



RESEARCH PAPER

China-Pakistan Economic Corridor (CPEC): Benefits and Challenges for Pakistan

¹Muhammad Nouman Ashraf Khan* and ² Prof. Dr. Syed Mussawar Hussain Bukhari

1. PhD. Scholar, Department of Political Science, The Islamia University of Bahawalpur, Punjab, Pakistan
2. Chairman Department of Political Science, The Islamia University of Bahawalpur, Punjab, Pakistan

***Corresponding Author:** nouman.ashraf@iub.edu.pk

ABSTRACT

This paper dissects prospects and difficulties for Pakistan at public and global levels for the making of mechanism to defeat the considerations of opponents. The researcher discusses outstanding features of the China-Pakistan Economic Corridor (CPEC) and efforts to analyses the opportunities and challenges coming along its way. The project was launched after Chinese President's visit to Pakistan in 2015 and project has so far reaped significant economic, external and strategic benefits for Pakistan, but with the CPEC faces a number of challenges. In this research highlights the significance of the CPEC in China's Belt and Road Initiative (BRI) and focuses on the strategic significance of Gwadar port as well as the significance of the CPEC for both China-Pakistan that is providing the shortest connectivity to China with Central Asia, West Asia, South Asia and onward to Europe. Moreover, it emphasizes on how distance will be abbreviated for oil transportation from Gulf to China and will empower Beijing to assume a significant part as a significant import and export corridor in the world. It additionally resolves the inquiry concerning the import/export imbalance among China and Pakistan and features that the CPEC will also boost the bilateral trade. In this research has utilized a descriptive, comparative, analytical, and qualitative, approaches, through Graham Allison "Rational Actor Model". Secondary data has been analyzed through document analysis. Pakistan has to face both challenges and benefits at the same time. Furthermore, the study examines various segments of the development and prospects of the CPEC and questions the threat perception for the game changer project the CPEC and how Pakistan can handle these threats. The role of international players to destabilize CPEC is also the burning question of the time that needs to be dealt with iron hands. This study will be useful for policy makers, diplomats and researchers.

KEYWORDS Benefits, BRI, Challenges, CPEC, Silk Road

Introduction:

Economic corridors are becoming increasingly critical for governments and areas' worldwide economic development. They serve as the primary mode of communication for economic agents operating within well-defined geo-graphic regions. Economic corridors are frequently utilized to connect financial centers and economic zones densely populated with economic activity and resources (Brunner, 2013). Economic corridors, according to Iyengar (2014), are often created around local transportation networks. These network designs incorporate infrastructure services that connect critical manufacturing locations, metropolitan areas and international gateways. Economic corridors are vital to sustaining and increasing prosperity because they eliminate infrastructure hurdles, provide market access, promote efficient trade and investment and extend economic opportunities in less developed regions. Corridors are critical for coordination between the world's least developed and most developed areas. They act as hopeful gates, connecting landlocked countries to global markets via the sea.

The CPEC is one of the world's most significant infrastructure projects in terms of funding, location and projects. According to Irshad (2015), the CPEC project began in 2015 under the concept of BRI, and Chinese President Xi Jinping endorsed the project's goal of integrating land and marine trade. The project involves sixty countries spanning Asia and Europe. This project will benefit the people of these 60 countries by investing in infrastructure and energy initiatives. Around US\$46 billion has been invested in Pakistan's infrastructure and energy sectors as part of the CPEC, China and Pakistan's long-term strategic plan from 2014 to 2030 (Rahim, Khan, & Muzaffar, 2018).

The CPEC launched in mid-2013 and completed in April 2015, is a collection of projects under China's BRI. It heralds a new era in economic ties that have been historically defined by security cooperation. Pakistan's economy requires reform to serve its people better and many officials assert that CPEC is assisting. However, as it is being launched, the corridor threatens to exacerbate political and social tensions in Pakistan, as well as to create new sources of conflict. Pakistan's newly elected government should mitigate these risks by being more transparent about CPEC plans, consulting with all stakeholders, including small provinces, businesses, and civil society and addressing concerns that the corridor will subordinate Pakistan's interests to China's. Beijing, for its part, should consult with stakeholders in the regions where the CPEC projects agreed with Islamabad has been located. It should encourage Chinese businesses to be more receptive to the local populace's needs, including hiring indigenous labor.

CPEC span 2,700-kilometers and be funded through loans, investments and grants totaling approximately US\$60 billion. It runs from the port of Gwadar in Pakistan's Balochistan province to the Kashgar prefecture in China's Xinjiang region, passing through Gilgit-Khunjerab Baltistan's Pass. Pakistan Economic and Development Project places a premium on transportation infrastructure, industrial development, energy and the strategic Balochistan port of Gwadar. Another critical component in agriculture and production modernization.

The Pakistan Muslim League-Nawaz (PML-N) government, which came to power following the 2013 elections and resigned on May 31, 2018, viewed the CPEC as a watershed moment in the country's economic development and relations with China. Candidates for national office from across the political spectrum overwhelmingly endorsed this position. However, some senior officials and prominent Pakistani business people express concern about Chinese investors' lack of protection for domestic economic interests, high guaranteed returns on equity and unaffordable national debt (Shah, Muzaffar, & Yaseen, 2020).

