

Impact of China-Pakistan Economic Corridor (CPEC) on National Development and Integration in Pakistan

Vol. VI, No. I (Winter 2021)

URL: [http://dx.doi.org/10.31703/gpr.2021\(VI-I\).05](http://dx.doi.org/10.31703/gpr.2021(VI-I).05)

Pages: 50 – 65

p- ISSN: 2521-2982

e- ISSN: 2707-4587

p- ISSN: 2521-2982

DOI: 10.31703/gpr.2021(VI-I).05

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Abstract

Islam This research focuses on the impact of the China Pakistan Economic Corridor (CPEC) on the national development and societal integration in Pakistan. Substantial literature is available on the geo-political and geo-economics of CPEC; however, a literature gap exists on the interplay of the domestic politics of Pakistan and the CPEC. I want to explore the intrinsic linkage of federal and provincial disputes, which influence the implementation of CPEC and how such dialectic relationship is affecting nation-building and societal integration in Pakistan. The central argument I want to build is that how such a mega-investment project to the tune of US\$ 62 billion, unprecedented in Pakistan's history at the most critical times of economy and energy crisis, is creating inter-provincial disharmony and polarizing the masses. In answering this question, the articles examine multiple standpoints in Pakistan and present critical inquiry of the impact of domestic politics on the CPEC, nation-building and societal integration by applying the theoretical lens of nation-building and societal integration.

Key Words: CPEC, National Development, National Integration, Disharmony

Introduction

The China Pakistan Economic Corridor (CPEC) officially inaugurated during President Xi Jinping's visit to Pakistan on 19-20 April 2015, where he also delivered a speech as a guest of honour to the Pakistani Parliament. It may be noted that this visit was originally scheduled in 2014, but "due to political protests in Islamabad led by a Pakistan Tehrik –e– Insaf, the political party now running the government, it was cancelled" (Haider 2014: 1) and rescheduled to 2015. The political temperature from 2014 until new elections in 2018 remained

extremely challenging due to large-scale anti-government rallies and heightened tension between centre and provinces. Additionally, the country had remained deeply embroiled in a fight against terrorism, infrastructure and human losses and serious energy crises. The incumbent government of the Pakistan Muslim League was confronting serious domestic challenges and attempting to restore the writ of the government and investor's confidence in order to reshape Pakistan's future economic course. Despite all

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challenges, “the CPEC was launched on 20 April 2015”(Hourelid 2015:2). President Xi Jinping highlighted his views about the future of CPEC as a long-term project spanning over a decade, involving changes in the ruling dispensation in Pakistan, therefore, stressed on the consistency of policies and firm commitment to make it a success. President Xi highlighted the contours of CPEC by stating, “practical cooperation with focus on Gwadar Port, energy, infrastructure development and industrial cooperation, so that the fruits of its development will reach the people of Pakistan, China and the region”(Anon 2020a:1). Since its launching in 2015, several controversies surfaced regarding the future of CPEC, and intense debate appeared on the national scene. The mega investment project should have provided a unique opportunity of mutual benefits for the federating units from massive employment opportunities, infrastructure development and reviving the engine of a stagnant economy in the backdrop of negative impact of counter-terrorism operations in Pakistan. Instead of unifying the nation for a common cause of economic development and eventual prosperity, the CPEC overshadowed by parochial provincialism, sub-nationalism and myopic party interests, which, apart from weakening the federation, also created a diplomatic row with Chinese government. The issue was unnecessarily politicized without understanding its spirit, factual data and empirical evidences. The opposition parties labelled CPEC as a stigma for Pakistan with varying interpretations voicing serious concerns and reservations on its future and divided the masses into petty provincial lines. Even the provincial assemblies passed legislation against CPEC demonstrating varying degrees of dissatisfaction over the route controversies and potential benefits for their provinces. The current government of Pakistan Tehrike Insaf (PTI) during the initial days of assuming office also put CPEC on the secondary priority, which raised concerns in Beijing about the future prospects of Chinese investment under precarious law and order situation and highly contentious political environments in Pakistan. “CPEC was on track until mid-2018 when a transfer of power in Pakistan changed everything: the new government of Pakistan under the leadership of

Prime Minister Imran Khan effectively took steps to scale down CPEC”(Aamir 2019:5). Today, in Pakistan, the mixed perception regarding CPEC prevails. Despite the potentials of progress and development through megaprojects, there are concerns and misperceptions. Another debate fuelling the controversy is regarding debt payment with a higher rate of interests. The international analyses have also highlighted it as a potential debt trap for Pakistan, which has remained a heated debate in Pakistani media. To counter such misapprehensions, the Federal Planning Minister, Mr Asad Umar, stated, “Such assessments are not based on factual analysis”(Siddiqui 2019:3). Another popular myth, which has caused serious tension between the provinces and the centre, surrounds demographic changes on likely Chinese purchase of lands and other developmental activities in Pakistan, which has been politicized to the extent of common phrases without empirical evidences as “an attempt by China to colonize Pakistan”(Javed 2020:5). In the overall construct, the route controversy, location of special economic zones (SEZs), demographic changes, employment of local workers, the share of local governments in the benefits of CPEC and attitude of provincial stake holders, like people of Gwadar and Government of Baluchistan and resource distribution among centre and provinces present complex web of issues, hampering its implementation and seriously affecting integration matrix in Pakistan. The most disquieting statement surfaced against CPEC from Awami National Party’s leader Mr Asfand Yar saying “let me make it clear that if any alteration is made in the original route, we will make the project more controversial than Kalabagh Dam. We are not against the venture, but against the move that only Punjab will reap its benefits”(Khattak 2015:4). Such a big statement echoed across the country caught analysts by surprise as no one forecasted this eventuality and harsh standpoint. Such statements also generated uneasiness in Beijing about the future of CPEC.

