DOI(Journal): 10.31703/gssr
DOI(Volume): 10.31703/gssr.2025(X)
DOI(Issue): 10.31703/gssr.2025(X.III)

p-ISSN: 2520-0348

e-ISSN: 2616-793X

www.gssrjournal.com
Global
Social Sciences Review
exploring humanity

GSSR

GLOBAL SOCIAL SCIENCES REVIEW

HEC-RECOGNIZED CATEGORY-Y

Volum X, ISSUE III SUMMER (SEPTEMBER-2025)

HumanityPublications
sharing research
www.humanitypublications.com
Karachi | Islamabad | Lahore

Double-blind Peer-review Journal
www.gssrjournal.com

Humanity Publications(HumaPub)
www.humapub.com
Doi: https://dx.doi.org/10.31703

Article Title

The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era

Abstract

September 11, 2001, brought phenomenal changes in international relations by dramatically changing the regional as well as global dynamics of politics and economics. Pakistan, being a close ally of the US in the war against terrorism, had suffered great loss in terms of financial setback to its economy as well as loss of human lives. The devastating impacts of fighting the war against terrorism had posed serious security threats for Pakistan but however, at the same time, it came close to China in the rapidly changing geopolitical and economic changes in the post-9/11 era. The strategic partnership with China increased exponentially in many fields of cooperation, especially in the shape of CPEC after 2013, which is considered a game-changer for both friendly neighbors of South Asia. The economic and military cooperation between the two countries witnessed high collaboration in various fields.

Keywords: CPEC, Economic, Geo-strategic, South Asia, Terrorism, War

Authors:

Muhammad Farhad:
Research scholar at the Department of Pakistan Studies, Kohat University of Science & Technology, KUST, Kohat, KP, Pakistan.

Mohammad Ayaz: (Corresponding Author)
In-Charge Chairperson/Lecturer in Department of Pakistan Studies, Kohat University of Science & Technology, KUST, Kohat, KP, Pakistan.
(Email: mohammadayaz@kust.edu.pk)

Pages: 289-300
DOI:10.31703/gssr.2025(X-III).25
DOI link: https://dx.doi.org/10.31703/gssr.2025(X-III).25
Article link: https://gssrjournal.com/article/the-strategy-of-china-toward-south-asia-a-case-study-of-pakistan-in-the-post-911-era
Full-text Link: https://gssrjournal.com/article/the-strategy-of-china-toward-south-asia-a-case-study-of-pakistan-in-the-post-911-era
Pdf link: https://www.gssrjournal.com/jadmin/Auther/31rvIolA2.pdf

Global Social Sciences Review

p-ISSN: 2520-0348 **e-ISSN:** 2616-793x
DOI(journal):10.31703/gssr
Volume: X (2025)
DOI (volume):10.31703/gssr.2025(X)
Issue: III Summer (September-2025)
DOI(Issue):10.31703/gssr.2025(X-III)

Home Page
www.gssrjournal.com

Volume: X (2025)
https://www.gssrjournal.com/Current-issue

Issue: III-Summer (September -2025)
https://www.gssrjournal.com/Current-issues/10/3/2025

Scope
https://www.gssrjournal.com/about-us/scope

Submission
https://humaglobe.com/index.php/gssr/submissions

Visit Us

Humanity Publications (HumaPub)
www.humapub.com
Doi: https://dx.doi.org/10.31703

Citing this Article

25	The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era		
Authors	Muhammad Farhad Mohammad Ayaz	DOI	10.31703/gssr.2025(X-III).25
		Pages	289-300
		Year	2025
		Volume	X
		Issue	III

Referencing & Citing Styles	
APA	Farhad, M., & Ayaz, M. (2025). The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era. *Global Social Sciences Review*, *X*(III), 289-300. https://doi.org/10.31703/gssr.2025(X-III).25
CHICAGO	Farhad, Muhammad, and Mohammad Ayaz. 2025. "The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era." *Global Social Sciences Review* X (III):289-300. doi: 10.31703/gssr.2025(X-III).25.
HARVARD	FARHAD, M. & AYAZ, M. 2025. The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era. *Global Social Sciences Review,* X, 289-300.
MHRA	Farhad, Muhammad, and Mohammad Ayaz. 2025. 'The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era', *Global Social Sciences Review*, X: 289-300.
MLA	Farhad, Muhammad, and Mohammad Ayaz. "The Strategy of China toward South Asia: A Case Study of Pakistan in the Post 9/11 Era." *Global Social Sciences Review* X.III (2025): 289-300. Print.
OXFORD	Farhad, Muhammad and Ayaz, Mohammad (2025), 'The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era', *Global Social Sciences Review,* X (III), 289-300.
TURABIAN	Farhad, Muhammad and Mohammad Ayaz. "The Strategy of China toward South Asia: A Case Study of Pakistan in the Post 9/11 Era." *Global Social Sciences Review* X, no. III (2025): 289-300. https://dx.doi.org/10.31703/gssr.2025(X-III).25.

e-ISSN:2616-793x Volume: X (2025) Issue: III-Summer (September -2025) p-ISSN:2520-0348

Global Social Sciences Review
www.gssrjournal.com
DOI:http://dx.doi.org/10.31703/gssr

Pages: 289-300 URL: https://doi.org/10.31703/gssr.2025(X-III).25 Doi: 10.31703/gssr.2025(X-III).25

Cite Us

Title

The Strategy of China toward South Asia: A Case Study of Pakistan In the Post 9/11 Era

Authors:

Muhammad Farhad:(Corresponding Author)
Research scholar at the Department of Pakistan Studies, Kohat University of Science & Technology, KUST, Kohat, KP, Pakistan.
(Email: muhammadfarhad4789@gmail.com)

Mohammad Ayaz: In-Charge Chairperson/Lecturer in Department of Pakistan Studies, Kohat University of Science & Technology, KUST, Kohat, KP, Pakistan.

