

QUESTION No # 01

Discuss the projects idea of China Pakistan Economic Corridor (CPEC) which is great leap forward of economic regionalization in the globalized world. Explain its potential advantages, challenges and future prospects.

⇒ INTRODUCTION:

The China - Pakistan Economic Corridor (CPEC) is a significant infrastructure and economic development project that aims to enhance connectivity and promote economic cooperation between China and Pakistan. It is considered a great leap forward in economic regionalization in the globalized world due its potential to transform the economic landscape of the region.

CPEC, a flagship project, is a component of Belt and Road Initiative ^(BRI) also known as One Belt One Road Initiative, started in 2013. CPEC aims to create a network of infrastructure projects spanning transportation, energy, telecommunications and beyond, linking ~~to~~ China's Western region of Xinjiang to Pakistan's Gawadar Port. This corridor has a great significance for China as well as Pakistan because China import oil through strait of Malacca, a critical

maritime choke point, but this route has geopolitical risks for China. In to mitigate these risks, diversify imports and for broader strategic objectives china need the development of Gwadar port. Resultantly, Pakistan's economy will ^{also} foster. As by then the PM Imran Khan said

"CPEC plays an important role in transforming Pakistan's economy"

⇒ PROJECT IDEA OF CPEC:

The project idea of the China - Pakistan Economic Corridor (CPEC) framework revolves around the development of a comprehensive network of Infrastructure projects, energy initiatives and economic zones to enhance connectivity and promote economic cooperation between China and Pakistan. China aims to produce 23,000 MW energy in Pakistan ~~and~~ through coal, hydel, solar and wind mill projects. ^{Develop} 42 economic zones in Pakistan interlinking roads. By leveraging strategic geographical locations and fostering collaboration in various sector, CPEC seeks to boost economic growth, facilitate trade, address

energy challenges and strengthen strategic ties between the two countries. President Asif Zardari said,

"Our future generations will continue to eat the fruits of this game-changing project."

POTENTIAL ADVANTAGES OF CPEC:

The China - Pakistan Economic Corridor (CPEC) offers a range of potential advantages that can benefit both China and Pakistan, as well as the broader region. Following are the key advantages of CPEC are:

i- Enhanced Connectivity.

CPEC aims to improve connectivity between China and Pakistan, as well as other regions, facilitating smoother trade flows and economic interactions.

ii- Economic Growth.

The infrastructure development and investments under CPEC are expected to spur economic growth in Pakistan, creating job opportunities and boosting various sectors of the economy.

iii- Energy security:

Through energy projects included in CPEC, Pakistan can address its energy crisis by

increasing energy production capacity and diversifying its energy sources.

iv- Trade Expansion:

CPEC provides a shorter and more efficient trade route for Chinese goods to reach international markets benefiting both countries by increasing trade volumes and diversifying trade partners.

v- Strategic Importance:

The strategic location of CPEC enhances China's access to the Arabian sea and provide Pakistan with strategic benefits, strengthening their geopolitical ties.

vi- Regional Integration:

By connecting south Asia, Central Asia, and the Middle East, CPEC promotes regional integration and cooperation, opening up new avenues for economic collaboration.

vii- Infrastructure Development:

The modernization of infrastructure under CPEC not only benefits trade and transportation but also attracts further investment, stimulating economic development in the region.

viii- Job Creation:

The development of economic zones and

Infrastructure projects under CPEC is expected to create a significant number of job opportunities, contributing to poverty alleviation and social development.

Pakistani officials predict that ~~the~~ CPEC will result in the creation of upwards of 2.3 million jobs between 2015 and 2030.

→ CHALLENGES OF CPEC:

Pakistan has been facing a severe energy crisis for a long time. Due to this, a number of industries have been shut down. This has resulted in unemployment, deteriorating lifestyle and an increasing crime rate. The infrastructure and energy projects will eventually result in the opening up of new industries and increasing opportunities for the betterment of the economy.

A - Internal challenges:

Pakistan, due to CPEC faces several ~~challenges~~ internal security challenges such as:

⇒ The Baluchistan conundrum:

The long running insurgency in Baluchistan is the foremost hurdle towards completing the economic corridor. The insurgency is an excellent issue in question for both Baluchistan and the federation of Pakistan. The resolving of security matters is

the imperative step towards CPEC. The core of Baluchistan Issue is that the people of Baluchistan think that CPEC will only benefit China and Chinese people, and not the Baluchis. This invokes them to retaliate CPEC and the development of Gwadar port. It is the Government that should make some policies for integration among the people of Pakistan as a whole and the people of Baluchistan and to diminish the nationality within a nationality issue. The political and economic deprivation is the only reason behind the security concerns of Baluchistan.