While substantial literature is available on different aspects of CPEC and BRI, however, the fragility of the federation of Pakistan creating consensus among the provinces and political parties have been overlooked. The core research

question, which is the interplay of development and prosperity with national development and disharmony, is a new debate surrounding the implementation of CPEC in Pakistan, which has been explored to fill the literature gap by examining the important constituents of CPEC and its dialectics with the national development and societal integration in Pakistan. It is also very relevant policy input at the time when the new government in Pakistan has settled for some time now and reassessing its policy orientation towards implementation of CPEC.

Theoretical Framework and Methodology

The theory of national development and social integration investigates the impact of CPEC on national development and integration in Pakistan. Karl Deutsch describes national integration as an amalgamation of two words, i.e. nation and integration, which transforms the shared experience in the sense of common community and nationality that binds them together into an effective relationship and provide foundations of common identity. This procedure of assimilation help in the “development of national culture, belief system, and eventually the national system”(Senghaas 2007:89). Follet Mary Parker describes the integration as “breakdown of the contention of each side into their component parts and then bringing them together in a new arrangement in which all find satisfaction”(Follett 2011:89). Rupert Emerson highlights “integration is the practice charted by the ethnically plural society where, different groups with varying cultures, customs, values and language are diffused into one national culture which eliminates parochial loyalties”(Emerson 1960:33). Daniel Lerner highlights that national integration is the maintenance of balance between “rising expectations and dynamic equilibrium in the process of change by striking fine balancing acts between societal dynamism and societal equilibrium”(Lerner 1958:103). The national development and social integration theory posits that the state should undertake equitable development of all the federating units impartially and demonstrate absolute transparency. Any economic development should address the socio-

economic deprivations of marginalized communities and should open new vistas of mainstreaming such underprivileged population. The phenomena of national development and societal integration are the “profound relationship between state and society” (OECD 2008:2), which in the case of Pakistan was always a challenge. There is generally a lack of communication between policy planners and the population, which inhibit the true spirit of mega-development projects despite benign intents. Hippler opines that for a successful model of nation-building, a triangle of “state-building, social integration and ideological legitimacy is its corners”(Hippler 2005:37).

In the context of national integration, the international crisis group report highlights pitfalls in the early conception of CPEC, where they consulted only the core group and formulated implementation strategy with complete disregard to ethnic, social and cultural underpinnings of Pakistan. The report rightly underscores that such high-value economic investment risks “widening social divides and heightening political tensions along the route and Islamabad should seek public’s input to ensure equity in economic gains”(Anon 2018). For Pakistan, where more than 70% of people live in rural areas, and more than 25% of people live below the poverty line, apparent development and prosperity are only visible in few urban centres benefiting around 25% of the entire population. In such a disproportionate rural-urban divide and abject poverty, CPEC promises enormous prospects of mainstreaming underdeveloped areas and population. In this context, investigation of different components of CPEC helped in exploring its impact on national integration in Pakistan. Another important aspect is the interplay of foreign and domestic factors shaping the policies of nation-building in Pakistan. There is a need for great harmony between external obligations and domestic public sentiments. The current situation of CPEC is an apt manifestation of both external and internal environments and potential disagreements creating fissures inside Pakistan. The Chinese government sensing the rising political discontentment in Pakistan, outlined policy through White Paper in 2015 covering the entire Belt and Road project (BRI) and left the implementation

choices “to the complete discretion of relevant countries” ([Xinhua, 2017](#)). While in Pakistan, lack of information, less public interactions and confinement of planning processes to core group has created the environment of mistrust and blame game. Each province is vying for enhancing its share of the pie, but after sensing the feeling of marginalization, has adopted a collision course that has made the entire project controversial. Another aspect considered for in-depth analyses is heterogeneity in the Pakistani population, with challenges of binding them together in a cohesive whole for a unified cause of making CPEC a success as a Grand National undertaking. To authenticate the investigation process, the content analyses of various statements of Pakistani political leadership from the time of CPEC inauguration since 2015 have been analyzed as empirical evidence to validate the arguments. By using exploratory research design, the examination of quantitative survey for obtaining first knowledge on the public pulse from all the regions of Pakistan by stratified random sampling method is incorporated. This has been processed through Statistical Package for Social Sciences (SPSS), and results are indicated in table 1 to 3, which has helped in building comprehensive analyses on the impact of CPEC from the public’s point of view.

Examining CPEC and National Development in Pakistan

CPEC is a true manifestation of Pakistan-China all-weather friendship, which today stands as Iron Brothers. CPEC is the first mega-investment project, which laid the foundations of economic partnership with China, as previously the cooperation was more in the military domain. In the year 2006, Pakistani military ruler Pervez Musharraf proposed building a trade corridor between Kashgar passing through Karakorum Highway (KKH) and joining Pakistan’s southern coast at Gwadar. In the overall scheme of planning, Gwadar emerged as fulcrum of the entire corridor with immense potentials of regional connectivity and economic development of the most impoverished province of Baluchistan; however, “the political instability during his last days in office could not allow initiation of this

