China Pakistan Economic Corridor: Regional Dominance into Peace and Economic Development

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The purpose of this qualitative study was to investigate the true motivations behind CPEC idea and the advantages it delivers to Pakistan and China. It also recognizes the Corridor's potential for mixing regional economies while dissolving geographical borders. The study is deductive in character, since it examines financial, political, and military elements of Pakistan and China's positions and situations. Enhancing geographical linkages through improved road, train, and air transport systems with regular and free exchanges of development and individual's interaction, boosting through educational, social, and regional civilization and wisdom, activity of larger quantity of investment and commerce flow, generating and moving energy to provide more optimal businesses for the region.

**Keywords:** Geographical Linkages, Globalized World, Landlocked, Regional Connectivity, Regionalization

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**Introduction**

South Asia is at a fork in the road. Pakistan, Afghanistan, Bhutan, India, Maldives, Bangladesh, Sri Lanka and Nepal, make up the region, which is home to one-fourth of the global population. Notwithstanding their past tensions, South Asian countries are looking for ways to cooperate. They have taken a variety of approaches to nation-building and growth over the years. These countries are currently coping with factors such as poverty, inequity, and urbanization. However, infrastructural environment and economic issues, as well as energy and food stability, have gotten increasingly challenging. These concerns are inextricably tied to regional integration, including intra- and inter-linkages. Economic Corridors (ECs) are thought to increase transit and trade infrastructure, hence facilitating regional commerce and stimulating economic growth. In comparison to other nearby areas, South Asia's infrastructure is of inferior quality (Karim, 2017).
The Economic Corridor can solve this issue and create new opportunities for establishing intra- and inter-regional links. However, political animosity and conflicts between important regional governments have eclipsed connectivity in South Asia (Vickerman, 2002). Economic Corridor have the ability to engage economies within the area while also serving as the foundation for broader regional economic cooperation and fostering trust amongst fighting governments (Kuroda, Kawai, & Nangia, 2007). Pakistan has been touting the China-Pakistan Economic Corridor (CPEC) as the pivot of regional integration since early 2016 (Iqbal, 2018).

The China-Pakistan Economic Corridor is a joint initiative that aims to set in motion a series of infrastructural projects across Pakistan. By building modern transport systems, many green initiatives, and special economic zones, CPEC aims to swiftly upgrade Pakistan's infrastructure and bolster its economic system. CPEC projects were originally estimated at forty six billion dollar, but are now valued sixty two billion dollar. CPEC will benefit not just China and Pakistan, but also Iran, India, Afghanistan Iran the Central Asian Republic, and other regional powers. This accord, dubbed a "game changer," is said to have the ability to shift Pakistan's whole economic picture. In principle, the CPEC is a north-south commercial and transportation corridor connecting western China and Pakistan. Pakistan is concentrating on lowering transportation expenses and establishing a cost-effective comprehensive transportation system. China is investing in Pakistan’s power and infrastructure industries as part of the CPEC to help the country grow economically. In the following step, both countries intend to begin the industrialization process, which will lead to Chinese businesses producing in Pakistan's Special Economic Zones (SEZs). Most of these projects have the potential to completely reshape Economic growth. The geostrategic location of Pakistan, which has been seen as a crucial site for connecting China with South Asia, Central Asia, and West Asia through both governments, is an additional benefit. Pakistan's authorities have expressed an ambition in making the nation a regional hub for commerce, transportation, and economic growth for centuries. This viewpoint echoes a recurring issue in Pakistan's strategic literature. Apart from China and Afghanistan, Pakistan's commerce and connection with its neighbours remained modest (Kuroda, Kawai, & Nangia, 2007).

Pakistan is in a difficult neighborhood, having a tense relationship with its two neighbors, Afghanistan and India. Due to the existence of the Pashtun community on both sides of the Pak-Afghan border, Pakistan and Afghanistan have strong social and historical links. Despite problems in their inter-state relations, social and economic ties have persisted. The ongoing violence in Afghanistan has strained relations between Islamabad and Kabul even further. However, the United States is extending its strategic alliance with Pakistan's arch-rival, India. Pakistan's relations with its southern neighbor, Iran, have, on the other hand, been more tense. India is an issue in the Pakistan-Iran dynamic because it is investing heavily in Iran's Chabahar port to obtain access to Central Asia and Afghanistan (Iqbal, 2018). India is also giving Afghanistan with an alternative path to the sea through Iran in this fashion. In this complicated regional political situation, Pakistan has also allowed China access to the Gwadar port, which is only 72 kilometres from Chabahar. For Pakistani authorities, operationalizing the CPEC while negotiating the complexities of South Asian geopolitics has become a headache (Muzaffar, et al. 2018). In light of this, this
research aims to address the following question: Can the CPEC-centric North-South connection work adequately without East-West connectivity?

