

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

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### **Abstract**

China has embarked upon a colossal project called “**One Belt, One Road**” (OBOR) with CPEC as one of the six eco corridors envisaged. The dynamics of this strategic region are evolving again with this project. China and Pakistan have unveiled plans to create a trade corridor through Gilgit-Baltistan, linking the two countries for regional trade and commerce. These plans entail building a railway link between Kashgar and Gwadar, and develop energy and mineral resources. These developments offer unprecedented opportunities for the people of Gilgit-Baltistan, but there are risks involved. The advent of CPEC is considered economically vital to Pakistan helping it drive its economic growth. China and Pakistan intend that the massive investment plan will transform Pakistan into a regional economic hub and further boost the deepening ties between the two countries. The Pakistan media and government called the investments a “game changer” for the region. However, the same may not be true for Gilgit-Baltistan unless the local aspirations and expectations are incl and pol & eco measures are put in place to allow the fruits of this development to be enjoyed by the local populace. A positive approach may further integrate Gilgit-Baltistan with Pakistan and alienation of world community from Indian interest in region. However, a neglect of these concerns may lead to a turbulent state in the region which may lead to non completion of the CPEC and greater call for autonomy for the region.

**Keywords:** OBOR, CPEC, Occupied, Strategic Importance, Baltistan, *Tibet-i-Khurdor, Karakoram Highway, Demography, Northern Alignment, Eastern Alignment, Western Alignment*

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**Introduction:**

*CPEC will be a strategic game changer in the region, which would go a long way in making Pakistan a richer and stronger entity than ever before.*

*- First post, 22 Apr, 2015.*

Gilgit-Baltistan lies in the North of Pakistan occupied Kashmir (POK) and is a sparsely populated mountainous region. It has enormous strategic significance for both Pakistan and India. It is the region that connects Pakistan with China and provides it with most of its fresh water resources. The region is rich in mineral resources, with abundance of precious metals and important radioactive material. Geo-politically, it is one of the most sensitive areas for Pakistan and has assumed additional political and strategic importance with the opening of the Karakoram Highway (KRH) which links China to Pakistan and reportedly generates trade worth billions of dollars.

Pakistan is keen to prolong its control over the region and any clamour for autonomy is dissipated by creating divisions amongst the local populace and instigating sectarian disturbances. Indian concern for Gilgit-Baltistan lies in the fact that this region, legally a part of India occupied by Pakistan, has not received its due attention by the international community. The region provides India a gateway to Central Asian Region (CAR) and the markets of Middle East and beyond up to Europe.

China has embarked upon a colossal project called “**One Belt, One Road**” (OBOR) with CPEC as one of the six eco corridors envisaged. The dynamics of this strategic region are evolving again with this project. China and Pakistan have unveiled plans to create a trade corridor through Gilgit-Baltistan, linking the two countries for regional trade and commerce. These plans entail building a railway link between Kashgar and Gwadar, and develop energy and mineral resources. These developments offer unprecedented opportunities for the people of Gilgit-Baltistan, but there are risks involved.

**Perspective on Gilgit-Baltistan:**

**History.**

Gilgit-Baltistan evolved as two separate political entities, namely, Dardistan or Gilgit and Baltistan, though there were times when they were part of the same political entity. Gilgit, also known as Dardistan, is the land of the Dards or Dardic speaking people. The region was part of the



Mauryan and Kushan Empire. During the subsequent period almost all the present-day parts of the state of J & K were under the same rule. Baltistan was well known as *Tibet-i-Khurdor* “Little Tibet” in the medieval age. The early history of Baltistan began with the spread of Buddhism under the Kushanas. The region was part of Lalitaditya’s Empire in the 8th century and had close interactions with Gilgit and Kashmir. With the ascension of the Mughals, Kashmir came under the Mughal rule barring Gilgit and surrounding areas. The two political entities were eventually united during the Sikh rule and remained so during the subsequent Dogra rule. After the defeat of the Sikh Army in 1846, British made Gulab Singh the Dogra ruler of full-fledged sovereign of the regions of Jammu, Kashmir and Ladakh, as well as Gilgit, Chilas and Baltistan.

