CPEC’s Utility and Concerns under OBOR Initiative: A Pakistani Industrial Perspective

Ghulam Abbas 1,*, Zhiming Liu 1,*, Shahbaz Hassan Wasti 2, Uzma Munir 3 and Muhammad Abbas 4

1 School of Economics & Management, South China Normal University, Guangzhou 510631, China
2 School of Computer Sciences, South China Normal University, Guangzhou 510631, China
3 Department of English, Bahauddin Zakariya University, Multan 60800, Pakistan
4 Department of Business Administration, Multan Campus, Air University, Islamabad 44000, Pakistan
* Correspondence: abbas45@hotmail.com (G.A.); liuzhiming@scnu.edu.cn (Z.L.)

Received: 23 July 2019; Accepted: 28 August 2019; Published: 4 September 2019

Abstract: This study emphasizes the utility and concerns of China Pakistan Economic Corridor (CPEC) on various sectors of Pakistan’s economy through the lens of real stakeholders. Specifically, this study focuses on three aspects: the beneficiary of CPEC; CPEC’s effects on employment, GDP, foreign direct investment and personal income in Pakistan; and the concerns regarding Pakistan’s sovereignty. A qualitative research approach was adopted to explore the objectives of the study. To analyze these aspect, in-depth interviews from different Pakistan’s business community are conducted. Our study finds that CPEC will not only beneficial for both Pakistan and China, but also for other neighbouring countries in the region. To validate these findings, interviewee’s data is analyzed in the light of semantic analysis approach. Our study illustrates that, the development along the corridor will produce employment opportunities that will raise the income level of a common person of Pakistan, and the industrial growth in Pakistan through CPEC will have a positive effect on the country’s GDP. Our study also concludes that CPEC doesn’t pose any threat to Pakistan’s sovereignty. The stakeholders of CPEC are concerned over the intentions of Pakistan government; that need to be clarified. This research study also suggests the maximum benefits out of this mega venture.

Keywords: CPEC; OBOR; Pakistan economy; game-changer

1. Introduction

One Belt One Road (OBOR) initiative is a mega project of China to connect the countries on Silk Road. The strategic and geographical location of Pakistan is very important for the OBOR initiative. The icing on the cake, both Pakistan and China have a long-standing friendship and strategic relationship with each other (Irshad et al. 2015). The journey of formal diplomatic relationship and friendship among China and Pakistan started in 1950. Now, this friendship turned into a new leaf of economic development and cooperation in the shape of China Pakistan Economic Corridor (CPEC). CPEC is significant pathway for OBOR initiative as well as to solve the energy crises in Pakistan (Ashraf 2015). CPEC provides an alternative, fast, secure, and economical route to China for its oil imports (Sheu and Kundu 2017).

In Pakistan, CPEC is considered as a game-changer for the economy of the country (Abid and Ashfaq 2015; Ali 2016; Ramachandran 2015). Even though, there are some debates around the world that China’s investment in CPEC is only to earn profits and to repeat the history of Sri Lanka and Venezuela (Quora 2017). However, the productive initiative for infrastructure development (i.e., roads, transportation, and housing) plays an essential role in promoting economic growth (Fedderke et al. 2006). Such infrastructure development initiatives also encourage public and private
investments (Abid and Ashfaq 2015; Ibrar et al. 2019). These studies highlights the importance of projects like CPEC, because in CPEC major projects are related to infrastructure development.

The first phase of CPEC is still under progress; figures, quantitative data, project details, and plans of both countries are not yet entirely circulated. However, it is still imperative to study the perceptions of the Pakistan business community about CPEC. Therefore, the current study is focusing on the speculations and concerns of the Pakistan business community as the direct or indirect beneficiaries of CPEC. We use Leximancer software to semantically analyze their perceptions and views about CPEC. Authors in Biesenthal and Wilden (2014) used a similar approach to analyze the textual data to identify dominant concepts and themes underlying project governance research. To collect the data from the business community, we have conducted a series of interviews on three aspects of CPEC:

1. CPEC’s beneficiaries China, Pakistan or both.
2. Effects of CPEC on employment, GDP, foreign direct investment (FDI) and personal income in Pakistan.
3. The concerns associated over Pakistan’s sovereignty.

The rest of the paper is organized as: Section 2 provides a background study and literature review. Section 3 presents the research methodology. In Section 4, the results and their qualitative analysis are elaborated. Section 5 elaborates the discussion and Finally, Section 6 concludes this study.

