Greater South Asia

Why in news?

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Pakistan has recently proposed the creation of “Greater South Asia” during the visit of Pakistani Delegation to Washington.

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What is the need?

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- In the aftermath of Uri attack, India boycotted the SAARC meet scheduled in November which was supposed to be hosted in Islamabad.
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- The summit was cancelled the other countries backed India’s move, showcasing India’s influence in the region.
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- In order **to counter this growing Indian influence** Pakistan proposed the creation of an economic union named Greater South Asia.
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- The members will include South Asian countries along with **China, Iran and the Central Asian Republics**. Pakistan also wants India to join the arrangement.
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Will India be concerned?

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- Pakistan proposes that the **China-Pakistan Economic Corridor (CPEC)** will provide marine connectivity not only to China but also to landlocked Central Asian Countries. Therefore it expects them to join. In reality CPEC is currently stalled by unrest in Balochistan. Therefore it might not be very attractive.
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- Though China will most probably join, other South Asian Countries will not be enthusiastic to join, since Srilanka and Bangladesh already have ports. For landlocked Bhutan and Nepal, Gwadar (the major port under CPEC) is far from it.
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- Afghanistan has a long discontent with Pakistan and a traditional good relation with Pakistan. Hence it might decline the idea as well.
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- Iran also has a strong relationship with India. With Chabahar Port and North South Transport Corridor underway it will also be hesitant to back Pakistan. Same is the case for several Central Asian Countries with which India is pursuing to build good terms. Therefore currently the proposed union will not pose a threat against India's influence in the region.
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What is China-Pakistan Economic Corridor (CPEC)?

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- It refers to a clutch of major infrastructure works currently under way in Pakistan, intended to link Kashgar in China's Xinjiang province to Gwadar deep sea port close to Pakistan's border with Iran.
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- The project seeks to expand and upgrade infrastructure across the length and breadth of Pakistan.
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- Chinese firms will invest just under $ 46 billion in the project over six years — including energy projects and infrastructure.
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What are Pakistan's Gains?

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- The $ 46 bn promised by China is three times the total FDI it has got in the last decade.
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- The project is estimated to directly create some 700,000 jobs up to 2030, and speed up GDP growth.
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- The bulk of the investment will be in energy. $ 15.5 bn worth of coal, wind,

solar and hydro energy projects will come online by 2017 and will reduce power shortage in the country
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- Besides the potential for growth, it gives greater strategic leverage with both India and the United States in the Indian Ocean region.
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What are China’s Gains?

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- The CPEC is part of China’s larger regional transnational ‘One Belt One Road’ (OBOR) initiative.
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- Gwadar lies close to the Strait of Hormuz, a key oil shipping lane. It could open up an energy and trade corridor from the Gulf across Pakistan to western China, that could also be used by the Chinese Navy.
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- The CPEC will give China land access to the Indian Ocean, cutting the Strait of Malacca route around India, to a mere 2,000 km road journey from Kashgar to Gwadar.
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- CPEC provides investment opportunities for Chinese companies.
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What are the problems in the project?

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- Both Balochistan and Khyber Pakhtunkhwa have complained that power projects that ought to be theirs have gone to Punjab.
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- The unpredictable security situation remains a huge concern.
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- There is some concern about the Uighur militants in Xinjiang as well.
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- Co-operation among the provinces is a key to the success of the CPEC. Pakistan have traditionally failed in this area.
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