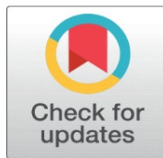
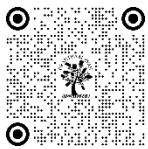


# CHINA'S CONTROL OVER THE CHINA-PAKISTAN ECONOMIC CORRIDOR: THE PERSPECTIVE OF THE NATIVE PEOPLES OF PAKISTAN

Pradeep <sup>1</sup>✉, Dr. Vivek Kumar Mishra <sup>2</sup>

<sup>1</sup> PhD Scholar, Department of Political Science and IR, SOHSS, Gautam Buddha University, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, India

<sup>2</sup> Assistant Professor, Department of Political Science and IR, SOHSS, Gautam Buddha University, Greater Noida, Gautam Buddha Nagar, Uttar Pradesh, India



## Corresponding Author

Pradeep, [pradeepdedha89@gmail.com](mailto:pradeepdedha89@gmail.com)

## DOI

[10.29121/shodhkosh.v5.i2.2024.2565](https://doi.org/10.29121/shodhkosh.v5.i2.2024.2565)

**Funding:** This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

**Copyright:** © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



## ABSTRACT

Pakistan and China's relationship has always been characterized by political collaboration, economic connections, and as well as military collaboration. These connections have taken on new heights since 2015 when both have concentrated on the China-Pakistan Economic Corridor (CPEC), a group of initiatives that are part of Beijing's Belt and Road Initiative announced in 2013. Pakistan's political leadership refers to the CPEC as a "game changer" that will bring prosperity by revitalizing the fragile economy of the nation. CPEC has been praised as a project that will revolutionize Pakistan's economy and serve as a showcase of China's aspirations for the global economy. However, worries about political influence, economic reliance, and sovereignty have also caused debate within Pakistan. Although the Pakistani government presents the China-Pakistan Economic Corridor (CPEC) as a mutually beneficial development effort, the people of Pakistan are becoming more concerned about China's rising influence over the country's political and economic spheres and started opposition in Balochistan and other provinces. This article looks at how China's influence over the Pakistani government is reflected in the dynamics of the CPEC and analyses the subsequent disagreement and discontent among the Pakistani populace. It also explores how China's Belt and Road Initiative (BRI) ties into the larger geopolitical and economic consequences of CPEC and also concern for India.

**Keywords:** CPEC, BRI, Foreign Policy of Pakistan, OBOR, Maritime Silk Road

## 1. INTRODUCTION

South Asia is known as an area plagued by instability, economic underdevelopment, and violence. The likelihood of a more powerful and stable region naturally increases when paths of collaboration leading to growth are explored. There were high expectations for similar stability in Pakistan for the upcoming years following Chinese President Xi Jinping's visit to the country. The concept of creating the China-Pakistan Economic Corridor (CPEC), which was first envisioned by Chinese Premier Li Keqiang during his visit to Pakistan in May 2013, is the correct shape (Mansoor, 2021). With a network of highways spanning around 3000 km (1,800 miles), the projected economic corridor will link the port of Gwadar, Pakistan, with the northwest Chinese region of Xinjiang (McCartney, 2022). This will provide Pakistan access to much-needed economic infrastructure, particularly power plants. Where the 21st-century Maritime Silk Road and the Silk Road Economic Belt connect is the China-Pakistan Economic Corridor. As such, it is a significant undertaking within

