

## **Exploring the role of Regional Powers in shaping Central-South Asian Connectivity Amidst Rising Asia**

**Adnan Sami**

Visiting lecturer, Department of Strategic Studies, Air University, Islamabad

**Dr Muhammad Ismail**

Assistant Professor, Department of International Relations, NDU, Islamabad

Email: [Ismail@ndu.edu.pk](mailto:Ismail@ndu.edu.pk)

**Naeem Murad**

MPhil Scholar, NDU, Islamabad

### **Abstract**

This paper examines how regional powers shape Central–South Asian connectivity amid Asia’s shifting power balance. Using qualitative document analysis and expert insights, it compares China-led BRI/CPEC-linked corridors with India’s engagement through the International North–South Transport Corridor (INSTC). Drawing on Copeland’s trade expectations theory, it argues that corridor success depends on expectations of reliable future access rather than infrastructure scale alone. Where future access is perceived as uncertain—due to sanctions, insecurity, or strategic veto risks—states hedge by pursuing competing routes, limiting regional integration. The study shows that China and India promote connectivity as a means of influence-building. Nevertheless, their competing expectations and asymmetric dependencies create coordination problems for smaller states, as in the case of China’s CPEC and India’s INSTC, two regional connectivity projects with distinct interests. The findings contribute to debates on geo-economics by explaining why connectivity initiatives often produce parallel corridors rather than integrated regional networks.

**Keywords:** Regional Connectivity, Rising Asia, Regional Powers, Regional stability, Trade Expectation

### **Introduction:**

Central Asia and South Asia are the two crucial regions of Asia. Eurasian transit space connecting China/Russia/Europe, and a hub of continental corridors (Kassenova, 2023), while South Asia serves as a buffer zone, linking it to the Middle East and Africa (Chaturvedi, 2020). Although landlocked, Central Asia possesses abundant energy resources, including oil and gas, whereas South Asia remains energy-deficient, relying heavily on external supplies (Rashid, 2015). Enhanced connectivity between the two regions would enable South Asia to directly tap Central Asia’s resources, thereby alleviating energy shortages. In return, Central Asian states would gain access to the Indian Ocean—particularly through Pakistan—opening routes to African and Arab markets (Noorulain Naseem, 2023). These trade corridors would diversify the Central Asian trade

route, which has traditionally depended on Russia. This linkage is crucial for both regions, as it not only enhances economic growth but also contributes to peace and stability.

Connectivity refers to the physical linkage between two regions that enables the flow of goods, services, and ideas across borders (Bart Gaens, 2023). It is a vital element for regional integration, economic prosperity, political cooperation, and cultural exchange. Once achieved, connectivity benefits not only the host states but also other regional powers. On one hand, transport corridors, railways, and ports reduce the cost by shortening the distance, lowering transport time, and improving logistics. These material benefits prompted trade, investment, and regional integration, but at the same time, they can also produce political and security effects that are less cooperative.

Historically, Central and South Asia were connected by the ancient Silk Road (Sarwar, 2017). Today, connectivity is perceived as a means to foster economic cooperation, access energy resources, and promote regional stability. Despite initiatives by host states such as the Central Asian Republics and Pakistan, rising Asian powers— particularly India and China — play a decisive role in shaping these connections (Rehman, 2018). China has advanced its strategic vision through large-scale infrastructure projects, such as the Belt and Road Initiative, including the China-Pakistan Economic Corridor. This initiative aims to link Pakistan with Western China and to provide Central Asian states with access to Pakistani ports (Ali G. , 2020). In today's globalized world, many states have prioritized building economic corridors to connect regions and boost economic growth.

India is also involved in several connectivity initiatives aimed at securing access to energy-rich regions to meet its increasing energy needs. A key project is the International North-South Transport Corridor (INSTC), which seeks to link India with Central Asia and Europe via Iran (Hussain, 2024). Alongside India, China has also pursued major initiatives, and both states have experienced enormous economic growth in recent decades, helping transform Asia into an economic hub. China has invested heavily in Central Asia, building roads and rail networks to establish an alternative route to the European market (Khan K. H., 2024). These projects also enable Central Asian states to diversify their trade route away from Russia and gain access to the Indian Ocean region (Balazs, 2025). At the same time, fostering connectivity also encourages broader regional economic cooperation, fostering prosperity and stability. It can also contribute to countering terrorism and extremism in the region, particularly emanating from Afghan soil (Khan S. A., 2019).

