# Original Paper

## CPEC and Its Implications for South Asian Countries and

# Beyond: Review of Literature and Research Proposal

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#### Abstract

Eleven Years after its public announcement, it is time to review and evaluate the implications of China Pakistan Economic Corridor for South Asian Countries and those beyond. This article, as a research proposal, will first review some of the literature and then sketch a research proposal.

## Keywords

CPEC, Literature Review, Research Proposal

## 1. Introduction

The China-Pakistan Economic Corridor (CPEC) is allegedly a showcase of two ideologically different countries fusing their national development strategies. On the one hand, it is for China a pilot project or the actual implementation of Chinese President's more ambitious One Belt and One Route initiative (OBOR or BRI, as it is abbreviated in English literature), which is an almost all-inclusive umbrella vision of Chinese outbound efforts conceived to incorporate its geo-economic efforts as well as to achieve other larger goals. On the other hand, it is also an opportunity for Pakistan to attract and use Chinese funds, investment and know-how to develop its economy, to which investments in areas such as infrastructure, energy, telecommunications could be robust stimulants.

Ever since its public announcement by the Chinese Premier in 2013 and official launching by Chinese President in 2015, CPEC has attracted a lot of attentions and has been a subject of increasing number of seminars, workshops, conferences as well as talk shows. Many Researches have also been carried out or are being implemented (like this one) into it. It is now a widely discussed and much debated topic. In this part of the research, a review of the existing literature will be given in a framework beginning with

those from Pakistan researchers, western and western influenced researchers as well as those from Chinese scholars chronically.

#### 2. Pakistani Researchers' Studies

Pakistan is one of the two parties directly involved in CPEC. Since the publicity of CPEC, researchers, along with the public, have shown increasing interests in this mega investment conception, and many articles have been published there. For Pakistani researchers, when they examined CPEC, they would usually place it in the context of the cordial relationship between the two countries, see it as deepening of cooperation in bilateral relations, then the dynamics of and the challenges to it, its various implications, social, political would also be analyzed.

Massarrat Abid and Ayesha Ashfaq mainly examined the challenges and opportunities related to China Pakistan Economic Corridor (CPEC) in their research. They provided a detailed overview of China-Pakistan relationship, the concept of OBOR and its link to CPEC, the historical perspective of CPEC, Pakistan's initial conception of CPEC, CPEC and the provinces involved, challenges to and opportunities of CPEC. They argued that CPEC would be useful for Pakistan to overcome its energy crises, develop infrastructure, and improve economy. It could also help Pakistan overcome its security problems.

Butt and Butt (2015) examined the strategic importance of CPEC for regional (Asia) and external (other than Asia) players. They contended that CPEC was economic and strategic integration between China and Pakistan. However, China Pakistan Economic Corridor (CPEC) is under much criticism by some regional and extra-regional players. Because this CPEC hurt the trade and economic activities of many countries and they feel un-protective related to CPEC. They also emphasized that for successful completion and implementation of CPEC, China and Pakistan should play strategic and diplomatic roles with all these regional (Asia) and extra-regional (other than Asia) players.

Moonis Ahmar's study examined the dynamics of the CPEC by responding to a series of issues, that is, the strategic significance of CPEC, the potentiality of CPEC being a win-win situation for both countries, the challenges and impediments to CPEC, the right ways to cope with the challenges and impediments involved in CPEC, the future of CPEC, for instance. Then he analyzed the implications of CPEC for the region, India and other extra-regional players and proposed the proper ways to handle related issues for both countries.

Shakeel Ahmad Ramay saw CPEC as driven by the needs of both countries. Pakistan needs it to overcome its economic, development, social and energy problems whereas China needs it to expand its periphery of influence, consolidate its global presence and securing future supply routes of energy and trade goods. Besides, CPEC is also seen as natural evolution of closer economic cooperation beginning in the 1990s as well as the development of the idea of "constructive engagement", which, along with the cordial relations and mutual trust between the two countries ever since 1960s, gave a solid foundation for the CPEC. However, Ramay also pointed out that controversies and negative public

opinions involving CPEC have been aroused by Western observations and comments. Just as he put it, "International media, academicians, many western countries and India believe that CPEC is a strategic corridor, which covers the trade and development needs of Pakistan. It has become one of the highly debated issues within the country and internationally. Debate has generated some controversies among different stakeholders in Pakistan, which is negatively impacting the CPEC progress".