Contents

Abstract

September 11, 2001, brought phenomenal changes in international relations by dramatically changing the regional as well as global dynamics of politics and economics. Pakistan, being a close ally of the US in the war against terrorism, had suffered great loss in terms of financial setback to its economy as well as loss of human lives. The devastating impacts of fighting the war against terrorism had posed serious security threats for Pakistan but however, at the same time, it came close to China in the rapidly changing geopolitical and economic changes in the post-9/11 era. The strategic partnership with China increased exponentially in many fields of cooperation, especially in the shape of CPEC after 2013, which is considered a game-changer for both friendly neighbors of South Asia. The economic and military cooperation between the two countries witnessed high collaboration in various fields.

Keywords:
CPEC, Economic, Geo-strategic, South Asia, Terrorism, War

Introduction

The strategy of China towards South Asian countries has become a debated issue in international relations. Beijing has launched the Belt and Road Initiative (BRI), which is an advanced version of the ancient Silk Road, bringing huge investment (figures 6 and 7) in the neighboring South Asian countries, especially Pakistan. On the other side, the historic Sino-Indo rivalry helps us to understand historical strategic patterns (Mohan, 2001).

China tries to strengthen ties with regional countries sharing a border with India, i.e., Pakistan, Bangladesh, Sri Lanka, Nepal, etc. Similarly, India makes an attempt to form friendly relations with the US, Vietnam, Japan, and Taiwan. Furthermore, China's South Asia policy resulted in its growing influence in the South Asian region. Chinese projects for building road networks, railways, bridges, and renewable energy projects can help South Asian nations to make room for progress and prosperity. While the Chinese attempt to build port sites suggests their strategy to foster their supremacy in the Indian Ocean region (IOR).

Despite the fact that neighboring South Asian Nations have been facing the problem of rising Chinese lending (figure 4), and the imbalance of trade (figures 2 and 3). Therefore, these South Asian Nations have to make strategies to break the imbalance of trade with China. The beginning of the 21st century marks a growing Sino-Pakistan strategic partnership. The Chinese ordinance companies of China reduced the import of military hardware and logistics from the US. Heavy Industry at Taxila and at Norinco has a long history of cooperation and collaboration between the two countries. These have manufactured advanced machinery, including T59 Tanks, MBT 2000 Al Khalid, and JF17 Thunder, which was jointly produced by the Chengdu Aircraft and Pakistan Aeronautical Complex. Despite the cooperation in the manufacturing of defense equipment, Sino-Pakistan relations were expanded to combat the security challenges in Xinyang due to the Uighur insurgency (Small, 2015; Fradkin & Brown, 2005). In 2013, Sino-Pakistan friendship shifted toward an economic and strategic partnership under China's China-Pakistan Economic Corridor (CPEC). Both China and Pakistan agreed to cooperate in multiple sectors: energy, infrastructure, agriculture, Special Economic Zones (SEZs), and the development of ports.

Policy of China Toward South Asia

The policy of China towards global engagement, and especially that of South Asian countries, has been outlined by Yuan Peng, the President of China Institute of Contemporary International Relations (CICIR). He marks three regions: First, those countries that share borders with China are categorized as “Inside Ring”, second, those countries with whom China has maritime connections are put in “Middle Ring”; and “Outer Ring’ refers to the countries of Africa, Europe, and America (Kumar, 2019). China will be more cautious in formulating its foreign policy with its close neighbors in the region. Similarly, China will be more careful in formulating relations with South Asian Nations as Beijing will collaborate to bring stability to ensure peaceful coexistence. On the other side, she might obtain strategic interest by coming closer to South Asian Nations to present her footprints in IOR (Clarke, 2018).

For this Beijing has initiated projects of corridor and the development of port sites with neighboring countries like China Pakistan Economic Corridor (CPEC), Bangladesh, China, India, Myanmar Economic corridor (BCIM) Trans Himalayan Economic Corridor (THEC), Modern silk route (MSR) etc (Anwar, 2020). China is compelled to project its interest to the close bordering neighbors as the instability in South Asian region will result insecurity in Beijing. According to thinkers, China prefers economic interest in formulating relations with regions such as Southeast Asia, Europe, and Africa. Additionally, South Asia is significant to China, coming after Northeast and Southeast Asia, projecting its economic and strategic interests in Asia. While the South Asian region historically remained significant to China, where she wanted to obtain her strategic interests, and cooperated on genuine security challenges. Additionally, China’s Belt and Road Initiative has dominated the discourse, and South Asia remains more significant to China.

The Belt and Road Initiative

China’s economic rise in the 21st Century and the shifting patterns of global politics from unipolarity to multipolarity have affected China’s position in the world’s politics. The leadership of China views this as a ‘peaceful rise’ with the understanding that Beijing is not creating any contradiction for the international community. After China came out of isolation, it focused on regional development to become part of the international community, and thus China’s new initiative, BRI, includes treaties for free trade, projects for infrastructure development, industrial zones, development of port sites, power projects for renewable energy, and clean energy.

This initiative brings investment in multiple sectors, including transportation, industry, infrastructure, energy, food, tourism, Health, logistics, etc., and it will accelerate economic growth by providing job opportunities, enhancing the network of roads and railways for economic integration. The BRI, being funded by the Asian Infrastructure and Investment Bank (AIIB), China Development Bank (CDB), and Export-Import Bank of China (EXIBC, will open new venues of global cooperation and development. Chinese banks have huge reserves of an estimated amount of 15 trillion dollars, with foreign reserves of over 3 trillion dollars, and therefore, the BRI project shows its interest in the region (Tzogopolous, 2017).

For this purpose, China has initiated CPEC in Pakistan that connects Xinyang Province of China with Gwadar, Balochistan. The project is worth 46 billion dollars. The project will bring huge investment in the energy sector in Pakistan, which will resolve the serious energy crisis. It also includes the development of road networks, railways, bridges, commercial centers, and the development of port sites. Beijing has Bangladesh, China, India, and Myanmar (BCIM) to accelerate infrastructure projects in Myanmar and Bangladesh.

