

## CPEC as a Game Changer for Pakistan: A Critical Analysis

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*There is a shift in the global order and a realignment of interstate relations occurring, with Pakistan firmly positioned to move towards the eastern camp, led by China. The tilt is through the China-Pakistan Economic Corridor (CPEC), which offers China another entry point into the Indian Ocean through the Gwadar Port in Balochistan and tremendous prospects for Pakistan to improve its ailing economic situation. To make the CPEC a successful reality, the state of Pakistan must, nevertheless, confront and overcome a number of difficulties. With the Gwadar Port, the CPEC gives China access to another opening in the Indian Ocean and presents Pakistan with a wealth of commercial options to alleviate its financial hardship. It proposes to upgrade Pakistan's infrastructure and increase connection both inside the area and outside, connecting the Middle East, Europe, and Africa with the Chinese province of Xinjiang. Pakistan is clearly moving away from geostrategic concerns and towards geo-economics cooperation, emphasizing solid relationships with key regional players. Conversely, the CPEC has faced considerable international scrutiny and criticism since its launch in 2013. Close friendship exists between China and Pakistan. And the world sees this China-Pakistan economic corridor as unique because, for the first time, the focus of their relationship and devotion has moved from geopolitical to geo-economics issues. The fact that this endeavor benefits both nations equally and is not biased towards either is, however, of paramount importance.*

## 1. Introduction

As the principal corridor of China's Belt and Road Initiative (BRI), the China-Pakistan Economic Corridor (CPEC) was inaugurated in April 2013. It imagines revolutionary benefits that might make Pakistan a center of the economy. With its vast strategic potential, the CPEC has the potential to lift Pakistan out of its current economic crisis and include its burgeoning youth population in economic activities. Geo-economics cooperation is a top priority for Islamabad, and the CPEC offers the greatest chance to realize this goal. Consequently, Pakistan has emphasized the significance of the CPEC in its new national security policy (Khan, 2022).

Geopolitics and geo-economics are important to the CPEC concept as a whole. Over time, our knowledge of geo-economics and how to use it has changed. Globalization of economies has boosted commerce and prosperity in the US-led world order, but it has also heightened power struggles and encouraged a competitive environment for gaining the largest possible share. In a similar vein, this region, which is home to China and India, two rising economies, is riven by strife. They are actively looking for new trade networks and aggressively extending their sphere of influence since they both aspire to play more significant roles in both regional and international affairs. Their entry through neighborhood economic activity also fulfills their innate strategic goals (Ahmad, 2017).

It is a wise move for China to have gone from being an only big economy to a strategically and militarily powerful nation with aspirations to increase its sphere of influence through the use of the Belt and Road Initiative as a connectivity instrument. In addition, China has expedited its rapprochement with neighboring countries by creating trade zones, upending the current international political system. Thus, the BRI is a calculated attempt to establish itself in the area and increase its sphere of influence from Europe to Africa, and even Asia. Pakistan, China's neighbor, is situated in a position where China is upending the global political-economic order through the Belt and Road Initiative (BRI). As a result, the CPEC, a key component of the BRI, is perceived as an extension of Chinese policy to increase its sphere of influence (Asif, 2018).

People's social connections will be enhanced via CPEC. Since it will boost economic activity in Pakistan, it is important for both China and Pakistan. With that in mind, a CPEC Master Plan covering the four primary sectors of collaboration (transport, infrastructure, energy, and industrial cooperation) was determined to be prepared by 2015. Beyond that, future regional and global development will be accelerated by China's strategic ambitions to construct the Silk Road Economic Belt and the Maritime Silk Road of the 21st century (Ishfaq, 2020).

Notwithstanding the enormous advantages, a few things are keeping the CPEC from being completed, including Pakistan's political unrest, delayed decision-making in a few projects, poor governance and corruption, the reappearance of militants and the COVID-



19 outbreak. The most concerning problem, for Beijing and Islamabad alike, is the rising surge of militancy since it has caused disruption to Chinese workers and slowed down the progress of CPEC-related projects. The primary culprits are religious militants, miscreants, and Baloch militants (Asmat Naz, 2018).

The China-Pakistan Economic Corridor (CPEC) has been heralded as a pivotal force in shaping Pakistan's future, promising significant changes across its economic and social landscapes. However, amidst the prevailing optimism, there is a crucial need for an in-depth and critical evaluation of CPEC's multifaceted impacts. This research paper endeavors to delve into the intricate dimensions of CPEC's influence, probing into its actual economic advantages, the scale of infrastructural advancements it has instigated, its implications for Pakistan's geopolitical positioning, its role in fostering socioeconomic inclusivity, and the ramifications for Pakistan's sovereignty and reliance. This article aims to offer a nuanced understanding of CPEC's genuine potential as a driver of progress in Pakistan, while also highlighting and addressing potential hurdles and risks associated with its implementation.