Ejaz Hussain, employing rational choice theory, attempted to measure and explain the sustainability of CPEC. With primary data collected by interviewing and secondary sources such as journals articles, Hussain identified the internal and external challenges that CPEC would face. Then he provided so called policy input in terms of urging Pakistani government to reform its educational system and correct the political instability along with targeting all types of militant organizations The possible challenges and potential benefits for Pakistan and regional integration associated with the implementation of CPEC projects are also analyzed (Massarra & Ayesha, Akber Ali, 2016).

Muhammad Abdullah Avais et al. (2016) also examined the socio-economic benefits of CPEC for both China and Pakistan. Their study is an explanatory research based on the secondary data analysis and discussion. They concluded that this economic corridor is economically and socially benefited for Pakistan and China. They also recommended that Pakistan should be more effective for completion of CPEC because the membership of Shanghai Cooperation Organization (SCO) and Central Asian Cooperation (CAC) through China would be beneficial for Pakistan. In addition, they pointed out that free industrial tax zone in CPEC would gain the interest of foreign investors and ultimately beneficial for Pakistan.

Mujahid Kamran, vice Chancellor of Punjab University, Pakistan, in his inaugural address to a two-day National Conference on 'CPEC: Macro and Micro Economic Dividends for and the Region' held on 20-21 September 2016 in Islamabad, Pakistan, pointed out that two strategic regions are emerging in the world, which can become the potential centers of a great strategic clash: the CPEC region and Eurasia. While the strategic location and the resource wealth is a great blessing to Pakistan, the country, however has not been able to fully benefit from it. Successive governments have failed to give proper attention to education, research and development, health and manpower development, which has led Pakistan into a complicated situation. 15 years ago, an effort was made to train the manpower in Pakistan, but it was not sustained. In such circumstances, initiatives like CPEC give Pakistan an opportunity not only to achieve an economic turnaround but to use this project as a knowledge corridor. In this address, Dr. Kamran also pointed out that there might be external powers who would try to undermine the completion of CPEC. In addition, educational investment is wanting.

At the conference, some Pakistani scholars also warned against the potential negative sides during the implementation of CPEC. For instance, Dr. Kamal Monnoo warned against a general lack of clarity on some of the broader features of the projects and related finances to undertake heavy corresponding equity injections, which tend to stir up serious concerns for an economy seriously in debt. To solve this type of problems, his suggestion is to approach CPEC professionally so as to put CEPC

decision-making and its implementation under the control in the hand of an autonomous, non-political and professional Board.

Shaikh, Ji and Fan (2016) studied the prospects of the Pakistan China Energy and Economic Corridor (PCEEC) in the context of the Chinese pursuit of oil supply chain security. The study assessed all the existing and proposed oil supply routes from the Middle East and Africa to China's border in terms of supply timeframes, costs, energy consumption and GHG emissions. using weight-based model to estimate the CAPEX, OPEX and per barrel levelized cost of a proposed oil pipeline in the PCEEC and assessing them from various dimensions such as economic, time, energy and environmental, the study argued that CPEC will affect as significant booster for both nations and to complete and grow in energy sector. The relational effect of CPEC is also examined on infrastructure of Pakistan that results as positive impact and will help the nation to deal with different economic challenges (Ahmed & Mi, 2017)

Arif Rafiq, who is specialized in the Middle East and South Asia, in his report, explained what the China-Pakistan Economic Corridor actually was, identified potential barriers to its implementation, and assessed its likely economic, socio-political, and strategic implications. Based on interviews with federal and provincial government officials in Pakistan, subject-matter experts, a diverse spectrum of civil society activists, politicians, and business community leaders, Rafiq's report attempted to address the concerns and confusions involved in CPEC, then propose mechanisms for Pakistan to best leverage what was described as an historic opportunity to put Pakistan on a path toward sustainable, high levels of equitable growth as well as to ameliorate conflict and poverty within Pakistan and improve its ties with neighboring states.

