



Gilgit- Baltistan - China -Pakistan Economic Corridor: Implications for India

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Introduction:

Gilgit-Baltistan is located in the northern part of Pakistan occupied Kashmir (POK) and is characterized by its low population density and mountainous terrain. This holds immense strategic importance for both Pakistan and India. The region in question serves as a vital link between Pakistan and China, supplying the majority of their freshwater resources. The region is abundant in mineral resources, including a wealth of precious metals and significant quantities of radioactive material. In terms of geopolitical significance, this area holds great sensitivity for Pakistan and has gained even more political and strategic importance due to the establishment of the Karakoram Highway (KRH). This highway serves as a link between China and Pakistan and is said to facilitate trade worth billions of dollars.

Pakistan is determined to maintain its authority over the region, and it achieves this by sowing discord among the local population and inciting sectarian conflicts, thereby preventing any demand for autonomy. India is concerned about Gilgit-Baltistan because it is a region that legally belongs to India but is currently occupied by Pakistan. The international community has not given this region the attention it deserves. The region serves as a strategic access point for India to the Central Asian Region (CAR) and the markets of the Middle East and beyond, extending all the way to Europe.

China has initiated a massive endeavor known as "One Belt, One Road" (OBOR), in which CPEC is one of the six envisioned economic corridors. The dynamics of this strategic region are undergoing further changes with the implementation of this project. China and Pakistan have announced their intention to establish a trade corridor through Gilgit-Baltistan, with the aim of facilitating regional trade and commerce between the two nations. The objective is to construct a railway connection between Kashgar and Gwadar, as well as exploit energy and mineral resources in these plains. These advancements present unparalleled prospects for the residents of Gilgit-Baltistan, although they do come with inherent risks.

Perspective on Gilgit-Baltistan

History.

Gilgit-Baltistan emerged as two distinct political entities, known as Dardistan or Gilgit and Baltistan, although there were periods when they were united under a single political entity. Gilgit, alternatively referred to as Dardistan, is the region inhabited by the Dards or individuals who speak the Dardic language. The area was included within the territorial dominions of the Mauryan and Kushan Empires. During the subsequent period, nearly all the contemporary regions of the state of J & K were under unified governance. In the medieval era, Baltistan was widely recognized as Tibet-Khurdor, also referred to as "Little Tibet". The inception of Baltistan's history can be traced back to the propagation of Buddhism during the reign of the Kushanas. In the 8th century, the region was under the control of Lalitaditya's Empire and had significant connections with Gilgit and Kashmir. Following the rise of the Mughal Empire, Kashmir fell under Mughal control, except for Gilgit and its surrounding regions. The two political entities were ultimately consolidated under Sikh rule and continued to be united during the subsequent Dogra rule. Following the Sikh Army's defeat in 1846, the British appointed Gulab Singh as the Dogra ruler with full sovereignty over the territories of Jammu, Kashmir, and Ladakh, along with Gilgit, Chilas, and Baltistan.

Gilgit-Baltistan under Pakistan Control.

The inclusion of Gilgit-Baltistan was officially recognized through the signing of an agreement on 28 April 1949 between the Presidents of 'Azad Kashmir' and the Muslim Conference. The Ministry of Kashmir Affairs had direct control over Gilgit-Baltistan. The Frontier Crimes Regulations (FCR), which were implemented by the British, have been preserved in Gilgit-Baltistan. In 1963, Pakistan ceded 2,500 square miles of territory to China, which China then used to build the Karakoram Highway connecting Kashgar in China to Islamabad in Pakistan. In 1970, an Advisory Council consisting of 14 elected members



was established, which later became the Northern Areas Council in 1975. This council operated without any legislative or executive authority and was overseen by an Administrator appointed by Islamabad. The Gilgit-Baltistan Empowerment and Self-Governance Order 2009, passed by the Pakistan Cabinet on 29 Aug 2009, provided self-rule to the people of Gilgit-Baltistan. This was achieved through the establishment of an elected Gilgit-Baltistan Legislative Assembly and Gilgit-Baltistan Council, among other measures. In March 2017, the Pakistan Government committee, led by SartaJ Ajj, proposed granting Gilgit-Baltistan the status of a fifth province in response to concerns raised by Beijing regarding the China Pakistan Economic Corridor.