Additionally, the rising Asian powers, particularly China and India, are pursuing their regional interests through economic means. They are shaping Central-South Asian connectivity not only via infrastructure development projects but also through economic and geopolitical organizations (Marwat, 2017). However, the key question is whether these efforts genuinely promote sustainable and equitable connectivity. Will they benefit all regional players, or primarily serve the interests of major powers? Despite integration and investment, connectivity also intensifies rivalries when major powers view corridors as tools of influence rather than shared infrastructure. Instead of being observed as a regional public good, it is often interpreted as an advancing one strategic reach, encouraging others to respond with competing corridors (Wasi, 2025). Additionally, debt politics is a key tool for advancing strategic interests and creating financial dependence through large-scale infrastructure projects. When states accumulate high levels of debt, connectivity projects often become politically sensitive, prompting domestic backlash and external pressure. Instead of enhancing mutual benefits, connectivity can deepen asymmetries and mistrust (Akhtar, 2019).

Despite massive connectivity investments, Central–South Asian corridors remain fragmented. Why do some corridor initiatives produce coordination while others trigger strategic backlash and delay? We argue that connectivity outcomes depend less on ‘infrastructure volume’ and more on trade expectations shaped by (i) perceived corridor reliability, (ii) sanction/war risk, and (iii) rival powers’ veto capacity. Additionally, connectivity influences regional order not only by reducing transport costs but also by shaping state expectations about future access, risk, and dependence. When expectations are positive, corridors encourage cooperation, whereas uncertainty leads to hedging and securitization. The article proceeds by explaining the research methodology, outlining the theoretical framework, and comparing INSTC and CPEC through a mechanism-based analysis, concluding with the persisting challenge to regional stability and connectivity.

### **Research Question and Contribution:**

How and why major regional connectivity projects shape cooperation and rivalry between Central Asia and South Asia. This article adds to the current geo-economic debate on connectivity by showing how infrastructure projects operate as a strategic tool that shapes perceptions of future independence rather than as a neutral economic tool. Furthermore, it offers a comparative analysis by identifying distinct mechanisms through which centralized and diversified corridor designs produce different security and political outcomes.

### **Research Methodology:**

The study adopts a qualitative research method to understand how major connectivity projects shape regional trade expectations. The sources from which data is collected and analyzed are policy documents, official agreements, government reports, international organization policy papers, strategy papers, and projects related to CPEC and INSTC. These include primary documents from foreign ministries, peer-reviewed journal papers, reports from multilateral institutions, and well-known magazines. Consequently, the data has been analyzed thematically to evaluate a profound understanding of corridor and regional security architecture. Thematic approach allows the study to trace different patterns across the sources and link to Copeland's theoretical framework. The study's design is interpretive rather than causal, aiming to explain how perception and expectation shape policy choices. Instead of measuring quantitatively, the study examines meaning, policy language, and strategic intent embedded in connectivity discourse. Lastly, the study has several limitations, including reliance on official documents, and elite discourse may introduce bias by undermining grassroots or local perceptions. Second, policy documents often present an optimistic narrative that may not be practically implemented. Therefore, to overcome these limitations, triangulation helps to crosscheck the government narrative with academic studies, independent policy reports, and regional analysis. Methodological transparency and source triangulation enhance the study's credibility and analytical rigor.

### **Conceptual Framework:**

Dale C. Copeland's theory of trade expectations explains how fluctuating trade levels and anticipated future trade affect the decision-making of states and their leaders. Put simply, the theory holds that the expectation of future trade determines whether trade is peace-promoting or war-inducing. He believes that Interdependence can foster peace only when states anticipate high levels of trade in the foreseeable future. Conversely, when states perceive future trade as a threat to their

interests, they are more likely to resort to war. In this sense, interdependence may become war-inducing if leaders expect other actors to try to cut them off from access to vital trade (Copeland, 1996).

