

China, Pakistan Extended Relation: An Overview of CPEC Opportunities, Expectations and Fear of Balochistan

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Abstract

Since the beginning of diplomatic ties in 1951, China-Pakistan has enjoyed long-lasting, stable and friendly relations and considered to be an irreplaceable “all-weather friend” as well. In any hard and troubled time, both countries support each other. Pakistan could have got more benefit from China in the last several decades; however, the CPEC under China’s “BRI” provides a very shining opportunity for the economic development of Pakistan. Balochistan is geographically the largest and population-wise the smallest province. With its precious mineral resources, deep sea and a vast coast with fantastic climate Balochistan has been ignored; consequently, a significant portion of the youth opted for alternative way, engaging themselves in such activities which brought uncertainty and trouble in the province. Of course, the primary cause of such a condition is economic deprivation, joblessness and most importantly political power which has not been given to them.

Key Words: OBOR, BRI, CPEC, Geopolitics, Gwadar, Pivot of Asia, Strait of Malacca.

JEL Classification: P33.

Introduction

The CPEC and belt and road initiative of China can in a real sense be the game changer if the province of Balochistan is given proper share in CPEC so the peace and prosperity would prevail in Pakistan in general and in Balochistan particular. Although in some parts of the province of Balochistan the construction of roads are in progress,, the foundation of industrial zones along with agriculture and educational development is the need of the hour since Balochistan is a large province with a vast area having only a single metropolitan city of Quetta whose infrastructure is poor. Not only Quetta needs much attention but the other small towns on the route of CPEC towards GAWADAR need advanced development so that One Belt One Road Initiatives become a successful project.

The China-Pakistan Economic Corridor CPEC is a mega infrastructural project of BRI which costs 62 USD billion taking to new heights China Pakistan bilateral relations. To bring prosperity and boost the Pakistan and China economic growth CPEC is intended to

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link Port of Gwadar of southern Pakistan to the Chinese north-western region with the network of railways, roads networks, and pipelines for the transport of gas and oil. CPEC is a significant component in understanding the possible regional trade and connectivity with the SAARC, ASEAN, CAREC and the ECO (Khan 2014).

During the meeting, President Xi proposed a "China-Pakistan Community of Shared Destiny" to Pakistan President Mamnoon Hussain. According to a Chinese analyst, CPEC will strengthen the relationship and improve the economy. CPEC will serve as a backbone of Xi Jinping's proposal. President Xi's proposal "Community of Shared Destiny" has two aspects, the most important aspect is to pursue common interests through mutual partnership, and another important aspect is to develop or strengthen trust through mutual understanding. "Diplomatic Work with Neighboring Countries" is based on harmony, interest, sincerity, and inclusiveness said by a President of China in Beijing (Lingliang 2016).

China is developing a Special Economic Zone in Kashgar which is a less developed western part of China. For the rapid development of the area China will connect to Pakistan Gwadar port which provides an easy access to Arabian water and also reduces the resources and time for the transportation of imports from West China to West Asia (Perveen and Khalil 2015).

The Chinese Ambassador Sun Weidong at a seminar on "Building Community of Shared Destiny, in the New Era" said that China is hoping that Pakistan plays a decisive role in both regional and global affairs. To improve the economy of both countries and safeguard peace, and stability and bring prosperity in the world and also provide benefits to each other, both countries need to deepen their friendship and relationship (Khan 2014).

Zhou Gang another Chinese analyst who has also served as an ambassador said that to oppose the intervention of foreign forces and protect their sovereignty, security, and stability, they must have to learn the lesson of turbulences from North African and West Asian region.

The project of CPEC is also going to connect to the Chinese plan of the SREB (Silk Road Economic Belt). SREB would link with the European region through the Central Asian Region. The Chinese leadership proposed five connections for the SREB policy exchange, currency circulation road network and people to people ties (Blanchard and Flint 2017). It is linking Gwadar with Kashgar to improve Pakistan's investment and trade relations with China as well as Central Asian countries. Linking Gwadar with Kashgar could reduce the time of transportation of trade goods. It would also reduce the trade distance between the South China Sea and the Arabian Sea. CPEC is also beneficial for Chinese trade with the Afghan government as well as its strategic projection into Africa and West Asia.

There will be rapid growth in Kashgar after the Special Economic Zone operation in the city. Shenzhen city explores the concept of SEZ and grew at the surprising rate of 25.8 percent from 1979 to 2009, and 4,176% in 30 years. After the operation of SEZ in Kashgar, it could grow at a rate of 20%. Pakistan could get benefits from it (Janjua, Khan, et al.).

