



## **Political Tug-of-War: The China-Pakistan Economic Corridor in the Crossfire of the US-China Rivalry**

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### **Abstract**

*In the post-Cold War era, China's emergence as a major economic and military power prompted the United States (US) to recalibrate its strategic priorities, particularly in the Indo-Pacific region. The China-Pakistan Economic Corridor (CPEC), a key project of China's Belt and Road Initiative (BRI), is a key point of contention. The US perceives CPEC as a danger to its regional influence and economic interests, alleging that it advances China's hegemonic ambitions through unfair financial practices. Therefore, this qualitative study examines the intricate relationship and the rivalry between the US and China on CPEC through the lens of Realism and Hegemonic stability theory (HST). It investigates how US counterstrategies and regional alliances, particularly with India, aim to challenge CPEC's progression and China's growing footprint in South Asia. The article argues that the US sees CPEC as part of China's expansion, which diminishes the hegemony of the US. The research contributes to a deeper understanding of the power dynamics surrounding CPEC and offers insights into how this rivalry shapes the broader geopolitical landscape of South Asia.*

### **Keywords**

BRI; CPEC; Competition; The US-China Rivalry

### **Introduction**

Xi Jinping, in September 2013, on a visit to Kazakhstan, encouraged the creation of a new cooperation model by jointly constructing the "Silk Road Economic Belt". One month later, Xi Jinping reiterated the establishment of the 'Asian Infrastructure Development Bank' (AIIB) and the building of the "21st Century Maritime Silk Road" in Indonesia. These projects are known as the "Belt & Road Initiative" (BRI) or the "One Belt & One Road Initiative" (OBOR). This initiative was included as a major policy objective before 2020 in the comprehensive reform blueprint that the party leadership announced in November 2013 (Central Committee of the Communist Party of China, Central Committee, 2013). The National Development and Reform Commission (NDRC), the Foreign Ministry, and the Commerce Ministry presented comprehensive plans for the BRI in March 2015, with approval from the State Council (Huang, 2016).

Later in December 2013, the BRI was conceived by the Central Economic Work Conference of the Chinese Communist Party (CCP) as a means of stimulating fresh perspectives on China's open development and outward investments. Now officially known as the BRI, the confluence of the "Maritime Silk Road" and the "Silk Road Economic Belt" was first known in English as the "One Belt One Road" initiative. The five main areas of cooperation that the BRI focuses on are coordinating development strategies, building infrastructure and facilities networks, boosting trade and investment relationships, improving financial collaboration, and growing social and cultural

exchanges. The lack of clarity causes foreigners to be unaware of the scope and goals of the BRI. One anonymous European ambassador stationed in Beijing said, “Everyone asks me about OBOR (BRI), but we don’t even know what it is.” Commentators generally highlight the BRI’s significant potential benefits while pointing out that investment in less politically secure emerging nations carries a high risk (Johnston, 2019).

The ‘China-Pakistan Economic Corridor’ (CPEC) is a strategy by which China and Pakistan can enhance trade with each other and work closely with other South Asian countries. The project was officially initiated in 2015 by Nawaz Sharif (former Prime Minister of Pakistan) and Xi Jinping (Chinese President), signing many agreements worth \$ 46 billion. The project aims to establish economic zones in various economically important locations in Pakistan to boost economic growth. The plan also involves space and satellite projects between Pakistan and China (Rauf & Zeidan, 2019).

From the Middle East, China procures its energy needs. Nearly 80 percent of China’s oil imports rely on sailing the Indian Ocean, passing through the Malacca Strait, and entering the South China Sea. In the Indian Ocean, India poses threats. The United States is exerting significant pressure in the Malacca Strait and the South China Sea. For China to meet its energy requirements without encountering any hindrances, the CPEC is an alternative pathway (Afaqi & Askari, 2022). The CPEC is a flagship project of the Belt and Road Initiative. CPEC aims to strengthen the bond between Pakistan and China in terms of bilateral exports and infrastructure development. The CPEC project will link the Gwadar Seaport in Pakistan with the Xinjiang region of China through a network of highways and railways (Khan & Khan, 2019). Additionally, this project consists of several energy projects that would address Pakistan’s energy deficit. Gwadar Port, situated in the Baluchistan province, assumes a strategic role, providing China with a vital maritime outlet in the Arabian Sea. The ambitious plans for Gwadar involve its transformation into a major economic hub, fostering bilateral trade between China and Pakistan and with other regional partners. The economic impact of CPEC is anticipated to be significant, streamlining trade routes, reducing transportation costs, and generating employment across various sectors (Hilali, 2019).

