Strategic Significance of CPEC: A Game Changer for Pakistan

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Abstract

This paper is intended to explore the strategic significant of CPEC for Pakistan while hypothesizing that it is a game changer for Pakistan. For testing the hypothesis, researcher reviewed secondary data sources including books, articles published in national and international journals, official reports and other relevant documents. The findings are presented in five themes i.e. economic impacts of CPEC, social impacts of CPEC, impacts on energy crises, impacts on foreign policy and impacts on balance of power and security. The findings indicated that CPEC is of great significance for Pakistan because of its relevance with many positive outcomes for socio-economic development of the country and for enhancing people’s standard of living and their quality of life. However, there are some of the potential gray areas which can be dealt with proper planning, political vision and progressive working by relevant Pakistani stakeholders.

Keywords: CPEC a game changer, benefits of CPEC for Pakistan, Strategic significance of CPEC

Introduction

Bilateral relations of independent states are very important for their socio-economic development. Therefore, independent states always try their best to strengthen their bilateral relations with other states in the world (Jaffee, 1998). However, bilateral relations and prospective importance of these relations is very much for developing countries like Pakistan because of the need of cooperation and collaboration with other countries for socio-economic development. Pakistan while realizing the importance of the bilateral relations with other states start developing ties with many countries after independence in 1947 (Wirsing, 2004). Unfortunately, Pakistan was facing a lot of internal and external problems of stability and survival soon after independence from British India. At one hand Pakistan was fighting a proxy war with India over many disputed matters i.e. Kashmir and Water (Ganguly, 2002). On the other hand, Pakistan was also facing threats from Afghanistan on her western border over the legitimacy of Durand line between Pakistan and Afghanistan (Rubin, 2006). There were many other internal issues i.e. developing constitution of the country and meeting the basic needs of the people by running industry. At the same time, Pakistan was also facing problem to join either block of bipolar world order for developing her ties with them (Belokrenitsky & Moskalenko, 2013). Pakistani leadership at that time decided to remain neutral and tried to develop cordial relations with United States of America (USA), Soviet Union and China at the same time. However, Pakistan was

