

Gwadar Port as the Socioeconomic Pivot to China Pakistan Economic Corridor: Prospects and Repercussions

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Abstract *China is emerging as an economic power of the world and correspondingly it has unleashed a strategy of its sustained economic growth alongside socioeconomic development of the region and beyond, through implementation of its envisaged grand Belt and Road Initiative (BRI). In this regard, Pakistan is accommodating China's flagship project, China Pakistan Economic Corridor (CPEC). The success of CPEC hinges on the unhindered development and sustenance of Gwadar Port for assured uninterrupted sea - land linkage of CPEC. Besides supporting CPEC, Gwadar Port has gigantic potential to contribute towards Pakistan's socioeconomic development and improving socioeconomic stature of landlocked Central Asian States. Geopolitics always play its role in all regional and international developments which embody clash of interest among stakeholder states and development of Gwadar Port is no exception. Alongside enormous prospects of payoffs, Gwadar Port encounters serious challenges to its development and sustenance, which have not been much deliberated in academic discourses. This paper, besides ascertaining the socioeconomic impacts of Gwadar Port on Pakistan, China, regional states and CPEC, identifies international repercussions and domestic challenges to Gwadar Port's success; thus help the policy makers to draw pertinent conclusions.*

Key Words:
Economic Connectivity,
Socioeconomic Growth,
Geography, IOR, Traditional
Security, Non-Traditional Security

Introduction

Geography, socioeconomic growth and development play significant role in ascertaining policy making parameters by the legislators and policy makers of the concerned states. The geographical interplay with economic prospects particularly impacts the socioeconomic factors of concerned states. Land, maritime and outer space are therefore the important geographical spatial dimensions which act as determinants of policy decision making. China's Belt and Road Initiative (BRI) is an ambitious plan with immense potential to bring change to socioeconomic profile of different states. BRI (erstwhile 'One Belt, One Road' OBOR) has two parts, one is on land named as Silk Road Economic Belt (SREB) and another is maritime segment named as Maritime Silk Road Initiative (MSRI). Fundamentally, both parts essentially get connected at different ports across the world which enhances the importance of ports for success of BRI and connectivity, as well as regional integration.

Pakistan is hosting one of the most important projects, China Pakistan Economic Corridor (CPEC) under BRI, starting from Gwadar till China, where Gwadar is the connecting point of CPEC's SREB with MSRI. China considers CPEC as an all-encompassing and comprehensive multi-billion epic BRI project, which would connect Chinese city of Kashgar in its Xinjiang Province with Gwadar to boost the economic activities. The CPEC would immensely yield a far-reaching economic impact on progress, as well as prosperity of not only Pakistan and China but entire world. Though, a large scale journalistic academic work related to CPEC has been conducted since its inception in 2013; however, the importance of Gwadar Port, vis-à-vis CPEC and consequential geopolitics in Indian Ocean Region (IOR) as result of sea component of BRI- MSRI is largely ignored.

This research paper is aimed at determining the significance of Gwadar Port as a strategic connectivity point of sea and land route and ascertaining its socioeconomic impacts on Pakistan. By evaluating Gwadar Port and its Importance for CPEC; Socioeconomic Prospects of Gwadar Port; International Repercussions for Gwadar Port; and Domestic Challenges to Gwadar Port's Success, the research shall help the policy makers to draw pertinent conclusions.

Gwadar Port and Its Importance for CPEC

China has a multi-dimensional relationship with all South Asian countries, whereas its outreach toward

Western Indian Ocean countries has become even stronger since initiation of BRI. Biswas. (n.d). Considering infrastructural development and upgradation of existing cargo facilities as an operational necessity for BRI, China plans to develop several ports and connectivity infrastructures across the ocean. Consequently, huge investment is being made by China in development, as well as upgradation of ports' infrastructure and construction of roads, railways and airports. In this regard, besides Pakistan's CPEC Project including development of Gwadar Port; China is supporting Sri Lanka, Bangladesh and Myanmar too through planning and implementation of important BRI projects.