According to this economic corridor, the underdeveloped area of China's southeast will be linked with the northeast regions of India. Beijing aims to ensure economic integration in this region, which further extends to the port site at Chennai in India. It has another corridor in the South Asian region known as Trans Trans-Himalayan Economic Corridor (THEC). The BRI will extend to the Himalayan region, and the new initiative will be a part of the economic corridor. It has been planned to connect China with Nepal by a railway line that will pass through the Tibetan region. Thus, China is taking one step ahead to engage the smaller South Asian nations that run counter to India, such as Bangladesh, Nepal, Sri Lanka, and the Maldives. China made a move to invest 14 billion dollars in Sri Lanka, and it has decided to invest 38 billion dollars in Bangladesh. In Pakistan, Beijing aims to invest a huge sum of 54 billion dollars by 2030. Therefore, it seemed that the grand Chinese initiative across the South Asian region would create economic integration, and it would help these third-world South Asian nations to make progress (Anwar, 2020)

The Economic Rise of China

The economic policies of China historically followed a different Model, which did not allow such expansion and development until a reform package was introduced in 1979. Earlier, it was a decentralized economy, where only the central Government had a thorough hold on the economic activities. The central Government was responsible for managing the economic activities, planning for more production, and broadly it held a check and balance over the market firms to control the prices and allocation of resources.

The decade of the 1950s also accounts for some shifts in the agrarian life as the communes were formed, which helped farmers while triggering more production in the agriculture sector. Then, the coming decades of the 1960s and 1970s experienced a changing pattern in Chinese investment that was more inclined toward human capital and shaping the infrastructure. Ultimately, the human capital and the physical infrastructure trigger the process of development, and the investment in human capital, which focuses on the manpower with more skills. The skillful and trained manpower continued to serve at the domestic level.

These developments led to a significant role for the international community after the passage of time. Similarly, the physical infrastructure and the technology provided an advanced mode of production that efficiently fueled the production of goods. The enhanced transportation also provided quick access to the raw materials China needs to run its industries and sell manufactured goods. Thus, the state-owned enterprises in China act to set goals and set targets for achieving the desired results for private firms (Morrison, 2019).

Production remained 4.4% from 1953 to 1978 due to a multiple set of factors. The economy could not grow as the 'Cultural Revolution' resulted in the meltdown in 1966. Therefore, reforms were introduced in 1979, in the country's economic sector, which began to gain momentum as the policy makers paid more focus to increasing production of the manufactured goods while maintaining the quality standards. Moreover, the successive governments designed strategies for marketing their manufactured goods by providing more facilities to farmers, as they were allowed to sell a proportion of their goods in the market.

Specifically, economic zones were established to facilitate production, and the import of advanced technology is necessarily helpful for industrialization. These developments resulted in liberalized policy, which enabled China to open new windows for trade with the global community. The policies bringing reforms in commercial sectors from a centralized to a free market economy resulted opening of China to global markets and thus gave access to Chinese goods to the international Market. This is how these developments shaped the Chinese economy as the world's fastest-growing economy, which ranked as the 2nd largest economy. Trends and patterns of the Chinese Annual GDP are shown in Figure 1 graph with remarkable progress, with the average annual increase of 3% (Morrison, 2019).

Figure 1

China Annual GDP %

Source: world development indicator.

The economic and political influence of China is likely to increase in South Asia, Central Asia, and the Middle East in the 21st century. The historic Sino-Indian rivalry and strategic ambitions of both powers to dominate the region of the Indian Ocean have considerably contributed to fast fast-changing dynamics of the region. On one hand, China is compelled to come closer to its neighbors to deter Indian footprints in the region. On the other hand, China has been trying to foster its supremacy in the region by launching infrastructural development and expanding cooperation in multiple sectors, i.e., "energy, transport, agriculture, health, technology, tourism, finance, etc. which require trade routes and ports of its neighboring countries (Wang, 2022).

For securing trade with other countries for the export of Chinese goods to the Middle East, Gwadar serves as 'mouth of the Indian Ocean', for trade with Gulf countries, which has remained a core interest of Beijing (Small, 2015). Secondly, China's policy to design plans for infrastructure, industry, and energy, which will accelerate the growth in these developing economies in South Asia, i.e., Pakistan, Sri Lanka, and Afghanistan (Mohan, 2001)

Thirdly, China's strategic policy to counter Indian hegemony in South Asia makes it compelling to invest in infrastructure while building ports in the region, which is counterproductive for its security, especially maritime policy, and increasing naval footprints in the region. The growing lending in financial terms to South Asian countries indicates Beijing's policy to trap these dismantling economies like Pakistan, Bangladesh, and Sri Lanka, which might be an option for China to apply such terms and conditions on these nations as to follow China's strategic ambitions of 'Debt trap policy' in the future. Trade with China has resulted the balance of payment issues, as can be observed in figures 2 and 3, in which the huge gap between the import and export of South Asian countries, China can be seen (Mohan, 2001)

Henry Kissinger, the former USA secretary of state one of the eminent personality who also played a significant role in Chinese opening to the US during Nixon administration in the beginning of 1970s, speaking to the private media channel he states that "the US not only framed the policy to contain China rather she made an attempt to reduce her role in the international politics".