Although it is too early to determine whether CPEC has been deliver on Islamabad's economic promises, the project risks exacerbating long-standing tensions between the central government and smaller federal units and provinces over economic development, and resource distribution. Federal agencies such as Balochistan and Sindh assert that the corridor's direction, infrastructure, and industrial projects will disproportionately benefit Punjab, the country's wealthiest and most powerful province. Residents, however, have the right to oppose the state's purchase of land for CPEC's agricultural projects.

The center developed the long-term plan for the CPEC (2017-2030) with input from a small number of local leaders, businesses and civil society actors. In Balochistan, the perception of exploitation and neglect associated with the CPEC, as well as the government's crackdown on dissent, have exacerbated long-running protests. The province receives no direct financial benefits from CPEC's flagship project, the port of Gwadar, which may aggravate local resentment in Islamabad. Rather than transforming a sleepy fishing village into a bustling shopping mall, as Islamabad, and Beijing have promised, the project has been creating a heavily militarized zone, displacing residents and depriving them of economic opportunities. Coal-based CPEC power projects in Sindh's Tarparkar district have the potential to harm the environment while displacing residents and destroying livelihoods.

Numerous issues arise due to imprecise policy formulations and a disregard for regional, and local concerns. The center developed the long-term plan for the CPEC (2017-2030) with input from a small number of local leaders, businesses and civil society actors. It did not officially open until December 2017 and then only in broad strokes, following the release of several key components. From the project's inception in Gwadar to its conclusion in Gilgit-Baltistan, the state's attempts to defuse local conflicts, and alienations were accompanied by robust security measures, including army checkpoints, intimidation and harassment of residents and countermeasures. CPEC files a protest.

Additionally, anticipated geo-political benefits may outweigh economic benefits. Pakistan's military views stronger economic ties with China as a counterweight to mounting US diplomatic and economic pressure to end its support for pro-Afghan and pro-Afghan militants, albeit at Beijing's request. However, as the country's economic footprint expands, Beijing appears to be more concerned about threats from such individuals to the country's national and regional security interests. At the same time, unequal gains, combined with the perception that CPEC projects jeopardize the economic, social and political interests of key stakeholders, can potentially exacerbate Pakistan's anti-Chinese sentiment. Numerous attacks on Pakistanis working on CPEC construction projects have already occurred.

The CPEC's Dimensions

The CPEC umbrella and brand comprise infrastructure, energy, maritime, and cultural communication. CPEC, on the other hand, is not a unified effort. Each project along the China- CPEC has its own set of criteria and regulations because it is implemented by a different Chinese state-owned company (SOE), and hence distinct from the others. For example, China invested coal-fired power plant was co-invested with a Qatari consortium to implement the Build, Operate, Transfer (BOT) project (Sayed, 2019), while a coal-fired power plant with less than 10% of China's Thar Block II, Sindh government. China Machinery Engineering Cooperation (CMEC) and Engro have formed a public-private partnership (Pakistani company). On the other hand, the Gwadar International Airport is supported by a grant (CPEC 2019a).

The National Development Reform Commission (NDRC) serves as the Chinese state organization's representative. It's incharge of overseeing CPEC projects, the Ministry of Planning, Development and Reform and its Pakistani counterpart.

Literature Review:

The CPEC three stages (early, medium and long-term projects)

The CPEC is a long-term project that has been last beyond 2030 (Ministry of Planning, Development and Reform, 2017). It is divided into three stages: early harvest projects (EHPs), mid-term projects and long-term initiatives (China International Development Cooperation Agency, 2019). Eleven of the twenty-two DEDs have been completed, with another eleven in the works. Electricity generating plants (EHPs) helped Pakistan overcome its 5,000-Megawatt energy deficit (Kugelman, 2018). The rest of the sector rehabilitated or built a new road, highway infrastructure, facilitating improved trade and transportation.

Pakistan's perspective on CPEC

Many experts have attempted to calculate the benefits of megaprojects for both countries outside of China, and itself. In response to such expert intents, the Chinese government has conducted its investigation and issued its conclusions. According to a white paper published by China in August 2011, a partnership was designed to strengthen recipient nations' self-development and potential, with the ultimate goal of improving the two peoples' lives and wellbeing due to the cooperation (Kitano & Harada, 2016). The CPEC has been create nearly two million jobs for indigenous Pakistanis.

Despite the differences in the two nations' political and cultural frameworks, Pakistan has had long-standing political and economic ties with China since 1947. As a result, the current CPEC has been well-executed collaboration that began with the two nations' free trade agreement, resulting in significant growth in bilateral trade. In four ways, establishing the CPEC is likely to influence Pakistan substantially.

It achieves this in two ways. To begin with, it adds to Pakistan's deteriorating economic climate by guaranteeing billions of dollars in Chinese investment. Railways, road transportation and communications, ports, building facilities, and the availability of clean energy sources are all factors that contribute to the investment mentality that has caused havoc on our society. Furthermore, it has been increasing China's and other countries Foreign Direct Investment (FDI). Second, it's help China grow its exports to Africa, the Middle East and Europe, which has been benefit all three regions. Aside from that, gas and oil pipelines ensure a consistent energy supply to China's faltering economy. Third, the CPEC connects Asia's southern, eastern areas, and contributes to the economic development of Pakistan, and China's backward provinces with its 3,000-kilometer length. According to the United Nations Development Programme (UNDP), CPEC is expected to impact China's political, and economic standing globally and strengthen commercial connections between nations (Bhattacharjee, 2015). On the other hand, China-Pakistan diplomatic relations has been developing into strong economic linkages at the micro and macro levels, improving mutual understanding between the two countries.