Umbreen Javaid and Rameesha Javaid approached CPEC from the perspective of Geo-economics. In their study. They first traced the early history and development of Pakistan China relationship such as their cooperation in military, technical areas, growth of bilateral trade; then they examined the Geo-strategic compulsions in Pak-China relations, the CPEC's geo-strategic dynamics, Gwadar Port's importance, the Geo-economics behind the CPEC and its potential benefits for China and Pakistan. Generally speaking, they placed CPEC in the contexts of enduring and deep-rooted ties between China and Pakistan, paradigm shift from strategic alliance to the establishment of economic cooperation between countries around the world, American strategic rapport with India, India's hegemonic designs in South Asia and the Indian Ocean, and saw It as another milestone in the development of Pakistan-China relationship. For them, CPEC represents a model of cooperation, coordination and strategic communication between China and Pakistan, whereas the OBOR initiative in general and CPEC in particular is often seen by many western observers as Chinese instruments in its geo-economic game. CPEC is obviously a Pak-Chinese attempt to create a kind of alliance through economic cooperation, outside military cooperation, which will further cement the Pak-China friendship. On China's part, to meet the increasing energy demand and security, with Malacca dilemma in mind, CPEC is put forward as a solution to a more reliable and shorter route via Pakistan, which

could provide easier access to mineral, oil and gas reserves in Pakistan, Iran, Afghanistan as well as a closer passage for trade with Africa and easier transport of capital and machinery from China to Africa. Muhammad Salman Ahmad et al. explored the role of CPEC in the context of string of pearl strategy and analysed its strength, opportunity and weaknesses. Based on secondary source, i.e., existing literature, newspapers, magazines and websites, this study by a group of doctoral candidates examined the role of CPEC in context of string of pearl strategy and its significance for china, the meaning of "Economic Corridor", the benefits, prospects of CPEC in context of One Belt-One Road, India's concern regarding CPEC, the positive or negative impacts on social, economic and political environment by the policy designed by the Islamabad to achieve CPEC projects.

Shamsa Kanwal et al. hoping to guide the officials and policy makers of CPEC to gain local citizen's support for the CPEC development projects and design policies accordingly for the future projects with their study, which is also a result of Chinese-Pakistani cooperation in academic research, examined the benefits of various CPEC projects and their influence on local Pakistani citizen's living standards. Using online data collected from 310 citizens residing in Pakistan's provinces via the Google platform, they discussed the substantial benefits the local Pakistani community could gain in such areas as perceived education, income, and employment.

Kamran Ali, Nadia Nasir et al. discussed in their article the positive spillovers of CPEC projects, especially for Pakistan. Using the available literature to assess the role of CPEC in the sustainable economic development of Pakistan, they argued that CPEC would improve the economic growth and trade, enhance regional connectivity, overcome energy crises, develop infrastructure and establish people-to-people contacts in both the Pakistan and China, which would further help to improve the tourism sector.

Samrana Afzal and Anum Naseem focused on the challenges and prospects of CPEC. In their study, Afza and Naseem examined China's motive behind the CPEC and OBOR, mutual benefits for China and Pakistan, India's possible response, the potential economic benefits for Pakistan, possible strategies adopted to overcome these challenges. By focusing on enumerating the national dynamics of CPEC as a game changer and understanding its geopolitical impacts, Afzal and Naseem argued that despite of huge security and economic challenges, the Corridor would open new ventures of cooperation and strengthen interdependence between China and Pakistan, which would eventually contribute to common Pakistani's recognition of its worth and lessen the resentments the common Pakistani has regarding the interests of China.

Zahid Yousaf, Mehmood Ahmed and Moazma Fiaz investigated the coverage of the CPEC by the Media in both countries. Using agenda setting theory in general and the supra-specialty of agenda setting paradigm in specific, the three scholars from Centre for Media and Communication Studies, University of Gujrat sought to explore the way mainstream media in each country (Daily Dawn and China Daily respectively) has framed the CPEC regarding miscellaneous issues such as trade development and economy, regional peace and security, employment opportunities, power and energy

sector, gateway to international waters, corridor to Central Asian Republics (CARs), response by national stake holders, response by international stakeholders regarding CPEC. Then they used the statistics from respective press, without deeper analysis of the factors affecting the mainstream opinions, to support their arguments.

