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**Testimony before the House Foreign Affairs Committee, Asia Subcommittee  
Hearing on Chinese Influence in Asia and the United States**

**Introduction**

In May 2008, I flew to Islamabad, Pakistan's hilly tree-lined capital city, for a temporary duty assignment at the U.S. Embassy. As a civil servant in the State Department's South and Central Asia Bureau, I worked on the Pakistan account, which since the 9/11 attacks remained heavily defined by heightened U.S.-Pakistan cooperation on fighting terrorism. That cooperation translated into a significant American footprint on the ground in Pakistan, one that was superficially reflected in the many other American faces on the commercial flight that brought me to Islamabad. A similar pattern transpired at the country's elite hotels where foreigners typically stayed. As many Pakistanis would say, the Americans were everywhere, for better or for worse.

During my most recent trip to Pakistan in February of this year, I felt like I had entered a parallel universe where the Americans had been supplanted by the Chinese. Changes in the U.S.-Pakistan relationship have led to a smaller American footprint in the country. Meanwhile, the Chinese presence has grown, a result of the establishment of the China-Pakistan Economic Corridor (CPEC) initiative in 2015. CPEC occurs within a broader global context of China's Belt and Road Initiative (BRI), defined by increased Chinese economic engagement throughout the world. Engagements within South Asia center largely in Pakistan, with additional activities underway in Afghanistan, Bangladesh, Nepal, and Sri Lanka.

**The once dominant presence of the United States in Pakistan is now overshadowed by China's extensive reach** into the country's power and infrastructure sectors with long-term plans for expansion into multiple other sectors such as agriculture and mining. A Pakistani journalist I spoke with said:

**"Maybe about ten years ago, America was an important voice. Today, America sounds like a very distant voice now. There is a striking view over here that the sun is rising in the east and setting in the west."**

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Drawing superficial comparisons between China and the United States in Pakistan come easily, as does the conclusion that China's engagement in Pakistan comes at America's expense. Pakistani officials and supporters of CPEC have often reinforced these views both publicly and privately in hopes of reversing America's waning attention on Pakistan. But the message is also for domestic consumption, promoted by elected leaders to show constituents and political

opponents alike that while the Americans may have left them, they still have China. This message feeds into American fears of China's rise while distracting from understanding the true nature of Chinese influence in Pakistan – perhaps the ultimate goal of both China and Pakistan who continue to guard details of CPEC with intense secrecy.

**The United States *should* worry about growing Chinese influence in Pakistan. Some of the many consequences include further disruption to nuclear-fueled tensions between India and Pakistan; threats to Pakistani democratic culture, ethnic minorities, and civil society; and ultimately the introduction of unserviceable debt burdens for the state.** But these consequences only matter only if the United States prioritizes such issues in its relationship with Pakistan.

Instead, the Trump Administration has reduced engagement with Pakistan to a singular thread – ending the war in the Afghanistan. At this point in time, that may be what the situation demands, especially given unsuccessful attempts by the Obama administration to use a comprehensive package of inducements to improve the bilateral relationship. **However, over time that singular focus will lock the United States out of productive channels of engagement with Pakistan that China will have already strengthened.**

Unpacking Chinese influence in Pakistan requires a nuanced approach that considers the complex political and economic realities that push countries to work with China, which is more willing and able to assume the attendant risks than so many others nations in the world, including the United States. Doing so reveals a multifaceted and pragmatic relationship driven by internal forces in both countries as well as by external global catalysts. It also shows that while China's influence in Pakistan come at America's expense in some significant ways, aspects of it may also benefit U.S. interests in South Asia.

In that vein, this testimony will categorize Chinese influence in Asia with a focus on Pakistan. It will address the impacts of specific forms of Chinese influence on Pakistan and the region, identifying risks and opportunities. And finally, it will address the question of how Chinese influence in Asia affects U.S. interests now and in the future.

### **The China-Pakistan Economic Corridor: The Dominant Vehicle for Building Chinese Influence in Pakistan**

**For over six decades, China has stood by Pakistan's side as a pillar of its foreign policy;** a major developer of its military and nuclear capabilities; an ally in the region and multilaterally; and a trusted intermediary when tensions with the United States and India flare up. The foundation of the relationship greatly expanded when mutual needs for greater economic diversification, energy security, and regional connectivity grew, leading to the establishment of CPEC, the dominant vehicle for building Chinese influence in Pakistan.