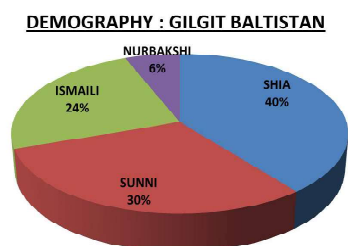
**Gilgit-Baltistan under Pakistan Control.** The accession of Gilgit-Baltistan was formalised by signing an agreement between the Presidents of ‘Azad Kashmir’ and the Muslim Conference on 28 Apr 1949.

Gilgit-Baltistan was directly controlled by the Ministry of Kashmir Affairs. The Frontier Crimes Regulations (FCR) introduced by the British were retained in Gilgit-Baltistan. In 1963, Pakistan gave away 2,500 sq miles of the territory to China which was utilized by China to construct *Karakoram Highway* linking Kashgar in China to Islamabad in Pakistan. In 1970, an Advisory Council with 14 elected members was set up, which was



subsequently converted into the Northern Areas Council in 1975, but continued without any legislative or executive powers and was presided over by the Administrator appointed by Islamabad. On 29 Aug 2009, the Gilgit-Baltistan Empowerment and Self-Governance Order 2009 was passed by the Pakistan Cabinet which granted self-rule to the people of Gilgit-Baltistan, by creating, among other things, an elected Gilgit-Baltistan Legislative Assembly and Gilgit-Baltistan Council. In response to concerns raised by Beijing about the China Pakistan Economic Corridor, in Mar 2017, Pakistan Government committee headed by Sartaj Ajij had introduced a proposal for granting Gilgit-Baltistan the *status of fifth province*.

**Demography.** The population of the region comprises numerous ethnic groups & tribes and is believed to have grown by 63.1 percent from 1998 to 2011, according to the 2011 Census of Pakistanistan. The population consists of 39.85% Shias, 30.05%



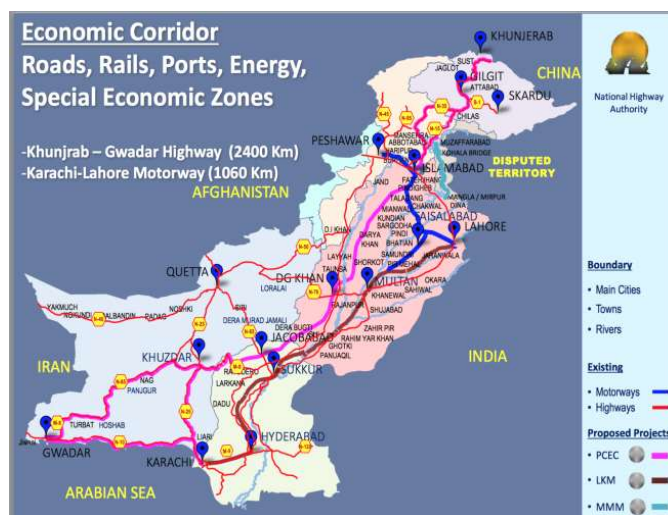
Sunnis, 24% Ismaili and 6.1% Noorbakshis. This is the only region in Pakistan having Shia domination.

❖ **Faultiness in Gilgit-Baltistan.** Since 1948, there has been continuous jostling over the ownership of this strategically important region amongst various ethnic and sectarian groups either indigenous or those migrated from outside. In the recent past, there has been a serious sectarian divide and there have been numerous reports of mass discrimination of people following different strands of Shiaism. Resentment against being deprived of any ‘say’ in policies governing the region has also caused open protests by locals against Pakistan government.

