

Socio-Economic Analysis of China-Pak Economic Corridor: A Case Study of Gwadar Baluchistan

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Abstract: This study is carried out to investigate the Gwadar deep sea port in sense of socio-economic development in the host province of this project, Baluchistan in general and Gwadar in specific. This study aims to investigate the Socio-Economic change in Gwadar in relation to CPEC. Gwadar consists upon 15,216 square kilometer of area is marginalized area of province Balochistan of Pakistan. The socio economic condition is in such a way that is subject to improvement. In the given situation, \$ 45.6 billion investment in terms of China Pakistan Economic Corridor (CPEC) is a ray of hope for people of Gwadar to uplift the socio-economic aspects of their lives. This aspect is investigated in the study in hand through lens of theory of 'Economic Interdependence'. While adopting the quantitative and qualitative method, primary data has been gathered through structured questions randomly from 50 respondents of the local area. The result of primary data illustrates that CPEC will contribute positively in Gwadar in arena of socio-economic, as 68% of respondent suggest that as a result of CPEC, there is need to improve the educational infrastructure of Gwadar and the increase of real state price will be beneficial for local population. 80% people are in view that their income will be increased.

Keywords: Deep seaport, Economic Independence, Economic Corridor, Gwadar, Socioeconomic.

1. INTRODUCTION

The transportation sector is considered as a vital component for economic development, besides, it has all the potential to put the nation on the trajectory of world economic market. There are different means to achieve this above stated end goal. Ports are one of important mean in this regards, which are considered as a bridge between land and sea transport. Besides contributing in economic arena, ports are also important in societal segments on the area where they are located. In a nutshell, seaway transportation is considered as cheapest and effective way to connect with the other parts of the sea.

The China-Pakistan Economic Corridor (CPEC) is a mega project, which is being constructed with the aim to connect the southern port of Pakistan at Gwadar through highway, rail network, and pipelines to China's northwestern Xinjiang region for connectivity to transport goods. This mega developmental project is considered very vital for cordial relation and economic growth between china and Pakistan. The economic corridor will run about 3,000 km from Gwadar to Kashgar. In this regard Gwadar is of vital importance in terms of regional connectivity between regions. [3] As far as the cost of this project is concerned, it is estimated \$45.6 billion, with an optimistic expectation for the completion period of the project in 2030, according to the Japan's daily newspaper, Nihon Keizai Shimbun.

What will happen when this corridor will be constructed is a central and primary question in minds of people. Just like a primary function of ports as connectivity between land and sea, it will have a primary role and function as a gate way to connect Pakistan, China, Middle East and Africa. So, the possible scenario is that oil from the oil rich Middle Eastern states could be offloaded at Gwadar port, which is located just outside the mouth of the Persian Gulf, and transported to China [9]. As a consequence, it will shorten the route from mid-east oil supplies to Chinese ports in term of 12,000 kilometer. As per Asian Development Bank's view about CPEC is concerned, it illustrates CPEC as a connection between

economic agents along a defined geography. While taking this position into consideration, it will provide connection between economic nodes or hubs, centered on urban landscapes, in which large amount of economic resources and actors are concentrated. They link the supply and demand sides of the markets [2]. The corridor will serve as a driver for connectivity between South Asia and East Asia. CPEC is of very vital importance in terms of important player in regional connectivity which is very vital in the era of globalization and in arena of the paradigm shift from 'security' to economics'. In the regard of regional connectivity, the term 'Greater South Asia' is debated since a decade, which includes China, Iran, Afghanistan, and stretches all the way to Myanmar"[10].

Gwadar, district of Pakistani province Baluchistan holds central place in the development of China-Pakistan Economic Corridor. Geographically, it is located near the Strait of Hormuz, which is considered almost one third of the world's oil trade.

While having at the glance of cost-benefit of this project, China has plans to build oil storage facilities and a refinery at Gwadar Port, with oil transported to its Xinjiang Uighur Autonomous Region via road and pipeline, without going through the Strait of Malacca. Which, off course, is viable, cheapest, and easier rout? As per an estimate, 60 percent of China's imported oil comes from the Middle East, and 80 percent of that is transported to China through this strait, the dangerous, piracy-rife maritime route through the South China, East China, and Yellow Seas. These sort of risks can be avoided through using the Gwadar way. Besides, the project will will play an important role in development of western China, where tensions are simmering from activities by radical separatists [5]. As a result of development, their marginalization will be addressed.

