Impact of CPEC on Ecological Civilization and Socio-Economics in Pakistan

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Abstract. CPEC is one of the most talked about projects in the modern time. This mega project is a result of collaboration between Pakistan and China. This project has been initialized by China to ease its trade with other countries. This project is not only about construction of port and roads. After the completion of this project, there would be a complete shift of culture and economy in both countries. The economy of China would get a boost and the economy of Pakistan will shift towards a positive change. Both countries would get a blend of cultures as a result of CPEC. The friendship of Pakistan and China would get a sense of direction as well.

1. Introduction

The term CPEC which stands for “China Pakistan Economic Corridor” is a revolutionary project for both Pakistan and China. Foreign relations of Pakistan with every country keep on changing waves with time. China is among those countries which have always kept a friendly stance with Pakistan in all matters. Since the foreign relations of both countries have started, there have been no major issues or conflicts between both on any matter. China started diplomatic relations with various countries in 1951. Pakistan is among those countries. The major influence of China in this region now-a-days is due to the collaboration of Pakistan. Pakistan has always stood by China in all sorts of political circumstances. China has also been quite friendly with Pakistan. Where we always had threats from our neighbors in the past, China has always provided us peace of mind through its collaborative gesture. China is the most emerging economy in the world at the moment. How could Pakistan not benefit through its relation with such a country. China has currently the second largest economy in the world. Talking about the economic relations between both the countries, Pakistan and China started their trade of goods and services in 2003. This was the first step towards a long-term economic solidarity. Later in 2006, free trade started between both countries through free trade agreement. What else was required to kick-start the things. These events led to the sound economic relations between both countries. There is also a rapid increase in the investment of China in Pakistan. This investment was estimated $100 million in 2011. Now this investment is crossing the figure of $700 million and still increasing every year [1].

Pakistan is considered to be one of the most important countries in terms of strategic significance. Major trade routes pass through Pakistan. Arabian Sea has a direct connection to our shores. This factor also proved to be a factor of keeping both countries on the same page. China always seeks easy and resourceful routes for trade. What else could be better routes than the routes Pakistan? China has also been with Pakistan in terms of defensive cooperation. All this has been done to ensure the safety of this region. If there is exists any sort of imbalance in the security factors of this region, this may lead to loss of trade routes to China and other countries as well. This support of China has not only benefited Pakistan, but also kept China in peace of mind in various manners. To summarize the strategic collaboration of both countries, it can be stated that China and Pakistan both benefit through their cooperation in every matter. Keeping all these cooperative measures into account, China brought forward a development plan in Pakistan named China-
Pakistan Economic Corridor. Pakistan is among those countries that always try to attract international investors [2]. Having such a massive investment plan in Pakistan for long-term benefits is a golden opportunity for Pakistan to avail. Where China is taking advantage of Pakistan’s routes for its trading, Pakistan can take advantage of this economic corridor to stabilize its economy. Focusing properly on this project would ensure economic growth for Pakistan. The total investment on CPEC is about $60 billion. This amount will be spent on infrastructure as well as energy reserves. Pakistan would get investment towards all major sectors where it is lacking economic growth. All this investment will surely reap the benefits in the future. Wherever there is an investment, there are always risks associated with it. Nobody can claim that the investment on CPEC would go in vain. All the stakeholders associated with this project can expect a return of efforts in the future.

