brief introduction, the second section discusses the nature of geoeconomics as a theoretical framework relevant to understanding and explaining the OBOR as central to China's global strategy. The third section provides the review of literature on OBOR and its limitations. The fourth section explores BRI further through the case study of China-Pakistan relations and CPEC. The final section offers some general conclusions about BRI as an expression of China's geoeconomics strategy.

From Geo-Politics to Geo-Economics

Geo-economics is an area of studies derived from classical geopolitics: it is the integration of the domain of geopolitics with international economic relations. From a present standpoint, geopolitics denotes to the examination of the sharing and formation of influence in the International System and its reverberations on inter-state relations of international politics (Jaeger & Brites, 2020). Luttwak (1990) evidently extricates geopolitics and geoeconomics and declares the uselessness of the first: "as bureaucracies' writ large, states are themselves impelled by the bureaucratic urges of role-preservation and role-enhancement to acquire a 'geo-economic' substitute for their decaying geopolitical role".

More or less Stutte shares the same sentiment and he emphasis, states must try to hold position by acquiring economic hegemony while using economic tools and means instead of fighting wars on territorial gains. They must concentrate to enhance economic power; even it has to be through coercion

and economic supremacy in every possible manner. Geopolitics is the outdated model of understanding states, however; geoeconomics is the new one to interpret states' conflict (Stutte, 2017).

Both geopolitics and geoeconomics are innately connected to regional geostrategic rivalry. Nevertheless, Geoeconomics limits the arena of study of geopolitics and highlights the significance of economic power as a central feature of analysis. In this regard, it integrates an unusual sort of geopolitical competition (Jaeger & Brites, 2020). Geoeconomics seems to be a branch of geopolitics in which politics happen through the lens of economic gains in the region.

Paul Kennedy (1987, as cited in Gaiduchok, 2019) the first time, elucidated the modern-day geopolitical repercussions of post-war economic developments through his work and highlights the financial along other economic constrictions on national power. However, Luttwak (1990) contributed the second key publication on geoeconomics. "The term 'geoeconomics' was first coined by him in 1990 in his article 'From Geopolitics to GeoEconomics: Logic of Conflict, Grammar of Commerce,' where he further describes geoeconomics as a science of methods of economic warfare, and argued that states are the main actors in the global economic space".

It is posited that in a post-Cold War standpoint, the components of power that were measured fundamental to conventional geopolitics would have set way to the financial factor. The structure of power in the International System would be contingent on the geoeconomic dispersal without the use of the military force. Moreover, he argued that competition between countries does not terminate with the accomplishment of the strategic skirmish between the powers blocs rather progressively shifted from the military-strategic domain to the economy zones. Geopolitics is transacted by a geoeconomics policy that is concerted on enchanting and mechanism in the economic race. It is hypothesized that the job of geoeconomics as the merging of economic gravities has the significant duty to cultivate means of economic defense and enactment. Moreover, to deliver the best promising employment for the most portion of its population (Luttwak, 1990 as cited in Jaeger & Brites, 2020) even if it is obligatory to the impairment of the population of other countries.

In his book "the logic of conflict in the grammar of commerce", Luttwak (1990) argues that even behind the military conflict state has objectives related to commerce. "States seek to collect as much in revenue as their fiscal codes prescribe and are not content to let other states tax commercial activity in the former's purview. This is a zero-sum situation". He further argues, "States predominantly regulate economic activity to maximize outcomes within their own borders, rather than for a disinterested transnational purpose, even when the outcome is suboptimal for other states. The logic of state regulation then conforms, in part, to logic of conflict". Furthermore, Luttwak (1990) posits, "States and blocs of states strive to restrict their payouts and services to their own residents. Moreover, states design their infrastructure projects to optimize domestic utility, regardless of how other states are affected, as opposed to the transnational utility". "States or blocs of states promote technological innovation to maximize benefits within their own boundaries, rather than for the sake of innovation itself" (Luttwak, 1990).

Peril of geo-economic interventionism, which tips to the reformation of economic boundaries and the subservience of state institutions by transnational organizations, has unbolted the issue of the safeguard of state interests. Additionally, geo-economic expansionism relativizes speculative model of civilizational progress, which would agree to get benefits to all contributors in the global course, as divergent to the geopolitical strategy, in which the triumph of one means the downfall of another. Therefore, it seems that the geoeconomics is just the protracted limb of geopolitics, which hazes and

revamps declared victories and defeats (Scekic, et al., 2016). It is analyzed that geoeconomics has a dual analytical sense; one is the geopolitical repercussions of the economic phenomenon other is economic ramifications of geopolitical developments (Baru, 2012, as cited in Jaeger & Brites, 2020).