There is an observation that Pakistan's export potential to China is somewhat constrained. It is said that Pakistan can export gems and jewelry to China. Pakistan has 800,000 carats of Ruby, 875,000 carats of Emerald and five million carats of Peridots which are underutilized. According to Shah Faisal Afridi, President of China-Pakistan Joint Chamber of Commerce and Industry, China is the largest global consumer market for

jewelry and gems. China can help Pakistan in developing the gems through investments in this sector and encouraging the export of flowers to China (Ahmad, Naz, et al. 2018). Chinese and Pakistani people also hope that CPEC will also enhance the participation of the farming segment too through the more noteworthy move of innovation in the field. CPEC is not only established to improve the existing trade relationship between two states but also boosts the trade opportunity for the Western region of China through Pakistan.

China and Pakistan have strong bilateral trade relations. Currently, around 12 billion USD per year, trade between China and Pakistan is estimated to reach fifteen billion USD, exhibiting a 12.66 percent growth rate. China has essential investments in Pakistan with about 120 companies working. The higher authorities of Pakistan well recognize the significance of Chinese investment. The then PM Nawaz Sharif encouraged the Chinese business community to invest in Pakistan. The agreement of CPEC was signed in May 2013, when Prime Minister of China visited Pakistan. Later on, many significant contracts have been signed between the two states. It is estimated that more than 250 agreements were signed. When Pakistan President Mamnoon Hussain visited China five more agreements were signed related to the field of trade and economy, energy, people to people ties and regional connectivity (Rizvi 2015).

As we mentioned above that CPEC is a project with multi-dimensions that connects China with Pakistan through roads and railways networks, fiber-optic cables, the energy projects and operationalization of Gwadar deep-sea Port. Under the CPEC project, China is helping Pakistan to construct highways, motorways and early completion of pending nine projects. Projects of CPEC are divided into three different phases, short, medium and long term projects.

The early harvest projects related to communication infrastructure and transport include the construction of Lahore Orange Line Metro Train, upgrading the railway existing track, etc. The scope of the CPEC project is much more broad than the early harvest projects. Under CPEC, construct of the new rail link, roads and establishing Special Economic Zone and Gwadar seaport, etc. are included. First, the essential component of CPEC is to improve the roads link between Pakistan and China. Change in the streets links the space from Gwadar seaport of Pakistan to Khunjerab pass on the border in north China. It involves many road structure projects. The Karakorum highway linking Pakistan with China through the 15,000 feet high Khunjerab pass on the China-Pak border, was accomplished in 1979. Restoration and readjustment of the highway is the essential element of the road development projects in the CPEC. It connects China's region with different areas of Pakistan like Hasanabdal, Khyber Pakhtunkhwa, and Attabad, etc. Construction of roads will provide benefits to both countries (Jawad.F. 2015).

Second, an important component of CPEC is to improve rail links. Upgrading the railway's track will significantly advantage the connective project. On June 21 the then Prime Minister of Pakistan called for a meeting and proposed starting work right off the bat on the advancement of existing railway lines up to Havelian in Abbottabad District. In 2014 Chinese railways expert's survey for the achievability of \$3.5 billion investments and complete their placement and restoration of tracks from Karachi Sindh to Peshawar KPK. The Gawadar Seaport development is the significant milestone over which the CPEC relies on the establishment of its operations. By 2017, it is aimed to accomplish the short term projects including the establishment of Gawadar International Airport, Eastbay Expressway and the breakwater and dredging of breathing channels. In the same timeline,

the overall development of the city including the facilitation of utilities like fresh water supply and its treatment, construction of basic necessities like hospital and vocational training institutes, establishment of a support set up for the industries and export suppliers in the vicinity and the commissioning of a coal-fired power plant, is to be achieved. It was claimed by Mr. Dostain Khan Jamaldini, Chairman Gawadar Port Authority (GPA), that the Ratodero-Gawadar Highway would be developed completely very soon (Kayani.F.N, Ahmed.M et al. 2013).

"The security problem, along with the lack of administrative and technical expertise management, is one the most concerning issue, causing the hindrance for the successful development of CPEC; The closure of Pak-China trade and traffic border on Chinese Independence Day and the postponing of President Xi's visit in response to the interfering protests in 2014 are the examples of the prevalent issues", (Ibrar.M, Jianning .M et al. 2016) as stated by the Dr. Luan Jianzhuang Vice Director General of Policy Research Office, at the International Department of the Central Committee of CPC.

