

Journal of Educational Research & Social Science Review (JERSSR)

Ground Reality of CPEC: A Continuum of Opportunities or Compelling Puzzle for Pakistan

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Abstract

The powerful nuclear states Pakistan and China are evolving double-axis in the face of intensifying US-Indo relation. China takes advantages of Pakistan's geostrategic location through project CPEC estimated investment of \$46 billion with timeframe of 2015-2030. Both countries are mutually agreed on "1+4" cooperation, explicitly CPEC as the core and Gwadar, Energy, Transport and Industrial cooperation are prioritized accordingly. The project is a basket of development and brings myriad development opportunities for Pakistan however the associated challenges are not deniable at any cost. What CPEC means for Pakistan is still a compelling puzzle. This study aims to evaluate the grounds reality of CPEC in Pakistan's prospective. Scenario analysis was conducted to evaluate the published stuff on CPEC. Study found that Pakistan encounter trade deficit followed by energy crisis, unemployment, and industrial sector is near to be closed due to energy shortfall. This project boosts Pakistan's economy, address energy shortfall in the country, and generate about 700,000 to 800,000 employment opportunities. Study further found that Pakistan's primary concern about CPEC includes the availability of large-scale Chinese workers, hefty loans, sabotage activities, and provincial reservations. For this purpose study recommended that GoP must develop national-level consensus through All Parties Conference (APC) and address the opposing views by onboard all stakeholders for project success. HEC also revamp education system according to future CPEC skills requirement to overcome the issue of mismatch qualification/skills to reap the fruits of CPEC.

Keywords: CPEC Challenges & Opportunities, Energy Power, Industrial Cooperation, Gwadar Port & City, Pakistan

Introduction

The 21st century emerged with development of global and regional geostrategic partnerships to encourage bilateral socio-economic development (Aqeel, 2016). However, national security and interest of partner countries have considered a critical factor of relation. The strategic level dialogue and diplomatic meetings are indeed the cornerstone of ever-developing cooperation between the countries in multifaceted areas like infrastructure, industrial, and/or other mutually agreed development projects such as commerce and defense, etc. Pakistan is the fifth largest populated country with a population of more than 212.2 million people holding 2.59% of the world's total population and the majority comprised young people (Panhyar, 2020). The borderline of Pakistan is connected with Central Asia, South Asia, and Western Asia and linked with the Gulf of Oman through 1,046 kilometer-long coastline on the Arabian Sea, which is strategically imperative significant for trading (Nogales, 2014). Pakistan borders are attached to Iran and Afghanistan on the west, China in the north, India in the east, and the Arabian Sea on the south. This strategically unique geographical location stipulates a cross-pitch of Asia. Being a developing country Pakistan seeks opportunities for economic development through bilateral partnerships. Historically Pakistan is developing a stable democratic country after successfully fought back militancy over the years (Khursheed et al., 2019). Beside the several collapses/downfalls such as economic development, instability of the social situation, and allied governance issues being faced by Pakistan, however, it

strives to move forward (Mezzera & Marco 2011). On the other side, China is the largest populous country holding 18.82% of the world population and economically the second largest country in the world. The fast-growing China economy has initiated “One Belt One Road” that covers about 4.4 billion population i.e. 63% of the world population and economic volume of \$21 trillion 29% of the world economy (Abid & Ashfaq, 2015; Liping, 2015). Based on strong economic muscle China extended the initiative of one belt one road with Pakistan through a strategic project of China-Pakistan Economic Corridor (CPEC). China and Pakistan have stood up against all odds and mutually agreed to contribute to strategic development. CPEC has shouldered Pakistan dwindling economy through promising investment of \$46billion (Amin et al., 2020). Here the question is, how Pakistan effectively utilized this opportunity to overcome energy shortage and economic defeats and rebalance geo-strategically, politically, and economically. This study aims to evaluate factors influence CPEC in the context of Pakistan.

Research Problem

China-Pakistan Economic Corridor (CPEC) project signed with an estimated cost of investment \$46 billion. This strategic project is anticipated to highly productive in terms of economic growth for both countries. It is projected that the success of the CPEC project will bring myriad implications of development opportunities for Pakistan however; sizable challenges associated with CPEC are not deniable. What CPEC means for Pakistan is still a compelling puzzle. The investor country of the project is the largest populous and second-largest economic country. On the other part, Pakistan is facing a massive shortage of energy power, economic deficits, and infrastructure development. Besides these, Pakistan has already entered with trade agreements and partnership with China comparatively new-fangled, emergent, and underdeveloped regulatory regime. However, the effects of existing unusual strategic project underneath of CPEC investment in Pakistan’s warrant scholarly attention to examine the pros and cons in the context of Pakistan.