#### **CPEC & Proposals for Gilgit-Baltistan:**

CPEC is a collection of projects currently under construction at a cost of **\$46 billion** which are intended to upgrade and expand Pakistani infrastructure. In addition, the Exim Bank of China would lend the Government of Pakistan approx \$11 billion to overhaul the country’s transportation infrastructure at heavily-subsidized concessionary loans with an interest rate of 1.6%. These projects will span the breadth and width of Pakistan, and would eventually link the Pakistani city of Gwadar Port in southwestern Pakistan to China’s north-western autonomous region of Xinjiang via a vast network of highways and railways. **On 20 Apr 2015, Pakistan and China signed an agreement to commence work on the \$46 billion agreement, which is roughly 20% of Pakistan’s annual GDP with approx \$28 billion worth of fast-tracked “Early Harvest” projects to be developed by the end of 2018.** On 12 Aug 2015 in the city of Karamay, China and Pakistan signed 20 more agreements worth \$1.6 billion to further augment the scale and scope of CPEC.

## CHINA- PAKISTAN ECONOMIC CORRIDOR



### Major Infrastructure Projects – CPEC:

**Projects in Gwadar Port and City.** Gwadar forms the crux of the CPEC project, as it is envisaged to be the link between China’s ambitious One Belt, One Road project, and its Maritime Silk Road project. In total, more than \$1 billion worth of projects are to be developed around the port of Gwadar by Dec 2017. Under CPEC, China will grant Pakistan \$230 million in order to construct a new international airport in Gwadar which is to be operational by Dec 2017. The city of Gwadar is further being developed by the construction of a 300 MW coal power plant, a desalinization plant, a new 300 bed hospital, and an expressway along Gwadar’s East Bay.

### Road and Railway Infrastructure Projects:

Under the CPEC project, China has announced financing for \$10.63 billion worth of transportation infra. Under the *Northern Alignment* a portion of National Highway 35 (N-35) is to be completely rebuilt and upgraded between Gilgit and Skardu. Roadway infrastructure to be built as part of the CPEC’s *Eastern Alignment* will consist of the Karachi-Lahore Motorway. In total, the CPEC project envisages re-construction of 870 kms of road in Baluchistan province alone as part of the **Western Alignment**.

The CPEC “Early Harvest” plan emphasizes major upgrades to Pakistan’s railway system, including rebuilding of the entire Main Line 1 railway between Karachi and Peshawar by 2020. In addition, upgrades and expansions are slated for other

railway lines. The railway will provide direct access for Chinese and East Asian goods to Pakistan seaports at Karachi and Gwadar by 2030.

### **Energy Sector Projects:**

Energy generation will be a major focus of the CPEC project, with approx \$33 billion expected to be invested in this sector. An estimated 10,400 MW of electricity are slated for generation by March 2018. In addition to LNG projects, the Chinese government has also announced its intention to build a \$2.5 billion 711 kms long liquid natural gas pipeline from Gwadar to Nawabshah. *The project will not only provide gas exporters with access to the Pakistani market, but will also allow China to secure a route for its own imports.*

### **Projects in Gilgit Baltistan:**

In *Gilgit-Baltistan* the CPEC project design is set to include a major expansion of Karakorum Highway, establish industrial parks in Special Economic Zones (SEZ), construction of hydropower projects, railway line & road building. Sost town and Gilgit city in Gilgit-Baltistan will be among 12 economic zones to be established along the CPEC.

Gilgit-Baltistan despite being resource rich area has failed to find recognition under the aegis of CPEC project. The expansion of Karakoram Highway if unaccompanied with the economic development of the region is clearly indicative of intent of Pakistan and China to exploit the natural resources of the illegally occupied region.