Besides china's advantageous position on CPEC, this project is considered economically vital to Pakistan in helping it drive not only economic growth but also societal up lift of people of Gwadar. In 2014, the Chinese government committed to spending \$45.6 billion to build the corridor, which will include the construction of highways, railways, and natural gas and oil pipelines connecting China to the Middle East. Other than china and Pakistan's connection to Middle East, development in Gwadar will also allow china to exercise its influence in the Indian Ocean, which is a vital route for oil transportation between the Atlantic and the Pacific [4].

This corridor (once get operational) will positively contribute in socio-economic trajectory of the people of Gwadar. There are many advantages of this corridor that gives a lot of opportunities to the people of Gwadar Baluchistan. This will remove the sense of deprivation from the people of Baluchistan. If Baluchistan people will satisfied with this corridor, this will address their economic grievances, as a consequence, it will help them coming out of a regular sense of marginalization. And it will uplift the socio-economic condition of Gwadar Baluchistan. This corridor will make Gwadar not only fully operational but also a significant deep sea port in the region.

In a nutshell CPEC presents a historic opportunity to transform economic profile of Pakistan and the economic situation of its teeming millions, especially the people of Baluchistan. CPEC ultimately is going to contribute as a paradigm shift from security to socio-economic aspects of the Baluchistan in general and Gwadar in specific. While taking this position these developments in return are bound to pose positive uplift on the socio-economic affairs of marginalized community. Economic developments is a major contributing factor to bring the societal and cultural change, but there are couple of hampering factors as well who are posing hindrance in way of development in Gwadar. There is dire need to look at not only interactive structure of CPEC and socio-economic development, but also the interactive structure of economy, social, and security related aspects. Prime Minister of Pakistan, Nawaz Sharif, while focusing very keenly and showing the deep interest to CPEC has inaugurated the western route of CPEC on 30th Decemeber 2015, the chain of completion of all the projects will be carried out and will reach to a successful end in 2030[8]. Thus, the study in hand will investigate how CPEC is viable to transform the socio-economic trajectory of the people of Gwadar. To evaluate the aspects of socio-economic uplift, it is of vital importance to take and note the views of local people where this project is under construction, Although it involves the people from Gwadar and Kashgar, but due to limited time and resources, researcher has carried out this study while accentuating upon the view of Pakistani side of this project. In this regard, primary data has been collected via close ended questionnaire from the people of Gwadar which accentuated upon the themes discussed/argued in the study in hand.

CPEC is considered as a vital indicator to uplift the economic profile of Pakistan, which ultimately will enhanced the economic situation of its inhabitants specially those who are from Gwadar. CPEC ultimately is going to contribute as a paradigm shift from security to socio-economic aspects of the Baluchistan in general and Gwadar in specific. While

taking this position these developments in return are bound to pose positive uplift on the socio-economic affairs of marginalized community. Economic developments is a major contributing factor to bring the societal and cultural change, but there are couple of hampering factors as well who are posing hindrance in way of development in Gwadar. There is dire need to look at not only interactive structure of CPEC and socio-economic development, but also the interactive structure of economy, social, and security related aspects. In its façade, it sounds as handsome project, contains a lot of tempting opportunities for people of Gwadar and Kashgarh. In this regard, it is a key to take the views of local population about this project.

2. OBJECTIVES OF THE STUDY

This study aims to contribute in existing literature while addressing the lacunas existing in the previous literature e.g.

- To address the interactive structure of CPEC and socio-economic development in Gwadar.
- To analyze the employment and business opportunity for people of Gwadar.
- To observe the importance of CPEC on the infrastructural and industrial development in the study area.

3. METHODOLOGY

This particular research work employed the quantitative method of research. It is exploratory and analytical in nature aimed at evaluating prevailing developmental situation in Gwadar, with the special focus on CPEC, and its impacts in terms of socio-economic on people of Gwadar.

The research is based on both primary and secondary sources of research. Primary sources of data are based on structured and in-depth interviews from national policy expert, and government officials both civilian and military, media persons and scholars and academics. In a nutshell, primary sources are based on the data gathering from concerned persons to CPEC project. Besides this, study aimed at gathering the view point of local population in Gwadar through questionnaire based on close ended questions. As far secondary sources of data are concerned, they include journals, magazines, newspapers, policy papers, research articles and analyses of experts. Similarly, online sources of information are also employed. For the collection of secondary data, libraries and online databases would be utilized.