Chinese perspectives on CPEC

The two countries "all-weather strategic cooperation" was officially severed following Chinese President Xi Jinping's visit to Pakistan. As a result of this "Strategic Partnership for All Climates," the two countries have established a cloud environment conducive to mega-investment in several projects, prepared to develop in various industries. At the same time, China battles to achieve the multiple objectives on its agenda. CPEC earnings, in addition to economic benefits, provide China with direct access to the Indian Ocean, thereby enhancing China's political influence in southern and central Asia as a result of its economic might (Bhattacharji, 2015).

China will have future access to both Russia and "Greater Europe" simultaneously. Because of its significance, the BRI has evolved into an important component of Chinese economic, and political diplomacy. This economic, political and diplomatic dominance has been transforming Asia's perspective globally, allowing Central Asia to play an independent role regardless of global energy, and geo-political situations. More broadly, China anticipates that the regional economy of the Uyghur people in Xinjiang has been revitalized, although the economic corridor is still in its early phases of development (Strasser, 2016).

Numerous economists and strategic thinkers believe that the CPEC has been promoting regional and global economic growth, and bilateral relations between China and Pakistan (Ali, 2016). According to Ritzinger (2015), the CPEC strengthens China's economy by extending export and transit possibilities. The reduced cost and shorter travel time on the route have encourage more foreign firms, particularly those in landlocked Central Asian states such as Afghanistan, Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan, to develop economic relations with China shortly. On the other hand, Europe, and the Middle East are expected to benefit from this trend (Aymen, 2016).

Along with connectivity, the plan encompasses industrial parks, industries, agricultural development, information network infrastructure, tourism, poverty eradication, livelihood enhancement and utility infrastructure. By connecting Kashgar with Gwadar via Gilgit-Baltistan and other parts of Pakistan, economic cooperation, health care, education, and people-to-people relations can be established (Hussain, 2016). The CPEC connects about 3,000 kilometers of trails, and roads, bringing vital economic infrastructure to Pakistan, notably power plants. According to Zhang and Shi (2016), the project has been

cost approximately US\$46 billion and be completed in 2030. Along with granting China access to the Indian Ocean, this project's completion has been developing “new economic zone” (Ibrar et al., 2016a; 2016b).

“The CPEC has faced numerous challenges since its inception. Despite these challenges, China and Pakistan are committed to actively engaging in the Economic Corridor's success. The CPEC would allow both countries to grow and advance backward regions. It would mark a turning point in developing Western China and Pakistan's impoverished regions. So far, progress has been promising, with the completion and commissioning of the first unit of Karachi's 1,320-Megawatt Port Qasim coal-fired power plant. Four of Balochistan's six CPEC projects have been finished, according to the report, 2018 from the Pakistan Parliamentary Research Institute's (PIPS) CPEC Watch (CPEC Watch, January 2018). According to the CPEC Long-Term Plan (LTP), the government has chosen seven areas for short, medium and long-term collaboration until 2030, with the first phase beginning in 2018.”

Pakistan is expected to emerge as a regional trade and economic hub as a result of the CPEC, necessitating the formation of several industrial and economic zones and the construction of trains and highways connecting Pakistan and China. Sial wrote an article titled *It is vital for Pakistani officials to accurately achieve a previously agreed-upon opportunity in 2014 by converting the corridor's potential into long-term and significant economic development* (Chaziza, 2016). Pakistan's fate determined by the CPEC since it has been a game-changer for crucial economies and regional ties and a catalyst for mutual development. This is the most attractive and exciting endeavor that has been resulting in Pakistan's economic prosperity in the not-too-distant future (Ibrar et al., 2017c; 2018d).

Material and Methods

This investigation took a descriptive, comparative, analytical, and qualitative, approaches Qualitative research designs enable the collection of complete data. The Graham Allison “Rational Actor Model” apply to evaluate the research. The researcher employed secondary data. The researcher determined that secondary data has been collected after conducting a thorough literature review. Studies related to the paper topics were compiled using various sources, including research journals, reports of think tanks, books, magazines, newspapers, thesis, government publications, documentaries, and online resources on China's foreign policy a well-define material is available that explains the basics and crucial points. These sources have been employed to gather the necessary information for drawing results and forming conclusions. Its highlight the significance of China's foreign policy toward India and Pakistan.