→ Strained Civil - Military Relation:

Pakistan has been under civil - Military crises for several decades. It has taken almost 9 years for Pakistan to create and adopt constitution after the independence. The Strained Bureaucracy - Military relations ^{in history} were also responsible for not resolving the issue of water scarcity. Automatic military rule has affected the democratic liberty of people. For a million-dollar project to be implemented, both branches should work

together to maintain harmony in the country. The criticism of military over Pakistan's ^{federal} government work and apparatus seems like history is repeating itself once again. This stance of the military was also criticized as impeaching the rule of separation of powers with increasing institutionalization role of the military in the country's political system.

In March, 2024, Armed fighters carried out three attacks in Pakistan. First, on Gwadar port in Baluchistan. Second, on ~~the~~ one of Pakistan's largest naval bases, in Baluchistan and lastly, on Chinese engineers working on a Chinese funded hydropower project in country's north, near Besham city. All these attacks appear to target Chinese interests in Pakistan.

(Source: Al Jazeera)

In order to cope up with these security situations military has announced a special force division to provide security to Chinese personnel working on CPEC project. The government understands the threats and security concerns to this project and has agreed to work together for the betterment of country.

⇒ Infrastructural Deficiencies.

The infrastructural deficiencies in the mountainous terrains of Baluchistan and KPK would also be a big challenge. Particular attention should be paid to the infrastructure development by both the government and keeping the expected economic activities from corridors in view. This would require a stable, congenial and secure environment and peaceful security situation. As CPEC will require time to be fully functional, speculations and predictions, circulating and resonating in the media and policy circles of major stakeholders must be counted.

B - External Challenges.

Pakistan, due to CPEC faced challenges by external powers.

⇒ Indo-US influence

Since 9/11 there has been increased cooperation between India and Iran in several fields, especially naval exercise in the Indian Ocean.

However, the issue will likely fall in the self-interest of India as it is aware that China will have another alternative for economic expansion in the form of CPEC.

Besides, that, the Indo-US cordiality and cooperation in the aftermath of Indo-US nuclear cooperation on the one hand and growing Indo-Iranian cooperation in Afghanistan and Central Asian states on the other will be concern for Pakistan and China. The US may also actively join the Indo-Iranian cooperation to counter ambition of China. Pakistan along with China should check the growing influence of these countries in the Arabian and Indian Ocean.

⇒ International proxy wars:

International proxy wars pose a significant external challenge to CPEC by creating security threats, geopolitical tensions, and economic uncertainties. These conflicts can increase instability along the CPEC route, leading to sabotage of infrastructure projects, interference in regional affairs, and disruptions to trade and investment. The involvement of external actors in proxy wars may undermine the smooth implementation of CPEC, jeopardize regional cooperation, and threaten CPEC's long-term viability. To address this challenge, it is essential for China and Pakistan to enhance security

measures, strengthen diplomatic efforts, and promote regional stability to protect CPEC from the negative impacts of international proxy conflicts.

⇒ Hostile Afghanistan:

Afghanistan is the center of world's war against terrorism. It is ethnically diverse country composed of Sunni Pathans in south, Shiya Hazaras in the west and Sunni ethnic Tajiks in the north. The Afghan government is hostile towards Pakistan, and Pakistan's intelligence agencies have repeatedly accused the Afghan government of fomenting trouble in Baluchistan. Afghanistan is an essential impediment in this context to be countered for the realization of his future plan.

⇒ **FUTURE PROSPECTS OF CPEC:**

The future prospects of CPEC hold significant potential for China and Pakistan, as well as the broader region. Some of the key prospects are:

* **Economic Growth:**

CPEC is expected to stimulate economic growth in Pakistan by attracting investments, creating job opportunities, and boosting various sectors of the economy. The development of

infrastructure projects, energy initiatives and industrial zones under CPEC will contribute to sustainable economic development in the region.

* Trade Expansion:

CPEC provides a strategic route for China to access international markets through Pakistan. It will enhance trade volumes and diversify trade partners.

* Energy Security:

The energy projects under CPEC aims to address energy crisis in Pakistan. The growing energy demands of the country will meet by increasing energy production capacity and diversifying energy resources.

* Industrial Development:

The establishment of special economic zones (SEZs) under CPEC will attract foreign investment, promote industrial development and facilitate technology transfer in Pakistan.

* Regional Connectivity:

CPEC's infrastructure development and connectivity initiatives will enhance regional connectivity by linking South Asia, Central Asia and Middle East. This will promote regional cooperation, trade, and investment, creating new opportunities for economic growth and development.

⇒ CONCLUSION:

In a nut shell, CPEC plays a crucial role in enhancing trade between china and Pakistan, providing strategic access for china to international markets through Pakistan. CPEC focuses on connectivity, infrastructure development not only facilitates smoother trade flow but also promote regional economic integration. Despite the external and internal challenges, the collaborative efforts of china and Pakistan in strengthening cooperation, enhancing security measures and fostering diplomatic relations are essential to safeguarding the success and sustainability of CPEC.