Defined officially by the Pakistani government as a “framework of regional connectivity,” CPEC allows for people to people exchanges; enhanced academic, cultural, and regional understanding;

and higher volume of trade and business.<sup>1</sup> It includes a suite of projects in energy generation and infrastructure development expected to cost US\$75 billion.

At its outset, Pakistanis welcomed the initiative, viewing CPEC as a possible solution to severe energy shortages, macroeconomic instability, and job growth demands. The government also viewed growing Chinese engagement as a safeguard against the breakdown in relations with the United States, persistent threats from India, and instability in the Middle East. It also served as a morale booster for the government and ordinary Pakistanis alike. The CPEC partnership portrays Pakistan as solution to regional problems rather than a failed state which is, in the view of many international capitals, a state sponsor of terrorism.

### **An Intertwined and Opportunistic Economic Vision**

**Through CPEC, Pakistan’s economic prospects are now far more intertwined with China than any other nation.** CPEC’s regional connectivity mantra builds upon a longstanding Pakistani idea that the country can serve as a gateway to Central Asia for the Middle East as well as for other parts of South Asia. Pakistan provides the shortest route from landlocked Central Asia to the Arabian Sea and Indian Ocean.

As part of this vision, the Pakistani government promised that CPEC would create greater economic opportunities and jobs for Pakistanis along the physical routes associated with CPEC. The projects, the majority of which will be operational by 2023, are scheduled for final completion by 2030, at which time the Pakistani government claims CPEC would have created almost 700,000 jobs for Pakistanis.

**Pursuing this vision requires extensive Chinese economic support, with China reportedly financing 80 percent of the \$62 billion needed for CPEC projects.**<sup>2</sup> The terms of Chinese financing remain largely unavailable to the public. Given Pakistan’s macroeconomic challenges, this has led to domestic and international worries over the potential debt distress Pakistan may suffer due to CPEC-related financing. As reported by the Center for Global Development in March 2018, “Unlike the 2-2.5 percent ‘concessional rate’ given to some China Exim Bank customers, reports indicate that some of Pakistan’s loans reflect rates as high as 5 percent.”

This will be extremely difficult to maintain for Pakistan, which faces rising external debt, soaring current account deficits, and falling foreign capital flows and currency reserves. Pakistan believes a new program with the International Monetary Fund will pull it out of its latest round of macroeconomic instability. Additionally, the Pakistani government is quick to remind us that the CPEC debt servicing is a long-term endeavor, noting that “CPEC outflows would start from the year 2021 and spread over 20 to 25 years with a maximum in the year 2024 and 2025.”<sup>3</sup> By

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<sup>1</sup> Official website for China-Pakistan Economic Corridor, <http://cpec.gov.pk/>

<sup>2</sup> Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective, Center for Global Development Report. <https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf>

<sup>3</sup> Pakistan – IMF could either kill CPEC or help build it right, October 28, 2018.

<https://www.forbes.com/sites/panosmourdoukoutas/2018/10/28/imf-could-either-kill-cpec-or-help-build-it-right/#617bf775cbc7>

that time, Pakistan stresses, the economic benefits of CPEC will be tangible and outweigh the costs of debt servicing.

In the meantime, asking China for debt restructuring or loan forgiveness will always remain a fallback option. The project most likely to push Pakistan in that direction is the development of Gwadar Port. Pakistan must service the \$16 billion in loans from Chinese banks to develop the port, free-trade zone, and associated infrastructure at a rate exceeding 13%, while over 90% in gross revenues and 85% from the surrounding free-trade zone will reportedly go to China.<sup>4</sup>

However, in debt restructuring or forgiveness conversations, there is no guarantee China will follow any internationally-accepted standard. It does not adhere to multilateral frameworks of debt relief, such as The Paris Club. Instead, China may use its economic influence over Pakistan to make a deal similar to the one it made with Sri Lanka. Unable to service a \$8 billion loan at 6% interest that financed the construction of Hambantota Port, Sri Lanka entered a debt-for-equity swap which involve transferring to China a 99-year lease for managing the port. Some experts point out that the Sri Lanka example is an outlier in comparison to most examples of Chinese financing overseas.<sup>5</sup> **Still, it demonstrates the worse-case scenario of vulnerable countries falling under a China that is not yet fully integrated into the multilateral frameworks and international standards many creditor countries are obliged to follow.**