(Grevi, 28, 2011, as cited in Jaeger & Brites, 2020) remarked that geoeconomics comprises both the alteration of economic resources into political power and the deployment of political authority to attain economic goals through competitive or compliant illustrations. Economic power is vital for the sustainability of geopolitical power, up keeping of the military force, the diplomatic tool as well as the intelligence amenities. Zakaria (1999, as cited in Jaeger & Brites, 2020) focused on this customary perspective of the geopolitical economy and pointed out the significance of budget appropriation for the transformation of wealth into operational geostrategic power.

Geoeconomic strategy is established on the usage of the economic means for political ends to attain maximum economic gains. Therefore, economic instruments are used to support and shield national interests, as well as to yield lucrative geopolitical upshots is the blend of what is geo-economics. Blackwell and Harris (2016) defined geo-economics as a technique of analysis for state practice to exercise supremacy from the economic standpoint rather than the rigorously geographical outlook. A configuring feature of this view is that while geopolitics would conventionally be a zero-sum game, in geo-economics the sum would be positive. Hence, geo-economics conglomerates the rationality of geopolitics with economic apparatuses.

Huntington (1993) declared that geo-economics is a prolongation of war by other ways and means. He evaluated that the economic activity of a state is its foremost basis of authority. Moreover, (Leishon, 2003 & Nester, 1995 as cited in Gaiduchok, 2019) from the American School of geoeconomics described geoeconomics in the context of national/scientific interests. Blackwill and Harris (2016) also proposed that geoeconomics is the usage of economic mechanisms to stimulate and preserve national interests, as well as to yield promising geopolitical domino effect. In Europe, General Carlo Jean, an Italian geoeconomist specified that geo-economics is constructed not only on judgement rather on the composition of geo-strategy along geopolitics (Zhan & Savona, 1997 as cited in Gaiduchok, 2019).

Similarly, Jacques Attali, former EBRD director (1991, as cited in Gaiduchok, 2019) from French School of Geoeconomics remarked that contemporary era of world economy is built on the principles of geoeconomy. Likewise, Tsymbursky (2003, as cited in Scekic, et al. , 2016) identified that geoeconomics is a part of geopolitics , (Wallerstein ,2004 & Chase-Dunn,1991 as cited in Scekic, et al. , 2016) explored that in the field of the hegemonic sphere of influence, geoeconomics functions in the world systems.

On the contrary, (Luttwak, 1990 & Kochetov, 2010 as cited in Scekic, et al., 2016) examined and argued that geopolitics is outdated and should be replaced with geoeconomics. Nonetheless, geoeconomics is the independent field relates to regulation of economics resources of territorial authorities, explores the effect of several economic, demographic and environmental dynamics that are meticulously interrelated to the spatial point of a states or regions, their natural resources and climatic conditions. Geoeconomics is a new version of the world through the scheme of economic gauges, interlinking of national economies and transnational economic and state organizations, immersion of the national economies in the internationalized chains of goods and services production (Scekic, et al., 2016).

The globalization expansion played a unique role in the process of geoeconomics altering the world into closer space. The establishment of technological unity of the world is the elementary

characteristic of this novel “geo-economic space”. Geoeconomic dynamic forces contains the laws of market development (Collins, 1999, p. 172, as cited in Scekic, et al., 2016), “accumulations, concentration of capitals between countries, relocation of business centers, replacement of exchange mechanisms, redistribution of world incomes, material and financial resources, changes in the global status of individual countries and so on. The object of geoeconomic study includes the development processes of national and regional entities, but also the real international structures (economic, financial and integration associations), transnational corporations, various economic regions, free economic zones and geopolitical entities (blocks). In this sense, geo-economic dynamics discusses categories of economic growth and development, foreign trade, international investments, external debt, economic dependency, etc. Geoeconomically conducted foreign policy includes a strategy for conquering other market space, but also for the geoeconomic defense of the state” (Prorokovic, 2014 as cited in Scekic, et al., 2016).

Kaplan (2013, p.29) viewed geo-economics as a geographic realism in which the geography is a key player alongside economic and military strong intelligence behind the action of the states, he emphasizes the element determinant of international relations and a preamble to the very recounting human occasions is the weight of geography. Metri (2017, as cited in Jaeger & Brites, 2020) evaluated a relationship between the geopolitical and the geoeconomic domineering in the undercurrents of interstate antipathy, underlines geographical understanding as strategic and, therefore, indispensable to the military application. “Complementarily, the mobilization of economic resources necessarily accompanies the security policies of the states, constituting also as strategic to the movement of accumulation of power and wealth, and thus relating to space through war”.