With the above instances at hand, the law and order concerns have become the most challenging ones for both the countries, Pakistan and China. Gawadar connects the Silk Belt, starting in Pakistan at Kashgar, with the water bodies, which is why the city is of high importance for China. Despite the continuous military operations by the Pakistani Army against the terrorist groups creating instability in the country, the militants' existence within the state and on the border is a significant risk for the foreign investor, China. The kidnapping and murdering of the Chinese nationals in Pakistan even in the strongest of security provisions is also an alarming situation to be addressed. To counter it, a new force called Special Security Division, comprising 10,000 men in nine armed force units and 6 wings of Frontier Corps and Rangers will be assembled (Abid.M and Ashfaq.A. 2016).

It is also to be acknowledged that Pakistan's instability on political grounds will impact the project's progress as well. With the transfer of democratic governments with different governance priorities, chaos usually lies close to the country's law and order situation. One of the instances, as mentioned above, includes the protest of political parties against President Xi's visit to Pakistan causing its delay. It is, therefore, the utmost need of the hour to establish a robust foreign policy for projects like CPEC through stable political planning and administrative management.

The administrative and security procedures employed by China are also one of the many reasons for the smooth processing of the project at hand. For example, the requirement of Pakistani trucks to be offloaded on the site of Tashkurgan as an alternative of Kashgar (per the agreement) as imposed from the Chinese side, the time taken in processing visas to truck drivers and the increasing isolating charges, are all collectively impacting the process. However, the Chinese officials have clarified that the above-mentioned steps are standard operating procedures that apply to all countries equally. It is also acknowledged that better procedures can be brought forward for the truckers by the administrative authorities through proper assessment and feasibility analyses.

The massive increase in the expense budget of Gawadar-related projects was mentioned to have been escalated from Pakistani Rs. 8 billion to a heavier expense of Pakistani Rs. 100 billion in a span of six years by Mr. Dostain Khan Jamaldini, Chairman for the Gawadar Port Authority in his report briefing to the Senate Standing Committee on Ports and Shipping. He blamed the hindered projects on the institutes of Pakistan Railways, Civil Aviation Authority and the power generation authorities stating their failure in

developing proper railway structures, connecting air terminals via roads and advancing the commissioning of power grid respectively.

Another factor to keep in consideration is the complicated geography of the northern side of Pakistan connecting with China. Pakistan is remedying the mountainous treacheries with tunnels like one closer to Attabad Lake, being dug for safer passageway development. Similarly, the expansion of the Karakoram Highway along the Chinese border is also going to be a helpful step towards the commute facilitation (Khan.T. 2016).

It is to be acknowledged that the development and de-bottlenecking of commutation infrastructure, i.e. railway tracks and highways, will support the quicker transport of items across the borders. With a better geographic position in South Asia, Pakistan has a significant role to play in the region. The CPEC establishment will highly support the economic development of the country and will help counter the issues of unemployment and underdevelopment in the remote areas of Pakistan. With the development opportunities for three billion of the population in the region, CPEC will revolutionize Pakistan's economy, as stated by Mr. Mamnoon Hussain, previous president of Pakistan during his conversation with President Xi Jinping. Statistically, more than two percent increase in the GDP of Pakistan, \$274 billion, is expected from the project. It is also to be considered a significant role-player on relieving the energy crisis and industrial utility vacuum prevalent in the country as an estimated 15 percent of growth is expected from Chinese investment (Shaikh, Ji et al. 2016).

The Contribution of Baluchistan in CPEC

The Baluchistan provincial government cabinet is right to feel outraged at the findings of CPEC related ministry of Planning and Development Department cell, which shows that Baluchistan has received a minuscule stake of the overall investment committed under the China Pakistan Economic Corridor's bouquet of projects. And even the committed projects have seen no definite progress over the past years

First of all, what our researchers and intellectuals have to understand is that Pashtuns and Balochs are not against CPEC, but they are asking for their legitimate ownership/rights. If they are the valuable resource of Pakistan then why are the resources of the Pakistani nation not theirs? Why are they not treated as equal and in this discussion we are going to find out how much different federating units are contributing to the project and how much benefits they are getting and is the division of projects right (Dawn 2015).

National Contribution

In the national contribution, Baluchistan is contributing 50% by means of its lands, roads, and pipeline and this means half of the project. On the other hand, Sindh's share is 30%, KPK's percentage is 10%, and Punjab's share is 10%. If we look at a seaport or the share through sea then Baluchistan's share is 70%, and the Sindh's share is 30%, and because KPK and Punjab have no sea, then their share is zero.