the "Belt and Road" concept. Beijing is worried that Afghanistan and Pakistan might jeopardize security on China's northwest frontier in the absence of economic growth and stabilization (Small, 2015). The economic corridor connects the largely northwest of China with Gwadar, the closest Chinese coastal port, with the additional goal of promoting economic development in that region. China has committed to providing development projects worth initially about \$46 billion, or about 20 per cent of Pakistan's yearly GDP (A. Khan et al., 2023). The economic corridor project will add 17,000 megawatts of power generation in total, at an estimated cost of \$34 billion. The remaining funds will be used to upgrade the railway line connecting Peshawar, a city in northwest Pakistan, and Karachi, a port megacity. According to the plan, all of the projects must be finished by 2030. Through a vast and intricate network of roads, railroads, business zones, energy schemes, and pipelines, the economic corridor will connect Pakistan's Gwadar deep-sea port on the Arabian Sea to China's underdeveloped far-western region, cutting down on the country's energy imports from the Middle East by roughly 12,000 km. By 2017, around \$15.5 billion worth of hydro, solar, wind, and coal energy projects will be operational, contributing 10,400 megawatts of electricity to Pakistan's national grid. There are plans to build an optical fibre cable for \$44 million to connect the two nations (Dadwal & Purushothaman, 2017).

India expressed concerns over the corridor since some of the projects encompass territories that are part of the Pakistan-occupied Jammu and Kashmir (POJK), which is an integral part of India. India has opposed the idea of CPEC because it violates Indian sovereignty. China designated the South China Sea region as one of its "core areas" when India began its exploration of oil and gas there. CPEC has been positioned as a game-changer for Pakistan. It pledges to offer energy security, address the nation's persistent infrastructural shortcomings, and generate much-needed jobs. The Pakistani government has presented the China-Pakistan Economic Corridor (CPEC) as a means of fostering economic growth and as evidence of Pakistan's close relationship with China, its "all-weather friend." But the intricacies and difficulties of the enterprise are not well conveyed in this tale (Wolf, 2020).

#### Is China's Economic Dominance Over Pakistan Predatory or Mutually Beneficial?

Even though the Pakistani government portrays the China-Pakistan Economic Corridor (CPEC) as a balanced collaboration, there are mounting worries that China is controlling an excessive amount of Pakistan's economy. Pakistan is now dependent on Chinese loans and investments due to its dire financial problems, which include a large debt load and ongoing balance of payments crises. China now has considerable influence on Pakistan's political and economic decision-making processes as a result of this reliance. Pakistan has emerged as a leading beneficiary of Chinese funding, with a significant portion of its debt being associated with CPEC projects. This arrangement, according to critics, is similar to "debt-trap diplomacy," in which China utilizes financial aid to establish economic dependence that increases its political clout (Alam, 2020). The opaque nature of many CPEC deals feeds suspicion about the long-term effects of Chinese dominance over vital areas like energy, infrastructure, and communications, despite the denials of Pakistani authorities.

China is becoming more and more involved in the Pakistani economy beyond only building infrastructure. Long-term contracts and control of vital resources, such as Gwadar Port, which is currently run by the state-owned China Overseas Port Holding Company, have been obtained by Chinese corporations (Kardon et al., 2020). These events have sparked worries that China's interests are taking precedence over Pakistan's and that Pakistan is handing up control over critical assets. Pakistan's greatest accomplishment yet has been to enlist China's assistance in resolving the long-term energy crisis that has gripped the country. The planned project would strive to address Pakistan's deteriorating electricity infrastructure, a pressing and persistent issue that analysts estimate deducts at least 2% annually from the GDP of the nation. With the help of coal, nuclear, and renewable energy projects, the project will expand Pakistan's electricity system by 10,400 Megawatts (Zaidi, 2020). On April 20, 2015 agreements totalling US\$ 28 billion were reached by Pakistan and China to launch "early harvest" projects under the CPEC right away (Kiani, 2015). "The US\$ 28 billion funding agreements have already finished the appropriate procedures, so they will go straight into the implementation phase. These include the Chinese government's concessional loans for the second phase of the Karakorum Highway's upgrade from Havelian to Thakot, the Karachi-Lahore Motorway from Multan to Sukkur, the Gwadar Port east-bay expressway project, the Gwadar international airport, the 1000 MW solar power park in Punjab, the 870 MW Suki Kanari (Khyber Pakhtunkhwa) hydropower project, the 720 MW Karot (AJK) hydropower project, and three wind power projects at Thatta of United Energy Pakistan (100 MW), Sachal (50 MW), and Hydro-China (50 MW) (Razia et al., 2023);" the provision of materials for addressing climate change, projects in the Gwadar Port region, and the establishment of the China-Pakistan Joint Cotton Biotech Laboratory and the China-Pakistan Joint Marine Research Center (Esteban, 2016). A collaboration agreement was also signed by the Pakistani Ministry of Information, Broadcasting, and National

