

Pak Affairs:

21:- CPEC has been underway for a decade -
Critically evaluate its ambitions and realities.

Outline:-

- 1) Introduction to CPEC and its ambitions.
- 2) Persisting Challenges
- 3) Lingering Controversies around CPEC
- 4) Fueling unrest in Balochistan
- 5) Long Road to Actual development
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1) Introduction:-

Formally launched in 2013, the China Pakistan economic corridor (CPEC) marked the flagship project of China's Belt and Road Initiative. China has promised investments through CPEC totalling \$62 billion, with an ambition to improve infrastructure and energy sector within Pakistan for better trade with China to further integrate the countries of South Asia. It is part of larger Belt and Road Initiative (BRI) to improve connectivity, trade, communication and cooperation between the countries of Eurasia. While both CPEC^{China} and Pakistan call CPEC a win-win initiative providing much needed infrastructure to Pakistan and shortening trade routes for China with direct access to the Indian Ocean through Gwadar port, developments around the past decade tells a different story. Now, a decade after

CPEC was first launched, the initiative has landed in uncharted territory, delivering very little and attractive myriad controversies. Not only have Pakistan's development projects stalled over the past decade, but CPEC has also exacerbated longstanding tensions in Pakistan's Balochistan province.

2) Persisting Challenges:

Since its launch, CPEC has faced multiple challenges. The initiative is divided into three phases - the short term phase (2015-2020), the medium term phase (2021-2025) and the long term phase (2026-30). The first phase of CPEC focused on infrastructure, energy and port development projects. However, corruption in Pakistan hampered smooth progress (Ayjaz Wani, Pakistan: Govt report uncovers corruption in CPEC projects, 2020). The second phase of CPEC aims to establish 33 special economic zones with nine zones to begin with. The projects in this phase have also seen delays. Pakistan's political instability, financial crisis and terrorism have all limited the implementation of CPEC projects over the past ten years. These challenges persist to this day, worsened by current political and economic instability and the resurgence of terrorism following the US troops withdrawal from Afghanistan. While the

third phase has yet to commence formally. The first two phases are unlikely to reach completion with the prevailing situation in the country.

The slow progression of CPEC projects has also irked Beijing. The Chinese ambassador to Pakistan complained that Pakistan has destroyed CPEC (Khateeb, Kiani, Slow pace of work on CPEC irks Chinese companies, 2021). Even some in Pakistan have expressed concerns over the slow pace of work done on CPEC. Many projects have stalled including the Main Line 1 railway project. This is the costliest component of CPEC, costing USD 6.8 billion. For this Chinese were roll out USD 6 billion. However, misunderstandings between the two sides have led to delays in the project's start date.

3) Lingering Controversies around CPEC

Controversies have engulfed CPEC since it began - from the start, many in Pakistan worried that CPEC was a neo-colonial project that would give China control over Pakistan; like the British East India Company through which the British colonized the Indian subcontinent (Syed Irfan Raza, CPEC could become another East India Company, 2018). Others have

conjectured that China would leverage its debt to turn Pakistan into a client state (ANI, Pakistan following Sri Lanka's path to land in Chinese debt trap, 2022). In June 2013, Chinese loans to Pakistan were about USD 4 billion. This figure surged to more than USD 7 billion in 2017 and has been increasing ever since. At present, China holds USD 30 billion of Pakistan's USD 126 billion external foreign debt ~~Also~~ (Times of India, Why debt-hit countries like Pakistan, Sri Lanka shouldn't borrow from China, 2023).

Moreover, the IMF has also cautioned that increased Chinese involvement in Pakistan's economy could bring both benefits and risks (Reuters, IMF warns Pakistan against excessive loans from China, 2018).

Pakistanis have criticized CPEC for benefiting China more than Pakistan. For instance, Gwadar Haq Do Tehreek protested the differential treatment of the people of Gwadar despite being at the center of CPEC and asked the provincial government to provide the residents of Gwadar access to electricity and education, remove the check post, and take action against the Chinese trawler mafia (Mariyam Suleman Anees, They own the ocean: Gwadar's struggle with illegal fishing, 2022). The protesters threatened to block CPEC projects if their demands were not met. While the

month long sit in ended when the provincial government promised to meet the provincial Haq Do Tehreek's demands, the demands have not yet been met. Recently, the leader of the movement threatened that he would once again launch protest if the provincial government did not implement the agreement (Saleem Shahid, Haq Do Tehreek chief ~~threaten~~ threatens to launch protest movement, again, 2023).

