Neo-Imperialism: A Case Study of China Pakistan Economic Corridor

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ABSTRACT

China Pakistan Economic Corridor is flagship project of 21st century’s biggest infrastructural plan named as One Belt One Road. It is a profit seeking venture which would benefit China and Pakistan both at a great extent but also leaving certain positive and negative implications for latter country. The objective of this paper is to argue that CPEC is more a neo-imperialist strategy of China which might not create win-win outcomes. This project aims at making hold over strategically important region of South Asia in disguise of development projects. This paper would also provide a philosophical and analytical approach to China’s rise and its strategy of neo-imperialism. Forecasting technique is applied to explore the prospects and probabilities of CPEC on world stage and international political scenario. The final section of the paper would offer some recommendations to secure the interest of Pakistan in this project so that the sovereignty of the state could be protected in every respect. The methodology selected is the use of both primary and secondary data resources and to conduct a qualitative analysis of literature available on the topic selected.

Keywords: CPEC, OBOR, Neo-Imperialism, Multi polar, East India Company

Introduction

Imperialism is a process where one country extends direct political, economic or social control over another. Initially imperialism was all about forming empires and extending the country’s power through force. Huge empires were formed to show a country’s mightiness and strength in the world. An empire used to have direct control on every area falling within the empire. All colonies or units of an empire had to follow center in every manner. Imperialism is not a new concept. It is as old as human society. It became focus of attention after 18th century’s industrial revolution. With the advancement in technology, the process of industrialization also gave rise to some new economic ideas which could bring financiers and capitalists huge profit. The Europeans who immediately industrialized themselves, in search of raw materials and markets occupied many small and weak states that had no other option then looking for help from outsiders. They fully embraced the invasion and expansion of emperors. This is how British East India Company in disguise of trade entered subcontinent and by knowing that Mughal Empire had reached crisis point, overthrew Mughal emperors and developed hold over the subcontinent. Initially, imperialism was considered to be a strategy of direct control. This definition of imperialism changed with the passage of time. Gultung (1971) mentioned in his theory that a special type of dominance system exists in the world known as imperialism. There
is tremendous inequality within nations. The world consists of Center or dominant states and Periphery or dominated states; both are interdependent. The Center states are strong economies and industrialized states while the Periphery states are weak economies and in the stage of industrializing. Beside this, a state is also classified into center and periphery region. This structure gives rise to four types of groups in world economy. The first is Center/Dominant class, second being Periphery/Dominant class, third is Center/Dominated class and fourth is Periphery/Dominated class. Four important relations are derived from these groups. The dominant state and the dominant class in any other state collaborate to organize their combine domination over periphery. Next, the dominant class in periphery is bought off by Center at the cost of social imperialism which in other words can be said as to maintain peace and launch welfare policies. Thirdly, a Periphery state keeps the periphery within itself deprived of basic rights in a state which ultimately result in exploitations and repression, seeking the attention of Center states. Lastly, Center states never fully develop or work for betterment of Periphery states so that there always remain differences between both.

Dubois (2005) stated that there was a great demand for natural resources and many products which were not found in Western Countries. Hence, they have found the easiest way out. Instead of trade, they just directly control the areas which have raw materials. Excessive production required more markets and to transport those products to markets around the world, efficient transportation system was a requirement, so great economies started to build trans-continental railway systems.

Buchanon (1972) defined the term imperialism is political economy concept which cannot be properly defined in either political or economic categories alone. Some take imperialism as contribution to world situation while others have considered it as a problem. The meaning of imperialism has changed over the time and met many transitions but the objective remained the same which is economic growth and prosperity of imperialist states. Initially, the term imperialism was used to criticize the expansionist policies of Napoleon. Imperialism is generally categorized into two form i.e. formal and informal imperialism. Formal imperialism is capturing territories and forming empires. Spain, Portugal, Netherlands, France, Turkey and Britain are earlier imperialists. The latecomers in this category are US, Germany, Russia and Italy. Unlike formal, informal imperialism is the new shape of empire. It is dominance without making an empire and capturing territories. He says that where decolonization process provided formal independence to colonies from a single imperial state but it has not provided independence from imperial system of world. States have changed their strategy from formal to informal imperialism. Every strong economy would practice informal imperialism as what America did and is doing in post-cold war era. States use multi and trans-national companies’ to practice imperialism these days.