undertaking” ([Ishaque 2016](#):136). The year 2013 was highly beneficial in this regard as Chinese premier Li Keqiang, and President Asif Zardari “formally initiated the dialogue process” ([Ishaque 2016](#):138). With Prime Minister Nawaz Sharif, taking office initiated a grand vision of eliminating power shortage through fast track implementation of CPEC and got full support from President Xi Jinping during his first visit to China in 2013. It was reiterated that the CPEC would benefit Pakistan, China and the entire region and “serve as a catalyst for the economic development of Pakistan” ([PRC 2014](#):1), unprecedented in the country’s history. CPEC was inaugurated in 2015 during “President Xi Jinping’s visit to Islamabad for US\$ 46 billion” ([Hourelid 2015](#):1) and later “increased to US\$ 62 billion.” ([S. Hussain 2017](#):1). This is 3000 kilometres long corridor linking Kashgar with Gwadar Port in the Arabian Sea. CPEC comprise three main segments; the Karakoram sector, the Gwadar sector and the mainland Pakistan energy and infrastructure development projects. In the Karakoram sector, up-gradation of existing Karakoram Highway (KKH) to 90 feet wide expressway, construction of tunnels along the route avoiding long winding and maintain reasonable road height. The proposed railway link between Kashgar-Islamabad is also at the feasibility stage. Fibre optic link and oil and gas pipelines are also in the master plan of this sector. The development of Gwadar port is the lynchpin of CPEC. The port initially built by the Chinese in 2007-2009 but later handed over to Singapore Port Authority. After going through intense international arbitration, it is now under the joint control of Pakistan and China. The development comprises; “construction of Gwadar international airport, port handling capacity to 100,000 dead weight tonnage (dwt) of dry cargo and 200,000 dwt of oil tankers” ([Sial and Muhammad 2015](#):169). It has twofold significance; for Pakistan, it serves as an alternate to Karachi port from both defence and maritime shipping point of view, and for China, it is the shortest access to the Strait of Hormuz, approximately 3000 kilometres, avoiding Malacca dilemma. Additionally, oil refinery, transit and storage terminals are included in the master plan. The last component is mainland Pakistan, which includes a motorway to Karachi and

Gwadar, Hazara motorway and an additional western route through the province of Khyber Pakhtunkhwa (KPK) and Baluchistan. The “energy-related projects mostly in the power sector to the

tune of US\$ 35 billion”(Sial and Muhammad 2015:178) are in the master plan, and most of them are complete by now

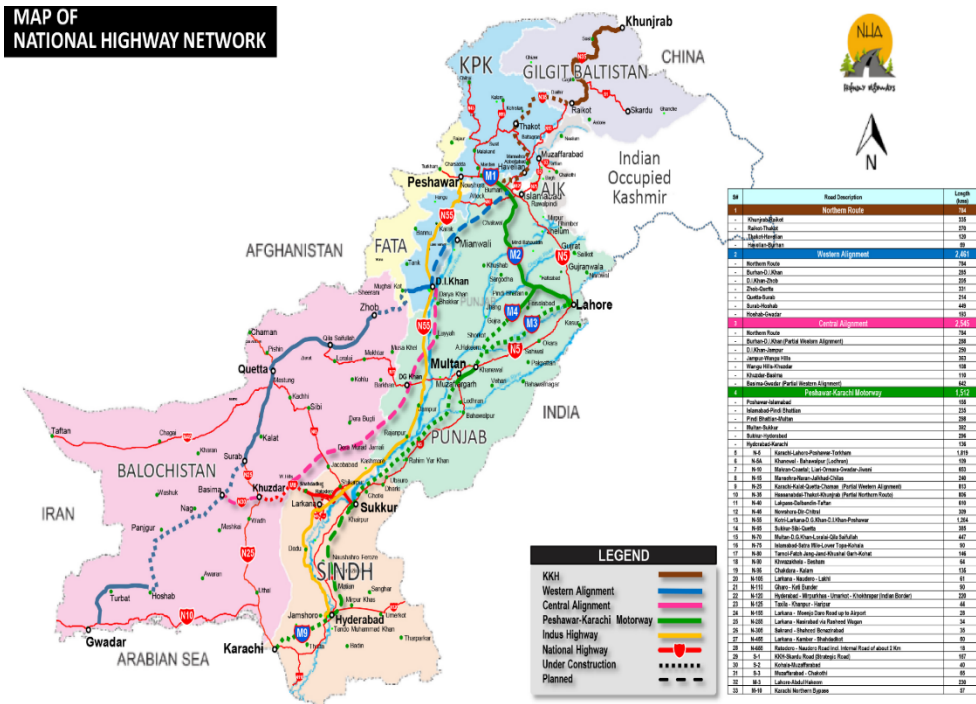


Figure 1: Source National Highway Authority Pakistan <https://nha.gov.pk/wp-content/uploads/2016/04/NHA-Map.jpg>

In the next phase, initial work on Special Economic Zones (SEZs) has commenced, while “Hazara, Lahore, Multan, Sukkur and Karachi motorways have been inaugurated”(Anon 2020b:4). It is worth noting that the mega-investment by China at a time of precarious security, energy and economic conditions is a hallmark of all-weather friendship. Apart from boosting investor’s confidence in Pakistan, CPEC promises enormous potentials of comprehensive development, generation of employment opportunities and changing the economic face of all the provinces of Pakistan. However, the trivial and short-sighted policies based on provincialism and regional politics has divided the public opinion along ethnic and tribal lines, where instead of benefitting from the fruits of development, unnecessary controversy surfaced, which is negatively affecting

the national integration and harmony. Despite “deliberate efforts made by current ruling party Pakistan Tehrik Insaf (PTI)”(Abbasi 2020:3) yet the “simmering effects of tension prevail”(Anon 2019:2). Pakistan’s military leadership, who is also providing foolproof security to all CPEC projects, is firmly committed to its timely completion. Amid controversies, the military chief assured the visiting Chinese ambassador that “CPEC is crucial for Pakistan’s economic development, therefore, will be pursued relentlessly”(Yousaf 2018:4). The core takeaway from national development theory is that developmental activities, when undertaken in the absence of national consensus and rather imposing way, weaken the federation, as the stakeholders do not share common themes of development and prosperity. There is a disconnect between policy planners at the federal level, provincial governments

and the public. Lack of correct dissemination and getting public input are also major handicaps creating discontentment and fissures among the population with negative sentiments of marginalization. Very few know the contours of CPEC; therefore, the impact of development is rather hazy and polarized.