Results and Discussion

“The CPEC is a joint venture between China and Pakistan that began in November 2015 and is focused on constructing infrastructure such as roads, trains, and ports to aid Pakistan's economic development (Malik, 2017). The primary goal of the US\$46 billion projects is to connect China's Xinjiang province to the port of Gwadar in southern Pakistan via Gilgit-Baltistan. The CPEC according to the Pakistani Ministry of Planning (2017), is a growth and development project between the two countries focused on cooperation, mutual benefits, and shared prosperity. The CPEC aims to develop industrial, economic, trade cooperation, and cultural links between the two countries. The fundamental goal of this megaproject, which would also help the two countries least developed regions together, is the development of infrastructure and industrial sectors in the two countries least developed regions, particularly in Pakistan”. Many economists and strategic strategists believe that the CPEC has been improve economic growth in Pakistan and China and the region and globally (Ali, 2016).

As is the case with all large-scale economic developments; the CPEC faces various obstacles:



Figure 1 Challenges from CPEC

CPEC benefits Pakistan in the following ways:

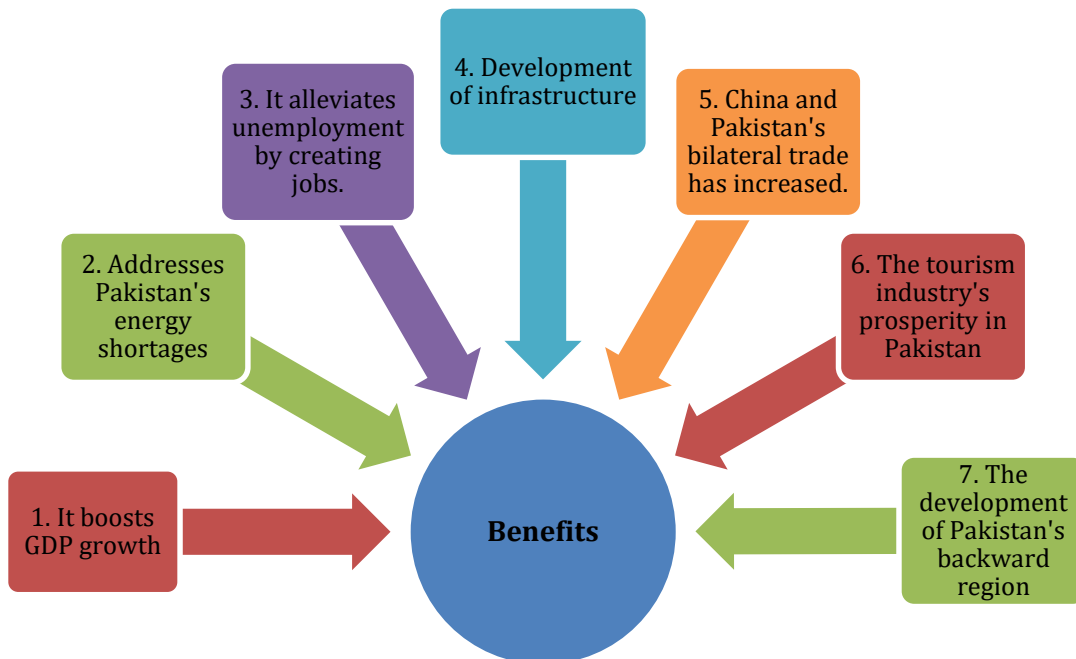


Figure 2: Benefits from CPEC

Discussion

The practical implementation of CPEC in Pakistan and China is one side of the coin, which represents a more idealistic interpretation of CPEC. On the other hand, the flip side illustrates the harsh realities and obstacles these countries may confront along the way. Analysts for the project's implementation have identified internal and external obstacles as constraints to proper CPEC execution. They can be divided into three categories: political impediments, economic impediments and security impediments.

Others believe that the political uproar and turmoil that followed Pakistan's former Prime Minister's departure augur poorly for the smooth implementation of CPEC's early harvest projects, which are currently underway. Since its inception, the CPEC has been a subject of contention between Pakistan's provinces and the federal government. Because it was the shortest road between Gwadar and Kashgar, the Western route, which would travel wholly through CPEC and Baluchistan, was developed first. However, when the CPEC was relaunched, this concept was scrapped. However, the project has created security worries because the route travels through politically dangerous Khyber Pakhtunkhwa, (KPK) and Baluchistan province (Sial, 2014). Chinese companies have agreed to build the CPEC eastbound route on a BOT basis, which does not apply to the westbound route, allowing the eastbound route to be built first. The westbound route is still under construction (Alam, 2015). The feasibility and benefits will be much improved if the eastern route is developed first; however, the Chinese Communist Party (CCP) provincial and Balochistan-dominated political parties have raised concern about the federal government's lack of interest in the project. The CPC and several notable Baloch leaders have also accused the federal government of intervening with the route alteration to benefit the capital at the expense of those who would otherwise gain from CPEC (the reorientation of the Economic Corridor).

Concerns have been voiced in KPK about the unequal distribution of economic projects and how they entirely avoid their region, while Balochistan has raised concerns about a whole other set of issues (Baloch, 2016). In addition to economic, and political observations, the Baloch people expressed concern over the federal government and the developed Punjab province splitting the province by utilizing the province's resources (Shams, 2015). Rallies occurred in response to the outbreak and long-standing, widespread animosity was exacerbated when the federal government handed China access to the Gwadar port. Exacerbating the matter is that only eight projects have been awarded to Balochistan under the CPEC, whereas 176 projects have been awarded to Punjab, validating their claims of bias (Tanoli, 2016).