Demography refers to the scientific study of human populations, including their size, structure, and distribution. According to the 2011 Census of Pakistan, the population of the region consists of multiple ethnic groups and tribes, and it is estimated to have increased by 63.1 percent from 1988 to 2011. The population is comprised of 39.85% Shias, 30.05% Sunnis, 24% Ismailis, and 6.1% Noorbakshis. This region in Pakistan is characterized by a predominant Shia population.

Faultlines in Gilgit-Baltistan.

Since 1948, there has been persistent contention over the ownership of this strategically significant region among diverse ethnic and sectarian groups, both indigenous and those who migrated from outside. Recently, there has been a significant sectarian divide and numerous reports of widespread discrimination against people who follow Gilgit-Baltistan-China Pakistan Economic Corridor. This has implications for the various strands of Shiaism in India. The locals have openly protested against the Pakistan government due to their resentment towards being excluded from having any influence over the policies that govern the region.

CPEC & Proposals for Gilgit-Baltistan

CPEC, short for China-Pakistan Economic Corridor, is a comprehensive initiative comprising multiple ongoing projects aimed at enhancing and extending the infrastructure of Pakistan. The total investment for these projects amounts to \$46 billion. Furthermore, the Government of Pakistan is set to receive a loan of approximately \$11 billion from the Exim Bank of China. This loan will be used to revamp the transportation infrastructure of the country and will be provided at a heavily-subsidized concessionary interest rate of 1.6%. These projects will cover the entire expanse of Pakistan and will ultimately connect the Pakistani city of Gwadar Port in the southwest to China's northwestern autonomous region of Xinjiang through an extensive network of highways and railways. On April 20, 2015, Pakistan and China signed an agreement to begin working on a \$46 billion project. This amount is approximately 20% of Pakistan's annual GDP. The agreement includes approximately \$28 billion worth of "Early Harvest" projects that will be completed by the end of 2018. On August 12, 2015, in the city of Karamay, China and Pakistan entered into an additional 20 agreements valued at \$1.6 billion to expand the scale and scope of the China-Pakistan Economic Corridor (CPEC).

Major Infrastructure Project- CPEC

Projects in Gwadar Port and City.

Gwadar is a crucial component of the CPEC project, as it is intended to serve as the connection between China's ambitious One Belt, One Road initiative and its Maritime Silk Road project. By December 2017, projects with a combined value exceeding \$1 billion will be developed in the vicinity of the Gwadar port. China will provide Pakistan with a sum of \$230 million under the China-Pakistan Economic Corridor (CPEC) to build a new international airport in Gwadar. The airport is expected to be operational by December 2017. Gwadar city is undergoing further development through the establishment of a 300 MW coal power plant, a desalination plant, a new 300-bed hospital, and an expressway along Gwadar's East Bay.

Road and Railway Infrastructure Projects

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Road and Railway Infrastructure Projects

China has allocated \$10.63 billion in funding for transportation infrastructure as part of the CPEC project. The Northern Alignment project entails the complete reconstruction and enhancement of a section of National Highway 35 (N-35) between Gilgit and Skardu. The construction of the Karachi-Lahore Motorway will form an integral part of the Eastern Alignment of the China-Pakistan Economic Corridor (CPEC). The CPEC project plans to reconstruct a total of 870 kilometers of road exclusively in the Baluchistan province, as a component of the Western Alignment.



The CPEC "Early Harvest" initiative prioritizes significant enhancements to Pakistan's railway infrastructure, specifically the complete reconstruction of the Main Line 1 railway connecting Karachi and Peshawar, to be completed by 2020. Furthermore, there are plans for enhancements and extensions on other railway routes. By 2030, the railway will enable Chinese and East Asian goods to have direct entry to the seaports of Karachi and Gwadar in Pakistan.

Energy Sector Projects

The CPEC project will prioritize energy generation, with an estimated investment of around \$33 billion in this sector. Approximately 10,400 MW of electricity is scheduled to be generated by March 2018. Furthermore, the Chinese government has declared its plan to construct a \$2.5 billion liquid natural gas pipeline spanning 711 kilometers from Gwadar to Nawabshah. The project will not only facilitate gas exporters in gaining entry into the Pakistani market, but will also enable China to establish a secure pathway for its own imports.

