

Geopolitical Paradigms of CPEC: An Overview

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The China-Pakistan Economic Corridor (CPEC), a flagship initiative under China's Belt and Road Initiative (BRI), is a transformative project aimed at enhancing regional connectivity, fostering economic growth, and strengthening geopolitical alliances. Launched in 2013, CPEC spans \$62 billion in investments, encompassing sectors such as transport, energy, and industrial development. The project includes critical infrastructure like the Gwadar Port, highways, railways, and energy facilities, aimed at addressing Pakistan's energy deficits and enhancing industrial productivity. Strategically, CPEC serves as a counterbalance to regional power dynamics, providing China with a secure route to the Arabian Sea and fostering Pakistan's economic and geopolitical stature. Despite its potential, the project faces significant challenges, including regional security issues, political instability, and environmental concerns. External resistance, particularly from India, adds a layer of complexity. This article examines CPEC's historical context, key components, and geopolitical implications while addressing the inherent risks and challenges. Through its multifaceted initiatives, CPEC aims to revolutionize Pakistan's economic landscape, though its success depends on addressing these obstacles and ensuring sustainable, inclusive development.

1. Introduction

1.1 Historical Context and Genesis of CPEC

The background to the Page 43 of 15 China-Pakistan Economic Corridor can be understood as China and Pakistan's economic, military and diplomatic partnership (Siegfried, 2016). Cordial relations between the two nations have existed since 1950s more so in military cooperation and strategic partnership given political realities of the region especially the rise of India. The political and security relations gave a sound foundation for a long-term economic cooperation and the CPEC was finally made official in 2013. The concept of CPEC formed part of China's grand plan dubbed the Belt and Road Initiative (BRI), a development project implemented with an idea of reviving the incredible Silk Road and establishing new trade links connecting Asia with Europe and Africa (Crikemans, 2021) . CPEC has a central role in China's strategic plans for the BRI fundamentals. However, with the launch of new 219 silent overland trade link through Pakistan, this choke point seems to present a highly vulnerable Singleton 2010 challenge to China. This chokepoint that is used by 87% of China's imported oil and natural gas is itself vulnerable to being blockaded. CPEC has also conferred upon China a more secure and efficient option to gain access to energy resources mainly in the Middle East and Africa eliminating all the dangers attached with sea borne transport (Faisal, 2020).

Thus, for Pakistan, CPEC has been described as a potential major source of rejuvenation of its economy. Lack of consumer infrastructure and consistent energy crisis is considered as the main cause of slow industrialization in Pakistan for decades (Mariam et al., 2024). Thus, through the identification of several challenges, it is apparent that CPEC addresses these challenges by emphasizing on the important transport and energy connectivity. The natural resources may include the building of highways, railway and pipelines; investment in power plant; and use of renewable sources of energy with the intention of eradicating energy gap and encouraging industrialization in Pakistan (Danish et al., 2017). Besides this, it is also expected that the requirement of employment, FDI, and upgraded economy will increase due to CPEC. SEZs that have been developed under the project aimed at industrialization and will help improve Pakistan's capabilities on the export market. Therefore, for Pakistan, CPEC means a great chance not only to change the model of the country's development and improve the connectivity in the region but also to strengthen Pakistan's political positions in South Asia (Duan et al., 2022).

2. Research Methodology

The article adopts a multidisciplinary approach based on international relations theories to analyze the geopolitical, economic, and strategic paradigms of CPEC. Realism is used to explore the power dynamics and strategic considerations that drive China and Pakistan's cooperation, emphasizing CPEC's role in regional hegemony and countering rival powers like India. Liberalism sheds light on the collaborative aspects of CPEC, including economic interdependence, infrastructure development, and international trade enhancement. Constructivism helps contextualize the evolving narratives and perceptions surrounding

CPEC, such as its potential to redefine South Asia's geopolitical order. The research draws on qualitative analysis of governmental reports, academic articles, and expert commentary to synthesize a comprehensive understanding of CPEC's opportunities and challenges. A thematic approach organizes the discussion into historical, infrastructural, economic, and strategic dimensions, offering a holistic exploration of the corridor's impact.