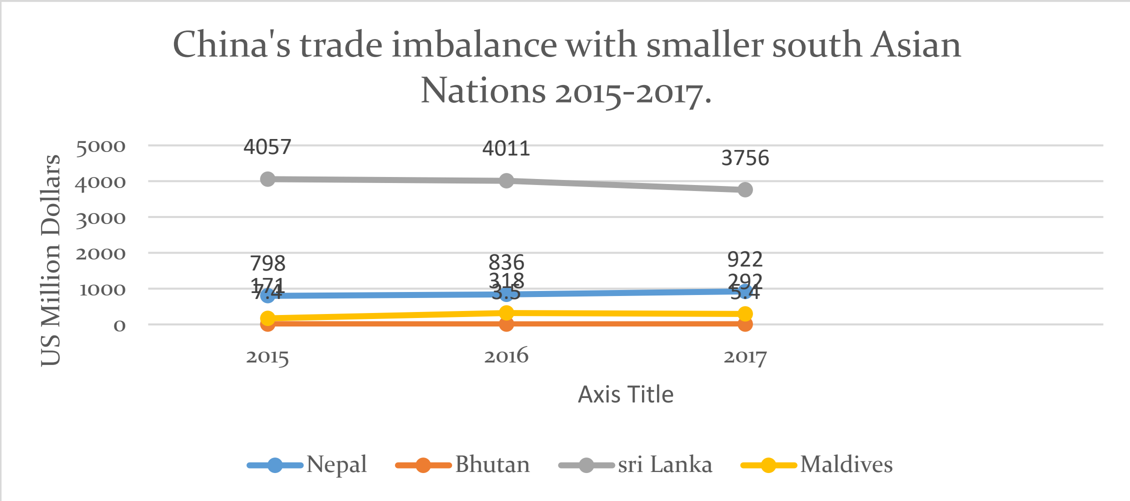
Furthermore, Kissinger, while answering the Question, points out that "America cannot be America without democracy, struggling for human dignity, and we believe in the universal conviction that anybody can be American by following the principles, but you cannot be Chinese until you try to be fit in their cultural orbit" (Charlie) (Rose).

Trade Imbalance with Selected South Asian Nations

The imbalance of trade has resulted in balance of payment issues with the South Asian Nations, as it has become very difficult for the dismantling economies to manage the surge in Chinese imports that made them dependent on China (Small, 2015).

Figure 2

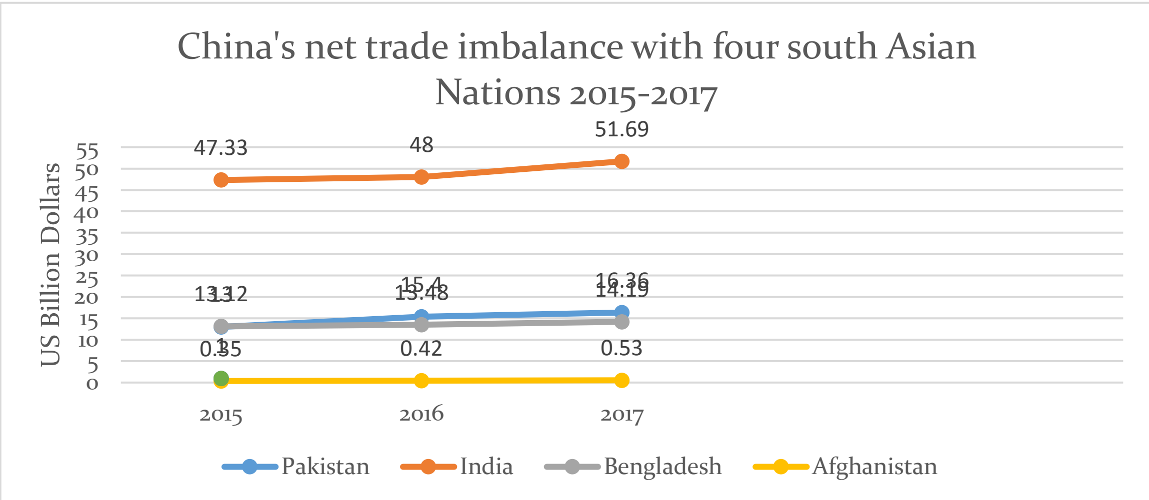
China's trade imbalance with smaller South Asian Nations, 2015-2017



Source; UN comtrade.com

Figure 3

China's net trade imbalance with four South Asian Nations, 2015-2017



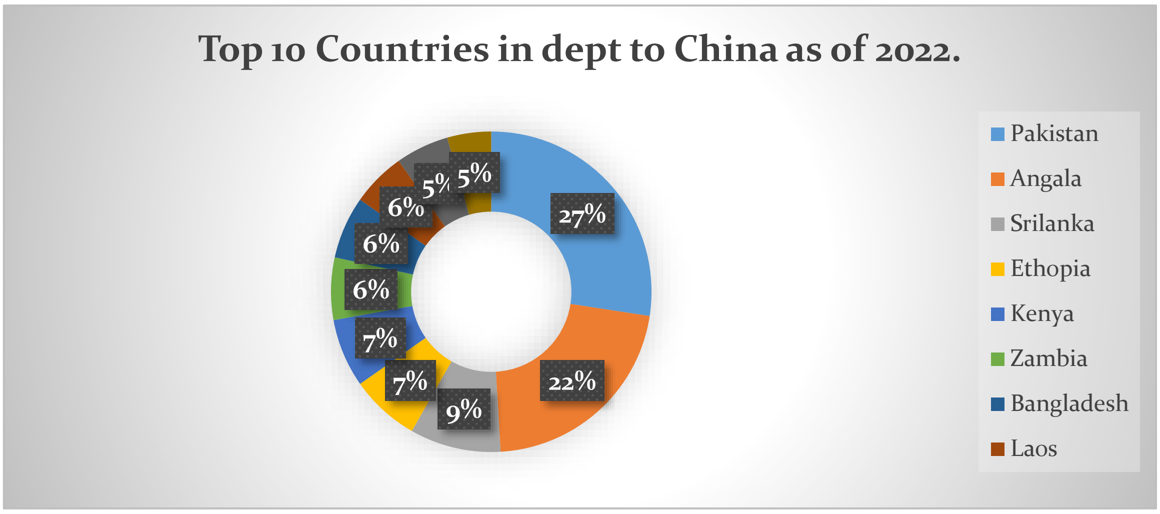
Source; UN comtrade.com

Chinese lending to South Asian countries

Chinese soft loans policy toward South Asian countries could help China to stand against its competitor, India, on one side, while on the other side, it is a serious concern that has been raised by policymakers. Chinese lending to the top twenty nations across the globe is shown in Figure 4, in which Pakistan stands as the largest recipient of loans from China as of 2022 World Bank indicators. While Sri Lanka stands as the third largest recipient of Chinese lending, and Bangladesh stands as the seventh largest recipient of Chinese foreign lending (Bosworth & Collins, 2008).