Heritage and the State Administration of Press, Publication, Radio, Films, and Television of China. Additionally, a tripartite agreement was signed by China Central Television, PTV, and Pakistan Television Foundation for the rebroadcasting of CCTV-NEWS/CCTV-9 Documentary in Pakistan. Protocol agreements were signed establishing sister-cities links between Karamay (Xinjiang Uyghur) and Gwadar, Zhuhai (Guangdong province) and Gwadar, and Chengdu (in China's Sichuan region) and Lahore. In addition, a commercial contract and agreements on financing were signed regarding the Gwadar-Nawabshah LNG terminal and pipeline project, the Lahore Orange Line Metro Train project, the Port Qasim 2x660MW (1320MW) coal-fired power plant, the Jhimpir wind power project, the Thar Block II 2x330MW (660MW) coal-fired power project, and the 3.8 million tons of coal production per year Thar Block II (M. U. H. Khan, 2015). China Development Corporation and Habib Bank Limited inked a finance cooperation agreement to carry out the PCEC. Additionally, an agreement was struck by Wapda, PPIB, and China Three Gorges Corporation (CTG) to collaborate on the construction of hydropower projects, as well as by the Silk Road Fund to build private hydropower projects (Wasim & Siddiqi, 2018). A framework agreement on financial services corporation between ICBC and HBL for promoting Chinese investments and the development of industrial parks in Pakistan was signed, as was a financing facility agreement for the Dawood wind power project between Industrial and Commercial Bank of China (ICBC), PCC of China, and HDPPL (Syed & Tariq, 2018). The Pakistani government has continued to view Balochistan, the home base of several terrorist and separatist organizations, as a difficult territory. Since the majority of the corridor will pass through that area, the demographic of the area will shift, improving its economic viability, stability, and sustainability. According to statements made by Nawaz Sharif, the prime minister of Pakistan, this corridor will turn Pakistan into a center of economic activity for the area (Bhattacharjee, 2015).

Beyond economics, China is increasingly perceived as using the CPEC as a weapon to sway Pakistan's international and domestic policy choices. Pakistan's political establishment has become increasingly in line with Beijing's goals, especially during the tenure of former Prime Minister Imran Khan and his predecessors. Maintaining this alignment also depends heavily on China's military ties with Pakistan. The military in Pakistan, which has traditionally held considerable influence over the political system in the nation, is a major supporter of the China-Pakistan Economic Corridor (CPEC) and sees China as a counterweight to US dominance in the area. Concerns concerning the independence of Pakistan's decision-making processes have been raised by the tight political relations that Beijing and Islamabad. There are worries that the welfare of the Pakistani people is frequently neglected in favour of Chinese interests by the government of Pakistan. For example, accusations of cronyism and corruption have increased as a result of large contracts being given to Chinese corporations without open bidding procedures. In addition, labour disputes have emerged as a result of Chinese labourers frequently being given preference over local workers on CPEC projects, which has strained relations between Pakistani labourers. The impression that China's influence is weakening Pakistan's democratic procedures has also been brought about by these political factors. Though there have been rare criticisms of the government's management of CPEC from the opposition parties, CPEC has mainly escaped significant public scrutiny or resistance inside the Pakistani political system due to the military's close links to China.