2. Background & Literature Review

2.1. One Belt One Road

Since 1970, the slogan of Deng Xiaoping “Hide your brightness, bide your time“ has been the strategic philosophy of China. Now it’s a time to achieve the Chinese dream by OBOR1 initiative (Marshall 2016). The OBOR initiative aspires to put Asia and other countries in Europe, Africa, and the Middle East on a new trajectory of human development and higher growth by increasing trade and investment through infrastructure connectivity. This project is launched by the Chinese president Mr. XiJin Ping in 2013. The OBOR consists of two main elements: (1) Mainland Area and (2) Maritime Area. Mainland Area also called “The Silk Road Economic Belt” will enhance and develop land routes by building a “Eurasian Land Bridge and develop several economic corridors. This route aims to connect China with Russia, Mongolia, Europe, and Asia. The Maritime Area (21st Century Maritime Silk Road) will connect China with Europe through the South China Sea and Indian Ocean (China-Britain Business Council 2016). The total cost of OBOR is equal to 12 times of the Marshall Plan, which was approximately USD 120 billion in current value (Jetin 2017).

Another goal of OBOR strategy is to speed up the development process in Western Part of China such as Xinjiang, Gansu, Guizhou, and Qinghai which is the part of Chinese “Go Western” Policy (Ferdinand 2016; Malik 2012). Among all the western parts, Xinjiang is strategically important because it borders with eight countries, including Pakistan, Kazakhstan, India, Russia, Mongolia, and Kirgizstan.

Initially, six economic corridors are proposed which are: (1) New Eurasian Land Bridge, (2) China-Mongolia-Russia Corridor, (3) China-Central Asia-West Asia Corridor, (4) China-Indochina Peninsula Corridor, (5) China-Pakistan Economic Corridor, and (6) Bangladesh-China-India-Myanmar Corridor. Every corridor has its importance concerning its route. In this study, we emphasize on one of those economic corridors, i.e., CPEC and its importance for the economy of Pakistan with regards to GDP, FDI, foreign trade, and mainly transport infrastructure as well as China achieve its objectives (discussed earlier) of OBOR.

1 China’s plan to run the world: https://theweek.com/articles/704139/china-plan-run-world.
2.2. China Pakistan Economic Corridor

CPEC is a mega project signed by China and Pakistan on 5th July 2013, which is the part of the master plan of OBOR\(^2\). As this project is in the interest of both sides, the governments are trying to make it a successful project (Ahmed and Mustafa 2014). The success of CPEC will enhance the importance of Pakistan in the region as well as in the whole world. CPEC will bring substantial investment projects in the energy sector, transport infrastructure, Gwadar port, IT, and Telecommunication sectors of Pakistan. These projects are divided into 3 phases: (1) Short term projects (2014–2020), early harvest projects, to be completed by 2017–2018, (2) Medium-term projects (2021–2025), and (3) Long term projects (2026–2030). The primary purpose of CPEC is to connect the Xinjiang province of China to Gwadar port of Pakistan having about 2700 km distance to be covered from Gwadar to Kashghar\(^3\). The geographical location of Gwadar port makes it an important component of CPEC as shown in Figure 1.

Gwadar is a part of Baluchistan province and situated in its south-west. Pakistan purchased Gwadar port from Oman on 8 September 1958, and became the part of Baluchistan in July 1977, as Gwadar District. Almost 20\% of the world’s oil (approximately 17 million barrels per day) passes through Strait of Hormuz, and it is about 1000 km away from the Iranian border, and 500 km from Karachi\(^4\). Under the CPEC project, Gwadar would be connected through Indus Highway. It has two naturally curved semicircular bays: (1) Gwadar West Bay (2) Gwadar East Bay (Anwar 2010). It is situated at the top of the Arabian Sea and the entrance of the Gulf of Oman. It is the 3rd main seaport of Pakistan. It is the deepest warm-water seaport in the world (14 m or 46 feet deep) which can handle the largest cargo ships along its coastline. It would become a trade hub for the imports and exports. From 2001 to 2007, its first phase was completed with the collaboration of China at a total cost of $248 million.

\(^2\) Vision and Actions on Jointly Building Belt and Road: http://english.cri.cn/12394/2015/03/29/2941s872030.htm.
\(^3\) China Pakistan Economic Corridor: https://invest.gov.pk/china-pakistan-economic-corridor.
Gwadar would be a commercial hub among China, Afghanistan, Central Asia, and the Gulf. Meanwhile, China’s concern is also to develop the western part, including Xinjiang, which is the “Go West” policy of China. Due to the depth along its coastline, not only, China would use this port for the import of oil as a secure route but also can be used as a naval base to extend its presence in the Indian Ocean (Malik 2012).