The US-China competition is a complex and multifaceted geopolitical rivalry that has evolved, encompassing various economic, technological, military, and ideological dimensions. The origins of this competition can be traced back to historical and systemic factors, but in contemporary times, it has become a defining feature of international relations. Economically, the US and China are the two largest economies globally. Disputes over trade practices and market access have been prominent features, with both countries striving to protect their economic interests and technological advancements. The competition extends globally as both nations compete for influence through diplomatic, economic, and soft power initiatives. Competing for alliances, international organizations, and leadership roles, the US and China seek to shape the international order in alignment with their interests (Winkler, 2023).

The US considers China its long-term competitor in terms of military, economic, and technological power. The US has a strategy of containing other nations in the Asia and Indo-Pacific regions to form alliances with China. China pursues its economic hegemony through the BRI and challenges the US-led international order. The US considers Japan and India close allies in the Indo-Pacific region to counter the expansion of China (Shaukat & Bakht, 2022). The long-run competition between the US and China is not unavoidable, but both sides need to manage their differences and avoid hostility. There is also a risk of a Cold War-like strategic competition between the US and China. If China perceives the US as seeking to contain its rise, or if the US views China as undermining the international system, the two countries could enter into a rivalry that would divide the region and the world (Glaser, 2014).

The US-China rivalry, specifically in the Asia-Pacific region, involves economic, political, military, and ideological dimensions. Both powers have vital interests and stakes in the region, home to more than half of the world’s population, a third of its GDP, and several of its most pressing security challenges. The US and China seek to advance their influence and protect their regional interests, often through competing agendas and initiatives. In the South China Sea, China claims a lot of the waters and islands, building artificial islands and military bases to show its control. The US disagrees with China and conducts operations to keep the sea open, working with friends to challenge China. There’s tension over Taiwan, which China sees as part of its land. The US supports Taiwan

and gives it weapons to prevent China from using force. They also have issues in trade and technology, with both accusing the other of unfair practices. They're in a trade war, putting taxes on each other's goods. China and the US also compete in new technologies like 5G and artificial intelligence (Khan & Amin, 2015).

However, CPEC faces challenges and uncertainties in South Asia, especially from the standoff between the United States and China. The US-China competition over CPEC has implications for the stability and security of South Asia, as well as the future of regional cooperation and integration. The competition between the United States and China has far-reaching implications for global geopolitics and economic dynamics. One significant arena where this rivalry unfolds is the CPEC. China's emergence poses a different challenge for the United States, as they are deeply interconnected by economic interdependence and have divergent interests and political cultures (Khan et al., 2018).

The research investigates how the political power struggle between these economic and military giants affects the CPEC development project. The United States considers CPEC a threat, as this Chinese development project opposes America's regional and global power interests; therefore, the US designs responses to limit Chinese growth. The study uses Realism and Hegemonic stability theory (HST) to examine how the US acts and what drives it into a political struggle. The research examines the uncertain obstacles that undermine the stability and success of CPEC. This research aims to reveal the intricate forces that control the competitive relationship between the US and China throughout South Asian regions.