Jean examined the work of geopolitical culture of Wallerstein (1996,1991, as cited in Scekic, et al., 2016) and explored that geoeconomics is logically progressed from a geopolitical elaboration and is not a substitute to geopolitics rather a central part of special methodology. Geoeconomics also shares the same rationality of flow of financial resources as geopolitics and due to globalization flow of financial resources are happening at much faster pace than ever in history. Sparke (1998, p.69-70 as cited in Kurecic,2015) described the geo-economics practice that emerge out of the framework of free trade and the subsequent might of borderless economic movements. Schlevogt (2001, as cited in Kurecic, 2015) viewed geoeconomics as a novel term opted by academia to express ideas of managerial trepidations over the competitive economic setting of states and cities.

“Geoeconomics provides, apart from the free market ideology, the logic behind resource extraction and use. Resources are used in order to boost global production and trade. Nevertheless, geoeconomic visionaries tend as a result to anticipate capitalist inclusion (expanding so-called economic flatness) rather than the expulsion or containment of evil others. Their focus is on networks not blocs, connections not iron curtains, and trans-border ties instead of national territories. And rather than reproduce geopolitical understandings of ‘us’ and ‘them’ that fetishize place, they tend instead to fantasize about connectivity and pace” (Sparke 2005; 2007,

351 as cited in Kurecic, 2015). “Geopolitical interests are connected with the direct or indirect control of territories (which contain resources), while geoeconomic interests are connected with resource management (exploitation and exports) and the inclusion of resources into national economies. Drawing on Sparke’s (2007, 340) thesis that geopolitics and geoeconomics are better understood as names for distinct geostrategic discourse, and not that geopolitics and geoeconomics describe distinct geostrategic periods that have led from nuclear war dangers to commercial expansion opportunities in a clear-cut chronological progression” (Kurecic, 2015).

Goeconomics and China's BRI Strategy

Literature Review

The new Goeconomic World Order focuses on relative gains (a zero-sum game) than the timeworn International Economic World Order predominantly about absolute gains (a positive-sum game) (Roberts, et al., 2018). In the new goeconomic world order, the equilibrium and correlation between economics and security have transformed. "The new order is characterized by a higher degree of convergence between security and economics; a greater focus on relative economic gains given their implications for security; and increased concern over the security risks posed by interdependence in terms of undermining state control, self-sufficiency and resilience" (Roberts, et al., 2018).

Robert Blackwill and Jennifer Harris (2016) define goeconomics in their book "war by other means" as the "use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results." In the late 1980's Edward Luttwak laid a foundation of the American school of goeconomics, ensuing the fall of the Berlin Wall, and proposed the idea that the United States should convert its geopolitical supremacy into goeconomic. He argued that US could uphold its leadership status in all parts of the world by evolving new technologies of domination based on global economic maneuvers minus the use of military force (Luttwak, 1990, as cited in Roberts, et al., 2018).

Luttwak (1990) posited, "The triumph of capitalism over communism meant, the methods of commerce are displacing military methods with disposable capital in lieu of firepower, civilian innovation in lieu of military-technical advancement, and market penetration in lieu of garrisons and bases. States will not disappear but reorient themselves toward 'goeconomics' the best term I can think of to describe the admixture of the logic of conflict with the methods of commerce. Increasing economic interdependence and reducing barriers such as tariffs were sold as win-win arrangements that increased economic efficiency and maximized wealth by allowing states to play to their comparative advantages".

China exercises goeconomic strategies are neither new nor one-sided, as the United States has prolonged used goeconomic strategies for building an international institution and commissioning positive and negative economic sanctions, to accomplish its national interests. "Although, China has massively been accused by some scholars to gain control over strategic infrastructure abroad through BRI by employing 'debt-trap diplomacy using informal sanctions to compel its neighbors; and launching similar international institutions, like the Asian Infrastructure Investment Bank, to destabilize existing alternatives". Nevertheless, BRI is the "use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results." (Roberts, et al., 2018).

Although China's Belt and Road Initiative policy has domestic and strategic dimensions, but a key component is economic to deal with China's emerging economic situation. China's extensive help in a need of hour for extensive demand of infrastructure in many countries earned her glory and fame not only in neighbouring countries but also in countries along the proposed Belt and Road routes. For instance, Chinese industries, such as high-speed railway, nuclear power, and construction engineering, are competitive and have the capacity for exports (Johnston, 2016, 19 as cited in Pu, 2015).

BRI is comprised of both Political and economic factors and considered as China's new goeconomic strategy. BRI is viewed as a continuity of promoting political impact through economic means to diminish China's existing security challenges through economic inducements. Nonetheless, security and geopolitical competitions are challenging in implementing BRI in several countries. Apart from

geopolitics, geoeconomics objectives are more crucial in BRI strategy (Johnston, 2016, 19 as cited in Pu, 2017).

