

Silk Cage Series - II

Corridor, Client, or Catalyst? CPEC and Beijing's Strategic Leverage from Pakistan to the Indian Ocean

Webinar Report

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Institute for Security & Development Policy

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ABOUT ISDP

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LIST OF SPEAKERS



Elizabeth Threlkeld is a Senior Fellow and Director of the South Asia Program at the Stimson Center. Threlkeld has been with Stimson since 2018 and previously served as the Program’s Deputy Director. Her research interests include nuclear competition in Southern Asia, regional security dynamics, and geopolitics in the Indo-Pacific. Before joining Stimson, she served as a Foreign Service Officer with the U.S. Department of State in Islamabad and Peshawar, Pakistan, and Monterrey, Mexico. Threlkeld previously worked in the Kurdish region of northern Iraq, where she managed development interventions on gender-based violence and ethno-sectarian reconciliation. She has additional work and educational experience in China, Taiwan, and Turkey, and began her career with the Asia-Pacific Security Program at the Center for a New American Security.



Dr. Joshua T. White is a C.V. Starr Distinguished Professor of Practice at Johns Hopkins SAIS. He is currently an Anderson Scholar at SAIS Europe in Bologna, serves as the Faculty Co-Lead for the Asia Focus Area, and is the inaugural director of the U.S.-ASEAN and U.S.-Pacific Institutes for Rising Leaders. He is also a Non-resident Fellow in the Foreign Policy program at The Brookings Institution. He previously served at the White House as Senior Advisor & Director for South Asian Affairs at the National Security Council, where he staffed President Obama and the National Security Advisor on South Asia policy issues pertaining to India, Pakistan, Afghanistan, and the Indian subcontinent, and led efforts to integrate U.S. government policy planning across South and East Asia.



Prof. Ajay Darshan Behera is the Director of MMAJ Academy of International Studies, Jamia Millia Islamia University, New Delhi. Until recently, he served as the Coordinator of its Centre for Pakistan Studies. Previously, he held several academic and research positions, including Officiating Director of the Centre for Strategic and Regional Studies at the University of Jammu, Assistant Research Professor at Centre for Policy Research (CPR), New Delhi, and Fellow at Institute for Defence Studies and Analyses (IDSA), New Delhi. He has also been a Visiting Fellow at the University of Illinois at Urbana-Champaign and at the Brookings Institution, Washington, D.C.



Dr. Brendon J. Cannon is a specialist in international security, geopolitics, and emerging technologies, with particular expertise in the Indo-Pacific. He is currently Associate Professor of International Security at Khalifa University of Science and Technology in Abu Dhabi, UAE. His scholarship spans peer-reviewed outlets including *International Affairs*, *Geopolitics*, *Global Policy*, *The Pacific Review*, *Third World Quarterly*, and *Asian Security*. Dr Cannon earned his PhD in Political Science from the University of Utah (2009) and holds additional affiliations with international research and policy networks, including the Balsillie School of International Affairs, Institute of Security and Development Policy in Stockholm, and the Global Infrastructure Foundation Research Fund Japan.



Mr. Ryohei Kasai is a Visiting Associate Professor at the Center for South Asian Studies, Gifu Women's University, Japan. Working on international relations of South Asia, history of Japan-India relations, and Japan's Asia policy, he teaches these subjects at Yokohama City University and Komazawa University in Tokyo. He previously served as a political researcher/advisor for Japanese Embassies in Beijing, New Delhi, and Islamabad. Since June 2022, he has worked with the Japan-India Association as a director of the board (till June 2024) and an advisor (June 2024 to date). His recent works in English include "Confluence of Strategic Factors: Japan, India, and the Indo-Pacific," in Srabani Roy Choudhury ed, *India-Japan Partnership: Abe the Game Changer*, KW Publishers, 2024. He is the translator of the Japanese editions of Dr. S. Jaishankar's 'The India Way: Strategies for an Uncertain World' and 'Why Bharat Matters', published by Hokusisha in November 2022 and March 2025, respectively.

