

Selling the Foresight of Development: Prospects of China Pakistan Economic Corridor

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Abstract

Construction of perception and commodification of foresight is a political tool to hold control over the means of production and enhance a hegemonic control over the public sphere, imagination, and even mass perceptions. Foresight is a process to (re)produce commodities, but the process is itself a commodity. Foresight has become a commodity; now, it is a market product for sale and purchase. Politics of prospects related to CPEC and the construction of perceptions and meanings attached to the development process is a significant component of foresight. This paper is primarily an explanation of hermeneutical study CPEC by analyzing the existing perceptions and perceived prospects. The perceptions and perceived prospects provide an institutional base of forecasting and foresight. CPEC is operating in a larger capitalist system whose sole purpose is (re)production of capital in which superficial fascination of foresight and development are merely commodities for buying and selling. A qualitative approach has been used for analyzing the perceived prospects over CPEC. Pakistan perceives CPEC as the development of industry, infrastructure, and agriculture and a catalyst for economic growth development.

Key Words:

Foresight, Development,
Prospects, CPEC,
Pakistan, China

Introduction

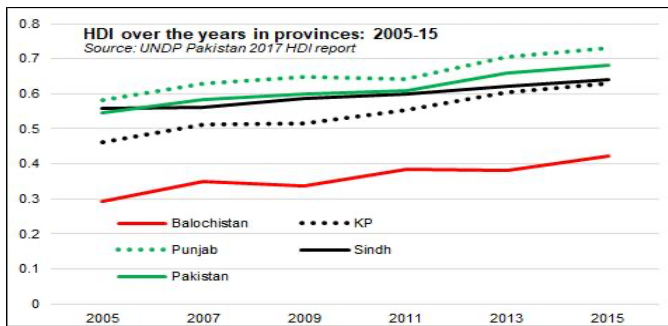
The present chapter focuses on the comprehensive study of various prospects of CPEC related to corridors and the projects. Pakistan, being the forefront state in War on Terror since 2000, challenged to face multiple domestic and external challenges ranging from political instability, security issues, and stagnation in the economy. ([Jia, Chunyang, 2017](#)). Luckily, the severity of issues is changing now due to the geostrategic advantage of the country's global location and the implementation of various developmental and infrastructural projects under the umbrella of CPEC. Pakistan needs to harness geostrategic location into a geo-economic advantage. Pakistan's geopolitical strategic position is important as it is located at the crossroad of South Asia with easy access to Central Asia and China through western borders. Moreover, its global connections through the sea route is also an addition to its geopolitical strength. CPEC has the potential to transform geopolitical space into a geo-economic structure. Which ultimately attracts European and other Western investors.

The CPEC and all its projects are based upon two basic principles, i.e., economic viability and environmental sustainability ([Saad, A., Xiping, G., & Ijaz, M. 2019](#)). The CPEC's foremost concept that could and would eliminate inequalities and disparities among least developed regions of Pakistan is the concept of shared prosperity. For Pakistan and its people, the development of industry, infrastructure, and agriculture are the main gains from CPEC, which can accelerate the economy. CPEC as a catalyst for economic growth has the potential to transform livelihood in the lesser developed regions of Pakistan.

The least developed regions of Pakistan have been neglected since her creation regarding their autonomy, first right to utilize their economic resource, unpaid subsidies by the federal government, lack of consultation by the federation on national issues, and many other socio-political and economic rights. The resources of these regions have always been exploited by the powerful elite in the center because of the poor socio-political awareness. The traditional political parties and civil-military bureaucracy have not made them aware of their rights that could enable them to rise for a genuine politico-economic struggle ([Khalid, Ijaz, 2018](#)). The elitist political parties have traditionally served the interests of the hegemonic superstructure ([Williams, Raymond, 1973](#)), which is the main reason of exploitation of the masses living in those regions. For instance, the Human Rights Indices have not been satisfactory, and Sustainable Development Goals (SDGs) could not be achieved most of the time. Governments have not localized these goals owing to a lack of setting their priorities while planning their development programs ([Reddy, P. S. 2016](#)).

According to United Nations Development Program (UNDP) report published ([Najam, A., & Bari, F. 2017](#)) in 2017, Azad Jammu and Kashmir (AJ&K) has the highest Human Development Index (HDI) of 0.734, ahead of Punjab with an HDI of 0.732, Sindh and Khyber Pakhtunkhwa (KPK) being 0.640 and 0.628 respectively. The former Federally Administrated Tribal Areas (FATA) has the lowest HDI in Pakistan at 0.216, followed by Balochistan and Gilgit-Baltistan with HDI scores of 0.421 and 0.523, respectively. These variations show huge disparities between neglected regions and provinces, reflecting inequality in human development across Pakistan.