This research looks at the thorny regional dynamics that Pakistani policymakers would have to manage in order to achieve regional cooperation and interconnectivity. The article’s first section examines regional nations’ connectivity agendas and places them within the wider dimensions of conflict and cooperation in South Asia. The second segment examines how CPEC affects China-Pakistan ties and East-West connectivity potential. Finally, policymakers are given some advice that can help Pakistan better negotiate geopolitics and enhance regional connectivity.

South Asian Political dynamics: Regional Connectivity Patterns

South Asia is the world's most populated area. Two nuclear-armed powers and six smaller states call it home. Its economic progress has turned it into a worldwide market with a plethora of trade prospects. South Asia expanded at a 6.7% annual pace in 2017, according the World Bank. The regional development is predicted to stabilize at approximately seven percent in the medium term. Economic expansion in and of itself opens up new possibilities for intra-regional commerce and interconnectivity. Despite this, connection inside and across South Asia remains among the globe’s lowest. South Asia is geographically bounded on three sides by Central Asia, Southeast Asia and West Asia. South Asian countries are also members of regional organizations including the South Asian Association for Regional Cooperation (SAARC), Economic Cooperation Organization (ECO) and the Shanghai Cooperation Organization (SCO). It represents South Asia’s political and strategic importance in regional and international affairs. South Asia is significant due to a variety of classic and non-traditional security threats. However, current conflicts have harmed regional collaboration chances as political and military considerations have taken precedent over financial cooperation in the field (Faisal, 2019).

Although strategic disagreements between South Asian countries, notably Pakistan and India, initiatives to foster regional integration and collaboration have been attempted. South Asian nations have made attempts to increase cross-border transport connection because it has a direct effect on the overall performance of commodities. However, transport liberalization initiatives have trailed ahead. Improving regional commerce requires connecting inland industrial regions and manufacturing centers throughout Southern Asia. A number of overland transit routes have been suggested by Pakistan and India, and several initiatives are now in the planning stages. The SAARC Regional Multi-modal transport Study, the BIMSTEC Transport, Infrastructure and Logistics Study (BTILS), the Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM), the International North-South Transport Corridor (INSTC) connecting India with Iran and Central Asian countries, and the ECO regional rail structure have all recognized such routes (Iqbal, 2018).

A corridor strategy is in place to make the most of these corridors, which means linking as many states as possible instead of a chosen number of states across a certain track. The UN-sponsored Trans-Asian Railway (TAR), and Asian Highway (AH), which are supported by a number of intergovernmental agreements, can serve as a solid foundation.
for linking sub-regional pathways. South Asian nations are establishing bilateral agreements to achieve regional cooperation and integration, in addition to groupings of states establishing connection. In Southern Asia, a new trend has emerged in which regional governments participate into bilateral trade agreements with China, a South Asian neighbour, for logistic development in order to improve connectivity. The Belt and Road Initiative has been China’s economic participation in the area from 2013. (BRI). The CPEC is being developed as a multilateral initiative between Pakistan and China. Simultaneously, both countries have said that they are open to third-party engagement in CPEC-related initiatives. China believes the CPEC to be a BRI flagship project. Pakistan has reaped the most benefits from China’s BRI initiatives. Likewise, throughout the previous decade, China has invested US$14 billion in Sri Lankan infrastructure investments. However, China has pledged up to 38 billion Dollar in government and corporate investments and finance to Bangladesh, and much more than eight billion dollar to Nepal. India, on the other hand, sees China’s growing engagement with its South Asian neighbors and in the Indian Ocean Region as a threat to its interests in the region.

As a result, New Delhi declined to attend the Belt and Road Summit in May 2017, citing independence and accountability concerns. These Investment opportunities in South Asia signify the country’s progressive transformation in pursuit of economic growth and interconnectivity. India, on the other hand, has long seen South Asia as its "natural" sphere of influence. India has retaliated by launching economic projects in Southern Asia in collaboration with the United States. Both nations are funding a development program in Afghanistan and a transmission line project in Nepal, in accordance with the 2016 India-US Joint Declaration (Vickerman, 2002).