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used by both USA and Soviet Union (Ali, 1967; Khan, 1999). On the contrary, Pakistani experience to develop cordial relations with China proved very encouraging. Therefore, both Pakistan and China increased their cordial relations in trade and economy (Akhtar, 2014). Initiation of bilateral relation from “Coal for Cotton” proved very positive for increasing trade between both the countries. On the other hand, changing attitude of international players i.e. USA and India also helped both the countries to realize that they should work together for creating balance of power in the region as India and USA were in search of an opportunity to eliminate China from the region and empower India which was not acceptable for both China and Pakistan (Javaid & Jahangir, 2015). Therefore, both the countries took bilateral ties very seriously and with the passage of time, cordial relations kept on developing. In the decade of 1960, bilateral relations touched to its peak when China during Pak-India war of 1965 fully supported Pakistan and warned India for serious consequences because of the aggression towards Pakistan (Javaid, 2016). On the other hand, Pakistan was also helping China on many international forum for her polices and ideology. In addition, Pakistan was also supporting China to secure permanent seat in United Nations Security Council. It means that both the countries were trying their best to help each other in every matter. As Pakistan was facing challenges for economic stability therefore, China at that time, provide interest free loans and aid on and off for socio-economic development of the country (Mumtaz, Smith & Khan, 2016). However, with the passage of the time, China also became diplomatic and indirect towards Pakistan. China asked Pakistan to talk with India for resolving Kashmir issue and became indirect for helping Pakistan. Although she was helping Pakistan in defense and economy still Pakistan realized that Pakistan also needs to search for alternatives in global community other than China (Mahesar, 2019). However, cold war between USA and Soviet Union provided an opportunity to Pakistan for initiating bilateral ties of China with USA. Pakistan played the role of moderator between USA and China for normalizing their bilateral relations. Both USA and China were skeptical about the invasion of Soviet Union in Afghanistan (Zaki, 2014). Therefore, both the countries persuaded Pakistan to eliminate Soviet Union from Afghanistan. Pakistan participated in the war and Soviet Union was defeated very badly in Afghanistan because of the active part played by Pakistan. However, after the elimination of the Soviet Union from Afghanistan and with the end of cold war, USA turned her back towards Pakistan (Nagra, Mustafa & Imran, 2019). USA starts supporting India over Pakistan which was a clear sign of threat for both China and Pakistan. Therefore, both the countries again increased bilateral ties to overcome rapidly increasing power in India. USA was supporting Indian nuclear program and Pakistan was also looking towards her allies for proving help in nuclear and missile technology (Jiang, 2007). It is reported by both CIA and RAW and China was helping Pakistan to develop her nuclear and missile technology which China refused. In the last decade of 20th century, both India and Pakistan tested their nuclear program successfully and two new nuclear states emerged on global map. This development was not acceptable for USA and her allies therefore; USA imposed
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serious sanctions on Pakistan and India (Javaid & Jahangir, 2015). However, after some time, USA starts helping India in many ways. On the other hand, China and Pakistan were also working very closely to help each other for overcoming latest challenges of the new century. The turn of the century was very encouraging for Pakistan and China as both the nations signed many new agreements of trade, economy, technology, communication, agriculture, defense and fishery (Ali, 2017). Suddenly after the incident of 9/11, the situation of the whole world changed. USA and her allies were very furious towards the Islamic Militant Organizations which were allegedly involved in attacking World Trade Center in USA. Pakistan at that time also decided to fight with USA against terrorism. Being the neighbor of Afghanistan, Pakistan became front line ally of USA to fight against terrorism in Afghanistan. Pakistani support to USA was not seen positively by China but Pakistani leadership repeatedly visited China for assuring that Pakistan will not permit USA to use her land to disturb the peace and prosperity in the region and China is the one and only time tested friend and true ally of Pakistan (Kataria & Naveed, 2014). Therefore, both the countries regardless of international developments in the region should focus on increasing their bilateral ties. These efforts remained very successful and both the countries kept on helping each other in many ways. Free Trade Agreement and Most Favorite Nation are some of the very important developments in both the countries which increased their mutual cooperation, trust and respect. Therefore, the first decade of 21st century is considered very positive for Pakistan in term of bilateral ties with China (Kumar, 2006). However, the start of the second decade proved the most important decade in term of bilateral ties and mutual cooperation. The idea of CPEC was conceived although in first decade of the 21st century but both the countries materialized this project in second decade of the 21st century. According to the CPEC, China proposed to invest about US$ 62 billion for different projects in Pakistan including infrastructure, roads, agriculture, industry, energy, communication and transport. In addition, China was also willing to develop Gwadar Sea Port (Javaid & Jahangir, 2015). According to the literature published on the subject of CPEC and the expected benefits of the project for both China and Pakistan, a consensus is found among the researchers that CPEC will bring a lot of benefits for Pakistan as well as for China (Abid & Ashfaq, 2015; Malik, 2018; Makhdoom, Shah & Sami, 2018; Khan et al., 2018; Rehman, Iqbal & Malik, 2017). Therefore, the researcher in the study hypothesized that CPEC is a game changer for Pakistan. For testing this hypothesis, researcher reviewed articles published in different journals, books, formal and non-formal reports and all the other relevant documents published on the subject of CPEC and its benefits for Pakistan. The findings from the data are presented in the form of different themes related to the socio-economic development as mentioned below:

Economic impacts of CPEC

According to Rehman et al. (2017) every country tries to reach at well-defined destination and therefore, tries to avoid ill-defined destination. They claimed that mega projects are actually two fold. These projects can lead to either side of the coin.
They might prove very beneficial and on the other hand, these projects might produce some serious consequences for the beneficiaries as well. CPEC is one of the biggest projects ever started in Pakistan since 1947. It is expected that this project will eventually be a beneficial project for both China and Pakistan (Kumar, 2006). Therefore, researcher and policy maker named this project a game changer of Pakistan and China. However, they raised a question that who will get the maximum benefits in this project. They found that China will get ultimate benefits without any doubt from the project. Pakistan on the other hand, needs some serious working on grey areas to avail benefits from CPEC (Rehman et al., 2017). On the other hand, the majority of the researcher claimed that CPEC is one of those projects which will increase economic development in the country along with political stability. It is repeatedly mentioned by the authors that Pakistan will become economically developed nation because of the CPEC because CPEC will provide Pakistan an opportunity to develop her bilateral ties with China and many other countries from Middle East, Central Asian Republics and even African countries (Rahman, 2013). One of the major parts of the project is Gwadar Sea Port. China had already working on the port to start operational activities. From this port, ships can go anywhere in the world. Therefore, many countries can use this port for import and export which in turn will provide revenue to Pakistan as well as an opportunity to start bilateral relations with different nations of the world (Avais et al., 2016). In addition, China will use both sea port and roads in Pakistan will also provide revenue. She is investing in many new projects related to CPEC in Pakistan such as industrial zones, communication and transport. For economic development, infrastructural development is backbone and CPEC is a project of infrastructural development in Pakistan (Abid & Ashfaq, 2015). Pakistan can also increase her exports to other countries using these roads with land locked countries of Central Asian Republics. Therefore, it is claimed by the majority of the researchers that CPEC will increase economic development in Pakistan (Abid & Ashfaq, 2015; Malik, 2018; Makhdoom et al., 2018; Khan et al., 2018). On the other hand, Rehman el al. (2017) reported that CPEC is actually a network of roads and infrastructural development and for gaining maximum benefits from this network, Pakistani government need some serious planning and strategic vision. They further added that China is one of biggest exporter in the world and there are many products in Pakistan which are made in China. After CPEC, products made in China will be easily available in Pakistani market and it will ruin the local manufacturers and factories (Makhdoom et al., 2018). Therefore, Pakistani government needs some sold measures to ensure protection to local manufacturers and producers. In addition, Pakistan should involve local skilled and semi-skilled labor in different projects related to CPEC for maximizing employment opportunities of Pakistani. However, currently, China is mainly obliging her own labor in different projects of CPEC. It means that CPEC might be a source of game changer for economic development but Pakistan can get maximum benefits by adopting some simple but viable plans and strategies (Rehman el al., 2017).
Impacts on infrastructural development

From four zones initially included in CPEC, infrastructural development is one of the major zones. Infrastructural development includes developing roads, highways, motorways, sea ports, railways and air ports. In CPEC, infrastructural development was given much weightage because of the importance of infrastructural development in socio-economic development (Abid & Ashfaq, 2015). It is considered that infrastructural development provide base to all the other forms of developments. Accordingly, CPEC is expected to build infrastructure in the country which will initiate connection of Pakistan with regional states from Asia, Europe, Africa and Middle East. It means that networking of CPEC will increase connection between regional as well as global players of the world (Butt & Butt, 2015). Resultantly, the project will eliminate barriers of trade between the countries by creating a very strong network of regional players as well as other related countries. It is believed that infrastructural development because of CPEC will modernized Pakistan and will help to initiate and maintain market based relations with other countries. Therefore, in the project, infrastructural development had been given much emphasis and both Pakistan and China are working on different projects including construction of roads and motorways, port and energy projects. Till now, there are many infrastructural projects which are complete and many are under construction (Abid & Ashfaq, 2015; Khalique et al., 2020; Khan et al., 2018; Khetran, 2016).

Social impacts of CPEC

Social consequences affect any society more severely than any other thing. Therefore, it is prime necessity to investigate social impacts of any project and particularly of mega projects like CPEC. Along with many economic impacts of CPEC, researchers working on the social impacts of the project found that there are many positive as well as negative social impacts of CPEC for Pakistan (Avais et al., 2016). Pakistan is one of the countries which are facing a plethora of social problems including poverty, unemployment and inequality. However, these problems are negatively correlated with economic development as well as infrastructural development. Pakistan is facing these issues of poverty since her birth in 1947. There are millions of people who are spending the life below poverty line (Kanwal et al., 2020). One of the major factors is unemployment. CPEC is a mega project in Pakistan which is expected to invest billions in Pakistan in different projects. Therefore, this project can initiate many new employment opportunities of the people of Pakistan. It means that CPEC will give benefit to millions of Pakistanis in term of removing their poverty and misery (Abid & Ashfaq, 2015). There are many projects i.e. infrastructural development projects including construction of roads, dams, industrial parks, garment industry, roads and motorways, and projects including the construction of hospitals, technical and vocational training institutions which will incorporate people from relatively less developed areas of Pakistan for uplifting their standard of living as well quality of life (ALI et al., 2020). On the other hand, employment opportunities will eventually
CPEC besides reducing poverty at individual level can also increase tax, tariff and duties for Pakistan which will increase the flow of money from other countries to Pakistan. The use of this money in different projects in the country will also provide benefits to the people of Pakistan. There is another element of spatial inequality in Pakistan. Lifestyle and living standard of the people of one province of the country is very different from the people of other province. Baluchistan is one of the provinces of Pakistan which is the victim of this inequality. This is the first time in the history of Pakistan that government of Pakistan is going to start a mega project in this province which will eventually empower the residents of this province. This implies that social consequences of the project are enormous in term of dealing with social problems and removing spatial inequality in the country (Virk, 2020). As mentioned in the meeting of President of Pakistan Mr. Mamnoon Hussain and President of China Mr. Xi Jinping, CPEC is a game changer project for the people of both Pakistan and China. It will open new doors of development which will ultimately benefit the common people of both the countries because of massive trade and economic activities. They, during their meeting, also claimed that this project will be beneficial not only for the people of Pakistan and China but also for three billion people of the whole region. Therefore, it can be deduced that social consequences of the project are not limited to Pakistan and China but are spread to the whole region of South Asia (Farooq, 2020).