If we look at the environmental damages to land and sea by these projects, then because Baluchistan's roads and sea will be used 50% then the direct cost to Baluchistan will be 50%. Sindh's damage will be 30%, KPK'S 10% and Punjab's will be 10%. If we talk about minerals in the form of raw materials then the contribution of Baluchistan is again major which is 60%, Sindh's share is 20%, KPK'S 15% and Punjab's share is again

very less which is 5%. In the form of coal, Baluchistan is contributing 30%, Sindh's share is 60% (a major one), KP's 5% and Punjab's 5%. If we look at the contribution of Gas then Baluchistan's share is second highest which is 35%, Sindh's share is highest which is 50%, KPK's 9% and Punjab's 6%. In the total we can clearly see that Baluchistan is contributing the highest which is 395% (highest investor) of a total, Sindh is providing 240%, KPK 59% and Punjab 36% (lowest). (Khan and Anwar 2016).

Distributions of Projects and Benefits

Now we come to the details of projects and benefits of the CPEC and how much every province is getting from it. First of all the total worth of CPEC is 49 billion dollars and 28.6 billion dollars are invested in different projects till now. Out of these 28.6 billion dollars projects, Baluchistan is getting 600 million dollars which is nothing because their contribution is highest. Punjab has a lion share of 13 billion dollars (which is not fair), Sindh's is 4.6 billion dollars, KPK's is 1.8 billion dollars, Gilgit-Baltistan is getting 920 million dollars.

In the nutshell national benefits contribution of Baluchistan's is 60%, and the benefit it is getting is just 5%, on the other hand, Punjab is getting 60% beneath and its share is in the form of contributing is only 10%. Sindh is getting 23% and adding 20%, and KPK is getting 10% benefit and contributing 10% (Ahmad 2017) as we can see that major investors are not getting the significant benefits that show that the distribution is not right. The distribution could be proper if the authorities will make their policies based on poverty, underprivileged areas or provinces and not based on population.

Conclusion

Baluchistan is the largest provinces on the basis of area, comprising 43 percent of the country. Along with the previously mentioned importance of Gawadar port, the city is replete with the mineral resources like Gold and Copper. Pakistan unfortunately, has not been able to fully utilize the funds from this area due to the political and feudal unrest in the region ever since the country's establishment. The residents of Baluchistan complain to have been deprived of their constitutional rights by the central government and treated as a colony instead of an autonomous province.

The major complaints have been related to non-provision of Sui Gas, produced from the area of Sui in Baluchistan, to the residents of the province, to the lesser opportunities in joining the country's army and lesser autonomy to the provincial assembly in making decisions for the area. The two major ethnic groups of the province are the Balochs and the Pashtoons; some nationalists from the former ethnic group chose to fight against the state resulting in further unrest across the province while the latter ethnic group decided to demand equal rights in a non-violent way. The uprising anti-state factors were encountered from 1948 to the subsequent years of 1958, 1973 and in 2004. In many cases, the use of force turned the situation towards more chaos in the region.

With the long enmity with the neighboring country, India, the government and defense authorities of Pakistan blame this neighbor for the continuous interference and financing of militants in the province of Baluchistan. Perhaps, robust substantiation exists that reveals that the Indian secret agency RAW runs an extraordinary cell set up to disrupt CPEC project in Pakistan (Ibrar.M, Jianning .M et al. 2016). For similar reasons, a large number

of armed forces have been employed on the eastern border of Pakistan, but the province of Baluchistan is yet to be fully secured from foreign interferences. The Pashtoon nationalists of the province demand equal rights for themselves in the region and equal autonomy like other provinces to the provincial government of Baluchistan. They claim to have been dominated by the other ethnic group and deprived of their constitutional right of representation. Some of the Pashtun nationalists had demanded a separate province for themselves just like their counter nationalists of the province. The federal government has been taking steps towards easing the tension in the region by introducing the amendment in the constitution to provide better autonomy to the government of Baluchistan through 18th Amendment, introducing jobs and educational reforms through the scheme named Aghaz-e-Huqooq-e-Baluchistan and dissolving the concurrent list. These steps have proven to be positive as the Baloch nationalists living in the exile, decided to participate in the elections of 2013 in response to them. Ever since then, the central government has been given good opportunities to attend to the grievances of the nationalist leaders and work towards better law and order situation in the region.

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