

Title: China - Pakistan Economic Corridor (CPEC) and its socio-economic implication for the region and the world.

Outline:

1- Introduction:

Thesis Statement: China - Pakistan Economic Corridor is a corridor of opportunities. Its socio-economic implications are multi-dimensional for South-Asian region especially for Pakistan. Moreover, its widened scope and implications have posed threat to world's global powers.

2 CPEC: A corridor of socio-economic opportunities.

(a) - CPEC is a pathway towards integrated social and economic growth.

(Working Paper Series by Asian Development Bank).

3- Socio-economic implications of CPEC for the South-Asian region in general and for Pakistan in particular.

(i) - CPEC socio-economic implications for South-Asian region.

(a) - CPEC is a trade saviour for landlocked Afghanistan.

(Peshawar - Kabul Motorway)

(b) - CPEC guarantees massive opportunities for Iran.

(Iran-Pakistan gas pipe line project)

(Pak's Gwadar Port and Iran's Chabahar port)

(c) - The participation of India in this enterprise can lead towards regional integration.

(Turkmenistan - Afghanistan - Pakistan - India pipeline (TAPI))

(ii) - CPEC's socio-economic implications for Pakistan.

(a) - CPEC investment in energy sector is a relief from power shortages.

(Solar, Wind and Thermal Projects)

(b) - CPEC investment in infrastructure development will lead towards decline in poverty.

(Development of Gwadar Port)

(c) - CPEC investment in IT Sector will open avenues for employment.

(Cross-border optical fibre cable system)

(d) - CPEC investment in transportation sector will lead towards revival of railway sector.

(Construction of Railway lines from Karachi to Peshawar - ML-1)

- (e) - CPEC investment in agriculture sector is a step towards agricultural advancement
(Drip and Sprinkler Irrigation system)
(Seed development programs).
- (f) - CPEC investment in industrial sector will attract Foreign Direct Investment (FDI)
(Establishment of Special Economic Zones).
- (g) - CPEC investment in Gwadar port will open opportunities for shipping industries.

4- The Global Power perspectives and challenges for CPEC

- (a) - US perceives CPEC as an economic competitor to challenge its influence in south-asian region
(Report by Center for Strategic and International Studies - (CSIS))
- (b) - Washington views CPEC as a tool to counter US-India partnership.
(Indian Ocean: Highway for International Maritime trade).
- (c) - India's efforts to destabilise CPEC to counter Pakistan and China engagement.
(Arrest of Kulbhushan Yadav)

5. Way Forward:

- (a) - Joint trade and commercial activities will open doors for collective socio-economic growth.

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(b) - Multi-lateral projects among countries will promote integration.

(c) - CPEC is an opportunity for mutual benefit and win-win situation.

6- Conclusion:

As the great Henry Ford once said:

"If everyone is moving forward together then success takes care of itself." When he was writing this statement, he was not ^{aware} that in future one of the greatest economies of the world will proceed with this narrative of Ford in the form of (CPEC). China Pakistan Economic Corridor is a flagship project of Belt and Road initiative. It is not only a mere transport connection along which people and goods move but also a corridor of socio-economic growth and opportunities for the entire globe. CPEC has multi-dimensional socio-economic implications for the South-Asian region in general and for Pakistan in particular. Furthermore, it is a friendly corridor to cater the trade issues of landlocked Afghanistan. In addition, it is equally beneficial for the economic growth and regional connectivity of Iran and India. Moreover, the different phases of CPEC will not only tackle the energy issues of Pakistan

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but also address infrastructure, transportation and agriculture sector's problems as well. Besides, the establishment of special industrial zones will be vital to attract the foreign investors and to provide employment facilities. Notwithstanding all this socio-economic cooperation and integration, some of the global powers of the world notably United States of America and India are considering CPEC as an economic competitor. Washington and New-Delhi view CPEC and its implications for the region as a tool to counter Indo-US partnership. However, this pilot project of OBOR (One Belt, One Road) initiative i.e. China Pakistan Economic Corridor (CPEC) is a corridor of opportunities. Its socio-economic implications are multi-dimensional for South-Asian region especially for Pakistan. Moreover, its widened scope and implications have posed threat to world's global power.