### **Implications of CPEC on Gilgit-Baltistan:**

Gilgit-Baltistan has an anomalous position within the overall political structure of Pakistan because this region does not fall within the constitutional ambit of Pakistan. Owing to its absence in the power dispensation, the region of Gilgit-Baltistan has always been ignored in major decision-making process. On the other hand, with the introduction of mega infrastructure and economic projects, its political and economic vulnerabilities also increase. Policy of exclusion for 67 years has led to a series of deficits, including stunted political development, and a lack of faith and interest in political participation, leadership and capacity development. CPEC will make Gilgit-Baltistan the meeting ground for a volatile osmosis of two supremacist projects Wahhabism and Hanism.

**Change in Political Status of Gilgit-Baltistan.** Unlike Pakistan's four provinces, the region has no political representatives in the parliament or the federal cabinet and no status under Pakistan's constitution. The people of the region also do not have any redressal available to them under the Pakistan legal system. This had been

done in consonance with the legality to Pakistan's stand on Jammu & Kashmir. Owing to the increased Chinese pressure for giving legality to the utilization of this region under CPEC, Pakistan government is mulling constitutional amalgamation of this region within Pakistan by giving it status of a province. The move could signal a historic shift in the Pakistan's position on the future of the wider Pakistan Occupied Kashmir which it has historically insisted is semi-autonomous and has not formally integrated them into the country, in line with its position that a referendum should be carried out across the whole of the region.

**Prevailing Security Situation in Gilgit-Baltistan and its effect on CPEC.** Gilgit-Baltistan strategic location on the trade route connecting East Asia with CAR and Europe also makes it vulnerable to spill-over of conflicts from active militant activities in surrounding areas.

#### **Sectarian Violence in Gilgit-Baltistan**

Being the only Shia dominant region in Pakistan, tensions between Shia and Sunni communities have emerged since the 1980s after the construction of the Karakoram Highway. The first serious sectarian violence in Gilgit broke out in 1983 when a rumour alleging a Sunni massacre at the hands of Shias resulted in an attack by thousands of armed tribesmen from the south, the killing of nearly four hundred Shias, and the burning of several Shia villages.

#### **Militant Activities in Gilgit-Baltistan**

On 23 Jun 2013, militants killed 11 people including nine foreign tourists and two Pakistanis at Nanga Parbat tourists' base camp in revenge for US drone attacks and the killing of Tehrik-e-Taliban of Pakistan (TTP) chief, Wailer Rahman Mehsud. This was followed by shooting of three security force officials, including an army Colonel, a Captain and the Superintendent of Police in Chilas. These attacks in recent years on security forces and foreigners have revealed the vulnerability of the region to TTP and other militant organisations.

The prevailing environment of insecurity, militancy and violence in Gilgit-Baltistan may pose serious threats to the construction of the CPEC in future. However, the absence of militant bases and support structures in Gilgit-Baltistan suggests the threat level to the CPEC in this region will be low for the time being. However, sporadic attacks on the CPEC-linked sites and personals cannot be ruled out.

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

CPEC brings in opportunities in the neglected region with the development of infrastructure in terms of road, railway and SEZs. However, it is important to note

the **complete absence of local representation** in this initiative. As of today, major economic activities are being conducted by people who have migrated from outside Gilgit-Baltistan. Economic development should lead to more freedom and enable local communities to achieve basic civil liberties and political rights. This requires political initiatives preceding economic arrangements. Pakistan has till now not planned to provide legal protections and political rights to the people of Gilgit-Baltistan. This may result in emergence of an economic zone in an area which is a political non-entity in the political system of Pakistan.

#### **Increase in Trade**

With the CPEC passing through Gilgit-Baltistan and associated infra development, the route would open business opportunities for people of the region. According to the Asian Development Bank (ADB), Gilgit-Baltistan produces over 1,00,000 metric tons of fresh apricots annually. Diverting agricultural products especially fruits to China/Middle East would be more profitable for local farmers. Further with CPEC, there will be a boost in tourism to the 73,000 sq km region, which is a mountaineer's paradise. The region also has infinite water resources to tap. Hydropower projects if developed will allow Pakistan to sell clean energy to China and use it for itself.

