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## **THE IMPACT OF CHINA-PAKISTAN ECONOMIC CORRIDOR (CPEC) ON LOCAL PEOPLE IN PAKISTAN: A RESEARCH PAPER**

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### **Abstract:**

Through the CPEC framework, Pakistan has seen projects develop, including infrastructure and energy cooperation. In this study, the central purpose has been to examine some of the problems and benefits arising from CPEC, with a particular focus on the implications for local people in Pakistan. Indeed, while some studies have examined challenges and problems brought about by CPEC, the majority have failed to highlight specific locations and Pakistani communities that have been impacted by the project. Hence, the majorities of the investigations have reported largely generalized development impacts, rather than indicate how CPEC has brought benefits and problems to local people in very positive senses. Conducted from a content analysis perspective, the current study has utilized keywords such as CPEC, insurgency, road and railway infrastructure, mega projects, and problems and benefits of mega projects in Pakistan to locate the data. From the results, some of the benefits of CPEC for local people include sufficing their energy needs, increasing connectivity via enhanced transport and communication networks, the creation of job opportunities, socio-economic empowerment in terms of increasing business products' access to markets, and improved standards of living. Problems include environmental degradation due to the cutting down of trees and air and water pollution due to smog formation and other industrial emissions, the Baloch factor of insurgency in fear of marginalization and local people's displacement by outsiders, and inequitable resource distribution among provinces.

## 1. Introduction:

When the subject of problems and benefits of CPEC is considered, especially in relation to the lives of local people in Pakistan, some studies have pointed out benefits that have and will continue to be felt while others assert that problems arising from this project are prevalent. From the aspect of benefits, some observations hold that CPEC accounts for the expansion of an initiative such as Gwadar Port, leading to the accommodation of more cargo and freight. In so doing, access to services and facilities in this port translates into the creation of more job opportunities, including construction, engineer, and stevedore workers; hence, improvements in the people's livelihood (Deng, Yeo & Du, 2018). Also, it has been documented in the latter study that with more and more employment opportunities provided to local communities, challenges of social intolerance and social problems tend to be alleviated. Notably, CPEC's project, such as Gwadar Port, exists in one of Pakistan's turbulent and poorest regions, Balochistan. Also, developments to the port have been reported to reshape the city and foster prosperity. As such, there have been notable reductions in social problems, having enhanced people's satisfaction and also improved their livelihood.

Apart from the case of Gwadar Port, similar mixed scholarly outcomes involving the benefits and problems of CPEC have been documented for the case of local people in Pakistan. For example, studies that have focused on benefits have indicated that CPEC has led to a rapid increase in domestic electric power supplies. In the recent past, Chun (2020:4) stated that the two largest and iconic energy projects that CPEC has established, which include Sahiwal Coal Power Project and Port Qasim Power Project, have generated over 20 billion Kw/h cumulatively. For local people, benefits accrue in terms of energy shortage problem alleviation, stretching beyond the improvement of their lives to enhance economic growth at the local levels. However, even in the wake of the increase in domestic electric power supply by the selected power projects and the associated benefits of improved livelihood for local people, environmental problems have been reported. While the coal-powered power generation technology has been brought to Pakistan by China, coal power has caused negative effects on the environment and people's health. In particular, coal releases pollutants and airborne toxins after being burned, contributing to water and air pollution, with tertiary effects felt in terms of negative effects on local people's health. The implication is that CPEC energy projects have been beneficial in terms of increased electric power supply, but also yielded negative impacts on the health of local people, as well as the environment. For roadway projects, Rehman, Hakim and Khan et al. (2018) indicated that they have been beneficial to local people by strengthening connections between domestic cities. Specific examples are the cases of Railway track and Karakorum Highway, connecting Peshawar and Karachi (p. 79). The implication for local people is that this increase in the connection among local cities has reduced the travel time significantly. Indeed, such scholarly observations contend that CPEC promises to improve people's lives, but it also comes with issues such as geopolitical conflicts and pollution.