Figure 4

Top 10 Countries in debt to China as of 2022.



Source: World Bank.

The US trade deficit with China in GDP percentage in 2006 shows a gap in the value of US imports and exports to China. US exports to China remained 0.5 percent, while the recorded imports were -2.38 percent (Bosworth & Collins, 2008).

Approximately one-fourth of the global economy was shared by India, and China was richer than India, as it held one-third of the global economy. It is established that both regional identities had Historical strategic patterns due to which the South Asian regional dynamics were influenced. (Mohan, 2001)

International Environment

Most thinkers do not believe in the use of force, but the lack of global governance and the International anarchic order contribute use of force in foreign policy, and foreign relations as well. (Bindra, 2017) Therefore, a policy that would need to be implemented for the sake of Global peace and welfare, a state will find it difficult to implement if it violates the National interests.

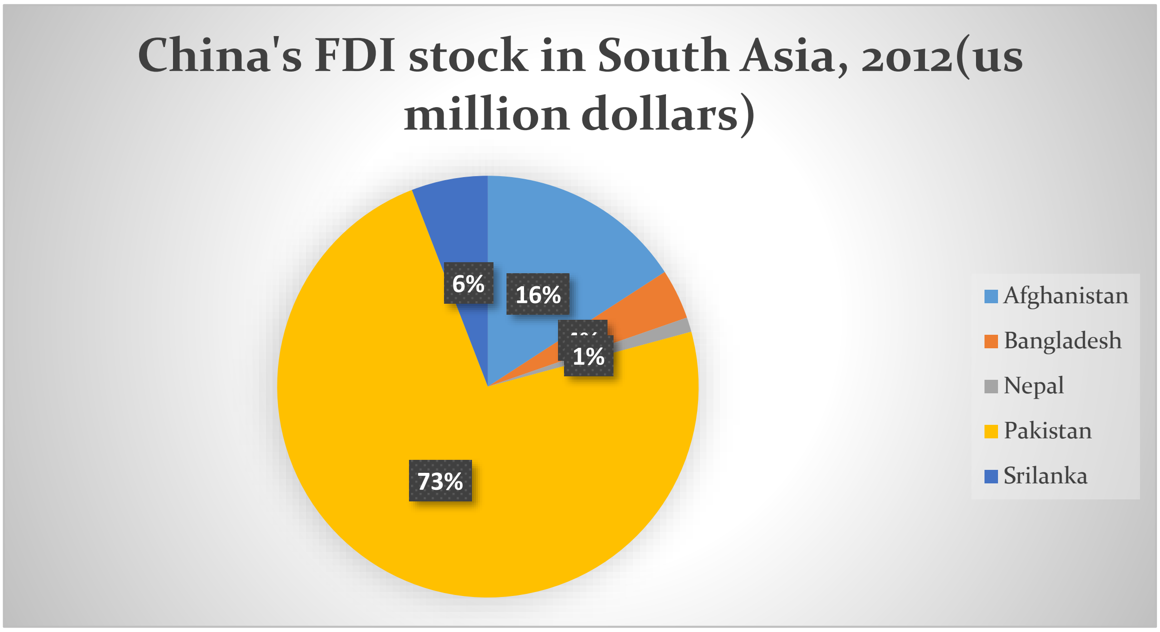
For example, a state needs to avoid giving arms to other states as it might shift the military balance between two rivals, but on the other side, a state will provide arms to its allies to make the alliance stable in order to fulfill the National interests. Similarly, other global issues like Climate change, where states find it difficult to control pollution, as the reduced production might hit the growth of their economy (Pevehouse & Goldstein, 2016)

Dynamics of Chinese Foreign Policy

The Foreign policy-making process in China is different from a democratic state. It was the result of Beijing's policy, and the decade of the 1970s accounts for shifting patterns in order to integrate its economy with the global market to fulfill its economic ambitions, which were to achieve more growth to ensure a standard lifestyle for its people. It was also the policy of the Chinese leadership to reduce the level of conflict with neighboring states and to integrate with the international community. China's economic progress helped to sustain a strong military, and additionally, by the last year of 1970s United States decided to provide advanced Western technology to enhance Chinese military capabilities (Small, 2015)

Figure 5

China's FDI stock in South Asia, 2012(us million dollars)