Moderator



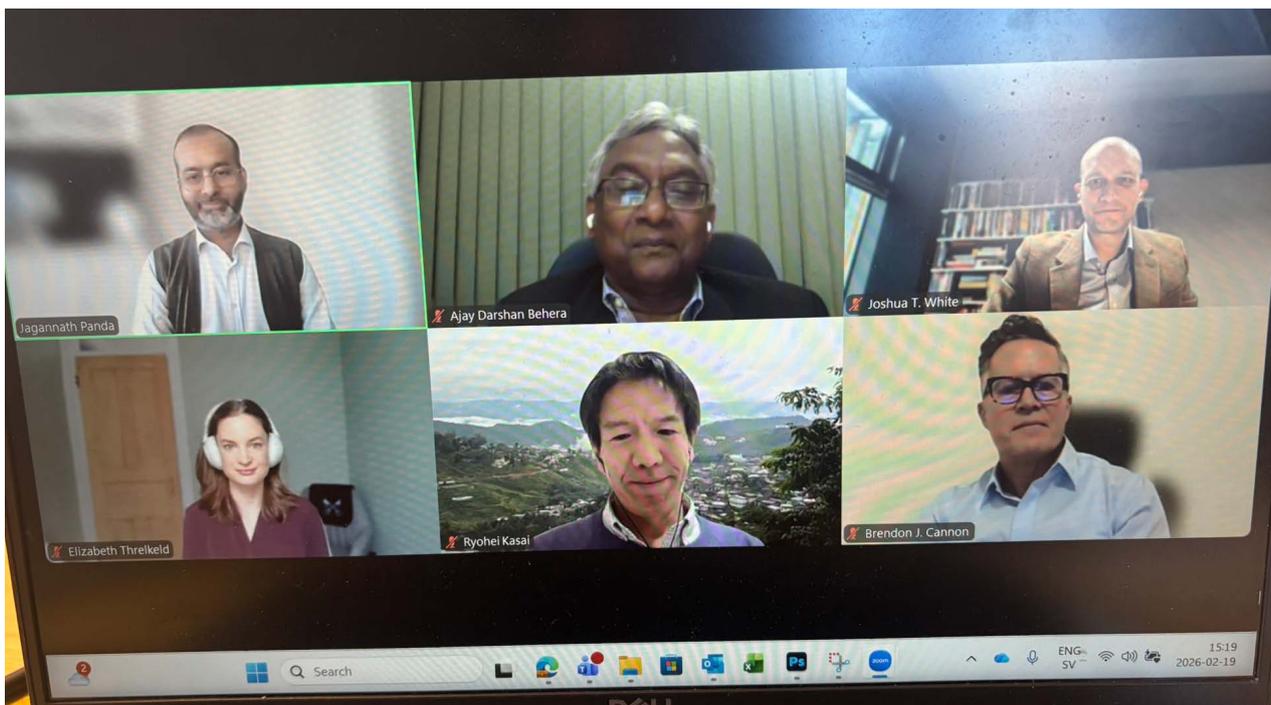
Dr. Jagannath Panda is the Head of the Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) at the Institute for Security and Development Policy (ISDP), Sweden. Dr. Panda is also a Senior Fellow at The Hague Center for Strategic Studies in the Netherlands. As a senior expert on China, East Asia, and Indo-Pacific affairs, Prof. Panda has testified to the US-China Economic and Security Review Commission at the US Congress on 'China and South Asia'. He is the Series Editor for *Routledge Studies on Think Asia*.

DISCUSSION

The second webinar in the Silk Cage series was held on February 19, 2026. This webinar addressed debates surrounding the China-Pakistan Economic Corridor (CPEC) with a central question: is CPEC primarily an economic development initiative, or does it function as a strategic instrument through which Beijing reshapes security alignments from South Asia to the Indian Ocean? While framed as a growth corridor vital to Pakistan's development, CPEC is increasingly viewed as a mechanism that embeds long-term strategic leverage, linking continental access to maritime reach. This tension between development and security anchored the discussion. A recording of the webinar is available on [YouTube](#).

CPEC occupies a distinctive place in China's external strategy. Designated as a "flagship corridor," it connects China's western regions to the Arabian Sea, providing Beijing with an alternative pathway to the Indian Ocean while deepening its strategic partnership with Pakistan. Unlike other

Belt and Road projects, CPEC has been explicitly securitized from its inception, reflecting China's growing concern with protecting overseas interests, personnel, and infrastructure. This evolution mirrors broader shifts in Chinese foreign policy under Xi Jinping, particularly the



articulation of the Global Security Initiative (GSI).

The GSI reframes security in expansive terms, emphasising regime stability, opposition to external interference, and the protection of development pathways. In the context of CPEC, this translates into deeper Chinese involvement in Pakistan's internal and external security environment. Security cooperation, intelligence coordination, counterterrorism engagement, and the protection of Chinese assets are increasingly institutionalised alongside economic investment. CPEC thus becomes not only a development corridor but also a security corridor, where economic infrastructure is inseparable from strategic oversight and political alignment.

Gwadar Port exemplifies this land-sea convergence. Promoted as the maritime terminus of CPEC, Gwadar links China's continental ambitions to the Indian Ocean Region. While officially civilian and commercial, Gwadar's supporting infrastructure, access arrangements, and security presence raise persistent questions about dual-use potential and long-term strategic intent. Within the GSI framework, port security, maritime logistics, and regional stability are presented as collective goods, yet they simultaneously enhance China's operational familiarity and strategic reach in the Indian Ocean.

Another central debate concerns asymmetry and agency. Pakistan has actively pursued CPEC to address structural



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– Jagannath Panda

economic challenges and strategic isolation. However, growing financial exposure, renegotiated power-sector contracts, and the expanding role of Chinese firms and security personnel increasingly shape Pakistan's policy choices. The deepening security dimension of CPEC under the GSI framework risks narrowing Islamabad's strategic autonomy, binding economic recovery and regime stability more closely

to Beijing's preferences.

This webinar, part of the Stockholm Center for South Asian and Indo-Pacific Affairs' (SCSA-IPA) research project titled "The Silk Noose: China's Power Architecture in South Asia and Indian Ocean Region," aimed to address the following questions:

- How does the Global Security Initiative reshape the strategic logic of CPEC?
- In what ways has CPEC evolved from an economic corridor into a security-linked influence mechanism?
- How does Gwadar connect China's continental strategy with its Indian Ocean ambitions?
- To what extent has CPEC altered Pakistan's strategic autonomy and security posture?
- What are the implications of CPEC for India's, Europe's, and other powers' continental and maritime security environment?

Dr. Jagannath Panda opened the session by introducing the main theme of the webinar. He noted that the discussion on the China-Pakistan Economic Corridor (CPEC) formed part of the ISDP research project titled "The Silk Noose: China's Power Architecture in South Asia and Indian Ocean Region," and was the second webinar in the Silk Cage series. The project examines China's power architecture in South Asia and the Indian

Ocean region. This particular webinar focused specifically on China's influence operations in Pakistan through the CPEC framework.