However, Security challenges are inevitable while executing economic projects and achieving geoeconomics objectives under BRI, such as high-speed railway covering, the massive distance of 80,000 kilometers, involving 65 countries. Undoubtedly, safety is a big challenge for both China and the countries part of its BRI strategy. The Kashgar-Gwadar economic corridor linking China and Pakistan passes through some of the world's most susceptible and conflict-ridden territory (Feldshuh, 2018 as cited in Scott, 2019).

Feldshuh (2018 as cited in Scott, 2019) pointed out that economic development is not the good way to deal with security challenges for instance, China's Xinjiang region connecting to Pakistan's Baluchistan, as both provinces are rich in energy reserves but also home to insurgency and militancy. He viewed BRI as China's new geoeconomic strategy, given that the economic and political calculations are not discrete. Despite supporting China's strategic implications through BRI economic policy, many countries are cynical about China's peaceful rise strategy, on the other hand, China also has numerous domestic and institutional challenges to face while implementing BRI and changing the fate of its future economy. Nevertheless, Pakistan and China strengthens their long lasting friendship through signing a China Pakistan Economic corridor.

BRI's China geoeconomic strategy has been formulated to secure China's economy. On the contrary, Pu argued that Although, BRI as China's geo-economic strategy chiefly be determined by the pliability and strength of China's economic power. It is superficial to expect BRI solving and encountering all the glitches of the Chinese economy (Pu, 2017). Furthermore, many scholars have been arguing that by steering successful geoeconomics strategy of BRI, China is exercising its Marshall plan by holding a chief position on the stage of world politics, and it will bring geopolitical risk to many strategic partners. Nonetheless, Zhengping (2019) argues that Host nations of BRI must try to be an investing partner rather than the borrower in order to balance the geopolitical move of China, for instance, Romania, and Russia can play a vital role to balance the geopolitics of the region. However, Russia is a supportive partner of China to weaken the US influence in the region also a key member of SCO.

The next section will explore this further in the context of China-Pakistan relations as the case study.

Pakistan-China Relations in tyhe Era of Geo-Economics

Undeniably, trade is the apparatus of evolution and wealth in the epoch of geo-economics. Pakistan and China signed the first trade agreement in 1953 of 10 million dollars, which increased up to, 65 billion dollars in the form of CPEC in the later years of 2013 and materialized in the form of Kashghar to a Gwadar trade corridor. In addition to, trade and economic cooperation, which will not only boost energy resource development, information technology, and infrastructural development similarly, enhance socio-cultural and educational exchanges. For instance, the Establishment of Chinese Confucius Institute (CCI) at National University of Modern Languages (NUML), Islamabad and Pak-China Friendship Centre while exchange of youth festival, cultural troupe, tourism, sports and media have given a new course to Pak-China bonds. Furthermore, tourism and displaying arts in the forms of entertainment media is handy to connectivity of people. Pakistan and China has not only restricted their relations to economic trade operations, but also excelled to the level of signing joint ventures of

production of weaponries and equipment, including avionics, main battle tank, and naval frigates to accomplish the goal of self-sufficiency in defense production (Rehman, 2014, p.67-69).

Since 1999, Pakistan has been signing multi projects of almost all kind after taking office of Pakistani President Pervez Musharraf. As cited in Khan (2014) "the economic phase slowly began to expand and economic cooperation both in trade and investments became the key feature of economic relations between the two countries positively enhancing their economies which has been witnessed by signing of six Agreements. For instance (Economic and Technical Cooperation, Tourism Cooperation, Lease Agreement on Saindak Copper-Gold Project, Supply of Locomotives to Pakistan Railways, Supply of Passenger Coaches to Pakistan Railways and White Oil Pipeline)". Furthermore, one "MoU (Memorandum of Understanding) between China's ZTE and Pakistan Telecommunications Co. Ltd". Additionally, both countries stress on heightening collaboration in agriculture, infrastructure, information technology, and other fields similarly Gwadar deep-sea port and Mekran coastal highway projects (Khan, 2014).

As cited in Khan (2014) "Seven agreements in the sectors of trade, communication and energy in December 2004, and 21 agreements in April 2005, for further strengthening of cooperation in economy, defense, energy, infrastructure, social sector, health, education, higher education, housing and various other areas. January 2006 observed the Early Harvest Programme to embolden bilateral trade, under which China stretched zero-rated tariffs on 767 items while Pakistan responded by extending the facility on 464 items. In November 2006, China and Pakistan also signed FTA (free trade agreement). As per agreement, China and Pakistan would lessen the tariffs on all goods in two phases".