For the sake of formulating the results of respondents and analysis of collected data, result generating tool has been used. Media sources of information are of great importance and it is possible that at some places it has been utilized as primary source of information in case of lack of official view on the subject, thus, the media statements of the state officials are treated as official positions. Simple random sampling is utilized in the study where close ended questionnaire was filled from the 50 respondents of Gwadar. A close-ended questionnaire was employed for conducting formal and structured interviews. The Questionnaire was formulated with the help of colleagues and supervisor. It is comprised of different close ended questions to have the indepth information on the study in hand. The collected data for research has been evaluated through SPSS in order to present the transparent response.

4. A SOCIOECONOMIC CAUSE EFFECT RELATION OF CPEC AND OTHER DEVELOPMENTS

China-Pakistan Economic Corridor (CPEC) has been appropriately characterized as a game changer. A vigilant cost-effect relation is prerequisite to evaluate CPEC and its effects on different areas. China-Pakistan Economic Corridor (CPEC) offers equal prospects to all the provinces and regions of the country to advance in economic and social terms. Baluchistan is the largest province of Pakistan. This province is factually ignored for number of reasons, including complicit abstraction by the medieval tribal gentry, corruption and exploitation, dearth of education, etc. Central Government also to a certain degree neglect this mineral rich province and did not focus on its development, as the rest of the country. Its ordinary resources are still unexploited. It has the world's fifth largest reserves of gold and copper comprising the easy access to the Tethyan belt [11] of an arc of gold and copper reserves. This belt stretches from Hungary in Europe to Indonesia in the Far East across Eurasia but is much easily accessible in Baluchistan. Due to recent development in term of CPEC, the local population has showed a different response about CPEC, as they are very keen about progress happened in their province.

4.1. Effect on Transportation

China-Pakistan Economic Corridor (CPEC) includes roads and railways which will pass through the whole dimension of Pakistan, including Azad Kashmir and Baluchistan. This route will moderate the distance for Chinese merchandises which are destined for Europe, Africa, and the whole western hemisphere, significantly by almost 2000 miles and vice versa. Trade by CPEC will be sidestepping the Strait of Malacca in Southeast Asia by that many miles. The Chinese goods will transportable less by two thousand miles through the Suez Canal route. CPEC has global trade implications and if Northwestern Indian states were to use the port of Gwadar, it would be cheaper and quicker to do business through this corridor.

TABLE NO. 1: Highways and Train routes for CPEC beneficial for Gwadar

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	50	100.0	100.0	100.0

Source: Questionnaire

This table illustrates the details regarding the Highways and train routes for CPEC beneficial for Gwadar. Here, 100% of the respondents view that the highways and train routes for CPEC will be beneficial for Gwadar.

4.2. Effect on Health Sector

A 50-bed hospital in Gwadar would be made functional soon. Other people friendly projects include setting up of girls colleges, water filtration plant for clean drinking water, making Gwadar city clean and providing facilities for fish export and cross-border trade. The federal government is in the process of setting up facilities related to immigration, customs and trade in Gwadar, Mand, Panjgur and Mashkel areas.

Table No. 2 Health sector will improve after materialized the CPEC

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	47	94.0	94.0	94.0
No Comment	3	6.0	6.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

The table highlights the details regarding Health sector will improve after materialize the CPEC. 94% of the respondents agree that the health sector will improve after materialize the CPEC whereas, 6% of the respondents do not comment on it.

4.3. Educational Arena

The Percentage of Population that Ever Attended School is about 57. The Primary Enrolment Rate (Gross Percentage) is 98, Middle Enrolment Rate (Gross Percentage) is 50, The Matric Enrolment Rate (Gross Percentage) is 44, Percentage of Literate Persons (10 years and above) is 56, whereas the Percentage of Literate Persons (15 years and above) is 50.

Table No. 3 Acceptance to build Education infrastructure from Foreign Investor in Gwadar

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	34	68.0	68.0	68.0
No	9	18.0	18.0	86.0
I Don't Know	7	14.0	14.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

This table illustrates the details regarding the acceptance to build education infrastructure from foreign investor in Gwadar. 68% of the respondents were in favor to build education infrastructure from foreign investor in Gwadar. 18% of the respondents were not in favor to build the education infrastructure from foreign investor in Gwadar whereas 14% mention that they don't know about it. Respondents, who were not in favors of building the infrastructure, when interviewed, described that reason for their unwillingness is that their traditions, customs, and culture will become vulnerable due to adopting the modern education system.