Gwadar Port of Pakistan has a pivotal role in sustaining CPEC Project because it links MSRI with SREB of Pakistan specific BRI. Gwadar Port is named after a small town of fishermen which covers an area of 12,637 square kilometers with growing population, which was earlier determined as 227, 984 in 2012. Hasan, Y. M. (2012). It is natural deep-sea port in North Arabian Sea situated at far end of Pakistan's province of Balochistan; which has a long coastal belt extending up to the border of Iran besides Jiwani, another small coastal town of the province. Development of Gwadar Port shall certainly add to the economic potential of Pakistan and would eventually contribute towards increase in maritime trade volume. This Port is coming up as Pakistan's third commercial port after Karachi and Bin Qasim ports which have already been playing the core role in state's economy since their commissioning.

Considering the geographical location, Gwadar Port is strategically highly significant. The port borders Arabian Sea's warm water and being situated at threshold of Persian Gulf it can influence ninety percent of the world energy trade passing through this area; thus, it has enormous potential to deepen strategic trade partnerships by improving upon the logistic activities. Moreover, by benefitting from deep sea and wider frontage, the port has huge capacity to house vessels, as well as cargo ships. Gwadar Port when optimally managed could become a competitor to the ports situated in the Gulf area and play its role in socioeconomic activity of Pakistan through inclusion of different sectors of Blue Economy besides maritime trade. It has the potential to emerge as a regional trans-shipment port facilitating multimodal trade extending till Caspian Sea and Central Asia.



Figure 1: Map of Gwadar

Source: The New York Times Declan, W. (2013).

Moreover, Gwadar port provides substantive access to the regional countries by linking them up with a vast regional market from China to other Asian countries; the Middle East to the Europe; and also, African countries. It could indeed transmute the region into an economic hub, which in turn would enormously accelerate the commercial markets and business activities. Furthermore, benefitting from deep blue water and favourable weather conditions, the port shall remain available for working throughout the year. In keeping with the location and other geographic advantages, the strategic significance of the port will never decline, rather it shall keep on growing and flourishing with every passing day.

Owing to enormous technical benefiting features and pronounced geostrategic position, Gwadar could even play a pivotal role in China-Pakistan military ties. It could possibly be developed into joint military facility to counter envisaged traditional and non-traditional threat to sustained function of the port; same could even act as China's

overseas martial facility. The aspect is much supported due to port's geographical location next to the Strait of Hormuz, the Indian Ocean, and Persian Gulf.

Chabahar port located on the coastal area of Iran and being developed through Indian funding under a tripartite Preferential Trade Agreement (PTA) signed between India, Afghanistan and Iran on 23rd May, 2016 may compete Gwadar Port. Both Gwadar and Chabahar Ports are situated at international energy trade route and could link have easy access to the Middle East, Central Asia Europe and Africa. While Pakistan and Iran deny competition among themselves and look forward for building on mutual linkages and cooperation between two ports, the competition between United States of America and rising China could influence some sorts of competition among two strategically important assets. Although, development of Chabahar in Iran is considered to be an act of hostility to counter Gwadar port; however, fostering an amicable relationship between both the countries could bolster the economic growth and trade activities, not only for both states but also for other states in the region and beyond.

Socioeconomic Prospects of Gwadar Port

Gwadar Port, after being developed has several socioeconomic incentives which connect development of the port with BRI. The project of CPEC under BRI was initiated between China and Pakistan in 2013 and was formally launched in July 2015. China's Foreign Minister declared CPEC the flagship project of BRI. Since Gwadar is going through massive transformation during the development process, once a fishermen town has now become focal point in the region. This focus of attention is multifaceted involving economic, political and strategic interplay of states. Gwadar Port has capability to hold massive trade and other economic activities which can deliver dividends not only to Balochistan but whole country can get benefits of CPEC. Since it is closer to the busiest Sea Lines of Communication (SLOCs) which carry major energy trade and dry cargo to the world, Gwadar can cultivate diverse opportunities and can connect with different supply chains and further multimodal projects can also be initiated to extend its prospects to others.