## 2. PUBLIC ATTITUDE: INCREASING UNREST AND NATIONALISM

Public opinion in Pakistan has been more divided, despite the country's military and administration being primarily in favour of the CPEC. Many Pakistanis had once hoped that the China-Pakistan Economic Corridor (CPEC) would deliver energy security, better infrastructure, and economic success. On the other hand, as these programs have advanced, Pakistani public disenchantment has grown (Mahmood, 2022). The advantages of the CPEC have not been distributed fairly. While substantial investment has been made in some regions, especially in Punjab and Sindh, other regions, including Balochistan and Khyber Pakhtunkhwa, have received less attention. Resentment among vulnerable people has been exacerbated by this unequal progress, especially in Balochistan, where there has been a separatist movement for a long time. The Baloch people see CPEC as an exploitative project that does nothing to better the lives of the Baloch locals and instead favours foreigners, especially the Chinese and Punjabi elite (YİĞİT, 2019). Because the building of the port has forced local populations to relocate and jeopardize their means of subsistence, the Gwadar Port project - a pillar of the CPEC—has come to represent this alleged exploitation. Beyond Balochistan, Pakistan as a whole is becoming increasingly concerned about the social and environmental consequences of CPEC projects. There have been demonstrations and legal challenges in some places due to relocation and environmental damage caused by the development of highways, dams, and industrial zones. Furthermore, as Chinese enterprises establish enclaves in Pakistani cities, sometimes with little interaction with the local people, the flood of Chinese labour and corporations has

sparked worries about cultural erosion and a loss of local identity. Public unrest is also influenced by economic issues. The "colonization" of Pakistan's economy by Chinese interests, according to critics, is the result of the CPEC, with little real gain for common Pakistanis. Many worry that Pakistan, which borrows significantly from China to build CPEC projects but finds it difficult to produce the money required to repay these loans, is falling into a vicious circle of debt and reliance. In this regard, some have argued that the Pakistani government is willing to give up long-term sovereignty to achieve immediate financial success (Muhammad Akram Zaheer, 2022).

### 3. GROWING TENSIONS AND MILITANCY AS SECURITY CONCERNS

Growing security concerns, especially in Balochistan, have coincided with the growing animosity towards the CPEC. As a form of protest against what they see as foreign interests exploiting local resources, Baloch nationalist parties have attacked Chinese workers and infrastructure as part of the China-Pakistan Economic Corridor (Basit, 2018). In response to these attempts, the Pakistani government has established a special security division with hundreds of troops and committed substantial security resources to safeguard CPEC projects. Nonetheless, the strong military presence in areas such as Balochistan has increased local community alienation and heightened marginalized people's sense of grievance (Nusrat Azeema, 3074-3092). The administration has come under fire for prioritizing foreign interests above resolving the underlying reasons for dissatisfaction, such as poverty, underdevelopment, and political marginalization, by concentrating on getting Chinese investments. In addition to worries over internal security, there are worries that Pakistan may become involved in China's geopolitical disputes, especially those with the US and India, as a result of the CPEC. India has always opposed the China-Pakistan Economic Corridor (CPEC) because it goes through the Kashmir area, which is an integral part of India. Roads and railways are examples of infrastructure projects that India views as a breach of its territorial sovereignty. This is the main reason India opposed CPEC. CPEC culminates at Gwadar Port, a deep-sea port in Pakistan's Balochistan region on the Arabian Sea. Because it gives China access to the Indian Ocean, Gwadar is seen as a crucial component of its maritime strategy. India is concerned because this port greatly increases China's capacity to project power in the area. The Strait of Hormuz, a crucial chokepoint for the world's oil supply, is close to Gwadar. China can safeguard its energy routes and maybe control a vital strategic waterway by occupying Gwadar, which would have an impact on not only India but also other superpowers. India perceives this as China attempting to surround it as part of its larger "String of Pearls" plan, which includes a network of Chinese economic and military interests in ports across South Asia, including Sri Lanka, Myanmar, and Djibouti. India is concerned that while China and Pakistan work to safeguard their interests, CPEC may result in a rise in regional militarism. India's security is directly threatened by the presence of Chinese military troops or assets close to its borders or in the Indian Ocean area through Gwadar (Ali, 2015). India is particularly concerned about China developing a military presence at Gwadar Port, which would provide the Chinese navy a vital foothold near the Indian Ocean. CPEC is an important component of China's Belt and Road Initiative (BRI), which seeks to connect China to Europe, the Middle East, and Africa through a network of infrastructural projects. India is concerned about losing its historical dominance in the area as China makes more investments in South Asian nations like Bangladesh, Sri Lanka, and Pakistan. Despite being primarily an infrastructural and commercial project, CPEC has significant economic ramifications for India. By strengthening its economic capacities, CPEC seeks to increase Pakistan's appeal as a trading and investment partner. Pakistan's infrastructure and energy capacities might grow as a result of Chinese investments, positioning it as a regional commerce hub for China, Central Asia, and the Middle East. India's attempts to become a significant transit hub in the area may be jeopardized by this. CPEC competes with India's infrastructure projects, such as the International North-South Transport Corridor (INSTC), which seeks to link India with Central Asia and Europe through Iran. India is also concerned that negative trade deals that cut off India from regional markets may result from China's increasing economic sway over Pakistan. Furthermore, Pakistan runs the risk of being entangled in the great power rivalry between China and the United States as China increases its influence in the Indian Ocean and South Asia, which might have disruptive effects on the area. India's reaction to the China-Pakistan Economic Corridor (CPEC) has been to oppose China's influence through programs like the Quad and to fortify its economic, military, and diplomatic connections with other regional nations. However, as CPEC expands and China's footprint in Pakistan grows, handling this strategic issue will remain a top priority for India's foreign and security policies (Mansoor Ahmad Sheikh, 2020).