The expectation of future trade can sustain interdependence, even at the expense of present conditions. In other words, states may continue to pursue trade relations not because of immediate gains, but because they anticipate future benefits. This perspective incorporates the fluctuating character of trade levels in interstate economic relations. Accordingly, the trade value is not determined merely by its volume at a given moment, but rather by the expected streams of trade in the near future (Håvard Hegre, 2009). China's CPEC fits Copeland logic because Beijing expected long-term benefits from the ongoing developmental project. The project aims to tighten land links between Central Asia, South Asia, and West Asia (Ismail, 2021). According to Beijing, CPEC is not merely an economic project but also a means to shorten energy and goods routes, providing China with a feasible route to the Arabian Sea via Pakistan's Gwadar Port (Schwemlein, 2019).

On the other hand, India led the International North-South Transport Corridor (INSTC), which follows a similar linkage but different strategic calculations. INSTC connects India with Russia and Central Asia, and extends further towards Europe. It travels via Iran and the Caspian Sea, offering a shorter land-based route than the traditional sea route via the Suez Canal and the Arabian Sea. From an Indian perspective, investing in the North-South route will ultimately be beneficial by avoiding Pakistan's trade route and securing dependable overland access to the resources and markets of the West (Evgeny Y. Vinokurov, 2022). According to the Copeland framework, India's interests are driven by expectations. If India expects it to be reliable, a peaceful corridor could be built that links India with Central Asia, Iran, and Russia. Long-term gains from trade provide a reason to strengthen cooperation and avoid conflict on the proposal routes (Evgeny Y. Vinokurov, 2022). Therefore, INSTC could enhance the expected benefits of peaceful cooperation and create mutual commercial stakes among the corridor members. The more India trades via INSTC, the more every partner has an interest in stability and coordination (Khaidarova, 2022).

Severing trade ties not only deprives a state of the benefits of trade but also imposes the costs of adjusting to new challenges, often leading to conflict with other states, both regionally and globally. Scholars have observed a resurgence of great-power politics in South Asia prompted China to expand its economic footprint through the Belt and Road Initiatives, particularly via CPEC in Pakistan, which is described as a potential competitor to regional dominant powers (Schwemlein, 2019). On the other hand, scholars argue that the existing regional power – India – perceives Beijing's growing presence as a potential threat to its traditional dominance. To counterbalance China's CPEC, India initiated the INSTC to enhance regional cooperation among member states (Hans-Christian Brauweiler, 2025). As a rational actor, state decision of war/peace often based on cost-benefit analysis, by perceiving the potential gain of conflict against the advantages of sustaining trade relations. The dependence of a state is determined by the balance between what it derives from open and free trade and the potential losses it would incur if trade were cut off—what Copeland refers to as the 'compatibility factor.' This factor explains the degree of dependence between two states within trading relations. When a state lacks natural resources and has limited alternatives, and its trading partner can meet these needs, dependence becomes particularly high (Copeland, 1996).

Domestic, external, and diplomatic considerations, which together constitute the systemic restraints a state faces, determine the compatibility factor. These constraints ultimately determine

the reasonableness of trade, the expectation of future trade, and the selection of a trading partner. Relevant factors include economic competitiveness, the nature and availability of natural resources, infrastructural development, and institutional pressures such as those exerted by the military. In essence, the compatibility factor reflects whether a trading partner's demands align with a state's domestic political context and how leaders interpret those demands within their own political structure (Thomas Poufinas, 2018). In terms of the Copeland framework, CPEC enhanced the value of continuing peaceful relations between China and Pakistan. It creates a mutual interest in keeping these corridors open. For China, investing in roads, infrastructure, railways, and ports could foster durable interdependence by more closely tying Pakistan's economy to China (Jianting Zhao, 2022). Thus, China expected future gains from the shared cooperation.