Mishele Ijaz, drawing a clear distinction between growth and development, each with its own indicators, sought to understand how planning is done with growth as the aim versus how it is done with development as the aim. In his study, Ijaz examined the marketing and implementing process of CPEC as a whole in Pakistan and other issues involved, such as the need for a more transparent process, greater inclusivity, social and economic impacts on the local people.

Muhammad Umais Jilani saw the construction of CPEC, a new source of potential synergy between Chinese and Pakistani respective national development strategies, as milestone that signifies the two countries' efforts to expand their bilateral collaboration. In his research, Jilani traced the evolution of China-Pakistan relationship, China's long-lasting efforts to restore her lost glory, especially lately constructive engagement policy with outside world, the history of mutual support for the other side in international as well as domestic issues, their early cooperation in the economic area, the positive development of trade, for instance. Then he borrowed the BMA Capital 's analysis of CPEC on Pakistan's national economy while pointing out the controversies surrounding the proposed Routes in Pakistan, as well as the Chinese ambitions. In addition, five pieces of recommendations were given.

Waseem Ishaque et al. in their article took a realist perspective, using power politics to analyze the contours of CPEC on its implementation strategy. Their study unveiled all-encompassing perspectives on CPEC, for example, main components of One Belt One Road, main components of CPEC, Mainland Pakistan Networks, Chinese compulsions of initiating OBOR and CPEC Vision, CPEC in the Geo-strategic Construct of Pakistan. Then the challenges facing CPEC were analyzed from realist paradigm and workable policy options in making CPEC as one of the dividends for future generations of Pakistan were also suggested.

Yousaf Ali et al. sought to help Pakistani government select the best set of CPEC energy priority projects involved in the first wave of development with their research. In their study, they provided guides for the small/medium scale industry and business owners to select the best available alternative for tackling the energy shortfall while CPEC projects are in the process of materialization. Forecasting electricity shortfall decrease and its impact on various economic/industrial sectors (like services, industrial, textile and agriculture) was also performed to gauge the effect of CPEC on the economy using linear regression. In addition, the study generated a new list of recommended CPEC energy priority projects which are more evenly distributed across the country, catering more, to interest of the country as a whole. In the conclusion, they argued that solar panels were the best alternative for small scale businesses, as short term solution while CPEC projects are under construction.

Salman Bahoo et al approached CPEC against the backdrop of economic globalization and geo-strategic partnership among countries at the beginning of the 21st century. Using materials such as

business articles, news articles along with facts and figures under content analysis, the study examined the potential impacts of CPEC on Pakistan's trade, investment, energy, and infrastructure.

In his master degree thesis, Madhumanit Debnath of Willy Brandt School of Public Policy, University of Erfurt, examined the changing Sino-Pakistani relationship in light of CPEC and analyzed the strategic significance of the vision of CPEC for both countries involved in and all the other actors in the region who might have an interest to join, as well as those who have a stake in the broader Belt and Road Initiatives.

In Pakistan, negative views or reservations were also voiced about CPEC. For example, B. M. Jain, in his book *South Asia Conundrum: The Great Power Gambit*, devoted a chapter to examine how China-Pakistan Economic Corridor would address Pakistan's energy needs, its growing unemployment and its infrastructure development as well as the potential of Islamabad's falling into Beijing's Debt Trap. In the chapter, the short and long term fallout of CPEC on South Asia in general and on India in particular was also analyzed. In addition, the responses and reactions from the Chinese government as well as Pakistani government in terms of the relevance and importance of the CPEC Projects are also represented.

Shabir Choudhry in his book *Economic Growth Or a Debt Trap for Pakistan: CPEC Can Be a Mega Disaster for Pakistan* argued that with the CPEC, Pakistan may have a new infrastructure on its land, but the main function of CPEC is for the Chinese goods and lorries; and to advance the Chinese global agenda. Aim of the CPEC is not to empower Pakistan and its people. In view of many Pakistanis, this new relationship is not an economic partnership with China. It is a new form of colonialism, but if the Pakistani ruling elite, and people of Pakistan are happy with this new relationship then no one from outside can help them. In his earlier book, he also explained how the CPEC would legal, social and political and environment situation of Gilgit Baltistan, and Azad Kashimir.

