

Question:

China and Pakistan are celebrating the Decade of CPEC. Critically evaluate the success and failures of the project.

Answer

1- Introduction

China and Pakistan are celebrating the Decade of CPEC, as it is now in the second phase. The project has successfully gained myriads of advantages; along with this, the project also suffered potential failures and losses in its journey. However, the overall progress is fruitful.

2- China - Pakistan Decade of

CPEC

CPEC is a framework of regional connectivity that aims to deepen economic cooperation between

China and Pakistan and promote regional development. Started in 2015, its almost a decade ago; the project is now in its second phase and is expected to be completed in 2030. It is a 62 billion dollars investment that will support over 700,000 jobs in Pakistan.

3- Potential Success of the Project

a) Improved Infrastructure

First and the foremost success of the project is the significant improvements in infrastructure, including the constructions of new roads, railways, power plants, and industrial zones. According to CPEC Secretariat, the Karakoram Highway has been upgraded to a four-lane highway reducing travel time between Islamabad and Kashgar by 50%. Similarly, According to Gwadar Port Authority, the Gwadar

port has been expanded and deepened, making it capable of handling large container ships. Thus, overall infrastructure has been improved, mentioning the first success of CPEC.

b) Increased Energy Production and Security

Moreover, CPEC ~~has~~ ^{has} also helped to increase energy production and security. Several new power plants have been built under CPEC.

For example, CPEC-funded coal-fired power plants have generated over 100 billion units of electricity since they came online, helping to reduce Pakistan's energy shortfall.

The Karot Hydropower Project is expected to generate 7.2 billion units of electricity annually. Hence, Pakistan's reliance on the imported energy will significantly reduce and energy security will be achieved.

c) Enhanced Industrialization

Furthermore, CPEC also aimed at promoting industrialization. In this regard, several industrial zones have been established under CPEC, and Chinese companies are investing in a wide range of industries, including textiles, engineering, and electronics. For example, the China-Pakistan Economic Corridor Authority (CPECA) is developing nine Special Economic Zones (SEZs) in Pakistan. As of October 2023, ~~there~~ SEZs have been operationalized. As a result, overall industrial sector has been enhanced which is another success story of CPEC.

d) Expanded Trade and Investment

Likewise, CPEC also lead to expanded trade and investment between Pakistan and China, as well as between Pakistan and other countries in the region. For example,

In 2021, trade increase was largely due to CPEC-related projects which has increased the trade by 48% between Pakistan and China, from previous year. Consequently, trade reached 28.2 billion dollars. Therefore, it is equally justifiable to say that CPEC has successfully expanded trade and investment.

e) Massive Jobs Creation:

Last but not least, CPEC is expected to create millions of jobs in Pakistan. According to the International Monetary Fund (IMF) estimates, CPEC will create over 1 million jobs in Pakistan by 2030. This will help to reduce poverty and unemployment.

4- Potential Failures of CPEC

a) Delays and Cost Overruns

The project was initially scheduled to be completed in 2017, but has since been pushed back to 2026. Many

projects have also experienced significant cost overruns. One factor is the complex nature of the project, which involves the construction of over 1,000 infrastructure projects across Pakistan. Another factor is the challenging terrain and climate in Pakistan, which can make construction difficult and expensive. For example, the Karot Hydropower project which was originally scheduled to be completed in 2020, is now expected to be completed in 2024. The cost of the project has also increased from 1.7 billion dollars to 2.4 billion dollars.

b) Uneven distribution of Benefits

The project has been praised for its potential to boost economic growth and development in Pakistan. However, there have also been concerns about the uneven distribution of benefits for CPEC. One of the main concerns is that CPEC projects are concentrated in certain parts of Pakistan, such as Punjab and Sindh. For example, a 2020 study by

the Sustainable Development Policy Institute found that Punjab and Sindh received 72% of all CPEC investment, while Balochistan and Khyber Pakhtunkhwa received only 18%.

c) Environmental and Social

Impacts:

Last but not least, CPEC has contributed to the massive green-house gas emissions. Many of the energy projects under CPEC are coal-fired power plants, which are a major source of green-house gas emissions. CPEC is also expected to lead to an increase in traffic, which will further contribute to air pollution. According to World Bank, CPEC could lead to an increase of upto 40% in Pakistan's green house gas emissions by 2030. Similarly, biggest social concerns is the displacement of people due to land acquisition for CPEC projects.

5- Conclusion:

To conclude, it can be said without an iota of doubts that CPEC has achieved its maximum success; almost in all sectors: from infrastructure to industrialization. CPEC has purely contributed not only in securing energy productivity but also provided massive jobs opportunities for the people of Pakistan. However, every success has a failure. CPEC is also struck by some failures which painted a negative picture of it. However, as this project continues, it should adopt some pragmatic measures to convert its failures into success.