Meanwhile, the CPEC has been analyzed through Copeland as a response to uncertainty about future trade. If China feels threatened by the existing maritime chokepoints or rivalry with other powers, which might make its sea trade more vulnerable, investing in an alternative route could be a preventive measure to protect its trade. Scholars argued that CPEC could serve as a commercial and strategic end for China (Ali A. , 2016). It is part of China's broader global project, the BRI, which aims to diversify Chinese trade routes and strengthen ties with neighboring states (Miner, 2016). In short, China's CPEC reflects the expectation that greater connectivity will be potent and could stabilize the region. On the contrary, the Copeland framework also illustrates the INSTC as an alternative strategy under uncertain conditions. By supporting INSTC, India could increase its options by sending and receiving goods without relying on a single trade route. This could also reduce coercive options and maintain a collaborative environment with the member states (Sonno, 2017).

Moreover, the Copeland framework also warned about asymmetric dependence and the doubts that can create future risk. If one-partner suspects that trade could be cut off, it might lead to the pursuit of military or political measures to sustain supply chains. For instance, the outside powers consider CPEC and INSTC as strategic moves by the two Asian giants, not merely economic initiatives (Neha Manhas, 2025). According to Analysts, CPEC has drawn a strong reaction from India and heightened regional tensions because it alters the balance of influence in South Asia. Similarly, INSTC's success depends on political trust among stakeholders; when trust is lacking, trade outcomes could be small, reducing the likelihood of cooperation (MonojitDas, 2025). According to Chinese analysts, Eurasian integration is critical to establishing a stable security environment around China's southern and Western periphery, addressing the underlying sources of violence and building mutual trust (Wuthnow, 2012).

### **Analysis and Discussion:**

Central Asia holds strategic significance for both great powers and regional powers, often described as a transit route to Europe. Its proximity to South Asia further enhances its importance, while its vital oil and gas reserves add to its value. Historically, the region was dominated by Imperial Russia and later by the USSR. Following the disintegration of the Soviet Union, five independent Central Asian republics emerged: Tajikistan, Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan (Dabrowski, 2017). Since their independence, these states have attracted considerable attention from both global and regional powers due to their rich resource wealth and strategic location. For the United States, the region serves as a critical arena to counterbalance the influence of China and Russia (Wimbush, 2025). At the same time, regional powers such as China

and India play a growing role in shaping economic and political developments in Central Asia, seeking integration and stability.

Historically, China and India were the world's leading economic powers until the beginning of the 18<sup>th</sup> century, when Asia dominated the global economy (Mahbubani, 2022). However, following the Industrial Revolution, Europe became the leading economic and political center, colonizing much of Asia and Africa and exploiting their resources for its own interest. Meanwhile, in the second half of the 20<sup>th</sup> century, several Asian states began restoring their economic strength, with four—known as the “Asian Tigers”—emerging as major economic centers (Glaumann, 2020). The four Asian Tigers — Hong Kong, South Korea, Taiwan, and Singapore—fueled their economies through rapid export growth and early adoption of industrialization and modernization, drawing on Western institutions and the neoliberal open-market policies of the 1960s (Report, 2024). Inspired by the success of the Asian Tigers, Japan also pursued industrial growth—supported by the United States—and has since become a developed state in East Asia.

China's entry into the WTO provided an opportunity to integrate into the global market. At the same time, the post-9/11 period created further space for economic engagement as the United States was preoccupied with the war on terror (Kishore Mahbubani, 2008). India has also emerged as a major player in the Asian century. Since the 1990s, its economy has grown steadily due to modernization, investment in the IT sector, and expansion of its global market presence. Predictions are that the Indian economy will surpass Germany's by 2030, making it the world's third largest. Another rising force is ASEAN, whose economy is expecting to expand by \$1.2 trillion over the next decade (Bharadwaj, 2024). For instance, the strategic importance of Asia, especially China, has long been recognized. Napoleon Bonaparte famously remarked, “Let China sleep, for when she wakes, she will shake the world” (Ewelina U. Ochab, 2021).