Research Objectives

1. Examine the Chinese investment in Pakistan underneath of CPEC project.
2. Evaluate the ground reality of the CPEC project coupled with pros and coins for Pakistan.
3. Submit recommendations based on study findings as a way forward for improvement.

Research Gap

Literature highlights the research gap with an emergent international investment in China. The study noticed that the role of China facilitates and/or hinders the economic development of the receiving country has not yet been explored (Evans, & Stallings, 2016; Miller, 2017). Obviously, there is a dare need to evaluate the Chinese investment in Pakistan and its long-lasting impacts on Pakistan (Miller, 2017). Moreover, Pakistan is moving from nationalized energy and infrastructure to privatization and eventually gained the status of observer country in WTO’s GPA in 2015 (WTO’s, 2015). These ameliorate pondered on a regulatory structure that is inter/nationally contract-based, competitive, cost-aware also deliberate focused on “value for money”, efficiency, fairness, transparency, and accountability (Miller, 2017). These entire regulatory regimes provide extensive ground for the study. Seaborne trade is considered the imperative sector of sustainable economic development across the worlds and the Indian Ocean is a highway for global maritime trade (Kaleem, (2015). The maritime trade is counted as an integral part of the world economy, it require a network of transportation, ports, and ships. It is projected that the development of Pakistan Gwadar port boosts maritime that vividly grows Pakistan’s economy. This enhanced the importance of the development of Gwadar port manifold.

Research Methodology

This study was descriptive in nature and a qualitative research approach was used to accomplish research objectives. Secondary data was used to answer the research question(s). The required data were collected from different sources such as newspapers, internet, books, research articles, and other publication on the content. The collected data was analyzed based on a scenario analysis framework. The scenario analysis was conducted to evaluate the ground reality of project CPEC. This analytical framework is undertaking when researchers are interested to examine the ground reality in order to propose the future scenario or structure of a particular venture (Fleisher & Bensoussan, 2003; Prescott, 1987). This study is limited to the secondary data as the project of CPEC is not yet completed/functional and still-in-progress stage. So, it is difficult to calculate the exact pros and cons of CPEC for Pakistan including transportation, energy, Gwadar development, etc.

China-Pakistan Economic Corridor (CPEC)

The root of China-Pakistan Economic Corridor (CPEC) project speculated as far back to the Musharaf era, however, it traction during the visit of China Premier Li Keqiang to Pakistan in May 2013 (Amin et al., 2020). During the visit, he emphasized on development of CPEC and signed a strategic project with the government of Pakistan (GOP). Followed by Prime Minister of Pakistan Mian Muhammad Nawaz Sharif visit to China in 2013 and signed eight projects of \$ 18 billion including about 200kilometers CPEC tunnels. After that, in February 2014 Mamnoon Hussain President of Pakistan has visited China to discuss the CPEC project, followed by Pakistan Prime Minister visit to China and signed 19 agreements also Chinese companies and banks pledged over \$45.6billion underneath of CPEC for energy and infrastructure development (Amin et al., 2020). These agreements are evidence of a deepening strategic partnership amongst China-Pakistan. President of China Mr. Xi Jinping visited Pakistan in the month of April 2015 and a total of 51 agreements with an estimated cost of \$46 billion mutually agreed to embrace all-weather partnership between the countries (Lu, 2014; 2015). This handsome Chinese investment of \$46 billion in Pakistan underneath CPEC has seemed impressive and one of the largest Chinese investments in a foreign state. China’s National Development and Reform Committee have officially announced the strategic project of the China-Pakistan Economic Corridor (Markey & West, 2016). In nutshell, in the month of March 2015, CPEC was commencement as an extension of the Chinese project “Initiative of Belt Road” (Markey & West, 2016) to enhance regional corporations in trade to conceive win-win situation for all partners (Ali, 2016). The foremost objective of this strategic initiative is to connect the Kashgar port of China with Gwadar port Pakistan to grant access to china for trading and fulfill their energy requirements from the Middle East through the Arabian Sea (Rashid et. al., 2018). Presently China is using traditional routes passing through Taiwan, Vietnam, Philippines Indonesia, and India for trading and energy supply (Chowdhary, 2015). According to Aqeel (2016), CPEC is anticipated to reduce the shipment time and cost by 35 days and 10,000 kilometers respectively. Both countries are mutually agreed on “1+4” cooperation, explicitly, CPEC as the core and Gwadar, Energy, Transport Infrastructure, and Industrial Cooperation will be prioritized accordingly (Hussain & Hussain, 2017). This strategic project will be completed within the timeframe of 2015 to 2030. Proposed CPEC route and current routes are graphically presented in the following figure.