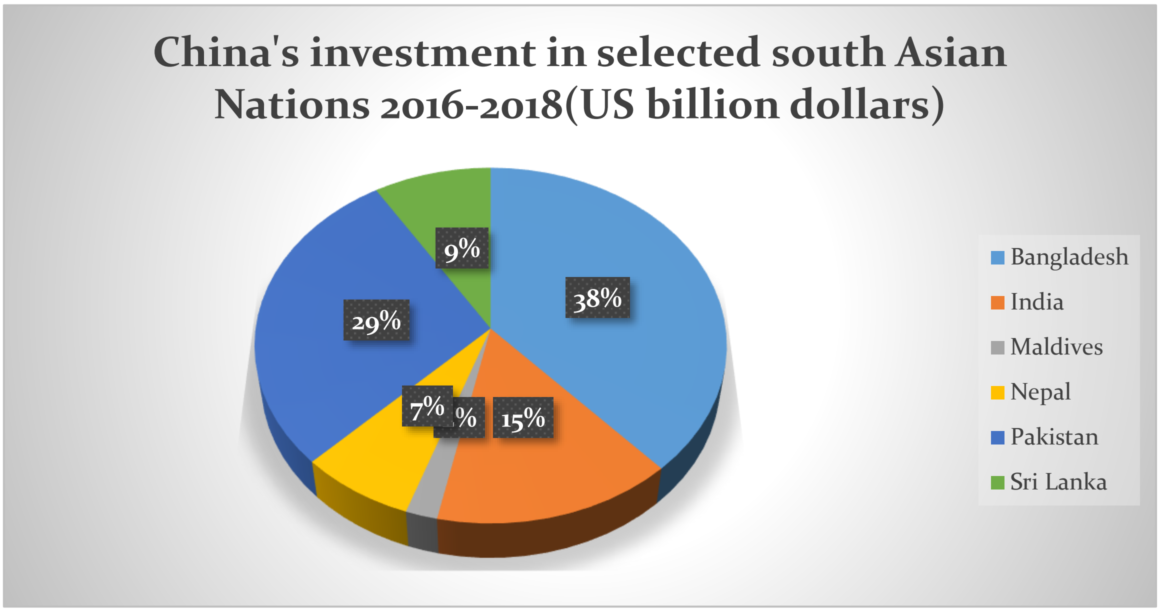


Source: UNCTAD

It seems that China is making a shift from Investment in infrastructure and Energy towards telecommunications and other digital firms (Jain, 2018).

Figure 6

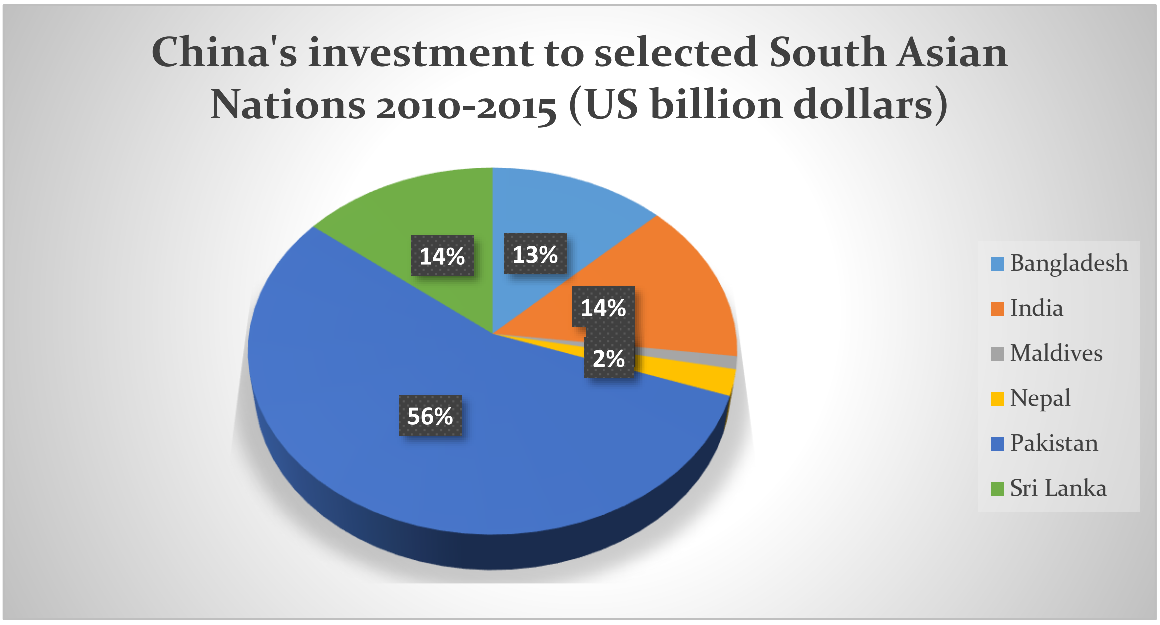
China's investment in selected South Asian Nations 2016-2018(US billion dollars)



Source: Global China Investment Tracker (Figure 1.7)

Figure 7

China's investment in selected South Asian Nations 2010-2015 (US billion dollars)



Source: China Global Investment Tracker

Strategic Partnership after 9/11 and CPEC

The shifting patterns in Global politics after 9/11 resulted in multiple security challenges to the regional and global community. The war against terrorism and the US's increasing strategic cooperation with India raised concerns. Beijing moved toward deepening strategic ties with Islamabad due to the growing Indo-US partnership between Indo-US. It was the US policy and its growing partnership with India to contain Chinese influence in the South Asian region that compelled Beijing to make a move toward Pakistan (Munir, 2018).

Historically, Pakistan was militarily supported by China by signing in the 1960s and 1970s during Indo Pakistan wars. The Chinese and Pakistani ordnance factories share mutual trust as they have continued to cooperate to manufacture state-of-the-art defense equipment. The Heavy Industry Taxila and Norinco are the present example of a close partnership. HIT and Norinco had then decided in 2012 to sell advanced defense equipment to other states. There is a list of production of advanced military equipment, but JF 17 Thunder is one step ahead, which was jointly prepared by Chengdu Aircraft and Pakistan Aeronautical Complex.

Moreover, F22 frigates and PNS Azmat fast-attack vehicles are a unique example of Chinese commitments to Pakistan. Since 9/11, Washington tilted toward India, where the US supported New Delhi militarily. It proved alarming for Pakistan as the military balance was disturbed (Iqbal, 2022).

In 2013, CPEC was signed, that has worth 46 billion dollars (Ahmar, 2015). According to this project, Gwadar is connected with the western province of China. CPEC is known as a game-changer project for both China and Pakistan. It will become easy for China to sell the manufactured goods and buy raw material through the port site located in Gwadar, which is cost-efficient and is the nearest to China. China faces multiple security Challenges in the South China Sea due to the US Influence in the region.

Furthermore, Beijing has concerns that the route may not allow Chinese shipments to travel in the Sea during wartime. For Islamabad, the corridor will bring investment in agriculture, infrastructure, energy, tourism, food, and other fields of the economy as well. In this Chapter, we will address three arguments: the impact of CPEC on the Infrastructural development in Pakistan, CPEC and economic opportunities in Pakistan, and deepening Strategic Partnership due to CPEC.