2. The Main Body of this Paper

2.1. China Pakistan Economic Corridor

Pakistan has taken a leap towards a solid economic growth by collaborating with China in CPEC. There have been various agreements between both countries over the past years. But this project is one of a kind. Due to this step, the whole world is recognizing this endeavor as a massive success for both countries in the time to come. Every politician in Pakistan and even the local citizens are also convinced that this project will bring betterment to our economy as well as relations with China. At the moment, Pakistan has no major attraction for investors. Due to this project, more investors are now shifting their interests towards Pakistan. This is just a mere estimate. We know that the huge investments made on this project and the geographic significance of Gwadar port can bring us unlimited benefits in the time to come. China always promotes trade. Gulf countries are the major hub of trading in the world. The most important trades emerge from these regions. China also does trade with these countries. Before the concept of CPEC, China used to adopt a very adverse kind trade route. It included South-China Sea and Arabian Sea for the trade between China and other countries including Gulf countries. The major trade routes of China across the world include Atlantic Lan, Pacific Lane, and Indian Lane. The trade through these routes not only takes a lot of time, but also causes the consumption of a lot of resources. Whether it is about imports or exports, China has to follow these routes for the completion of trades [3]. Now that China is moving towards the use of CPEC for trade, there is no issue to China in terms of adopting long routes for trading. There is now a direct link between China and other countries through the pathway to be created by CPEC. The seaport of Gwadar will act as the primary source of trade for China in the time to come. The trade plan proposed by China is known as “One Belt One Road”. After the successful completion of this plan, China would generate more GDP as a result of immense trading. This increase in GDP would make China the largest economy in the world. In this plan, two major routes have been defined. On route is through ocean known as Silk Road. The other one is the land route that has been stated as Economic Belt. China Pakistan Economic Corridor is a major part of this “One Belt One Road” plan. This route will pass from Pakistan up to Gwadar port. China is one of the biggest importers of oil in the world. To get the oil, the import route is the same. The route of Arabian Sea and South-China Sea is adopted for this purpose also. After this project, proper route would be developed between Gwadar port and China. China would no longer need to follow sea route at all. The oil import would be done through Gwadar port and Pakistan. The matter of weeks would reduce down to only days. Pakistan has one of the most beneficial ports in the world named Gwadar port. This port is located in the south of Pakistan in Baluchistan. The role of Gwadar in CPEC is more than any other medium of transportation. The construction of this port has always been a serious issue in the past. No proper measures could be adopted to start the construction of this port. Finally in 2007, the construction of this port started and it was included as a major part of CPEC. A complete road has been planned to ease the imports and exports of China [4]. CPEC is not merely a single road leading to China for trading purposes. It is an extensive network as stated by Pakistani Officials. The given figure shows that how the CPEC project is divided into parts.
Figure 1. Source of CPEC money in Pakistan.

“The China-Pakistan Economic Corridor (CPEC) is not a solitary road; it is a vast network. It will spur the growth of industrial zones supported by energy plants, linking Kashgar in China to Gwadar. All provincial capitals would serve as fundamental nodes for the CPEC, upon which the corridor would be constructed.”

2.2. What Significance CPEC Holds?

The economy of Pakistan is struggling and has always faced ups and downs in the recent times. To have such a massive project with an economically stable country like China is a beneficial step. No matter which sector you pick, CPEC is already bringing a revolutionary change to every major sector of Pakistan. It is a win-win situation for both countries. China means trade and Pakistan demands economic growth. CPEC is offering both countries the ways to achieve their goals. Pakistan can attain the following benefits through CPEC in the time to time:

2.2.1. Job Opportunities

Lack of jobs has always been a serious concern for a country like Pakistan where economy faces unstable circumstances most of the time. This project has highways, roads and various trade routes. People belonging to diverse fields are involved in this project. This would surely bring more jobs to the people of Pakistan. These jobs not only include labor work. People belonging to major fields like engineering, management, and other sectors would get a massive boost in jobs. The unemployment issue of Pakistan would also get resolved to a major extent due to this huge project.

2.2.2. Strengthening of Relationship

Even before the start of CPEC, Pakistan and China were in good terms with each other. Many political imbalances came with time, but they didn’t cause any differences between both countries. After the completion of this project, both countries would work in coordination with each other in trade and other such matters. The economic and social relations of both countries would get a sense of direction through this project. Individuals of both countries would collaborate with each other more than before. More exposure will open doors for the people of both countries to connect with each other. Social importance of CPEC is hidden to none. The positive global image of Pakistan-China friendship would get a boost in future [5].