### **The US-China Rivalry and the Belt and Road Initiative (BRI)**

Researchers have extensively studied the US-China rivalry and its impact on the BRI. Kim argues that China's rise has recently threatened the United States' hegemonic influence for approximately seven decades. China has had significant economic growth since implementing economic reforms in December 1978. The two greatest economies are presently involved in a trade war, which is expected to harm their economies. The ongoing trade dispute between the United States and China will inevitably result in adverse repercussions for the global economy. The BRI is an ongoing example of the Chinese attempt to contest the prevalence of the United States in global affairs. The BRI activities by China pose a major threat to the worldwide dominance of the USA. Following the start of the Great Recession, China has progressively surpassed Germany to become the leading country in terms of exports. It has also surpassed the USA to become the top country in terms of trade and has taken over the title of the leading manufacturing country from the USA, a position it had held for a century (Kim, 2019). Heiduk (2022) studied that BRI was frequently seen as a major challenge to U.S. dominance in the region. As a reaction to this, in recent years, several states have formulated rival ideas labeled as the 'Indo-Pacific.' Initially, the United States, led by former President Donald Trump, made efforts to address the supposed challenge posed by China directly. They introduced a strategic concept known as the 'Free and Open Indo-Pacific' (FOIP) to counter the prospect of a China-centric rearrangement of the region. The FOIP, widely acknowledged in Washington, serves as a mechanism to rebalance U.S. policies of external affairs, security arrangements, and economic policy concerning China.

The administration under Obama responded to the BRI; however, it was only in a very restricted manner and largely aimed at accommodating the initiative. There are several reasons, including a shift in focus toward other priorities such as Afghanistan, a lack of feeling that the BRI is posing a threat, and Obama's generally non-confrontational stance towards the People's Republic of China (PRC). In contrast, the US had a more confrontational stance towards the BRI during the Trump administration. This outcome arose from a combination of structural elements. Examples include concerns in the United States regarding China and the BRI and Washington's perception that collaboration with China may not yield the intended benefits. Additionally, there is a changing domestic political landscape. In contrast to the time when Obama was in power, the BRI fuelled the rivalry and the rivalry fuelled a hostile stance toward the BRI (Blanchard, 2021). During the Trump administration, there has been an increase in the significance of strategic competition, particularly concerning China's efforts to modernize its military and reshape the global order to align with its interests. The United States' interactions with countries in the Asia-Pacific region are strategically aimed at restraining China and maintaining its dominant influence in the area. The power struggle has also created possible risks that could lead to armed conflict over Taiwan and other surrounding

territories. Since 2017, the United States has repeatedly implemented unilateral trade measures to pressure China, resulting in heightened trade tensions between the two countries in 2018. The United States has implemented three successive rounds of tariffs on Chinese products, citing Beijing's engagement in unfair business practices (Saud & Arif, 2020).

Moreover, during the 47th G7 conference in June 2021, in Cornwall, President Biden unveiled a US-led global strategy to confront the Chinese BRI. The concept was titled "Build Back Better World" (B3W), mimicking the "Build Back Better" campaign implemented domestically by Biden to revive the American economy after the COVID-19 pandemic. On 1 December 2021, the European Union initiated its countermeasure against the BRI through a 300-billion-euro endeavor known as Global Gateway. This project appears to be aligned with the American B3W initiative (Pietro, 2022).

Despite extensive studies on the US-China rivalry and its impact on China's BRI, there remains a gap in understanding how this rivalry specifically plays out in the context of the CPEC, a flagship project of the BRI. While researchers like Kim (2019) and Heiduk (2022) highlight the broader geopolitical and economic contestations between the two powers, including strategies such as the Free and Open Indo-Pacific (FOIP) and counter-initiatives like the Build Back Better World (B3W) and Global Gateway, there is limited research on how these dynamics directly influence CPEC. CPEC, a critical nexus of Chinese economic and strategic ambitions and a potential challenge to U.S. interests in South Asia and the Indian Ocean region, needs a closer examination. Understanding how U.S. countermeasures interact with China's investments in CPEC would provide valuable insights into the broader implications of their rivalry.