Khawar Abbas, in his thesis "Socio-economic impacts of China Pakistan Economic Corridor (CPEC) at community level - A case study of Gwadar Pakistan", analysed the socio-economic impacts of the development projects of China Pakistan Economic Corridor (CPEC) on fisher folk of Gwadar, Pakistan. Jawad Syed and Yung-Hsiang Ying in the second volume of Chinese Belt and Road Initiative in a Global Context offered a comprehensive overview of CPEC from a business and management perspective and provided theoretic and empirical analysis of the opportunities and challenges facing businesses in relations to CPEC. (Jawad Syed, Yung-Hsiang Ying, 2020)

### 3. Western and Western Influenced Researchers' Studies

Usually, when CPEC is discussed, Western and Western influenced researchers would always connect it with China's much more ambitious initiative, that is, the Belt and Road Initiative (BRI), and then the strategic motives behind the proposals, possible challenges to the proposed projects, potential effects and consequences, especially the potential negative ones etc. would be put into scrutiny. Questions like the following would often be asked: Why did China propose such a huge investment initiative in a

politically unstable and physically insecure country like Pakistan? Who would benefit more from the implementation of CPEC, Will China benefit at the price of Pakistan? Will this mega investment plan sustain itself? What are the implications of CPEC for Pakistan, India and other countries? Scholars from different areas just try to give their explanations and interpretations.

Louis Ritzinger examined the geopolitical factors underpinning China's decision to invest enormously in its trouble-ridden neighbor, the implications of CPEC for US policymakers. As far as China's motives behind CPEC initiative is concerned, Ritzinger argued that China had a threefold motivations behind its promised investment in Pakistan, that is, to provide economic support to a flagging ally struggling with internal instability, to facilitate trade, and build linkages leading to Europe and Africa by which China can meet its ambitious economic, political as well as geopolitical goals. In his word, China's investment in Pakistan, a "flagship project" of its "One Belt, One Road" initiative, goes far beyond strengthening bilateral ties (Ritzinger, 2015).

Andrew Small, discussing the nascent CPEC in the epilogue of his much-quoted book *The China-Pakistan Axis: Asia's New Geopolitics*, argued that China's enormous investment in Pakistan was not only driven by a sense of strategic and economic opportunity on Beijing's part in the wake of the West's strategic footprint diminishing as the war in Afghanistan winds down, but also motivated by fear, that is, Pakistan's troubles, and the threat of looming chaos in the region, have reinforced to China how much its interests will be harmed if its only reliable friend is left fragile and faltering.(Small, 2015)Besides, the changing domestic dynamics, strategic competition with the United States, China's historical rivalries with its East Asian neighbours, are all factors promoting China to invest enormously in CPEC.

Hamzah Rifaat and Tridivesh Singh Maini examined in their Visiting Fellow Working Paper at Stimson Center several important aspects of the proposed corridor, including the different components of CPEC, China's strategic rationale for investing in Pakistan, U.S. and Indian perspectives on CPEC, and identified the key security challenges and potential prospects for the project's successful implementation and implications for all parties involved and then concluded that CPEC could be a stabilizing factor between India and Pakistan so long as incremental trade between both countries continues unabated.

Daniel S. Markey and James West saw CPEC as part development scheme, part strategic gambit, which was a reflection of intensified and expanded bilateral cooperation at a time of rising Chinese geopolitical ambition and persistent concerns about Pakistan's security and development. They represented the plan and the realities of CPEC such as operations at Gwadar, the physical "corridor" of the CPEC, energy projects, the challenges CPEC facing from security, domestic political opposition in Pakistan, then analyzed the implications of CPEC for Pakistan, India as well as for U.S.A.