Particularly in former FATA, Gilgit-Baltistan (GB), and Balochistan, development is below the national level. Development in former FATA is as bad as one-third of the national level. The Graph shows HDI in Pakistan.



Graph 1: Showing Details of HDI in Provinces

The result might be attributed to the conflict observed in this region since 2008, which has destroyed not only livelihoods and physical infrastructure but also aggravated a more fundamental sense of ownership and social cohesion by replacing it with uncertainty.

Jia Yu explained the prospects of CPEC in these words, "When it comes to win-win cooperation, of course, there is a lot at stake for both countries. Pakistan's interests lie in promoting growth, private sector investment, employment, exports, technology, and transfer of skills, as well as in the relocation of Chinese firms. China's interests lie in overseas production bases, new export markets, energy cooperation, and its need for production capacity relocation." (Jia Yu, 2018) Pakistan needs to take CPEC as an opportunity to uplift its future generations. The prospects of CPEC to surge livelihood of the marginalized regions seem vital. Advent of CPEC seems bringing about remarkable impacts on the economic development, physical infrastructure, health, education, employment opportunities for local workforce and can rise in living standard of marginalized classes. The establishment of industrial estates and construction of infrastructure would eventually enhance the working caliber and capacity of the workforce (Zia, Muhammad et.all. 2018). Furthermore, the transfer of hi-tech would not only increase the efficiency but it would result in surging quality of the output which would also supplement the income of the working class. Focus on agriculture with regard to introduction of High Yielding Varieties (HYVs), chemical fertilizers, pesticides and insecticides and mechanization on agricultural farms would elevate agricultural output. All this development activity through CPEC would lead the least developed and neglected regions to have better opportunities of quality education and health facilities.

CPEC and the Perceived Prospects

In 2015, the Chinese international development plan, The Belt and Road Initiatives (BRI), and China Pakistan Economic Corridor (CPEC) were not so popular after that, CPEC has not only become the dominating idea of Pakistan's development but also grasping the attention of the whole world. CPEC has become the most important corridor of BRI because of Pakistan's proximity to China. Chinese President Xi Jinping has rightly called it the "project of the Century" (David Keohane, 2020). China is determined to reinvigorate its ancient Silk Route to expedite its worldwide reach through new roads and shipping lines. (www.beltroad-initiative.com/belt-and-road) Keeping the stepping stones of the old Silk Route in view, China is making all efforts to crisscrosses from Asia to Europe and Africa. Acquiring the precedence of China's very next neighbor, CPEC has become the lifeline of the entire BRI project. China claims that BRI would benefit all countries and regions along the various routes. Hence, the route of CPEC passing through different provinces of Pakistan rests on the foremost position.

The CPEC is a comprehensive project of the road network, motorways and highways, extensive rail network, gas and petroleum pipelines projects, socio-cultural links through media, and fiber optics under construction to connect China with Pakistan. This development would automatically uplift the underprivileged regions of Pakistan since the project would give a rise to commercial and trading activities in those regions of the country which were historically neglected. There would be a definite increase in people-to-people contacts, which would result in their social cohesion. The benefits of any project are analyzed on the basis of its impacts on the lives of common masses. The commercialized communication on CPEC propagated that Pakistan is fortunate enough that CPEC would open Western China and Central Asia with connectivity to the sea through Gwadar Port, the most cost-effective and efficient sea route. It will provide the world with two-way trade routes, not just for Pakistan but for Afghanistan, for Western China, and Central Asia. CPEC through BRI would provide this region with worldwide access through the BRI (Boni, Filippo, 2019). More specifically, the BRI would integrate three billion people of Central, West, and South Asia, as well as in the Europe, Middle East, and Africa. The increase in trade, investments, and flow of goods and services would certainly bring peace, prosperity, competitiveness, and better living standards. This is how the regional disparities, deprivations, and social inequalities would be curbed, and the life expectancy

and quality of life would also surge. Based on regional cooperation and economic connectivity, the CPEC would bridge up the gap between the privileged and the underprivileged. The CPEC projects would reduce the rural-urban gap by introducing the policies of poverty reduction and human resource development.