Moreover, "China promised to help Pakistan in civil nuclear technology by building and helping the Khushab Nuclear Programme providing technology to Pakistan for enhanced maintenance of civil nuclear plants. Besides in 2009 supplementary agreements on construction of Bunji Dam in the Northern Areas with a capacity of 7,000 Megawatts, endowment of soft loans for space, space technology, and alternate energy including, an amount of U.S. \$ 190 million to supply Pakistani satellite PAKSAT-1R. Additionally, in 2011, both states held the first China-Pakistan Entrepreneur Forum as well as the Industrial and Commercial Bank of China (ICBC) opened branches in two cities of Pakistan. Besides, the first phase of the China-Pakistan Energy Working Group was also held in China and anticipated that such economic ties would be further helpful in strengthening capacity of processing and manufacturing, textiles, leather products, garments, and also in the light engineering sector" (as cited in Khan, 2014).

Nonetheless, "in telecommunication sector China Mobile subsidy Zong emerged as the highest bidder in the 3G auction, claiming a 10 MHz 3G-band license, qualifying for the 4G license on 26 April, 2011 and announced \$1 billion of investment in Pakistan" (as cited in Hamid & Hayat, 2013). "Despite all these investments and signing agreements in 2011, China Kingho Group annulled a \$19 billion mining agreement due to security concerns. Likewise, The CPEC project is also exposed to a security issue along many other challenges. The curve of military extension from Xinjiang to Gwadar that contains groups like the East Turkestan Islamic Movement (ETIM), Lashkare-Jhangyi (LeJ), Daeish (ISIS), Tehreek-e-Taliban Pakistan (TTP), Baluchistan Liberation Army, Baluchistan Liberation Front (BLF) as well the military associated political parties. Several of these antagonists groups, actually have interests to disrupt CPEC to create tension for Pakistan they might not have opposition with China itself subsequently security of the whole corridor and Gawadar is a true concern for China and Pakistan. However, until recently Pakistan's military vowed to secure the CPEC infrastructure in order to protect from terrorist attacks due to military operations in quite a few areas" (as cited in J. Mark Munoz, 2017). Both countries are troubled with security challenges on their soil as well as in the region therefore it is

highly inevitable to leave mentioning the significance of SCO. Therefore, following section covers Shanghai Cooperation Organization (SCO) and rationale for Pakistan joining SCO.

Shanghai Cooperation Organization (SCO)

In the era of new geoeconomic world order, BRI not only consolidates the prestige and impact of the Shanghai Cooperation Organization (SCO), but also improvise China's cooperation with Russia, Central Asia, and Europe (Johnston, 2016, 19 as cited in Pu, 2017).

In June 2001, Russia, Uzbekistan, Kyrgyzstan, Tajikistan and China laid the foundation of the SCO, the immediate purpose of which was to fight three demons of religious extremism, international terrorism and ethnic separatism. The long-term objectives of the SCO were to promote economic development and regional stability of the member states through shared identity and cooperation on the issues of mutual concerns. Through SCO, China has tried to promote organisational growth and used its institutionalisation to assist regional economic bonding, to gain access to energy supplies and to follow the modern concepts of security based on dialogue and mutual consultation. It also stressed collective benefits and an amicable resolution of differences. Furthermore, the SCO is a platform for China to enhance its leadership role in the global economy and geopolitics. Through the SCO, China has also managed to improve bilateral relations with the CARs and Russia to exercise its power in the region.

There has been "SCO agreements on international road transportation facilitation and an infrastructure network covering roads, railways, energy and telecommunications" (Liangyu, 2018, as cited in Scott, 2019) all to advancement the BRI initiative. On top of BRI, China has also presented memberships of SCO hefty credits at low-interest rates with which they can spend without restrictions within their country. In 2004, "China offered \$900 million in credit at preferential rates to the other five members of the SCO" (Chung, 2006, p. 11, as cited in Scott, 2019). With the level of trade increasing "in the first quarter of 2018, trade volume between China and other SCO members jumped 20.7 percent year on year". Moreover, China's economy is rapidly composed to take the world number one spot; it displays how the SCO has been highly operative for China in the execution of BRI and regional economic as cited in (Scott, 2019).

Pakistan's Inclusion in the Sco

Since 2015, the SCO emerged as a crucial actor in the world. Through this organisation, two important Eurasian giants, China and Russia, came together while many other member states have been given observer status or labelled as dialogue partners. In 2005, Pakistan was included as an observer state and later in 2010; it applied for its permanent membership. In the 2015 meeting of the Heads of the States in Ufa, Russia, it was decided to grant permanent membership to Pakistan. Permanent membership for countries like Pakistan has great significance. Pakistan is a very important partner for all the SCO members to fight against the aforementioned "three evils." It provides an opportunity for Pakistan to play its due role in the promotion of regional stability, antiterrorism, trade and commerce.

As it is said about the SCO, it has the potential to change the politico economic and strategic landscape of the world. Its members have a great opportunity to enhance regional connectivity and have very rich resources of gas and oil manufacturing base (Khetran, 2019). Despite SCO is a security organization, but many countries including Pakistan can gain economic benefits through being part of SCO and explore highways of prosperity.