Arlen Clemens, who is also author of another book *Diplomacy of South Asia Security and China's Security Environment*, introduces to the readers some basic aspects of 'The China-Pakistan Economic Corridor (CPEC) and its potential positive effects on various Pakistani provinces such as Balochistan,

Khyber Pakhtunkhwa as well as its implications on future Sino-Pakistan bilateral ties and their strategic relationship. Then, he argued that CPEC could endanger India's interest and pose a threat to India's ambition in South Asia and arenas beyond because the corridor will run through India's periphery, more significantly, Gilgit Baltistan, claimed by India as part of the erstwhile princely state of Jammu and Kashmir (J&K). In due course, this geographical reality of the CPEC could potentially impinge upon India's geopolitical calculations and pose a strategic challenge. As a result, he warned the Indian government to be vigilant again the so-called Chinese attempts to replicate in PoK the well-perfected policy it has applied earlier in Tibet, Xinjiang and across Central Asia when Beijing is seeking a historic opportunity to fill up gaps where India has largely failed. Considering PoK's strategic location as a connecting point of South, West, Central and East Asia, China's move has implications for limiting India's outreach to the critical Eurasian region.

Siegfried O. Wolf (2016) critically examined the feasibility and impact of CPEC on regional cooperation in Asia while considering the key players, China, Pakistan, India, Afghanistan and the recommended to include the India and Afghanistan in CPEC to truly get the benefit of CPEC for Asia and make it time changer. For him, the Belt and Road in general, CPEC in particular as driven by a wide range of Chinese interests in economic, financial, diplomatic, geopolitical and security areas. BRI has a combination of cross-sectional components aimed at interlinking Eurasian States and economies through a range of projects with infrastructural development and connectivity, coordination of national and regional developments as its focus, and is intended to create a connected and cohesive Euro-Asian entity with China as focal point of underlying connectivity. In his book to be published in 2020, Wolf develops a new conceptual framework of Economic Corridor and then apply the EC concept in general and its indicators in particular to structure and analyze the available information about China Pakistan Economic Corridor in a case-oriented fashion..

International Crisis Group's report published before Pakistan's 2018 general election examined CPEC's economic and development projects within Pakistan, discussed whether CPEC would bring the broad economic revival that Pakistani leaders claimed it would generate, and assessed its political and security costs for Pakistan. Based on interviews with officials, economists, politicians, security analysts, journalists, activists and other stakeholders in the federal capital, Islamabad, as well as in Balochistan, Punjab and Sindh, conducted from November 2017 to January 2018, the Crisis Group Asia Report N°297 analysed CPEC's impact on Pakistan's domestic stability and security, particularly the potential or heightened tensions between the federation and federal units, between Islamabad and Gilgit-Baltistan, and on conflict dynamics within provinces.

As far as CPEC is concerned, observers in India initially have either ignored the proposed CPEC or have rejected it as unviable, for instance, Dr. Dhrubajyoti Bhattacharjee saw CPEC as a major project of the "Belt and Road" Initiative, with Security on China's northwest flanks and economic development in Muslim dominated northwestern China as one of its various motives. Besides, the possibility of Sino-American strategic competition getting harsher and Sino-American relationship

difficult to achieve much improvement could also be reasons for China to develop its neighbourhood policy. By investing heavily on friendly countries like Pakistan, China attempts to fulfill multiple interests of its own. (ICWA Issue Brief, 2015). There are, however scholars who believe the proposed CPEC will present to India some interesting and promising choices, which, exercised innovatively, may open new vistas of regional cooperation, stability and economic growth in the region (Ranjan, 2014).

#### 4. Chinese Scholars' Researches

In China, CPEC is usually understood by scholars as linked with the Chinese domestic policy or Marching West as well as the One Belt One Road Initiative, and endowed with much significance. (Liang, 2016; Zou, 2016; Zang ect., 2017) Some extolled CPEC projects as the flagship of or model for the OBOR" Initiative. Some even call it game changer (a term borrowed from Pakistani politicians) for regional and global geopolitics or harbinger of New World Order (Liu, 2016; Chen etc., 2015; Li, 2017). However, apprehensions and concerns about the potential risks of implementing these comprehensive investment programs are also expressed by some. (Xie Gui-Ping, 2016; Zou Gang, 2016; Liu, 2016; Shi etc., 2017)