2.2.3. Economic Boost

The routes of Pakistan are being utilized for the trade routes in the project. Investment would increase, jobs would increases, and trade would increase, thus making the economy of Pakistan stronger than ever. These routes would be utilized by China to establish trade with other countries. On one side there is an economically stable country like China and on the other side there is
Pakistan that is rich in natural resources. Having a project of this scale would cause a rise in economic growth at a rapid pace. The given below figure show the economic boost or investment in CPEC project.

**Building Ties**
China has made Pakistan a key partner through infrastructure investment, much of it in China-Pakistan Economic Corridor projects.

| Top recipients of Chinese infrastructure investment | Planned CPEC investment |
|---------------------------------------------------|-------------------------|
| Russia                                            | In billions             |
| Pakistan                                          | $77.7                   |
| Egypt                                             | $18.1                   |
| Bangladesh                                        | $12.3                   |
| Kenya                                             | $13.0                   |
| Laos                                              | $9.1                    |
| Kazakhstan                                        | $5.4                    |
| Thialand                                          | $4.3                    |
| Sri Lanka                                         | $2.7                    |

Sources: BMI Research (recipients); Pakistan government  THE WALL STREET JOURNAL.

**Figure 2. CPEC investments in Pakistan.**

**2.2.4. Development of Infrastructure**

Infrastructure proves to be the index of a country’s success. The province of Punjab is rich in infrastructure. Other provinces would also get a boost in infrastructure development through this project. To develop a proper route for the trade of China, more roads and railway tracks would be built throughout the route. This would boost the infrastructure development in this region. Where there would be more roads and means of transportation, there would be more attraction for the people from different backgrounds. The given figure shows the Infrastructure of CPEC project.

**Figure 3. CPEC infrastructures in Pakistan.**

**2.2.5. Tourism Attraction**

Tourism is a major sector that brings revenue to a country. Construction of Gwadar port will also bring tourists from around the world to Pakistan. Gwadar has the potential to be the tourist resort. There are constructions being made in Gwadar and the natural aesthetic beauty of Gwadar will surely give the tourism sector of Pakistan a boost in the years to come. What else can be better than
having a port like Gwadar that can be used as an international trade route as well as tourism resort? All these possibilities have been made by CPEC.

2.2.6. Socio-Cultural Diversity

CPEC will bring huge economic benefits to the economy of Pakistan. It does not end here. Pakistan is already rich in culture. After the completion of this project, you would see Chinese inflow in the region of Pakistan. Chinese language would find its place in our culture. A diverse kind of culture would evolve in this region where Chinese people and Pakistanis would get in connection with each other. More tourists would add more cultural diversity in our culture.

2.2.7. Foreign Investment

Gwadar port is already witnessing major investments from international investors. Various multinational companies have started working on this project and many others are in the line-up to star their work. Shipping companies, automobile companies, and companies belonging to various sectors are opening their offices on Gwadar port. This is a clear indication of foreign interest in CPEC. Pakistan is getting huge benefits from such massive inflow of investors. No tendency can claim that CPEC is a failure or a wrong step for Pakistan by any means. Even before completion, CPEC is getting global attention and the future scope of this project is already visible.

2.3. Literature Review

2.3.1. Mega Projects of CPEC

There is a misconception among various people that CPEC is all about roads and railway tracks. CPEC is composed of various projects. This project will offer complete trade route access to China to various countries. As the name suggests, China would get a corridor for easy trading and Pakistan would a corridor for economic growth [6]. This project is free from the limits of only roads and railway tracks. Among these projects, there are some major projects that are massive and considered among mega projects in the world at the moment.

2.3.2. China Pakistan Rail Line

Every type of infrastructure brings advancement. It can be road, railway track or bridge. Railway tracks also prove to be quite beneficial for the trade as well as travelling. China Pakistan Rail Line is a direct railway track from the south of Pakistan to China. This rail line holds immense importance as it would directly link Pakistan with China. Many businessmen would be able to travel through this railway route for their business purposes. Trade would also increase through this railway route. This route will reduce the distance between China and Pakistan up to 400km.