3.1 Key Components of CPEC

CPEC has been sub-divided into several sectors, which are right at the heart activity of the plan and each of them has its own importance concerning the socio-economic and strategic goals of the act.

3.2.1. Transportation Infrastructure

There is the need for transportation infrastructure, which is one of the pillars of the China-Pakistan Economic Corridor (CPEC), with an agenda of enhancing local connections and global networks within Pakistan as well as between the two states of Pakistan and China (Wen & Saleem, 2021). This infrastructural development comprises of constructions and or rehabilitation of highways, rail and pipelines which will ensure the flow of commodities and people within the two countries. The transportation infrastructure under CPEC has brought a paradigm shift in transportation network, which in turn leads to increased trade volume, higher economic development and efficient integration of the region. Among them the most famous project is transport related, namely the extension of the Karakoram Highway (Garlick, 2018). This highway also called "the Friendship Highway" of Pakistan is a major trading corridor which links up Pakistan's north to China's Xinjiang province. Trade and commerce being the lifeblood of any economy are some of the major aspects where the highway is a stepping-stone by ensuring the movement of the said goods between the two countries. This reveals the fact that this strategic artery does not only enhance connection of remote areas but also a linkage that benefited China's connection to Arabian Sea (Gholizadeh et al., 2022). The extension of the Karakoram Highway has been made in view of the increased traffic load and to provide better means to transport the merchandise.

Besides the Karakoram Highway, CPEC also entails the construction and improvement of motorways and expressway for the better connectivity inside Pakistan. Some of the major projects that have been carried out are the development of the M-8, M-4 and the Karachi-Lahore Motorway (Fazzini & Ilaria, 2018). The roads to improvements in domestic transportation through cutting down on time, congestion and ultimately establishment of logistic paths across core economic nodes are expected from these road networks. They will also enhance market accesses for industries hence cutting the expenses incurred in logistics. Therefore, these road projects are crucial for Pakistan to reduce regional imbalances and linking far flung province to the national economy. Another emergent component of the transportation's improvement in the context of the CPEC is related to the modernization of the Pakistan's railway network. Due to the poor infrastructure over the years, Pakistan Railways will be overhauled as well as enhanced with a view to boost the freight bearing capacity (Gill,

2019). This will involve the improvement of the existing rail infrastructure as well as opening of new rail networks which is said to have a positive effect on the overall transportation costs towards enhancement of trading activities. Through enhancing the freight transport capacity of the railway system CPEC is envisioned to enhance and facilitate the movement of goods from China to Pakistan and vice-versa as well as regional markets. The improvement in railway transport will cater for the expansion of industrialization and transportation of heavy goods within the regions (Haider & Hussain, 2020).

Another key aspect which makes CPEC highly important is the establishment of the Gwadar Deep-Sea port on the Makran coast in Balochistan province of Pakistan. Gwadar Port targeting as Deep-Sea Port with unique benefits of easy and short access to Arabian Sea for China thus, thus saving precious time and cost on transporting goods and energy resources (Nazir, 2021). The port is situated on the center of key sea transportation channels, which make this site important for China as a node securing supplies of energy resources in the Middle East and Africa. For China, Gwadar provides a safe and effective solution in comparison with the sea route that is prone to political volatility namely, Strait of Malacca. Thus, the Pakistan government envisages that through development of Gwadar port it will help turn the region into a major center of trade and economic activity (Hamdard et al., 2023). Its establishment will elicit fixed capital investments on other support services such as logistics and shipping among other related industries which will therefore employ the populace and spur development within the region. Furthermore, it's parallel to Pakistan's diversification strategy and its vision to enhance its status in the connectivity framework of the international trade. The port's location does not only promote the trade of Pakistan goods in various markets but also making it a key node in the Belt and Road Initiative (BRI). The transportation sector under CPEC envisages the development of physical networks that seeks to change connectivity dynamics of Pakistan both nationally and globally. CPEC is aimed to develop road, rail and port facilities that are supposed to act as a catalyst for the growth of economy of Pakistan and China and increase in trade and transportation network within the region (Hanif & Sharif, 2021). These transport links are pivotal to the accomplishment of not only the over-arching strategic aspect of the CPEC but also to the economic conception for which Pakistan is emerging as an important transit point in the region.