Impact on people to people relations

CPEC is also expected to increased people to people interaction of Pakistanis with people from other states. Relationship and interaction of both Pakistanis and Chines is increasing with the start of television and radio transmission between Pakistan and China. These transmissions are expected to decrease cultural gap between both the nations. In addition, China is also desired to increase literacy rate and higher education in Pakistan. Therefore, China and Pakistan start students exchange programs and China started scholarship for Pakistani students in different universities. These development and initiatives are bringing people of the both countries closer and closer which will in turn affect the people to people interaction between both the nations (Syed, 2020). China is also working to provide many new employment opportunities to Pakistanis in different sectors which will eventually affect their lifestyle and standard of living. It is reported that CPEC will bring peace and prosperity in the region by linked different independent states with each other. In addition, peace and prosperity on the other hand, will increase peaceful living for the people. In addition, networking of different states will also increase cooperation, integration and information and knowledge sharing. In addition, this project is also expected to increase people to people interaction which will facilitate and initiate many other mutual projects. People of Pakistan are facing many hurdle including energy crisis and lack of infrastructural development in the country. The present project of CPEC is expected to eliminate both of these issues faced by Pakistani and
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eventually it will provide a peaceful living and improved quality of life (Avais et al., 2016; Farooq, 2020).

Impacts on energy crises

Pakistan is facing energy crises since last decade of 20th century. Despite many efforts by the government, Pakistan is still facing energy deficit which is required for the socio-economic development of any nations. It is not wrong to claim that energy is the lifeline for the socio-economic development of any nation. On the other hand, it is one of the most important elements of all the other form of development. As mentioned above, Pakistan had been facing energy crises since last decade of 20th century because of rapid population growth and use of energy in household consumption as well as in industrial consumption. There had been many promises by the political leadership in Pakistan to overcome energy crises but all in vain. Energy crises kept on increasing with the passage of time because of the lack of political determination, vision, planning, political instability and lack of efficiency. It is hard to believe that in this modern era, nuclear state is facing an energy crisis which is the basic necessity of life. In the modern era of technology it is not possible to perform a single task without electricity as the majority of the equipment and gadgets are electronic. Pakistan is facing load shedding since two decades and there is not a single attempt by the leadership both democratic and dictator to resolve this issue. According to the Chines ambassador to Pakistan, CPEC is a mega project for Pakistan including many potential sectors to be developed. He while talking about the prospective benefits of the project reported that this project is related to energy, transport, communication, infrastructural development and industrial development. However, one of the major sectors which are included in the first phase of CPEC is energy and infrastructural development. Therefore, it is rightly claimed by many policy makers and researchers that CPEC is a potential project which can deal effectively the energy crises faced by Pakistan. It is estimated that if energy is fully provided in textile industry in Pakistan than an extra 2% of gross domestic product (GDP) can be added in GDP growth in the country only by textile industry (Abid & Ashfaq, 2015). According to official reports, Pakistan government is collaborating with Chines government for overcoming energy crises. China on the other hand, showed her willingness to collaborate and cooperate in energy projects. Resultantly, Chines companies start working on energy projects in Pakistan soon after finalizing CPEC between Pakistan and China (Hassan, 2020). Reports also suggested that CPEC will target a total of four zones in Pakistan and energy sector is one of those zones. In the first priority program, the production of about 10,400 megawatts electricity is included in the project. It was planned that till 2018, the projects of 10,400 megawatts electricity will be completed. On the other hand, it was also planned that Chines companies will invest about 35$-37 $ billion in energy production in Pakistan. If implemented successfully, this investment at least will decrease energy crises (Abid & Ashfaq, 2015). On the other hand, the government of Pakistan kept in mind the importance of sustainable energy production and included energy projects of wind,
solar and hydropower. However, one of the project was the production of energy from coal and two plants of energy production from coals were completed in Punjab and based on the pollution were closed as well (Farooq, 2020; Makhdoom et al., 2018).