Debt servicing concerns are not the only adverse effects of Chinese economic influence in Pakistan. The initial excitement among Pakistan's business community over CPEC's economic promise has now transformed into discontent with the government. Initially promoted as a mutually-beneficial partnership, many in the business community now view the initiative as a one-way street for China's economic benefit. Some business leaders claim they were not invited to the table on possible joint ventures or partnerships. They also point to the mostly one-way traffic of goods and people, with Pakistan's largest trade deficit being with China and the difficulty of the Pakistani trader community to obtain visas to China.

Reports indicate that China is working on ways to improve the flow of people and goods, hinting at the extensive backroom policy work required to facilitate CPEC's ambitious goals. With the early harvest power plan and road projects now complete, China and Pakistan can now move to adjusting the policy framework to increase investments from and exports to China. Despite the political hype and media frenzy, CPEC remains a long-term endeavor whose ultimate ambitions of connectivity depend on more than just construction of roads and ports and, in some cases, require an entire reevaluation of policy frameworks.

The next phase will also include the development of the special economic zones across the country, in particular the one surrounding the Gwadar Port in Balochistan province, as well as socioeconomic development and job growth efforts. The risks associated with this phase are well documented, the most significant of which remains the security challenges posed by protecting a greater number of Chinese workers in Pakistan.

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<sup>4</sup> Bad terms: Pakistan's raw deal with China over Gwadar Port, November 29, 2017. <https://cms.ati.ms/2017/11/bad-terms-pakistans-raw-deal-china-gwadar-port/>

<sup>5</sup> Is China the World's Loan Shark? April 6, 2019. <https://www.nytimes.com/2019/04/26/opinion/china-belt-road-initiative.html>

## How China Plans to Secure Pakistan

Improving the security environment is a primary impetus of CPEC. Since the late 1990s, China-Pakistan economic ties have strengthened, partially due to a convergence of American, Pakistani, and Chinese security interests on the rising threat of Islamic radicalization. During former President Pervez Musharraf's tenure from 1999 to 2008, China began to view its "stake in Pakistan's economic success as a safeguard against the infiltration of Islamic radicalism into its restive Xinjiang province."<sup>6</sup> Likewise, Pakistan

"began to recognize the need for economic growth as a remedy against the rising menace of Islamic radicalization within society and subsequent risk of state failure... This took on new urgency, not least because of pressure from Washington, following the September 11 attacks on the US."<sup>7</sup>

When President Asif Ali Zardari was elected in 2008, he continued where Musharraf left off. Despite the broadly held view in Pakistan that Zardari was unpopular with the Chinese, he took several private and official trips to China to discuss the possibility of many of the outcomes we witness today in CPEC. When the business-friendly government of Prime Minister Nawaz Sharif was elected in 2013, the tenor of the China-Pakistan relationship became markedly more positive in both public and private settings and CPEC was born.

Prime Minister Imran Khan's 2018 electoral victory provoked questions about the sustainability of CPEC. Many in Pakistani political circles believed the initiative had been strengthened by Chinese closeness with and influence over the Sharif family. Even though he secured emergency loans from China in response to the current balance of payments crisis, Khan's attempts to build personal channels to the Chinese have yet to yield results.

Though sometimes beneficial, civilians tend to play little role in advancing CPEC.<sup>8</sup> The merging of Chinese economic and security interests in Pakistan brought Pakistani civilians into greater contact with China, but it never changed the fact that the Pakistani military remains the primary steward of the China relationship and driver of CPEC. Its private channels with China allow the military to streamline CPEC projects that directly advance the military's financial and strategic interests.

For example, CPEC describes the Pakistani-owned and Chinese-operated Gwadar Port as a pillar of its regional economic connectivity vision. **But the growing Chinese military presence there and sales of Chinese submarines to Pakistan suggest a deeper military cooperation previously undisclosed as part of CPEC. All this directly serves to strategically pressure**

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<sup>6</sup> Matthias Hartpence, "The economic dimensions of Sino-Pakistan relations: an overview" in *The Journal of Contemporary China* September 1, 2011; p. 583.