Competitors are the greatest threat to the success of CPEC's economic growth. In exchange, the economic corridor offers special tax breaks and incentives to Chinese businesses that shift from domestic production to foreign exports (Baozhong Z., 2022). Pakistan's domestic industries face intense competition from the Chinese due to the influx of Chinese items into the local market (Khan, 2016). Any doubts about the current economic climate for Chinese investment? What happens when Pakistani business is compared to Chinese business? In January 2018, CPEC Watch published a report indicating that the topic of how a small economy has been interacting with the world's second-largest economy is also a source of concern. Concerns have also been raised concerning debt and working capital repayments, as most CPEC projects are financed through loans.

“On May 23, 2016, India announced the establishment of the Chabahar port in Iran, immediately following the CPEC plan and the development of the Gwadar port. India has been almost certainly paid US\$85 million to the port's construction (Javaid, 2015). Because of its proximity to the port of Gwadar and the struggle for the same resources among the numerous countries in the South Asian region that has been sharing the same transportation infrastructure, the building of the port of Chabahar has been creating a direct competitor. The geo-graphical location of Iran and Pakistan provides the most direct pathways from the Arabian Sea to the Middle East and the Caspian region of any port on the planet. Gwadar and

Chabahar ports, some 100 kilometers away, compete fiercely for access to Central Asian markets (Kulshrestha, 2015). Chabahar, an Iranian port, serves as a gateway for India's access to Afghanistan, which recently signed a US\$ 500 million trilateral pact with Iran (a third country) and the Central Asian republics." Furthermore, the port of Chabahar allows India to keep an eye on China and Pakistan's actions in the Arabian Gulf (Kulshrestha, 2015).

Significant terrorist organizations' presence in the western part of the Pakistan-China border region has been a continual hindrance to the project's progress. Aside from terrorist organizations operating in Pakistan, violent groups such as Uighur insurgents in Western China and East Turkestan Islamic Movement (ETIM) also represent a substantial threat to the CPEC's continuation (Sial, 2014). Xinjiang has an ethnic identity distinct from the rest of China. The Turkic ethnic Uighurs make up the bulk of the population and the vast majority of these Uighurs are Muslims, which sets them apart religiously from the rest of China. (Chaudhry, 2017) Furthermore, Xinjiang has borders with eight other nations. This area is rich in coal, mineral and other natural resources (Chaudhry, 2017). As a result, China cannot afford for Xinjiang to devolve into turmoil. For a long time, Uyghurs, ETIM terrorists, and some Uzbeks have sought asylum in Pakistan's tribal territories, particularly in the western region near the Afghan border (Sial, 2014). This coalition of hardliners and terrorist groups like the Tehreek-e-Taliban Pakistan (TTP) hugely concerns China and the rest of the world (Khan, 2015).

The CPEC runs through an illegal, insurgency-prone zone populated by foreign and foreign-backed terrorists, and active extremist groups in both Pakistan and China. The critical issue for the Pakistani government in this regard is to create a safe and secure environment favorable to the corridor's growth (Wolf, September 13, 2016). These incorrect elements, who are hostile to the large-scale project, have been involved in several violent activities that have hindered the development of the mega-successful project. Chinese citizens and those involved with the CPEC project have been targeted in an attempt to frighten them. In addition to attacking Chinese workers, some Baluji militants worked on Chinese projects and took part in attacks on Chinese workers. A widespread animosity toward the country's progress (Wolf, 2016).

To hinder the CPEC's progress, Pakistan's long-standing enemy, India, has created a comprehensive plan that includes any hostile measures. Kulbhushan Yadhav, a navy officer and RAW intelligence agent from India, was apprehended in Baluchistan province in March of this year (Assad, 2016). He has talked with all of the separatist parties active in Baluchistan and terrorist organizations spreading havoc and instability (Zafar, 2016). India has long been interested in sensitive matters impacting the Pakistani state, but India's participation in the CPEC is now unthinkable. Alam Khattak, Secretary of Defense, has revealed that India's RAW intelligence agency has established a particular cell at its New Delhi headquarters to weaken the CPEC (Haider, 2016). According to him, Indian officials were looking for help from Afghanistan in training and arming Baloch terrorists to carry out their plan. The Indian Prime Minister's Independence Day address, in which he claimed significant linkages between Baloch rebels and the RAW, it was established that the RAW existed and was the conclusion of Baluch separatist operations (Javaid, 2015). Another significant recent development has been India's military assistance to Afghanistan, which includes training exercises and munitions to assist the country in preparation for a "proxy war" with Pakistan (Tifer, 2016). This is especially true in Baluchistan, which has long suffered from official neglect and ignorance. As a result, the government should be at the forefront of efforts to halt long-running unrest in Baluchistan and actively integrate the province into the CPEC (Assad, 2016).

Another critical component in the building of the CPEC is Pakistan's challenging geography, which connects it to China. When the Karakoram Highway, which connects Pakistan's Gilgit Baltistan area to China's Xinjiang province, closes for the winter, it causes a significant impediment to trade (Lan, 2015). Due to the region's harsh environment, the

Hunjerab Pass has been closed from November to May each year (Wolf, 2016). Older Pakistani freight vehicles and the continual fear of natural disasters like landslides, and earthquakes are troublesome. They can disrupt the smooth movement of commodities to and from China across Pakistan's northwest Khunjerab Pass (Wolf, 2016).

