

China Pakistan Economic Corridor (CPEC) as Opportunity Bearer with Innumerable Hardship: An Overview

Inayatullah Bhatti^{1*} and Imdad Hussain Sahito²

Abstract

The China-Pakistan Economic Corridor (CPEC) is one of the huge and promising projects in the history of the world in general and of Pakistan in particular. The significance of this work on CPEC can be gauged that it has discussed few aspects i.e. engagement of Baloch people, special economic zones etc., which are rarely touched by the academia and professionals. This work reviews on different aspects of the project opined by well-known researchers and experts of the field. Through an analytic and logical reasoning this work has elaborated about the opportunities and challenges nagging to this huge project. This paper has found that there are innumerable challenges which government faces to execute and operationalize of this project. But the government is strongly determined to remove these challenges and it has taken some pragmatic initiatives for the eradication of challenges in the way of this very project and ease to develop different projects under the umbrella of CPEC.

Keywords: China Pakistan Economic Corridor (CPEC); Challenges; Economic Infrastructure; Development; Opportunities.

1. Introduction

China Pakistan Economic Corridor is the economic hub for the region which will illuminate not only South Asian countries but it will also expand till the Middle East specially Iran. The focused development on geographical connections will positively shed innumerable effects including rail transportation, air, road that will boost the socio-economic and cultural exchange which will be expanded from individual to communities via countries. It will boost the academic understanding, cultural and regional knowledge. The exchanging of cultural knowledge will bring remarkable changes in the flourishing of great culture. It will also enhance the great volume of trade the huge amount of production and manufactured items to boost the economy of both countries. It will improve business and trade at large scale, there will be mutual cooperation to create territorial harmony and consolidate the ties between two sister communities. The development in energy sector will also bring revolutionary changes in industrial sector of both countries. They could trade at large scale; therefore, China Pakistan Economic Corridor is the source of economic regionalization in the world. It discovers development,

¹ Department of Pakistan Studies Shah Abdul Latif University, Khairpur, Pakistan.

² Department of Pakistan Studies Shah Abdul Latif University, Khairpur, Pakistan.

*)Corresponding Author.
Email: inayat.bhatti@salu.edu.pk

peace and win-win agenda for the countries of the world. Where, there are opportunities there are number of challenges in the way of China Pakistan Economic Corridor such as restraints to economic growth prospects, livelihood sustainable and improvement development but on the other hand government is strongly determined to destine the project.

Subsequently, the government is going to provide the proper security to the Chinese workers. Nonetheless the Pakistani government is busy in negotiations with Baloch leaders, removing of misconceptions developed by people of Pakistan about the project that CPEC is “game over rather than game changer”. Simultaneously, India is undeniable barrier in the way of project. Thus Government of Pakistan is coping with her hidden enemy which may cause hindrances in executing the colossal project. Furthermore, Pakistani law enforcement agencies are going to counter the other threats etc. The unblemished endeavors from both sides are seemed to complete the project which will bring it at the verge of success of the project. After the accomplishment of the project all the needs and desires will flourish in the region.

China Pakistan Economic Corridor was officially initiated during the prominent visit of Chinese president Xi Jinping to Islamabad on 20 April 2015 under which 51 MOUs were signed concerning to different fields of mutual relations. A total amount US\$649 billion dollars is planned to be invested for various projects that are to be furnished by 2030. Since then OBOR (One Belt One Road) initiative has caught eyes of the globe as a game changer project that would provide the win-win situation for the countries of Eurasia and Africa via linking the land and sea trade roots (Haider, 2015).

2. Literature Review

In the book named “The China-Pakistan Economic Corridor of the Belt and Road” author opines that China Pakistan economic corridor commonly known as the CPEC is the integral part of the billion dollar BRI project which will connect Asia with Europe middle East to Africa and CARS. This is highly admired project that will change the destiny of the whole region. It will bring remarkable changes in the geopolitics history of the region. All the provinces including federation units FATA and FANA will get benefit from it (Wolf, 2020).