3.2.2. Energy Projects

Energy insecurity hence has been an acute problem for Pakistan since chronic power outages have greatly retarded the industrial and overall economic development of the country (Hassan K. , 2020). The energy crisis has perhaps been characterized by frequent power blackouts, inadequately developed power sector and dependence on costly and inefficient forms of energy. Understandably, the need to solve this problem had led to the inclusion of a comprehensive energy plan in Pakistan's China Pakistan Economic Corridor (CPEC) programs which involves a few energy projects (Qasim & Kotani, 2014). These propositions are aimed at increasing the generation capacity, upgrading the energy sector and the share of



nontraditional energy sources in the country. CPEC majorly invested in the energy sector especially the coal power which is most advantageous since it can do much for Pakistan's power crisis through providing stable electricity. Some of the mega scale coal power plant projects are Sahiwal Coal Power Plant and Port Qasim Coal Power Project (Hilali, 2019). Sahiwal Coal Power Plant is one of the largest and most efficient power generation facility of Pakistan having a capacity of 1,320 MW. It has a great contribution in conniving the energy deficit of the country and providing a steady power supply to the industrial as well as domestic sectors. The same can be said of the Port Qasim Coal Power Project situated near Karachi; its purpose is to cater for the rising energy demands of Pakistan's most populous and industrialized city. This 1,320 MW plant is important supply in the provision of energy for commercial processes in the region. These coal power plants are meant to be efficient, and they will help to provide steady supply of power supply to the industry which has been facing a lot of problems in this regard because of the instabilities that are experienced (Huda, 2022).

Besides coal, CPEC emphasizes the development of renewables as a part of Pakistan's energy transition policy to green energy sources with lowest carbon intensity. There are proposed wind energy projects in the southern region of Pakistan and more specifically in the coastal region of Sindh and Balochistan provinces especially this because they are favorable for wind energy production (Duan et al., 2022). All these projects help in the case of minimizing the Carbon footprint and in supporting the energy demand of the local industries and people. Another field is Solar Energy investments which include the Quaid-e-Azam Solar Park located in Bahawalpur, Punjab. This is a large solar project and has the capability of providing large quantities of cleaner energy to the grid in the country (Hussain, 2021). The use of wind and solar energy brings down the consumer reliance on energy from China and at the same time, the renewable energy puts Pakistan in a better position in terms of the changing global concern in utilizing sustainable energies such as in the utilization of wind and solar energy. Hydel power is also one of the major sectors of investment under CPEC which has a reliable and long-term solution to the energy crises in Pakistan.

Hydropower project utilizes the water resources especially in the northern part of the country to produce clean electricity (Hussain et al., 2024). Diamer Bhasha Dam is to be built over Indus River and estimated power generation capacity of the dam is 4,500 MW and to serve as reservoir for water to be utilized for irrigation, flood control and drinking water purposes. This dam can go a long way in helping to overcome the energy crisis in Pakistan while at the same time securing water supply. Likewise, the Suki Kinari Hydropower Project which is located on the Kunhar River in Khyber Pakhtunkhwa shall develop approximately 870 MW electricity (Danish et al., 2017). Once done, it will assist in providing steady energy situation for businesses and residents of northern Pakistan since the region is experiencing industrialization and population growth, thus resulting to high electricity consumption. CPEC's energy projects are transformative for Pakistan, addressing one of the most critical bottlenecks to the country's economic growth: The two objectives can include energy security. This way, CPEC combined with the different forms of energy that include the use of coal,