#### **Methodology and Theoretical Framework**

The research methodology adopts a qualitative method to study how US-China geopolitical tensions interact with South Asian political stability and CPEC operations. The articles depend on secondary research materials to explain US global power and its tensions with China's fast-growing economy. The research method focuses on understanding the depth rather than numerical information from secondary sources, including existing literature. The analysis draws its understanding from secondary academic studies and Think Tanks while using previous research findings to support an informed and thorough viewpoint. This method allows for rich conceptual analysis, but it is limited by its dependence on existing literature, which may reflect the authors' bias. No primary data were collected when writing this article. The unit of analysis in the research is CPEC. Therefore, the research time frame is from 2015 to 2024.

The study uses a theoretical model to explain the findings in light of existing theories. The theoretical framework for the study on the US-China competition and the politics in South Asia involves concepts from international relations. This intricate relationship is analyzed through the lens of realism and the hegemonic stability theory. Realism provides a foundational lens for understanding state behavior in the international system. The ability of a state to safeguard and forward its national interest is closely tied to its power position in the international system (Ota & Ecoma, 2022). The hegemonic stability theory (HST) is an international relations theory that draws on studies from the domain of political science, economics, and history. The hegemonic stability theory (HST) recommends that the global system is more likely to preserve stability when there is a sole leading world power, often known as a hegemon (Webb & Krasne, 1989).

Therefore, the end of hegemonic power reduces the stability of the international system. However, in this case, China is rising and competing with the US. In the context of the US-China competition and the CPEC, the realist perspective emphasizes the role of the US and China in pursuing their national interests in the region. The US and China are competing in trade, technology, and power. The US wants to maintain its hegemonic position while China strives to balance its power and overtake the US.

#### **CPEC in the Crossfire: How U.S.-China Rivalry Shapes Politics Around CPEC**

China is making significant investments in over 70 nations as part of the BRI, a world-class infrastructure development plan. Pakistan had a history of burnt fingers in the Western alliance; therefore, there was no way it could give up any of its advantages. Both the United States and Europe have uncertainties about the CPEC because they see it as a symbol of China's political aspirations, as perceived by Western countries (Shaukat & Bakht, 2022). Moreover, American political experts perceive Pakistan's strong alliance with China, particularly regarding the CPEC, as an important

roadblock to US-Pakistan relations. They contend that it is difficult for Washington to establish a comprehensive and strategic alliance with a country that is closely aligned with America's primary strategic opponent (Javid and Iqbal, 2020).

Numerous Western analysts and think tanks have labeled CPEC as an economic trap that has already resulted in a disproportionate amount of Chinese influence over the nation's economy and excessive amounts of public debt. In international politics, the topic of whether the world will split into two blocs is being asked more and more frequently. The Chinese bloc and the US bloc. The primary cause of this is undoubtedly China's current global investment and commercial expansion, particularly in most of the continents of Africa, South America, and Asia. Agreements on investments have also been made (Ishfaq, 2019). Small (2020) contends that the US launched the 'Free and Open Indo-Pacific Strategy' in 2018, which was seen as a counterpoint to the BRI and CPEC. The US officials criticized CPEC as economically predatory and harmful to Pakistan and urged Pakistan to choose investment partners from "free and open" economies. Moreover, the US influenced the IMF package for Pakistan and demanded that no bailout funds go to Chinese investors. The US also pressured Pakistan to disclose the details of its debt to China as part of the negotiation process. The US and China had some cooperation on the Afghan peace process, but there was also growing anxiety that CPEC and Afghanistan's economic connectivity agenda would be caught up in the wider Sino-US strategic competition.

The United States' response to the commencement of the CPEC and the potential for its growth within the broader framework of the BRI was anticipated to be unfavorable, and therefore it was. The United States vigilantly monitored all activities associated with the CPEC with wariness and apprehension, ultimately voicing its displeasure with the development. The United States does not view the CPEC as a distinct entity independent from the BRI. Instead, they perceive the CPEC as a part of China's broader efforts to establish itself as the emergent political and economic leader on a global scale (Iqbal & Javid, 2020).