He emphasized that the CPEC should not be understood merely as a collection of roads, ports, and energy projects. Rather, he framed it as a strategic initiative that brings together multiple dimensions, including connectivity, security cooperation, political influence, and maritime access. In this sense, the CPEC represents a comprehensive strategic project rather than a purely economic or development-oriented corridor.

Framing the discussion, he posed the central question of the webinar: What is the nature of the CPEC? Is it primarily a development-focused initiative designed to assist Pakistan's economic growth, or does it function as a mechanism that increasingly locks Pakistan into China's strategic orbit?

To explore this question, he outlined three key analytical perspectives that would guide the discussion:

- CPEC as an instrument of China's strategic entrenchment in Pakistan;
- CPEC as a source of asymmetric dependence between Pakistan and China; and
- CPEC as either a regional stabilizer contributing to economic and security cooperation, or a geopolitical destabilizer with broader strategic implications. •

The first invited speaker, **Elizabeth Threlkeld**, began by examining the gap between expectations and realities surrounding the China-Pakistan Economic Corridor (CPEC), with a primary focus on developments in South Asia rather than on Chinese foreign policy narratives. She noted that recent media attention on CPEC 2.0, with its emphasis on industrialization, has been driven in part by the 75th anniversary of China-Pakistan diplomatic relations.

Reflecting on the first decade of CPEC investments, she argued that outcomes have been mixed. In its early years, the corridor was branded as a “transformational project” with ambitious economic and security objectives. Today, however, she suggested that CPEC has, in some respects, become a “victim of its own branding success”, as expectations often exceeded what could realistically be delivered. She also referred to debates among Chinese scholars about CPEC’s impact, noting disappointment among those who had expected major investment to “modernize” Pakistan’s economy but now argue that Pakistan has not effectively leveraged that opportunity.

She identified the power sector as the area where CPEC has had the most tangible impact. Investment peaked in the early years of the project, with more recent annual inflows declining significantly. This trend, she explained, reflects the fact that a decade ago Pakistan faced

severe power shortages that constrained economic growth, industrialization, and manufacturing. CPEC-related investments helped address this bottleneck by adding approximately 10,000 megawatts of generation capacity, thereby substantially reducing electricity shortages.

Despite these gains, she highlighted significant ongoing challenges, particularly contractual disputes and repayment difficulties associated with several power projects. These financial and legal issues, she argued, have complicated the long-term sustainability of CPEC investments in the energy sector.

Turning to the transportation sector, she noted that while major highways have been upgraded and made operational under CPEC, several flagship projects have stalled. In particular, she pointed to the ML-1 railway project, which has seen limited progress and was effectively deprioritized by China. As a result, Pakistan has sought support from the Asian Development Bank to move the project forward, underscoring the uneven implementation of CPEC’s transport agenda.

She also addressed developments at Gwadar, noting that while the port and a new airport are now in place, cargo volumes remain relatively modest.

Security concerns formed another key part of her analysis. She highlighted repeated attacks targeting Chinese workers and engineers involved in CPEC



“It is important to differentiate CPEC itself as a project from the broader China-Pakistan relationship, which I think is a much greater whole that CPEC is only a part of.”

– Elizabeth Threlkeld

projects, describing these incidents as a major source of tension in China-Pakistan relations and a significant constraint on project implementation.

She concluded by stressing the importance of distinguishing between CPEC as a specific infrastructure and investment project and the broader China-Pakistan relationship, of which CPEC is only one component. In this regard, she pointed to China’s strong political and military support for Pakistan during periods of heightened India-Pakistan tensions, including the role of Chinese military hardware, as evidence that the bilateral relationship extends well beyond the scope of CPEC alone.

The next speaker, **Dr. Joshua T. White**, advanced two central arguments regarding the China-Pakistan Economic Corridor (CPEC), challenging both its conceptual framing and its strategic implications.

His first argument was that CPEC does not function as a corridor in the conventional sense. He noted that corridors, by definition, are meant to connect one place meaningfully to another. While CPEC has facilitated substantial investments in Pakistan’s power and transportation sectors, these investments, he argued, have not significantly connected Pakistan with China or with other regional markets beyond the flow of capital itself.

Looking ahead to CPEC Phase II, he observed that current priorities appear to focus on agriculture, special economic zones (SEZs), industrial cooperation, and information technology. With the possible exception of the IT sector, he argued that these areas are not inherently connectivity-oriented. In agriculture, for instance, Pakistan’s exports of agricultural and livestock products to China have increased modestly in recent years, indicating some growth in trade. However, much of this engagement, he suggested, resembles technical assistance and capacity-building by Chinese experts within Pakistan rather than the creation of a transnational economic corridor.

Similarly, he described the SEZ and industrial partnership components as

highly vague. While it is possible that Chinese firms could invest in Pakistan to produce goods for export to the Gulf or other markets, he argued that such activity still falls short of constituting a corridor in a meaningful sense.

Even in the IT sector where there is clearer evidence of connectivity through the convergence of technology ecosystems and Pakistan's increasing use of Chinese technology stacks he maintained that this does not yet amount to corridor-style integration, although it may lay the groundwork for future forms of connectivity.

He summarized this point by stressing that while CPEC investments are not insignificant, neither the earlier phases nor the planned next stage of the project demonstrate the level of connectivity typically associated with a corridor.

His second argument was that CPEC functions as a platform for influence, but not for influence projection. He argued that CPEC clearly serves as a mechanism through which China exerts influence over Pakistan, and that this relationship is mutually beneficial. However, it does not yet enable China to project power beyond Pakistan in a meaningful way. In particular, he noted that there are no CPEC-related investments that clearly facilitate operations by the People's Liberation Army (PLA) Navy. Moreover, he questioned what additional capabilities China would gain in the Indian Ocean or



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– Joshua T. White

Arabian Sea through CPEC that it does not already possess without Pakistani infrastructure.