The agriculture industry has also joined the LTP partnership. The projects that provide safe drinking water assist the people of Gwadar. To protect the CPEC routes and Chinese laborers during construction, a Special Security Division (SSD) was formed, comprising nine army battalions and six civilian battalions. While political stability is required for prosperity, it is not in and of itself a barrier to advancement. Greater involvement of provinces and Chinese enterprises and officials has begun, forming an overall consensus for the CPEC.

Furthermore, the International Monetary Fund (IMF) states that increased investment via the CPEC has boosted credit growth, with Pakistan's real GDP expected to climb by 5.6 percent in 2021. This month, the government stated that spy agencies would begin operating from their new headquarters along the length of the CPEC routes. Pakistan's foreign ministry has ruled out the prospect of a geo-strategic alliance of India, Afghanistan and Iran opposing Pakistan and the CPEC via the Chabahar port. For example, the seven-kilometer long Attabad tunnel was created to accommodate natural topographical restrictions.

Conclusion

CPEC benefits and to be effective for both countries must contribute equally. Pakistan has to face both challenges and benefits at the same time. The major benefits Pakistan is getting; development of infrastructure, bilateral trade has increased, tourism prosperity, development of backward regions, GDP boost up, alleviate unemployment, and address Pakistan energy shortages. On the other hand, the challenges encountered are; political instability, crises in energy sector, increase in debt, undeveloped infrastructure and communication system, increase transportation cost, rapid unemployment growth and international trade reduction.

Obstacles to the building of the CPEC corridor must be identified and addressed concurrently with the corridor's construction. Since its foundation, Pakistan has been embroiled in a state of continual conflict, first with its hostile neighbors, then with the US and other major countries and lastly with the global war on terror. When residents lose faith in their government in such a hostile atmosphere, China has proposed the CPEC, a vast infrastructure development project that includes large infrastructure development projects, and energy production units. Increased government spending has helped to revitalize Pakistan's turbulent and unstable economy. It may become an opportunity in and of itself, bypassing legislative measures and removing any hurdles to the corridor's progress. At the same time, the CPEC is more than just an economic corridor; it represents China and Pakistan's strong connections, as well as their tested friendship and a high degree of confidence.

The CPEC can dramatically impact Pakistan's economic development and growth and its population if completed properly. "Wherever there are opportunities, there are great perils," as a well-known businessman properly remarked "there are significant risks," which could provoke or exacerbate tensions in the provinces.

To avoid such consequences, Pakistan's CPEC projects and programs must be rigorously designed and policy-guided. Islamabad, not Beijing, should lead Pakistan's CPEC policies toward the country's economic and political objectives rather than the Chinese governments. CPEC should be built on a comprehensive economic development strategy that destabilizes policies. Voting for provinces and communities to form CPEC projects and boost local procurement represents one of the most promising chances for the country's

stability and, indeed, the success of CPEC for Pakistan and China. Governments at all levels and law enforcement authorities should recognize that the survival of CPEC projects depends on stakeholder ownership rather than hiding criticism and dissatisfaction. Uneven growth in outsiders' preference for outsiders over indigenous people exacerbates social, and political tensions and raises the prospect of future confrontations.

Beijing and Chinese companies face a steep learning curve as they embark on the CPEC project. However, many challenges can be avoided by consulting and engaging with a diverse range of Pakistani stakeholders, from competitive elites to grassroots organizations and conducting comprehensive risk and political analysis to balance competitive advantages. To ensure equitable benefit distribution, efforts should be bolstered by effective and comprehensive communications representing all stakeholders' interests.

The CPEC is a critical component of Pakistan's democratic transition and the new parliament must use the opportunity to steer government policy by convening a public debate on the project. As Pakistan's democratic transition nears completion, the second-elected government will finish its term and take office in August 2018. Rather than viewing this policy as something that can be solved through mega-development agreements or strategic objectives, the wellbeing of the Pakistani people should take precedence over all other factors.

Recommendations

- The only way forward is to overcome obstacles and create possibilities for CPEC to succeed. Several of the ideas are noteworthy. While China's primary goal in constructing Pakistan's economic corridor is to provide a transit channel, Pakistan's primary goal is to protect its national interests.
- Foreign powers are funding the mercenary-led Baluch insurgency.
- In addition, the influence of foreign intelligence services must be countered by intelligence measures and the implementation of legislation limiting the use of mercenaries within the country.
- The CPEC project has lessened the economic disadvantage that the Baloch community has faced since Pakistan's creation.
- CPEC should prioritize local governments to create business reputation and public support, ensuring the project's success. Increased economic activity should be closely monitored at all levels to sustain openness, investment and investor confidence.
- Data and statistics on all CPEC related projects should be made publicly available and freely accessible to reduce the likelihood of manipulation at any stage of development.
- It must be ensured that while governments can change, policies do not impede CPEC progress and that CPEC objectives be implemented evenly across all participating governments. CPEC must remain on the agenda of every government until it is completed.
- Pakistani officials must devise strategies to maximize the CPEC while reducing the burden of repeated loans on the government.