The establishment of the CPEC is designed to provide China with a secure and dependable strategic position in the Indian Ocean, near the Persian Gulf, establishing China as a significant maritime force in the two oceans. China and Pakistan's naval forces will operate in the Indian Ocean and the Arabian Sea. China will supply Pakistan with eight submarines for this specific objective. It will hinder the US's aim to take control of the Indian Ocean (Afaqi & Askari, 2022). Moreover, the US views that the Gwadar Seaport holds substantial geostrategic importance for the United States as it could potentially serve as a Chinese naval base in the region. Additionally, CPEC may threaten the United States' interests in the oil-rich areas of the Persian Gulf and Central Asian nations, as well as its position in the Middle East. The United States may be formulating a plan to counter China's territorial growth in the area (Ben & Khan, 2020).

Consequently, over time, the United States' relative military and economic power is likely to diminish in comparison to China's increasing economic and military dominance. Therefore, China is poised to acquire substantial global power. For China to safeguard its economy and trade routes across the Straits of Malacca, most Chinese commentators underline that it must increase its maritime might. Within this framework, the withdrawal of the North Atlantic Treaty Organization (NATO) from Afghanistan in 2014 was expected to result in two outcomes: firstly, it has generated a regional power vacuum that will further weaken the influence of the United States in Pakistan; and secondly, China has strategically capitalized on this situation by establishing the CPEC to occupy this vacuum. It will significantly enhance China's long-term economic and strategic interests in Pakistan (Khan & Amin, 2015).

Iqbal and Javid (2020) argue that the United States has identified several justifications for rejecting the project over several years. The US has reservations that the CPEC passes through Gilgit-Baltistan, a northern part of Pakistan, which India says is part of the Jammu and Kashmir area. Therefore, India considers this area to remain disputed until a definitive resolution is reached. The U.S. perspective is that if the accomplishment of CPEC persists, it would lead to heightened tensions between Pakistan and India, as well as between China and India, which is detrimental to global peace. Ben & Khan (2020) add that the CPEC has already been a catalyst for tension and rivalry between Pakistan and India. Nevertheless, several Indian researchers contend that the CPEC deliberately ignores India and questions the Chinese government's motivation to involve India, for undisclosed reasons. Indians perceive the CPEC projects as a threat to India's security, which they believe will

intensify the pressure on their country. Consequently, they vehemently oppose the CPEC by deliberately causing disruptions to impede its progress.

Additionally, India opposes the CPEC due to its potential to enhance the strategic alliance between Pakistan and China. This alliance undermines India's objective of isolating Pakistan on the international stage by accusing it of backing terrorism in the region. The United States has prioritized India to bolster New Delhi's confidence against China and to counter China's potential dominance in the region. The US and India entered into a defense agreement in 2016, which has significant implications for both Pakistan and China. In addition, the Trump administration has revealed its animosity toward the multi-billion-dollar CPEC, and US officials appear to be retracting from the previous US strategy of Pakistan-China relations. The Trump administration's resistance indicates that the White House is attempting to placate India and has deliberately chosen to make the project debatable (Hilali 2019). India and the US are displeased with the bilateral agreement of the CPEC. India has been impeding the progress of Pakistan and attempting to undermine the CPEC through its dependence on the United States since India sees a prosperous and stable Pakistan as unfavorable to its interests. India is actively seeking backing and help from Israel and the US to counter China-Pakistan's regional ambitions. From India's viewpoint, the CPEC signifies the rise of China as a key strategic ally for Pakistan, taking over from the United States during a period of decline for the US. This has further strained the relationship between China and the US (Hussain et al., 2021).

Saboor et al. (2022) claim that the CPEC has made the United States more dependent on India in the South Asian region to counter the expansion of China. Moreover, the United States is commending India's rise as a means to counterbalance China's ambitions and restrict it. China is cautious of India due to the overwhelming influence of US perspectives in India about matters such as the South China Sea, CPEC, and Tibet. There is a prevailing notion that India has a strong ideological alliance with the United States and may be strategically utilized against China, particularly due to the presence of US nuclear-powered and armed boats in the Indian Ocean Region. The US-India alliance poses an important hurdle for China in its attempts to contest American dominance in the Asian region. Several analysts contend that the CPEC faces problems with substantial threats stemming from economic, logistical, geographical, and security challenges, which outweigh the anticipated economic advantages (Sharma, 2019).

