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## **China-Pakistan Economic Corridor and Challenges of Urban Governance in Pakistan**

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### **ABSTRACT**

Regional integrations have changed the design of the world. Correspondingly, it has transformed the living patterns of the regions. High rate of urbanization is one of the major outcomes of this changing world. Pakistan is also a dupe of this change where rate of urbanization is 2.68% annually and more than 60% of population of Pakistan will move to urban areas till 2050 as per UN's estimate. On the other hand, CPEC is pouring investment in different cities of Pakistan which will further boost urbanization in the country. Urbanization has decreased the service delivery quality gravely in major cities of Pakistan due to numerous snags of governance and situation will be further shoddier due to CPEC projects which will enhance urban livability in Pakistan. Therefore, sound planning and effective urban governance is required for tackling this serious challenge effectually. This research study has explored challenges of urban governance of Pakistan due to CPEC which is really a game changer for the country. Qualitative research methodology has been adopted for exploring the challenges of urban governance in Pakistan due to CPEC's projects and accomplishments. The explored challenges will help to devise a framework for improving governance of major cities and towns of Pakistan. The proposed framework in this research study will provide solutions for good urban governance of Pakistan which will lead towards sustainable urbanite and efficient service delivery to general public through innovative modes of governance.

**Keywords:** China-Pakistan Economic Corridor (CPEC), Urban Governance, Challenges, Urbanization, Sustainable Urbanite.

### **Introduction**

Modern world has been changed due to industrialization and globalization. It has promoted integration and connectivity in the whole world. It has given birth to the trend of urbanization in both developed and developing world. The world is urbanizing due to economic opportunities and activities in urban localities and half of the population of the world is living in urban areas since 2008 according to United Nations. The ratio of urbanization is high in developing countries now. Likewise, Pakistan is also going through urbanization at fast pace. It has caused numerous governance issues and problems in urban areas of Pakistan which has affected the service delivery adversely. China-Pakistan Economic corridor is bringing huge investment in different sectors of Pakistan which will enhance the urbanization in Pakistan due to commencement of diverse projects in different cities of the country. It will boost the urban livability in Pakistan and will increase the load on city administration for provision of services to general public. The challenges of urban governance will increase in this situation. Therefore, it is required to identify those

challenges of urban governance of Pakistan due to CPEC projects so that the viable framework can be devised for dealing with these challenges effectively. This research study aims to identify the urban governance challenges of Pakistan which will emerge due to CPEC and its different projects. Furthermore, practical recommendations will be suggested for dealing with identified challenges successfully.

### **Statement of Problem**

Urbanization is a serious matter of concern in this modern world. Most of the population of developing world will be more urban than rural by 2020 (Montgomery, et al., 2013). It shows the high rate of urbanization in developing countries. Pakistan is also one of the targets of high pace of urbanization which have changed the geography and scale of cities and urban governance is an upheaval task in the country. China-Pakistan Economic Corridor (CPEC) will further boost urbanization in Pakistan due to different development projects in various cities. Therefore, the challenges of urban governance will be increased in Pakistan and it is required to identify those challenges and develop sound strategies for addressing these challenges effectively.

### **Research Questions of the Study**

- What are different challenges of urban governance for Pakistan due to China-Pakistan Economic Corridor (CPEC) projects which will affect urban livability of Pakistan?
- How can these challenges of urban governance be dealt effectively for sustainable urbanite in Pakistan?

### **Significance of Research Study**

The changing dynamics of the world due to different reasons like industrialization, globalization, and technological advancements have transformed the shape and face of the earth. These changes have made urban areas and localities of the world a center of opportunities due to which urban migration has increased and boosted. Rural-Urban migration has increased the concentration of population in urban areas due to which the issue of dearth of resources has emerged in urban areas of the whole world. This shortage of resources has deteriorated the standard of living of the people of cities. Therefore, developed world has adopted innovative and modern modes of governance for dealing with this issue effectively. On the other hand, developing world has not taken effective measures to deal with the problems and snags of urban governance and it has made it challenging task. The quality of urbanite living has declined immensely and numerous problems like housing, sewerage, traffic maintenance, shortage of education and health facilities have witnessed in urban areas of developing world. Pakistan is also facing similar issues with respect to urban population and urban governance is a serious problem of the country. China-Pakistan Economic Corridor (CPEC) is a flagship project of Belt and Road Initiative (BRI) of China which is based on regional integration and globalization. It has brought massive investment in multiple sectors of Pakistan and numerous projects have been designed in and along with different cities of Pakistan. This will integrate different cities of Pakistan through different defined routes and

it will also boost urbanization in Pakistan due to availability of massive opportunities in cities because of different projects initiated in diverse cities. It will increase the problems of urban governance of Pakistan due to migration and concentration of population in urban localities of the country. It is required for government of Pakistan to be proactive for dealing with this significant issue of Pakistan effectively and effectually. It is required by the urban administrations to identify the challenges which can be emerged due to CPEC projects in different cities and devise a framework for dealing with them successfully. This research study helps in this regard by shedding light on this significant problem of Pakistan by identified different challenges of urban governance due to multiple CPEC projects and will also help in devising a framework for dealing with them efficaciously.