#### 4. FINANCIAL SUSTAINABILITY: ASSISTANCE OR HINDRANCE?

The economic viability of CPEC is a major area of concern. Although the Pakistani government promotes the advantages of Chinese investment, there are worries that the project's long-term financial costs may outweigh its benefits. Debts are used to fund many of the CPEC projects, and given Pakistan's precarious economic situation, it is unclear if it will be able to repay these debts (Hussain, 2016). The focus of CPEC on vast infrastructure projects might not be the most effective way to address Pakistan's economic problems. Although these initiatives produce jobs in the near run, there are concerns about their long-term sustainability and whether the amount of money they need to borrow will cover it. Furthermore, the local economy's gains are limited by the reliance on Chinese labour and contractors since a large portion of the money spent in the CPEC leaves Pakistan and returns to China. The viability of CPEC is further complicated by Pakistan's economic weaknesses, notably its reliance on outside finance from organizations like the International Monetary Fund (IMF). Pakistan may encounter a serious financial problem and be forced to seek aid from the IMF or other foreign lenders if the country is unable to make enough money from CPEC projects. The requirements, such as austerity measures, would probably accompany this, which may increase public unrest and jeopardize political stability.

#### 5. CONCLUSION

The China-Pakistan Economic Corridor is a complex and important project for Pakistan. It presents serious issues concerning social cohesiveness, economic sustainability, and sovereignty even if it also has the power to improve Pakistan's economy and its strategic alliance with China. How the Pakistani government resolves the conflicts between economic growth, national sovereignty, and civil unrest will determine the future of CPEC. The concern of the people of Balochistan is to be addressed by providing their rights and security. Some of the worries about the project may be allayed with a more open and inclusive approach to CPEC, one that places a larger emphasis on economic sustainability and involves more local stakeholders. In the end, the success of CPEC will rely on how successfully it handles the larger political, economic, and social problems within Pakistan in addition to the execution of infrastructural projects.

CPEC violates international norms because it encroaches on Indian sovereignty because POJK is an integral part of India. CPEC has become a means of China's vicious cycle of the debt trap policy because Pakistan is paying a high rate of interest on Chinese loans. In the coming days, the fragile and struggling economy of Pakistan will suffer.

#### CONFLICT OF INTERESTS

None.

#### ACKNOWLEDGMENTS

None.