Infrastructural Development and CPEC

It is not only the geographical factor that brings China and Pakistan closer to one another, rather it is also the geopolitical and economic imperatives which pulled the two neighbors. The China-Pakistan Economic Corridor CPEC) was initially introduced by the Chinese Premier Li Keqiang in 2013 during his visit to Pakistan. Islamabad agreed to begin a corridor with Beijing, and it was planned to connect Gwadar with the Muslim majority province Xinyang through railway lines, roads, pipeline, and optical fiber (Shoukat, Ahmad, & Abdullah, 2016).

CPEC is a part of China's BRI(Belt and Road Initiative) that is composed of multiple projects, i.e., highways, railways, port sites, energy, etc. It also includes building new economic zones and commercial centers that will enhance trade linkages will reduce time and cost for Chinese exports, and raw material (Small, 2015). The reduction in the cost of transportation of imports and exports will allow more investment to come in different sectors, i.e., Infrastructure, Energy, Industry, Agriculture, etc (Ahmad & Mustafa, 2016).

Therefore, the policy makers had to take such initiatives as to make people happier in order to convince them to be loyal toward the State. Thus, the Infrastructural development and the National integration often run together, where the Infrastructural development serves as an important factor to bring Unity and integrity (Hameed, 2018).

Islamabad not only needed to train its population but also needed to rebuild its economic structure, which includes a network of roads, an industry for manufacturing, and energy projects for its development. Specifically, the developmental projects aim to bridge the gap in underdeveloped areas of Pakistan. Thus, the infrastructural development and the state had to function together (Hameed, 2018).

Pakistan has been facing the worst Challenges of its time, and the multiple social, political, and economic factors are responsible for the economic crisis. Therefore, the policy makers are required to take effective measures to manage the expenditure efficiently, revise the tariff policies in order to bring a surge in the taxes collection, and timely complete the Energy projects under CPEC, as the Shortage and the hiking in the electricity prices have led to chaos that do not allow more investment to come in the private sector (Mehar, 2017).

Impact of Physical Infrastructure on Agriculture

Agriculture serves as the major source of income in developing economies. Pakistan is an agricultural country where lots of people perform their duties in the field of agriculture, and it serves as the major source of livelihood. Pakistan produces a variety of crops, including Wheat, rice, cotton, sugar cane, tobacco, mustard, barley, maize, peanuts, pulses, seasonal fruits, and vegetables.

Pakistan has to pay an additional amount for the trade of agricultural goods due to expensive transportation. The development of road networks, railways, and bridges will integrate the rural areas with the urban commercial centers. It will result in easy access to the urban commercial centers for the poor peasants. Additionally, the cheaper transportation will add more amount in the pockets of poor peasants (Ahmad & Mustafa, 2016).

As the improvement in the physical infrastructure will result in cheaper transportation, adding more savings to the pocket will allow peasants to invest in other fields that will bring an enhancement in productivity. The farmers will certainly take one step forward to utilize more land, produce a variety of seeds for efficiency, and bring advanced machinery into the field of agriculture. Furthermore, the use of advanced technology for irrigation will not only enhance productivity, rather it will also save the water bodies. The farmers will focus on bringing new techniques to make the irrigation system efficient. Thus, the use of technology and new methods will reduce the wastage of water for irrigation (Khan, 1991).

Critical Analysis of the Economic Impact of CPEC

The direct foreign investment plays a significant role in the economic development of Pakistan, and it needs multiple economic initiatives, which include building of international airport in Gwadar, a 30 MW coal power plant, building road networks and pipelines, as well as rebuilding of KKH, Railway projects, and projects of renewable energy (Mehar, 2017). As CPEC is composed of a wide range of developmental projects, it includes building commercial centers and economic zones, and a site in Gwadar. There is are total of 49 projects that were expected to be completed between 2016-2020. Out of which 16 projects were to be initiated in the province of Baluchistan, 8 projects were planned for Khyber Pakhtunkhwa, 13 developmental projects were planned for the province of Sindh, and an additional 12 were to be implemented in Punjab.

An estimated amount of 34 billion dollars was to be invested in building energy-related projects, 1600 million dollars for networks of roads to enhance transportation, and an additional amount of 793 million dollars was to be spent to build the port site at Gwadar. Furthermore, a huge investment in such a wide range of areas was supposed to create job opportunities for the unemployed population and many other economic goals. Additionally, the projects in Gwadar had to solve the problem of the province of Baluchistan (Hadi et al., 2018). However, due to the law-and-order situation, much of the work is incomplete.

Pakistan has been facing the worst economic challenges of its time. As the World Bank indicated, the growth rate was almost 3.4% in FY 2019, which was very low. It resulted in a surge in the prices of the basic commodities due to inflation, which increased to 7.1%. The country's exports and remittances will not be enough to make growth, and reduce inflation against rising dependency on imports, and more investment in the Energy sector (Hassan, 2020).

Notably, the CPEC project is composed of four different categories; firstly, a focus will be paid to bring the country out of the energy shortage, in which different initiatives will be taken to produce renewable energy, and it is estimated to generate 7000MW of electricity. Secondly, the road network was expected to be completed by 2022. Thirdly, the railway and the commercial centers are to be completed by 2025. In the fourth, and final phase, the investment will be brought in developing the industrial zones, Agriculture, and tourism (Hadi et al., 2018).

Pakistan could fill the gap of load shedding in the short run, but for the long run, the country will be buying electricity from Chinese-funded projects, and the cost might be uncertain, which will make it difficult to reduce the additional tariffs. Therefore, it is a noted fact that the surge in the generation of electricity might not resolve the problem effectively. Hence, it is need to address the billing, supply line, and the customers who use energy without paying charges. Furthermore, some scholars have concerns regarding the development of the port site against China's policy to present its footprint print West Asia, Europe (Hassan, 2020).