The concept of MSRI connectivity has been based on integrating multimodal trade and current economic activities going on across the world and boosting it further through effective connectivity from sea to ports, and port terminals to hinterland terminals by laying well designed value chains. It was maritime trade historically which provided opportunities to all states across the world to deal with their respective economic challenges, demand and supply gaps through effective trade and commerce policies by using sea routes. However, pace of progress has been multiplied since containerization revolution of 1960s - 70s, which increased interdependence drastically in politico-economic domain among countries. MSRI is continuity of that journey of progress which connects with CPEC at Gwadar bringing multitude of economic activities, technological advancement and development based on infrastructure and industrialization. The infrastructural developments like modernization of ports, establishing more SLOCs and shipping lines, inclusion of large number of businesses, laying fiber optic cables, rigging for oil and gas exploration, energy pipelines and terminals, and offshore energy production, specifically wind mill farms within oceans have increased number of opportunities which can bring socioeconomic upgradation of the country.

Gwadar Port besides contributing towards socioeconomic development of the main stakeholders shall also tremendously help in socioeconomic development of the noncoastal countries of the Central Asia which are located north of Pakistan. Gwadar Port creates enormous opportunities for these states to transit their respective export and import trade. The port would indeed help the landlocked states, especially Afghanistan and Central Asian Republics a great deal through provision of a gateway to Arabian Sea.

International Repercussions for Gwadar Port

As a normative thing, BRI is carrying both prospects and repercussions. Gwadar Port being indispensable linkage between MSRI and SREB of CPEC is being developed to host prospective bulge of economic activities. In view of the significance, it is not free from consequential repercussions which are multiple in numbers and diverse in nature. The inception of BRI and then CPEC in Pakistan has altered regional security environment. It has now become more hybrid by using all sorts of conventional and non-conventional means broadening the concept of national and international security. Thus, security threats emanating from changed environment in the region could be divided into traditional and non-traditional ones. Traditional maritime security threats are limited *au contraire*; however, in case of serious confrontation or miscalculations of states about others' actions can cause armed clash as complex geopolitics has emerged due to interplay between regional, as well as extra-regional states and non-state actors which has already enhanced highly competitive rather conflictual environment in IOR. Such instigations can augment possibility of limited war and eventual tactical and theatrical response of any misadventure could escalate threats of use of nuclear weapons. IOR is already hosting a significant number of nuclear capable states, both regional and extra-regional ones, the region can be converted into volatile hub of worst nuclear calamity. Such

escalations need to be strictly avoided by adopting firm international laws and regulations, and essential modifications within the laws needed to address the nonconforming opinions.

BRI has given resulted a significant shift in regional geopolitics. This exponential strategy of economic connectivity is enhancing China's stakes in the IOR which are not only offering socioeconomic dividends to China, but political ingress too is an indirect payout of MSRI and SREB. China's increasing role in this region is not being accommodated by regional actors like Australia and India, and extra regional actors like the United States of America. At regional level, it is matter of concern for India as dominant regional actor. On one hand, India has history of territorial dispute on land with China, and on other hand, India has been locked in territorial disputes with Pakistan on land as well as in sea. That historical enmity of India with China and Pakistan has multiplied since inception of CPEC, and India considers CPEC as strategic convergence between the two countries aimed at harming Indian interests, despite the fact that both countries have not shown any strategic or security related convergence overtly or covertly.

Historically, India has been blaming Pakistan for terrorism in India and as reaction, it allegedly sponsors militancy and terrorism in Pakistan in general, and since inception of CPEC, India has started threatening Pakistan overtly about instability in Balochistan. Indian National Security Advisor, Ajit Doval talked about tackling Pakistan, and mentioned to change engagement mode with Pakistan from defensive to defensive offense and to start working on vulnerabilities of Pakistan, i.e. economic, internal security, political, isolation internationally, or 'anything', further suggesting 'defeating their (Pakistan's) policies in Afghanistan making it difficult for them to manage internal political balance or internal security' and exclaimed that 'Pakistan's vulnerability is many times higher than India,' and that 'They will find that it is unaffordable for them. You can do one Mumbai, you will lose Balochistan.' YouTube. (2016).