Table 1. Showing Financial Allocations of CPEC projects

Projects	US\$ Millions
Energy	33,793
Transport and Infrastructure	
Roads	6,100
Rail Network	3,690
Mass Transit	1,600
Gawadar Port	786
Others	44
Total	46,013

Source: www.cpec.gov.pk

Nevertheless, the CPEC has been propagated as an ample opportunity for different provinces and regions of Pakistan to develop mutual political trust and to reach out to co-operational consensus. CPEC has brought Federal Government and all the provincial governments closer by enhancing multi-level communication mechanisms to achieve the goal of promoting mutual prosperity, mutual development, and mutual cooperation. People from the under-privileged regions of Pakistan perceive that when the CPEC gets mature, the people and areas will also witness socio-economic growth. All they need is attention and development.

Industrial Potential

China and Pakistan are determined to enhance economic cooperation by pursuing advancement in trade and industrial areas. Industrial bilateralism will enhance economic relations as well as trade liberalization. China and Pakistan, under the umbrella of CPEC, is collaborating with each other in key areas of development ranging from infrastructure, energy and artificial intelligence, and others. The purpose is to enhance and develop strategic collaboration to achieve economic development through synchronized and well-coordinated activities. Industrial development under the flagship program of CPEC is aimed at promoting the quality infrastructure, value addition, competitiveness, and improvement in the efficiency of industrial potential. It will result in the expansion of the size of the overall industry, the supply of high-tech value-added goods, complementary advantages, and mutual benefits.

The provincial disparity would decrease effectively by establishing industrial and Special Economic Zones (SEZs) in federating units i.e, provinces of Pakistan. Moreover, Kashghar Economic and technological development zone and Caohu industrial park from the Chinese side would provide technological support SEZs in Pakistan. (Chawla, Muhammad Iqbal, 2017). Pakistan's developmental mindset believe that CPEC would expand Pakistan's industry by providing cooperation from assembling imported parts to localize production of parts and other capital goods and encourage various forms of Chinese enterprises to improve the development of energy-efficient industry in Pakistan. Cooperation in the sectors like engineering goods, chemical and pharmaceutical, agro, light manufacturing, iron and steel, home appliances, and construction goods would strengthen Pakistan's local industrial output and to protect local industry. When it comes to the environment, the use of efficient, energy-saving appliances and environmentally friendly processes and equipment will cater to the demands of Pakistan's local market without bringing any harm to the environment. Chinese support to Pakistan's local production would simultaneously expand it to the international market. This argument clearly indicates integration of sustainable development goals with CPEC.

Pakistan has provided a wealth of natural resources to be explored and developed through the introduction of bilateral enterprises and the establishment of zones and industries for mineral processing. The bilateral trade between China and Pakistan through CPEC is perceived to strengthen trade relations; it would improve business to business contacts. Meanwhile, the advantages of the ports would lead into monumental logistics transportation. The CPEC would support the establishment of special customs supervisory areas along the CPEC route on the basis of China-Pakistan Economic Cooperation Zones and Industrial Parks to provide investment platforms and businesses and further expand international industrial correlations.

There is a huge industrial potential that has been clearly indicated in the Long-Term Plan (LTP). According to the LTP, the country has been divided into three important industrial zones. These zones are the Western and Northwestern zone, the Central and the Southern zone. Each zone is specified for specific industries in designated industrial parks.

The Western and Northwestern zone which covers most of the province of Balochistan and KPK province has been specified for mineral exploitation and extraction. This region has a significant potential in chrome ore, gold and copper reserves, but they are still at the stage of exploration. These valuable metallic mineral resources could be extracted by investing in relevant mechanical equipment to attain a huge bulk on a daily basis. Marble is yet another valuable non-metallic mineral resource in the zone. Previously, China has been one of the largest importers of processed Pakistani

marble, at almost 80,000 tons per year. The LTP talks about 12 different sites which would be set up for the processing of Marble and Granite at these points from Gilgit and Kohistan in the north, to Khuzdar in the south.