New Dehli is also working with Tehran and Moscow on the development of INSTC. Iran and India signed a multilateral deal with Afghanistan in December 2017 to develop Chabahar, Iran’s port, and its connectivity to INSTC. In May 2016, India announced a five hundred million dollar investment in the construction of Chabahar port. India launched its first grain cargo to Afghanistan via Chabahar port in October 2017. This route will help to advance future Indian-Afghan commerce. New Dehli and Kabul, meantime, have just constructed an aviation trade corridor to boost trade relations. Islamabad, but at the other side, is investigating alternative routes to via Tajikistan to Central Asia. Kabul and Islamabad are in negotiations with Tajikistan to expand their bilateral transiting trade deal, which allows them to connect to Central Asia. Due to American influence and the fear of penalties on banks and commercial organizations doing business with Iranian corporations and state-owned enterprises, the Iran-Pakistan-India (IPI) gas pipeline project has reduced to Iran-Pakistan (IP). The Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline initiative, on the other hand, has received support from Washington. The Turkmenistan part of the pipeline was completed in (2015-2022), and the Afghan section was completed in February 2018 (Faisal, 2019).
Economic Significance of Regional Dominance

Pakistan’s economy is expected to grow at a comfortable rate of five percent in each of the next several financial years, bolstered by increased domestic need and a strengthening services industry. When CPEC projects are taken into account, the World Bank predicts that the GDP rate would grow to 5.5% in 2018 and 5.8% in 2019. Similarly, 59 Pakistani government officials are upbeat. Previous Finance Minister Khurram Dastgir-Khan called China Pakistan Economic Corridor as the "foundation station for the Nawaz government strategy for expanding Pakistan" in an interview. Pakistan might get closer to the needed 7 to 8% rate of economic growth required to produce enough employment for new competitors into the labour market if first stage of China Pakistan Economic Corridor is completed by 2020, the power situation is alleviated, and the ground transportation system is improved. Weak governance, inadequate infrastructure, political turmoil, extremism, and global warming have all hampered the state's capacity in significance exports and agriculture production. As a consequence, exports as a proportion of Gross Domestic Production have been declining since 2003, falling from 16.7% in 2003 to 13.3% in 2013 and 10.9% in 2015, the second lowest percentage in Southern Asia after Afghanistan.

Regional security threats in Pakistan have not decreased sufficiently to affect investment and goods customer attitudes in the United States. Islamabad is also sensitive to external disruptions, including a spike in world commodity prices, albeit its move to LNG may lessen the impact of an increase in oil prices. Another risk is a reduction in contributions as a result of anti-Muslim refugee policy in the West or political unrest in the Persian Gulf. These factors might make it impossible for Pakistan to repay its mounting foreign debt, resulting in a return to an IMF bailout and a restricted radical reform agenda that might stifle innovation.

Strategic significance of Regional Dominance

The China-Pakistan Economic Corridor (CPEC) is located at the crossroads of the Silk Road Economic Belt and the Maritime Silk Road. The Karakoram Highway, which has been completed in the 1970s, will be the focal point of China Pakistan Economic Corridor construction. Because the Karakoram expressway links Pakistan's and China's borders, it is regarded the best and most suitable position for this development. This research is focused on an assessment of the CPEC’s economic and social development on Pakistani society's development initiatives. The China-Pakistan Economic Corridor (CPEC), a multibillion-dollar development project, is being hailed as a "game changer" for Pakistan’s regional and global economic growth. The China Pakistan Economic Corridor is closely tied to objectives and aspirations, and also world geopolitics and infrastructure investment, because it is an integral part of Beijing primary development programme, the 'Belt and Road Initiative' (BRI), which aims to connect Asia to European region, the Middle East, and Africa. Moreover, this significant progress is seldom without crucial concerns and difficulties (Ibrar et al., 2016b, Ibrar et al., 2018f).

Beijing has expanded its economic presence in the South Asian area as part of its "constructive engagement." Such continued relationships are reflected in the huge
economic undertaking called as the China Pakistan Economic Corridor. The extension of the 2006 free trade agreement resulted in an increase in total trade among Beijing and Islamabad. According to Vandewalle (2015), commerce between Islamabad and Beijing has increased from 1 billion dollar in 1998 to 15.15 billion dollar in 2015, laying the groundwork for the construction and execution of the China Pakistan Economic Corridor, which was officially inaugurated in 2015 following Xi Jinping’s official visit to Islamabad. China Pakistan Economic Corridor is seen to get the ability to enhance Pakistan’s and China’s general macroeconomic situation. About 0.7 million people from both sides are likely to be employed as a result of it (Shaikh, 2016). On the other side, megaprojects such as shipping ports, road and rail infrastructure, and power are projected to rekindle Pakistan’s development drive, which has been severely harmed by world society’s concerns about extremism. As a result, the China Pakistan Economic Corridor represents once-in-a-lifetime chance for Pakistanis. It is the means out for Pakistan’s economic growth in drawing more foreign investment and improving the image of the country in relation to the threat of terrorism, thanks to its systems of supporting structures (Ishida, 2009).