<sup>7</sup> Shannon Tiezzi, "China Powers Up Pakistan: The Energy Component of the CPEC", January 13, 2016, Available at: <http://thediplomat.com/2016/01/china-powers-up-pakistan-the-energy-component-of-the-cpec/> (Accessed March 1, 2016)

<sup>8</sup> Even though the military is the primary drivers of CPEC, any progress will translate into a significant amount of work for civilian leaders in dealing with new policy frameworks and administrative actions to be taken.

## **India to the benefit of China and Pakistan while triggering American fears about worsening U.S.-China tensions at sea.<sup>9</sup>**

Beyond maritime cooperation, news of China-Pakistan efforts to jointly build “navigation systems, radar systems and onboard weapons” in special economic zones inside Pakistan point to potential changes in Pakistani military capabilities that pose new strategic threats to the region. **They may result in an even more intractable Pakistan for the United States to deal with on issues such as India, possibly leading to more brinksmanship in cross-border tensions and less interest in resuming dialogue.** As Pakistan becomes less dependent on U.S. hardware and military assistance, CPEC offers it access to China’s new hard power capabilities, including naval vessels, fighter jets, drones, nuclear warheads, tools of cyber warfare, and a variety of missiles.

Other CPEC collaborations on security and technology promise to eliminate terrorism and make Pakistan safer. A fiber optic cable linking Rawalpindi to the Chinese border and a second link connecting the Gwadar Port is expected to provide information for CPEC projects as well as utility in environmental protection, disaster management, and emergency response. Another benefit of the satellites is that they may provide the military with a window into centers of activity around terrorism and militancy – and to avoid having its outbound traffic traverse India.<sup>10</sup> However, they could be also used to destabilize the political environment by increasing the likelihood of invasive data collection, misuse of information, and violations of privacy.<sup>11</sup> The same applies to CPEC’s Safe Cities projects which, in partnership with Huawei, intend to secure multiple Pakistani cities from terrorism and violence by installing facial recognition software and cameras throughout urban areas.

CPEC could effectively become the primary vehicle for China to export tools of authoritarianism and state control to Pakistan, threatening democratic culture, minorities, and political dissidents.<sup>12</sup> The notion that the Pakistani military might start to mimic Chinese authoritarianism is no longer theoretical. Already, since the signing of CPEC, Pakistani civil society and journalists in particular report more aggressive tactics by the military to silence critical voices. Indeed, during my last trip in February, I heard a common refrain among the voices of politics, culture, and media in the several cities I visited: *the military is more powerful than ever – and that’s because of China.*

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<sup>9</sup> China’s ‘Belt and Road’ Plan in Pakistan Takes a Military Turn. December 19, 2018.

<https://www.nytimes.com/2018/12/19/world/asia/pakistan-china-belt-road-military.html>

<sup>10</sup> <https://www.eurasiareview.com/19072018-double-edged-sword-china-and-pakistan-link-up-with-fiber-optic-cable-analysis/>

<sup>11</sup> “China has various reasons for wanting a terrestrial fiber optic link with Pakistan, including its own limited number of submarine landing stations and international gateway exchanges which can serve as a bottleneck to future growth of internet traffic. This is especially true for the western provinces...Moreover, China’s telecom services to Africa need to be transferred in Europe, so there is certain hidden danger of the overall security” says the plan. Pakistan has four submarine cables to handle its internet traffic, but only one landing station, which raises security risks as well.” <https://www.dawn.com/news/1333101>

<sup>12</sup> Ibid. “The proposal, confirmed by officials at the Ministry of Planning and Development, would expand China and Pakistan’s current cooperation on the JF-17 fighter jet, which is assembled at Pakistan’s military-run Kamra Aeronautical Complex in Punjab Province. The Chinese-designed jets have given Pakistan an alternative to the American-built F-16 fighters that have become more difficult to obtain as Islamabad’s relationship with Washington frays.”