Much significance has been endowed with the projects involved in the CPEC by the Chinese government officials and Scholars as well. However, some scholars in China, through various channels, have voiced their apprehensions and pointed out the potential risks of implementing these comprehensive investment programs in Pakistan. Their apprehensions could be best summarized by the view of Dr. Luan Jian-zhang, the Vice Director General of Policy Research Office at the International Department of the Central Committee Communist Party of China, that political unrest, security situation and administrative issues are some of the greatest challenges in the way of successful implementation of the corridor This, of course, gave us some clues to the apprehensions voice by the public and the academicians as well, which could be roughly categorized into the following categories: concerns about security situation in Pakistan, especially that in those restive provinces; concerns about the low efficiency of the local authorities in Pakistan and its potential political risks; concerns about the negative influence of rivalry forces.

Security issues and the Safety of Chinese personnel and enterprises in Pakistan have always been the focus of the Chinese government and academicians as far as CPEC programs are concerned. The proposed CPEC will run through most of Pakistan, starting from Gwadar in Balochistan and ending in Kashgar in China's west-most Xin Jiang Uygur Autonomous Region, while passing through parts of Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa provinces and Gilgit-Baltistan in northern Pakistan. Along this extensive and long corridor, stretches an arc of militancy, consisting of groups like the East Turkestan Islamic Movement (ETIM), Tehreek-e-Taliban Pakistan (TTP), Lashkar-e-Jhangvi (LeJ), Daesh (ISIS), Balochistan Liberation Army (BLA), Balochistan Liberation Front (BLF) and the militant wings of some political parties, which could cause troubles for Chinese investment and Personnel. Many measures have been and are being taken by the related Pakistani authorities to ensure

the safety of Chinese workers and facilities, the security situation in Pakistan, however is still harsh.

Therefore, for most of the Chinese scholars and government officials interested in CPEC projects, security challenges posed by extremist or terrorist groups active in Pakistan, are much of a concern. For example, Arshad and Dong (2016) highlighted the importance of security issues to CPEC. They analyzed terrorist activities, security and governance issues of Pakistan and discussed security issues faced by the China from north western region from group of militants. They suggested that both of countries China and Pakistan should arrange high class security measures for all projects of CPEC to reduce external threats of enemies.

The second category of apprehensions expressed by the Chinese Scholars is mainly around the political risks of the Chinese investing in Pakistan. Pakistan's Political stability has always been a concern. In the past, Pakistan has faced many phases of political instability and turmoil that weakened the country's development roadmap and also affected policy consistency. For some Chinese scholars, Pakistan is a country with "strong society and weak government". A fractured Pakistani political environment, central-provincial rivalry, influence exercised by religious parties, are much of a concern. Moreover, Law and Order situation, presence of sub-nationalist sentiments, increased sectarian violence, sense of deprivation, could affect the political situation in Pakistan and potentially cause troubles for the Chinese investment there. In addition, some Chinese Scholars are also suspicious of the executing power of the Pakistani Federal Government and its efficiency. Until now, the respective functions of the Federal government of Pakistan and the various Provinces as well the roles of various small political parties in social life have not been thoroughly researched into, therefore not quite appreciated. In the meanwhile, the two government function quite differently, some doubt that those projects involved in CPEC would be effectively implemented in a different context and the enormous investment could get any gain.

Thirdly, the negative influences exerted by hostile forces, USA and India, for example, are also of a concern. The Government of USA usually takes a hostile stance against China in the world arena, and is always suspicious of the external policies of the Chinese government. Therefore it is natural that the enormous Chinese investment into the planned CPEC would arouse the suspicion of the U.S. policy-makers. To ensure that the American interests in South Asia would remain protected, the evolving regional landscape is surely to be employed by the U.S. strategists. For some U.S. policymakers, the message that the CPEC projects send regarding the sincerity of China's intentions to utilize Pakistan as a means to expand its global influence, obviously poses challenges for the United States—challenges some proposed to be met by continuing to engage with its regional partners (including India) and allies, while reaffirming commitments to bolster the U.S. presence in the Asia-Pacific. Along with further rebalancing to the Asia-Pacific, solidifying old alliances and building new partnerships, some also advise that the USA government find creative methods to build regional linkages that support U.S. interests. The contentions between China and USA aroused by the construction of CPEC as well as the American's suspicions of China's potential to challenge its status

are commented by Chinese scholars such as Xie Gui-ping, Yao Yun, Liu Zong-yi in their articles.