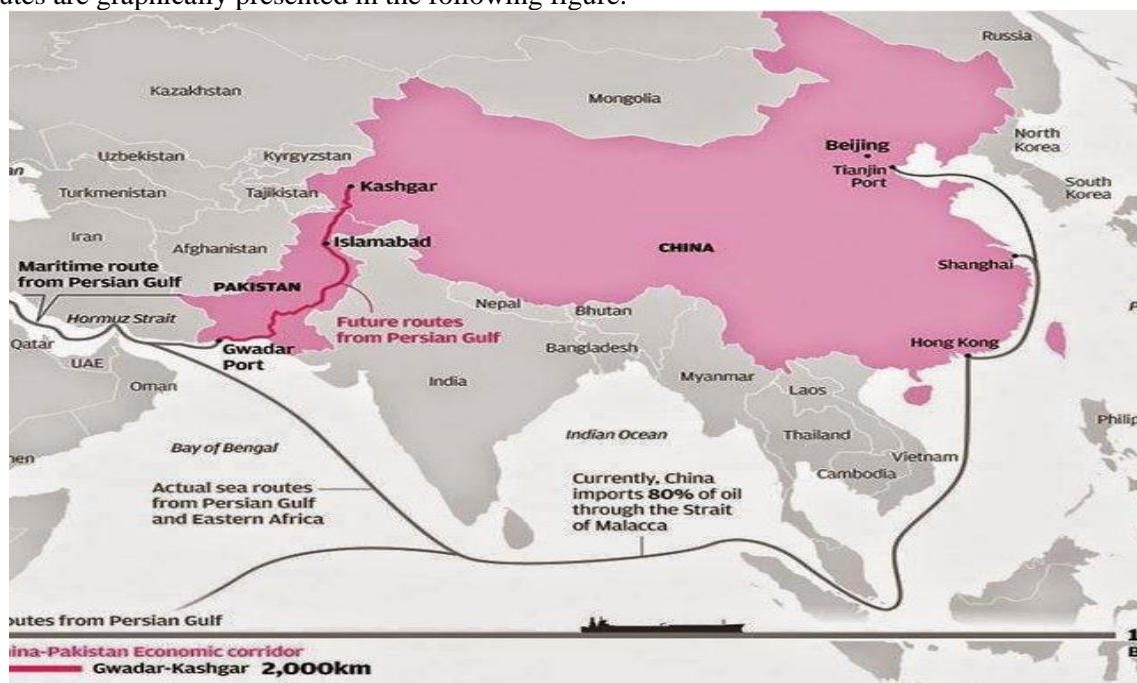


Figure 1: Bird-eye view of current and CPEC route

Energy Project

Pakistan is facing an extreme energy shortage. The energy requirement is forecasted to be increased by 136% with the development of CPEC (Mirza et al., 2019). In this regard, this sector has prioritized on top and a sizeable share of investment has extended to the energy sector with a total investment of \$33billion that is 72% of total CPEC (Malik, 2015). With this investment total of 13,455MW energy

is projected to be generated while using the current source of energy production to fulfil Pakistan's energy present and further requirement (Amin et al., 2020). For energy generation, a total of 23 projects were mutually agreed with an estimated amount of \$33billions to generate 13,455MW electricity. The breakdown of power generation includes; Solar power plants: 1000 MW; Hydropower plant: 2,700 MW; Coal power plants: 8,580 MW; other thermal plants (natural gas): 825 MW; wind farms: 350 MW. Out of 23 energy projects, 09 projects have completed and 5,218MW electricity has been generated and added to nation grades (BOI Pakistan, 2020). The total cost of energy generation and transmission lines projects are \$33billions which is estimated less than the cost of Pakistan oil and gas imports of two years.

Transport Infrastructure

Transport infrastructure is the backbone of trade and plays a momentous role in country economic development through greater and convenient access to inter/national markets. After energy transport infrastructure development is the second massive investment project of CPEC that includes the development of existing once along with the construction of new transport infrastructure to improve market accessibility. CPEC transport infrastructure projects include railway network, road, and highways with an estimated cost of \$9790 million to construct about 3000km roads to link Kashgar port with Gwadar (Mirza et al., 2019). China and Pakistan are mutually agreed on the construction of three corridors including Central Corridor, Eastern Corridor, and Western Corridor (Sial, 2014). A total of 17 projects are initiated for the development of transport infrastructures including infrastructural development, rail-based mass transit, and western rout projects and four projects are completed and fully functional, however, three projects are expected to be completed this year (BOI Pakistan, 2020).