As according Naseem (2015), the CPEC is predicted to boost Pakistan's GDP by 1.5 percent over the next three decades due to the investment spirit it has sparked. Moreover, according to Pakistan Observer (2017), the industrial sector has already experienced a phenomenal rise of 6.8%, which is a record in the past eight years. In the current fiscal year, the CPEC has boosted Pakistan's exports by roughly 17 $ billion, a record high. Furthermore, several people believe the initiative seems to have more financial benefits for Beijing, and so many analysts believe it reflects China’s global power development (Ramay, 2015, Yiwei, 2015, Shaoshi, 2015). In Pakistan and China, China Pakistan Economic Corridor looks to be a helps to make sure. It offers a stable alternative for Beijing to import petroleum products as well as market opportunities. It assists Pakistan in countering Indian regional influence. Furthermore, a lot of analysts feel that the China Pakistan Economic Corridor would enrich Beijing and Chinese investment more than it will help Pakistan. In a similar spirit, explains how China would gain more out of Pakistan since China is loan Pakistan money for development, however the Labour would be done with their own employees, with a deficit proportion of roughly 80:20.

**Regional Development in the Convergence of China Pakistan Economic Corridors (CPEC)**

The benefits of China’s "One Belt, One Road (OBOR)" plan are increasingly being examined by development experts and academics. According to Pumin (2015), the "21st Century Maritime Silk Road initiative" will bring social and economic benefits to countries and territories along the route. According to Kun (2015), China will be able to create a link between the "Chinese dream" and the "World dream" by pursuing an integrated global strategy of connectivity known as the One Belt, One Road. According to Xu-dong (2015), China’s strategic goal of establishing the "Silk Road Economic Belt" and the "21st-Century Maritime Silk Road," would put prospective international and domestic development on a track to success. Haris (2015) contends that, in addition to the China-Pakistan Economic Corridor, building new businesses in SEZs will aid in the revamp of Pakistan’s deteriorating industrial sectors. According to Hamid and Hayat (2012), Pakistan would need to seek specific safeguards for its indigenous sectors due to its small industry in comparison to
China. Individuals would be more socially linked as a result of CPEC (Hussain & Ali, 2015). The China-Pakistan Economic Corridor is vital for both nations since it would improve Pakistan's trade and economic operations.

Since the announcement of the ratification of a $45.6 billion Memorandum of Understanding (MoU) between Islamabad and Beijing, there has been a lot of talk in digital, print, and electronic media about the CPEC's potential consequences. From a favorable standpoint, CPEC is regarded as a "game-changer" in terms of business, access to markets, and geographical connectivity. All of this is expected to help the country flourish by attracting investment and creating job opportunities. On the negative side, there is a lack of agreement on route selection, investor cooperation, the allocation of economic zones, and future infrastructure projects. Despite such divergent opinions, the outlook is positive, especially for emerging economies, thanks to improved access to the market, enhanced regional connectivity, and massive infrastructure construction. The China-Pakistan Economic Corridor also has a bright future in terms of alleviating Pakistan's present electricity crisis and, ultimately, bringing the country closer to energy security (Ahmed et al., 2019). Around $35 billion of the $46 billion of Chinese finance under the China-Pakistan Economic Corridor is committed to the electricity industry and its revival.

The Impact of CPEC Road Infrastructure Projects on Employment

The overall investment allocated a budget to conceptualize the initiatives under the CPEC framework seems to be more than $45 billion, with infrastructure investment accounting for 30% (US $13.58). Preparation for the China-Pakistan Economic Corridor is expected to improve cross-border real infrastructure, with the goal of lowering transportation costs, increasing business volume, and improving regional integration and free movement of people. Reduced costs attract foreign aid, which stimulates business and growth. Six road development projects are now ongoing in Pakistan's various provinces.