For the purpose of disrupting harmony and political stability in Balochistan, India is allegedly instigating and financing not only Baloch insurgents, but it is investing on espionage in Pakistan by RAW and other mercenaries. The parts of Balochistan where CPEC projects are being conceived or developed are possibly more susceptible for security threats and terrorist activities. Some Baloch insurgents equate China with Punjab and exclaim both as trying to colonize and grab resources of Balochistan which needs to be addressed by the Pakistan's policy makers. Brahamdagh, B. (2015). Simultaneously, Indian espionage networks and RAW-engineered terrorist activities targeting at CPEC have also been intercepted by Pakistan in which Kulbhushan Jadev is prime example who was a serving naval officer and was captured from Chaman (Pakistan) after crossing Pakistan-Iran border, and was allegedly found involved in training Baloch separatists to attack port facilities in Pakistan. Syed, A. S. (2016).

Another security dimension and possible coercion yet very significant one which might require comprehensive response from Pakistan's policy makers is hybrid threat which uses conventional and non-conventional means of warfare. It involves propaganda, print or electronic media, use of cyber techniques, use of social media as instruments of war, propagation of hate speech aimed at certain goals like promoting or negating specific ethnicities and religious beliefs. This is called generation warfare which employs comprehensive strategies. CPEC is facing this threat more than any other issue as allegedly enemies were commissioning all kinds of hybrid means to instigate domestic environment for boosting hurdles through misinformation, criminal activities, political unrest, and insensitive use of disgruntled youth of Balochistan. There are several electronically published newspapers, websites, social media accounts spreading hate speeches, threats, and separatist anti-state agenda. Baloch separatist leaders have been opposing CPEC and conveying their dissent.

Speaking of non-traditional security is becoming more pronounced in IOR. Since Gwadar Port is transitioning end of MSRI, its threats and challenges are rooted largely in this oceanic region which had historically been perilous. IOR hosts more than 90% of maritime global trade including energy resources and dry cargo traversing through Indian Ocean, therefore, intensity of these threats has multiplied since inception of MSRI. These security threats and challenges lie on a vast spectrum including increased piracy around Horn of Africa, Bab-el-Mandeb and close to Indonesian littorals; incidents of crime, theft and gun running; illegal fishing and abuse of marine resources; illegal trawling; transnational blue crime; smuggling and trafficking of sand and gravel, illegal substances and drugs, diesel, lubricants, metals and ores, liquor, small weapon, currency, and humans; oil and chemical spillage or leakage from any vessels; maritime terrorism in form of abduction of crew and/or vessels for ransom; cyber-crime; damages to SLOCs; intrusion by one country in others' maritime zones for fishing and other economic purposes; and accidents and natural disasters. In contemporary era, IOR is seemingly getting more vulnerable as increased volume of economic activity, maritime traffic, and advancement of technology and means of communication are extending opportunities to illegal parallel economies and businesses to increase their activities in this region causing policing and law-enforcement challenges in IOR.

Domestic Challenges to Gwadar Port's Success

The development of Gwadar Port and CPEC has emerged as symbol of prosperity through economic connectivity among different regions, but concurrently, it has started creating distress among local people of Balochistan and coastal communities which have been having their economic reliance over traditional means of maritime related activities. Economic mismanagement in maritime zones of Pakistan has surfaced as major repercussion of MSRI as fishermen and other coastal communities show their concerns about foreign trawlers coming illegally in maritime zones of Pakistan, particularly to the sea close to Gwadar which is rich in different species of fisheries and seafood. That is developing feeling in local communities that Balochistan's resources are being abused and even drained.