Gwadar Port and City

The geographical importance of Balochistan can be revealed from American proposed in late 1990 for economic corridors passing through Balochistan and Afghanistan (Hussain & Hussain 2017). Strategically Gwadar holds a manure position in the CPEC project due to its unique location. Pakistan Gwadar is located on Arabian Sea in Baluchistan. This port is very significant to link the landlocked Central Asia region with China IBR. In this regard, the development of Gwadar port is very essential under strategic project CPEC because without the development of Gwadar port the entire project is fruitless. According to Mirza et al., (2019), an estimated amount of US\$ 694 is invested in the development of Gwadar Port underneath of CPEC and a total of eight projects have been initiated as detail as shown in the below table. Keeping the futuristic importance of Gwadar port about thirty international firms invested \$474million in the development of the free zone (Mirza et al., 2019). The fully functioning of Gwadar ensure energy security to China by providing the shortest route from the Gulf through the Strait of Malacca to China's eastern seaboard. Gwadar has anticipated a regional trade hub after the development and full operation of Gwadar (Bhutta, 2015). The detail of Gwadar projects are shown in below table.

Table 1: *Gwadar port and City*

PROJECTS	US\$M
Eastbay Expressway (to be completed in October 2020)	168
Pak-China-Technical and Vocation Institute Gwadar (area 18 acres along with existing Gwadar Degree College)	10
Breakwaters	123
Gwadar Free Zone (Tax exemptions and Free trade Zone notified by Finance Division Bill 2016)	32
Dredging of berthing areas & channels	27
Gwadar International Airport	230
Gwadar City	04
Pak-China-Friendship Hospital Gwadar with capacity of 300 beds	100
Total	694

Source: BOI Pakistan, (2020)

Industrial Cooperation

CPEC project includes the development of an industrial zone for optimum utilization of national resources. The establishing of duty-free industrial cooperation zones has considered the momentous aspect of CPEC. The project will be most deliverable in the growth of national economy also generate job opportunities (Farole, & Akinci, 2011; Khan et al., 2016). In total nine Special Economic Zones

(SEZs) across the country with CPEC corridors will be established on an area of about 10,125-10,425 acres. The detail is presented in the below table:

Table 2: *Detail of Industrial cooperation*

Economic Zone(s)	Area Acres	Targeted Industry
Rashakai M-1 SEZ, Nowshera	1000	Automobile, Garment & Textile, Electronics & Electrical Appliances, General Merchandize and Building Materials
Dhabeji SEZ Sindh	1530	Automobile, Steel, Pharmaceuticals, Textile, Electronics, FMC, Building Material and Warehousing
Bostan SEZ Balochistan	1000	Pharma, Fruit Processing, Bikes Assembly, Agriculture machinery, Chromite, Ice & Cold storage, Halal Food Industry, Cooking Oil, Ceramic and Electric Appliance
Allama Iqbal Industrial City, Faisalabad	3217	pharmaceuticals, textile, chemicals automotive, information technology and service complex etc.
ICT Model Industrial Zone, Islamabad	200-500	Food Processing, Light Manufacturing, IT & related industries, Pharmaceutical & Chemicals, Steel, Printing and Packaging
Industrial Park Port Qasim	1500	Steel, Garments, Warehousing & Logistics, Auto & allied, Chemical, Foundry & Fabrication, Pharma, Printing and Packaging
Mirpur Industrial Zone, AJK	1078	Mix industry.
Mohmand Marble City	350	Marble & Mix industry
Moqpondass Gilgit-Baltistan	250	Leather industry, Marble and granite, Steel, Fruit, Mineral and Iron processing etc.

Source: BOI Pakistan (2020)

Analysis and Results

Scenario analysis was conducted to evaluate the ground reality of project CPEC. This analytical framework is undertaken when researchers are interested to examine the ground reality to propose the future scenario or structure of a particular venture (Fleisher & Bensoussan, 2003; Prescott, 1987). The CPEC is the basket of projects and a total of 51 MoUs signed between Pakistan and China underneath of CPEC. This strategic project plays a significant role in the development of economic integration and connectivity in the region. The initiative of CPEC project is the requirement of contemporary world realism as it foretells the importance of economic competency in combating global threats and challenges. Pakistan mainly to partake ground realities, as Pakistan has engaged far-away fighting against disrupted elements at the domestic level as well as regional level. In fact, CPEC provides the safest and shortest possible route to counter China's energy requirements, it also brings in economic prosperity for Pakistan to strengthen political, economical to rebalance in the region. This bilateral agreement brings China and Pakistan to lead the third world, however, it is the time to overcome challenges and explicitly utilize opportunities accompanied by CPEC highlighted in the subsequent paragraphs.