**Neo-Imperialism**

The breakdown of empires after Great Wars and the emergence of the concept of globalization gave rise to a new type of imperialism. Also known as neo-imperialism, it is strategy of control or dominance where big states tend to develop hold over small states not by capturing any area but through different economic means and approaches. It is a strategy in which a state makes control over other
state through economic i.e. trade, foreign direct investment, market monopoly and other economic tactics, and through cultural means i.e. art, music, cuisine, clothing, philosophies, religion, language, etc. Hobson (1902) argued that the existence of competition between states was the major determinant of neo-imperialism. As competition of the economic interests grew, the states started to find new markets and countries that could provide them with ports and coaling stations. Hawkin (1997) presented justification to the views of neo-imperialists by using the theory of Social Darwinism, that it is the worldly fact that superior ones have to dominate inferior ones, states believe that if they are dominant over some other state then they will be considered politically, economically and culturally strong. Imperialism is believed to be justifiable in every stage even if it is for the benefits of the national interests of one state. Many strong states in the world find justification of imperialism in social Darwinism by saying protection of preferential races is their ultimate responsibility.

Lenin (1979) was in the favor that neo-imperialism is the product of capitalist society. The major aim of neo-imperialism is to put world economically, religiously, culturally and politically in few monopolies. We see, neo-imperialism is a policy handled by America, to be the permanent power of the world. Pitt (2010) said, American unilateralism and militarism after 2001 demanded a re-interrogation of the idea of empire. In the post-colonial time and in the age of nation states, imperial states generally exercise dominion over populations that are perceived as different from the dominant state exercising control. Qureshi (2015) offered one of the most fully articulated accounts in political theory of the imperial feature of the current global order which he calls an informal, interactive and post-colonial imperialism. The dismantling of formal empires, he note, left in place a nominally sovereign, yet dependent indigenous government in a global network of free trade imperialism dominated by hegemonic great powers and their transnational corporations and governed theory biased and lopsided global financial institutions. Burke (2010) said that the hegemonic powers, entrench and reproduce inequalities and give rise to social stratification among the societies they have developed their hold and control. The developed nations by themselves derive a mission to help the third world countries and advance the road of development and to help primitive people of Asia and Africa. Marxist views this word of development as strategy of imperialism. Bukharin (1972) described imperialism as inter core rivalry which incorporated dominance over periphery. His emphasis was on finance capital. He said for securing finance capital of one’s own state. A strong state needed economic protection and that could only happen through obtaining territories for investments, markets and raw material. Hobson (1902) believed that tap root of imperialism was surplus capital generated in the core looking for investments outlets in the periphery. Strong economies and finances sector was emerging as dominant factor which drove the state into imperial ventures for its own interest but against the interest of other states.

Hence from the literature discussed here this stance that this era is where strong states of the world are economically dependent on weak states as a result they have developed domination and hold over weak states. This has given rise to a terminology called neo-imperialism. The major objective of this paper is to study the new trends of imperialism in 21st century and how big states through different ventures of friendship and partnership are creating dominance over small states.
Moreover, the study aims at discussing the rise of China as an imperialist state and has in-depth study of China Pakistan Economic Corridor as a venture of neo-imperialism. The world sees South Asia as a pot of opportunities in terms of development and prosperity. China is emerging as a biggest challenger in the region to other super powers of the world especially US who already have tried many a time to develop its hold over South Asian region in specifically over Pakistan. The implications of China Pakistan Economic Corridor as a venture of neo-imperialism are the major element of the research and discussed in detail by developing link to past studies.

**Neo-Imperialism and Globalization**

The concept of globalization officially emerged when Cold War ended. It was then when the barriers in the form of Iron Curtain and other blockades between two divisions of the world were removed. It was time when the idea of global village emerged i.e. that world is more like a village, here everything is for everyone. There exists no communication gap. Basically globalization is the movement of people and information freely around the world. Many critics call globalization as American strategy to make hold over the world by expanding in terms of culture, etc. If compared to Neo-imperialism, both are to a greater extent the same phenomena. Cross border movement of goods, services, technology, capital, culture, formation of single world market, free market and free trade, and expansion of capitalism all are the motives behind both neo-imperialism and globalization. Hence both the concepts can be merged into one with certain conditionality attached.