While it may be powerful in suppressing its own people, the Pakistani military has a long way to go before the country is a safe place for the Chinese to operate, at least in the foreseeable future. The Pakistani military has devoted over 15,000 of its own troops to the protection of Chinese workers and firms, many of which are located in restive parts of the country.<sup>13</sup> But anti-state groups have still managed to kill numerous Chinese laborers working on CPEC projects since 2014. We should expect such threats to grow as China plans for a much larger physical footprint in the area surrounding the Gwadar Port in Balochistan, where it plans to construct a nearly 4 million square foot “International Port City” with an airport, multimillion dollar luxury golf resort, and “\$150-million gated community for the anticipated 500,000 Chinese professionals who will be located by 2022 and work in its proposed new financial district in Gwadar.”<sup>14</sup>

For the roughly 260,000 Pakistanis who call Gwadar home, being outnumbered in their own territory by privileged Chinese nationals will no doubt be cause for concern.<sup>15</sup> For the Chinese arriving to live in their gated enclave, they will not be bothered by the lack of fresh water, sporadic electricity, spikes of waterborne illness and hepatitis, and unavailability of medical doctors. The Pakistani military and its civilian counterparts will have facilitated their access to all the basic necessities of life and more.

### **Planting the Seeds of Cultural Influence**

Now in its fourth year of application, CPEC activities have translated into tangible Chinese influence on the ground. Details about the Chinese footprint in Pakistan vary, but a source in Pakistan’s foreign ministry “said about 71,000 Chinese nationals visited in 2016,” and an immigration official stated that “27,596 visa extensions were granted to Chinese in that year alone.”

Despite the growth of its physical footprint in Pakistan, **China does not share the same cultural connections that the United States and Pakistan enjoy. From the English language to a western-education elite and affinity for American television, music, and media, the people of Pakistan are far more familiar with western culture than they are with that of China.** For the Chinese that currently reside in Pakistan, their short-term residency in the country (typically 1-2 years) does not warrant assimilation, resulting in extremely limited interactions between Pakistanis and Chinese.<sup>16</sup> Pakistan’s U.S.-educated westernized elite appear to view growing Chinese influence with concern, worrying that Pakistan’s tilt towards China will

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<sup>13</sup> The military faces challenges in managing security along portions of the CPEC route in disputed Kashmir and Balochistan, where there is an ongoing local insurgency against the Pakistani military. Chinese workers and citizens face specific threats from Pakistani Islamists and by Baluch nationalists who view China’s presence as an extension of Punjabi economic encroachment in the province. China also fears backlash from its own Uighur separatists residing in Pakistan. Additionally, setting up a CPEC military unit is serious move by the military that testifies to ongoing Pakistani worries that if CPEC implementation takes too long, is too dangerous, or is overly complicated, that China may pursue other options, such as routes in Iran.

<sup>14</sup> <https://thediplomat.com/2018/10/gwadar-emerging-port-city-or-chinese-colony/>

<sup>15</sup> Population of Gwadar Census 2017. <http://www.pakinformation.com/population/gwadar.html>

<sup>16</sup> For details see “The Increasing Chinese Footprint in Islamabad,” *The Herald*, accessed 5 May 2019. <https://herald.dawn.com/news/1398787>

eliminate all options to engage a United States that is ramping up its heated global competition with China.

But the consequences of tighter immigration controls in the United States after 9/11, and the negative narratives associated with U.S. counterterrorism activities in Pakistan, have created space for political affinities, cultural exposure and appreciation, and educational opportunities to grow with China – and it is keen to take advantage of them.

The CPEC-funded fiber-optic cable network will provide access to predetermined programs promoting Chinese [culture](#) to Pakistani households. At the China Market in Rawalpindi, the military cantonment city in the north, middle-class Pakistanis thank the Chinese for the ability to buy copies of luxury knock-off goods at affordable prices.<sup>17</sup> While English remains the language of choice among educated elites and those Pakistanis seeking to expand their financial opportunities, Chinese language learning is increasingly available to Pakistani children. The Roots International Schools in Pakistan offer a Chinese language [curriculum](#) for grades 1-10 with syllabus and materials provided by the Confucius Institute, based in the Pakistani capital of Islamabad. Lower and middle-class Pakistanis who cannot afford to travel to the United States for education or work now consider China a cheaper and politically friendlier destination.<sup>18</sup>

Despite the public downplaying of U.S. ties and growing Chinese influence, **many Pakistani political insiders and government officials state the country is still keen to keep building a bilateral relationship with the Americans but do not think the United States is interested. As a result, some view the expanded relationship with China more as a compulsion than a choice.** As one Pakistani official told me, “No one was willing to come help us during the 2013 power shortages. China did.”