Pakistan Interest

Economic growth: CPEC is a development and economic growth instrument for Pakistan that will improve Pakistan's economic landscape. The project of CPEC is the largest and massive investment in the history of China in a foreign country. CPEC projects like transport infrastructure development, power supply, industrial cooperation, fiber optical network, development of Gwadar port, and a city not only attract foreign investors but also domestic investors that will boost Pakistan's dowering economy. This Chinese investment will provide ground to Pakistan's economy that is calculated to be developed \$274 billion GDP by 15%. This quantum jump will flash off the label of terrorism, dangerous and economically fail country from Pakistan. It projected that Pakistan will generate revenues of about UD\$1,000,000 per year from land and sea transit of oil and gas. The establishment of special economic zones will reduce manufacturing and transportation costs accordingly. CPEC will promote Pakistan tourist's destinations and attract international tourists to boost Pakistan's economy.

Energy shortfall: Pakistan is facing an extreme shortage of energy power. CPEC energy power projects address the issues of energy shortfall in Pakistan. This will seem to boost industrial activities across Pakistan. The industrial sector of Pakistan is likely to close or ready to close in the face of energy shortfall. CPEC energy project simplifies Pakistan's energy requirement and attracts the world

economy for investment which is abrupt due to energy shortfall. This will accelerate the Pakistan economy.

Employment Opportunities: Pakistan holds a great chunk of the young population and face unemployment. CPEC projects have the potential to generate employment opportunities for all cadre of society. According to Applied Economic Research Centre, CPEC will generate 700,000 direct employment opportunities whereas Planning Commission calculated these figures by 800,000 job opportunities (Amin et al. 2020; Khursheed et al., 2019). In general, CPEC is projected to improve Pakistan's living standard, improve the health sector by establishing 46 new hospitals, creating job opportunities, and alleviate poverty.

Trade and Transit Connectivity: CPEC will provide opportunities to take trade activities at Gwadar Pakistan and transfer of goods and services through Pakistan alternatively transform competitors into stakeholders also strive to preserve peace and stability particularly in Pakistan and Asia regions in general. For maritime security, China is willing to provide eight submarines to enhance Pakistan Navy capability that is a quantum jump over any aggressor and also supporting Pakistan to produce plutonium in China to build the Kyushu reactor (Abid & Ashfaq, 2015). According to Nilofar et al. (2014), Pakistan will be the first trade hub across Asian Countries for the world's leading economies. CPEC will provide an opportunity for Pakistan's domestic goods to catch up with international standards through the quality of services/products against Chinese goods largely available in the Pakistani market. This rivalry will encourage and introduce Pakistani producers to international markets. Balochistan is mineral resources rich province, which is likely to grow after the development of CPEC through industrial cooperation. Moreover, CPEC linked Pakistan with natural resources reach country i.e. Tajikistan connected with China but separated from Pakistan through the Wakhan corridor. CPEC will connect Tajikistan with Pakistan via Gilgit Baltistan that will play a significant role in the future economic growth of Pakistan (Khan 2018).

Agriculture Sector: CPEC brings collaboration between The Agriculture University Faisalabad, Pakistan, and Xinjiang Agriculture University China. China is investing an amount of \$200 million to promote Pakistan's steel, seafood, and the agriculture sector to support Pakistan's economy through bilateral trade. CPEC provides economical and timely transit of goods to international markets. Pakistan will take advantage of CPEC by exporting agriculture products which were suspended due to high transport charges (Ameen, & Kamran, 2017; Zuberi, 2017).

Distill water: Pakistan will be the hub of trade and transit after the development of free trade zone at Gwadar. Balochistan province is rich in mineral resources however this area is facing server scarcity of pure water and peoples are paying for water @ US\$150 to 180 per tank. CPEC project supply and provision of distilled water will surely boost the national economy in general and provincial in particular. The project is expected to produce two million gallons of distilling water per day.

CPEC Corridor Kashmir: The construction of CPEC corridors in Gilgit-Baltistan and Azad Kashmir so-called Pakistan occupied Kashmir (PoK) grant strategic presence to Pakistan as national territory. Moreover, geo-strategically the area is connecting point to all Asian regions and the presence of Chinese in the area will restrict Indians and their claim over the region (Kumar, 2018).