**Impact on foreign relations**

There are many researchers who believe that CPEC will also effect foreign relations between Pakistan and her neighbor countries as well as between Pakistan and many landlocked countries of Central Asia. CPEC will create a new economic hub in South Asia and the central point of the economic hub is Pakistan just like Abu Dhabi. It is also claimed by many scholars that the CPEC will increase geo-strategic importance of Pakistan to many folds (Abid & Ashfaq, 2015; Butt & Butt, 2015). China being one of the stable and dominant exporters in the world will start her economic relations other countries via Gwadar Sea Port of Pakistan. It means that Pakistan will be involved in any sort of trade and business transaction between China and any other countries. This implies that CPEC along with strengthening bilateral relations between Pakistan and China will also initiate bilateral relations between Pakistan and many other stakeholders of South Asia, Africa, Middle East and even Europe because Gwadar sea port is located at a point which is very important for ships moving across the globe. CPEC is a network of roads and interconnectedness between different countries of the region, therefore, it is expected that this project will create a new block of countries which will be more regional as compared to global. This regional interconnectedness will safeguard the region from any potential threat and will eventually lead to regional peace and prosperity (Malik, 2018; Makhdoom et al., 2018; Rehman et al., 2017).

**Impacts on balance of power and security**

South Asia is one of the regions of the world in which states were found investing too much on increasing their defense and military power. Three players had been very active since the mid of 20th century i.e. China, India and Pakistan. Every player wants to increase military and defense power to overcome her opponent with the use of power. Historically, bilateral relations of Pakistan and India, India and China remained sour and each of the state remained in search of opportunities for increasing her power. For achieving this goal, Pakistan and India particularly, invested too much in defense and military power as compared to health and education. Resultantly, there are three nuclear states in the region (Khan et al., 2018). Still, the region is one of the most unstable regions in term of political stability and economic development. CPEC which is a project of networking will also influence security concerns and will also impact on balance of power in the region. It is claimed that this project will help the regional players to normalize their bilateral relations with their neighbor as well as regional stakeholders. It will normalize bilateral relations of Pakistan with India, Afghanistan and Iran. In addition, it will also help China to normalize relations with India. Consequently, these bilateral relations will safeguard balance, peace and socio-economic development of the region because of mutual investments (Abid & Ashfaq,
On the other hand, there are researchers who believe that CPEC will actually disturb balance of power in the region because of the involvement of many stakeholders across the world. There is a mistrust and rivalry between Pakistan and India and global competition between China and USA. India on the other hand, is collaborating with USA for maximizing her powers and China and Pakistan are working together which can start a new race of economic dominance in the region between India and USA and China and Pakistan. However, China with some concrete efforts can normalize bilateral relations between Pakistan and India and can overcome USA influence from the region (ALI et al., 2020; Hassan, 2020; Khan et al., 2018; Rehman et al., 2018).

**Conclusion**

The present study is aimed to test the hypothesis that CPEC is a game changer for Pakistan. For testing the hypothesis, researcher reviewed books, articles, reports and all the other documents published on the subject of CPEC and its benefits for Pakistan. The findings from the review of secondary data indicated that CPEC is a mega project with a lot of positive implications for the socio-economic development of Pakistan. CPEC is targeting four zones of development in Pakistan including energy, industry, roads, communication, sea port, highways, airports and many sub-projects of socio-economic development. Based on the findings, it is rightly claimed that CPEC will be a game changer for Pakistan as its impact are very wide on socio-economic development as well as on energy crises, foreign relations and balance of power and security in the region. It is a common consensus among policy makers and researcher that if implemented successfully, CPEC is a potential mega project which will increase employment opportunities for Pakistanis which in turn will enhance their quality of life and living standard. On the other hand, it is also believed that CPEC will also increase bilateral relations between regional stakeholders in South Asia which in turn will ensure regional peace and prosperity. Hence, CPEC is a game changer for Pakistan because of its many folds positive outcomes.
References


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