### **1.1 Research Questions**

1. How will CPEC affect Pakistan?
2. What are the issues and problems of CPEC?
3. How is CPEC beneficial for the economy of Pakistan?

### **2. Literature Review**

“Pakistan's Foreign Policy Towards Central Asia in Context with CPEC” a piece of research written by Aamir Junaid, Dr. Ghulam Mustafa, Muhammad Ashraf Nadeem. The article is published in “Pakistan Journal of International Affairs” in 2021. The research deals with CPEC, Pakistan Foreign Policy towards Central Asian States. (Junaid, Mustafa, & Nadeem, 2021).

“Strategic Implications of the Belt and Road Initiative” is a research work compiled by Fakhur Hussain, Muhammad Asif Shamim, Ali Imran, Sayma Zia, Amina Munir, Sarfraz Hussain, Ghulam Mustafa. This research is published in 2021. The concept of BRI, its strategic implications has been elucidated in this research (Hussain et al., 2021). “Addressing Regional Environmental Impacts of China-Pakistan Economic Corridor (CPEC)” is written by Dr. Allauddin Kakar, Dr. Muhammad Shabbir, Dr. Ghulam Mustafa. The article is Published (2020) in Pakistan Journal of International Affairs. The researchers tried to elaborate the Environmental impacts of CPEC (Kakar et al., 2020)

Asif in his article “China-Pakistan Economic Corridor: Security Concern and Role of Gwadar Port Prospect for Regional Integration” said that China and Pakistan are open to opening the China-Pakistan Economic Corridor, also known as the One Belt One Road

(OBOR) project. The project has two main components: the 21st Century Maritime Silk Road and the Land Silk Road Economic Belt. Countries along the route will experience a major economic recession after this initiative ends (Asif, 2018). One researcher said in her article “Gwadar Port: As an Economic hub for Maritime Trade in the World Corridor CPEC” that Gwadar Port, a deep sea port, is used and operated as a means of meeting the supply and import needs of a well-known hinterland, as other ports in Pakistan operate. Gwadar Port occupies a unique position in the global trade of China and Pakistan. It will play a major role in the economic development of Pakistan and Balochistan in the future. In addition, China is investing in the expansion of Gwadar Port in an effort to make it a hub for maritime trade of Chinese goods. As a result, it quickly became a global hub for maritime trade (Naz, 2018).

Khan (2015) in his article “Pak-China economic corridor: The hopes and reality” said that CPEC will significantly improve the economic condition of Pakistan's less developed regions such as Gilgit-Baltistan, Khyber Pakhtunkhwa and Balochistan. Karachi and Gwadar port, located at the mouth of the Arabian Sea, are only 460 km apart. This port gives China and Pakistan a tactical advantage in the Indian Ocean. Its proximity to the Strait of Hormuz, one of the busiest trade routes through which 40 percent of oil to the Strait of Hormuz, one of the busiest trade routes through which 40 percent of oil trade passes, makes it an important strategic location for world powers (Khan, 2015). Ahmad (2017) in his article “China-Pakistan economic corridor: In the context of ‘String of pearl strategy’” said that the new big game, which was initially associated with resource-rich Central Asia, has now spread across Asia, including important South Asia, the oil-rich Middle East and Southeast Asia. For this reason, it is sometimes referred to as the "Great Asian Game" in which China and the United States play a strategic game on a chessboard made in South Asia. China's elites have understood the importance of three conditions to become a transregional power: a strong economy, maritime space, and unlimited energy resources (Ahmad, 2017).

Khan et al. (2020) in their article “CPEC: A Game Changer in the Balance of Power in South Asia” talked about the China-Pakistan Economic Corridor (CPEC), envisioned as a flagship project within the Belt and Road Initiative (BRI), which has received favorable responses from both domestic and international stakeholders. Due to Beijing's financial pledges, Islamabad, New Delhi and Washington have all expressed varying degrees of support for the project. This is because Beijing's financial commitments could significantly close the large financing gap for the region's infrastructure connections. However, the main obstacles to the long-term success of the project are the continued hostility and mistrust between Washington and Beijing and the growing strategic rivalry between India and Pakistan. Baritsz (2020).discussed in “New Silk Road—A Geo-economic Assessment with a Focus on the European Region” that connecting China, Eurasia, Europe, and Africa

through economic corridors, the New Silk Road (also known as the Belt and Road Initiative) is a massive international infrastructure investment programmed that the People's Republic of China has initiated and is funding in large part. The program's goals include the construction and modernization of port, road, railway, pipeline, energy, and communication networks. In addition to resolving China's security and strategic resource supply concerns, the project aims to lower transportation costs and expand into new markets. As a result of the program trans-Eurasian railroad container shipping is beginning to overtake east-west sea trade (Baritisz, 2020).