Pakistan Concerns

Chinese Workers Pakistan: Pakistan entered into the agreement with the world's second-largest economy and world's highest populated countries. The sizable number of Chinese availability in Pakistan working in different projects may conceive a threat for Pakistan sovereignty in some-way.

Hefty loan: Pakistan signed agreements with China based on 20% investment is debt-based whereas, 80% investment is based on joint ventures. According to Iqbal (2019), CPEC will push Pakistan's economy deeper into the burden of debt. The author further added that CPEC is not aid but it is a loan or form of loan and it will take a toll on Pakistan's economy at the time of repayments, the project of CPEC is more benefited to China instated of Pakistan. For Pakistan, a good example is a Chinese billion dollars loan to Sri Lanka for projects of Hambantota which is counted as an extension project of China BRI. To repayment Chinese loans Sri Lanka is at the mercy of the International Monetary Fund (Kumar, 2018). Pakistan has a special concern about the repayment of this hefty loan.

Trade Deficit: In 2006 China and Pakistan have signed a Free Trade Agreement (FTA) which was implemented in 2007 (Chakraborty, 2013). Pakistani markets are flooded China goods with the favor of FTA coupled with low duties import policy of Pakistan. Whereas, Pakistani exports is hardly penetrated China market due to high tariffs (Zaidi, 2018). Resultantly, the Pakistan trade deficit with

China has tripled during the last few years and cross the figure of US\$12billion in 2007 (Asia Report, 2018). The consequence of FTA is a trade deficit of about triple Pakistan is more concerned about the consequences of the development of the free trade zone at Gwadar.

Sabotage activities: The fast-growing relation of Pak-China's particular strategic initiative of CPEC has considered a threat to India. In this regard, Indian PM has recorded a protest during his visit to Beijing in September 2015. Likewise, RAW is actively working to sabotage the CPEC project by establishing a special department in Delhi with an allocated budget of UD\$300 million (Khan & Khan, 2019). Afghanistan based operated RAW financial support Baloch Liberation Army (BLA) also trains them to disrupt the CPEC project by several means such as targeting Pakistan Army and civilians (Abid & Ashfaq, 2015). On March 03, 2016, an India nationality holder Kulbhushan Sudhir Jadhav was arrested in Balochistan by Pakistani authority who was actively involved in subversion activities to sabotage CPEC (Dawn, 2019). Moreover, in February 2019 Indian Air Force launched surgical strikes in Pakistan by violating Airspace on response Pakistan Air Force has shot-down two IAF Aircrafts adjacent to the Line of Control and arrest one Indian Pilot Wing Command Abhinandan which was returned to Indian high commission by the Pakistani government through Wagah border as a goodwill peach gesture. However, India was not revoked from disrupting activities by imposing curfew in Jammu and Kashmir, and recently Indian army adventured at Ladakh Line of Actual Control with the Chinese Army to sabotage CPEC project (Panhyar, 2020).

Security concern: For the success of this mega project provision and ensuring security to stakeholders at working sites are primary concerned for Pakistan. Chinese are more concerned about the security threat particularly the prevailing Indian factor can't be under emphasized and china's nationality holders become lofty security targets which can be evident from the killing of two Chinese in 2017. However, to counter this issue Pakistan has established a Special Security Division for CPEC comprised of about 12000 security troops commanded by Major General of Pakistan Army (Hali, 2017).

Khyber Pakhtunkhwa reservations: All provinces of Pakistan including political parties have expressed stern concern about the CPEC project. According to Hameed (2018), Khyber Pakhtunkhwa stated that CPEC is not concern about the importance of the Eastern route. The government of Khyber Pakhtunkhwa has passed a resolution against the modification in the CPEC master plan regarding the shifting of routes. Moreover, Khyber Pakhtunkhwa's political parties' leader also serious concern that preference is given to Punjab and underdeveloped areas of Khyber Pakhtunkhwa and Balochistan are ignored (Dawn, 2014). These issues rise because CPEC original route was planned to nourish the underdeveloped cities of Khyber Pakhtunkhwa (Ahmad & Hong 2017; Mengal 2016). Qaumi Watan Party leader, Aftab Ahmed Sherpao state that, we are mainly concerned about the preference to Punjab over other provinces in the provision of 10,000MW electricity (Raza 2016).