The United States has serious contentions to stop the expansion of Chinese influence in every sphere. The prevailing security issues in the region enable the US to exert significant influence in regional affairs. China strongly believes that by effectively addressing risks to regional stability, the area can achieve the needed economic growth. This battle presents a significant threat: if the Chinese economy experiences an economic collapse, it may decrease its short-term investments. This can have negative consequences, as several major projects within the giant BRI may come to a stop or face delays, leading to economic problems for its partners, as their economies would be severely impacted. Considering this viewpoint, Pakistan may face significant consequences, as the rising prices of steel, aluminum, and other equipment will lead to higher production expenses for infrastructure projects. This could hinder the potential improvement that Pakistan is anticipated to experience with the CPEC plan (Saud & Arif, 2020).

The leading American diplomat responsible for South Asia stated that the CPEC would only benefit Beijing while emphasizing that the United States presents a superior alternative model. The multibillion-dollar project with China is fuelled by non-concessionary loans, where Chinese enterprises provide their labor and materials, despite the increasing strain on the Pakistani economy. Furthermore, the United States has recently cautioned Pakistan that it will endure long-term financial damage with minimal benefits if China continues to pursue its extensive infrastructure initiative. China is aware of the reality that both the US and India would be displeased if China gained control over the Gwadar Port. Furthermore, the presence of China in the Indian Ocean is likely to provoke feelings of insecurity and apprehension from both countries. Hence, Pakistan's dependence on China could pose challenges for India and the US (Ahmad et al., 2020). The United States might have apprehensions regarding the Chinese accessibility in the area of the Strait of Hormuz and the Persian Gulf. The US investor's worry is seen in the withdrawal of \$71.9 million in 2016, compared to the withdrawal of \$197.1 million in 2015 from their investment in Pakistan (Afaqi & Askari, 2020).

CPEC has the potential to adversely affect the United States' strategic interests in the region. The Afghan government provided complete endorsement to India's endeavor to undermine Pakistan

and put the CPEC at risk. Unquestionably, the Afghan government received backing from the United States to satisfy the United States. To defend itself, Pakistan must develop a pragmatic and proactive foreign policy that can effectively influence the regional dynamics in its favor. Moreover, the US drone strike in Baluchistan, resulting in the death of Mulla Akhtar Mansoor, was perceived as an endeavor to obstruct the CPEC. Following the drone incident, the Army Chief summoned the US ambassador to Pakistan and delivered a forceful message demanding an end to drone operations in the country (Umar et al., 2017). Additionally, relations between Pakistan and the US worsened when the US appointed Qatar its diplomatic ambassador in Afghanistan in November 2021, designating Doha as the “protecting power” for the US in Afghanistan, as stated by Secretary of State Antony Blinken. The persistent disregard compelled the Imran Khan administration to seek favor with the Chinese to obtain the necessary economic and geopolitical support. During an interview with Eric Li (Director of the Advisory Committee of the China Institute of Fudan University), Imran Khan expressed his view that CPEC and Gwadar present a significant opportunity for geo-economics. Simultaneously, Pakistan refuted the reports claiming that the CPEC is a ‘debt trap’ (Ani, 2022).

In addition, China’s Development Financial Institutions (DFIs) and its state-owned banks have both equities and a lease of operation in approximately 70 harbors worldwide, including Gwadar. However, concerns arose when a significant loan intended for the improvement of a Sri Lankan port called Hambantota was transformed into a controlling equity and a lease lasting 99 years. This action appears adequate to cause the United States to feel uneasy about the advancement of the CPEC (Iqbal & Javid, 2020).