**One Belt One Road Initiative**

Godement (2016) stated that China has created an action plan for its Silk Road concept in the form of the “One Belt, One Road” (OBOR) initiative. It is grandiose; potentially involving an area that covers 55 percent of world GNP, 70 percent of global population, and 75 percent of known energy reserves. It aims to revive old Silk Route which was formed during Han Dynasty to trade silk across three major continents. This project was announced by Chinese President Xi Jinping in 2013. This idea was formally presented on March 28th, 2015. This road initiative connects three continents i.e. Asia, Europe and Africa through either land or maritime route. It has six corridors and one maritime road. All 65 countries falling within the routes will get benefit out of it and OBOR aims to boost regional economies to around 3 trillion. Pakistan being the major pillar of OBOR caters the flagship project of this initiative-China Pakistan Economic Corridor. Many critics while criticizing this initiative call it as China’s Great strategy to make hold and influence different parts of the world.

**China Pakistan Economic Corridor**

Stoopman (2015) called CPEC as 21st century’s mega project under the umbrella of OBOR. It connects Chinese region of Kashghar to Gawadar port of Pakistan. It was announced in 2013 during the state visit of Chinese President Xi Jinping. It was formally begun in 2015. The projects under CPEC are valued at the worth of $62 billion. It aims at infrastructural development, energy projects and construction of modern communication networks in Pakistan. CPEC is often presented as a profit-seeking venture that excessively focuses on trade and
investment related matters. Many analysts take CPEC as ray of hope for Pakistan when it is all tangled upon issues like terrorism, economic instability and weak governance.

Arshad, Shahbaz & Anwar (2017) analyzed that CPEC, a flagship project of China’s “One Belt One Road” initiative, will act as a vital bridge that connects China with Central, Middle East and South Asia. This is a project with great economic potential and geo-political significance. It is a watershed moment for Pakistan with the promise to change the geo-strategic landscape of the country and the region. However, it is also feared that clashing geo-economic interests may lead to undesirable competitions at regional and global level. In view of perceived Sino-American competition and the US efforts to entangle china, the CPEC project attains further geo-political significance for the stakeholders. Besides, there is a commonality of interests between the United States (US) and India, particularly against the rising global status of China. These interests may create hurdles, which demand a comprehensive security approach employing all elements of national power to ensure its timely completion. Runde (2015) stated that CPEC is an important regional component of the “One Belt One Road” (OBOR) initiative undertaken by China. Though Chinese President Xi Jinping unveiled the concept during his speech in Kazakhstan at Nazarbayev University on September 7, 2013, the idea has been rooted over the decades emanating from the economic development of China and its desire for a strategic outreach to Europe and Africa in addition to Asia (Gawadar: A Future Economic Hub, 2016). It is revival of the historical Silk Route, keeping in view the requirements of modern means of communications and infrastructural demands. Chinese economic development and growth of highways and railroad network propelled it to extend a linkage to Africa and Europe. Ahmar (2015) argued that the corridor will strategically connect the two countries by becoming a source of shipping millions of tons of goods from China to the Middle East, Africa and Europe via the Gwadar port. The construction of oil and gas pipelines through that corridor will help meet energy needs of China. Such type of activity will be strategically and economically fruitful for China, as it will reduce distance and time to ship its goods to the Middle East, Africa and Europe. The corridor will act as a source of connectivity between East Asia and South Asia, as well as the Gulf and the Middle East. With a length of around 3,000 kilometers from Kashgar to Gwadar and with US $46 billion Chinese investments, one can expect a turnaround of backward and less developed regions of both Pakistan and China. Pakistan, located at the crossroads of Central and West Asia, the Persian Gulf and the Middle East holds a strategic position, and CPEC will further augment that position. The mega-project will further strengthen China-Pakistan time-tested friendship.