### **The Impact of Chinese Influence on U.S. Interests**

If CPEC delivers on its stated promises, it will stabilize Pakistan’s economic and security environment, albeit with unequal distribution of benefits to the country. If it succeeds in its undisclosed strategic aims, as discussed in this testimony, it also portends immense geo-economic and geopolitical advantages for China and Pakistan that stand to dwarf any comparable American influence – **as long as the United States continues on its current policy trajectory in South Asia which lacks a comprehensive, integrated, and long-term economic and political vision of the region that advances present and future U.S. interests.**

Already, with the exception of Afghanistan, Chinese assistance and engagement outpaces that of the United States in all of the South Asian countries combined. **While the United States under the Trump Administration certainly has the rhetoric to compete with China, it lacks the political will, financial resources, ability to assume risks, and interests-based vision needed to compete with Chinese influence à la CPEC or BRI.**

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<sup>17</sup> “Mother China: A Chinese Revolution Sweeps Across Pakistan” <https://herald.dawn.com/news/1153413>

<sup>18</sup> “With almost 19,000 students from Pakistan studying in China in 2017, Pakistan is the ninth-largest source of China’s international students. <https://www.dawn.com/news/1317973/19000-pakistani-students-studying-in-chinese-universities>



To be clear, a revitalized American approach to Pakistan should not aim to replace China's efforts or presence. Pakistan and China's respective economic and political engagements with other regional stakeholders, like Iran, Afghanistan, Saudi Arabia, and India, show they are not playing a zero-sum game and neither should the United States. Competing with China in this way will require the United States to think about the region as an interconnected network of economic, socio-cultural, political, and security relationships that inform one another. It means understanding that when China helps Pakistan build navy submarines, India will react in kind, and that U.S. policy must consider its own actions with each nation in parallel to regional dynamics.

I trust that the American intelligence community continues to thoroughly analyze the world through complex prisms such as these, but that is not reflected in the Trump Administration's simplistic pressure tactics which, on the subject of this testimony, seeks to coerce China anywhere at any expense, and in the process holding all U.S. foreign policy hostage.

Viewing CPEC in zero-sum terms means the United States will isolate itself from an historical process of regional economic integration that it cannot stop. And, the more Pakistanis buy into the view that the "sun is rising in the east and setting in the west," the further the United States will find itself locked out of productive channels and engagements with Pakistan and possibly other BRI countries.

But we still in the early stages of growing Chinese influence in Pakistan and the United States can still engage and reshape it. Competing with Chinese influence will require the United States to use a combination of pressure tactics, use of multilateral platforms and mechanisms, revitalized bilateral ties, and creative thinking. Pakistan's pending request for a new stabilization package from the International Monetary Fund (IMF) offers one such example.

Facing yet another balance of payments crisis, Pakistan asked the IMF for a multi-billion-dollar macroeconomic stability package. It might feel like Groundhog Day, since this is the 13<sup>th</sup> Pakistani request for an IMF program since the late 1980s. But this request is different. Taking place in the midst of the expansive but opaque terms of CPEC, it triggered U.S. Secretary of State Mike Pompeo to state that:

"there's no rationale for IMF tax dollars, and associated with that American dollars that are part of the IMF funding, for those to go to bail out Chinese bondholders or China itself."<sup>19</sup>

Secretary Pompeo is right. Why should the United States subsidize Pakistan's questionable debt deals with China? He promised to watch the IMF closely, implying that the United States could pressure the IMF to say no to Pakistan. But there's another angle to consider for why IMF dollars *should* go to Pakistan – they can demand insight into the nature of CPEC. The latest reporting from Pakistan suggests an IMF deal is imminent and that Pakistan finally acquiesced to one of

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<sup>19</sup> <https://www.reuters.com/article/us-imf-pakistan/us-pompeo-warns-against-imf-bailout-for-pakistan-that-aids-china-idUSKBN1KK2G5>

the last sticking points – IMF demands of full disclosure of China-Pakistan financial cooperation and details on more than \$6.5 billion of commercial loans since 2017.<sup>20</sup>

Public statements about China's debt-trap diplomacy are not enough. They must be matched by coordination with the international community and multilateral partners who largely share the view that China's growing influence worldwide comes with significant economic and political risks to many countries.