Investigating CPEC and National Integration in Pakistan

Pakistan, since its creation on 14 August 1947, has been confronting serious challenges of integration as a unified and harmonious nation-state. Even after seventy-two years of independence, the debate surrounding the challenges of national integration is echoing at different forums. While it is a fact that due to mass migrations in 1947, the leadership of Pakistan had to work hard in providing common identity and nationhood. Because of such apprehensions, Pakistani founder Muhammad Ali Jinnah said: "We are now all Pakistanis — not Balochis, Pathans, Sindhis, Bengalis, Punjabis and so on — and as Pakistanis, we must feel, behave and act, and we should be proud to be known as Pakistanis and nothing else" (Ahmer 2019:5). Another intriguing aspect highlighted by Dr Moonis is that "national integration in Pakistan only emerges in times of natural disasters, national dilemma or an external threat. Once the threat is dealt with, the internal contradictions re-appear" (Ahmer 2019:5). Therefore, "national integration is the pursuit for harmony within the State" (Shah and Ishaque 2017:35). It is noted that "national integration binds every segment of society for a unified cause of serving and development of a nation-state" (Shah and Ishaque 2017:36). Incidentally, the diversity, despite being a strength, could not be optimally capitalized, which generated discontent in marginalized segments of society and the provinces in Pakistan. In wider public debates, there is consensus that "the governance at national level should be able to provide a strong sense of national identity and national pride by equal development and ensuring equal rights for all communities, regions and the federating units" (Shah and Ishaque 2017:37).

There are two contrasting realities about Pakistan's internal cohesion. Despite economic

difficulties, poverty, governance issues and lack of progressive direction, the nation demonstrated a high degree of integration during natural calamities like earthquakes, floods, droughts and ongoing COVID 19. The resilience demonstrated during harmonious response against terrorism amid heavy losses is the testimony of this fact. Similarly, they are forthcoming in charity works and helping their fellow compatriots during crises. However, they demonstrated strong reservations against developmental activities when considered detrimental to their perceived local interests. In this background, there are wider geo-political and geo-economic aspects attached to CPEC, where the detailed inquiry of external and internal factors has helped in comprehensive analyses. The CPEC launched with lot of fanfare in 2015 and then Prime Minister Nawaz Sharif declared it a "game-changer for Pakistan and fate changer for the entire region." (Sharif 2016:5). Such investment by China alone, which now "accounts to US\$ 62 billion" (Zubair 2017:3), is unprecedented in Pakistan's history, so very rightly, such jubilations were justified. However, as the CPEC unfolded in Pakistan, the political temperatures across the country started to rise generating concerns, anxiety and fears behind its motivation, state capacity to deliver and "Chinese fears of security of Chinese nationals and investments" (Anon 2018:3) in the emerging national rivalry over the project. Analysts opine that CPEC is likely to aggravate the "political tension, widening social divides, and generating new sources of conflict in Pakistan" (Zheng 2018:5). It is also feared that "the project risks inflaming longstanding tensions between the centre and provinces and within the provinces over inequitable economic development and resource distribution" (Zheng 2018:5). It is pertinent to examine the academic context of national integration to enable us to build a comprehensive trajectory of the future impact of CPEC.

National Integration theory highlights the "determination of the people aimed at living together sharing traditions, ideals, culture, history, religion, language and customs etc." (Liddle 1970:10). To summarise, the national integration is a "sea containing rivers of diverse cultures and backgrounds blended together for a supreme cause

of national harmony, unity and pride”(Shah and Ishaque 2017:37). In simple words, it is the pursuit of harmony and unity within the state. It is common understanding that every state enjoys tangible and intangible parts of national unity and harmony. The tangible parts include population, territory and resources etc., while intangible include ideology, beliefs, national sentiments etc. At the same time, it is an established sociological fact that some components of state are more vulnerable at a particular time. The state of Pakistan has many fault lines, which can be undermined, therefore at times; the strongest component could become vulnerable because of varying socio-political environment. Analogously, CPEC is a mega initiative aimed at shared progress, development and regional connectivity, which can be vulnerable because of internal vulnerabilities, fault lines and external environments. Furthermore, negative perception regarding any one component of CPEC can become a challenge to the entire project. Resultantly, the national integration faces the brunt of negative repercussions.

Certain aspects of socio-cultural dimensions of CPEC are “creating misperceptions”(Javed 2020:4). The fears of insecurity in underdeveloped regions regarding ethnic identities, tribal culture and traditions and likely infringe of CPEC on their way of living is being resisted. For instance, the Saraiki belt of Southern Punjab is expressing resentment with respect to Special Economic Zones (SEZs). The route controversy is another area of concern that is hampering the spirit of CPEC. These internal impediments can undermine the very sentiment of national integration among the general masses. The following subparagraphs present empirical investigation on the impact of CPEC on the internal scene of Pakistan affecting the integration matrix for developing logical analyses.