China’s Strategy in Disguise and Its’ Prospects and Probabilities

China has struggled to emerge as a strong country on the world stage. After Chinese Revolution of 1949, China was cut off from the rest of the world. Under the leadership of Mao Tse Tung, China developed its own industry without any investment from outside. With the infusion of new technology from USSR in 1950s, this was terminated later in 1959; accelerated independent development in China. In the span of three decades i.e. between 1950s and 1970s, China totally transformed, from a country which barely produced anything due to lack of proper industries: now had several industries in all sectors. China in 1950s adopted a
strategy to keep itself aloof from rest of the world to make possible the indigenous socio-capitalist system (Engst, 2011). China’s export oriented and party state bureaucratic capitalist system led the country towards massive development and progressive economy. Constant and continuous struggle pulled China out of crisis and made it rise as the 2nd largest economy of the world in 21st century with the country being the largest producer of industrial goods.

After China was able to catch-up with the super power- USA, through domination of world trade, the country chalked out certain infrastructural projects to show cases its mightiness in the political arena. One of the biggest infrastructural plans launched by China is OBOR or Road Belt Initiative which is 21st century’s Silk Road joining Africa, Asia and Europe through different corridors. The major aim of this project is China-centered trading network (Getting Lost in One Belt One Road, 2016). One of the six corridors being built under this plan is China Pakistan Economic Corridor (CPEC).

Initially imperialism was all about forming empires and extending the country’s power through force. The meaning of imperialism changed and transformed with the passage of time. From 20th century onwards the meaning of imperialism changed from empire formation to indirect domination through multinationals companies and through economic expansion and cultural expansion. This new form of imperialism is termed as neo-imperialism.

The neo-imperialism is the product of capitalist society. The major aim of neo-imperialism is to put world economically, religiously, culturally and politically in few monopolies. We see, neo-imperialism is a policy handled by America, to be the permanent power of the world.

• Cultural Imperialism

Cultural imperialism aims at imposing the culture of more powerful nation or a country over weak or peripheral states. This may also be referred as cultural hegemony in which the traditions, values and practices of strong state are imposed or adopted over or by other states.

Jamal N. (2017) in his article for Herald argued that CPEC is Chinese Revolution that will sweep across Pakistan soon. He stated CPEC would mainly bring Chinese culture to Pakistan.

CPEC has brought Chinese language to Pakistan. Though it was being taught in many educational institutions already but the urge to learn it has increased. The government of Pakistan also took this initiative to make Chinese language course compulsory at primary and secondary level by 2018. Though this has not yet been approved but as per the growing interest of people to learn this language, the government might implement this policy in the educational sector. Mansoor (2018) said Pakistan is multilingual country. CPEC is the best option for Pakistan to develop Urdu as an international language and to provide recognition to local languages only if Pakistan acts a bit wiser otherwise Chinese or Mandarin language will dominate. There are blogs being written to tend people to learn Chinese as to make CPEC successful. Khan (R. A.) stated in his article that Premier Li told that he would continue his efforts to promote Chinese language in Pakistan and will send 1000 teachers to teach the Chinese language to Pakistani students.
Chinese cuisine has always remained a center of attraction for people in Pakistan. Use of noodles, green tea: eating food with bamboo sticks all Chinese practices being adopted by people in Pakistan. Every hotel now has the option of Chinese food for the satisfaction of not just local but Chinese customers who are employed here at Gawadar and areas where project is under completion.

The Chinese clothing trend of robes, long gowns and more looser clothes dominated the Pakistan’s fashion industry. Each designer is introducing the same style with different cuts and prints.

In the context of religion, philosophy or ideas, no such change has been observed as yet but there exist chances of people practicing Confucianism here in Pakistan. The philosophy of Confucianism teaches about good and humanity. It is not a religion but a practice and its good if these practices gets transmitted to the people of Pakistan only if they are not practiced extremely, and interview conducted sometime back revealed that their do exist certain areas in northern Pakistan were people practice Confucianism.

Pakistan and China are negotiating on making two countries visa free so that locals of both countries may interact with each other.

• Economic Imperialism

Hasan (2017) called Pakistan as land of opportunities for China which will help the latter country rise on the international political scenario.

China is no more a communist state; it has turned into a mammoth neo-imperial state and following its neo-imperialistic agenda in each nock and corner of the globe. China will use the territory of Baluchistan, Pakistan, to minimize its trade cause through development of Gawadar port sand making hold over it. China also has her eye on the natural resources of Baluchistan. Massive Chinese Investment is a boon and a curse both. Local enterprises and industries of Pakistan are being shattered and ruined.