Economic Benefits Can Pakistan Gain through SCO

There lies a unique opportunity for Pakistan in the form of SCO's permanent membership, as it will facilitate Islamabad to enhance its strategic and economic postures in the SCO region. Pakistan is located at a junction connecting South Asia, Central Asia, West Asia and Western China and it can provide the nonstop course to the warm waters of the Arabian Sea for western China as well as Central Asia. To achieve the maximum out of this strategic location, connectivity shall be established as Pakistan's location serves as a gateway for the landlocked countries and could become a transit economy through Gwadar. Furthermore, due to the short distance from the Persian Gulf, which produces 65 per cent of the world's oil and almost half of the world's oil business takes place through the Strait of Hormuz; the geostrategic importance of Pakistan has already compelled China to connect with it through Gwadar port under the China-Pakistan Economic Corridor (CPEC). Gwadar port provides the only direct and shortest route between China and Central Asia with the Middle East and West Asia (Khetran, 2019).

The SCO membership is also very important from the security point of view, as Pakistan has been suffering from terrorism and extremism. The SCO is a great forum for Pakistan to share its experience and coordinate with the member states to eradicate terrorism from the region. Agreements signed between Islamabad and the SCO members, during the last few years, have unfortunately been not much successful due to lack of institutional cooperation. For Pakistan, the SCO's Regional Counter-Terrorism Structure (RATS) can be helpful in increasing cooperation and institutional agreement in a comprehensive manner. The SCO also provides an opportunity for

Pakistan to strengthen its ties and increase trade with European countries, which was a dream earlier. Coordination between Pakistan and India is very crucial for the regional development and stability of South Asia, which can also be achieved through the SCO. Coordination between

India and Pakistan is also important for the development of the South Asian trade routes and energy corridors, which can be helpful for economic stability and regional integration. For these reasons, the SCO can provide China's most contemporary leading economic project, the BRI initiative presents how operative the SCO is as an apparatus due to the multilateral podium. BRI is "a multilateral proposal to upgrade infrastructure, improve China's bilateral ties, and international institutions, as well as drive much needed global development" (Feldshuh, 2018 as cited in Scott, 2019).

"Pakistan is an ideally positioned country on the globe being at the crossroad of Central Asia, South West Asia and South Asia. Pakistan's credentials are quite bright on account of geo-political, geo-strategic and geo-economic aspects. Pakistan is a natural link between SCO countries, especially land locked CARs, Afghanistan, Xinjiang Province of China towards South i.e. Arabian Sea and the Middle East. Therefore, Pakistan's unique geography offers critical over land routes for interconnectivity for mutually beneficial trade and commercial activities; intra regionally and inter regionally. Nevertheless, besides trade flow of energy will be the top priority area. Pakistan can play a pivotal role in materializing North- south trade and energy corridor with the promising opportunities of road-rail and pipelines link up to Gwadar. Recently concluded Pak China MoU on establishing of Kashgar-Gwadar road-rail network is an encouraging development in the right direction for the advantage of all regional stakeholders. Pakistan being an energy deficit country, her energy demands is growing gradually. At the moment, 'energy crisis' is one of the most serious issues of the country. By joining SCO, Pakistan intends to meet her energy deficiency on perpetual basis. In this connection, trans-afghan pipeline project generally known as TAP (Turkmenistan-Afghanistan-Pakistan) will act as a milestone (Khetran, 2019).

The likely extension of this pipeline to India will further enhance the viability and importance of the project. That is why Pakistan proactively supports SCO's 'energy club'.

Pakistan being cognizant of its security imperatives is always mindful of maintaining strategic balance vis-à-vis India. SCO will be an appropriate forum to initiate security dialogue with

India. By being admitted to SCO, Pakistan would get an opportunity to improve Russia-Pakistan relations. Pakistan intends to play a constructive role in Afghanistan in the wake of US/NATO troops' withdrawal in December 2014. SCO will provide an opportunity to Pakistan to play a meaningful role towards peace, stability, security and rehabilitation under the platform of SCO while focusing on communication infrastructure, social sector (health & education) as well as training of personnel from public sector organizations. Lastly, terrorism is a common enemy for all and challenging the security environment of the region. While joining hands with SCO, Pakistan will be able to strengthen its security apparatus with renewed vigour.