The common use of marble ranges among the construction, furniture, sculpture and ornaments manufacturing henceforth, indirectly supporting numerous industries and employment sectors ([Abid, Massarrat, and Ayesha Ashfaq, 2015](#)). The second zone which is covering most of the central parts of the country (Central Zone) has been marked for textile industry, household appliances and cement industry. Regarding the cement industry, the plan notes that Pakistan is surplus in its cement production. However, four different locations have been identified for cement clusters: Daudkhel, Khushab, Esakhel and Mianwali. So, the case of cement is also very interesting since it has a large scope of investment for Chinese enterprises to invest in the cement industry. Its use in development and infrastructure is of vital significance particularly, the construction of housing colonies, road infrastructure, dams, barrages, bridges and all other commercial and industrial buildings. Details of projects are shown in table

Table 2

Project Type	Number of Projects	Completed Projects
Energy Projects	23	7
Infrastructure Projects	8	0
Gwadar Projects	12	1
Rail based Mass Transit Projects	4	0
New Provincial Projects	6	0
SEZsProjects	9	0
Social Sector Development Projects	4	2
Other Projects	3	1

Source: CPEC Quarterly Magazine, Spring Issue, Vol: 2, 2018

The southern zone in the plan recommends the development of petrochemical industry, steel and iron industry, harbor industry, engineering machinery, trade processing plants etc. In this part of the LTP, the report lacks the detail regarding the assembling industry which is under the dominance of Japanese companies such as Toyota, Honda and Suzuki. Though it is one of the fastest-growing industries in the country but the lack of interest of Chinese enterprises might be due to the dominance of the Japanese enterprises. However, there is huge potential for the Chinese engineering and mechanical intellectual capital to come in the direct competition with the market leaders in this sector.

Development of Agricultural Sector

Agriculture sector is one of the most important prospects of CPEC which will enhance agriculture production, processing and supply for the ever-increasing population in Pakistan. Agricultural infrastructure construction under the CPEC coverage is set to train agricultural personnel and promote technical exchanges and cooperation. Agricultural development would be proven the most effective tool to alleviate poverty as majority of the Pakistani population is related to the agriculture sector. China is focused on helping Pakistan in the areas of, “biological breeding, production, processing, storage, transportation, disease prevention and control, infrastructure building, conservation and utilization of water resources, and land development and remediation. ICT-enabled agriculture and marketing of agricultural products would enhance the promotion of large-scale, systematic, standardized and intensified Agricultural Industry. Under CPEC, the transition of traditional agriculture to modern agriculture would take place in the regions along the CPEC to effectively boost the development of domestic agricultural economy and help native people get rid of poverty and uplift their living standards”. ([Ahmed, Riaz, and Usman Mustafa, 2016](#)). CPEC also promises to balance growth problems of the agriculture industry and services in Pakistan. The lowest progress of agriculture is shown in table 4.2. The planning of BRI is more comprehensive and also included the idea of agricultural development along the BRI routes. Keeping in view the potential in agriculture sector and other allied sectors of the economy, the research centers, universities and business entrepreneurs need to equip themselves with more updated and market driven knowledge. It is a high need to make Pakistan’s agriculture sector compatible with the hybrid production and growth. As water conservation is pivotal for the agricultural land to yield good crops throughout the year, the construction of the water-saving modern agricultural zones is all set to be established under CPEC. CPEC can provide an opportunity to higher education sector to become an engine of economic development (HEC, 2002). This very initiative would increase the progress, development and growth of medium and low-yielding piece of land to achieve optimal use of natural resources. Table Showing Feasibility of Agriculture

Table 3. Routes of CPEC

	Central Route	Eastem Route	Westem Route
Average Population density	156	264	98
Total Area under Cultivation (ooo ha)	5829	10322	2933

Production of four major crops (000 Tones)	13754	30928	7430
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Agricultural initiatives also include the strengthening of drip irrigation technology for water efficiency. In order to overcome the off-season shortage of agricultural products, CPEC has planned to improve the operation and management of water resources, to enhance pastoral and desert development and to introduce remote sensing technology (Husain, Khurram, 2018). Moreover, to strengthen the production of agricultural inputs, LTP also envisages the use of fertilizers, pesticides, machinery and support services including agriculture training and research. It also includes the collaboration in forestry and horticultural products.



Source: Azhar Rasool, Mohammad Ali Hassan (2017)

Logistic companies would be set to store agricultural products and with sound connectivity to market. Connectivity to market is significant for economic growth. The effective supply chain management of the raw food will ensure the least rotting and the potential threat to food expiry before delivery. Chinese ministries and China Development Bank would provide financial backup for the agriculture industry to make its output optimal. This financial backup by these banks would encourage the investors and entrepreneurs to confidently exploit these sectors.