He identified two areas where greater influence projection could potentially emerge in the future. The first is the technology and IT domain, where deeper integration could enhance long-term strategic interdependence. The second relates to Pakistan's recently signed defense cooperation agreement with Saudi Arabia, which could imply expanded defense-industrial collaboration. Such

developments, he suggested, could indirectly involve China, given the depth of China-Pakistan defense ties.

Nevertheless, he argued that these dynamics are unlikely to alter the fundamental character of CPEC in the near term. Infrastructure development and large-scale investment, he emphasized, are inherently slow processes. He also pointed out that Pakistan has not attracted significant BRI investment in energy and minerals, despite the global emphasis of BRI financing in these sectors.

Finally, he underscored the constraining role of domestic security dynamics in Pakistan. Echoing earlier remarks, he noted that the increasing frequency of attacks targeting Chinese citizens and workers, along with strong and highly public Chinese reactions at senior political levels, have created a deteriorating security environment. Under such conditions, he argued, it is difficult to envision either deeper corridor-style integration or meaningful power projection, as security concerns act as a significant dampener on both trajectories.

Prof. Ajay Darshan Behera continued the discussion by reinforcing earlier arguments on the importance of using precise terminology when describing the CPEC. He emphasized that the meaning and strategic value of CPEC differ significantly for China and Pakistan.

From China's perspective, he argued, CPEC offers a potential strategic advantage by reducing dependence on the Malacca Strait and shortening energy transportation routes from approximately 12,000 kilometers to around 2,500 kilometers. This, he noted, could translate into savings of roughly USD 2 billion annually. For China, therefore, CPEC carries a clear strategic and geoeconomic logic. For Pakistan, by contrast, the appeal of CPEC lay primarily in its promise of large-scale investment at a time of mounting economic difficulties since around 2010, with projected investments amounting to approximately USD 56 billion.

However, he stressed that the reality of CPEC has diverged considerably from its initial projections. According to him, several factors help explain this gap between expectations and outcomes.

The first, he argued, is China's limited understanding of Pakistani society. China, he suggested, engages primarily with Pakistan's political and military elite and the state apparatus, rather than with Pakistani society at large. As a result, Beijing lacks a nuanced understanding of local social dynamics and complexities that

directly affect the implementation of large-scale projects such as CPEC.

Second, he highlighted the lack of transparency surrounding CPEC. Despite investments in highways, railways, and power generation, key details remain unclear, including loan conditions, interest rates, repayment mechanisms, and the precise economic logic underpinning the projects. There is also limited clarity regarding where goods are produced and where they are ultimately destined, making it difficult to assess the corridor's real economic viability.

On the economic front, he pointed to Pakistan's mounting debt burden. He noted that Pakistan owes roughly USD 30 billion to China, in addition to an estimated USD 130 billion owed to various international and multilateral lenders. Taken together, these obligations have contributed to a severe debt crisis. Crucially, he argued, CPEC has not yet generated the level of production growth or economic transformation necessary to enable Pakistan to manage or exit this debt trap in the short term.

The security dimension, he argued, has proven even more complex than either China or Pakistan initially anticipated. Within Pakistan, CPEC has exacerbated regional grievances, particularly perceptions that Punjab has disproportionately benefited from investments, while Sindh and especially Balochistan have been marginalized. In Balochistan, he noted, there is a widespread belief that CPEC



“China deals with the Pakistani elite. It deals with the state of Pakistan. It doesn't really understand the society of Pakistan. As a result, Beijing lacks a nuanced understanding of local social dynamics and complexities that directly affect the implementation of large-scale projects such as CPEC.”

– Ajay Darshan Behera

projects primarily extract local resources without delivering tangible benefits to the local population.

He further criticized the Chinese approach to project implementation, noting the limited involvement of local labor and stakeholders. In Gwadar, for example, local populations reportedly

remain excluded from port operations, with little employment generation for residents. These grievances, he argued, have fueled resentment and contributed to the persistence of Baloch insurgency, which poses a direct challenge to the viability of CPEC.

Addressing security responses, he questioned whether China's Global Security Initiative (GSI) offers any meaningful solutions to these challenges. He observed that China has increasingly pressured Pakistan to provide enhanced security for Chinese engineers and personnel, and that reports suggest China has begun deploying its own security personnel or relying on private security firms. He expressed skepticism about the long-term sustainability of this approach, particularly as long as instability in Balochistan persists.

He argued that more than a decade of CPEC investment has failed to produce the expected logistical outcomes, noting that there is still little evidence of goods or energy resources moving to China through the so-called corridor. At the same time, despite deepening economic dependence and security cooperation, Pakistan's internal security situation has continued to deteriorate.

He concluded by noting that Pakistan itself appears to be hedging strategically. While China has expressed interest in establishing a stronger military or naval presence, Pakistan has not permitted Gwadar to develop into a formal naval

base. This restraint, he suggested, reflects Pakistan's awareness that it cannot afford to become entirely dependent on China, and must carefully balance its strategic relationships even within the framework of CPEC.

Dr. Brendon J. Cannon framed his intervention through a geopolitical and international-structural lens, situating CPEC within China's broader global ambitions and the logic underpinning BRI. He began by noting that many BRI projects worldwide, particularly in the Western Indian Ocean region, have proven economically unviable even after substantial investment. While such projects can generate dependency, leverage, and access for China, they also carry significant risks, including the potential for relations between China and host states to deteriorate.