Government has issued a statutory regulatory order (SRO) giving a series of tax exemptions to Chinese firms which have paved way for them to settle in Pakistan and dominate Pakistan’s industry. This will result in influx of Chinese companies and investors in Pakistan.

There are nine Special Economic Zones (SEZs) planned along the CPEC routes. One in Punjab, KPK, Baluchistan, and Islamabad, two SEZs in Sindh and one each in FATA, Azad Kashmir, and Gilgit-Baltistan respectively. Last month, the standing committee was informed that only Chinese industrialists would be allowed to set up their industries in these economic zones. Husain K. (2017) writing for Dawn, also stated that China in disguise of nine economic zones is building up enclaves over which China would have its authority only.

Another surprising fact is that the trade across the corridor will be done in Yuan neither Dollar nor Pakistani Rupee. Obviously this would affect the standing of Pakistani Rupee at the same time it’s an open challenge to Dollar. Hence, Yuan hegemony is emerging.

This type of imperialism can be categorized under vertical interaction where center nations enriches itself at the cost of periphery while least benefiting the latter.
Ecological Imperialism

Alfred Crosby (1986) in his book Ecological Imperialism: The Biological Expansion of Europe presented theory on ecological imperialism. It states that colonization was not only a form of cultural, political or economic expansion; it is also a form of environmental expansion. The reason why he suggested this is the evident fact that wherever colonists settled they brought with them diseases that devastated the local populations (of all people and plants and animals). In the case of CPEC, Pakistan is hosting Chinese settlers which are working on either the project or have settled businesses in Pakistan. Crops grown using Chinese technology do not satisfy health standards Chinese ulcer, bacterial diarrhea, Hepatitis A are becoming common amongst Pakistani.

Positive Implications of Chinese Neo-Imperialism

Every state is divided into two i.e. center and periphery. Baluchistan is considered to be peripheral province which has been neglected by the government of Pakistan since day one. It does not have equal share in the budget. No such infrastructural development was ever done. Baluchistan which is hub of natural gas (Sui Gas) does not itself have access to it. Though the amendment in the constitution of Pakistan in 2010 better known to be 18th amendment and revival of CCI and NFC improved the situation but still they could not contribute much. It was until the project to develop Gawadar initiated by China and then the making of China Pakistani Economic Corridor, when the province of Baluchistan was considered to be the province which has in stored treasure for Pakistan.

With CPEC, the development in Baluchistan has started. The land which was initially all barren is now occupied and many industries are being installed in the province. Moreover, due to CPEC the security of the province has increased. Pakistan army is in operation to have control over the Indian networks causing terrorism and insurgency in the province. Baluchistan with completion of CPEC will rise as metropolitan city and trading hub of Pakistan.

Hali (2015) said, Chinese companies are building energy and infrastructural projects as the part of CPEC. China has promised to invest around US$33.8 billion and US$11.8 billion in different energy projects and in infrastructure projects respectively.

Other than this, Pakistan is poverty stricken nation with high rates of unemployment. CPEC would generate huge number of jobs for Pakistani locals. With the development of CPEC, many foreign investors are attracted to invest in the state which was initially banned by the Multinationals due to threat of terrorism. Moreover, CPEC will increase the strategic importance of Pakistan in South Asian Region. One of the major prospects of CPEC is that it will strengthen provincial linkages. The strategic importance of Pakistan will increase.