The plan is focused on providing modern production techniques and mechanization of the entire sector. Introducing hybrid varieties and precision irrigation would obviously multiply the agriculture production leading to enhanced GDP and to overcome the food shortages in Pakistan. Subsequently, it would add to the exports of the country as well as the employment level. Domestic markets would be strengthened since the import of food grain would be discouraged and Pakistan’s agricultural exports would surge. It is further perceived that dairy products including milk, yogurt, cheese and butter etc. would be available at affordable prices.

Exploitation of Mineral Resources

The Mining Industry is yet another vital segment of CPEC that would lead the local mining sector to even higher avenues of development and output. Pakistan is rich in its mineral resources which need to be tapped and exploited.

Especially Khyber Pakhtunkhwa and Baluchistan are two provinces which have huge deposits of mineral resources. South Khyber Pakhtunkhwa has plenty of oil and gas resources and major minerals, and, hence, it has huge potential of setting up of heavy mineral-based chemical and building material industry. KPK is determined to become a supermarket of mineral-based products. Under the New Minerals Development Policy, within the time span of two years i.e. between 2017 and 2018, KP adopted a transparent and easy for the commencement of mineral prospecting leases in the province (Ahmad, Mansoor, 2017).

More than a dozen licenses were awarded to chemical, lime chain, and cement producers for extraction of limestone, and further procedure is in hand to establish factories. KP is also offering early win chances in emerald mining and placer gold extraction. Moreover, nepheline syenite, chromite, marble-granite, etc., are also being extracted. Joint Ventures of Pakistani companies with the Chinese companies can result in large scale mineral-based manufacturing as planned to establish in remote rural areas. This initiative is all set to create 'closer to home' new jobs in low-population areas. Likewise, Pakistan largest province, Balochistan, is full of minerals. For instance, Reko Diq is the world's second-largest copper deposit and is in the area that is Taftan and commonly known as Chaghi. This area hosts large deposits of copper, gold, iron ore, ordinary marble, great onyx, etc., which are spread in this area over 700 square miles (Magbool Ahmed, 2017). If these these minerals lying between Khاران and Taftan are extracted properly, Baluchistan can feed the whole of Pakistan. These very deposits are as big as the Iranian pile. People of Balochistan are hopeful that these minerals as part of CPEC would be exploited and mining activity would help the local people raise their living standards. Balochistan, with the help of proposed development schemes, will soon rise to become a prosperous and developed province.

Tourism and Recreation

Tourism and recreation is an important component of CPEC. China and Pakistan are planning and designing the optimum utilization tourism resources along CPEC. Pakistan-China border seem as suitable place for tourism and recreation. Both the partners are focusing on the development of coastal tourism (Ullah, Zia, Jehangir Khan, and Zahoor Ul Haq, 2019) within the CPEC coverage, including Gwadar and Karachi as the hubs. Tourism is one of the most lucrative industries in the modern times. CPEC route has remarkable avenues need to be focused on to attract international tourists, which would obviously add to generate various recreational activities in the country. The tourism industry can be extended from the north in the highlands to the south throughout the coast, having water sports, spring hotels, golf courses, hot spring hotels, public squares, city parks, nightlife, cruise homeports, and many other relevant recreational activities. It would also preserve and evolve Pakistan's historical and cultural heritage. In addition to it, tourism industry in today's world plays a vital role in bringing various peoples of the world closer, which eventually results in strengthening political and socio-economic relations among them. Almost all the core countries of the world give foremost importance to the services sector like tourism because it multiplies sustainable economic growth more than the goods' sectors. Lastly, upsurge in the tourism industry would increase employment at a large scale for the local workforce that will ultimately increase the National Income of the host country. China and Pakistan are also working on building tourism-related zones in Pakistan, including two centers, one axis, and five zones. Two centers are Gwader Port and Karachi, one axis is coastal tourism belt, and five zones include Gwader, Jiwani, Jhal Jhao, Keti Bandar and Ormara Sonmiani. Both countries work to improve public information services, affordable and comfortable transportation, security protection, and other tourist facilitating services. Both countries' tourism departments are working on the tourist route adjacent to Pakistan's coastal cities and on coastal recreation and vacation, and the suggested route joins Kati Bander to Karachi to Sonmiani to Jhal-Jhao to Gwadar, and finally to Jiwani.