#### REFERENCES

- Alam, M. (2020). CPEC: Pakistan's Gateway to Debt or Development? Retrieved from <https://thediplomat.com>
- Ali, S. (2015). Importance and Implications of CPEC in South Asia: The Indian Factor. *Journal of Indian Studies*, 21-36.
- Basit, S. H. (2018). Terrorizing the CPEC: managing transnational militancy in China-Pakistan relations. *The Pacific Review*, 694-724.
- Bhattacharjee, D. D. (2015, May 12). China-Pakistan Economic Corridor (CPEC). Issue Brief, Indian Council of World Affairs.
- Hussain, E. (2016). *Fudan Journal of the Humanities and Social Sciences*. China-Pakistan Economic Corridor: Will It Sustain Itself? 145-159.
- Kiani, K. (2015, April 20). Chinese President today on Historic visit. Retrieved from DAWN: <https://www.dawn.com/news/1177046>
- Mahmood, A. (2022). Revisiting The Determinants And Challenges Of China-Pakistan Economic Corridor (CPEC) Through The Lens Of Public Opinion. *Pakistan Journal of Social Research*, 828-839.

- Mansoor Ahmad Sheikh, S. S. (2020). China-Pakistan Economic Corridor (CPEC): Challenges and Opportunities for India. *International Journal of Research in Engineering, Science and Management*, 2581-5792.
- Muhammad Akram Zaheer, M. A. (2022). Pamiri Ethnic Nationalism in Tajikistan: A Rising Threat against Future of Gilgit-Baltistan and Pak-China Economic Corridor (CPEC). *Journal of South Asian Studies*, 9-18.
- Nusrat Azeema, A. H. (3074-3092). Gilgit-Baltistan's Public View on China-Pakistan Economic Corridor (CPEC). *PSYCHOLOGY AND EDUCATION*, 2021.
- Small, A. (2015). *The China Pakistan Axis: Asia's New Geopolitics*. London: Oxford University Press.
- Wolf, S. O. (2020). *The China-Pakistan Economic Corridor of the Belt and Road Initiative*. Gewerbestrasse, Cham, Switzerland: Springer.
- YiĞİT, A. P. (2019). Baloch Nationalism and the China-Pakistan Economic Corridor. *Journal of Politics and International Studies*, 11-24.
- Dadwal, S. R., & Purushothaman, C. (2017). CPEC in Pakistan's quest for energy security. *Strategic Analysis*, 41(5), 515–524.
- Esteban, M. (2016). The China-Pakistan Corridor. *Strategic Studies*, 36(2), 63–74.
- Kardon, I. B., Kennedy, C. M., & Dutton, P. A. (2020). China Maritime Report No. 7: Gwadar: China's Potential Strategic Strongpoint in Pakistan.
- Khan, A., Zhong, L. H., Ilmas, F., Rashid, A., & Jan, A. (2023). the Impact of Cpec on Pakistan Economy: An Analysis Framework. *Russian Law Journal*, 11(12S), 252–266.
- Khan, M. U. H. (2015). Economics of Pak-China Friendship. *Defence Journal*, 18(10).
- Mansoor, A. (2021). China-Pakistan Economic Corridor: Is Pakistan Ready for Technology Catch-Up? Hong Kong University of Science and Technology (Hong Kong).
- McCartney, M. (2022). *The Dragon from the Mountains: The China-Pakistan Economic Corridor (CPEC) from Kashgar to Gwadar*. Cambridge University Press.
- Razia, I., Munir, K., & Rafuque, I. (2023). Geopolitics of Energy: Pakistan-China Energy and Economic Corridor for Poverty Alleviation in Pakistan. *Global International Relations Review*, VI (I), 6(I), 21–32.
- Syed, J., & Tariq, M. (2018). Cooperation Among Business Schools Along The Belt And Road: A Cpec Perspective. Working Paper: LUMS/CPMI/2018/05/1.
- Wasim, S. S., & Siddiqi, M. K. (2018). Analysis of CPEC Projects and Effect on Construction Sector of Pakistan. *International Journal of Social Sciences, Humanities and Education*, 2(3), 140–148.
- Zaidi, U. S. (2020). Implications of China-Pakistan Economic Corridor on Energy, Infrastructure, Trade and Human Capital.