In the 21<sup>st</sup> century, China's rapid economic growth has further transformed regional connectivity dynamics. As the World's second-largest economy, China has pursued integration by supporting infrastructure development and economic cooperation, particularly through its Belt and Road Initiative (BRI). This mega project seeks to link Beijing with global markets and includes several corridors, such as the China-Pakistan Economic Corridor (CPEC), which connects to Europe via Central Asia (Wuthnow, 2012). For the regional connectivity, CPEC is particularly important as it offers South Asia direct access to Central Asia. The core mechanism of China's CPEC began with large-scale infrastructure, state-backed financing, and rapid construction. Chinese state-owned enterprises and policy banks provide capital, technology, and execution capacity, which allow the project to move quickly. This rapid infrastructure enhancement project builds reliability among partners, especially Pakistan, leading to early cooperation and investment (Farwa Sial, 2023). However, the exact mechanism also produces an asymmetric dependence, in which Pakistan is heavily reliant on Chinese capital and technology. This asymmetry triggers a second mechanism – securitization. Regional rival India is beginning to view CPEC as a strategic extension of Chinese influence, while domestic actors raise concerns about debt, sovereignty, and control. Consequently, cooperation is accompanied by geopolitical contestation and balancing behavior (Arsalan, 2025).

On the global stage, both China and India occupied central positions until their decline in the 18<sup>th</sup> century. Their renewed rise has coincided with the relative decline of the Western-led order. Mahbubani argued that Asia—particularly China and India—will regain its historical prominence by 2050, reshaping global governance (Mahbubani, 2022). The 21<sup>st</sup> century has thus witnessed a transformation: Asia, once perceived as marginalized, is now asserting itself as a key driver of

global power. Scholars such as Bhambhri (2006) argue that China does not seek outright hegemony, but rather inclusion in global governance structures, with reforms aimed at ensuring greater balance rather than replacing the existing order (C.P Bhambhri, 2006).

Over the past three decades, Chinese investment in the Central Asian Republics has expanded significantly—from \$1 billion at independence to \$63 billion (Mery Ozat, 2023). Throughout this period, different regional and global powers have sought to extend their influence over the region, often treating the CARs as a collective unit rather than as individual states. Russia, as a neighbor and former colonial power, has consistently approached the region through the lens of its own strategic interests, viewing it as a traditional sphere of influence. By contrast, China's economic rise has created new opportunities for the CARs, with Beijing launching major infrastructure projects such as railways to revive the ancient Silk Road (Paul Tae-Woo Lee, 2018).

China's investment spans infrastructure development, encompassing the construction of roads, railways, and other projects. Moreover, these are often linked to its broader security concerns, such as addressing Islamist militancy in the region (Bellacqua, 2016). At the same time, Beijing has expanded its engagement with South Asian, aiming to strengthen economies and sustain regional stability. Agreements with Afghanistan on railway construction have advanced the Beijing-Kabul partnership, and a recent trilateral meeting among Pakistan, Afghanistan, and China explored extending CPEC to Afghanistan (China, 2025). Beyond this, multiple regional powers—including Russia, India, and Iran—have expressed interest in transport links connecting Central and South Asia and have participated in large projects to enhance interregional connectivity. A key initiative is the China-Kyrgyzstan-Uzbekistan railway, which is expected to connect to the Trans-Afghan Railway (Kabul Corridor) (Hussain, 2024). Such agreements hold the potential to foster greater regional cooperation and economic growth. Additionally, the trilateral meeting reflects the willingness of the Pakistani and Afghan leadership to elevate diplomatic engagement and resolve cross-border issues.

Additionally, the Central Asian states have welcomed the prospect of extending CPEC to Afghanistan, which would further connect the region. Experts emphasized that the Trans-Afghan Railway offers the most feasible route for linking CPEC with both Afghanistan and Central Asia (Jun Tang, 2025). Tajikistan and Uzbekistan, in particular, have shown strong support for regional connectivity initiatives, reflecting their interest in accessing the Indian Ocean through Pakistan. For Pakistan, this linkage is equally beneficial as it opens access to an energy-rich region (Faiz, 2023). Thus, CPEC provides the Central Asian republics with a gateway to global trade while offering alternative routes that can foster stability, stimulate economic development, and attract foreign direct investment. By analyzing Central Asian states—a landlocked region—CPEC offers a chance to reduce dependence on the northern route. The project also promotes digital connectivity, enabling regional states to develop their economies through shared growth and cooperation. If the project is managed with cooperation and transparency, it could become a bridge that supports economic interdependence between Central Asia and South Asia, reducing isolation and boosting shared development (Singh, 2024).