At this point, it can be seen that most of the investigations report largely generalized development impacts, failing to document CPEC's impact on local people in very positive senses. In the investigation by Wolf (2019), it was documented that such a situation could be attributed to the affirmation that the majority of Chinese and Pakistani researchers are under pressure to focus on official positive discourses at the expense of critiquing the perceived benefits and reporting negative impacts for local people. Notably, in the Pakistani context, CPEC projects' military support is evident and poses significant impacts when compared to the role of the remainder of

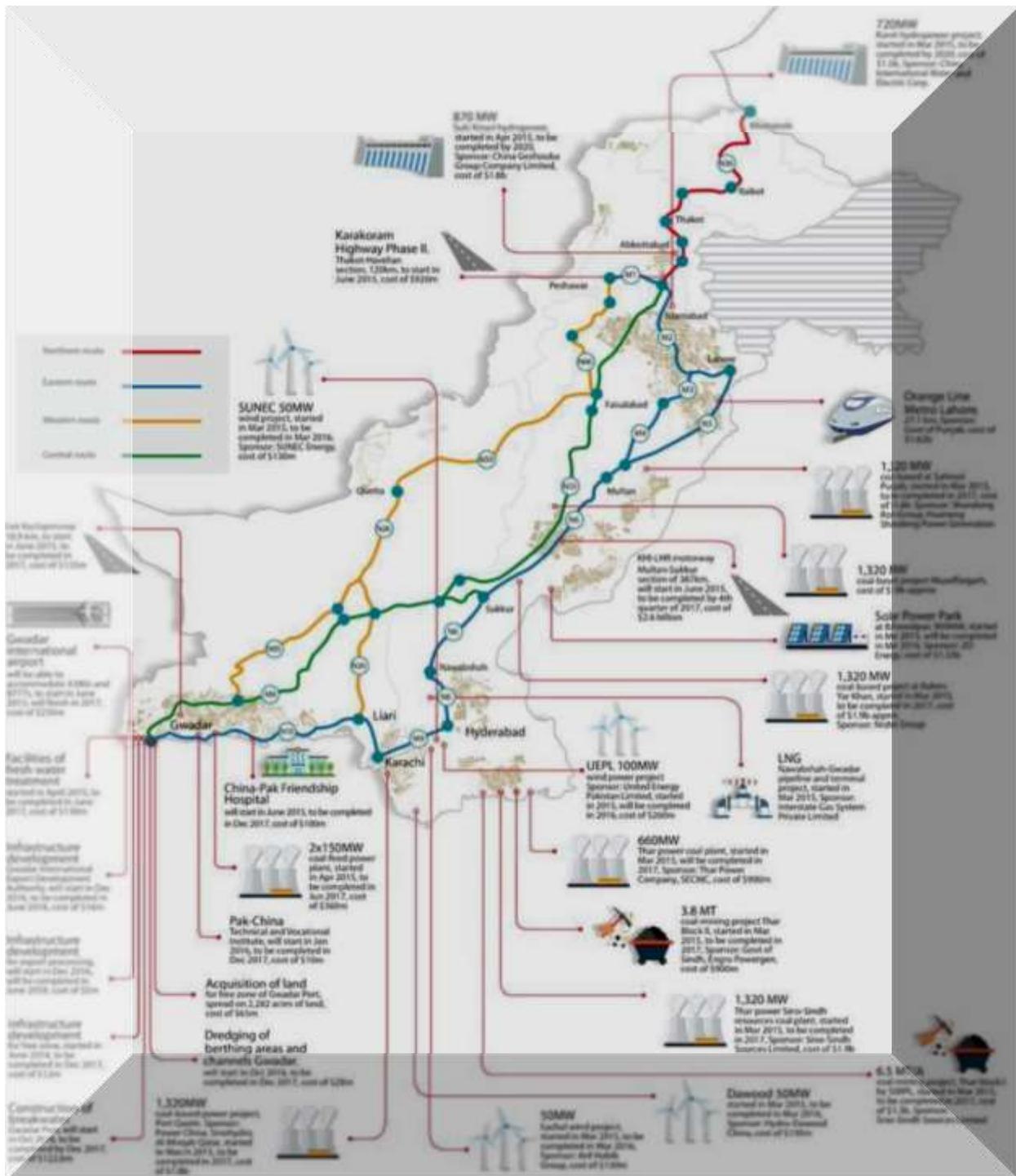
government. Therefore, it becomes difficult for researchers to unearth some of the flaws with which CPEC could be associated. Also, even for studies that have examined challenges and problems with which CPEC might be associated, context-specificity is lacking because they do not highlight specific locations and communities that encounter problems relative to CPEC, failing further to provide room for tailored solutions by recommending strategies through which CPEC-associated challenges could be countered by being used as opportunities for improvement and, in turn, achieve the project's intended goals in Pakistan's selected provinces. To respond to this dilemma and an otherwise inconclusive debate about problems and benefits of CPEC in Pakistan's local zones, this paper provides a critical research concerning the project's associated problems and benefits from the viewpoint of local people, communities, or provinces in Pakistan. Furthermore, this paper tries to identify research gaps especially from anthropological and sociological perspectives, aimed to urge for further studies from local communities' perspectives regarding development projects in Pakistan, rather than focusing on and studying these matters from a top-down perspective. Also, it is crucial to indicate that for CPEC projects, their operations are at the initial stages and that more in-depth scholarly investigations are needed. For the current study, it is projected that the results will pave the way for allowing scholars to concentrate on areas that have been under-researched concerning problems and benefits for local communities. The study is also projected to enable policymakers, and officials to discern some of the research gaps that exist concerning problems that CPEC projects have created for local people.