Projects in Gilgit Baltistan .

The CPEC project in Gilgit-Baltistan entails a significant enlargement of the Karakoram Highway, the establishment of industrial parks in Special Economic Zones (SEZ), the construction of hydropower projects, and the development of railway lines and roads. Sost town and Gilgit city in Gilgit-Baltistan are slated to be included in the establishment of 12 economic zones along the China-Pakistan Economic Corridor (CPEC).

Gilgit-Baltistan, despite its abundance of resources, has not received recognition within the framework of the CPEC project. The expansion of the Karakoram Highway, without concurrent economic development in the region, strongly suggests that Pakistan and China have intentions to exploit the natural resources of the illegally occupied area.

Implications of CPEC On Gilgit-Baltistan

Gilgit-Baltistan occupies an exceptional position within Pakistan's political framework as it lies outside the constitutional jurisdiction of the country. Due to its exclusion from the power distribution, the region of Gilgit-Baltistan has consistently been overlooked in significant decision-making processes. However, the implementation of large-scale infrastructure and economic initiatives also amplifies its susceptibility to political and economic risks. The policy of exclusion implemented for a period of 67 years has resulted in various negative consequences, such as hindered political progress, diminished trust and engagement in political activities, and limited growth in leadership and skills. The implementation of CPEC will result in Gilgit-Baltistan becoming a convergence point for the interaction of two dominant ideologies, Wahhabism and Hanism, which may potentially lead to instability.

Alteration in the Political Status of Gilgit-Baltistan. In contrast to the four provinces of Pakistan, the region lacks political representatives in the parliament or the federal cabinet, and it does not possess any status under Pakistan's constitution. The inhabitants of the area lack any means of seeking redress within the legal framework of Pakistan. This action was carried out in accordance with Pakistan's legal position on Jammu & Kashmir. Due to the escalating Chinese pressure to legalize the use of this region under the China-Pakistan Economic Corridor (CPEC), the Pakistani government is considering incorporating this region into Pakistan's constitution and granting it the status of a province. This move may indicate a significant change in Pakistan's stance regarding the future of Pakistan Occupied Kashmir. Pakistan has traditionally maintained that this region is semi-autonomous and has not officially incorporated it into the country. This aligns with their belief that a referendum should be conducted throughout the entire region.

Prevailing Security Situation in Gilgit-Baltistan and its effect on CPEC.

Gilgit-Baltistan's strategic position along the trade route linking East Asia with Central Asia and Europe renders it susceptible to the spread of conflicts arising from ongoing militant operations in neighboring regions.

- **Sectarian Violence in Gilgit-Baltistan .** As the sole region in Pakistan with a Shia majority, tensions have arisen between the Shia and Sunni communities since the 1980s, following the establishment of the Karakoram Highway. In 1983, the initial instance of severe sectarian violence occurred in Gilgit. This was triggered by a rumor claiming that Sunnis had massacred Shias, leading to an assault by numerous armed tribesmen from the south. As a result, around four hundred Shias were killed and several Shia villages were set on fire.
- **Militant Activities in Gilgit-Baltistan.** On June 23, 2013, militants carried out an attack at the Nanga Parbat tourists' base camp, resulting in the deaths of 11 individuals. Among the victims were nine foreign tourists and two Pakistanis. The attack was motivated by revenge for US drone strikes and the assassination of Waliur Rehman Mehsud, the leader of Tehrik-e-Taliban of Pakistan (TTP). Subsequently, three security force officials, namely an army Colonel, a Captain, and



the Superintendent of Police in Chilas, were shot. The recent assaults on security forces and foreigners have exposed the susceptibility of the region to TTP and other extremist groups.

The pervasive atmosphere of instability, insurgency, and aggression in Gilgit-Baltistan could potentially jeopardize the implementation of the China-Pakistan Economic Corridor (CPEC) in the future. Nevertheless, the lack of militant bases and support structures in Gilgit-Baltistan indicates that the current level of threat to the China-Pakistan Economic Corridor (CPEC) in this region is expected to be minimal. Nevertheless, it is possible that sporadic attacks targeting the sites and individuals associated with the China-Pakistan Economic Corridor (CPEC) may occur.