Meanwhile, in 2000, India—working with Russia and Iran—launched the International North-South Transport Corridor (INSTC), a 7,200km network of land, maritime, and rail routes designed to connect India with Europe via Iran and Central Asia (Shujaat Naeem Azmi K. H., 2024). Over time, ten more states, including Kazakhstan, Tajikistan, and Kyrgyzstan, joined the initiative. Alongside its "Connect Central Asia" policy, India views the International North-South Transport

Corridor as a key instrument for deeper regional integration (Lone, 2017). These competing yet overlapping initiatives by China, India, and other powers create a complex geopolitical landscape. While their strategies differ, cooperation emerges in areas of shared interests, particularly in promoting regional stability (Iman Bastanifar, 2024). Ultimately, their interplay shapes infrastructure, trade, and political dynamics across the region, offering both opportunities for enhanced connectivity and challenges of strategic competition. Collectively, these diverse projects contribute to the region's integration and potential prosperity (Paul Tae-Woo Lee, 2018).

India's INSTC operates through a different mechanism than CPEC. Instead of financial centralization, INSTC relies on multilateral cooperation, incremental development, and shared ownership among India, Iran, Russia, and the Central Asian States. The mechanism of INSTC is expectation management through diversification. By offering multiple routes, corridors, and ports, INSTC sought to reduce dependence on a single actor or corridor (Khan S. , 2021). This mechanism reduces perceptions of strategic dominance and makes connectivity more visible and inclusive. However, the slower pace and exposure to sanctions and political instability reduce reliance on the project and create uncertainty for the future.

However, Central Asia is becoming a vital component of India's diplomatic architecture. India tries to build strong political and economic relations and strengthen strategic cooperation with Central Asia. To actively engage with landlocked states, India launched the Connect Central Asia Policy in 2012, based on political, economic, and people-to-people engagement. Meanwhile, the Indian government began investing in oil fields in Central Asia (Kaura, 2017). India seeks to build stronger relations to benefit the energy sector, as it imports energy from other countries. However, India often felt constrained by its lack of physical proximity to Central Asia.

Therefore, INSTC is of great significance to India in expanding its trade partnership with the Central Asian states. For India, Central Asia is important not only for energy but also for national security. On the contrary, INSTC is also vital for Central Asian countries to redefine their alternative trade routes (Kaura, 2017). It will boost their energy exports and provide an opportunity to export their goods to India, the largest consumer market (Rigi, 2025). Moreover, INSTC encourages regional cooperation and coordination by developing customs and transport systems, helping goods move faster and more cheaply. It also promotes people-to-people and cultural exchange, which could deepen trust among member states (Gogna, 2019). In the long term, INSTC could help develop Central-South Asian connectivity by establishing a stable, predictable trade network grounded in mutual benefits and shared growth.

In 2024, Pakistan officially received an invitation from Russia to join the International North-South Transport Corridor (INSTC) as part of a broader effort to strengthen regional integration. Following the invitation, Pakistan formally joined the initiative, as confirmed by its ambassador to Russia (Ali H. , 2024). The project offers clear benefits to both energy-efficient and energy-deficient regions, allowing them to complement each other's needs. It also carries the potential to reduce tension between Pakistan and India, long-standing rivals since independence (Ullah, 2024). Reports on the INSTC suggest it will shorten travel distances by 40%, thereby lowering costs and travel time, while boosting trade by an estimated 30% (Shujaat Naeem Azmi K. H., 2024). Beyond Pakistan and Russia, other regional actors, including Iran and Turkey, have also expressed strong interest in the corridor (Shujaat Naeem Azmi K. H., 2025).