## **2. Methodology:**

This is a secondary study aimed at collecting data from secondary sources of data, with a particular focus on previous studies that have collected, analyzed, interpreted, and presented primary data outcomes concerning challenges and opportunities linked to CPEC in Pakistan. Some of the specific sources of data on which the review relies include journals, e-books, and government or institutional reports. The intention is to stretch beyond the review of the previous studies' findings of CPEC and related mega projects' challenges and opportunities and establish gaps in the research, which would then be presented as areas requiring further in-depth analyses. Some of the keywords that have been used to locate the research include CPEC, insurgency, road and railway infrastructure in Pakistan, Pakistan's mega projects, and problems and benefits of mega projects in Pakistan. These studies' research approaches or designs included textual analyses, online questionnaire survey, and in-depth interviews. In Pakistan, most of the studies that were identified had examined the benefits and problems of CPEC in Gwadar, Baluchistan, Karachi, KPK, Islamabad, and the Thar Desert. However, in Punjab, Karot, Thatta, Sachal, and Gilgit-Baltistan, the research was found to be dire in these geographical areas. For Baloch citizens, most of the research is also seen to concentrate on the community due to the facilitation of small, medium, and micro-sized industries, but very few articles are found to have focused on communities in Gilgit-Baltistan. From the research, themes were extracted and reviewed critically based on CPEC's problems and benefits for local people, upon which gaps requiring future research were identified based on various areas that the selected studies' scholars failed to address. In particular, five themes were extracted. They included the research on social and environmental issues, energy projects, reduced inequity grievances (and unemployment and poverty), economic growth, and Gwadar Port Infrastructure. In the investigation, through triangulation, there was the cross-checking of the resultant data and information with that which had been obtained from other sources. This cross-checking criterion

helped to interpret and analyze the findings before generating and discussing the resultant themes that had been established and knitted together.

To extract themes in this study, a thematic analysis technique was employed. Hence, initially, there was a familiarization process in which texts were read through and initial notes were taken. Then, there was a coding process in which sentences and phrases were highlighted with shorthand labels that aided in the content description. The next procedure involved theme generation, which was achieved after looking over the codes created and patterns among the codes identified. Thus, the initial codes were used to develop broader themes, with most of those codes combined into single, common themes. For codes that were deemed not relevant enough or too vague, they were discarded. In a situation such as the case of Gwadar Port, the code became a theme in its own right. The next process involved a review of the identified themes, ensuring that they were accurate representations of the information and also useful. The objective was to ensure that in the selected sources of data, the themes were really present. With a final list of five themes developed, they were named and defined, a process that involved the exact meaning of each theme and how it could help to understand the data about the same.



**Figure 1:** CPEC’s proposed projects and routes

Source: Haq (2018)