4.4. Financial Condition

Common society and private financial specialists are likewise not interested in the issue. Land speculators from everywhere throughout the nation put resources into Gwadar in 2006. Indeed, even now, numerous business gatherings are keen on putting resources into Gwadar to capitalize on the monetary open doors displayed by Gwadar ocean port. These private financial specialists additionally should be socially capable and add to the instructive advancement of the locale. They have to recollect that financial movement can never thrive in Gwadar if its masses remain devastated. Additionally, social improvement associations who frequently lead courses about Baluchistan's issues in five star inns are likewise not keen on essentially loaning help. The imperative waterways and streams in the locale incorporate Shadi Kaur, Swar and Dasth stream with its tributaries Nilag and Daddeh[7].

Table No. 4 Increase of Real state price benefit for local people

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	34	68.0	68.0	68.0
No	7	14.0	14.0	82.0
I Don't Know	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

This table illustrates the details that due to CPEC project, the increase of Real state price benefit for local people. 68% of the respondents view that due to CPEC project, the increase of real state price will be beneficial for local people.

4.5. Industrial Effects

The actual prospect of China-Pakistan Economic Corridor lies in industrial sector. Pakistan and China can work on common projects in industrial sector to generate viable products for international markets. Replacement of Chinese industries to Pakistan recommends economic surplus to both nations because of economical labor available in Pakistan. The first stage of CPEC is interrelated to Chinese investment in energy, road and rail network and Gwadar. China is immensely devoted in industrial sector of Pakistan, and which both countries are functioning promptly. Within the shape of CPEC, Pakistan will attain a new horizon in terms of infrastructure. But, it has to re-organize its own industry and trade sectors to make the best use of this corridor. The Chinese are generally involved in key infrastructure development projects, which demands lot of steel. In this regard, to complete its infrastructure projects, Pakistan would require few million tons of steel bars, and this amount might be imported from China. Because China is the major steel manufacturer of the world. Pakistan is amongst the lowest per capita consumers of steel, [6] and imports around 1.5 million tons and almost 70% of it is now comes from China primarily because of its cheap prices. This fishermen industry is the main source of earning of the people of Gwadar, concerns were shown from a number of people that the CPEC project will affect or limit the opportunities of the local fisherman.

Table No. 5 Expansion of Gwadar port limit the opportunities of local Fishermen

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	20	40.0	40.0	40.0
No	18	36.0	36.0	76.0
I Don't Know	11	22.0	22.0	98.0
No Comment	1	2.0	2.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

This table illustrates the details that expansion of Gwadar port limits the opportunities of local fishermen. 40% of the respondents mention that the expansion of Gwadar port will limit the opportunities of local fishermen. 36% mention that it will not limit the opportunities of local fishermen. 22% mention that they don't know about it, whereas 2% of the respondents' mention that they do not want to comment on it.

4.6. Effect on Common Men's Life

CPEC activities would highly support the economic activities and it would create the largest number of jobs to the local people. The Gwadar local people should be the major beneficiary of the port and its related projects. It is though

confirmed through this project that Baluchistan is an important province of the country and Gwadar is like the heart of Baluchistan. So the locals of Gwadar are therefore entitled to get all the basic facilities of life.

Table No. 6 CPEC project affect positively the Life of a common man

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	44	88.0	88.0	88.0
No	6	12.0	12.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

This table illustrates the details regarding CPEC project affect positively the life of a common man. 88% of the respondents' view that the CPEC project will have the positive affect on the life of the common man where 12% of the respondents were not agreed to the statement that the project will affect positively the life of a common man.