renewable, and hydropower will help boost Pakistan's power generation capacity while at the same time enhancing the energy infrastructure (Hussain & Jamali, 2019). Subsequently, these projects not only minimize the share of expensive energy imports in Pakistan's energy mix but also open the gateways for development of sustainable energy. As these energy initiatives are under implementation and further enhancement, Pakistan will be able to witness improved industrial performance, growth in its economy and overall national steadiness.

3.2.3. Special Economic Zones (SEZs)

Under the framework of CPEC, Pakistan will develop several SEZs which serve as gateway for FDI for boosting industrialization process and the creation of employment (Ahmad, Saqib, Farooq, & Khattak, 2024). These SEZs are situated in areas of preferred trade and industrial zones to boost their trade capacity and thus strategically they are central to Pakistan's trade expansion agenda under the CPEC. These zones are backed by the Chinese government as well as investment from both Chinese and international firms and are hosted with a few incentives for investors such as tax holidays and relief, easier bureaucratic formalities and/or sophisticated facilities. Therefore, SEZs are expected to play a central role in the industrial as well as the economic development of Pakistan (Jahangir, Haroon, & Mirza, 2019). The developed SEZs under CPEC facilitate industrial growth through encouraging the development of different sectors and sub sectors including manufacturing, textiles, electronics, automobile etc. These zones ensure that business entities are grouped in an area to encourage the flow of business hence increasing efficiency, aspect of competition, hence encouraging growth and development of new products and services. Several industries applied industrial agglomeration so that a form of symbiosis can be developed between factories and companies where some advantages can be achieved such as usage of resources, labor force skills, and nearness to suppliers and customers. Since CPEC seeks to locate industrial corridors in these zones, what is envisaged is a higher level of production threshold, collaboration, innovation as well as technology transfer between both Chinese and Pakistani industries (Khurram, 2018). This will not only increase the industrial base of Pakistan, but it will also improve its competitiveness in some selected sectors on the international market.

FDI is one of the most important things that SEZs aim at attracting in order to enhance the growth of Pakistan's economy (Iqbal & Javaid, 2020). SEZs make a favorable environment by providing investors with some incentives such as tax incentives, lower tariffs and optimal physical infrastructure including communication networks, roads, water works etc. This assists in the promotion of the manufacturing units and industrial complex investment from multinational corporations and joint ventures especially from china to establish their factories in Pakistan. There is also an added advantage for local investors and companies to enter into joint ventures with their counterparts from developed countries hence adopt with new technologies contained in SEZs. In the long run, this capital inflows to the country is likely to enhance the structure of the economy and thus making it stronger (Zia et al., 2018). Other than industrial development SEZs are very valuable in dealing with unemployment issues of

Pakistan as they provide millions of employments. While industries and businesses continue to establish itself on these zones, it also creates a demand for skilled and semi-skilled personnel. The development of SEZs is meant to provide employment in many industries that comprise manufacturing, logistics, technical engineering, IT and services (Irfan, 2022). Employment is an essential factor in the SEZs for the development of Pakistan, as it assists to lessen unemployment and ensure economic stability to the overall households which further leading to less poverty-stricken counterparts. The employment created by these zones will also aid in reducing employment imbalance between the urban areas and the rural areas since several SEZs are developed in the rural regions hence contributing to balanced development.