Comparison of British Imperialism with Chinese Neo-imperialism

The definition of imperialism differed from time to time. Initially during the time of British ruling the world with a huge Empire stretching from Asia to Africa and Australia to America, it meant direct political hold over the occupied territories where the command of the king or in other words that of an emperor prevailed. No territory had the liberty to go against the center or Majesty. The highness of the
emperor was all the colonies or the whole empire had to take care of. Particularly speaking about British entrance in the subcontinent: it was through a trading company better known as East India Company, which in disguise of trade pacts signed with Mughals took over the subcontinent. The main motive behind British imperialism was industrialization. In search of cheap labor and raw material, human and natural resources British voyaged around the world and captured the peripheries to fulfill the emerging needs. This is how the British ruled over almost the whole world for centuries. British Empire being the center did benefit peripheries within and outside the empire what Gultung calls harmony of interests between center and the peripheries. Peripheries like the subcontinent also had to rely on the emperors as no one else could settle down the chaotic and dwindling situation of the territory. British provided their colonies with education system, communication networks, and employment opportunities and contributed towards the infrastructural development of their colonies. Beside all the advantages, British never put any industry in their colonies except for that of wine and tobacco which are majorly of no use the current time frame. This was because they were afraid that if they did so the colonies would remain no more dependent on center and they might excel and challenge the superiority of the empire.

Likewise the emergence of China as an economic giant has risen many questions world over. Many take China’s initiative of OBOR and its flagship project as Game Changer. Many call it 21st century’s China’s Great Leap Forward. And for many it is a venture of neo-imperialism. The way China has emerged, that’s surprisingly questionable. Chinese initiative of CPEC is considered to be another East India Company in the region which in disguise of trade and infrastructural development might make hold over the strategically and geographically important region of Pakistan. Narula (2017) said in one of his articles for Pakistan Today, that China is going to colonize Pakistan through CPEC. Related to this, Hussain E. (2018) said that China plans to colonize Pakistan and one of the most evident arguments to support this is how Chinese personnel are violating Pakistan’s laws.

No proper information is available on CPEC. Though apparently it seems to benefit Pakistan majorly and mainly but none of us is as yet aware of the motives behind. It’s clear from the fact that no country would ever invest in any other country without motives attached to it. China would have its companies set in Pakistan which through the use of natural and human resources of Pakistan will benefit the economy of China. Influx of Chinese products will bring Chinese culture to Pakistan like what British did back then. Preference would be given to Chinese in every field. China may also develop political hold over Pakistan’s right arm Baluchistan putting the interests of natives at risk. It still and would be observed in the increased number of Chinese locals settling in Pakistan. In early 2018 country manager of CPEC was seen standing on the flag of Pakistan which clearly depicts what all weather friends whose friendship is higher than Himalayas could be like.

Not only this China will use Pakistan to cut trade expenses as the economic corridor will provide China the shortest route to Indian ocean, middle East and Gulf states. The major motive of neo-imperialism i.e. free trade and free market including market monopoly would be fulfilled.
Conclusion

China and Pakistan both are considered to be all weather friends. Metaphorically, for Pakistan, Chinese friendship is higher the Himalayas. On world stage nobody is your permanent friend and no one can be your permanent enemy. Gultung rightly said that each country is dependent on the other country in many ways. China’s project of CPEC and its generous investment in the sector of development in Pakistan is just to secure its very own interests in the region and internationally. Though the project would definitely benefit Pakistan as well economically and, improve and increase the strategic importance of Pakistan. But as discussed in this research, increased Chinese involvement, rapid expansion and indirect influence, China Pakistan Economic Corridor seems to be a venture of neo-imperialism and could as predicted, harm Pakistan in near future. Furthermore, as discussed in the research, Neo-imperialism does not only have negative implications but it also has certain benefits instored for the peripheral states. Likewise, Chinese expansion has benefited Pakistan in terms of development and economy. Moreover, the rise of China and its neo-imperialist venture might have huge impact on international politics and world order.

Post-modern political thinkers predict, with the emergence of politically and economically strong states like China the world will experience multipolarism. China has risen from a scratch to an only independent country in the world which developed and progressed without the help of USA rather relied on itself. With initiation of the largest infrastructural project of 21st century, China has emerged as giant and might be referred as hegemon after the completion of One Belt One Road project.

Recommendations

• Pakistan should keep its own interest first and secure it.
• Pakistan to limit Chinese expansion and domination in different sectors of state by adopting different diplomatic measures in order to lessen the risk of neo-imperialism.
• Pakistan to support its own local enterprises and products and balance its export and import
• Pakistan has to secure the interest of people of Baluchistan which is at risk.
• Pakistan has to adopt unbiased and balanced approach in terms of its foreign policy towards China and other countries.
• The government of Pakistan has to ensure the transparency of CPEC.
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References


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