4.7. Gwadar: A Door of Equal Opportunities

Gwadar can become the port of transship, big ships can come here, off loads the cargoes and small ships can take it inside the Gulf that is the external dimension but internally without these up north links, Gwadar has no potential. Therefore, when PML-N come into government, even before signing of the CPEC agreement, the party was working on two projects and FWO is working under very hard conditions and very successfully. One road was to create from Gwadar to Suhraab, to provide connectivity to the route which is from Gwadar to Suhraab and from here to Quetta and then from here top Killa saifullah, Zoab and D.I Khan. This route will be completed within two years and the work is now underway of FWO. By 2016, as soon as this incomplete route and link will be completed, Gwadar will have one route available up to Peshawar to Gwadar, Quetta, Zoab, D.I Khan and Peshawar. The second missing link was Gwadar to Rathodero, Sukkur link and work is along undergoing here and hopes so that by 2016, it will also be completed. The second route which will be available from Gwadar to Sukkur and from here the Indus highway which goes up and other is Peshawar, Islamabad, Lahore and Karachi Motorway which will be the Eastern alignment so the Economic corridor will be the network of different routes. It is clear emphatically, the whole controversy has reasoned by an understanding as if Gwadar will be connected to Khunjarab, through one single alignment or road or if CPEC is name of a single road, CPEC is an umbrella under which there will be a network of roads and Chinese and Pakistani side have agreed in first phase we will try to maximize the existing network of roads. Both countries want to operationalize the economic corridor as soon as possible. In two years out of three alignments available for CPEC, one will be the western alignment passing will be probably used by trucks which have to go either through Quetta or to Afghanistan or they have to go to Peshawar or direct to China but than this is the central road which will cover the central part of the country. Gwadar will be a port which will serve different markets inside the country and outside the country. It will serve South Asia, Pakistani markets like Karachi, Hyderabad, Multan, Sukkar, Faisalabad and Lahore, Rawalpindi, Peshawar, Quetta and Gwadar especially with all different nodes will be served. [1]

Table No. 7 People of Gwadar/Baluchistan get equal opportunity in CPEC

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	9	18.0	18.0	18.0
No	38	76.0	76.0	94.0
I Don't Know	3	6.0	6.0	100.0
Total	50	100.0	100.0	

This table highlights the details from the people of Gwadar, asking that do people of Gwadar get equal opportunity in CPEC project. Here 18% of the respondents mention that they think that people of Gwadar are getting equal opportunity in the CPEC project, 76% of the respondents' view that the people of Gwadar are not getting the equal opportunity in the CPEC project. Whereas 6% of the respondents mention that they do not know in regard.

4.8. Effects on Masses' Earning

The China Pakistan Economic Corridor will help to increase the income of the local people that would uplift the economic conditions and livelihood of the people of Gwadar and nearby areas.

Table No. 8 How CPEC will affect Your Earning?

Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
Earning will increase	40	80.0	80.0	80.0
It will remain same	10	20.0	20.0	100.0
Total	50	100.0	100.0	

Source: Questionnaire

This table illustrates that how CPEC will affect the earning of the Gwadar people? 80% of the respondents mention that through CPEC project, their earning will improve whereas 20% of the respondents mention that it will remain the same.

5. CONCLUSION

The CPEC will help to strengthen the economies of both Pakistan and China, by solidifying their influence in the region and opening new routes to the resource rich Middle Eastern region through the Arabian Sea. For this purpose, Islamabad has extended an invitation to Tehran to join the CPEC inventiveness. If Iran agreed, the deal would fortify inter-regional connections. In addition, from a geo-strategic viewpoint, this would considerably increase the probability of the decade's elongated vision of Pakistan-Iran gas pipeline. This would be a massive chance, not only for Pakistan, but also to the region as a whole to be gradually self-reliant through enhanced intra-regional interdependence. The economic corridor will emerge as a testimonial of the century, which will benefit billions of people in the region. These projects do not belong to any specific group or party but will serve the whole country especially it would empower the people of Gwadar socially and economically. This project is requisite for China, if the broader Silk Road Economic Belt, with its consequent profits for domestic economy of China, geo-political influence, and regional stability, is to depart the ground. Pakistan is China's "iron brother," and will likely be Beijing's most enthusiastic companion beside the planned Silk Road. China also perceives the CPEC in particular as a tactic to expand its energy supply, by subsidizing dependence on easily dislocated maritime trade routes. Most importantly, this corridor will help work as a magnet for the foreign direct investment in Pakistan. If the world sees China –a rising economic power- investing in this part of the world, they will automatically come out of competition with China which will ultimately help in the development of Pakistan. This corridor is not only important for the development of Pakistan, but for the peace and stability of the region and has more importance for rising China to rise quickly and cost effectively.

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