He agreed with earlier speakers that CPEC does not currently function as a genuine economic corridor. However, he emphasized that CPEC could evolve into both an economic corridor and a strategic instrument, precisely because it is rooted in classical geopolitical logic rather than short-term economic rationality. In this sense, CPEC should be understood as part of the broader "silk cage" architecture discussed in the seminar as a network of potential connectivity across Eurasia and into the Indian Ocean designed to generate

long-term leverage, access, and strategic depth for China.

Dr. Cannon argued that the Chinese Communist Party leadership consists of highly astute geopolitical thinkers. To illustrate the strategic logic behind CPEC, and Gwadar in particular, he drew on classical geopolitical theories. Referencing Halford Mackinder's Heartland Theory, he explained that control over the Eurasian heartland, broadly defined as the space between the Volga River and Inner Mongolia, could provide the resources and strategic depth necessary to contest global hegemony. This control need not be achieved through conquest, but through influence, access, and connectivity spanning Eurasia and Africa.

He also invoked the work of Nicholas Spykman, who emphasized the strategic importance of the Eurasian rimland, which is the littoral zones where sea power, trade, population, and economic activity are concentrated. According to Spykman's logic, dominance over the rimland allows states to contain or "bottle up" potential heartland challengers. From this perspective, he suggested, India's concerns about Gwadar and CPEC are understandable, as the corridor introduces a potential strategic dilemma even if it is not fully operational.

Placing CPEC within the contemporary strategic environment, Dr. Cannon argued that the Indo-Pacific has emerged as the primary arena for global conflict and



“Many BRI projects worldwide, particularly in the Western Indian Ocean region, have proven economically unviable even after substantial investment. The potential dependency that comes from China’s leverage and access may also turn things sour between China and the host state.”

– Brendon J. Cannon

cooperation, elevating the importance of the Indian Ocean in ways not seen during the Cold War. China, he noted, remains constrained in the Western Pacific, particularly due to U.S. hub-and-spoke alliances and Taiwan's independence, which creates strong incentives for Beijing

to expand its influence across terrestrial Eurasia via Central Asia, and Pakistan. Ideally, from China's perspective, sustained access to both the Arabian Sea and the Bay of Bengal would help encircle India and mitigate China's strategic vulnerabilities, including the so-called "Malacca Dilemma."

In this context, CPEC has the potential to become pivotal. Economically, it could eventually serve as a pathway for exports, development, and energy flows from the Gulf to China. Strategically, it could provide China with leverage, access, and influence over key maritime approaches. However, he stressed that China's limited understanding of Pakistan, a challenge Beijing also faces in other BRI partner states, remains a major obstacle. China's reliance on a modernization-centric development model has failed to account for local political, social, and security realities.

He concluded by observing that both Pakistan and China have been disappointed by CPEC and Gwadar, in particular. China has not achieved the strategic or economic outcomes it initially sought, while Pakistan has fallen short of its expectations regarding growth and transformation. Nevertheless, elements of the corridor are gradually taking shape, and the port of Gwadar has been operational since 2016—albeit with limited success and underwhelming results thus far.

Ryohei Kasai responded to a question on how CPEC should be understood based on his visits to Pakistan, as well as how Japan views CPEC, Pakistan's future, and China-Pakistan relations more broadly.

He began by observing that when China advances large-scale flagship projects, whether under the BRI or specific corridors, the original meaning of these initiatives tends to diffuse over time. Drawing an analogy with the "Silk Road," he noted that China now refers to multiple Silk Roads: across Eurasia, the maritime domain, the Arctic ("Ice Silk Road"), and even outer space. In this sense, CPEC has also evolved beyond its original conceptual clarity.

Turning specifically to CPEC, Mr. Kasai argued that while it is formally described as a corridor, it is not fully connected in practice. Rather, it should be understood as a collection of diverse infrastructure and economic projects rather than a single, coherent connectivity framework. When the initiative began over a decade ago, it was framed primarily as a bilateral China-Pakistan project. However, in recent years, particularly from the Chinese perspective, there has been a visible effort to internationalize and multilateralize CPEC, especially across the Arabian Sea.

He pointed out that China has sought to involve additional regional actors, including Saudi Arabia and Afghanistan, in CPEC-related projects. While Afghanistan's participation remains unlikely due to regional political tensions, these outreach

efforts indicate that Beijing increasingly views CPEC not merely as a bilateral undertaking, but as a broader regional platform.

Mr. Kasai further highlighted the growing interest of international and regional development institutions in CPEC-linked projects. In this context, he referred to the role of the Asian Development Bank, particularly regarding the ML-1 railway modernization project. Recent reports suggesting that the ADB may provide approximately USD 2 billion for this project, and could signal the emergence of a new phase of CPEC, one that involves greater multilateral participation rather than exclusive reliance on Chinese financing.

From Pakistan's perspective, he emphasized that Chinese investment and cooperation remain crucial for national development, especially given the country's economic constraints. At the same time, he stressed that Pakistan is increasingly conscious of debt sustainability risks and the possibility of falling into long-term repayment difficulties. China, too, is aware of the growing international criticism surrounding "debt trap" narratives associated with BRI projects.

Referring to experiences elsewhere such as Sri Lanka, Mr. Kasai cautioned that Pakistan's debt exposure is significantly larger, and while repayment pressures may only intensify 10–15 years from now, they could become a serious structural challenge depending on Pakistan's future



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– Ryohei Kasai

economic trajectory.

Addressing Japan's role, Mr. Kasai noted that Japan was once among Pakistan's largest aid providers. However, as Chinese involvement expanded over the

past decade, Japan's economic assistance to Pakistan has declined in scale and scope. Today, Japanese Official Development Assistance (ODA) in South Asia has shifted primarily toward India and Bangladesh. In Pakistan, Japan's engagement is now more limited and focused on humanitarian and social sectors, such as education, healthcare, and polio eradication, rather

than large-scale infrastructure projects.