Examining CPEC and political polarization in Pakistan

This part examines political controversies, concerns and anxieties of smaller provinces, ethnic communities, marginalized population and governance issues creating political rift against the CPEC. Historically, Pakistani politics and the outlook of political parties have demonstrated

regional behaviour at the cost of wider national obligations. When a political party or any political entity prefers political interests to national interests, it certainly undermines national integration. For instance, the case study of Kalabagh Dam is very relevant in our analyses here. There is no doubt that the primary cause of the controversy lies in ethnic provincialism, but it is also an important fact that political parties remained unsuccessful in building national consensus regarding the construction of the Kalabagh Dam. The Pakistan People’s Party (PPP), which has a nationwide vote bank, “voiced strong opposition to Kalabagh Dam”(Reporter 2018:7), and provincial assemblies of Sindh, Baluchistan and Khyber Pakhtunkhwa (KPK) rejected the same. There have been “political rallies in the past against this project”(Reporter 2005:5). Resultantly dam construction stands shelved even by military governments in the past, despite desperate water needs.

On a similar pattern at the start of CPEC, many political parties expressed their reservations regarding its components and especially the routes. This eventually emerged into major political crises in Pakistan and concerns from China on the emerging political opposition against CPEC. Pakistan People’s Party publicly opposed the route management, which “undermined national integration in Pakistan”(Tribune.com.pk 2019:6). Another provincial party of KPK Province, Awami National Party (ANP), declared that they would continue to oppose CPEC until the meeting of their demands and the original route is restored to benefit “deprived people of KPK and terror ridden former Federally Administered Tribal Areas (FATA)”(Report 2016:6). Similarly, Pakistan Tehrik Insaaf (PTI), which is now in the government, had indicated to renegotiate CPEC to ensure transparency, which generated political row with Beijing. China had indicated to continue to follow the policy of non-interference but advised for “creation of wider political consensus within Pakistan”(Rubab 2018:6). However, with pragmatic handling by both countries, things appear to have settled to some extent. Another controversy is going on between the two major political parties PPP and Pakistan Muslim League (PML-N), “about the credit of initiation of CPEC”(Anon n.d.), and

both are trying to sell the idea of attracting mega investment for the welfare of Pakistani people. Another aspect highlighted by Rana merits consideration that “Pakistan today stands at a crossroads, where it can utilize all resources and benefit from the Economic Corridor or squabble on its provincial divide”(Rana 2015:4). Another significant aspect is that three provincial assemblies passed a resolution against CPEC implementation until addressing route controversy. KPK Chief Minister Pervez Khattak warned that in such a situation, “CPEC will not pass through KP”(Ashfaq 2016:2). Sindh Assembly pressed its demands through a resolution to be included in the “CPEC master plan”(Mansoor 2019:2). Similarly, Baluchistan Assembly demanded its share in the pie, stating CPEC as an “injudicious distribution of projects and funds”(Shah 2018:2). Mr Akhtar Mengal, leader of Baluchistan National Party (BNP), demanded that the rights of Baloch people were “usurped in the name of development and they were treated like slaves and convert people of Baluchistan into a minority on their own soil”(Reporter 2017:6). Another resolution by Baluchistan Assembly demanded “formation of national commission to look into affairs of CPEC and concerns of KPK and Baluchistan”(Aamir 2018:3). A huge row over CPEC also surfaced during protest rallies of PTI chief and now Prime Minister Mr Imran Khan, when Islamabad stood to a grinding halt and resulted in the cancellation of the scheduled visit of President Xi Jinping to Pakistan in 2014. Fearing the rumours about the likely impact of continuous protest rallies by PTI, the Chinese Ambassador Sun Weidong sought special meeting with PTI Chief at his residence, who assured the ambassador that “these protests are not against CPEC,”(Ghumman 2016:3), however, these created a political deadlock with ruling PML (N) government on “wasting precious time in smooth implementation of CPEC”(Dawn.com 2016:7).

It is pertinent to mention that raising concerns regarding any issue is the right of political parties. However, the problem comes when this kind of concerns are not raised at appropriate forums, which then generate negative perceptions as witnessed during controversial public statements made by the political parties. Therefore, one of the

vulnerability, which is haunting the national integration in Pakistan, is inconsistent political behaviour and irresponsible statements regarding CPEC, making it unnecessarily controversial for petty political gains, sacrificing wider national interests of economic revival and uninterrupted development.

Investigating CPEC and Societal Divisions in Pakistan

This part empirically investigates all the statements of political parties in Pakistan, which pertain to societal dimensions. Nationalist Baloch leaders, intellectuals, government officials have been voicing concerns of possible demographic transition, where Baloch people will feel in the minority in their own province. The Baloch senator Mir Kabeer has demonstrated concerns over demographic changes that CPEC is likely to bring among the native population and has demanded strong legislation to prevent the influx of people outside Baluchistan and reiterated “he will not allow the marginalization of native people”(Meer 2015:3). Another Baloch leader Sardar Akhtar Mengal said that a mega-development project which “violates the rights of the indigenous population could not be endorsed without taking people into confidence”(Meer 2015:3). Even the provincial Chief Minister Dr Abdul Malik complained of not taken into confidence on CPEC. There are strong fears among intellectuals that eventually, the demographic shift in Baluchistan is inevitable unless protected by the government laws and demanded assurance for prosperity to the indigenous population, alternatively fearing chaos like situation in the already troubled region with grave consequences for the CPEC and the local inhabitants. The demographic changes have continuously remained in the spotlight, especially in Pakistani media, raising concerns of leadership and people of Baluchistan. Fawad claims, “native population of Baluchistan will be outnumbered by Chinese in 2048”(Yousafzai 2016:6). With such strong resentment against the CPEC, especially from the people and politicians of Baluchistan, the prospects of smooth implementation stand dimmed due to the precarious security situation and the number of attacks against CPEC sites. Very little effort made by

the government to redress the grievances of provinces and lowering the tension, which is affecting the fabrics of society with serious consequences on the national integration.