Infrastructure Development in Gilgit-Baltistan v/s Political and Economic Exploitation.

The China-Pakistan Economic Corridor (CPEC) introduces prospects in the overlooked region through the enhancement of infrastructure, specifically in the areas of road, railway, and Special Economic Zones (SEZs). Nevertheless, it is crucial to acknowledge the total lack of local representation in this initiative. Currently, significant economic endeavors are being undertaken by individuals who have relocated from regions outside of Gilgit-Baltistan. The process of economic development should result in increased individual autonomy and empower local communities to attain fundamental civil liberties and political rights. Prior political initiatives are necessary before establishing an economic arrangement. Pakistan has not yet formulated any plans to grant legal protections and political rights to the people of Gilgit-Baltistan. This could lead to the establishment of an economic zone in an area that holds no political significance within the political framework of Pakistan.

Increase in Trade.

The passage of the China-Pakistan Economic Corridor (CPEC) through Gilgit-Baltistan, along with the development of associated infrastructure, will create business prospects for the local population in the region. As per the Asian Development Bank (ADB), Gilgit-Baltistan annually yields more than 100,000 metric tons of fresh apricots. Redirecting agricultural products, particularly fruits, to China and the Middle East would yield higher profits for local farmers. The implementation of CPEC will result in a significant increase in tourism to the 73,000 square kilometer region, which is widely regarded as a haven for mountaineers. The region also possesses abundant water resources for utilization. If hydropower projects are implemented, Pakistan will have the opportunity to export environmentally friendly energy to China while also meeting its own energy needs.

Enhanced Calls for Freedom of Gilgit-Baltistan.

Introducing a large-scale economic initiative to a region that is politically excluded, without establishing its legal status, its role in the project, and its participation in a democratic manner, while disregarding the desires of the local population, is likely to further fuel demands for autonomy in the region. Following 67 years of neglect and hindered progress, Pakistan's endeavor to alter the political status of Gilgit-Baltistan has led to a rise in demands for independence from both Pakistan and India. Organizations like the Gilgit-Baltistan United Movement (GBUM) have declined the notion of assimilation within Pakistan and are instead advocating for independence from Pakistani authority. Adopting a more robust political structure in Gilgit-Baltistan has the potential to shift local politics from being passive to being proactive, which may clash with Pakistan's broader strategic goals in the region.

Demographic Shift.

Moreover, there is apprehension regarding the potential for extensive displacement of the indigenous population due to the implementation of the CPEC. Out of the total land area of 73,000 square kilometers in Gilgit-Baltistan, only 1% is suitable for cultivation. If the purchase is permitted by affluent investors from outside the province, the indigenous population will inevitably become a minority and economically subordinate to external parties, as they will no longer possess any agricultural land or orchards to sustain their livelihood. With this demographic shift, there is a corresponding rise in the threat of sectarian riots, which cannot be dismissed.

Concerns for India

India had, for a significant duration starting in 1947, downplayed or disregarded its own legal assertion over the region referred to by Pakistan as the Northern Areas and currently known as Gilgit-Baltistan. Consequently, the international community believed that the 'Kashmir Problem' was limited to the Kashmir Valley, which was under India's control.

In 2009 and 2010, India reacted strongly to reports regarding the existence of Chinese soldiers and workers in the area. In June of last year, External Affairs Minister Sushma Swaraj expressed her disapproval of the CPEC project due to its route passing through POK. National Security Advisor Ajit Doval drew attention when he emphasized to an audience of BSF officers the importance of considering the 106-km-long non-contiguous border with Afghanistan, specifically referring to Gilgit-Baltistan's Afghan frontier. The Ministry of External Affairs has clearly stated that the entire state of Jammu and Kashmir, including Gilgit-Baltistan, is an



inseparable part of India, as highlighted in a recent press release. The upgrading of the Karakoram Highway in Gilgit-Baltistan increases the collaboration between China and Pakistan, as well as the likelihood of a two-front war, particularly in the areas of POK and Aksai Chin.

Implications for India

Substantial increase in Strategic Value.