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CPEC is a pathway towards integrated social and economic growth. According to the Asian Development Bank's Economic Working Paper Series, the China-Pakistan Economic Corridor (CPEC) plays a crucial role in fostering economic growth through infrastructure, development and regional cooperation, enhancing trade routes, investment and opportunities across the Asia. Furthermore, the continent Asia is a home of various developing economies including India, Bangladesh, Pakistan and Sri-Lanka. China being the centre of economic development in Asia has the potential to include these economies in its development agenda through its corridor of socio-economic opportunities i.e. CPEC. This integrated step towards development not only caters the problems of these developing economies but also acts as a shield against the expanding alliances of West. Consequently, CPEC offers framework of integration and growth through its development projects.

There are limitless positive socio-economic implications of CPEC for South-Asian region. Notably, CPEC is a trade saviour for landlocked Afghanistan. The graveyard of superpowers does not have any direct route of trade. It depends on its neighbouring fellows for its trade activities. Afghanistan being an unstable region faces sanctions that ultimately affect its trade. Here, CPEC acts as a saviour fellow of its trade. The development of infrastructure projects like the "Peshawar - Kabul Motorway" under CPEC offers Afghanistan crucial access to trade and thereby, reducing its dependency on neighbouring countries. This will not only enhanced connectivity and trade flows but also promote regional cooperation and economic stability in Afghanistan. As a result, it will create positive implications for the South-Asian region.

Iran, being an important neighbour of Afghanistan, and developing economy of South Asia

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is an important beneficiary of CPEC. Just like Afghanistan, Iran also remains at the front line to bear the sanctions of West. Its economic development and social stability is not only beneficial for its own people but also for the entire region. The Iran-Pakistan gas line project under CPEC provides Iran with an opportunity to address its energy crisis and strengthening its economic ties with Pakistan.

By facilitating energy cooperation between two countries, this project will contribute in ~~the~~ stability of the region. Moreover, the development of Pakistan's Gwadar Port and its potential connectivity with the Iran's Chabahar Port offers strategic opportunities for Iran to access Chinese and Central Asia markets through CPEC. This will create new avenues for trade and strengthens Iran's role in regional economic dynamics.

India, being a fast pace developing economy of South Asia, can enhance the

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socio-economic stability of South-Asian region by its participation in this enterprise. The participation of India in the China Pakistan Economic Corridor could significantly enhance regional integration by creating synergies with regional projects like TAPI pipeline: (Turkmenistan-Afghanistan-Pakistan-India). By linking Turkmenistan's natural gas reserves to India, the TAPI pipeline represents a major step toward energy security in South Asia. India's inclusion in CPEC will not only boost this integration but also fosters cooperation between countries that historically have had strained relations. Hence, this will embark ~~the~~ fruitful socio-economic implications for the south-asian region.

CPEC has greater socio-economic implications for the South-Asian region but it also offers many important socio-economic implications for Pakistan as well. The investment of CPEC in energy sector of Pakistan

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offers a relief from power shortages. Many key projects such as the Sahiwal Coal Power Plant, the Quaid-e-Azam Solar Park and the Thar Coal Power Projects contribute significantly to Pakistan's energy mix. These initiatives provide sustainable and reliable sources of electricity, reducing its dependence on imported fuels and enhancing energy security. The development of renewable energy projects under CPEC strengthens country economy and positions Pakistan to meet its energy crisis.

Hence, CPEC's investment in Pakistan energy sector offers a much needed relief from chronic power shortages that have hampered the country's economic growth.

The investment in infrastructure development is as important as investment in energy sector.