### **Literature Review**

Our earth is divided into different units geographically like cities, towns and villages. This segregation is viable and feasible for administration of the residents and for making their lives convenient. The cities are included in urban sites whereas towns and villages are included in rural areas. The cities of the world are usually hub of economic and social opportunities and developments due to which people prefer to live in urban areas of the world (Montgomery et al., 2013). Furthermore, the inventions, innovations and advancements due to industrialization, globalization, and liberalization have made urban areas more attractive for the people due to numerous openings and prospects (Jessop, 2002) and it has prompted migration of people from rural to urban localities.

Urban areas of developed world was hub of urbanization in 1950s due to different innovations and developments (Rondinelli, 1983) but now urbanization is at fast pace in developing world due to fast rate of population, availability of resources, opportunities and projects presence in cities (Jakobson, Prakash, & Jakobson, 1971). Asia is a hub of urbanization presently (Jakobson et al., 1971). It is estimated that half of the population will move to urban areas by 2020 and most of the mega cities will be of Asia (Redfield & Singer, 1954).

Pakistan is urbanizing vigorously and it is predicted that half of the population of Pakistan will be urbanized by 2050 (Montgomery et al., 2013). Thus, Pakistan is urbanized at fast pace as compared to any other country of South Asia. The fast rate of urbanization in Pakistan along with rapid growth of population has given birth to numerous issues for urban population. These issues have affected the lives of residents of urban areas adversely which lead towards low quality of standard of living of people of urban areas of Pakistan (Roberts & Kanaley, 2006). These problems are scarcity of land and housing, low health facilities, less education for children of urban areas, poor sanitation and less transportation for the people of cities (Johnson, 2015) but still people of Pakistan are moving towards cities.

Recent significant event which is happened in Pakistan is China-Pakistan Economic Corridor (CPEC) which has brought massive investment in Pakistan by numerous sources (Zhang & Shi, 2016). It includes multiple projects of numerous sectors like roads, railways, energy, telecommunication, port development which are being materialized and are at different stages at the moment (Zhang & Shi, 2016). These projects are initiated at different location of Pakistan including rural and urban areas and are considered significant for economic development of the country. Different

routes of CPEC are finalized for initiation and completion of different projects (Abid, & Ashfaq, 2015). These routes will integrate different regions, cities and towns of Pakistan with one another. It will enhance economic activities in those regions and also generate multiple opportunities for the people of Pakistan in different cities. This economic activity and diverse sector projects in cities or their sidelines will further boost urbanization in the country due to availability of abundant opportunities (Kugelman, 2013). It will be burdened the cities of Pakistan more with high concentration of population and will enhance the challenges of governance in urban areas of Pakistan.

Urbanization is handled effectively through effective institutions, developed and expanded infrastructure and availability of resources especially financial resources (Santos, 2017). China is a live example of this fact which has dealt fast pace of urbanization successfully by working on these three dimensions (Hussain, 2014) but unfortunately Pakistan lacks capacities in these three areas due to which there are different problems of urban governance in Pakistan. There is scarcity of resources, infrastructural deficit and low institutional capacity which have given birth to the issues of urban governance in Pakistan (Ahmad, 2015). Furthermore, these aspects are not addressed effectively due to which issues of urban governance are goaded in the country. The quality of life of the people of urban areas of Pakistan is deteriorating and cities are reducing in terms of capacity and resources for accommodating and facilitating the people. These challenges of urban governance will be increased after completion of CPEC projects. Therefore, it is required to develop a comprehensive strategy for tackling these challenges effectively.

### **Methodology**

Qualitative methodology has been employed for conducting this research study. Secondary sources of data collection have been consulted for collecting data for this research study. The secondary sources are included books, research papers on the selected topic, research reports published on this area and plans of China-Pakistan Economic Corridor (CPEC) published by Planning Commission of Pakistan. The collected data has been analyzed through content analysis.