Since 1947, India's stance in the Ladakh Region, which is located opposite Gilgit Baltistan in India, has been characterized by maintaining the existing state of affairs. India has refrained from making significant alterations to the Line-of-Control's alignment, deeming the region to hold limited economic worth for Pakistan. Pakistan has not made any legal efforts to incorporate the region into its political, economic, and cultural framework until recently. Nevertheless, the China-Pakistan Economic Corridor (CPEC) has profoundly altered the strategic landscape of Gilgit-Baltistan. Geographically, the construction of CPEC has elevated its strategic importance, making it the most crucial. The close geographical proximity of this region to India, coupled with its status as an integral part of India, significantly enhances India's strategic advantage over Pakistan and China, both in terms of military capabilities and legal influence.

Consolidate Pakistan- China Relations. The China-Pakistan Economic Corridor (CPEC) is regarded as a pivotal initiative aimed at enhancing the bilateral relations between China and Pakistan and strengthening their strategic alliance. The corridor traversing Gilgit-Baltistan has the potential to affect India's geopolitical calculations and present a strategic challenge.

CPEC and India Security Concerns: Chinese Gains

Chinese expenditure in Pakistan, in addition to trade, economic assistance, and infrastructure advancement, will enhance China's influence in the neighboring regions of Central, South, and Middle East Asia, extending beyond its immediate Indian vicinity. The construction of approximately 19 tunnels between Hunza and Khunjerab pass is being exclusively managed by Chinese nationals. The tunnels provide optimal conditions for storing high-value military weapons such as missiles. Chinese military forces have been verified to be present in Gilgit-Baltistan. If Pakistan officially declares Gilgit-Baltistan as its fifth province, it would strengthen the legal basis for their presence in the region. China could potentially exploit this situation as a pretext to open a second front in the event of an Indo-Pakistan conflict, or even actively support Pakistan in such a conflict. China has announced its intention to build an airport on the Pamir plateau in the city of Tashkurgan, which is strategically positioned along the Karakorum Highway. This will facilitate China's rapid allocation of resources to the remote yet strategically significant region of Aksai Chin, as well as POK. This will enable them to address the limitation of only having two primary airbases located in Kashgar and Khotan, which are respectively 520 and 270 kilometers away from the nearest Indian air base, Daulet Beg Oldi (DBO).

Inevitability of Pakistan-China Strategic Collusivity. The China-Pakistan Economic Corridor (CPEC) can be viewed as a manifestation of China's expanding influence in Pakistan. The significant worth of this extension is apparent in the magnitude of investment that the Chinese are allocating to the region, despite its inherent instability. Consequently, China will make every effort to safeguard its investment. The routes that support the China-Pakistan Economic Corridor (CPEC) will traverse through contested territory and a region that falls within the operational and strategic influence of the Indian armed forces. This aspect emphasizes the unavoidable collaboration between Pakistan and China to address any military actions by India on India's Western front, including Gilgit Baltistan.

Strategic Implications. Pakistan's significant advancements in communication infrastructure, particularly in Gilgit-Baltistan, will allow the country to outpace India in terms of speed and magnitude, as India is hindered by external and underdeveloped lines of communication. This suggests that Pakistan will be able to quickly and effectively increase the number of forces in specific areas, giving her an advantage.

Conclusion

The introduction of the China-Pakistan Economic Corridor (CPEC) is deemed crucial for Pakistan as it facilitates the acceleration of its economic expansion. China and Pakistan aim to utilize the extensive investment plan to convert Pakistan into a prominent economic center in the region and strengthen the growing relationship between the two nations. The investments were hailed by the Pakistan media and government as a transformative development for the region. However, Gilgit-Baltistan may not experience the same outcome unless the local desires and anticipations are taken into account, and political and economic measures are implemented to ensure that the benefits of this progress are accessible to the local population. Adopting a positive approach can enhance the integration of Gilgit-Baltistan with Pakistan and distance the world community from Indian interests in the region. Failure to address these concerns may result in a volatile situation in the region, potentially jeopardizing the completion of CPEC and increasing demands for regional autonomy.



India should exploit its advantages in the region. It should serve as a platform for expressing the concerns of the local population and their exclusion to the global community. India should strategically leverage the close proximity of the China-Pakistan Economic Corridor (CPEC) to its military capabilities in order to alleviate pressure from other areas of conflict with China or Pakistan. Indian strategists must acknowledge the altered dynamics and potential in the Gilgit Baltistan region and proactively strategize for the future.

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