China considers Japan one of the United States’ most proximate allies in Asia. China aims to exert supremacy over Japan in the region through its BRI and CPEC initiatives. The United States, Japan, and India have been engaging in strategic collaborations at both regional and international scales to weaken the project. The government of Donald Trump accused China of engaging in revisionism and attempting to dismantle the existing global order, which has led to the initiation of a “trade war” between the United States and China. The United States bolstered military collaboration with nations such as Australia, Japan, and India in pursuit of a strategy aimed at constraining China. In addition, it is hampering progress by assisting Baluch separatists, terrorists, and other groups advocating for separation (Ben & Khan, 2020).

During the G20 conference held in India, President Joe Biden unveiled the “India-Middle East-Europe Economic Corridor” (IMEC) as a strategic measure to oppose China’s BRI. The IMEC’s objective is to link India, the Arabian Gulf, and Europe, thereby countering China’s impact in the region. IMEC also sees the development of electrical and digital infrastructure, the construction of pipelines for exporting clean hydrogen, and the existing trade links (Sacks, 2023). This initiative is a direct threat to BRI and CPEC in South Asia.

The United States consistently emphasizes the concerns of the European Union, India, and Japan on the BRI. The European Union developed an alternative strategy to enhance the connection between Europe and Asia in transportation, energy, and technology. The combined Indo-Japanese infrastructure initiatives, also known as the Asia-Africa Growth Corridor (AAGC) or ‘Freedom Corridor,’ aim to be constructed across the Indo-Pacific Rim region. This plan is the Indo-Japanese response to the BRI (Iqbal & Javid, 2020). Moreover, Mohan (2018) contends that the BRI is bringing significant competition and impeding market entry for European trade and firms operating in the Indo-Pacific markets. European companies express enthusiasm for engaging in BRI projects. However, their ability to compete for contracts is frequently hindered due to insufficient clarity and openness in the bidding and procurement processes. Initiatives such as the CPEC have sparked significant excitement among European enterprises.

## **Discussion**

The US and China rivalry over the China-Pakistan Economic Corridor (CPEC) can be analyzed as part of a wider power struggle in international relations, shaped by realism and hegemonic stability. CPEC represents not only an economic initiative for China but also a strategic investment of an emerging global power that gives easy access to the Indian Ocean in South Asia through Pakistan. Chinese increasing power at a critical geographic position threatens traditional American regional domination. Both countries now view themselves as security threats to one another because of this developing situation. The findings suggest that the US has initiated stronger strategic ties with India because CPEC operates through disputed areas of Gilgit-Baltistan while simultaneously altering the

regional power dynamics towards Pakistan's benefit. China protects its long-term strategic interests globally and in South Asia by backing Pakistan through the CPEC project. The US moves to set up countermeasures against the expanding Chinese influence. The United States supports India while opposing CPEC to defend its standing in the region while blocking China's efforts to realign the regional order. The realism perspective indicates both entities work toward diminishing the power of their respective rivals through strictly competitive approaches to prolong their dominance in the region without a potential threat.

Additionally, by assessing this rivalry through the lens of Hegemonic stability theory, we can see a different layer of the struggle, but in the same direction. Historically, the US has been the dominant global power, maintaining order and stability through its military and economic strength, especially in regions like South Asia and the Middle East (Regilme & Parisot, 2017). However, China's BRI, with CPEC at its core, is a direct challenge to this dominance. China is offering countries like Pakistan an alternative model of development and partnership, potentially undermining the existing US-led global order. Through these initiatives, Pakistan is becoming more dependent on China, creating distance between the former allies US and Pakistan. This shift may lead to a more fragmented and unstable world, as countries are forced to choose between aligning with the US or China. Therefore, we argue that CPEC is taken by the US not only as a threat to its regional interests but as part of a broader challenge to the leadership of the US in the international system. However, for China, it is an important step in its attempt to ensure its future as a global power as it averts many threats that are supposed to be countered in the Indian Ocean.

This rivalry is more than just a case of tangling over economic interests, by analyzing it through the lenses of Realism and Hegemonic stability theory, we can help understand the US-China competition over CPEC. Realism highlights the immediate power struggles and security concerns driving both nations to maneuver for dominance. Hegemonic stability theory shows the deeper implications of this competition, with the potential to reshape global politics and create new alliances or tensions. Together, they offer insight into the rising competition between the US and China and how this contest for influence in South Asia is a piece of a bigger, ongoing struggle to lead the world and keep it stable.