Furthermore, SEZs play the role of boosting the economic development of Pakistan by increasing flow of exports and trade. These zones are established near trade corridors, places of export, such as seaports, and other areas of transit hence promote exports of products (Irshad, 2019). Due to its impact on the quality and quantity of export, SEZs have dire effects on the balance of trade of Pakistan to enhancing it and the foreign exchange reserves. This along the improved industrial productivity puts Pakistan in a better pedestal to compete in the global economy (Iqbal & Ahmad, 2024). Finally, it can be said that SEZs under CPEC are expected to have a transformational impact on the current economy of Pakistan. Being an income source, employment generator, and import/export promoter, SEZs form the key to Pakistan's dream of an industrialized economy largely due to their capacity to promote industrial growth through foreign investment attraction. These zones are however anticipated to further grow with more investment and proper planning to enhance the nation's long-term economic developments and enhance the country's ability to develop a more diversified and competitive economy (Ismail & Hussain, 2022).

3.2.4. Technology and Innovation

Currently, the CPEC not only covers the new railway-communication-transportation and energy but also puts scientific and technological innovation as the highlighted segment of change in the Pakistan economy (Faraz et al., 2023). These included assume to modernize the existing industry in Pakistan and increase the efficiency level to quip the country for a fair competition in the global market. This way it is believed that while working together with the Chinese counterparts, Pakistan will be able to get access to new technologies and managerial practices which can be introduced for innovations in the sectors of the economy of this country (Wadho & Chaudhry, 2018). This emphasis on technology and innovation therefore accords with the general goal of CPEC, which is to foster long-term sustainable economic growth and development of Pakistan. Like all the other Chinese OBOR projects, technology transfer from China to Pakistan is one of the most significant advantages of CPEC. The growing investment from Chinese companies in Pakistan on infrastructure and steel projects means development of modern technologies, energy use efficiency and novel construction methodologies in Pakistan. This technology transfer is expected to be very crucial in changing the industrial technology of Pakistan in terms of productivity since the country's industrial processes will be

enhanced (Junaid et al., 2021). Like advanced manufacturing techniques which will help Pakistani industries to improve on methods of production thus lowering the costs yet enhancing production. Energy efficient technologies therefore will assist Pakistan in managing its current energy problems since many of its citizens utilizes energy inappropriately hence adding the burden to the energy sector. Further, the application of modern construction practices will improve the quality and rate of infrastructure delivery and increased durability (Jahangir et al., 2019).

The other method in which the transfer of technology is going to be underway is by the promotion of joint ventures between the Chinese and Pakistani companies (Javed & Ismail, 2021). They create fora for sharing of knowledge, building capacity and sharing of best practices between the two countries. Due to close interactions with Chinese companies, Pakistani entrepreneurs and labor force will be able to gain new experiences, ideas or assimilate new technologies that will help in enhancing sustainable structures of Pakistan's industrial sector. This one also poses the probability to ignite innovation since by coming across to new ideas and implementing them in their own way it becomes a possibility in Pakistan (Ali et al., 2016). In due course, its acquisition will assist Pakistan in developing home-grown talent to foster advance manufacturing technologies, industrial management skills etc. However, CPEC provides huge investments not only for the purpose of technology transfer but for the development of telecommunication sector in Pakistan. As one of such projects, considerable attention is paid to the fiber optic networks construction throughout the country. These networks are very important for scaling up the access to the internet as well as for upgrading the bandwidth for data transmission, vital for the digital economy (Koga, 2022). Through improving the telecommunication facility, CPEC will be able to narrow the gap of digital divide between the rural and urban areas of Pakistan as well as other underdeveloped provinces of the country. This will also lead to increased engagement in the global economy as the people in Pakistan as well as its businesses will be able to access information, markets as well as services to a larger extent.