Examining CPEC and Economic Development of Pakistan

Economic dimensions of CPEC are the most significant, aimed at bringing development and prosperity to the country through mega investment projects. The envisaged progress is contingent upon infrastructure development, communication projects and special economic zones (SEZs). However, these trifold projects are the economic engine expected to generate several economic activities, but at the same time, their implementation is facing controversies. Linking the analyses with previous two sub-parts; the controversies of the route, location of SEZs, employment of the local population in construction activities, judicial and legislative handicaps, land ownership, local rights, and trumpeting of likely colonization of Pakistan by China and unnecessary geo-political debate surrounding Gwadar Port are negative indicators, dis-incentivizing huge foreign investment at the most needed time in the history of Pakistan. The Punjab Government spearheaded the implementation efforts of CPEC and put in place several power projects and Orange Line Train in Lahore, which faced court verdicts, delays and “still not fully operationalized, despite two years behind schedule”(Khan 2018:4). Similarly, Thar Coal Power Project is facing controversy of different nature, first when it was initiated as a “pilot project in 2012 by Pakistani Scientist Dr Samar Mubarak”(NNI 2012:5) and later as part of CPEC, as the “local community is concerned over its economic benefits”(Qureshi and Shaikat n.d.:14). Then the debate is surrounding the provincial share of the pie and reports keep surfacing that Punjab is a major beneficiary of CPEC with “60% economic benefits going to Punjab”(B. Hussain 2017:7). The concerns of Baluchistan substantiated by empirical data that out of 32 districts, 29 live on poverty lines and for entire province other than Gwadar port, no such infrastructure development or SEZs planned, thus “depriving the poorest province of huge benefits at

the cost of Punjab”(Pakistan 2016:1). KPK Province has been raising voices on the location of SEZs near former FATA areas being highly underdeveloped, and Sindh has been asking for “inclusion of Karachi circular railway in CPEC”(Anon 2015:5), while all such issues were debated and settled at all parties conferences and council of common interest, yet simmering effects are generally visible. CPEC as a debt trap for Pakistan has been widely debated for the last few months. Since the Chinese takeover of the operational side of Hambantota Port in Sri Lanka, the phenomena of debt trap amid a low scale is going on, and current chairperson, Planning Commission Mr Asad Umar, has tried to “alleviate such fears”(Siddiqui 2019:8). Former Federal Minister from Balochistan Mir Hasil Khan Bizenjo stated at the floor of the senate, “91% of the revenue of Gwadar Port will go to China, and only 9% will go to Gwadar Port Authority”(Hussain 2018:6). The controversial remarks unfurled by many other political elements as well on different occasions. Some of the politicians argued that it would affect their local industry and small business entities against the interests of the local population. It is reasonably clear that the scale of reservations was too small, but the remarks made were too controversial and enough to create a fissure in the fabric of national unity. Another element that has remained an impediment is controversy about the technological projects and investments made by Chinese firms and people. The fibre optic related projects have faced a conspiracy theory that China will be able to involve in surveillance activities on the lines of Huawei 5G controversy in the western countries. On Gwadar port the local population have insecurities regarding handing over the port to Chinese Overseas Port Holding Company (COPHC) because of “misperceptions generated by sub nationalists of Baluchistan”(Yousaf 2013:6). Additionally, the controversy regarding the Special Economic Zones (SEZs) of CPEC is arguably another impediment to national harmony. There are nine Special Economic Zones (SEZs) of CPEC, and in certain cases, disagreements prevail along the provincial lines as each province wants to get “maximum fruits from Special Economic Zones (SEZs) of CPEC”(Yousaf 2013:9). The demand or

the desire of the provinces may be legitimate, but manifestation may harm the federation and disincentivize the foreign investment.

Examining CPEC and Fragile Security in Pakistan

Both Pakistan and China have been confronting peculiar security challenges in their respective countries regarding violent extremism, intolerance and terrorism. Chinese western province of Xinjiang and Pakistan's KPK and Baluchistan have remained in the spotlight of terrorist actions since the last decade. The CPEC route passes through these nodes, which is a source of serious concern for both Pakistan and China. Each Pakistani province presents a different type of security environments, like in KPK and FATA the threat from Non-State Actors (NSAs) like Tehrik-Taliban-Pakistan (TTP), though now marginalized to a large extent, yet their sympathizers in the form of " sleeper cells remain active for opportunity targets" (Hussain 2018:8). In Baluchistan, militant organizations like Baluch Liberation Army (BLA) and several other such groups have remained active, though dormant at present, but they always strike on sneaking opportunities. In the past, "attacks against Chinese engineers and workers along CPEC have been conducted" (Notezai 2018:7). In Karachi Sindh Province, the "Chinese Consulate was attacked by terrorists and number of Chinese nationals have been targeted from time to time" (Soomro 2018:4). The fragile security situation is a challenge, which is

affecting the national unity and execution of CPEC in scheduled period.