CPEC's investment in infrastructure development will lead towards decline in poverty in Pakistan.

The development of Gwadar Port in Balochistan is a milestone for providing different economic

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opportunities to country's citizens. The location of Gwadar port is Balochistan; a province which is susceptible to insurgency. This initiative will overcome the grievances of Baloch people and ensure their economic stability. They will ultimately use their potential in this project of Gwadar port as this port seems as a hub of employment opportunities. This will encourage people from different provinces and sectors to find ~~their~~ employment associated with Gwadar port. This will improve their economic condition and consequently decline in poverty will occur.

The investment in Information Technology sector of Pakistan is very crucial for the better ~~condition~~ economic situation of the country. In this regard, CPEC investment in IT sector of Pakistan will open avenues for employment. For instance, Cross-border optical fibre cable system

will connect Pakistan with China, it will significantly enhance the digital infrastructure of country by improving internet connectivity and bandwidth. As a result, it will attract technology firms, boost e-commerce and create new job opportunities in IT and ~~the~~ telecommunication sector. The expansion of digital infrastructure under CPEC positions Pakistan to become a ~~new~~ regional hub for technology and communication services. This will attract many foreign investors to invest in digital infrastructure of Pakistan. This will not only create employment opportunities for youth but also creates socio-economic stability in the country.

Since the railway sector has played an important role in economic development of Pakistan; CPEC investment in transportation sector will lead towards revival of railway sector. One of the key projects under CPEC is the construction and modernization of Karachi

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to Peshawar Main Line 1 (ML1) which is expected to improve the rail infrastructure, reduce travel time and enhance the efficiency of transportation and railway sector. This strategic investment will not only modernize the railway sector of Pakistan but also place it in positions to contribute in the socio-economic growth of the country along with facilitating the smoother transit and trade.

Agriculture sector is the backbone of economy of Pakistan and the investment of CPEC in agriculture sector is a great step towards agricultural advancement in the country. For instance, inspite of using old and traditional irrigation system; the introduction of drip and sprinkler irrigation systems and different seed development programs will increase the yield production. These developments under the umbrella of CPEC will increase the confidence of investors as well as farmers. The young graduates will find

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employment opportunities in agriculture sector. This initiatives and development will attract the attention of foreign investors in order to invest in the agriculture sector of Pakistan. Hence, CPEC's investment in agriculture sector will not only open development avenues but also contribute in the socio-economic growth of Pakistan.

The pace of foreign direct investment upscales with the investment of CPEC in industrial sector of Pakistan. The establishment of Special Economic Zones (SEZs) under the CPEC is expected to boost the industrial sector in Pakistan. These SEZs will create a conducive environment for industries to thrive, offering tax incentives and different infrastructure regulations. Such developments are likely to attract foreign direct investment, as foreign investors are drawn to opportunities and favourable opportunities in these industrial.

hub. With increased investment, the industrial base of the country will expand, fostering economic growth and employment opportunities.

The investment in Gwadar Port under CPEC will enhance the shipping industries and help to establish Pakistan as a major hub of maritime in the region. This will not only enhance Pakistan's access to international trade, but also

open significant opportunities for the shipping industries. As Gwadar becomes fully operational, it will attract the global shipping industries, increase the services of goods through the region. This will stimulate the economic activity of the country and promote trade.

Furthermore, as Gwadar is located in Balochistan and many people are associated with the shipping industries. This will open avenues of employment for the residents of Balochistan in ~~general~~ particular and for

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Pakistan in general. Consequently, it will improve the socio-economic conditions of the country.