References

- Ahmad, M. S., Asmi, F., Ali, M., Rahman, M. M., & Abbas, S. M. (2017). China-Pakistan economic corridor: In the context of 'String of pearl strategy'. *International Journal of Business and Social Research*, 7(8), pp. 26-42.
- Ahmar, M. (2014). Strategic meaning of the China-Pakistan economic corridor. *Strategic Studies*, 34, pp. 35-49.
- Alam, O. (2015, December). Fighting fire with water: evaluating a CPEC-based human security approach to fostering stability in Balochistan. *In Proceedings of International Conference on CPEC. Held at GC University, Lahore on December, 9-10*
- Ali, I., Riaz, S., Ali, W., & Bano, T. (2020). China Pakistan Economic Corridor (CPEC): A Door of Hope for Pakistan and Potential Benefits for China. *European Academic Research Journal*, 7(12), 6182-6301.
- Ali, S. (2016). China Pakistan Economic Corridor: Sailable and Importance. *Centre line*.
- Ayemen, I. (2016). *Importance of CPEC*. Islamabad Policy Research Institute.
- Baloch, S. (2016 January, 20) A national commission on the CPEC. *The News*.
- Bhattacharjee, D. (2015). China Pakistan economic corridor. *SSRN Product & Services*
- Brunner, H. P. (2013). What is economic corridor development and what can it achieve in Asia's subregions? *Asian Development Bank Economics Working Paper Series*
- Buckley, P. J., Cross, A., Tan, H., Liu, X., & Voss, H. (2010). Historic and emergent trends in Chinese outward direct investment. *In Foreign Direct Investment, China and the World Economy*. Palgrave Macmillan, London, 119-162.
- Butt, K. M., & Butt, A. A. (2015). Impact of CPEC on regional and extra-regional actors. *The journal of political science*, 33, 23-44
- Chaudhri, T. (2017). *The China-Pakistan Economic Corridor (CPEC)*, Doctoral dissertation, The Ohio State University
- Chaziza, M. (2016). China–Pakistan relationship: a game-changer for the Middle East? *Contemporary review of the Middle East*, 3(2), 147-161.
- Chin, T., Tsai, S. B., Fang, K., Zhu, W., Yang, D., Liu, R. H., & Tsuei, R. T. C. (2016). EO-Performance relationships in reverse internationalization by Chinese Global Startup OEMs: Social networks and strategic flexibility. *PloS one*, 11(9), 0162175
- Haider, M. (2016 April, 13). RAW runs Special Cell to sabotage CPEC, says Secretary Defence. *The Dawn*
- Hali, S. M., Shukui, T., & Iqbal, S. (2014). One Belt and One Road. *Strategic Studies*, 34, pp. 147-164.
- Hussain, E. (2017). China–Pakistan economic corridor: will it sustain itself? *Fudan Journal of the Humanities and Social Sciences*, 10(2), 145-159.
- Hussain, F., & Hussain, M. (2017). China-Pak economic corridor (CPEC) and its geopolitical paradigms. *International Journal of Social Sciences, Humanities and Education*, 1(2), pp. 79-95.

- Ibrar, M., Mi, J., & Rafiq, M. (2016). China Pakistan economic corridor: Socio-cultural cooperation and its impact on Pakistan. *In 5th EEM international conference on education science and social science (EEM-ESSS 2016)* (pp. 179-183). Australia.
- Ibrar, M., Mi, J., Karim, S., Laghari, A. A., Shaikh, S. M., & Kumar, V. (2018). Improvement of large-vehicle detection and monitoring on CPEC route. *3D Research, 9(3)*, 1-7.
- Ibrar, M., Mi, J., Mumtaz, M., Rafiq, M., & Buriro, N. H. (2018). The Importance of China-Pakistan Economic Corridor from Regional Development Perspective. *31st International Business Information Management Association (IBIMA 2018)*, Milan, Italy.
- Ibrar, M., Mi, J., Rafiq, M. and Karn, A. L. (2016b), "The China-Pakistan Economic Corridor: Security Challenges", *in the 2016 2nd Asia-Pacific Management and Engineering Conference (APME 2016)*, Shanghai, China, 71-76.
- Ibrar, M., Mi, J., Rafiq, M., & Ali, L. (2019). China-Pakistan economic corridor: Ensuring Pakistan's economic benefits. *Khazar Journal of Humanities and Social Sciences 22(1)*, 38-51
- Iqbal, S., Shukui, D., & Hali, S. M. (2014). One Belt and One Road: Impact on China-Pakistan Economic Corridor. *Strategic Studies, Institute of Strategic studies, Islamabad, 4(1)*, pp. 147-164
- Irshad, M. S. (2015). One belt and one road: does China-Pakistan economic corridor benefit Pakistan's economy?. *Journal of Economics and Sustainable Development, 6(24)*, 200-207
- Iyengar, K. (2014). *Developing economic corridors in South Asia*. Asian Development Bank
- Khan, M. (2010). 'Pakistan to Deploy Fiber Optic Cable to Connect with China. *Pro Pakistani*,
- Khan, M. I. (2015, April, 20). China's Xi Jinping Agrees \$46 bn Superhighway to Pakistan. *BBC News*.
- Khan, M. M., Malik, A. R., Ijaz, S., & Farwa, U. (Eds.). (2016). *China-Pakistan Economic Corridor: A Game Changer*. Institute of Strategic Studies.
- Khetran, M. S. (2016). *Issue Brief on "CPEC: Benefits for Balochistan"*. *Strategic Prespective Through Research and Dialogue*, Institute of Strategic Studies, Islamabad.
- Kitano, N., & Harada, Y. (2016). Estimating China's foreign aid 2001-2013. *Journal of International Development, 28(7)*, 1050-1074.
- Kugelman, M. (2018). Pakistan in 2017: A Year of Domestic Turmoil. *Asian Survey, 58(1)*, 100-109.
- Lan, J. (2015). India's attitude towards CPEC and China's countermeasures. *Proceedings of International Conference on CPEC*, 186-189.
- Malik, A. H. (2017). China-Pakistan Economic Corridor: Impact on Regional Stability of South Asia. *International Journal of Political Science and Development, 5(6)*, pp. 192–202.
- Markey, D. S., & West, J. (2016). Behind China's gambit in Pakistan. *Council on Foreign Relations, 5(1)*, p. 31.
- Masood, T. (2016 December, 01). CPEC challenge and opportunity. Retrieved August, 19, 2017. *The Express Tribune*