Pakistan has signed free trade agreements with ECO, SAARC and later China. Pakistan being a potential candidate of SCO, would serve as a trade multiplier factor particularly via Silk Route. Pakistan's admission to SCO can open many panoramas of mutually beneficial economic cooperation between two sides. Economic opportunities will aim at earliest possible materialization of trade & energy corridor in the form of laying oil & gas pipelines (TAP) and road-rail link upto Gwadar. Trade and commerce, science and technology will be other potential areas of cooperation. The SCO forum can provide Pakistan an opportunity to solidify further its relations with China and improvement of bilateral relations with CARs. Economic Cooperation Organization (ECO) will provide an edge to Pakistan in this regard. The continuation of Pak – China relationship based on the principles of mutuality of interests and shared perception is the utmost requirement. China's tacit support to Pakistan for her admission to SCO is of great significance. Pak-China ties serve as bedrock for its foreign policy agenda and pursuing solidification of relations with China in the consensus of the people of Pakistan across the board. These will orchestrate/frame foundations of the relations warrant transforming into strategic partnership through" (Khetran, 2019).

For Pakistan, there are many challenges, despite being the partner of China's geoeconomic strategy and signing CPEC agreement. Pakistan is grappling with crippling economic crises at its soil moreover, security concerns. By becoming a member of SCO, Pakistan is hopeful to deal with both issues as "Pakistan being at the crossroad of Central Asia, South West Asia and South Asia very keenly monitored the emerging regional grouping and conceived it as an opportunity to play a responsible, constructive and positive role. Since Pakistan, in the aftermath of 9/11, badly suffered because of terrorism and extremism, she decided to join the SCO in any capacity considering converging interests. Pakistan and SCO have the potential to play a tangible role in bringing peace and stability in the wake of Post 2014 Scenario. SCO has successfully devised a strategy to promote regional security and domestic stability. SCO's security paradigm rotate around supporting military cooperation and collaboration as countering inter regional and intra-regional threats, including drug trafficking, arms trafficking, organized crimes and terrorism" (Khetran, 2019).

Discussion and Analysis

In international politics, Realists argue that national interests make the states either friends or adversaries of each other. State interests of the countries have been changed in the recent geoeconomic world order. States develop /establish political, diplomatic, military, cultural and social ties based on

economic relationship through bilateral trade. As Blackwill and Harris (2016, p.221) proposed, "National power depends above all on the performance of the domestic economy and the ability to mobilize and allocate its resources". Therefore, China's national power relies on its economic power. Economic statecraft is an effective instrument to obtain geopolitical objectives. China as an emerging power in the new geoeconomic world order utilizes economic statecraft to increase her geopolitical intents while trying to lessen the peril of an armed conflict. Undoubtedly, economic factors nowadays have a mammoth impact and impact over states' geopolitical resolutions. China's BRI is certainly from one of those decisions. China's use of geoeconomics as an apparatus of diplomacy to accomplish its foreign policy and national security objectives. (Roberts, et al., 2018)

Blackwill and Harris (2016) declared, "geo-economic tools accessible to the states such as trade policy, economic sanctions and foreign aid etc. have the symbiotic and antagonistic relationships. Four geo-economic endowments ensure that effectiveness: control over outbound investments; unique features of domestic markets; influence over commodity and energy flows and centrality of state in the global financial system". Furthermore, Blackwill and Harris viewed that "China's geo-economic approach to statecraft as the second main theme. China have employed implicit and explicit policies of economic coercion remarkably to align foreign policies of weaker states in sync with its own, to fence against local competitors and to challenge the American hegemony in global economy". Blackwill and Harris maintain their point by stating, "China's current economic strategy is a benign strategy that sees economic domination as its end". BRI as central to geo-economic relationships across countries is regional economic integration. Due to its importance in the political and economic well-being of a country, it has shaped the agenda in a country's international affairs.

Within the framework of the SCO, Pakistan has a great opportunity to start new energy projects, which not only provide energy but also promote economic integration. The two-mega projects including Iran-Pakistan (IP) and Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipelines will be very much beneficial for the region and will especially address Pakistan's energy requirements. The fulfilment of energy demands will help in enhancing productivity and ultimately, refining the economic situation of Pakistan. Furthermore, the transit charges of the gas and oil pipelines will fund millions of dollars to Pakistan's revenue (Khetran, 2019).

BRI is a part of China dream as President Xi Jinping upraised the model of the China Dream and affirmed, "We are closer than in any other period of history to the goal of the great revival of the Chinese nation" (Jinping,2013). The President at that juncture declared, "Those who know us are within the seas, and the brink of heaven feels like a next-door neighbourhood" (Jinping, 2013). It is clear from his further statement that China national interest is so economic and China will not miss an opportunity to yield its interest "We turn the opportunities of the world into China's opportunities and China's opportunities to those of the world" (Jinping, 2013).

Similarly, China's Foreign Minister Wang Yi statement shows that China's BRI is one of the efforts to enhance its national power. Wang Yi pronounces, "China has never been as close to the center of the world stage as it is today' and that China's relationships with surrounding nations rely on, tens of thousands of differing connections in humanity and a spontaneous feeling of affinity" (People's Daily,2013). National Minister and former Foreign Minister and Chinese Ambassador to the US Yang Jiechi further explained the China Dream by specifically referring to "equal and mutually respectful bilateralism as the vehicle" (Jiechi, 2013) which is a supportive tool in persuading for regional economic integration.