Impact of infrastructure development has been a popular topic among the academicians and researchers since decades. Other sectors in general and industrial sectors in specific, get the advantages of positive externalities associated with the infrastructural development. (Zia 2017; Zia et al. 2018) highlighted the impact of CPEC by focusing the employment opportunities. They pointed out that productivity and wellbeing of a country is enhanced as a result of infrastructure development. In the last century some European countries (e.g., Spain, Greece, etc.) achieved remarkable GDP growth due to extended public sector infrastructure development. On the other hand, Arab countries were unable to get visible growth due to lack of infrastructure investment; despite having huge inward oil revenues. Estache and Garsous (2012) also articulate that employment and living standards can be improved in developing countries through the infrastructural development. Garrett-Peltier (2010) measured the impact of employment production on the job creation. Similarly, International Labor Organization (2011) compared the impact of labor and capital intensive road construction projects and pointed out that the former type produces twice jobs as compared to the later.

Some researchers have attempted to analyze the potential threats and opportunities of CPEC. Javaid (2016) mentioned that despite the number of threats and limitations, CPEC has ability to become a game changer. Mumtaz et al. (2016) evaluated the performance of Chinese projects under Chinese outward foreign direct investment (OFDI) during the period of 2009 to 2014, and mentioned that almost all the Chinese projects were successful. They measured the factors affecting level of Chinese outward investment using panel data of previous Chinese projects in various parts of the world.

Fakhar Hussain (2017) explored the strategic impact of CPEC under the given geopolitical positions of china and Pakistan. Ali et al. (2017) found the impact of CPEC on energy optimization and its resultant impact on industrial sector of Pakistan. They also proposed priority projects in power sector using statistical tools. Another important issue under debate is that whether Chinese investment in developing countries is favorable or harmful to those countries. Haq and Farooq (2017) forecasted the short run impact of CPEC on social welfare in various districts of Pakistan and proposed 5.2% potential growth in social sector and living standards.

Ahmed and Mustafa (2014) analyzed the CPEC impact on agriculture sector of Pakistan and pointed out that due to the development of agri-supporting infrastructure; CPEC will enhance the agriculture productivity of Pakistan, hence, the employment and incomes will increase in the rural areas. The Economic theory of production suggests Equation (1) as general production function.

\[ Y = A(K_p)f(K, L, K_p) \]  

In Equation (1), \( Y \) is a Growth in output, \( K \) is Capital, \( L \) is Labour, \( K_p \) is Public capital and \( A \) is total factor of productivity. As CPEC is direct increase in the level of Capital therefore economic theory suggests that the level of production in the country will enhance, other factors being equal. As discussed above a sufficient amount of literature is available on impact of CPEC, but no previous study has attempted to focus on perception of the real stake holders.

3. Methodology

3.1. Study Context

The study determines to find out the perception of the business community of Pakistan about CPEC on various sectors of Pakistan’s economy. In the 21st century, China Pakistan Economic Corridor is a revolutionary economic and developmental project for Pakistan. Pakistan reestablishes
its geopolitics existence into geo-financial through the several dimensional CPEC projects. This multi-varied project mainly integrates four dimensions. First one is infrastructure; the second one is energy supplies, thirdly, develop the workforce and lastly, economic growth. Scholar and researchers said that the optimum use of this project with lawfully recoil the Pakistani economy three to four times. They assume that this project plays a critical role through financial reasons and country to country incorporation like through connectivity and partnerships (Ahmed et al. 2018; Chaziza 2016).