He concluded by emphasizing that while Japan remains committed to supporting Pakistan's development, its role today is far more constrained than it was 10 or 20 years ago—reflecting both changing regional priorities and the dominant presence of China in Pakistan's development landscape.

Q&A

Dr. Jagannath Panda directed the panel's attention to the questions submitted in the Q&A session. He specifically highlighted a question regarding the "client state" phenomenon in Pakistan, which questioned whether Pakistan is simply a subordinate to China or a more complex partner, considering decades of Chinese investment and their strategic military goals in the Indian Ocean. Building on this, Dr. Panda asked the speakers to consider how much Pakistan's strategic autonomy has been impacted over the past decade. He also noted Pakistan's internal political instability, marked by shifts between military and civilian leadership and asked the panel to evaluate how these domestic factors and Chinese influence have collectively shaped Pakistan's independent policy-making.

Dr. Joshua T. White opened the discussion by analyzing the broader

strategic landscape before narrowing his focus to the specific case of Gwadar. He argued that Pakistan's strategic autonomy remains robust, noting that while the country maintains deep-rooted intelligence and security ties with China, it has successfully avoided an exclusive dependence. Dr. White pointed to several key developments as evidence of this independence, such as Pakistan's rekindled relationship with the United States regarding critical minerals and its negotiated defense partnerships with Saudi Arabia and Turkey. He described Pakistan as a potentially capable "middle-tier" defense exporter and suggested that the underwhelming progress of CPEC Phase 2 has ironically provided the country with more room for independent strategic maneuvering.

Regarding Gwadar, Dr. White addressed the significant gap between the project's

potential and its current reality. While it was intended to be a major strategic and economic asset, he noted several hurdles, including a lack of basic infrastructure like fresh water and the apparent freezing of luxury real estate projects since 2022. He argued that the port's military utility remains underdeveloped, especially since existing facilities in Karachi are already available.

However, he suggested that Gwadar could still serve "dual-use" functions for China, such as information gathering or secure communication networks, even in the absence of significant commercial shipping. Dr. White concluded by warning that while Gwadar remains the "flagship" of Chinese investment, the lack of fresh funding in other sectors risks making the project less impactful. He noted that officials often over-emphasize Gwadar's importance simply because it is a visible project at a time when investments in IT and agriculture remain largely unseen.

Dr. Jagannath Panda expressed his agreement with Dr. White, specifically highlighting the energy and metals sectors as areas where Pakistan has not been adequately rewarded for its strategic positioning. He then transitioned the discussion to **Prof. Ajay Darshan Behera**, who offered a contrasting perspective on the nature of Pakistan's strategic autonomy. Prof. Behera argued that Pakistan lacks true autonomy and, historically, has not actively sought it. He suggested that Pakistan faces

a fundamental strategic dilemma: because it views India as its primary security challenge and cannot address it alone, it consistently invites external powers into the region to form strategic alliances. Prof. Behera described this behavior as the "frontline state syndrome," where Pakistan positions itself as a willing partner for global powers to secure its own interests. He referenced historical grievances within Pakistan, noting how officials have lamented being "used and discarded" by the United States once they were no longer central to American strategic goals. He pointed out a significant difference in these foreign relationships, noting that while the U.S. provided over \$32 billion in aid, the economic benefits from China are structured very differently.

Despite these differences, he argued that the concept of strategic autonomy is almost irrelevant because Pakistan's dependence on China has become a necessity. However, Prof. Behera stopped short of labeling Pakistan a "client state," noting that the country still resists certain Chinese demands, such as the deployment of Chinese militia in Gwadar.

He also introduced a societal critique of the CPEC, suggesting that the project primarily benefits small elites in both countries rather than the general population. This dynamic, he claimed, has fueled perceptions of corruption and contributed to the nation's rising debt. Furthermore, he addressed the immense pressure China has

placed on Pakistan regarding the safety of Chinese nationals, leading to the creation of the Special Security Division.

He concluded that while Pakistan has become increasingly dependent on China, there is clear domestic dissatisfaction and an effort to come to terms with this reality, which can explain its current efforts to reconnect with the United States and other regional powers.

Ms. Elizabeth Threlkeld echoed the earlier points regarding Pakistan's significant strategic turnaround over the past year. She noted that in 2023 and early 2024, Pakistan faced unusual public pressure from the highest levels of the Chinese government regarding security issues, while simultaneously feeling isolated by the Biden administration. This combination of factors initially narrowed Pakistan's options; however, Ms. Threlkeld argued that it is ultimately in China's interest for Pakistan to have broader international options. Such agency allows Pakistan to negotiate from a stronger position despite its heavy debt and dependency.

While she concluded that Pakistan's foreign partnerships are currently on an upswing, she questioned the long-term sustainability of this trend. A critical part of her analysis focused on the internal security challenges within Pakistan's western border regions, specifically in Balochistan and Khyber Pakhtunkhwa, where relations with Afghanistan remain in turmoil. Regarding the "client state" label,

Ms. Threlkeld argued that the reality is far more complex. She pointed out that the Gwadar project was originally proposed by Pakistan to China as a way to protect against a potential Indian naval blockade of Karachi and to secure oil imports from the Middle East. While she acknowledged that countries like India naturally view these capabilities with concern, she concluded that, for the moment, the Gwadar project faces significantly more challenges than advantages.