Besides this, Pakistani political figures have used CPEC for political purposes and continue to do so. For instance, the outgoing Prime Minister Shehbaz Sharif recently accused the former PM Imran Khan of halting progress on CPEC and damaging relations with China (Indian Express, Pak PM Sharif accuses Imran Khan of halting progress on CPEC, damaging ties with China, 2023). With Pakistan's elections approaching further ~~the~~ politicization of CPEC is all but guaranteed.

g) Fueling Unrest in Balochistan:-

While CPEC promised to develop Gwadar and eventually Balochistan, it has engendered unrest in the province (ANI, Pakistan's CPEC instigates insurgency in Balochistan, 2022) - The Baloch has demanded a greater share from the federal government in

CPEC projects implemented in the province - Many times, Beijing and Islamabad signed agreements for CPEC projects in Balochistan without due consideration of provincial government. As a result, the people of Balochistan are resisting CPEC, believing the projects would snatch away their freedoms. For instance, when Pakistan tried to fence Gwadar, lawyers from the province came out in protest against the fencing project calling it conspiracy against people and the province (INP, Balochistan lawyers to protest against Gwadar fencing project, 2020)

CPEC has also exacerbated existing fault lines in society, leading to an increase in violence. Insecurity in Balochistan has grown to such a level that Chinese and their installments have become the largest of frequent attacks by Baloch separatist outfits. For example, in 2018 terrorists from the Baloch Liberation Army attacked a Chinese consulate in Karachi, which was luckily foiled by the police. Likewise four terrorists from the (Imtiaz Ali & Asim Khan, Terror attack on Chinese consulate in Karachi foiled, 3 terrorists killed, 2018). Likewise, four terrorists from the banned Baloch Liberation

army stormed the Pakistan Stock Exchange in 2020 where the Chinese have major investments. ~~Moreover, in 2021 a suicide bomb blast~~ (BBC, Pakistan attack: Deadly raid on stock exchange in Karachi, 2020). Moreover, in 2022 a suicide bomb blast by a female bomber, Shari Baloch alias Bramish, outside Karachi university, was aimed at Chinese Nationals. In this suicide blast, three Chinese nationals were killed (BBC, Pakistan attack: Chinese tutors killed in Karachi University bombing, 2022). In yet another ~~incident~~ incident this year, the Baloch Liberation Army set 6 Chinese mobile towers on fire (Athens Bureau, Balochistan Liberation Army set fire to 6 Chinese mobile towers on CPEC, 2023). These incidents and their frequency show the extent to which CPEC has fomented insurgency in Balochistan.

5) Long Road to actual development:

While CPEC promised to create 2.3 million jobs in Pakistan by 2030, by the end of 2022, it only managed to create 236,000 jobs out of which only 155,000 went to Pakistani workers. Out of 9 approved SZEs, four are still under construction and five

are yet to be launched (Yasir Habib Khan, CPEC: A corridor of employment, 2021). The Pak-China Friendship hospital, which was meant to create a state of the art medical facility in Gwader, was set to be completed by December 2022. However, it has not been completed yet and is projected to be completed by October, 2023. Moreover, in the energy sector, the 884 MW Suki Kinari hydropower project was to be made operational by 2022. Unfortunately, the project is still only 70% complete (CPEC.gov.pk, 884 MW Suki Kinari Hydropower Project, KP, n.d.). There are six other energy related projects under construction, with no certain dates of completion. Of the transport infrastructure project, only six are completed, five are under construction and thirteen are yet to start. While these are some of the major projects that are long overdue, CPEC has faced numerous other disappointments (Mashrud Aslam, CPEC is no more the ray of hope, 2023).

6) Conclusion

While CPEC has benefitted Pakistan in infrastructure and the energy sector in the short term, the long term consequences of Chinese involvement in Pakistan will be

detrimental for Pakistan, such as loss of sovereignty. On the other hand, serious challenges of CPEC persist, such as the lack of institutional capacity, economic and political turmoil, and insecurity, which could slow down the work on CPEC almost to a halt for next ten years. These hindrances could severely strain the Sino-Pak relationship bringing the notion of all weather friendship to the ground.