One of the most prominent Pakistan writer take his pen and opine in the “Is CPEC Economic Corridor or a Strategic Game Plan?” says that Undoubtedly CPEC is the game changer project will bring remarkable change in the region the region will be the economic hub of the whole region. There is tale in the mouth of people that is it possible that both stronger and weaker country will equally benefited or Pakistan will really benefited from the project. It is still a big debate in mouth of the people. Can this project really be game changer? (Choudhry, 2017).

According to Dawn newspaper CPEC has great positive effects on the socio-economic development of the country. China and Pakistan's friendship is considered as the "Greater than Himalayas deeper than ocean sweeter than Honey" the China Pakistan Economic Corridor project is the pragmatic reflection of prolongs all weathering friendship between these two states. Undoubtedly China Pakistan Economic Corridor is the bearer of great opportunities for both states. Moreover, Pakistan will get remarkable achievement in all the MoU signed projects, there will be infrastructural development, development of Gawadar port, ML1 (Main Line-1) modern railway airports seaports road which will connect Kashgar in china and Gawadar in Pakistan, airports. Besides there industrial development, livelihood development from both side people will get employment, markets will be extended energy crisis will be diminished by producing large amount of energy in different projects such as Thar coal wind and solar energy the worth of investment is increased after the recent visit of Xijiping. Besides, all the provinces will get equal opportunities from this very project of China Pakistan Economic Corridor. Where there is opportunities there are certain serious challenges in the way of China Pakistan Economic corridor as security issue the Chinese workers are not safe in the country. They (Chinese engineers) are abducted and killed, terrorist activities in the country particularly in Baluchistan. Indian insurgency India does not want to see the project complete so that's why she is creating problems in the way of China Pakistan Economic Corridor. The problems within the federal and provincial government as most of the provinces have grievances over the passing of CPEC roots, mostly people of Pakistan are saying that agreements about the China Pakistan Economic Corridor should publicly be discussed. Last but not least People should be aware about all kinds of projects especially about the merits and demerits of the project and timely completion of the Projects that are the parts of CPEC project (Dawn, 2019).

The most prominent authors Afzal and Naseem (2018) in "China Pakistan Economic Corridor (CPEC): Challenges and Prospects. Opines that China Pakistan Economic Corridor is considered as one of the meritorious program which will illuminate the whole region it will be proved as the game changer of the region. It clutched the attention of the world most of the powerful countries are intended to invest in the project. They are deeply interested to invest in the project. Beside they also have some serious concerns on the project. They are worried about the grave challenges to the project as terrorism in the state of Pakistan especially in the Baluchistan which is the hub China Pakistan Economic corridor project in the light of Gwadar ports some other serious challenges are also there such as Indian involvement lack of peace and stability in Pakistan's regional countries. Moreover, it also explains the marvelous opportunities for the whole region. In a nut shell it will really be proven game changer in the region (Afzal & Naseem, 2018).

The Journal of Contemporary China opines that since very inception Pakistan and China has considered all weather the friends have made amicable relations during early 50s. Pakistan and China has developed trust at large scale the huge investment of China about \$64 dollars is the reflection of amicable bilateral relation of these two countries. Since the signing of the project between Beijing and Islamabad this very project has been remained sever tension between federal government and provincial government. It seemed that they both Federal and provincial) governments are not at the same page. It further expresses that China Pakistan Economic Corridor will bring innumerable opportunities for the people of Pakistan and China (Ahmed & Shahab, 2018).

China Pakistan Economic corridor is the symbolic way towards the China's billion dollar One Belt One Road project. China intends to revise or regenerate its ancient silk route which honored the most busiest and core place of trade in the past China Pakistan Economic corridor project is one of the glittering example of bliss ties between the two states this project is consisted on four main pillars energy, infrastructure social and economic development it is the sign of peace and stability in the region for now it will revolutionized the economic sector of South East Asia. China Pakistan Economic Corridor will not only furnish advantages to Pakistan but also create opportunities for the whole region it will restore the maritime route of the trade. Further this project will shed its impacts on the nuclear countries for the harmonizing of their relations (Awan & Ahmad, 2017).