Mr. Ryohei Kasai sought to address the nature of Pakistan's strategic autonomy. He argued that while Pakistan may not possess true autonomy, the country is highly skilled at presenting itself as strategically significant. He noted that although China had an interest in Gwadar for some time, Pakistan was very effective at selling the project's potential. However, Mr. Kasai highlighted significant regional hurdles, including a lack of clean water and poor connectivity. He specifically questioned the logistical challenges of connecting the remote port city to Pakistan's major urban centers.

Furthermore, Mr. Kasai drew attention to the growing importance of neighboring ports, specifically Chabahar in Iran and Pasni in Pakistan. He noted that Pakistani officials have been working to make Pasni a more attractive hub for exporting critical minerals, a development that has caught the attention of international actors, including the United States. He concluded

that analyzing Gwadar in isolation is no longer sufficient; instead, it must be compared with Chabahar and Pasni, as these competing maritime interests will become a crucial topic in the coming years.

Concluding the first session, **Dr. Brendon J. Cannon** offered that Pakistan exemplifies as a "classic client state." However, he clarified that this designation does not imply a total lack of autonomy, drawing a historical parallel to Egypt's strategic maneuvering during the Cold War. He characterized Pakistan's recent diplomatic outreach to the United States as an opportunistic move by Islamabad to curry favor with U.S. President Donald Trump. Regarding Pakistan's ties with Turkey and Saudi Arabia, Dr. Cannon expressed skepticism, noting that these nations cannot provide the same level of support as China and that their differing regional interests may prevent these partnerships from fully materializing.

Turning to the Gwadar project, Dr. Cannon remarked that it all looked so promising for China on the map coupled with the idea "If we build it they will come." This is a trend seen in similar projects across East Africa and the Indian Ocean, but the reality is far more complex. He noted that although Gwadar had been discussed since the 1960s, Pakistan failed to make it materialize strategically or economically. It took Chinese investment and engineering to do so. Due to persistent instability in Balochistan, however, he argued that

Gwadar may never be fully viable, echoing Mr. Kasai's suggestion that the port of Pasni might serve as a more practical alternative.

Ultimately, Dr. Cannon suggested that China is taking a long-term view, essentially following the historical blueprints of global powers like Britain and the United States from a century ago. He concluded that while the Belt and Road Initiative (BRI) looks impressive in theory, many of its projects are situated in highly complex regions where execution is difficult and where host states still maintain a significant degree of independent agency.

Dr. Jagannath Panda then transitioned to the final round of participant questions. He noted the recurring emphasis on Balochistan in the guest comments, suggesting it as a critical focal point for examining the extent of Chinese influence over Pakistan's internal governance. Specifically, he raised the question of whether projects under CPEC have allowed the People's Liberation Army (PLA) to exert undue influence over Pakistan's primary security institutions, the ISI and the military. This led to a broader discussion on the role of insurgency and how it shapes Sino-Pakistani cooperation.

Dr. Panda further challenged the speakers to evaluate whether CPEC serves as a form of diplomatic leverage for Pakistan in its dealings with regional neighbors like Afghanistan, or with strategic partners such as Turkey, Saudi Arabia, and Qatar. He asked the panel to identify which of

these relationships are currently prioritized by Islamabad and how the "chemistry" of CPEC factors into these partnerships.

Ms. Elizabeth Threlkeld addressed the final questions by acknowledging the active insurgency in Balochistan, noting that local tensions are driven by a deep-seated frustration among citizens. She explained that many perceive the state's elite as exploiting regional resources without ensuring that benefits reach the local population. These dynamics have made CPEC projects high-profile targets for insurgents, particularly as many resources are located in conflict-affected areas.

Echoing Dr. White's earlier points, Ms. Threlkeld expressed concern over the current lack of a functioning "corridor," arguing that without the necessary infrastructure and connectivity to leverage these resources, the project's sustainability remains questionable. To illustrate these security challenges, she cited the frequent attacks on road and rail infrastructure in Balochistan over the past year, specifically mentioning the Jaffer Express, connecting Quetta and Peshawar, as a recurring target. Looking ahead, she warned that maintaining security for burgeoning industries, such as critical mineral extraction or special economic zones, will be a significant and costly challenge. She suggested that the manner in which these projects have been marketed could actually worsen local grievances if the underlying issue of regional inclusion is not addressed.

Finally, Ms. Threlkeld emphasized the importance of distinguishing the specific CPEC projects from the broader China-Pakistan relationship, as they represent different strategic narratives. She clarified that while there is ongoing defense cooperation between Pakistan, Turkey, and Saudi Arabia, she does not see this leading to an expansion of CPEC. Similarly, while there has been long-standing discussion regarding Afghanistan or Iran joining the initiative, she believes any such developments would likely be limited to discrete interests-based cooperation rather than an extension of the CPEC framework.

Dr. Joshua T. White offered three key observations on the strategic and security dimensions of Pakistan's international partnerships. First, he compared Pakistan's industrial cooperation with Turkey against its long-standing ties with China, noting that the two have fundamentally different structures. While the relationship with China has historically focused on co-production and broad trade spillover effects, he described the Turkish partnership as less integrated and politically salient. He also pointed out that the performance of Turkish drones and munitions in recent conflicts appeared less significant than China's contributions, potentially affecting the future weight of that alliance.

On the subject of intelligence, Dr. White noted a focus on protecting infrastructure projects and mapping militant networks in unstable regions like Balochistan. He

observed that while maritime connections are growing, the Sino-Pakistani relationship often acts as a "negative draw," consuming significant time and energy from both nations.