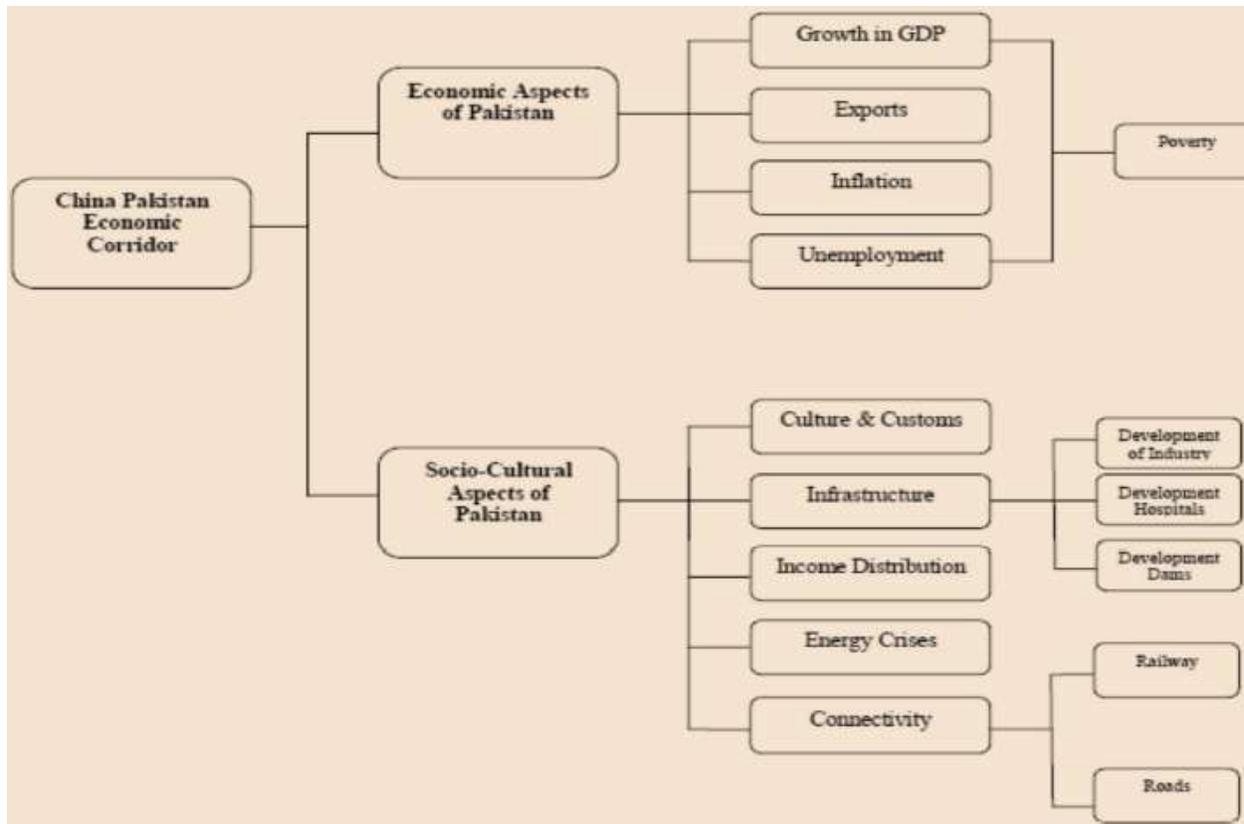
### 3. Results and Discussion:

**Inequity Grievances:** To the locals, benefits have been documented when it comes to the transport sector, whereby in Peshawar-Karachi motorway, about 9,800 Pakistani workers have

been hired, with the Karakoram Highway's Phase-2 accommodating more than 2,000 local workers), and 580 jobs created by the fiber optic project. With the Gwadar free zone project also developed, over 2,000 indirect job opportunities and 404 direct jobs have been produced. However, Balochistan is rich in mineral and energy resources, but most nationalists have exhibited grievance in relation to the perception of having the federal government exploit their natural resources. The situation has been exacerbated by inadequate compensation to Baloch nationalists. The implication is that the results point to positive effects of CPEC for local people in Pakistan in terms of the creation of job opportunities, but Balochistan's groups and political parties that include the Balochistan Liberation Army, Baloch Republican Party, and National Awami Party have several reserves concerning CPEC, especially due to unresolved matters involving political, ethnic, and economic rights (298). With the masses' wellbeing neglected and problem resolution mechanisms lacking, CPEC can be seen to exacerbate tensions between the nationalists' perspective (that is perceived to be mishandled) and the central government.