The project ensures improved trade connections between China and Pakistan while maintaining the potential to link up with other Middle Eastern, South Asian, and Central Asian states. Geopolitical dynamics present major obstacles to this project since the United States and China maintain fierce competition within their framework. The U.S.-China rivalry; including economic, geopolitical, technological, and military aspects, generates uncertainties and implications that affect the development of CPEC. The United States wishes to maintain its stability, and China aims to limit US hegemonic power. Pakistan holds a strategic position as a US ally, but the United States opposes letting Pakistan become a dominant BRI and CPEC partner. The United States views CPEC as an economically plundering project that has generated conflicts and opposing approaches. The United States predicts South Asian territories are shifting away from U.S. influence since China has emerged as a global power. Therefore, the United States attempts to restrain China's influence through its main partnership with India across this part of the world.

### **Conclusion**

The political competition between Washington and Beijing creates considerable instability in South Asia through their conflict over the Belt and Road Initiative. Through the CPEC, China protects its vital economic assets and energy requirements by using transportation routes that avoid traditional pathways subject to US control. CPEC stands as a direct economic confrontation against US economic ambitions while undermining US influence across the South Asian section of the Indo-Pacific region. Pakistan faces visible challenges from employing CPEC while moving between complex geopolitical relationships between these two global powers and actively building public backing for the project.

The CPEC is a significant initiative of immense importance for China and the region around it. The analysis indicates that the United States perceives CPEC as reinforcing China's goals in South Asia while undermining its interests. Pakistan, once the ally of the United States in South Asia, has shifted its allegiance towards China, resulting in a deterioration in US-Pakistan relations. The United States has strengthened its connections with India, a significant regional actor hostile to CPEC. The United States and India are united in their efforts to impede the success of CPEC, with India actively



seeking to sabotage the initiative. Nonetheless, CPEC faces several challenges in Pakistan, including security risks and economic threats, with both local and international stakeholders making it challenging for Pakistan and China. In conjunction with India, they have denounced CPEC as an economically exploitative initiative, prompting Pakistan to reassess its reliance on Chinese investment. This places Pakistan in a precarious situation, balancing the economic advantages of CPEC against the geopolitical risks posed by the US-China rivalry. The US struggles to contain China's expansion to the Indian Ocean in any way.

In light of these findings, it is obvious that Pakistan must maintain a balanced foreign policy, which is a big challenge in itself due to the nature of the rivalry between the US and China. The alleviation of tensions and the success of CPEC hinge on diplomatic interactions between China and the United States, alongside regional stakeholders such as India and Afghanistan. Furthermore, Pakistan is anticipated to prioritize diplomatic relations and sustainable development within its timeline, as the CPEC projects are designated to stimulate the nation's economy in the long term and enhance job generation efficacy. This requires international collaboration along with domestic stability.

The success of CPEC heavily relies on achieving security collaboration across the region. The CPEC routes face security threats, which Pakistani officials can minimize through teamwork with neighboring states and international leaders. By enhancing security measures and strengthening regional partnerships, Pakistan can safeguard the project and promote greater stability in South Asia. The US-China competition for CPEC is, nevertheless, a component of a more extensive power struggle between these two influential entities vying for dominance in South Asia. CPEC undoubtedly has significant economic advantages for Pakistan, although it also poses considerable obstacles. Amidst these geopolitical difficulties, Pakistan may optimize its advantages from CPEC by implementing a long-term strategy and collaborating with domestic and international actors.

Further research may benefit from fieldwork in Pakistan or China, where it can explore the subject using interviews with stakeholders, officials, and field experts. In addition, reviewing the cases of related BRI projects in other countries like Myanmar, Sri Lanka, etc, and exploring how it differs from those countries. Moreover, using statistics like trade, investment numbers, or poll results can give a clearer view of how the rivalry affects the region's development and alignment.

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