



CPEC and Sustainable Development

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Since the introduction of the Open Door Policy, China has been on a steady path of economic growth while maintaining a peaceful approach toward other countries to avoid conflicts and strengthen its economy. This shift in China's global engagement, particularly with regional states, was driven by domestic political changes following Deng Xiaoping's leadership in the late 1970s. It also coincided with the emergence of the Complex Interdependence Theory, which emphasizes cooperation and economic ties over traditional power struggles. In contrast, the Mao era was marked by confrontation and conflict, both globally and regionally. China's involvement in the Korean War, the Vietnam War, border clashes with India and the Soviet Union, and its rivalry with the Western world reflected the Realist perspective in international relations, which views power struggles as the primary force in global politics. The Cold War period saw shifting alliances based on military

strength, including the China-Pakistan alignment, which can be better understood through the Neo-realist approach that focuses on power and security.

However, in the post-Cold War era and especially in the 21st century, the China-Pakistan partnership has evolved beyond just defense and security. Their relationship now includes trade, investment, regional cooperation, and infrastructure development, reflecting the realities of globalization and economic interdependence. While security remains an important factor, the partnership now extends to multiple areas, shaping regional politics and contributing to China's peaceful rise. Researchers and analysts have explored various aspects of this strategic partnership, often interpreting it through different theoretical lenses. Their studies have deepened our understanding of not just China-Pakistan relations, but also China's broader role

in regional and global affairs. One of China's key long-term economic goals is to increase regional connectivity. To achieve this, it launched the Belt and Road Initiative (BRI), which aims to develop a network of overland corridors and maritime trade routes. This massive project spans 71 countries across Southeast Asia, Eastern Europe, and Africa, covering half of the world's population and contributing to a quarter of global GDP.

In South Asia, China and Pakistan's bilateral relationship has grown into a mutually interdependent partnership. A major part of this collaboration is the China-Pakistan Economic Corridor (CPEC), one of the flagship projects under BRI. The idea for CPEC was first conceived in the 1990s, but it took shape in 2003 following a joint declaration between China's President and Pakistan's then-President Pervez Musharraf. The relationship further strengthened in 2006, when China and Pakistan signed a Free Trade Agreement (FTA) during the Chinese President's visit to Islamabad. As a result of this agreement, bilateral trade grew significantly, increasing from \$1 billion in 1998 to \$15 billion in 2015. This surge in trade laid the foundation for CPEC, which has since become a cornerstone of economic cooperation between the two nations.

Pakistan is strategically located in South East Asia having China the second largest economy in the world on the north, India on the east, Iran and Afghanistan on the west. In the south lies the Arabian Sea which has a unique proximity with the Persian Gulf. This geostrategic location has compelled China to build a corridor from Gwadar port in the south to Kashgar in the north. China planned US\$46 billion worth investment to develop China Pakistan economic corridor CPEC as part of strategic partnership between the two countries. It is a long term plan having a time frame of 2014 – 2030, with its two necessary conditions of the Corridor – development of the port at Gwadar and creating surface transport connectivity among the city of Gwadar in southwestern Pakistan to China's northwestern autonomous region of Xinjiang.

The China-Pakistan Economic Corridor (CPEC) is a transformative initiative that goes beyond road construction, aiming to drive economic growth, infrastructure development, and social welfare in Pakistan. With significant investments in energy, transportation, Gwadar Port, and public welfare projects, CPEC is designed to improve living standards, reduce poverty, and enhance access to education and healthcare. The project allocates \$34 billion to the energy sector, planning to generate 21,000 megawatts of electricity, which will help overcome power shortages and support industrial growth. Additionally, \$12 billion is dedicated to infrastructure, transportation, and social development, ensuring better connectivity and

boosting economic activity. One of CPEC's most impactful features is the establishment of Special Economic Zones (SEZs), which will create millions of jobs, improve vocational skills, and enhance productivity.

China's development model in Pakistan prioritizes human security, focusing on infrastructure, job creation, and social welfare. Investments in road networks and energy infrastructure will provide long-term industrial security and generate employment for the growing population. The expansion of road and rail networks from Gwadar to Gilgit-Baltistan will benefit remote areas by reducing transportation costs and travel time, making economic opportunities more accessible. CPEC also emphasizes health and education, including freshwater supply projects, a 50-bed Friendship Hospital in Gwadar, and a technical and vocational institute to equip people with necessary skills. These initiatives are particularly significant for underdeveloped regions, reducing economic disparities and improving livelihoods. In the long run, CPEC has the potential to reshape Pakistan's economy and society, ensuring sustainable development and human security. By addressing critical challenges such as energy shortages, unemployment, and regional inequality, the project paves the way for a more stable, prosperous, and self-sufficient Pakistan. Its multidimensional impact extends beyond economic growth, fostering a better quality of life and promoting long-term stability.

The 2008-09 financial crisis forced countries to launch development projects aimed at improving infrastructure and boosting economic demand. While some nations focused on domestic investments, others pursued regional connectivity through cross-border projects. Enhancing infrastructure in underdeveloped areas plays a crucial role in raising living standards and reducing poverty by providing easier access to markets and economic centers. For Pakistan, this objective is being fulfilled through the China-Pakistan Economic Corridor (CPEC), while for China, CPEC strengthens its position as a global economic power by securing trade routes and energy supplies.