### **3. Research Methodology**

This study employs a qualitative approach to explore the China Pakistan Economic Corridor, its Implication and try to prove that its A Game Changer for Pakistan. Data has been collected through secondary, including books, articles, journals and websites. The Researcher has visited different libraries to collect date and also through websites.

### **4. Analysis**

#### **4.1 CPEC Significance for Pakistan**

The plan was drafted by the National Development and Reform Commission of China in March 2015 to establish a new comprehensive relationship highlighting collaboration and mutual benefit. Silk road is a two-way economical belt and modern Era Merchant Silk Belt and Road eventuate. Pakistan can become a part of two-ways, as the expansion of the Silk Road concluded CPEC. The electricity projects are supplementary, separated, hooked on energy importance, developments and enthusiastically encouraged plans. The 21.5-billion-dollars used for urgency developments that are predictable toward creating 10,400-MW power while 12.9-billion-dollars will be used for offer 6,645-MW power to the development program (Nurmuhammedov, 2015). The innovative access strip of the projected China-Pakistan-Economic-Corridor has strategic three-key roads: The western-route permits over Balochistan and Khyber-Pakhtunkhwa, short lived through Turbat, Panjgur, Qalat, Dera-Ismail-Khan, and at the point of Hevellin. The western-route can be connected by Chamen and Taftaan on the way to Afghanistan and Iran (Joshi, 2019).

To get rid of the present debt, the CPEC is so significant for Pakistan. The \$46 billion plan has given an unusual chance to solve Pakistan's financial evolution, as per dynamism catastrophe, weak communicate set-up and approximately key barriers in warning external speculation. Pakistan is affected by a constant get-up-and-go dilemma that touches the inclusive fiscal expansion of the realm. In the elevation for social and economic progress, the CPEC might receipts amity and constancy for the full state, exclusively for the unfortunate and retrograde zone of Balochistan and could type him carefully feasible and supportable. In the accumulation in the direction of a talk on the joblessness and rectifying civic disappointment of social and economic progression, its



asset likewise benefits for create coast-to-coast incomes over commandment prosecution actions extents for more expand regulation and command. The achievement for CPEC might rally economic of Pakistan, viable and geo-strategic atmosphere. Later the recommended investment of China is supplementary more dualistic eras on external through asset in Pakistan since-2008, this might charm universal depositors to Pakistan (Akber, 2017).

The west area of China is being attached to Gawadar through CPEC. The China's diplomacies are devoting \$46 billion, alike to approximately 20% of the yearly Gross Domestic Product (GDP) of Pakistan. Out of these, \$34 billion will be devoted in energy sector so that 17,000MW electricity may be added in the National Grid for the energy 24system of Pakistan (Magsi, 2016). The residual twelve-billion-dollars will used up on construction, transportation and communicate which involve the advancement of the railway-line in the middle of Karachi and Peshawar. This ventures for speculation to various missions embrace vigor segment for example coal, power supply, wind and solar and liquid-natural-gas, transference setup via road and rail network, trails, aeronautics, lubricant and vapor tubes, the port-of-Gwadar, Manufacturing Teamwork and the Optical-Fibre-Line. The four-stages ventures, after the fifteen years will be finalized for instance in 2020, short-term plans will be accomplished, in 2025, the intermediate-term will be finished, in 2018, the agriculture-projects will be done and in 2030, the long-term schemes will be finalized (Bari, 2019).

#### **4.2 Importance of CPEC for Pakistan-Geo Strategic Level**

The chief effect of China Pakistan Economic Corridor is that this can reassure the local countries to develop belt and road, consequently, consolidation cooperation of region. The topographical position of Pakistan takes frolicked a vital character in geo-politics, craft and conveyance. On the background of the twenty-first-Century brawl on the Indian Ocean Zone, the Gawadar's positions have developed further noticeable. The entryway and middle in Gawadar extent, can permit Central Asian nations for occupy on directional carriage. By ended the period, advanced and unnoticed beneath development of Gawadar are imperative fiscal possessions to Baluchistan and further portions in Pakistan. The Gawadar has CPEC calculated ignoble for example it affords monetary sanctuary in the China and far-off as of 9000 kilometres away from Shanghai to North America (Ullah, 2018).