China Pakistan Economic Corridor is billion dollar project which will remove the energy tension and will create the opportunities in energy sector it will remove Pakistan's energy problem that will boost the economy by developing certain economic zones. These economic zones will also play their role in the infrastructural and social development of the country. There are certain issues regarding this such as political instability country's overwhelming debt of the country geopolitical issues of the country particularly unpleasant ties with India are most important hardships for the country (Shehryar & Liu, 2019).

According to an International Journal of Social Science and Economic Research Pakistan and China have the longest history of friendship their friendship is as old as its trade with the silk route. They both want to restore the ancient trade of the silk route. China Pakistan Economic Corridor is the collection of different projects as infrastructural, social and economic together with energy projects. Pakistan will get same benefit from the scheme that's why Pakistan and China want the timely completion of the project. They both are trying to remove the all kinds of hindrances from the project. They are ready to face the challenges. Undoubtedly there are certain internal as well as external challenges to the project. The entire sorts of challenges are briefly discussed in this piece of writing (Sadaf & Zafar, 2017).

A renowned scholar Asfaque Ahmed quotes in his famous article “Role of China Pakistan Economic Corridor in Development of Trade, Transport and Economy of Pakistan” that CPEC develop the infrastructure and the developed infrastructure boost the trade between these two states. The China Pakistan Economic Corridor is the project which develops the trade between Pakistan and China at high level all the stake holder of every province will get the advantage from the China Pakistan Economic Corridor project. It increases the market places for easing in the trade and develops opportunities for the different types of labor. No doubt there will be the development of the transport which further will boost the socio-economic development of the countries (Rehman, 2018).

One of the meritorious author Dr. Shabir Choudhry writes in his renowned book “CPEC may bring Infrastructure development on the Economic growth or a debt trap for Pakistan” says that CPEC can be a mega disaster for Pakistan he land of Pakistan but it provide grounds for the Chinese goods in the globe. Some Pakistanis keep the ideas in their mind that CPEC is not for empowering the Pakistani people but it will provide more chances for Chinese. Mostly people are saying that it is not from the people of Pakistan but from the elites of Pakistan who are uplifting the project and become happy and they are very keen to help them. They have very narrow ideas about the CPEC project (Choudhry, 2017). China-Pakistan Economic Corridor (CPEC) is multi road, it's a network. It will encourage the development of industrial zones backed by energy plants, linking Kashgar in China to Gwadar. Baluchistan should be the main recipient of the project. Khyber Pakhtunkhwa will get advantage from it as there's no bigotry among provinces. China-Pakistan Economic Corridor program is anchored. Gwadar port will be developed first in Baluchistan's southern coast at the Arabian Sea, and is linked to Chinese-funded, infrastructural mega-projects that are regional in nature. After the recent visit of X Jinping it is decided to construct the high surroundings of CPEC through the area of GilgitBaltistan (Clemens, 2018).

3. Research Question

Will Pakistan be in position to reap intended benefits from the CPEC project?

4. Advantages of CPEC

The boosting economy of the world is welcomed to face any kind of decline in the financial problems most of the countries have showed their deep interests to invest in the project to face hard conditions in future. Besides, both countries Pakistan and China have made the process of investment tough and they are trying to create ease in the process of investment which is growing rapidly. These are most important opportunities with the right time for the world to invest in this project as world; easily escape from the upcoming financial crisis on the other side neighboring countries must take pragmatic steps for getting the huge number

of advantages from this very glittering project (Ahmed et al., 2018). It is the great scheme which will create ease for the China's billion dollar BRI project. It is foremost driver of this very project, which will connect the BRI project with different countries of the world. However, the mixture of local development schemes will consolidate the ties between these two most significant states of Asia (Pakistan and China) (Awan, 2017). Following are essential benefits of the CPEC:

- The sharing of physical boundaries of Pakistan with China will be advantageous for infrastructural linkage.
- The border ties will reduce the barriers in trade and economy.
- Pakistan and China should support each other and provide ease in the financial investment.
- There long lasting planned ties are exceedingly rooted between the people of the both countries, thus it would be valuable for individual to individual bondage.