The creation of a firm telecommunication network will put Pakistan as a possible hub of the digital economy in the area. Thus, with better connectivity, Pakistan has a potential to emerge as an important country in the ICT sector to attract technology companies to invest in the country and in-development opportunities in the sector. Fiber optic networks' expansion equally enables various e-services such as e-shopping, e-Health, e-learning and every digital service that society depends on in the current world (Yousaf et al., 2021). CPEC has brought positive changes in scheme of improving telecommunication in Pakistan which will help the country to create foundation of an advanced economy which can meet the requirements of the 21st century. It can be said that the technology and innovation of CPEC is a part of the overall planning of CPEC. Facilitating transfer of technologies, setting up of JVs and investment in telecommunication, CPEC is assisting Pakistan to upgrade its weak industrial structure and increasing its competitive edge (Karami & Karimian, 2023). Most of these investments in technology are not only used in making productivity and efficiency but also are the key

ingredients for medium to long-run growth and innovation. Thus, by integrating the new technologies and managing to develop the infrastructure of the information technologies in Pakistan, the country will be in a competitive field with the countries of the knowledge-based economy.

3.3. Geopolitical Significance of CPEC

CPEC is not just an economic corridor but enjoys geopolitical importance and it is more than just an economic connectivity. Although it is presented in official discourses as an instrument to foster infrastructure investment, trade and energy, it has sustained certain deeper consequences for both the HPCA countries and the rest of the South Asian region. The project not only enhances the Sino-Pakistani cooperation bilateral but also place the two countries into the strategic apex of South Asia and Indian Ocean Rim envisioned strategic engagement systems (Hilali, 2019). This paper addresses the dynamics of the geopolitical importance of CPEC linking to China's strategic aim and elevating the position of Pakistan in the regional scale. Hence, for China CPEC is an element of its grand strategy as this mega project benefits China in terms of energy security and increases its sphere of influence in the region. It is important to note that one of the main China's strategic goals of the CPEC is to build angel overland Silk Road that would connect the Xinjiang province of China with the Arabian Sea through the Pakistani Gwadar port (Kaura, 2020). Thus, by building this other way, China reduces its vulnerability of the Strait of Malacca through which a good percentage of its oil supply passes. Geopolitical tension woe is present in the strait, and which can be a threat to China's energy source. However, this vulnerability is well addressed by CPEC as it provides China direct, safe and efficient land connectivity that enables China to access oil and other resources from the Middle East and Africa not through sea.

Besides improving its energy security, CPEC strengthens China's geo-political position in the region ranging from South Asia to the Indian Ocean (Khalid, Ahmad, & Ullah, 2022). When travelling on Pakistan, China creates new infrastructural and development projects, it positions itself as the leader in economies and political factors in the region. This growing involvement facilitates China to have the capacity to promote its interests in South Asia in an even stronger way as part of the rivalry against the other regional and global players, specifically India and the United States (Javaid & Javaid, 2016). Moreover, Gwadar Port is important to China as it is also located in the Indian Ocean region and has been used as a naval base that enhances power projection in the region which is very significant in trade and energy sources. Thus, for Pakistan FDI associated with CPEC is a tool not only for reviving the economy but also for cementing the country's position in South Asia (Khan, Congmei, & Ali, 2024). The corridor is said to bend the infrastructure gaps that have been a thorn in the Pakistan's social fabric, enhance the industrialization drive, and provide for energy shortage which is always a plus to the development of the country's economy. However, geopolitical advantage of the CPEC for Pakistan is in aspect of altering the balance of power in the region.



Due to CPEC, Pakistan has positioned itself strategically with China; this makes it weaker than India strategically. Over the last few years, the socio-political dynamics of the region have changed making the existence of Pakistan increasingly difficult mainly due to rising Indian hegemony over the region and its alliance with America. The CPEC serve as a strong counter check for Pakistan as the political relations between Islamabad and Beijing are increasingly becoming strategic for both economic and military cooperation (Fayyaz, 2019). Hence, by implementing CPEC, Pakistan has ensured a continuous source of Chinese investment as well as economical help besides improving its military and diplomatic ties with the northern economy. This way this partnership, on one hand, reduces Pakistan's strategic pressure from India and, on the other hand, empowers it as a player in South Asia (Khan, 2021).