Punjab reservations: CPEC agricultural modernization project required large tracts of cultivated and/or cultivable land. The acquisition of large scale cultivated land for agriculture cooperation is a massive concern. The majority of cultivated and/or cultivable lands are owned by farmers of Punjab. In Pakistan, a large tracts land is owned by Sindh and southern Punjab peoples are not willing to sell or withdraw their ownership. Because these are considered the currency of political fortunes and selling of such land provoke losing political influences (Asia Report, 2018). Moreover, the acquisition of such land for CPEC agricultural modernization project caused displacement, consequently boost political as well as social strains. According to the human rights activist, if the government enforced farmers for selling of land will cause and face conflict and resistance (The Nation, 2018).

Sindh reservations: Sindh's penurious Tharparkar area is the prime and prevalent coal mining place of Pakistan and now a prominent site for the construction of CPEC coal mine energy projects. This energy project comprised thirteen blocks with a cover area of about nine thousand square kilometers. This large scale mining covered area will cause the displacement of residents. Many poor residents have already sold out their properties to speculators and now they are unemployed due to lack of planning and opportunities. Moreover, the coal energy projects also pose severe environmental threats (Dawn, 2018).

Balochistan reservations: Balochistan province is particularly concern with hostility that the federal government is exploiting provincial resources underneath of CPEC and returning very meager to the province and people development. Moreover, hostility is also growing amongst the Gwadar local population that the development of a free trade zone will adversely affect their lives due to the non-

finalization of city planning. Gwadar authorities state that Islamabad plans to demolish Gwadar old city, relocate the residents and expropriate the lands (Gwadar Development Authority, 2016). The shifting of Gwadar residents is no easy task. Additionally, Islamabad instructs Gwadar Development Authority to not approve any new housing as well as commercial development till the finalization of master plan despite 103 housing schemes have already approved acquired 14,500 acres area and Pakistan Navy launched housing scheme on attractive places at Gwadar Maqbool (2017). These factor pushed prices of Gwadar property sky-high and local population unable to purchase. Balochistan quarrel that, no consultation was held with local authorities on land acquisition and utilization. And lands were expropriated from owners without advance notice under Act 1984 (Dawn, 2010). A schoolgirl state, "CPEC has given nothing to us; even we can't walk in our city freely", further added by Gwadar authority that CPEC makes the life of residents so miserable and compel them to shift at their own despite improving their living standard (Asia Report, 2018).

Gilgit-Baltistan reservations: Gilgit-Baltistan protests for demanding an appropriate share in CPEC (Ali 2016). Consequently, the federal government promised with protests that CPEC will be equally benefited for all provinces/areas of Pakistan. However, all these are the consequences of a lack of transparency and national consensus on the CPEC project.

Cultural Effect: The massive influx of foreigners with regard to CPEC will leave long-lasting effects on Pakistani culture. The employment of foreigners particularly Chinese and their movement-cum-interaction with residents will provoke disrupt and resentment to Pakistan's national culture and demographic change.

Conclusion

The five powerful nuclear states include; US, China, Russia, Pakistan, and India continuously striving for economic balance by adopting various strategies. Out of them, China, Russia, and Pakistan are counted evolving triple-axis countries that build alliances in the face of intensifying US-Indo relations over the years (Zhang 2015). The geostrategic division of the Asian continent not to be overlooked (Ali 2016) particularly the geostrategic location of Pakistan. China is interested to take advantage of Pakistan's geostrategic location and extended the initiative of "One Belt One Road" to Pakistan in the form of CPEC to connect Gwadar port (in Balochistan province of Pakistan) to Kashgar port (in Xinjiang province of China). The project CPEC is considered a basket of development for Pakistan. A total of 51 MoUs have been signed between Pakistan and China underneath of CPEC with an estimated amount of investment UD\$46billion with a timeframe from 2015 to 2030. 26. The foremost objective of this strategic initiative is granting access to china for trading and fulfills its energy requirements from the Middle East through the Arabian Sea (Rashid et. al., 2018). This proposed route will reduce the shipment time and cost by 35 days and 10,000 kilometers respectively. Pakistan and China are mutually agreed on "1+4" cooperation, explicitly, CPEC as the core and Gwadar, Energy, Transport Infrastructure and Industrial Cooperation will be prioritized accordingly (Hussain & Hussain, 2017). Pakistan is facing extreme energy shortage and sizeable investment has been made on the energy sector with a total investment of \$33billion that is 72% of total CPEC (Malik, 2015) to produce 13455MW energy from current source of including; Solar, Hydropower, Coal, thermal and wind farms. CPEC transport infrastructure projects include railway network, road, and highways with an estimated cost of \$9790 million to link Kashgar port with Gwadar (Mirza et al., 2019). Strategically Gwadar holds a manure position in the CPEC project due to its unique location. The development of Gwadar port and city along with the establishment of a free zone is part of the CPEC project. CPEC project includes the development of nine special economic zones for optimum utilization of national resources to reduce manufacturing and transportation costs. Scenario analysis was conducted to evaluate the ground reality of project CPEC. This study found that Pakistan mainly interested in the CPEC project is national economic development to encounter trade deficit followed by energy requirements. Pakistan is facing an extreme shortfall of energy and the industrial sector is likely to close due to energy shortage. CPEC energy power projects address the issues of energy shortfall in Pakistan. This will seem to boost industrial activities across Pakistan consequently accelerate Pakistan's economy. It is projected that CPEC will generate 700,000 to 800,000 employment opportunities. This study further found that Pakistan's primary concern about CPEC includes the availability of a massive number of Chinese workers in Pakistan also concern about the hefty loan of China for the CPEC project. Moreover, sabotage activities also undertaking grave damage in Pakistan. All provinces of Pakistan have their reservations on CPEC and not agreed on