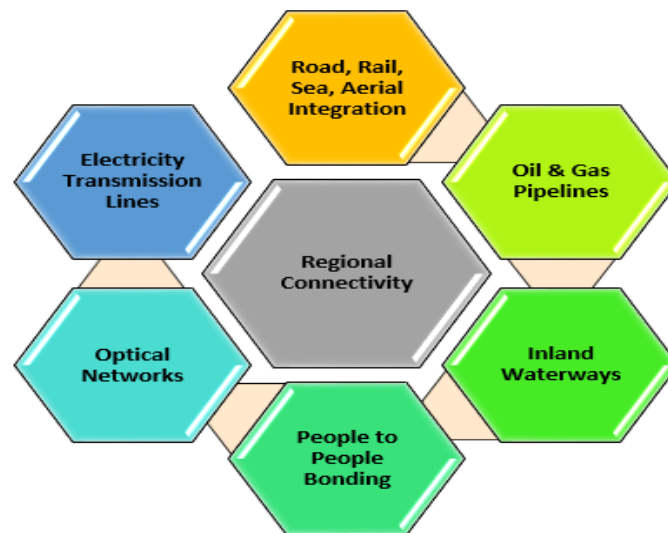


Figure 1. The CPEC regional connectivity. The different colors in pentagonal structures showing the essential parameters in terms of regional connections. (Source: cpec-centre.pk)

4.1 CPEC in terms of Regional Connectivity

The above figure 1 shows the different projects which are planned to be constructed through this project. It also highlights the concept of regional connectivity, in which the road and railway will decrease the distance; the sea route will also be there which will hasten the route and bring innumerable goods within the short span of time. Besides, energy is the basic ingredient of life oil and gas is essential for the running of industrial sector which will boost up the economy of the country and pay employment at large scale. Inland water ways

have lot of significance because it consumes low energy, the goods and products are brought at widespread through the inland waterways. It reduces the minimum amount of carbon dioxide (CO₂) which protects from the environmental pollution. It also does not occupy the large amount of the land. Moreover, people to people binding will also be made possible through numerous technical workers. People will come in to contact with one another that will exchange their experiences and ideas which would boost the human resources of the country, which is the base of backbone of the economy of the country.

Further, in this technological era in which the modern methods of optical network is used. Optical fiber is modern way of communication in which the communication process remains fast and effective. There will modern electricity transmission line which will evade from the losing electricity and it will push the country from the energy crisis which is the back of industrial sector on which country's economy lies.

The economy of Pakistan will be over the moon and there will be hastened economic growth as Pakistan has started various economic development projects. Development and social stability, in order to boost economic reforms and its advantages in the demographic dividend and young workforce are playing main role. Further, the macro economy has rehabilitated for the betterment in Pakistan in the recent years (Awan, 2017).

There will be development of special economic zones that will bring the employment opportunities for the local and international people. It will also boost the economy of the country with controlled inflation and uncountable circulation of goods in the markets. In this connection the following points were summarized in perspective of CPEC connectivity;

- The development in the transport and energy boosts the demand of markets which in turn will enhance the economy.
- The inflation will not be out of control by increasing the actual revenue of main policies for the China Pakistan Economic Corridor edifice.
- The worldwide equilibrium of outlays has been forwarding towards balance. It will uplift the exchanging in foreign currencies and will bring the good changes in the exchange rates and it would decrease the ratio of risk in the investment through this China Pakistan Economic Corridor project.