However, albeit all the positive implications of China Pakistan Economic Corridor ~~are~~ for the region and the world, it acts as a sword of damocles for the globe powers notably United States of America. US perceives CPEC as an economic competitor to challenge its influence in South Asian region. As per report by Center for Strategic and International Studies (CSIS), the report highlights that US views CPEC as a strategic tool used by China to extend its economic influence and geopolitical influence in South-Asian region. Furthermore, US perceives CPEC as a strategic move to create dependencies, alliances and to shift the regional (from traditional US influence. This perception is grounded in the concern that China through CPEC will undermine US economic presence and geo-political strategy in the region by

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enhancing its economic foothold and strategic connectivity.

In addition, US concerns regarding CPEC is not only limited to increasing influence of China but also Washington views CPEC as a tool to counter US-India partnership. For instance, Indian Ocean, which serves as a critical highway for maritime trade, US believes that China's expanding influence through CPEC could undermine U.S-India efforts to maintain a free and open Indo-Pacific; shifting the balance of power in the region and challenging US and Indian interests in maintaining maritime security and free-trade routes.

As a result, Washington always remains cautious about the ~~ing~~ increasing influence of China through CPEC in the Asian region in particular and for the world in general.

Moreover, due to strained

relationship between India and Pakistan, India perceives CPEC as a growing danger for its influence in south asia and continue its efforts to ~~deb~~ destabilise CPEC in order to counter Pakistan and China engagement. In this regard, the arrest of Kulbushan Yadav and his confession regarding hidden agenda of India elucidates that India has no positive intention towards this flagship ~~of~~ project of One Belt, One Road (OBOR) initiative. India not only perceives the collaboration between China and Pakistan through CPEC as a sword of damocles but also engage in activities to destabilise the security in the region in order to curtail this threat of CPEC.

Despite the perspectives and intentions of certain powers through CPEC, it is indeed a corridor of connectivity and collaboration. Under the umbrella of CPEC, joint

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Trade and commercial activities will open doors for collective socio-economic growth. It will not only connect developing economies with developed economy of China and other central asian states but also provide safer and shortest trade routes to countries. This joint collaboration will ultimately be beneficial for ~~the~~ all the economies in a longer run.

Furthermore, multi-lateral projects among countries will promote regional integration. For instance, Iran-Pakistan gas pipeline is a chain of integration between both the neighbouring countries. This integration will not only strengthen their economic ties but also flourish stability in the region. In addition, Turkmenistan, Afghanistan, Pakistan, India (TAPI) pipeline, beneficial for the economic upscale of asian

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economies but also help in ~~the~~ establishing better economic ties and smoother relationship between the countries. This will create stability in the region and pose positive socio-economic implications for the region as well.

CPEC is an opportunity for mutual benefit and offers win-win situation to the region. As CPEC's development projects are not only limited to the economic growth of China and Pakistan but it also includes different economies in its network. It is not a development project in isolation but it take care of interests of different countries as well. From infrastructure development to establishing trade routes, it offers diverse and mutual benefits that not only beneficial to individual countries but also create economic stability in the region as well.

In a nutshell, the China-Pakistan Economic Corridor is

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more than just a development project; it represents a geopolitical shift with profound socio-economic implications for the South Asian region. Especially for Pakistan and for the whole world.

While it promises economic growth, regional stability, connectivity and regional integration, it also raises concerns over shifting power dynamics particularly in South Asia. For some

countries, it is a corridor of opportunities and growth while for other countries it acts as a sword of Damocles. As

China cements its influence through CPEC, the corridor could redefine regional alliances and global trade routes. Furthermore, it is

a corridor of mutual benefits.

Its development projects are not limited to the economic growth of China and Pakistan but it also includes different countries in its network.

As noted by Graham Allison in *Destined for War: Can America and China Escape Thucydides's Trap?* "The rise of a new

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power inevitably causes fear in the established powers." CPEC, thus not only symbolizes economic transformation but also reflects the broader challenge to the existing global order, demanding a recalibration of strategies by both regional actors and global powers. In the long run, whether CPEC serves as a bridge for cooperation or a source of strategic rivalry will depend on how the involved states navigate the complexities of power, influence, and economic interdependence.