2.3.3. Thar Coal Power Station

Pakistan has always faced the issue of energy crisis. We mainly use water to generate electricity for the entire country. There various other sources of electricity generation. But we have never endeavored to use our natural reserves to produce cheap electricity. We also don’t have enough dams to store excess of water for electricity generation. In such cases, there is a need for using other electricity generation resources as well.

Another major project in CPEC is the Thar Coal Power Plant which was laid to foundation in 2014 when Pakistan was facing energy crisis in the form of electricity shortage. An estimated investment of $2 billion has been made on this coal project. This project will not only benefit Pakistan in terms of electricity production, but also enable Pakistan in using its own coal reserves in Baluchistan. The electricity generated due to this project would be cheaper compared to other sources of electricity [7].

2.3.4. Karachi to Peshawar Motorway

Transportation through motorway is easy and also saves plenty of time. Lahore to Islamabad motorway has proved to be quite beneficial in terms of travelling. CPEC has offered another
effective motorway connecting Peshawar with Karachi. This is a new advancement in the travelling routes across Pakistan. Those people who travel to areas like Peshawar and Karachi on a regular basis can now easily travel without paying by-air expenses. This motorway would also connect Pakistan to China by road. After successful completion, visitors would be able to enter China through road. Businessmen would benefit a lot from this motorway. Motorway ensures ease in travelling and brings more businessmen towards the use of motorway for travelling purposes.

2.3.5. Construction of Gwadar Port

Gwadar has always been in the spotlight. Even before its construction started, it had gained the attention of various stakeholders due to its features as well as geographic importance. There are various ports in these regions for trading. None of those ports hold the same importance as that of Gwadar port. When it comes to the construction of Gwadar port, no other project turns out to be more important than this one. Gwadar port is under construction and all the plans have been directed to make this port a business hub. Various hospitals, roads, and hotels have been built here to give this port a professional look. The port of Gwadar will save the time and resources of China during its trade with other countries. China was following the long-distance trade routes before Gwadar. After successful completion of Gwadar port, China and Pakistan would get a proper trading route for international trade.

2.4. Challenges to CPEC

The massive scale of CPEC will bring benefits in the future to Pakistan as well China. But along with the benefits, there come various challenges for CPEC. These challenges remain there until the project completes and shows its success to the global audience.

2.4.1. Geo-political Challenges

Pakistan has always been a target for many countries due to its strategic importance as well as influence in the world. Its collaboration with China can turn out to be massive success and surely the influence of both countries would increase after this project. Both China and Pakistan are nuclear powers and can strengthen their position in the world. USA has been superpower for quite long. The race of economic growth is always active in the modern world. USA is currently the largest economy in the world. China is the potential contender to become the next biggest economy in the world surpassing USA in this sector in the future. Exports of USA have always been huge and China has now surpassed USA to become the largest exporter in the world. GDP of USA is still more than China. To cross USA in terms of GDP, China needs to increase its trade. Once this would become possible, China would be marked as the largest economy in the world. To make this happen, China has adopted CPEC project rather than relying on previous trade routes through Arabian Sea and South-China Sea. There are various agents that don’t want this project to complete. China will emerge as a strong influence in this region after this project and this is not acceptable to various countries around the world. This endeavor of China to surpass USA in economic sector is clear to the entire world. USA is now seeking ways with its alliance to restrict China from becoming the next superpower. Pakistan has a lot of opposition to face from its hostile countries for this project. These tendencies don’t want a mega project like CPEC to make China stronger on economic grounds. CPEC has made anti-China as well as anti-Pakistan active and various propagandas are already in progress to stop this mega project to stop [8]. This economic warfare is a potential challenge for CPEC.

2.4.2. Security Challenges

Many tendencies are spreading the propaganda that Chinese forces would get a strong hold in this region after the completion of CPEC. Chinese are assumed to be exploiting the natural resources in Sindh. China will bring the demographic changes in Sindh and the entire cultural background of Sindh will be destroyed. Such threats eventually find their place in the discussions of CPEC. Another major security threat is that anti-Pakistan forces are already active to spread negative assumptions about this project. Where there is a discussion about the benefits of CPEC to Pakistan
and China, there is also discussion about the lack of economic stability of Pakistan to sustain its economy even after the completion of CPEC project. This region of Asia holds importance and many countries want to increase their influence here. Such thoughts are spread by such hostile countries with a sole purpose to make this project a failure before it completes.