Likewise, local people are concerned about lesser economic opportunities for which they could qualify as China is preferring to bring its own skilled labor. That is discouraging factor and for local youth and political parties active in Balochistan, it has become grave concern. This sense of deprivation is being exploited by nationalist separatist elements and external actors as fault lines of Balochistan. MSRI and Gwadar Port have brought multiple economic opportunities afore and connecting with CPEC can spill over those activities to wider number of people across Balochistan and even rest of Pakistan, but lack of training and skill in Baloch people and other local communities to utilize that economic potential is putting them on losing side of CPEC benefits, and they might remain backward in competitive market and corporate sector. Since China's trade volume is ample and there has not been enough planning to build capacity of small-scale businesses and local industries resulting into decline of domestic economy.

Balochistan's history is quite rich due to frequent interaction with other land masses for purpose of trade of metals, gems, stones, produce, slaves and other resources. Some of communities living in these areas have their heritage coming from traders, as well as slaves from other areas of Africa, Arab, and even east and west coasts of India. These coastal areas have distinct geography and majority of people are related with ages-old professions of their fore fathers, and they share lineage with communities of other countries and they are not ready to abandon their identity. In contemporary era, the biggest challenge in the wake of CPEC coming to Balochistan and then spreading to rest of the country is pluralism for which closed society of Balochistan is not prepared. There is deep divide within different ethnicities, tribes, religious communities, minorities, and different societal groups living in Balochistan, and their mindsets are largely fixated and traditional.

Another critical element is acceptance of the people migrating and establishing themselves in vicinity of the port. Successful management of Gwadar Port and CPEC would necessitate development of more inclusive society and accommodate additional groups of people from diverse nationalities and religious orientations. A lot of Chinese nationals, Russians, and people coming from CARs would eventually establish themselves at Gwadar, thus a pluralist society with considerable diversity of people and their identities is indispensable. However, the locals are probably not much prepared to accept the pluralist society. In presence of these challenges, where local society is overwhelming opposed to essential social and cultural changes, the reconciliatory process would be much difficult. Another aspect problem which further compounds the issue is the challenge of populism, where popular opinion is believed worth not to be challenged. People with limited education and awareness do not verify facts by themselves and they just follow their instinct or popular opinion, thus becoming victims of believing propaganda. In Balochistan where there exists a popular approach against setting up of Gwadar Port, CPEC and related development projects. Such visible dissent present in different communities regarding these projects could create public unrest among that society.

Nonetheless, oceans are the shared responsibility of all states, as well as non-state actors and active role of international laws and instruments guide their mutual relations and to ensure safe and secure maritime environment for navigation, economic activities and good order at sea. The nature of threats and challenges occurring within maritime domain are certainly violation of laws. The most pronounced threats are non-traditional besides limited traditional threats.

Conclusion

Gwadar Port is a doorway to enormous advancement evolution, which will not be limited to Balochistan or Pakistan, but the entire region and beyond. The immense potential of the port for socioeconomic development and growth shall act as a pivot to regional development and inter-regional connectivity. Major areas of cooperation and development between China and Pakistan are energy and infrastructure and much attention has been paid to government-to-government infrastructural development plans. Starting from Gwadar Port, projects under CPEC will be precursor to entail people to people and business to business contacts to boost small and medium enterprises along with bigger businesses.

The modernization of maritime infrastructure being strategic in nature would have direct impact over the socioeconomic growth and its assured sustainability. Any attempt to harm or disrupt the development of these structures or anything which could hinder safe and swift navigation falls under maritime terrorism, and merits strong constabulary actions. BRI's success hinges on the ports and other maritime infrastructure for efficient connectivity of its sea and land segments, thus any threat to development of ports would tantamount to projects failure. The port infrastructure on Pakistan's coastline particularly Gwadar Port is facing grave danger of terrorism as was concluded through this research. Due to hybrid nature of issues in IOR, Gwadar Port and CPEC are facing more repercussions at international and domestic level which could hinder timely completion of these projects. It implies for effective and inclusive approach that would be two-pronged; on one hand, to deal with regional and international repercussions, and on other hand, to enhance harmony and trust between state and people of Balochistan to mitigate irritants in the way of CPEC's success.

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