- Mehar, A. (2017). Infrastructure development, CPEC and FDI in Pakistan: is there any connection? *Transnational corporations review*, 9(3), 232-241
- Rahim, N., Khan, A. M., & Muzaffar, M. (2018). Problems and Prospects of CPEC for Economic Development and Regional Integration. *Global Economic Review*, III (1), 21-30
- Nasreen, F. (2016). The new Great Game in Central Asia: Challenges and Opportunities for Pakistan, *Central Asia in the 21st Century*, I(1), pp. 18-25.
- Perveen, S., & Khalil, J. (2015). Gwadar-Kashgar economic corridor: Challenges and imperatives for Pakistan and China. *Journal of Political Studies*, 22(2), 351.
- Rafi, A., Khan, F., & Aslam, S. (2016). *CPEC: Pakistan's way to success*. IICR Special Report, 6.
- Ranjan, A. (2015). *The China-Pakistan Economic Corridor: India's Options*", Institute of Chinese Studies, Delhi,
- (2022 January, 04). *Gwadar to become logistic hub in region within five years: Zhang Baozhong*, Gwadar Development Authority.
- Ritzinger, L. (2015). *The China-Pakistan Economic Corridor. Regional Dynamics and China's Geopolitical Ambitions*, The National Bureau of Asian Research
- Sayed, M. H. (2019). The China-Pakistan Economic Corridor: A Case Study. *IDS Bulletin*, 50(4)
- Shah, S. T. A., Muzaffar, M., & Yaseen, Z. (2020). Debunking Concerns of the New Delhi over CPEC, *Pakistan Languages and Humanities Review*, 4 (1), 33-46
- Shah, S. (2015 April, 20). China's Xi Jinping launches investment deal in Pakistan. *The Wall Street Journal*
- Shams, S. (2015, April 24). Brahamdagh Bugti: China-Pakistan Deal Usurps Baluchistan's Resources. *Deutsche Welle*.
- Sharma, B. K., & Kundu, N. D. (Eds.). (2016). *China's one belt one road: Initiative, challenges and prospects*. Vij Books India Pvt Ltd, India
- Sial, S. (2014). The China-Pakistan Economic Corridor: an assessment of potential threats and constraints. *Conflict and Peace Studies*, 6(2), p. 24.
- Siddiqui, S. (2017, April 12). CPEC Investment pushed from \$55b to \$62b. *The Express Tribune*
- Strasser, F. (2016 December, 05). *China-Pakistan economic corridor: A Road to Peace*. United State Institute of Peace
- Tachia, C., & Ren-huai, L. (2017). Critical management issues in China's socio-economic transformation: Multiple scientific perspectives to strategy and innovation. *Chinese Management Studies*.
- Tanoli, Q. (2016 September, 03). Punjab gets Lion's share in Chinese projects. *The Express Tribune*.
- Tian, J. (2016 August, 02). *One Belt and One Road; Connecting China and the World*. Belt & Road.
- Tiefer, C. (2016 August 13). A proxy war between India and Pakistan is under way in Afghanistan. *Forbes*.

- Vandewalle, L. (2015). "IN-DEPTH ANALYSIS Pakistan and China: 'Iron brothers' forever?". Policy Department, Directorate-General for External Policies.
- Wolf, S. (2016, September). China-Pakistan economic corridor, civil-military relations and democracy in Pakistan. *SADF Working Paper Series, South Asia Democratic Forum (SADF), WP*.
- Zafar, I., Shen, G. Q., Zahoor, H., Xue, J., & Ekanayake, E. M. A. C. (2020). Dynamic stakeholder salience mapping framework for highway route alignment decisions: China-Pakistan Economic Corridor as a case study. *Canadian Journal of Civil Engineering, 47*(11), 1297-1309.
- Zhang, R., & Shi, G. (2016). Social impacts assessment for China-Pakistan Economic Corridor investment activities. *Energy, 33*, 76-82.