Enquiring CPEC and External Environments of Pakistan

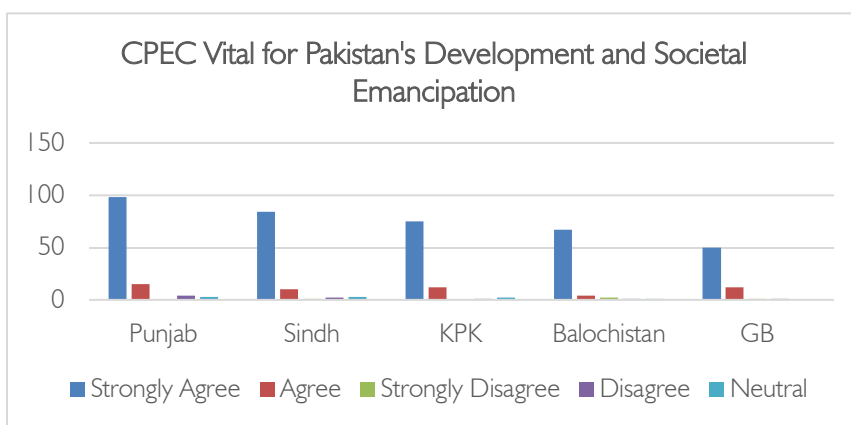
Since the inauguration of CPEC, several geo-political hypotheses have surfaced, generating different controversies. As regional environments of Pakistan are peculiar and complex, where USA, India and Afghanistan have reservations on CPEC, and China is interested in the swift implementation of the project; however, "the major power competition is inevitable" (Ishfaq 2019:2). Pakistan's inner front provides unique challenges, where India and the USA have at several occasions voiced on "exploiting Pakistan's internal fissures to hamper CPEC" (Khan 2019:186). Thus, in power politics, any move is a rational act, which has binding on other states to be more rational, as this system is anarchic. Hence, the external actors in the context of CPEC undermine the fabrics of national unity and harmony in Pakistan.

A quantitative survey of public Sentiments Across Pakistan on CPEC

For building comprehensive analyses, a quantitative survey was also conducted from all the provinces of Pakistan, especially the underdeveloped regions. The participation was enthusiastic and realistic. Three core questions were investigated, which are appended below;

Table 1. Do you think that CPEC is vital for Pakistan's national development and societal emancipation?

Province	Frequency	Strongly Agree	Agree	Strongly Disagree	Disagree	Neutral
Punjab	120	98 (82%)	15 (12%)	0 (0%)	4 (3%)	3 (3%)
Sindh	100	84 (77%)	10 (12%)	1 (4%)	2 (3%)	3 (4%)
KPK	90	75 (77.7%)	12 (15.7%)	0 (2.4%)	1 (3.2%)	2 (1%)
Balochistan	75	67 (86.6%)	4 (9.5%)	2 (2.6%)	1 (1.3%)	1 (0%)
GB	65	50 (66%)	12 (26%)	1 (0%)	1 (4.7%)	1 (3.3)
Total	450					

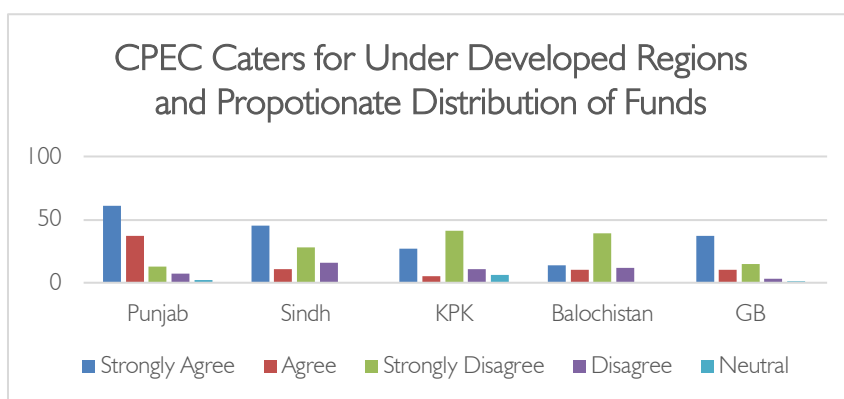


In table 1, the overwhelming majority was of the view that in the times when Pakistan is suffering from huge financial crises, CPEC is a welcome development. It will bring much needed foreign

investment extremely essential for economic revival, infrastructure development and creating multidimensional employment opportunities.

Table 2. Do you think that the CPEC master plan adequately caters for Underdeveloped regions and ensure Proportionate Distribution of funds?

Province	Frequency	Strongly Agree	Agree	Strongly Disagree	Disagree	Neutral
Punjab	120	61 (51%)	37 (31%)	13 (11%)	7 (6%)	2 (1%)
Sindh	100	45 (45%)	11 (11%)	28 (28%)	16 (16%)	0 (0%)
KPK	90	27 (30%)	5 (5%)	41 (45%)	11 (13%)	6 (7%)
Balochistan	75	14 (19%)	10 (13%)	39 (52%)	12 (16%)	0 (0%)
GB	65	37 (57%)	10 (15%)	15 (23%)	3 (5%)	0 (0%)
Total	450					

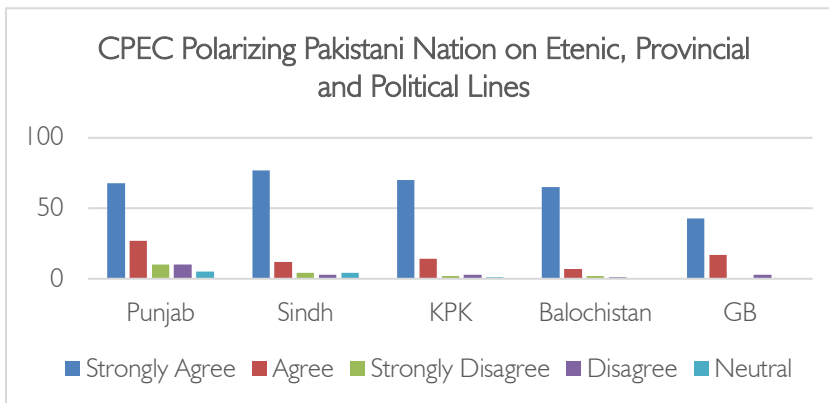


In table 2, the overwhelming majority feels that CPEC master plan does not adequately caters the needs and concerns of under developed regions. Provinces of Sindh, KPK and Balochistan have always been voicing concerns on inadequacies, which adds to their frustrations and gives flip to

provincialism, thus negatively impacting national integration in Pakistan. Punjab province is reasonably satisfied over CPEC; in-fact this is yet another testimony of smaller provinces grievances against Punjab taking the biggest share of the pie from CPEC.