The role of regional powers—notably China and India—is pivotal to shaping connectivity between Central and South Asia. China has emerged as a dominant player in the politics of the Central

Asian Republics through large-scale investment and its flagship Belt and Road Initiative (Javed, 2025). India, despite lacking direct geographical proximity to the CARs, leverages its partnership with Iran to secure access to energy resources. Compared to China, India remains a relatively weaker actor in regional connectivity (Nawaz, 2021). At present, China and Russia are maneuvering to integrate the region through their respective frameworks—the BRI and the EAEU. Currently, while CARs themselves are pursuing diversification strategies to reduce their reliance on Moscow, Pakistan’s geographic location makes it a convenient and efficient gateway for Central Asian states seeking access to broader Asian and African markets (Ali A. , 2020).

### **Challenges:**

Central-South Asian connectivity has emerged as a critical theme in the era of rising Asia, where regional powers simultaneously compete and cooperate to build strategic, economic, and political linkages. China seeks to link the two regions through the China-Pakistan Economic Corridor (CPEC), while India pursues access to Central Asia via the International North-South Transport Corridor (INSTC). India has also advanced its Connect Central Asia policy, aimed at strengthening security and economic ties with the Central Asian Republics (Sainandan S. Iyer, 2021). Both projects aspire to unlock the region’s economic potential by connecting the landlocked Central Asian states with South Asian. However, these initiatives face serious challenges, including geopolitical rivalries, security risks, financial limitations, and governance obstacles, all of which cast doubt on their long-term sustainability (Gusseinov, 2024).

The foremost challenge lies in regional geopolitical rivalries—particularly between China and India, and India and Pakistan. While CPEC offers China direct access to the Arabian Sea, India views the project as encroaching on its sphere of influence, mainly because it traverses through contested territory (Gill, 2019). Conversely, the India-led INSTC is perceived by China as a counterbalance to the Belt and Road Initiative. As a result, competition between the two Asian giants creates a zero-sum perception in which connectivity projects are pursued less for economic cooperation and more for strategic advantage (ADB, 2025). This dynamic places Central Asian states in a difficult position, often caught between competing alignments that undermine genuine regional cooperation. Moreover, such rivalries discourage investment, complicate multilateral negotiations, and add layers of political risk to otherwise promising projects.

Secondly, the region's security landscape significantly hampers Central-South Asian Connectivity. Persistent insurgent and terrorist attacks in Baluchistan threaten the viability of CPEC, with Chinese citizens and project sites often targeted. Groups such as the Baluchistan Liberation Army (BLA) carry out these assaults, causing project delays, deterring contractors, and straining diplomatic relations (Ayush Verma I. B., 2024). Even after construction begins, militants continue to target infrastructure, aiming to destabilize the region and undermine investor confidence. Added to this is Pakistan’s own challenge of inconsistent political will and lack of policy continuity, which further stalls CPEC’s implementation (Ahmed Bux Jamali, 2023). Similarly, the INSTC faces security-related and political obstacles. The project heavily relies on Iran’s transport infrastructure, particularly the Chabahar port and Bandar Abbas. However, US sanctions on Iran have isolated the country, discouraging international cooperation and financial participation. Although India has signed agreements with Iran to develop Chabahar, sanctions have slowed tangible progress (Salami, 2024).

Thirdly, the finding of the research highlighted that financing remains one of the foremost challenges for INSTC. Despite its strategic promise, the project remains largely on paper, with

limited practical work initiated. Neither states nor international organizations have committed sufficient funding, leaving the corridor without the necessary momentum for implementation (Ly, 2020). Moreover, the project's proposed route passes through the Middle East, where instability—including the ongoing Israel-Hamas conflict—further undermines regional cooperation and investor confidence. Taken together, security threats, political instability, and financial uncertainty illustrate that connectivity projects such as CPEC and INSTC are not merely economic endeavors but closely enrooted in the region's fragile security and political environment (Neha Manhas, 2025). For long-term sustainability, regional states must move beyond zero-sum competition and instead approach Central-South Asian connectivity as a shared economic opportunity. For South Asia, in particular, Central Asia should not be viewed solely as a strategic frontier, but rather as an energy-abundant region offering prospects for durable economic growth and integration.