From 2007 to 2017, there have been estimated more than thousand terrorist attacks to stop this project from completing. Endeavors to spread a sense of insecurity and havoc are underway since the beginning of this project [9]. The inhabitants of Baluchistan are not well-educated and unaware of the benefits of CPEC. There have been various occasion where Baloch Nationalist Movement has been promoted by hostile tendencies just to provoke the people of Baluchistan that they need to oppose this project, otherwise they would lose their habitat as well as culture due to massive development. Due to massive hype of this project, Gwadar port is attracting some serious investor from around the world. Other countries like Dubai and Iran are clearly sensing that this port would reduce the trade through their ports. Thus we can expect opposition through hidden means to stop this project.

2.5. How Provinces Would Benefit?

There is an unequal scenario among the provinces of Pakistan in terms of infrastructure and facilities. Punjab is the province of Pakistan with the most well-established infrastructure. There is advancement in this province by all measures. The provinces of Sindh, KPK, and Baluchistan are not well-flourished at the moment. There are only a few sectors in Sindh that are well in progress. Otherwise, there is a lack of advancement in these provinces. CPEC has offered a golden opportunity to our government to ensure the growth of these provinces. None of these provinces lacks resources. Our country is rich with resources. These resources are spread all across Pakistan. All these regions need is a global coverage to start growing. While talking about the province of Baluchistan, the major concern that strikes the mind is the lack of population in this region despite of the fact that Baluchistan holds 45% of Pakistan’s total area. The total population in this province is not more than 5%. CPEC project will act as a game changer for this province by all means. First of all, the development of trade routes passing through Baluchistan will increase its geographic importance. This would attract massive inflow of population in this province. More population would result in economic growth in this region. The lack of population would suddenly be covered by the CPEC project. Not only Pakistanis would prefer living in Baluchistan, but also the Chinese individuals would also keep engagement in this province due to trade reasons. Baluchistan currently lacks influence and major facilities. After the completion of CPEC, Baluchistan would become the zone of influence in Pakistan. This would ensure better health and educational facilities for the villages and remotely populated people in Baluchistan. Baluchistan would get a global coverage due to these routes passing through its remote areas. It would bring international traffic to Baluchistan. Unemployment rate would fall to a significant level. Baluchistan, where the culture of landlords was prevalent, would become more of an advanced area because of CPEC. The social reforms in Baluchistan would be quite easily visible once CPEC routes start handling traffic. Sindh would get its own motorway up to Peshawar and this would increase the significance of both Sindh as well as KPK. Due to such advancements in a region, there evolve some cultural changes as well. The culture of Sindh and KPK is not based on educated backgrounds. The cultural reforms due to CPEC would ensure the reduction in the landlord culture in these areas. Moreover, the militant tendencies would also reduce in these areas due to advancements and increased inflow of people. The given figure shows the analysis of how the investors invest in CPEC project.
3. Conclusion

China-Pakistan Economic Corridor is a testament to the friendly relationships between Pakistan and China. China has always been supportive to Pakistan. The same goes for Pakistan as well. China adopts a much difficult and non-effective trade route at the moment to perform its trading. CPEC offers a proper trade route to China. This trade route will not only ease the trading for China, but also ensure a boost in the economy of China as well as Pakistan. CPEC comes with its benefits as well as challenges. But the current stats and circumstances clearly depict that CPEC will bring economic and social reforms in both countries. Pakistan will highly benefit from this project in every sector. All the provinces will get a chance to excel in terms of economy and social growth. There would inflow of investors as well as multi-national companies in Pakistan. Pakistan, which is considered as an economically unstable country, would get a golden opportunity to revive its economy and shift it towards growth. Pakistan would become a major trading hub due to Gwadar port and all the major trading traffic would pass through it.

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