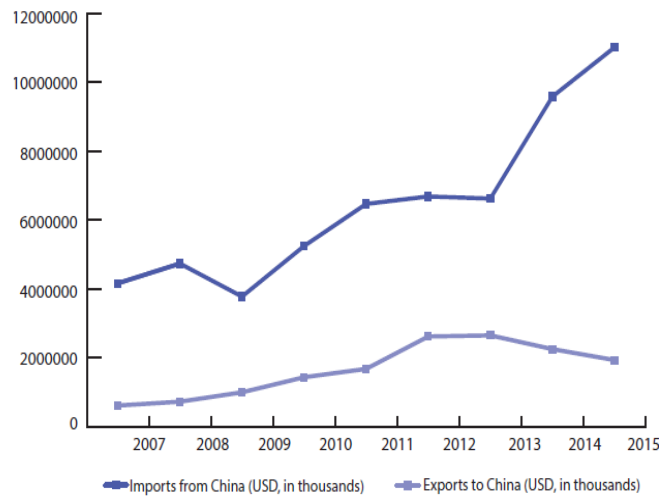


Figure 2. Pakistan-China trade associated with CPEC. The x-axis showing the trade year (2007-2015) and Y-axis depicts the trade amount in USD. (Cited from World Bank World Integrated Trade Solution).

4.2 Pakistan's Trade with China in Perspective of CPEC

The above graph (Figure 2) shows the margin of trade between the two states that how much they are tied for the trade and possible growing of the trade between these two states. Further, it reflects the trade before and after CPEC. The trade will increase in the region, different commodities would be exchanged at widespread. Both countries will develop the trade links with each other. Pakistan exports cotton as raw material to US but after the completion of this project it will be convenient for Pakistan to send their goods in the markets of the countries that are the partners of the China Pakistan Economic Corridor project. This trade will boost the economy of the Pakistan as well as China, so it could boost the industrial sector in Pakistan. It will also further advance the sharing and exchanging of knowledge and ideas about the growing of economy of the country. Pakistan will not only trade with China but it would mingle its goods in the markets of different member countries.

5. Possible Challenges

5.1 Geopolitical and Security Risks

There are undeniable geopolitical risks involved in the project from different corners. The politics is not running smoothly in South Asia and most of the non-state actors are trying to create disturbances in the project particularly in Baluchistan. They are creating problems so that the mega project of CPEC may not timely be completed. Baloch insurgents are also creating problems in completing the project. While other regional miscreants are also creating

bottlenecks in the way of China Pakistan Economic Corridor project (Mustafa & Zafar, 2017).

The southern part of Xijiang province of China suffers from the industrial under-development and it has fragile economy. It is because of natural and geographical locations in the border region of China-Pak the operation, management and construction of main infrastructure ventures is costly. On the other hand Pakistan is a developing economic country but with rapid growing of population and dearth of resources which has badly disturbed its environmental factors in its western parts (Mustafa & Zafar, 2017).

5.2 Restraints to Economic Growth Prospects

Pakistan needs to tackle core blockages to economic and social development for nurturing economic development momentum. The administration must monitor the problems in infrastructure, energy with socio economic development to face any possible challenges for this very CPEC project (Mustafa & Zafar, 2017).

Henceforth, Pakistan should go ahead with the strategic alliance, which is the source for sustainability, reciprocal advantages, all-inclusiveness and harmony. Besides, clutching the opportunities of economic development and transformation, while upgrading the prevalent projects under Road and Belt Initiative by China. Pakistan has to capitalize on the promising circumstances according to general accord of 2025 Vision, social equilibrium and maintaining economic boost and creative environment for sustained development of Pakistan (Awan, 2017). It would positively effect on China's industrial and capital advantage in Pakistan's markets. Therefore, both Pakistan and China should exchange the views that create "1+4" connotation outline (presenting the China Pakistan Economic Corridor as the 4 priorities and center, known as Gawadar cooperation for energy, industrial and transportation infrastructure). Moreover, both countries should bring the consolidated physical economic relations through CPEC and construct the most trusted society from the both sides.

Both Pakistani and Chinese authorities are the manager, proponent and guider of the China Pakistan Economic Corridor venture. According to Pakistani and Chinese economic systems, commercial ventures (given below) associated to the CPEC must be worked in a market-oriented manner (Awan, 2017).

- Quasi-commercial main infrastructure ventures can adopt the community private corporation mode.
- Noncommercial ventures related to public livelihood must comprise multiple members and be executed through fair opposition.

5.3 Spirit of Partnership towards Prosperity

China is responsible for executing, constructing, funding and planning the schemes within her jurisdiction as well as in the boundaries of Pakistan. Both China and Pakistan should reciprocally make plans, split funding liabilities on

each state and those be disbursed evenly. The financing and investment strength offer separate proportional advantages in implementation and construction of schemes, as well as to share fruits in return (Ahmad et al., 2017).