#### **Enhanced Calls for Freedom of Gilgit-Baltistan**

Opening a politically marginalised region to a mega economic project without clearly and democratically defining its legal status, its role in the process and its involvement in the project, and at the same time ignoring the aspirations of the local populace is likely to invoke more people in the demand for freedom in the region. After 67 yrs of neglect and stunted development, Pakistan's attempt to change political status of Gilgit-Baltistan has resulted in increased calls for freedom from Pakistan and India. Groups such as the Gilgit-Baltistan United Movement (GBUM) have rejected the idea of amalgamation in Pakistan and are instead demanding freedom from Pakistan control. Conceding a stronger political framework could transform local politics in Gilgit-Baltistan from submissive to assertive, and this could possibly come in conflict with Pakistan's wider strategic objectives vis-a-vis the region.

#### **Demographic Shift**

There is also the fear that the CPEC may lead to widespread displacement of the locals. Of the 73,000 sq kms of land in Gilgit-Baltistan, cultivable land is just 1%. If that is allowed for purchase by rich investors from outside the province, the local population shall become a minority and economically subservient to outsiders once they have no farmland or orchards left to earn their livelihood. Along with this



demographic shift a concomitant increase in threat of sectarian divide/riots cannot be ruled out.

### **Concerns for India**

For a long period, indeed, beginning in 1947 itself, India had tended to play down, if not ignore, its own legal claim over what Pakistan used to term as the Northern Areas and now calls Gilgit-Baltistan. As a result, the world assumed the ‘**Kashmir Problem**’ only pertained to the Kashmir Valley which was in India’s possession.

In 2009 and 2010, India responded sharply to reports of the presence of Chinese soldiers and workers in the region. External Affairs Minister Sushma Swaraj in June last year had termed the CPEC project “unacceptable” for passing through POK. National Security Advisor Ajit Doval raised eyebrows when he reminded an audience of BSF officers to factor in 106-km-long non-contiguous border with Afghanistan in a clear reference to Gilgit-Baltistan’s Afghan frontier. Ministry of External Affairs has unequivocally emphasised that entire state of J & K including Gilgit-Baltistan is an integral part of India in recent press releases. With upgradation of Karakorum Highway through Gilgit-Baltistan, the collousivity of China and Pakistan and likelihood of two front war especially along POK and Aksai Chin increases.

### **Implications for India**

#### **Substantial increase in Strategic Value**

Historically since 1947, Indian posturing in the Ladakh Region (region in India opposite Gilgit Baltistan) has been status-quoist. India has not attempted to make any substantial changes in the alignment of the Line-of-Control as she had considered the region to be of low economic value to Pakistan. Pakistan had also until recently not attempted to legally include the region into its polity, both economically and culturally. However, **CPEC has completely changed the situation**, strategically for Gilgit-Baltistan. Territorially, its strategic significance due to the construction of CPEC has now made it the most critical. Its proximity to India and the fact that it is an integral part of India greatly **increases India’s leverage** both with Pakistan and China, **militarily and legally**.

#### **Consolidate Pakistan-China Relations**

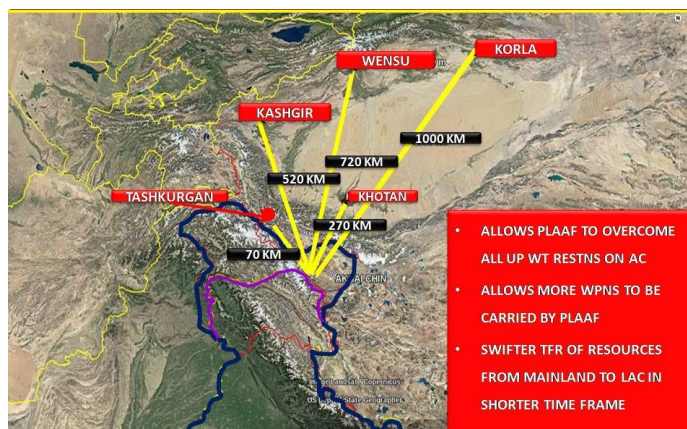
CPEC is considered a significant project that seeks to increase Chinese-Pakistan bilateral ties and further consolidate their strategic ties. The corridor running through Gilgit-Baltistan could potentially impinge upon India’s geo-political calculations and pose a strategic challenge.