China's former Foreign Minister Wu Jianmin's statement further lay emphasis on "only by sharing China's economic development with the world would the rest of the world willingly cooperate with China"(Jianmin, 2013) that China's BRI is another way to win hearts of others in the favour of China which would ultimately aid China to have resilient national power. Therefore, "China dream" in terms of 'National Wealth and Strength' as declared by Xi Jinping in 2012 (Jinping, 2012) while anticipating to construct 'life communities' not only with its immediate neighbours. Likewise, Wang Yi expressed, it can also be a step to entice other states into its striking development by the use of China's contribution to them or persuade them not to encumber such development (People's Daily, 2014), as CPEC is one side of the dice.

President Xi remarked "In recent years, with joint efforts of both sides, the construction of CPEC has achieved 'remarkable results', bringing important benefits to the two peoples and adding strong impetus to regional prosperity" (Xinhua,2021). Correspondingly, Prime Minister Imran Khan of Pakistan also shares the same thoughts, "the Pakistani government was firmly committed to speeding up the construction of CPEC and is willing to work with China to push for further development of the strategic cooperative partnership between the two countries, so as to create a better future for their people" (MFAPRC, 2021).

Similarly, President of Pakistan Arif Alvi declared, "Pakistan fully supported the BRI of which CPEC was an important part. From the beginning, when Pakistan needed to improve its energy supplies, establish industry not only along the route but across the country, special economic zones, CPEC was going to be a harbinger" (CPEC Archives, 2021).

President Alvi remarked, "CPEC had been developing with a positive momentum since its inception in 2013, as a pioneer project of Belt and Road Initiative (BRI)." Chinese Foreign Ministry's spokesperson Wang Wenbin equally stated while fully agreeing, "We will ensure steady implementation of the current projects and focus on industrial and agricultural fields" (The Express Tribune, 2020). President Xi said "he attached great importance to the development of China-Pakistan relations". He further declared, "I am ready to work with Your Excellency to deepen strategic communication and pragmatic cooperation between the two countries, promote the high-quality development of the CPEC, and work together to build a closer China-Pakistan Community of Shared Future in the new era, for the benefit of the two countries and the two peoples" (The News, 2021).

All these statements from both side of governments' officials affirmed the understanding in transforming world where economics plays a vital role in shaping the policies both domestically and internationally. Foreign policies of both countries have been derived on mutual interests and it is no more a game of geo-politics rather has shifted to powering up geo-economics.

CONCLUSION

Klaus argued that by way of moving from geopolitics to geo-economics the set of all geographical locations encompassing economically important natural resources have become the center of attention so the global trend has been transforming the nation states (Klaus, 2012). This paper shows the cause and effect relationship between new geo-economics world order and shift from geopolitics to geo-economics and how geoeconomics is central to understand BRI, CPEC and Pakistan's rationale to join SCO not only to enhance its chances to secure economic benefits but resolve security disputes.

Examining the implications of China's geoeconomic strategy for Pakistan and China relations it is undoubtedly clear that Geo-economics is central to understanding to China is formulating new geo-

economics strategy in the form of BRI policy to power its future economy. There is no doubt Pakistan cannot get away from the geoeconomical world order and must need to play along; therefore, Pakistan inclusion has been inevitable in the BRI. Although, SCO is considered more security organization, but after China's BRI offers to the region in specific and world in general SCO is foreseen for gaining economic benefits and integrating regional economies.

In the system of development race Pakistan cannot circumvent or overlook the need of economic growth. Therefore, for Pakistan the only option is to accept Chinese offers along many benefits and yet unconditionally. China has shown interest in building infrastructure and posing development in the form of its BRI, which will eventually take along multifold benefits to Pakistan.

Either it is CPEC as the part of BRI or SCO, all these projects are ultimately enhancing China's foothold in the region nonetheless the fact cannot be ignored that many countries like Pakistan are eventually and will be eventually be the part of winning shares even if it is less than equivalent. It can be a way to look at this case, therefore, the reasons of joining these projects for the countries in general and Pakistan in particular is that they understand the role of China in the world politics and the system where politics, economics and security are subsequently interlinked that no country can sidestep.

By looking at the narratives of different scholars and their interpretations of geo-economics, the field seems to contain all kind of factors from geography, politics and economics. Several Western analysts describe BRI as a coercive mechanism. Thus, by evaluating the accounts of BRI studies the shift from geo-politics to geo-economics is obvious and facts cannot be denied either it is the case of Pakistan in specific terms being a part of (CPEC)/BRI or SCO. Stemming the conclusion from honorary remarks from both sides of government officials depict that it is not taken as a coercion.

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