- “Peshawar-Karachi Motorway”
- “Karakoram Highway Phase-II (Thakot-Havelian section)”
- “D. I. Khan (Yarik)-Zhob N-50 Phase-I to Phase-V between Peshawar and Baluchistan”
- “M-4 between Faisalabad and Multan”
- “The remaining portion of E-35 expressway”

Peshawar-Karachi Motorway (Multan-Sukkar section)

The Peshawar-Karachi Motorway (Multan-Sukkar stretch) has created 15,174 jobs so far. Only 8.5 % (1,293) of the working force seems to be from China, while 91.5 % (13,881) are from the United States.
"Karakoram Highway Phase-II (Thakot-Havelian section)"

Phase II of the Karakoram Highway (Thakot-Havelian stretch) provided over 7800 direct employment, including roughly 6000 (76%) Pakistani labourers and 1800 (24%) Chinese workers.

Peshawar-Karachi Motorway (Lahore-Multan section)

The Lahore-Multan segment of the Peshawar-Karachi Motorway has produced 17,246 employment. 96.7% (16,676) of the laborers are recruited from Islamabad, while just 3.3% (570) are recruited from Beijing.
"D. I. Khan (Yarik)-Zhob N-50 Phase-I" to Phase-V (Peshawar and Baluchistan)

Throughout Baluchistan and Peshawar, the "D. I. Khan (Yarik)-Zhob N-50 Phase-I" through Phase-V developments have created 6,700 jobs. All of the employees are from Pakistan.

E-35 Expressway

A maximum of 1,020 employment have been generated as a result of this initiative. There were one thousand people hired from Pakistan (98%) and just twenty people employed from China (2%).
M-4 between Faisalabad and Multan

A maximum of three thousand and six hundred and forty jobs have been generated as a result of this initiative. Only ninety seven labourers from China were hired out of three thousand five hundred and forty three workers from Pakistan.

China-Pakistan Economic Corridor (CPEC) from a Chinese Perspective

After Chinese President Xi Jinping's visit to Pakistan, the "all-weather strategic cooperation" was withdrawn. This "all-weather strategic alliance" created a hazy climate of massive investment in numerous projects among two states that were making preparations for development in multiple industries; Beijing is fighting to realize a diverse set of objectives prominent in the priority. The achievement of CPEC would provide Beijing with an immediate presence in the Indian Ocean. That, in addition to the economic gains, will increase China's political power in Asia's central and southern regions (Bhattacharjee, 2015). Moreover, Beijing will also get accessibility to Russia and "Greater Europe" as a
result of this. As a result of its significance, OBOR has evolved into a far-reaching part of Beijing economic and political engagement. Through global power equation, this economic, geopolitical, and diplomatic dominance will shift Asia's view in the world, and Central Asia will be able to play an autonomous influence regardless of energy production and geopolitical scenarios. Further generally, Beijing intends to revitalize the Uighur population's regional economy in Province of xinjiang, where such a financial route was first established (Strasser, 2016) but is still underdeveloped.

Conclusion

The China-Pakistan Economic Corridor (CPEC), which was launched on the basis of prior trade agreements, is an unprecedented economic collaboration between China and Pakistan. Despite their political differences, the two countries have had different sorts of commercial links since 1950s. No prior economic package between both the two countries, however, has been equal in scale or overall goal to the ongoing CPEC mega-project. The project, which comprises ports, energy, transportation, and telecommunications structures, has always been the subject of domestic & global discussions and deliberations, with appropriate regard for its position in Islamabad and its impact on the Pakistan-India balance of power. Furthermore, Pakistan's focus on both the economic and geopolitical aspects of the mega-project has caused it to overlook the issue of how to assure the mega-economic project's benefits. As a result, the potential problems and barriers to the development and implementation of development program were researched and evaluated in this report, and pertinent suggestions were provided to the Pakistani central government on how to assure a greater economic benefit from it. Along with attempts to address political and social issues, the Pakistani federal government must have a complete grasp of the programs and establish ways to maximize economic benefits at every stage. The Beijing economic connection with Africa, which has been the emphasis of Beijing's corporate and state development due to the abundant natural assets, must be studied. A large number of financial agreements were settled upon to promote the developmental ambitions of various African states. Furthermore, regional labour and material industries were disregarded throughout project execution, and the initiatives solely benefited the Chinese labour force and logistical service. The fundamental rationale for China's employment of mainland labour was a scarcity of trained labour in African states' domestic markets (even for daily construction laborers). Locals did not use a single dollar from the agreed-upon Chinese investment package in the total procedure. To prevent such issues, Pakistan's federal government must demonstrate a sufficient commitment to developing human capital competency. The amount of government engagement will allow for successful negotiations and the likelihood of greater benefits from project implementation.
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