Table 3. Do you think that CPEC, despite promising huge developmental prospects is polarizing the Pakistani nation based on provincialism, political point-scoring and ethnic divisions?

Province	Frequency	Strongly Agree	Agree	Strongly Disagree	Disagree	Neutral
Punjab	120	68 (56.6%)	27 (22.5%)	10 (8.3%)	10 (8.3%)	5 (4.3%)
Sindh	100	77 (77%)	12 (12%)	4 (4%)	3 (3%)	4 (4%)
KPK	90	70 (77.7%)	14 (15.7%)	2 (2.4%)	3 (3.2%)	1 (1%)
Balochistan	75	65 (86.6%)	7 (9.5%)	2 (2.6%)	1 (1.3%)	0 (0%)
GB	65	43 (66%)	17 (26%)	0 (0%)	3 (4.7%)	2 (3.3%)
Total	450					



In table 3, the overwhelming majority across all the provinces concur that CPEC is seriously affecting the national integration by polarizing the society. This is because of controversial statements by political parties appearing in the media reports from time to time and the lack of government’s efforts to create consensus for smooth implementation and making people and provinces stakeholders in this undertaking.

Examining the Dialectic Relationship between CPEC, National Development and Societal Integration in Pakistan

By using the lens of the theory of national development and social integration, empirical evidence and quantitative survey, these research articles have investigated CPEC and its impact on Pakistani society. Despite the single investment of around US\$ 62 billion, enormous economic potentials and anticipated as a game-changer and fate changer for Pakistan, it has instead divided the nation along provincial, ethnic and linguistic lines. The major handicap in the handling of CPEC in

Pakistan appears to be the inconsistency of policies and lack of political will to create synergy between the federation and the federating units. There is unusual secrecy in the master plan, which is generating questions on its transparency and equitable share of all provinces in the developmental activities. The consultation mechanism appears to be dysfunctional, which ignites the politicians, and they speak out in media instead of appropriate government forums. The stalemate and internal political divisions are also causing anxiety among the Chinese investors as the timelines of the projects are delayed, and issues of safety of Chinese nationals working on the projects and security on investments are appearing as major concerns. The government in Pakistan has not been able to balance out public aspirations, political expediencies, national development and societal emancipation; therefore, CPEC, despite such a mega-development project, has not been able to knit the bonds of Pakistani society into a cohesive developmental strategy avoiding trivial politics at the cost of wider national integration.

Risk Mitigation policy Measures

Both Pakistan and China are the principal stakeholders, and both governments have to undertake extraordinary measures to ensure that CPEC is implemented risk-free and in the envisaged period up to the year 2030. Being a flagship project of the Chinese Belt and Road initiative (BRI), its pace and outcome will affect the overall progress of BRI. In the case of Pakistan, where actual literacy rate is hardly 30%, and 70% population live in rural areas mostly under the tribal and feudal system, the onus of responsibility and proactive engagement to address the concerns of locals and their leaders should be attended as a top priority. Pragmatic policies are required to ensure that national integrity and harmony maintained, apart from completing the projects in time. The government of Pakistan should take all stakeholders on board, specifically those political elements that have shown their reservations. Political problems demand an inclusive political approach; therefore, governing elite should come up with pragmatic and concrete steps so that all political stakeholders use institutional mechanism for redressing issues rather than publicly making controversial statements. The recently established CPEC Authority in Pakistan needs to take on a coordination mechanism among all major entities who have demonstrated grievances. Thirdly, there should be a mechanism between China and Pakistan for time-bound addressing of issues so that the atmosphere of distrust should be proactively tackled. The issues relating to Special Economic Zones (SEZs), early harvesting projects and perception of cyber-surveillance addressed at the

forums of the council of common interests. The key to success is ensuring transparency, good governance and national unity during all stages of implementation.

Conclusion

The China Pakistan Economic Corridor is one of the most significant mega initiatives of China that is building modern infrastructure, transportation system, communication network, energy projects and Special Economic Zones (SEZs). For good reasons, it is a game changer for Pakistan and a fate changer for the region. The government's national development strategy must factor in societal integration for optimum benefits. There are some controversies, misperceptions and grievances, which are threatening the fabrics of society and undermining investor's confidence. The magnitude and scale of internal and external dimensions, which have been analyzed in detail, are, in fact, the recipe of troubleshooting mechanism if handled pragmatically. Therefore, the government should take a pragmatic and inclusive approach to deal with the aforementioned issues in the context of CPEC and national integration in Pakistan. There are enormous dividends if Pakistan invests and focus on harnessing all Elements of National Power for synergetic application and getting optimum dividends of CPEC, which is the most crucial undertaking by China at the challenging economic outlook of Pakistan. Therefore, petty controversies and trivial politics should not waste this opportunity for the long-term sustenance of Pakistan.

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