### **Conclusion:**

Since the beginning of the 21<sup>st</sup> century, the Asian states such as China, India, and ASEAN members have significantly expanded their economies by fostering industrial growth, promoting regional trade, and attaining greater recognition in global affairs. China's domestic achievements in poverty reduction have been matched by its international outreach, particularly through the Belt and Road Initiative (BRI). Beijing has invested heavily in infrastructure projects—roads, railways, and industrial development—strengthening both economic and political linkages.

India, meanwhile, has sought to deepen its ties with Central Asia through initiatives such as the Connect Central Asia policy and INSTC. These projects aim to secure India's access to energy-rich regions and alternate trade routes linking South Asia to Europe and Russia. Similarly, China's flagship CPEC connects Xinjiang to Pakistan's Gwadar port, offering Beijing a more direct and efficient maritime outlet. Importantly, CPEC's proposed extension into Central Asia through Afghanistan—via the Trans-Afghan railway and the Kabul-Termez route—presents Pakistan with an opportunity to strengthen its role as a bridge between South and Central Asia. Such connectivity could not only enhance regional trade but also contribute to stability by reducing cross-border terrorism and fostering cooperative security arrangements.

Dale C. Copeland's theory of Trade Expectations provides a valuable lens for interpreting these dynamics, as states' willingness to pursue cooperation or confrontation depends less on current trade volumes and more on their expectations of future trade, which helps explain the mixed picture of Central-South Asian connectivity. On the one hand, many states—such as Pakistan, Uzbekistan, and Tajikistan—have positive expectations for future trade, believing that projects like CPEC and INSTC will provide them with reliable access to global markets, energy flows, and investment opportunities. These optimistic expectations drive their enthusiasm for integration, partnerships, and trilateral or multilateral agreements. On the other hand, geopolitical rivalries complicate these expectations. India views the CPEC with suspicion because it passes through contested territory, which shapes negative trade expectations vis-à-vis China and Pakistan. Similarly, China perceives the INSTC as a counterweight to the Belt and Road Initiative, reinforcing a competitive rather than cooperative mindset.

Security threats, such as militant attacks in Baluchistan and instability in Afghanistan, also create uncertainty and diminish expectations of stable, uninterrupted trade. Likewise, financial constraints and political inconsistency undermine confidence that projects will ever reach completion in Copeland's terms. Such pessimistic expectations reduce incentives for cooperation, leading states to hedge by pursuing competing initiatives rather than pooling resources.

Nevertheless, the logic of trade expectation also highlights the pathway forward. If regional stakeholders can establish a credible mechanism to ensure long-term market access—by addressing security risks, sustaining political commitment, and building multilateral trust—the expectation of future trade will improve. This, in turn, could shift the calculus from rivalry towards cooperation. For South Asia, that means reliable access to energy-abundant Central Asia; for Central Asia, it means alternate trade corridors to the Indian Ocean. The future of these connectivity projects, therefore, hinges not only on infrastructure and investment but also on whether states can foster positive expectations for enduring, mutually beneficial trade. Trade can lead to peace and stability. Corridors facilitate trade, reduce trust deficits and opportunity costs, and promote cooperative behavior, all while offering the prospects of Prosperity and mutual coexistence.

We summarize Copeland's theory, which underscores that connectivity is not simply about laying down roads and railways. It is about shaping perceptions of future economic interdependence. If expectations are optimistic, connectivity may become a foundation for stability and shared prosperity; if pessimistic, the same projects risk hardening rivalries and reproducing divisions across Asia. Both China and India are pivotal to shaping how connectivity is perceived and practiced across Asia. Competing yet overlapping projects of these two countries – China's CPEC and India's INSTC – describe how regional powers try to turn expectations of the future into interdependence. China's promotion of CPEC as part of BRI aims to deepen economic ties that will boost future economic development and regional stability. Currently, India has initiated INSTC as a visionary project to enhance regional integration and future economic growth. In this way, both countries are not merely constructing infrastructure but narratives about trust, openness, and strategic balance. Whether these projects generate competition or cooperation depends on how smaller states in South Asia and Central Asia interpret their long-term objectives.

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