Planning plays pivotal role in the China Pakistan Economic corridor project, however without planning it is not possible to flourish this project properly. Both the countries Pakistan and China must open the doors for the world think tanks to ponder on some pragmatic and logical measures, which could easily be implemented as this project may flourish successfully. The modern techniques and theories must be taken in to account for smooth running and accomplishment of the very project. Both Pakistan and China should welcome whole heartedly and work together for successful construction of China Pakistan Economic corridor project.

Population is rapidly growing in the region that is why its livelihood is the core purpose of the said project. Whose multi-faceted projects reflect the gap between the growth in the real ground situation. Furthermore, services under the said project must be ensured to the local individuals and exchanged to the concerning regional inhabitants for their sustainable and improved livelihood

5.4 Transport Infrastructure

All the programs such as long, medium and short term must properly be handled and there should be proper time management to execute the projects on time. Both countries (Sino-Pak) should formulate the time frame and try to complete it within time. The proper projects must be constructed on time to address the grievances in Pakistan as those (projects) may easily address the hindrances in the socio-economic development of the country (Pakistan) in different phases of development (Afzal & Naseem, 2018).

It is the most important segment that could furnish proper guidance for the social and economic development of ports, aviation, railways, highways and other physical development projects. An efficient, suitable and combined transport passage those encompass a diversity of transportation modes which will create better environment for the businesses. So, in order to ease the conditions of personnel and trade exchanges amongst Pakistan and China for the development of socio economic areas along the China Pakistan Economic Corridor (Rehman, 2018). The following capabilities have been planned to obtain the above-mentioned goals. Development and construction of various routes including Kashgar-Islamabad, Peshawar-Islamabad-Karachi and Quetta--Gwadar-, Sukkur-Gawadar and PortSohrab-Dera Ismail Khan road infrastructure, to advance road services and safety levels which will augment the flow of traffic. Nevertheless, the Figure 3 highlights the major routes those have been taken under consideration during CPEC project. Following are the routes which are under consideration in CPEC;

The ML1 railway line is planned to be built which will modernize the railway track. It will regulate the railway transportation which will be beneficial for the both countries.

The system of transportation will be modernized which will flourish the infrastructure in well manner and develop the port and construction of Expressway of East Bay and the new international airway have enhanced the efficiency of economic zones. Thus it has added in the social wellbeing of local people.