That being said, China itself assumes a great deal of risk itself when it enters places like Sri Lanka, Afghanistan, and Pakistan, just to name a few of the BRI countries where it has faced weak political leadership, threats to security of Chinese workers, and basic infrastructure challenges in pursuit of implementing its projects.

It also has assumed certain policy risks by going outside of its traditional mantra of staying out of its partners politics. For example, China is involved in peace and reconciliation discussions with the Afghan Taliban and the Government of Afghanistan. Pakistan would probably like China to assume an intermediary role in future flare-ups between India and Pakistan. While China may privately advise Pakistan to minimize tensions, it is less likely to formally involved itself given the nature of its own relationship with India.

In a variety of ways, the United States and its international partners have already attempted to do what China currently aims: to improve security by way of economic prosperity and connectivity in South Asia. The United States should welcome China assuming the region's economic, developmental, and policy risks on its behalf. It means that the United States is not the lone voice when whispering to the Pakistanis that they need to sort it out with India, or when they need to secure the border with Afghanistan.

**We should acknowledge, however, that while the security interests of China and the United States in South Asia do overlap for now, they are by no means shared.** The two countries have different definitions of terrorism and of which groups within the region's toxic cocktail of militants are deemed terrorists. And ultimately, the United States and China have different ideological and practical approaches of how to pursue their security interests. The technologies and tools of authoritarianism that China intends to use to get there are a direct threat to U.S. interests and should be for Pakistan as well. We must also consider to what extent greater Chinese influence in Pakistan relates to the ongoing development of Pakistan's nuclear program, of which China continues to be a staunch supporter of.

On the India-Pakistan front, some experts believe that an economically prosperous Pakistan will find India less threatening and as a result, will minimize Indo-Pak tensions and result in a win-win for everyone, including the United States. A counter to this view is that Pakistan's Chinese-enhanced military capabilities coincide with a deepening anti-Muslim Hindu nationalism movement in India, acknowledgement and fears of which has taken root in the Pakistani military and other policy circles. This could lead both countries to become further entrenched in their

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<sup>20</sup> This would include infrastructure development assistance, nuclear power plants, joint manufacturing of warplanes, and procurement of submarines; <https://www.rferl.org/a/imf-team-to-visit-pakistan-for-talks-on-support-package/29882017.html>

hostile positions rather than soften them, especially if political strength of the governments depends on reacting strongly to religious tensions. Ultimately, we should not presume that economic factors alone can solve regional conflicts that are rooted in complex histories and politics.

Chinese influence in Pakistan changes the rules of the game for the United States and other countries seeking engagement and cooperation with Pakistan. The parameters within which the United States and Pakistan have dealt with one another since 9/11 have largely been defined on American terms and Pakistani acquiescence. But they may now come to be defined increasingly by Chinese ones as well. The United States must be prepared for how that transforms the political, economic, and cultural systems that it has become accustomed to understanding and working with in Pakistan. Simply put, after CPEC is said and done, what kind of Pakistan does the United States want to end up having to contend with and, more importantly, why?

Growing Chinese influence begs for a sustained American effort to observe and collect information (intelligence and otherwise) on the actual economic, political, and cultural impacts of CPEC. It also demands different kind of foreign aid and suite of policy measures in Pakistan that speak beyond counterterrorism and Afghanistan to include a focus on the institutions, stakeholders, and values most threatened by Chinese influence.

As this testimony shows, the door is not shut for the United States in Pakistan. Despite its complicated historical relationship with the United States, Pakistan understands it is not in a position to isolate the United States through China. The United States should consider the arrival of CPEC as a reminder of its failure to think long-term and strategically about a part of the world it can no longer ignore. Rethinking U.S. policy in South Asia will not only contend with growing Chinese influence, it will also ensure that the United States does not become an afterthought in the region's new competitive geopolitical environment.