**Energy Projects:** For local people in Pakistan, CPEC has been found to suffice their energy needs. Specific energy projects that have been reported include examples such as the Solar Power Plant close to Bahawalpur and constructed by the Zonergy Company and capable of generating 1000 Megawatts electricity and the case of the Suki Kinari Hydropower project in Khyber Pakhtunkhwa province's Kaghan Valley –capable of generating 870 Megawatts electricity. CPEC has also sufficed local people's energy needs via coal energy. For instance, in Sindh, the Thar-1 project has seen two coal plants established to generate 660 Megawatts electricity each. In Baluchistan, Punjab, and Sindh Provinces, energy projects beneficial to local residents have been developed. For example, the Sahiwal Coal Power Project generates about 1320 Megawatts electricity, while 660 Megawatts electricity is associated with the Gaddani coal power plant. Apart from solar power, hydropower, and coal power, natural gas availability has aided in sufficing the energy needs of local people in Pakistan, a beneficial aspect attributed to CPEC. However, with KPK and Baluchistan raising deep concerns regarding CPEC, the beneficial effects of energy projects are accompanied by problems. For example, based on the position of the Balochistan National Party has indicated that even as these energy projects tend to suffice local people's energy needs, they could lead to the marginalization of Balochistan, especially when local populations are replaced by outsiders and cause demographic changes. Also, such projects have caused problems in terms of the Baloch insurgency to defend the identity of Baloch.

**Economic Growth:** From the current study, economic growth at the local levels has been felt due to CPEC's ability to restore collapsed industries, as well as allowing room for most of Baluchistan's local people to exploit the bridged communication gap via CPEC'S road network development to launch their businesses. For these groups, CPEC's original route's diversion to Punjab implies that infrastructural and economic benefits continue to be distributed unequally, with Punjab benefitting at the expense of KPK. Hence, the results suggest that even as CPEC has come with benefits entailing economic prosperity among local people's businesses and living standards, it has caused the problem of unequal resource distribution between and among provinces, eventually widening an otherwise existing gulf between Center and governments of KPK.



**Gwadar Port Infrastructure:** The development of Gwadar Port has reduced the poverty ratio while maximizing income, translating into improved standards of living and reduced poverty-related insurgency in Baluchistan. Despite these benefits, however, other study outcomes have pointed to problems that CPEC has brought to local people through the development of Gwadar Port. Specifically, it has been documented that with outsiders coming in the form of government officials and laborers, the identity of Baloch is at the crossroads, a situation that has seen CPEC cause an increase in Baloch insurgency to prevent the perceived marginalization and displacement of locals. The latter results demonstrate that CPEC has done more good than harm to local people in Pakistan. In particular, the projects arising from CPEC have yielded infrastructural developments in Gwadar, including the realization of roads, hospitals, schools, buildings, hotels, and even new residential areas.

**Social and Environmental Issues:** From the findings, CPEC poses direct adverse effects on the biodiversity, air, and water environments in Pakistan, which are likely to reduce the potential benefits of the initiative drastically. When energy projects of CPEC are considered, about 75 percent of the newly planned energy has its generation supported by Sindh’s coal-powered plants, which include Thar-II and Thar-I coal power plants. For local populations, seasonal smog engulfing has been reported in large areas of Sindh and Punjab provinces, with secondary effects observed in terms of fatal road accidents that result from zero visibility. Also, this pollution has caused an increase in annual hospital admissions in the majorly affected provinces. Another environmental problem arising from CPEC has been found to be a large-scale cutting down of trees for the purpose of constructing various road networks. Particularly, over 54,000 non-fruit and fruit (as well as forest) trees have been cut down in Mansehra, Torghar, Kohistan, and Battagram districts, with species such as scrub, pine, and some fruit trees mostly affected. The

eventuality is that the affected district risks climate change in terms of glacier melting, untimely rains, extreme flooding, soil erosion, droughts, and increased temperature.

#### **4. Conclusion:**

In summary, this research paper has focused on some of the problems and benefits arising from the implementation of CPEC in Pakistan, especially for local people. A thematic analysis technique has been used to extract themes, upon which the respective themes as benefits and problems have been reviewed before establishing gaps that point to the need for further research. From the findings, the major themes that have been identified include social and environmental issues, energy projects, inequity grievances (and unemployment and poverty), economic growth, and Gwadar Port Infrastructure. Specific findings suggest that CPEC has and might continue to benefit local individuals in terms of sufficing their energy needs, increasing connectivity via enhanced transport and communication networks, the creation of job opportunities, socio-economic empowerment in terms of increasing business products' access to markets, and improved standards of living. However, existing challenges include environmental degradation due to the cutting down of trees, and air and water pollution due to smog formation and other industrial emissions, the Baloch factor of insurgency in fear of marginalization and local people's displacement by outsiders, and inequitable resource distribution among provinces, especially in relation to the tension between KPK and Punjab.

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