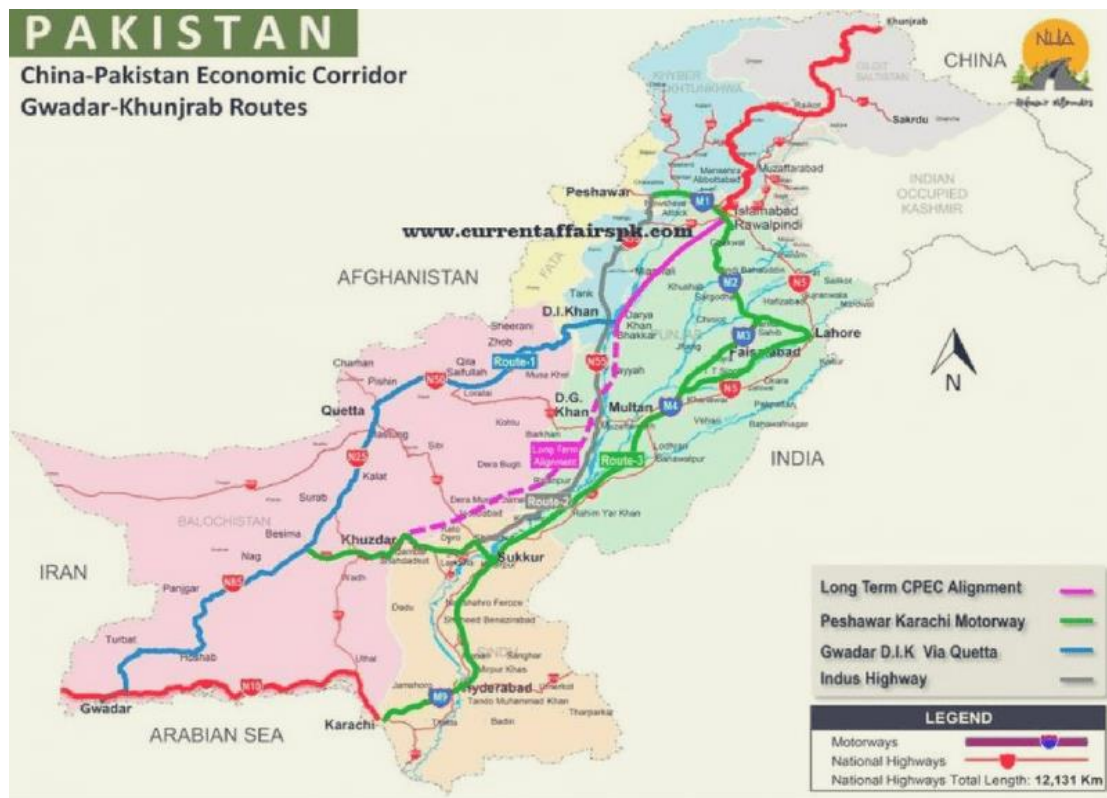


Figure 3. Major routs under CPEC project. The picture shows the different routes of the project which highlighted the main routes of CPEC project. (Source: <https://www.app.com.pk/pak-china-optic-fiber-cable-project-to-be-completed-by-june-2018/>)

6. Way Forward to Grasp the China Pakistan Economic Corridor

After highlighting the main opportunities and grave challenges of this very project now it is necessary to propound some pragmatic remedies to move forward if it is implemented sincerely can move ahead. In this connection following points may be taken into account:

1. The government of Pakistan must complete the China Pakistan Economic Corridor project timely and hasten the process as terrorist may not take any time to think and make any kind of negative strategy in the way of China Pakistan Economic corridor Project which could create hindrances and derail this very Project.
2. There should be proper legislation by the parliament in which all the political parties unanimously take decision against the terrorist activities in the country. The hands of all the law enforcement agencies must be consolidated towards the terrorism in Pakistan.
3. The federation along with all its units should work in unity to advance the cultural and economic circumstances in Pakistan. The government must provide soft place for the economic and cultural development in Pakistan.
4. The government should candidly discuss all the matters, agreement regarding China Pakistan Economic corridor, whereas, it should not be hidden from the public. It must be discussed in front of the public as false tales against projects must be finished as people may get proper information/ advantages about the project. It must be publicly discussed with all provinces.
5. The government must provide strong security to the Chinese and other foreign workers as they may easily work and try to complete this project timely.
6. The grievances of Baloch people must be addressed as they may furnish the ground for the completion of project.

7. Conclusion

China Pakistan Economic Corridor brings abundance of opportunities for the people of Pakistan and China. It will illuminate the whole region. Geo strategically the Pakistan will be economic hub in the region. Undoubtedly, these projects will raise a lot of economic opportunities for both people of Pakistan and China. Simultaneously, it would uplift the socio economic conditions of the people. The economy of the both countries will be uplifted in terms of open the markets in which they will furnish the goods on the reasonable prices. The transportation and energy projects will also boost the industrial sector which is the backbone of this project. Both countries will distribute their goods in their respective markets to enhance the economic activities. Where there are opportunities there are certain challenges that could be main cause of hampers to implement the mega project. China Pakistan Economic corridor could not ensure macroeconomic set-up to the international standards. Coordination among various projects of different plans ought to be efficiently managed. Having detailed schedule on the basis of projects completed immediately would be worth important. Additionally to address loopholes in economic and social development of Pakistan priority must be given to the projects of general importance. But on the other hand government of Pakistan is strongly determined to remove the challenges from the way of this project as government of Pakistan has taken

certain pragmatic initiatives to implement this project as government has placed this very project at its top priority for the successful completion on time.

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