### **Findings and Discussion**

Pakistan is experiencing high rate of urbanization in the region especially in South Asia (Roberts & Kanaley, 2006). There are different reasons of this rapid migration of population to urban centers of Pakistan. These reasons are development in the major cities of Pakistan, economic opportunities, job opportunities and availability of resources. Another major reason of urban migration is recent law and order situation of the country (Kugelman, 2013). The law and order situation of Pakistan in recent years has enhanced migration of people to urban areas and it has increased the concentration of population in urban centers of Pakistan. Urbanization has given birth to two-prong problem in Pakistan and these are urban growth and urban expansion. The expansion of cities without planning has further aggravated the problems of urban governance in Pakistan. The expanded cities are facing problems of urban poverty, lack of resources, infrastructural deficit and health and education problems due to which people of urban areas of the country are suffering. The service delivery is poor due to low institutional capacity of urban centers due to which there is low quality of life of the people of urban areas of Pakistan. There are

numerous challenges of urban governance for urban administration of major cities of Pakistan and these require immediate attention for facilitating the residents of urban areas.

China-Pakistan Economic Corridor (CPEC) is a mega development project. It is based on collaboration, integration, economic advancement and mutual prosperity. CPEC is a leading project of China's Belt and Road Initiative (BRI). BRI is China's vision for national integration and regional connectivity and it is believed on harmonious prosperous world (Boyce, 2017). CPEC will connect Central Asia, Middle East and Africa with China through Pakistan which will integrate and transform the whole region (Pakistan, Ministry of Planning, & Reform, 2017). This is biggest overseas investment of China in the history due to which it is considered as a game changer not only for Pakistan but also for the whole region. It will make Pakistan a regional economic hub. There are multiple projects of million-dollar cost of different sectors which will be completed under the umbrella of CPEC. These sectors are transport, energy, infrastructure, telecommunication, railways as these sectors will attract huge foreign investments from different countries (Zhang & Shi, 2016). Table: 01 shows different sector projects along with their cost.

**Table 1. CPEC Projects**

<b>CPEC Projects Portfolio</b>	<b>Cost in US \$ Million</b>	<b>%</b>
<b>Energy</b>	33,793	76%
<b>Transport and Infrastructure</b>		
Roads	6,100	24%
Rail Network	3,690	
Gwadar Port	786	
Others	44	
<b>Total</b>	<b>44,413</b>	<b>100%</b>

**Source:** Planning Commission of Pakistan

These projects from different sectors will be completed in different areas and localities of Pakistan and it will connect and integrate different regions and areas of Pakistan. According to Long-Term Plan of CPEC published by Planning Commission of Pakistan in December 2017, "three axes" will connect three horizontal regions of Pakistan like Lahore and Peshawar, Sukkur and Quetta and Karachi and Gwadar. Multiple routes of roads and railways will connect these regions. This corridor will pass through different cities of China and Pakistan. Major cities through which this corridor will pass include Gilgit, Islamabad, Peshawar, Dera Ismail Khan, Lahore, Multan, Quetta, Sukkur, Hyderabad, Karachi and Gwadar (Pakistan et al., 2017). It shows that all major cities of Pakistan will be centers of development due to CPEC projects. Therefore, these cities will be hub of economic activities and development project in near future due to which people of the country will move towards these areas for availing opportunities and for their development and prosperity. Resultantly, it will enhance urban migration which will lead towards increased problems and issues of urban governance due to concentration of population in these urban centers. It will give birth to numerous

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complex challenges of urban governance of Pakistan because of CPEC activities. These challenges are categorized into following major classifications;

- Urban Services include shelter, sanitation, transport, energy, safe drinking water, health services and education facility for the people of urban centers. The people of urban areas of Pakistan do not access these services adequately. The services are less as compared to the ratio of population of Pakistan. There is serious issue of availability of safe drinking water in urban localities of Pakistan. Sanitation is also one of the major issues of Pakistan. It is estimated that 36% of population of urban areas of Pakistan lacks safe sanitation (Roberts & Kanaley, 2006). Sanitation and inaccessibility of safe drinking water lead towards health issues whereas health facilities are also scarce in cities of Pakistan. Education is also not provided to all due to overload and shortage of resources. Similarly, housing is a major area of concern in urban centers. The land is not sufficient due to which housing facilities cannot be provided to all population of urban areas. On the other hand, inefficient utilization of land has further aggravated the problem of shelter in cities of Pakistan. These services will further have threatened after high rate of migration of people to cities of Pakistan due to CPEC projects.
- Resources include every type of resources like financial, human, technological and natural. In the context of urban challenges of Pakistan, two significant resources are required to be focused. One is financial resources and other is water resource. Pakistan is scarce in both these resources. Lack of finances is a major reason of low service quality to people of urban areas. On the other hand, water is a scarce resource and Pakistan is a water scarce country. Urban areas are main victims of this scarcity. The shortage of financial resources and water is a serious matter of concern for authorities in future because increasing population inflow in cities of Pakistan will further make the situation bitter.
- Urban Security: Law and order situation of whole Pakistan is not good due to which security is a significant feature. The people of Pakistan are facing insecurities due to poor law and order situation. It is required to improve the situation for better living of the people of the country. Urban expansion has augmented the problem of security of cities. It will be a great challenge in future as well with reference to CPEC projects. The projects, workforce and infrastructure will require security along with the people of urban areas of Pakistan. Government has taken some initiative in this regard like Safe City projects started by Government of different provinces of Pakistan which has taken technological aid for safeguarding the people of the cities but results are not satisfactory enough in this regard. It requires more resources, coordination and expertise for protecting the people of urban centers effectively.
- Ethnicity brings diversity in the society. Different people with different ethnic backgrounds provide diversity in terms of skills, expertise, intellect, ideas and innovation. On the other hand, it also causes conflicts and stress. Pakistan has experienced ethnic violence which has damaged the country in different ways. CPEC projects will promote ethnicity due to migration of people of diverse regions to different cities. It is a great challenge for urban institutions to manage ethnicity effectively so that it can add value in the economic development and