Energy and Power Resources

Pakistan has been facing severe energy crisis over the years. CPEC addresses the very issue in its master plan to overcome the crisis as the energy reservoirs and power resources determine agricultural and industrial fate of any country. In the recent years, the gap between the demand and supply of water and power has increased, which resulted in the shutdown of about 1585 industrial units, especially in the last five years. In addition to that, a sum of more than 30 billion PKR was being spent on Uninterruptible Power Supply (UPS) and battery recharge. As part of CPEC, both the countries agreed to develop the basket of 17,100 MW of electricity in two subsequent phases, which will ensure security with a more flexible energy mix providing cleaner and cheaper energy by 2030. In the first phase, projects of 11,100 MW of electricity (Ali, Yousaf, et al., 2018) have either been completed or in the final stages, whereas the remaining 6000 MW would be completed in the second phase. The majority of those projects would be in hydel power sector and on River Indus. The Government of Pakistan has given priority to energy projects since 2015. The Quaid-e-Azam Solar project, Port Qasim Coal, Sahiwal Coal, Hydrochina Dawood Wind, and Sachal Wind have been completed, and the National Grid has been added with electricity. The energy projects mentioned above added some 7.620 MW of electricity to the National Grid. Moreover, the approved projects under CPEC that are at different levels of completion consist of four Wind, three Coalmining, seven Coal-fired, three Hydro, and one solar, whereas there are two transmission projects as well. After the completion of all the projects, the country's generation capacity would be more than 13000 MW which is almost 60 % more than in 2015. These energy projects are distributed all across Pakistan utilizing our Wind, hydel and coal potential (Dadwal, Shebonti Ray, and Chithra Purushothaman, 2017). Table showing summary of the CPEC energy projects

Table 4

Energy Projects	No. of Projects	Total installed Capacity (MW)	Total Estimated Cost (US Billion)
Coal Fired Power Plants	8	8,880(64.5%)	12.35(58.26%)
Hydro Power Plants	3	2690,(19.5%)	5.62(26.51%)
Wind Farms	4	300(2.20%)	0.66(3.11%)
Solar Parks	2	1900(13.80%)	2.57(12.12%)
Total	17	13,770MW	SSD 21.2 Billion

Source: [Dadwal, Shebonti Ray, and Chithra Purushothaman, 2017](#)

One of the leading prospects of CPEC would enable Pakistan to get rid of the curse of energy crisis and load shedding in domestic sector, and secondly, it would lead Pakistan to speed up its industrialization process, which would not only increase the production at home, but it would mount the exports as well. Investment in the industrial sector is closely associated with the availability of inputs related to electricity. Table 4 shows details of energy projects.

Table 5. Showing CPEC Priority Areas

Project	Fuel	Capacity (MW)	Estimated Cost (US\$ Million)	Commercial Operation Date
Port Qasim coal power plant	Imported coal	1320	1,912.2	April 2018
Sukl Kinarl hydropower station	Hydro	870	1,707	December 2022
Sahiwal coal power plant	Imported coal	1,320	1,912.2	October 2017
Engro Thar Block II coal power	Domestic coal	660	995.4	July 2019

and mine project				
TEL Thar Block II coal power project	Domestic coal	330	497.7	July 2019
Thalnova Thar Block II coal power project	Domestic coal	330	497.7	July 2019
Thar Block II surface mine		1,470		December 2018
Hydro China Dawood wind farm	Wind	50	112.65	April 2017
Gwadar coal power project	Imported coal	300	Not yet determined	Not yet determined
Quaid-e-Azam solar park	Solar	1000	1,302	August 2016 (300 MW)
UEP wind farm	Wind	100	250	June 2017
Sachal wind farm	Wind	50	134	April 2017
SSRL Thar Block I coal power and mine project	Domestic coal	1,320	1,912.2	Expected 2018/2019
Karat hydropower station	Hydra	720	1,698	December 2021
Three Gorges second and third wind power projects	Wind	100	150	June and July 2018
Hub coal power plant	Imported coal	1,320	1,912.2	February 2019 (660 MW)
Matiari-Lahore HVDC transmission line		1,658		March 2021
Matiari (Port Qasim)-Faisalabad HVDC transmission line		1,500		2018/2019
Thar Mine Mouth Oracle power plant and surface mine	Domestic coal	1,400	Not yet determined	Not yet determined

Source: CPEC Secretariat "CPEC-Energy Priority Projects," *China Pakistan Economic Corridor*, accessed June 21, 2019, <http://cpec.gov.pk/energy>

Henceforth, speeding up industrialization in Pakistan would ultimately increase employment for the local workforce, which would strengthen economic development. Apart from electricity generation, CPEC energy sector projects are aimed at promotion and effective cooperation in the exploration and development of oil and gas resources and to diversify oil supplies. Keeping in view energy conservation, China and Pakistan agreed to construct oil refineries and storage centers along the CPEC route to meet energy-related challenges. Moreover, to ensure energy security, both the countries are finding a smooth transition of power plants from imported coal to Thar coal and carbon bio-friendly hydel projects providing eco-friendly energy farms. Under the Paris Agreement, the government is committed to mitigating carbon dioxide emissions by using supercritical technology to ensure that environment of Pakistan is not harmed while moving towards the industrialization phase.