CPEC involves an investment of \$46 billion across energy, infrastructure, special economic zones, and social welfare projects. It is not just a road-building initiative but a comprehensive strategy to improve living standards, reduce poverty, and enhance access to education and healthcare. Research by Haq & Farooq (2016) highlights the social welfare impact of CPEC in three key areas: education (school enrollment), health (maternal and child care), and housing & water supply systems. The study suggests that improved connectivity and job creation will boost household incomes, leading to a 5.21% increase in social well-being at the national level. Provincial improvements are estimated at Balochistan

(6.4%), Sindh (6.31%), Khyber Pakhtunkhwa (5.19%), and Punjab (3.5%). In terms of specific welfare dimensions, education is expected to improve by 3.85%, health by 4.74%, and housing by 8.6%, with housing conditions showing the highest growth. Underdeveloped districts, particularly those along CPEC's western and central routes, are likely to see the greatest social and economic transformation. The project has the potential to bring significant economic growth, reduce regional disparities, and uplift local communities, making it a key driver of development in Pakistan.

The China-Pakistan Economic Corridor (CPEC) holds significant potential to drive both economic and social sustainability in Pakistan. Economically, it promises to enhance long-term growth by improving infrastructure, energy, and trade connectivity. With projects like the Gwadar Port, new roads, and rail networks, Pakistan can better link its industries to global markets, reducing trade costs and increasing exports. Energy projects under CPEC aim to address chronic power shortages, making industries more efficient and lowering production costs. The development of Special Economic Zones (SEZs) is another key component, attracting both domestic and foreign investments that generate jobs and foster industrial growth. On the social front, CPEC can uplift marginalized regions through job creation and poverty reduction. Improved infrastructure will enhance access to markets, education, and healthcare, especially in rural areas. Additionally, vocational training programs linked to CPEC projects will help develop the skills necessary for sustainable employment. The expansion of reliable energy access is expected to improve living standards and promote small businesses. While challenges such as debt management and environmental impacts remain, transparent governance and equitable resource distribution can ensure that CPEC's benefits are shared broadly. With the right approach, CPEC has the potential to become a cornerstone for Pakistan's sustainable development.

The China-Pakistan Economic Corridor (CPEC) has played a crucial role in supporting Pakistan's journey toward economic and social sustainability by addressing some of its most pressing challenges. Economically, CPEC has contributed to infrastructure development by building modern highways, railways, and the Gwadar Port, which have improved connectivity within Pakistan and with global markets. This enhanced infrastructure has facilitated trade, boosted industrial activity, and attracted foreign investments, particularly through Special Economic Zones (SEZs) that provide job opportunities and promote exports. CPEC has also addressed Pakistan's chronic energy shortages through its energy projects, adding thousands of megawatts to the national grid and ensuring reliable electricity for industries and

households, fostering economic stability. On the social front, CPEC has improved the quality of life for millions of Pakistanis by creating jobs, reducing poverty, and developing rural and underserved areas. Enhanced transportation networks have connected remote regions to markets, education, and healthcare, reducing regional inequalities. Furthermore, skill development programs tied to CPEC projects have empowered the local workforce, while increased energy access has enabled small businesses and improved household living standards. By tackling both economic and social challenges, CPEC has become a transformative initiative that has laid the foundation for sustainable growth and development in Pakistan.

The China-Pakistan Economic Corridor (CPEC) has delivered tangible benefits to the people of Pakistan over the past decade. According to CPEC Joint Cooperation Committee, one significant achievement is the creation of approximately 192,000 direct jobs across various sectors, providing livelihoods and reducing unemployment. Infrastructure developments, such as the construction of highways, ports, and energy facilities, have enhanced transportation and energy efficiency, facilitating trade and improving daily life for millions. A notable example is the Quaid-e-Azam Solar Power Park in Bahawalpur, which, as the largest solar power plant in Pakistan, has not only generated employment but also supplied clean and reliable energy to the national grid. These initiatives have collectively contributed to economic growth and improved living standards, underscoring CPEC's role in fostering sustainable development in Pakistan. CPEC has supported environmental sustainability in Pakistan through various initiatives focused on renewable energy and eco-friendly development. A key example is the development of renewable energy projects, such as the Quaid-e-Azam Solar Power Park in Bahawalpur, which is Pakistan's largest solar power plant. This project helps reduce the country's reliance on fossil fuels, contributing to lower carbon emissions and promoting clean energy usage. Similarly, several wind and hydropower projects under CPEC have been launched to diversify the country's energy mix and reduce environmental impacts. CPEC's infrastructure projects have also integrated environmentally conscious planning, with some initiatives incorporating green technologies and energy-efficient practices. Additionally, improved transportation networks have the potential to reduce fuel consumption and carbon emissions by streamlining travel and trade routes. As CPEC expands, there is a growing focus on environmental sustainability measures to mitigate the impact of development, ensuring that economic progress is aligned with long-term environmental goals for Pakistan.

Sustainable development has become major objectives of various countries in the current millennium. Infrastructure and transportation plays an important role in the development process. It contributes in the social uplift of the society which leads to stability and

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