prosperity otherwise it will lead towards conflict, clashes and stress in urban areas of Pakistan.

- Environment is a major concern of modern world. Industrialization and economic and technological advancements have damaged the environment. The results of environmental degradation are disastrous for people. It is damaging the health of people and causes numerous health issues. It has also brought weather changes in whole world. Pakistan is also a serious victim of environmental changes. There is drastic rise in temperature, low rainfall, high intensity floods due to environmental degradation in Pakistan. Urban areas are more affected by the environment. CPEC includes multiple projects of infrastructural development of cities of Pakistan and it will further affect environment of the country negatively. Henceforth, it is required to work on it effectively for dealing with this serious challenge.
- Governance of urban areas is inefficient due to which people of the country are suffering. The low institutional capacity and lack of required skills and expertise are main reason of poor service delivery to general public of urban areas of Pakistan. The institutions are ineffective and unproductive due to which there is crisis of governance in cities of Pakistan. There is lack of planning and absence of sound strategy for the urban development which has made the situation more waned. On the basis of current situation, it can be predicted that situation will be deteriorated further due to commencement of CPEC projects. The institution of city administration of Pakistan does not have capacity to deal with large scale projects and their consequences. Henceforth, it will aggravate the urban governance crisis in Pakistan.

### **Conclusion**

China-Pakistan Economic Corridor (CPEC) is a game changer for Pakistan. It will not only economically develop the country but will reduce the infrastructural deficit of Pakistan through multiple infrastructural development projects. CPEC will make Pakistan an economic hub due to numerous projects of diverse sectors. Major cities of Pakistan will be node cities for integration of different regions and also for CPEC projects of diverse nature. This will boost the economic activities in urban localities of Pakistan and will also cause fast rate urbanization which is already a prevailing issue in the country. The city administrations are already facing numerous governance issues due to urbanization and challenges of urban governance will further increase in future due to CPEC projects and economic activities. Thus, it is required to tackle the challenges of urban governance of Pakistan effectively for efficient service delivery to general public and for sustainable development and urbanite.

### **Recommendations**

Following are some viable recommendations for dealing with challenges of urban governance of Pakistan due to CPEC projects;

- It is required to make local governments effective and operational. Local city administration of most cities of Pakistan is only ceremonial and non-functional whereas it should have more powers and authority for dealing with the issues

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effectively at grass root level. Thus, it is required to have functional local government system in Pakistan.

- It is required to build the capacity of local government institutions of Pakistan for developing required skills and expertise for dealing with urban issues effectively.
- It is required to involve community in the urban planning and policy development for cities of Pakistan. It will promote inclusive policy development which will involve marginalized groups of society for development of the community and will also help in addressing their grievances effectually. Community based organization (CBO) should be formed at community level which should coordinate with the city administration for governing the urban localities effectively.
- It is required to increase financial resources for city administration for effective urban governance. Provincial governments should devolve the funds to local governments. It is also required to expand the financial resources for local governments of Pakistan. The local governments should also find out different sources for revenue generation at local level. Property tax collection can be one of the sources for revenue collection for good urban governance in Pakistan.
- Public-Private Partnership (PPP) can be an innovative mode of governance for effective service delivery to urban dwellers of Pakistan. Local governments of Pakistan can involve private sector for provision of different urban services to people of urban localities.
- It is required to design awareness campaigns for urban dwellers regarding water utilization, sanitation and environment of Pakistan. This campaign should be designed with the help of civil society, media and educational institutions of urban areas of Pakistan. This awareness campaigns should be started from schools and colleges for educating the children and youth of the country. Furthermore, awareness should be given to females of the society through community based organizations and civil society regarding effective water utilization, sanitation and environment protection.
- It is required to develop peri-urban areas of Pakistan along with this corridor so that people can get adequate facilities at their own localities. It will help to reduce the migration of people to urban areas.
- It is required involve academia in the urban planning and implementation. Academia can bring innovative and practical solutions through research and development for dealing with the emerging challenges of urban governance of Pakistan because of diverse CPEC projects.



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