Dr. White addressed the "securitization" of development corridors. He recalled how the first Trump administration successfully branded Chinese investment as "debt-trap diplomacy," a narrative that persisted and effectively cautioned smaller nations against Chinese loans. He argued that this securitized lens has forced China to adapt its strategy; to avoid looking like a purely military actor, Beijing is looking to strengthen the alignment of CPEC's Five Corridors, namely Growth, Livelihoods, Innovation, Green, Openness with Pakistan's URAAN Program centered on the 5Es framework of Exports, E-Pakistan, Environment and climate change, Energy and infrastructure, Equity, Ethics and Empowerment. This shift represents an effort to present CPEC as a non-securitized, socio-economic initiative to counter international fears and local militant opposition.

Prof. Ajay Darshan Behera provided an analysis of the inherent security risks associated with development corridors in politically unstable regions. He argued that the securitization of these projects was predictable, given Pakistan's history of internal unrest. Prof. Behera specifically noted that the Baloch insurgency, traditionally driven by a belief that the

Punjabi elite exploits local resources, now views Chinese involvement as a secondary layer of that exploitation. He pointed out that while local populations once hoped CPEC would bring regional development, those expectations have gone unfulfilled, leading to an increase in attacks on Chinese nationals over the past few years.

Furthermore, Prof. Behera suggested that China lacks a nuanced understanding of these insurgencies, leading to a "security dilemma" where increased Chinese involvement in providing its own protection further inflames local tensions. He noted reports of Chinese military personnel and private security firms already operating in Pakistan to guard assets like coal mines. He concluded that this trend would likely lead to more complex issues regarding Pakistani sovereignty and could inadvertently motivate insurgents to target Chinese assets more directly.

Dr. Brendon J. Cannon agreed with the need to distinguish specific CPEC projects from the broader, more enduring China-Pakistan alliance. He characterized the bilateral relationship as a "marriage of convenience" rooted in shared geopolitical interests against India and China's desire for a strategic "backdoor" to the Indian Ocean. From Islamabad's perspective, the partnership provides access to infrastructure and technology that other nations are unwilling to offer. However, Dr. Cannon remained skeptical about the commercial success of Gwadar, describing its current

status as "aspirational" rather than viable. Despite its economic underperformance, he emphasized the port's unavoidable dual-use potential, citing infrastructure such as undersea cables that could serve strategic military purposes. He concluded by noting that while Gwadar likely looks impressive in strategic planning, large-scale projects in such difficult environments rarely pan out as originally intended.

Mr. Ryohei Kasai concluded the discussion with three primary observations. First, he highlighted the growing alignment between Pakistan, Saudi Arabia, and Turkey, noting their participation in the "Board of Peace" initiative established under the Trump administration in late 2025. He questioned whether this coordinated stance would lead to a more unified regional policy regarding peace and reconstruction in Gaza.

Second, Mr. Kasai discussed the recent expansion of Pakistan's foreign policy beyond its traditional focus on India. He specifically pointed to the significant diplomatic ties with Bangladesh following its 2024 political transition and subsequent 2026 elections, as well as Pakistan's outreach to Malaysia to diversify its economic and defense partnerships.

Third, Mr. Kasai addressed the ongoing instability in Balochistan, interpreting the persistent insurgencies as a clear sign that local populations feel isolated and excluded from major development projects. He warned that this internal friction would

continue to be a significant point of tension between Beijing and Islamabad.

He also drew attention to the deep institutional links between the Pakistani and Chinese militaries, noting that the relationship goes far beyond arms sales. He highlighted the extensive professional exchanges, such as Pakistani military and police officers receiving specialized training at the Chinese National Defense College and institutions in Xinjiang. Mr. Kasai concluded that these long-term institutional exchanges would likely have a much more profound and lasting impact on Pakistan's state structure than is currently recognized.

KEY TAKEAWAYS

- **CPEC is not a corridor in the classical sense**
Despite being framed as a connectivity corridor, CPEC has not meaningfully connected Pakistan with China or with wider regional markets beyond the flow of capital itself. While investments in Pakistan's power and transportation sectors have been significant, they have not produced sustained cross-border connectivity. The most tangible form of connectivity has emerged in the IT sector.
- **Chinese modernization assumptions have not aligned with Pakistani realities**
The Chinese modernization framework underpinning CPEC has faced structural limitations in Pakistan. A central reason for this mismatch is China's limited understanding of Pakistani society.
- **Security challenges have constrained CPEC's connectivity potential**
Persistent domestic security concerns, including attacks targeting Chinese personnel and assets, have emerged as a major challenge to the deeper integration of the CPEC-related projects.
- **Concerns over dependency shape Pakistan's strategic calculus**
While CPEC has increased Pakistan's economic reliance on China, Islamabad has shown caution in preventing over-dependence.
- **Debt sustainability and financial disputes pose long-term risks**
Notwithstanding early CPEC investments, mounting debt obligations, repayment concerns, and contractual disputes have raised serious questions about Pakistan's ability to derive long-term developmental benefits.
- **Strategic ambitions outweigh commercial and developmental outcomes**
CPEC is driven more by long-term geopolitical logic than immediate economic viability. For China, the project reflects efforts to diversify access routes, mitigate maritime chokepoint vulnerabilities, and generate strategic leverage in the Indian Ocean region, even if these objectives have not yet translated into operational gains.

- **Strategic autonomy and global linkages**

There is a fundamental disagreement on whether Pakistan possesses true strategic autonomy. Some experts view Pakistan as a “classic client state” or a “frontline state” that survives by inviting external powers into the region to balance its security against India. Others argue that its autonomy is stronger, proven by its ability to maintain ties with other countries, sometimes beneficial for China as well.



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