common points. The study found that the massive influx of foreigners will leave long-lasting effects on Pakistani culture and employment of foreigners will provoke disrupt and resentment to Pakistan's national culture and demographic change.

Recommendation

It is recommended that the government of Pakistan must consult all stakeholders such as the business community, affected residents, political parties, and landowners by providing fair compensation, transparency, and address their grievances accordingly. Also bound local as well as foreigner companies to employ a sophisticated number of local manpower along with the implementation of labour protections and practices laws to overcome unemployment issues and deliver the fruits of CPEC at root-level. Pakistan further extends the consultation to the local communities comprehensively analyze the pros and cons of CPEC projects also ensure to devise favorable compensation and resettlement plan for displaced peoples not only limited to the formal landowner but also extended to informal landowner across Pakistan.

Pakistan holds a great chunk of the young population, however, due to lack of industrial base and the international linking country is facing an economic deficit. The development of CPEC special economic zones coupled with international business network diaspora provides a platform for economic growth and Pakistan will easily overcome the economic deficit. To overcome the debt crisis Pakistan primarily takes corrective measures to balance the trade deficit. For this purpose, Pakistan must boost productivity which is expected to be enhanced with CPEC energy power projects, also increase export and decrease import by inculcating awareness amongst people to mainly relying on national products. Moreover, product promotion and marketing play a vital role in buying decisions, which can't be ignored at any level.

It is recommended that the government of Pakistan alleviate local jeopardies with supplemented more transparency on CPEC projects and address discriminating and nepotism issues with a consultation to all stakeholders. Moreover, develop political consensus on the CPEC project also call debates at provincial and national assemblies to ensure the project is strategically equitable benefited for all provinces and discourage harassment, discrimination, and allied cruelty of critics. This way Pakistan onboard all provinces for national common interest, social-cum-political stability, and economic growth. If the government of Pakistan right now failed to take concrete corrective measures the CPEC project will be only transit route without enhancing productivity, boost economic growth, alleviation poverty, improving living standards, and overall development of Pakistan.

It is recommended that the government consult Chambers of Commerce, Trade Associations, Economists, Pakistan Business Council, Entrepreneurs, and other allied business communities by complementing to address their reservations in the face of a new business paradigm developed by CPEC. Also, arrange special entrepreneurship programs/workshops for the local business community to enhance their skills to successfully compete at inter/national markets.

It is recommended that Higher Education Commission of Pakistan consult with CPEC officials to obtain the requirement of skills and knowledge for CPEC development projects, followed by Vice-Chancellors meeting to revamp education/curriculum according to futuristic CPEC manpower demand to overcome the issue of mismatch qualification/skills to reap the fruits of CPEC.

To mitigate the social and political unrest government of Pakistan must develop national-level consensus through All Parties Conference (APC) and address the opposing views of political leaders to onboard on this strategic project. The same was practiced by Ex-PM Mian Muhammad Nawaz Sharif in 2015. Also, disseminate the importance of CPEC in the general public through awareness campaigns that this project is a basket of development and gateway to attract Asian and European regions for trade and transit in/through Pakistan. Pakistan will be the hub of regional trade and Balochistan province will be primarily benefited coupled with all provinces equally and transparently. The success of the project is the success of Pakistan however the success of the CPEC project mainly pertains to every Pakistani sustainable support and cooperation.

Further study recommends that similar research study is required to be conducted in the context of China to evaluate the pros and con of CPEC for China. Moreover, a comparison study is also need to be undertaken to examine the most benefited country.

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