#### **4.3 Perceived Economic Growth**

All development will be done by CPEC schemes designed for the national edifice commerce, power generation works and structure ventures. With the supply of electrical energy, the business and service station will upsurge. The projected 29 industrial estates, with 21 quarries and 27 Special Economic Zones, might show an important part on industrial and commercial sectors. In the planning, the Gawadar Special Economic Zone



will play part for turn a profit by innate farming, vigor, cultivation and withdrawal can perform a chief protagonist for yield.

#### **4.4 Foreign Direct Investment**

In addition to structure growth and energy disasters, the worth of CPEC plans will be higher than entire Foreign Direct Investment (FDI) after 1970, of which about 17 percent of Gross Development Products of Pakistan is identical. In addition, the development would make monetary growing percentage receipts increased via 2.5 percent, generating 7 lac occupations. By the improvement of the CPEC package, the China can aspect the major traffic. Foreign Direct Investment would tolerate fruit in the medium term. It encouraging the firm progress of CPEC developments and energy supply, industrial growth would raise swiftly. Associated through June, 2016 was \$13.5 billion, and proceeds of \$13.2 billion have been reached. CPEC plans were tossed in 2015, per Foreign Direct Investment (FDI) triumph \$1.88 billion in 2013 and \$46 billion in 2015.

#### **4.5 Effect on Gross Domestic Product**

Approximately \$18 billion has devoted heavily in Gawadar seaports, railways and hydropower plants, of that 50-percent to 80 percent are used of extra mechanism products in coal power plants by 20 percent, an increase of 2.1 percent to GDP per year. According to 2014 fiscal year, the G.D.P growth rate for the 2016 to 2018 fiscal year will upsurge toward 6 percent. Although subsidiary effects are very large, it has added more than 15,000MW National grid stations and power grids, which account intended for 74 percent for existing dynamism in the Pakistan. Its secluded segment will influence speculation movement and efficiency output. The usual 9.6% to the gross domestic progress is about secluded asset in the past 5 years, the first time 5% is 12.7%, while the ratio of GDP for sequestered subdivision has increased as of 28.8% for 12.6% and Pakistan development will end in Pakistan's domestic production last year (Melecky, 2019).

#### **4.6 Increase in Revenue**

China Pakistan Economic Corridor will export a plan as of Gwadar to China and China for global exports to the international level, Gwadar Port performance is vital protagonist for this all process. Natural gas and oil predictable revenue can remain 1,000,000 dollars. Conferring to ward fresh statement, China Pakistan Economic Corridor could begin work in 2019 and profits whit increase from \$20 billion on the way to \$1.5 billion near to \$1.9 billion and will influence \$5 billion. This quantity can frugally support Pakistan (Rizvi, 2014).

#### **4.7 Challenges and Threats for Pakistan**

India is the biggest threat of the CPEC for in any case lone neighbor realm through country. The UAE is as well disturbed as regards setting up Gwadar opponent. While Iran and India have also started the new Chabahar port for counter the Gwadar, even though Iran is very comfortable and it indicated which together Chabahar and Gwadar would implementation all supplementary (Hameed, 2020). The India has spent a lot in Chabahar port though unmoving unsure by simply both vessels in Chabahar, even as Iran has requested to China and Pakistan to attend. Chabahar also aims to provide energy access to Gulf region as well as effortless admittance toward Afghanistan and Central- Asia pro a wide area. Political solidity in Pakistan is key for the triumph for China Pakistan Economic Corridor and opinionated unsteadiness are also enter constraint toward complete China Pakistan Economic Corridor. Pakistan always faced political interference on many political issues, such as military intervention and conflict between various political parties (Akber, 2015).

## 5. Conclusion

In the current financial and sanctuary situation, the CPEC has to remain a brilliant chance to meet the need of energy predicament and substructure of Pakistan. Altogether 35 successful capacities are appropriate achievement of entirely developments of CPEC. China Pakistan Economic Corridor (CPEC) has correspondingly valuable between Pak China through contributing to regional integration for the procedure of commercial reassurance and system, linking and corporations, the CPEC will make a change in Pakistan and the region. Many national political parties always play games of accusation and ruin the sovereignty of the country. The final goal of the game of every charge and its negative statement is difficult to get from home and abroad. In any case, all political parties agree to strengthen friendship with China and to successfully convince the CPEC. The economic belt should be built with this project Silk Road over the Pacific is an extensive Eurasian project included three billion the population of this region is the largest market in the world.

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