CPEC also adds to Pakistan strategic value at the international level. Pakistan continues to gain importance as an important node in global connectivity as the corridor emerges as a critical node in China's Belt and Road Initiative (BRI). By this much improved status it not only adds to the Pakistan's geopolitical importance, but it also gains relative power in economic and political framing of the world and region (Amir, 2016). All in all, it is seen that the importance of CPEC is not limited to the economic sovereignty of the countries but also a key to shift into a new geo-strategic order. To China it is deposits of natural resources especially oil and an attempt to gain a strategic foothold in South Asia and Indian Ocean region. For Pakistan, CPEC provides an opportunity to improve its country's economic growth and to strengthen its geostrategic standing, especially against the backdrop of India (Khawaja & Raza, 2022). Otherwise, as the CPEC goes on deepening, the strategic implications are expected to gain strength and outline the new strategic paradigms of South Asian geopolitics with both China and Pakistan at the center stage of decision making.

3.4. Challenges and Risks of CPEC

Nonetheless, the current prestigious project called 'China Pakistan Economic Corridor' (CPEC) being a ground breaker that holds a great potential for altering the socio-economic structure of Pakistan and fertility of regional connectivity; however, there exist several crucial challenges and risks which may pose a threat to the successful execution of such an iconic project. Although great benefits are to be expected by Pakistan and China through the initiative, these issues must be resolved to keep the project sustainable in the long run as well as efficient. The key strategic issue to address in relation to CPEC is the insecurity in Pakistan, and more specifically in the province of Balochistan where much of CPEC physical construction infrastructure including Gwadar port development is planned (Chohan & Chandio, 2022). Balochistan has been a hot bed for insurgencies, political instabilities and separatist movements for quite a long time now. The fact is these security threats represent significant challenges for the construction and operation of CPEC projects. Militant groups' attacks on infrastructures, workers and facilities were acknowledged to have caused delays and increased costs. The security threats are not confined to Balochistan province only and other regions of Pakistan also witness different levels of political unrest and terrorism that create additional problems in

providing security and safety to CPEC related investments (Khan M. , 2024). To counter these risks, Pakistan has acted to improve security along the routes of CPEC which includes the enlistment of the security forces. However, current instability in some areas of the corridor is still a key issue when it comes to the realization of long-term success factors for the corridor.

Apart from security risks, political instability in Pakistan can also be counted as another threat that affect CPEC (Latif & Zia, 2020). The political history of Pakistan is full of abrupt alterations of contesting governments, power battles and regional political tensions. This sort of instability may result in tardiness in the decision-making process, fluctuation in policy domain, and incoherence in the persistence of CPEC projects. The internal political situation of Pakistan also contributes to the problem in implementing the corridor as well (Javaid, 2016). It was also found that although there is a belief that CPEC will open a new era of economic prosperity and regional connectivity in Pakistan there are different political parties and regional actors with different perceptions of a CPEC and therefore they are more likely to oppose some work relating to the CPEC and hence may slow the process or change the emphasis of effort. In addition, competition between regions of Pakistan and especially between provinces can pose issues regarding allocation of resources or distribution of projects hence creating a conflict in the implementation phase of a project (Li, 2009). The third major threat to CPEC is external threat where India has come out VERY strongly in opposing CPEC. For India, CPEC is considered as the strategic threat because this route passes through the disputed area in Gilgit-Baltistan. India has some concerns about CPEC firstly from geopolitical perspective which makes China more influential in South Asia and secondly, it gives strategic upper hand to Pakistan. This has led to diplomatic tensions where India has voiced its concerns to the international community and has tried to devise counter strategies through CPEC by putting up its own regional alignments and the construction of infrastructure. This further means that the geopolitical considerations can slow the process of implementation, and present extra risks for investment and stakeholders (Khizar & Ahmad, 2022).