Employment and Economic Indicators

The population of Pakistan is growing 2 percent annually ([World Bank, 2019](#)), which causes inundated increase in unemployment. This mounting pressure on employment sectors is negatively affecting the living standards of the people in numerous ways. The employment level of any country is considered to be the backbone of any economy, which not only surges economic growth but also boosts living standards of the people by increasing their per capita income. Optimal utilization of human resources as capital is one of the major objectives of CPEC ([Zia, Muhammad Muzammil, and Shujaa Waqar, 2018](#)). Table showing Economic Indicators

Table 6

Economic Indicators of Pakistan	2018-19	2019-20
GDP Growth	1.9%	-2.6%
GDP per capita	\$1,482 (Nominal)	\$1,244 (Nominal)
Inflation rate	6.74%	11.12%
Interest rate	12.25% as of June-19	13.25%-7.00%
Exchange rate USD	PKR 160.00	PKR 167.40
Unemployment rate	4.45%	6.2%
Poverty rate	29.5%	40.0% forecasted

Source: Data Calculated from Planning Commission Pakistan

The project is expected to create about two million jobs in various sectors. The interaction between the Chinese skilled labor and entrepreneur with Pakistan's workforce would certainly enhance the productivity, capacity, and expertise of the native workforce. Consequently, the skilled labor would have the potential opportunity of employment within the country and abroad. Mr. Mushahid Hussain Syed, Chairman of the Pakistan-China Institute, said millions of new jobs would be generated in the next decade when China's small and medium-sized enterprises relocate to other countries like Pakistan, Sri Lanka, Cambodia, and Vietnam. China's Overseas Port Chairman Zhang Baozhong stated that Gwadar Free Zone during its initial construction and production alone provided job opportunities to 38,000 people and would assist in increasing Pakistan trade volume, FDI, and national economy size. Likewise, hundreds of jobs were provided to the citizens of poverty-stricken Thar. As part of the bid to empower women socially and economically, several educated girls got jobs in the engineering sector, and 26 women are driving the dump trucks. The most important outcome of the CPEC is the integration of the backward districts of Balochistan and south Khyber Pakhtunkhwa into the national market. Local people

would grab thousands of jobs in the power sector, agriculture, fisheries, livestock, construction, horticulture, mining, etc. (Khan, Karim, Krim Khan, and Saba Anwar, 2016)."

Apart from the jobs created by the CPEC and its projects, Public-Private Partnership (PPP) would usher a new era of economic growth and business boom. Pakistani workforce would have tremendous chances to pursue private sector business activities to ensure self-employment, which would indeed help us curb the challenge of unemployment. It would also reduce the crime rate in many ways and would curb social inequalities. Furthermore, unemployment is one of the major weapons in the hands of extremists and terrorists, which are commonly used against innocent citizens. China's history reveals that, especially after the great revolution under the leadership of Chairman Mao, China focused on its people and their living standards. Its trend at the national level shows that it is determined to focus on the lives of citizens. Chinese Ambassador to Pakistan, Yao Jing, said while addressing the CPEC Summit held in Pakistan last year, "CPEC collaboration is not only in the economic field; it involves the common people's future and destiny. Under CPEC, we want to see the participation of the whole society, not only from Pakistan, but also from China, and, in the future, the participation of regional nations and regional people. When we target our destiny in terms of a better future, we believe we are going in the right direction. We believe that with the efforts from both sides, we can contribute into a new paradigm, a new concept of regional cooperation and regional development."(Ibid)

Technological Development, Reforms, and Innovations

It is a matter of the fact that Pakistan's agricultural, industrial and technological infrastructure does not support modern techniques to expedite National Income. The entire development and production structure of Pakistan need to be overhauled. However, development is not all about economic growth and infrastructure. We, the Pakistani people, must focus on tech-knowledge sharing and collaboration as we enter into the upcoming Fourth Industrial Revolution (Hadi, Noor Ul, Saima Batool, and Assad Mustafa, 13.3.2018). The development of regional-based value chains is a process that changed the orientation of global trade in the last few decades, is really an exciting prospect. CPEC is the golden opportunity for Pakistan to bring advanced manufacturing and productions techniques. By using reform, openness, and innovation strategies, China has now become the world's second-largest economy with its current Gross Domestic Product (GDP), the sum of all goods and services produced in the country is \$12 trillion, even more than Japan, Russia, India, and Brazil's combined GDPs. China is one of the world's most globally integrated economies, with \$4 trillion in annual trade crossings and \$1.4 trillion in foreign direct investment (FDI) (Morrison, W. M. 2013).