Thus, infrastructure development remains important to flourish the business and industry, and it has the capacity to make a move toward a functioning and healthier economy. Hence, the enhancement in the Energy sector and infrastructure in Pakistan will also enhance the productivity in the Agriculture sector. Certainly, the enhanced physical infrastructure will help to flourish, Business, and industry, and it can also bring the country out of the worsening debt burden (Pevehouse & Goldstein, 2016).

Conclusion

The growing influence of China in South Asia raised concerns for India and the Global powers. The port sites development funded by China might help her to emerge as a maritime power by securing protection for her strategic investment. For this, China presents its naval footprint to get these port sites functioning. Some experts view Gwadar as it is China's strategy to present its Naval footprint that the closure of the South China Sea might not stop China in its access to sea routes (Fayyaz, 2018).

Beijing has ever sought Pakistan's assistance to combat the security challenges on the domestic and international level. The Uighurs who demonstrated protests in Xinyang in the 1990s turned into violent activities. Presently, they have been actively participating in their cause under the East Turkistan Islamic Party (ETIP). They enjoyed support from the Central Asian countries, and the remote Afghanistan, which always stayed important for them, and a small number of Uighur people have fought along with the *Mujahideen* against the Soviet. The year 2013 accounts Uighurs' worsening setback to China when militants managed to organize a bomb attack in Tiananmen Square. China was alarmed due to the growing moves of Uighurs outside Xinyang to Urban centers (Hameed, 2018). The Uyghur community has had historic connections in Pakistan due to Islam, a common religion.

Thus, it is concluded that after September 11, 2001, China opted for closer ties with South Asian countries and has focused on social, economic, as well as military cooperation with Pakistan to counter the US-India partnership in the region. The recent three-day war between Pakistan and India in May 2015 witnessed a stronger and closer cooperation between the two friends. Pakistan and China are strategically moving fast on multiple fronts, without any hindrance except the rising tide of violent extremism and terrorism in the region. It is in the interests of both states to eradicate the growing menace of terrorism, which can be a big hurdle in the implementation of CPEC.

References

Ahmad, R., & Mustafa, U. (2016). Impact of CPEC projects on the agriculture sector of Pakistan: Infrastructure and agriculture output linkages. *Pakistan Institute of Development Economics, Islamabad*, 511–527. https://psde.pide.org.pk/wp-content/uploads/2016/12/Impact%20of%20CPEC%20Projects%20on%20Agriculture%20Sector%20on%20Pakistan.pdf
Google Scholar Worldcat Fulltext

Ahmar, M. (2015). Strategic meaning of the China-Pakistan Economic Corridor. Strategic Studies, 41(2–3), 35–49. *Institute of Strategic Studies, Islamabad.* https://issi.org.pk/wp-content/uploads/2015/12/Moonis-Ahmar_3435_SS_41_20142015.pdf
Google Scholar Worldcat Fulltext

Anwar, A. (2020). South Asia and China's Belt and Road Initiative: Security implications and ways forward. In *Hindsight, Insight, Foresight: Thinking About Security in the Indo-Pacific* (pp. 161–178). Asia-Pacific Center for Security Studies. http://www.jstor.org/stable/resrep26667.15
Google Scholar Worldcat Fulltext

Fayyaz, M. (2018). China-Pakistan Economic Corridor (CPEC): The Road to the Indian Ocean and its Geopolitical implications. *International Journal of Educational Research and Studies*, 14-22.
Google Scholar Worldcat Fulltext

Hadi, N. U., Batool, S., & Mutafa, A. (2018). CPEC: An opportunity for a prosperous Pakistan or merely a mirage of growth and development. *The dialogue, XIII*(3), 295-311. https://qurtuba.edu.pk/thedialogue/The%20Dialogue/13_3/06-%20295%20-311,Noor%20&%20batool.pdf
Google Scholar Worldcat Fulltext

Hameed, M. (2018). The politics of the China-Pakistan economic corridor. *Palgrave Communications*, *4*(1). https://doi.org/10.1057/s41599-018-0115-7
Google Scholar Worldcat Fulltext

Hassan, Y. U. (2020). China-Pakistan Economic Corridor (CPEC) and questions on Pakistan's Economic Stability. *Strategic Analysis, 44*(2), 137-152. https://doi.org/10.1080/09700161.2020.1729556
Google Scholar Worldcat Fulltext

Iqbal, A. (2022, May 29). *The cat-and-mouse game of sanctions on nuclear Pakistan*. https://www.dawn.com/news/1692054/the-cat-and-mouse-game-of-us-sanctions-on-nuclear-pakistan
Google Scholar Worldcat Fulltext

Jain, R. (2018). China's Economic Expansion in South Asia. *Indian journal of Asian affairs, 31*(1/2), 21-36. http://www.jstor.org/stable/10.2307/26608821
Google Scholar Worldcat Fulltext

Khan, F. K. (1991). *Pakistan: Geography, economy, and people*. Oxford University Press.
Google Scholar Worldcat Fulltext

Kumar, S. (2019). China's South Asia policy in the new era. *India Quarterly: A Journal of International Affairs*, 75(2), 137–154. https://doi.org/10.1177/0974928419841769
Google Scholar Worldcat Fulltext

Mehar, A. (2017). Infrastructure development, CPEC, and FDI in Pakistan: Is there any connection? *Transnational Corporations Review*, 9(3), 232–241. https://doi.org/10.1080/19186444.2017.1362857
Google Scholar Worldcat Fulltext

Munir, M. (2018). Pakistan-China strategic interdependence: Post-9/11 imperatives. *Strategic Studies*, 38(2), 21–42. https://doi.org/10.53532/ss.038.02.00148
Google Scholar Worldcat Fulltext

Shoukat, A., Ahmad, K., & Abdullah, M. (2016). Does Infrastructure development promote regional economic integration? CPEC's implications for Pakistan. *Pakistan Institute of Development Economics, Islamabad*, 455-467.
Google Scholar Worldcat Fulltext