Another important factor of economic and business continuity is the construction of long-term sustainable economic and environmental problems of CPEC. Most of the project funding has been sourced through Chinese credit facilities and is therefore questionable how much Pakistan can contain for the credit risk associated with large infrastructure projects (Mughal & Suleman, 2021). Concerns have been raised as to the high debt levels could prove unsustainable for Pakistan, and hence may pose some risks in terms of repayment and overall balance. Also, problems have been identified regarding environmental disruption of CPEC especially from the construction of coal power plants and other power projects, which depend on non-renewable sources of energy (Ali et al., 2018). However, it can also be seen that these projects are vital for fulfilling the growing energy requirements of Pakistan; however, these projects are ecologically unsustainable especially when it comes to the use of coal in power plants that produce greenhouse gases. Yet, speaking about a world where transition to renewable energy sources is gaining more and more significance, reliance on coal gives clue about CPEC's compatibility with sustainable development goals. It can be said that with the

help of CPEC, there is a possibility to initiate sustainable economic growth in Pakistan and to improve the condition of connectivity in the region; however, it has been stated that CPEC is not exempted from many challenges and risks that could negatively impact the project (Lokman et al., 2022). There are large issues: security can be a problem; the political climate is not always favorable; external pressure cannot be ruled out; and what happens to the economy and the environment? To some of these challenges solution will imply hard work and cooperation between the Pakistani and Chinese governments, while others will entail proper planning to ensure the project is successful as planned and sustainable in the long run.

CPEC is a revolutionary project that has great opportunities for both the Chinese and Pakistani counties. From the above notes on CPEC's aims and objectives, through the improvement of connection and infrastructure as well as the industrial development, the project will create new economic development and the life quality of millions of people in the region will be improved. However, the project itself has its risks and drawbacks which relate to security issues, political instability and sustainability. When planned effectively, implemented and grounded thoroughly and when the probable risks associated with it managed effectively by China and Pakistan the CPEC is that real 'magic bullet' which has the capacity to shape the face of the South Asian region for yet another couple of decades.

Conclusion

CPEC represents a transformative initiative with far-reaching implications for regional connectivity, economic growth, and geopolitical alignment. For Pakistan, it addresses critical energy deficits, boosts industrialization, and enhances global trade integration. For China, it secures strategic access to the Arabian Sea, mitigating vulnerabilities like the Strait of Malacca chokepoint. However, the project is not without challenges, including regional security concerns, political instability, debt sustainability, and environmental implications. External opposition, particularly from India, further complicates its implementation. Despite these hurdles, CPEC holds the potential to redefine South Asia's economic and strategic landscape if managed effectively. Success hinges on sustained cooperation, robust security measures, and adherence to sustainable development principles. As a cornerstone of the Belt and Road Initiative, CPEC embodies the promise of reshaping regional dynamics, provided its risks are mitigated through strategic foresight and collaborative efforts.

4. Conclusion

In conclusion, the China-Pakistan Economic Corridor (CPEC) represents a transformative initiative that reshapes geopolitical dynamics in South Asia and beyond. This article has explored the multifaceted implications of CPEC, highlighting its potential to enhance economic development, improve infrastructure, and foster regional connectivity. However, it is essential to acknowledge the complex geopolitical paradigms at play, including the interests of major global powers, regional rivalries, and internal challenges within Pakistan. CPEC not only serves as a critical economic lifeline for Pakistan but also acts as a strategic foothold for China in the region, thereby influencing the balance of power. The project has the



potential to catalyze economic growth and stability; however, it also faces significant challenges, such as security concerns, political instability, and environmental impacts. Moving forward, it is imperative for stakeholders to engage in collaborative efforts that address these challenges while maximizing the benefits of CPEC. By fostering dialogue and cooperation among regional actors, CPEC can become a catalyst for broader regional integration and development. Ultimately, the success of CPEC will depend on its ability to navigate the intricate geopolitical landscape, balancing economic aspirations with the realities of international relations. As such, continuous monitoring and adaptive strategies will be crucial in harnessing the full potential of this ambitious corridor.

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