The most important features that make China the beacon of light for Pakistan's development is its reform agenda. Chinese Ambassador to Pakistan Mr. Yao Jing explained how China made remarkable development, especially in the last four decades. He said, "The conclusion we have made after 40 years' effort is that we have to carry forward the spirit of reform and of innovation. By reform and innovation, our government and our people can always find the momentum and find the dynamics for better development and a better model of governance" (Yao Jing, 2017). Development ambitions of any country are related to political stability. Unless and until Pakistan follows political stability, we can't realize the dream of becoming a developed nation.

Chairman of the National Council of Economic Advisers, Shaukat Tarin, said, "We need to set up intensive labor training arrangements with Chinese help at the Special Economic Zones (SEZs) (Shouket Tarin, 2018). Also, China's Universities assist with research for companies in the SEZs, and often have campuses in the SEZs. We must involve academia in research for our business development strategies. We must also focus on upgrading our knowledge and skills with respect to industrial technology.

In the developed world, as in China, the increase in the use of new technology- i.e. robots, Artificial Intelligence (AI), 3D printing- will bring down the cost of final goods. This will create a pricing advantage for goods made in the traditional way. As Pakistan forward, it must use China's expertise and experience in setting up of our new manufacturing plants to take into account recent innovations in technology" to meet the requirement of GDP growth. The following table shows GDP growth and population in Pakistan since 1947-2018.

Table 7. Showing Details of Population

	1947	2014	2018 (expected)
Total Population (Million)	28.24	185.55	199.98
Urban Population (million)	6	73	79.28
GDP growth	-	4.67%	5%-6%
National Poverty headcount	-	29.40%	No data
HDI score (rank)	-	0.55 (147)	No data

Table Pakistan statistics (UNDP 2015) (World Bank 2018) (A. Hasan 2010)

Keeping in view the reform agenda that China went through, China is committed to socialism along with the market economy. Market forces were liberalized after introducing the policy of openness and liberalization by Deng Zioping in 1978. It is interesting to note that Pakistan was richer than China in 1980 viz-e-viz GDP and Per Capita Income. China's GDP was \$190 billion per annum, whereas Pakistan's GDP was \$240 per annum. In the same year, China's annual per

capita income was \$200, whereas Pakistan had \$300 per capita income. But now, China has a GDP of \$12 trillion, whereas Pakistan has the GDP of about \$450 billion. Now, China has a per capita income of \$8000, whereas Pakistan has a per capita income of \$1600 ([Tehsin, Muhammad, Amjad Abbas Khan, and Turrab-ul-Hassan Sargana. 2017](#)). This is how China progressed in the last 40 years, i.e., after introducing the reforms.

Conclusion

The study of CPEC related prospects shows a process of (re)production of capital and construction of commodity through foresight. In developmental sphere, foresight is only a tool to capture the market. The CPEC's foremost concept that could and would eliminate inequalities and disparities among least developed regions of Pakistan is the concept of shared prosperity, which remained a part of prospects. For Pakistan and its people, the development of industry, infrastructure, and agriculture are the main gains from CPEC as a catalyst for economic growth and transforming the gains of CPEC to the lesser developed regions of Pakistan. The least developed regions of Pakistan have been neglected since her creation regarding their autonomy, first right to utilize their economic resource, unpaid subsidies by the federal government, lack of consultation by the federation on national issues and many other socio-political and economic rights. The resources of these regions have always been exploited by the powerful elite in the centre because of the marginality. The traditional political parties and civil-military bureaucracy have not made them aware of their rights that could enable them to rise for a genuine politico-economic struggle. The elitist political parties have traditionally served the interests of the hegemonic superstructure, which is the main reason of exploitation of the masses living in those regions. In un-even society, elite driven foresight is a mode of exploitation and never ever translate into emancipation of masses.

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