**- Allows PLAAF to overcome all up weight restrictions on aircraft.**

- Allows more weapons to be carried by PLAAF.
- Swifter transfer of resources from mainland to LAC in shorter time frame.

**CPEC and Indian Security Concerns: Chinese Gains.** The focus of Chinese spending in Pakistan, besides trade, economic aid and infrastructure development, will give China *direct* and beyond, boosting its influence in immediate Indian neighbourhood of Central, South and Middle East Asia.

*Construction of approx 19 tunnels* between Hunza and Khunjerab Pass is being exclusively handled by Chinese



nationals. The tunnels afford ideal facilities to store high-value military weapons like missiles. Presence of Chinese troops has already been confirmed in Gilgit-Baltistan. In event of Pakistan declaring Gilgit-Baltistan as its fifth province the legality of their presence in Gilgit-Baltistan is emboldened and China may use this excuse as an alibi to *open the 2<sup>nd</sup> front* in case of any Indo–Pakistan conflict or may actively assist Pakistan in conflict. China has further revealed plans to construct an airport on the strategically located Pamir plateau in the city of Tashkurgan on Karakorum Highway. This will help China to *swiftly transfer resources* to the remote but strategically important region of Aksai Chin as well as POK. This will help them to *overcome the drawback of having just two major airbases* at Kashgar and Khotan which are 520 and 270 km away respectively from the nearest Indian air base of Daudet Beg Oldie (DBO).

### **Inevitability of Pakistan-China Strategic Collusivity**

The CPEC can be seen as an extension of Chinese tentacles into Pakistan. The high value of this extension is evident in the quantum of investment that the Chinese are putting into the region despite its volatility. It is natural therefore that China will do everything possible in order to protect its investment. The routes that sustain CPEC will pass through disputed territory and a **region within the**

**operational and strategic reach** of the Indian forces. This aspect highlights the **inevitability of assured collusivity** between Pakistan and China to deal with any Indian military actions in India's Western front including Gilgit Baltistan.

### **Strategic Implications**

The **vast improvement in communication infrastructure** especially in Gilgit-Baltistan will enable Pakistan to sidestep forces in a much faster rate and quantum compared to India, hampered by external and poorly developed lines-of-communication. This implies that Pakistan will effectively be able to **increase force-ratios** in theatres to her advantage in a much reduced timeframe.

### **Conclusion**

The advent of CPEC is considered economically vital to Pakistan helping it drive its economic growth. China and Pakistan intend that the massive investment plan will transform Pakistan into a regional economic hub and further boost the deepening ties between the two countries. The Pakistan media and government called the investments a "game changer" for the region. However, the same may not be true for Gilgit-Baltistan unless the local aspirations and expectations are incl and pol & eco measures are put in place to allow the fruits of this development to be enjoyed by the local populace. A positive approach may further integrate Gilgit-Baltistan with Pakistan and alienation of world community from Indian interest in region. However, a neglect of these concerns may lead to a turbulent state in the region which may lead to non completion of the CPEC and greater call for autonomy for the region.

India must leverage her advantages in the region. It must act as a medium for sounding the concerns of the people of the region and their marginalisation to the international community. The proximity of the CPEC to Indian military reach must be exploited by India to relieve pressure from other points of confrontation with China or Pakistan. Indian planners must realise the changed dynamics and opportunity in Gilgit Baltistan region and plan ahead.

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