India, a rising power like China, regards China as a rival and is also suspicious of China's intention. As far as the CPEC Projects are concerned, the government of India does not agree with the development projects. India is worried about the huge investment of China in Pakistan proposed by the CPEC package as well as Chinese help for Pakistan in producing plutonium at the Chinese-built Kyushu reactor. It also expressed worries as to the eight submarines sold by China to Pakistan worth approximately \$5 billion, which give a significant jump to Pak Navy's sea capability. CPEC completed, Pakistan would be the trade hub in the region when Gwadar port starts functioning fully, and duty free economic zones are set up. The strategic partnership between the China and Pakistan is taken by the government of India as a threat and on many occasion they try to persuade China out of the CPEC idea. Moreover, India also had reservation on the handing over the Gwadar port to China, saying that the port's potential for military purpose could increase the Chinese Navy's presence in the Indian Ocean which would threaten its status there. India's complaints, considered by some as "much ado about nothing", have not been taken very seriously, Indian investment in Chabahar port, its financial support to the militant group in Balochistan and its involvement in South China Sea with countries like USA, however, are regarded as countermeasures taken by the Indians to make troubles for and sabotage the CPEC projects.

### 5. Observations and Proposals

In a word, the apprehensions of the Chinese academicians concerning the CPEC programs mainly arise out of their worries about the various challenges Pakistan is currently confronted with. At national level, Pakistan is presently faced with severe security situation in provinces, especially in Federally Administered Tribal Areas (FATA) and Balochistan. At provincial level, Law and Order situation, presence of sub-nationalist sentiments, increased sectarian violence, sense of deprivation, unequal development at par with other provinces, royalty issues, dormancy of Council of Common Interests to improve inter provincial harmony, lack of political will to finalize the road route due to vested interests are some of the issues requiring immediate redress. Moreover, the 18th Amendment to Pakistan's Constitution has delegated numerous powers to the provinces, which has strengthened the provinces but at times is detrimental to evolving consensus on vital national issues such as the CPEC. Additionally, Pakistan's unstable political system carries the potential to delay the implementation of the CPEC. At regional and international level, Indian sabotage, Iran and Central Asian Republics' suspicions, USA's pressure can all make troubles and hinder the carryout of CPEC programs.

The existing researches and their analyses and observations did help us understand the factors affecting the decision-making process involved in CPEC, and were useful for us to understand better the possible benefits and potential risks for Pakistan, China as well as South Asia. However, there are still issues that need to be explored. CPEC is still at the early stage of its development, the future of CPEC could be influenced by many factors, for instance, the mixed receptions by the various stakeholders, Pakistan,

India, U. S. A. Therefore, it's important to explore the following questions: Does the mixed responses to CPEC have an impact on the CPEC narration of both governments and their policies? If so, how? Then, will the recent controversy over "Debt Burden" or "Debt Trap" change the course of CPEC? How will the new emphasis of PTI government on social development shape the future of CPEC?

To answer the questions raised above, this research, employing theories from related fields, such as theories of Grand Strategy, theories of Global Governance as well as theories of Conflict and Cooperation, will first clarify the Chinese thinking behind the decision-making process involving CPEC in specific, OBOR in general, placing them in the diplomatic history of PRC since its foundation and linking them with the Chinese Dream of National Rejuvenation and its efforts to establish fairer and more reasonable International Political and Economic Orders, to actively participate global economic governance and rule-making, etc. Then it will try to trace the responses and reactions of Pakistan, India, U.S.A and other countries, and examine how the mixed responses of various stakeholders have shaped Pakistani and Chinese CPEC narration and their policies respectively. Efforts will also be made to explore how the lately arising Debt Burden debate or Debt Trap Controversy will influence CPEC programs by examining the history of China-Pakistan economic cooperation and the strategy of Chinese outbound investment as well as the implementation of the agreements already signed.

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