3.2. Data Collection

To collect the data from the business community of Pakistan about CPEC, we randomly conducted a series of interviews. The scope of the interviews covered three aspects of CPEC (see Section 1). The respondents were businessmen from different business sectors of Pakistan as listed in Table 1, which were directly or indirectly affected by CPEC.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Industry/Sector</th>
<th>Designation</th>
<th>Public/Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fertilizers/Pesticide/seed</td>
<td>CEO</td>
<td>Private</td>
</tr>
<tr>
<td>2</td>
<td>Soap/Detergent/Chemicals</td>
<td>Director</td>
<td>Private</td>
</tr>
<tr>
<td>3</td>
<td>Poultry/Cattle Feed</td>
<td>CEO/Chairman</td>
<td>Private</td>
</tr>
<tr>
<td>4</td>
<td>Mango Grower/Exporter</td>
<td>CEO</td>
<td>Private</td>
</tr>
<tr>
<td>5</td>
<td>Pesticides/Chemical</td>
<td>CEO/ Director Operations</td>
<td>Private</td>
</tr>
<tr>
<td>6</td>
<td>Textile/Cotton/ Edible Oil</td>
<td>Executive Director</td>
<td>Private</td>
</tr>
<tr>
<td>7</td>
<td>Textile/Agriculture/Fruit</td>
<td>Director</td>
<td>Private</td>
</tr>
<tr>
<td>8</td>
<td>Cotton Ginning/Electric Power</td>
<td>Director/Chairman HR</td>
<td>Private/Public</td>
</tr>
<tr>
<td>9</td>
<td>Importer/Farmer Solutions</td>
<td>Director/ Business Manager</td>
<td>Private</td>
</tr>
<tr>
<td>10</td>
<td>Textile/Ginning</td>
<td>Director/ Managing Partner</td>
<td>Private</td>
</tr>
<tr>
<td>11</td>
<td>Automobiles</td>
<td>CEO</td>
<td>Private</td>
</tr>
<tr>
<td>12</td>
<td>Edible Oil</td>
<td>CEO</td>
<td>Private</td>
</tr>
<tr>
<td>13</td>
<td>Books/Stationer/Publisher</td>
<td>CEO</td>
<td>Private</td>
</tr>
<tr>
<td>14</td>
<td>Petroleum/Oil/Lubricants</td>
<td>Regional Manager</td>
<td>Public</td>
</tr>
<tr>
<td>15</td>
<td>Electronics</td>
<td>Manager/Authorized Dealer</td>
<td>Private</td>
</tr>
<tr>
<td>16</td>
<td>Bank</td>
<td>Assistance Vice President</td>
<td>Public</td>
</tr>
</tbody>
</table>

The respondents were selected by applying the “snowball” sampling technique, which is appropriate for such a study (Coyne et al. 1997; Tongco 2007). This technique suggests the sample to be taken from the place where a phenomenon exists (Coyne et al. 1997). First, few respondents were contacted at the Chamber of Commerce Multan, Pakistan and exhibition centers in China. After each interview, a memo was composed to record the respondents’ thoughts and interpretations of the data. For analysis, all the memos were translated and transformed into a script of the English language.

3.3. Data Analysis

To conduct the semantic network analysis about the aspects of CPEC, we used Leximancer semantic analysis tool, which provides a visual presentation that enables a bird’s eye view of the data (Harvey et al. 2018). Leximancer starts the analysis by removing common stop words, transitive verbs, prepositions, and conjuctions that do not contribute to the meaning of the text. Then, it generates a set of words that discriminates each concept in the data.

In the concept network, each concept is represented by a node. Each node is directly connected with the co-occurring concepts or nodes. The concepts that co-occur frequently form a region, and, in a region, a concept with a maximum number of connections is referred to as a theme or parent of that thematic region. For example, in Figure 2, the circle in the middle of the map is a region while the concept “China” is its theme. When two or more circles overlap, it indicates that the themes are semantically related to each other, e.g., “beneficiary” and “China” (Harvey et al. 2018).

Concepts that are directly related but not necessarily strongly semantically linked can be far apart on the concept map, e.g., in Figure 2, concepts “Pakistan” and “oil” are directly related but not strongly
semantically linked in the concept map. Whereas, the concepts that are strongly semantically related will be close to each other on the concept map, e.g., in Figure 2, the concepts “Pakistan” and “benefits”.

4. Results

Our research depicts the utility and concerns of CPEC on various economic sectors of Pakistan through the lens of real stake holders of various business industries. This study intended to explore how real stakeholders have actually conceived the idea and future implications of CPEC in its true perspective and what is their judgments on CPEC as a game-changer and how will it boost the economy of Pakistan. What are the genuine concerns of industrialists, manufacturers, traders, businessmen and service sector officials?

4.1. Concepts Comparison

Table 2 displays the concepts generated by Leximancer related to CPEC concerning Pakistani industrial perspective. Concepts such as “Pakistan”, “China”, “employment”, “increase”, “GDP”, “inflation”, “income”, and “Chinese” are consistently ranked at the top of the list throughout the interviews. In Table 2, when comparing the concepts related to CPEC’s beneficiary (Aspect 1), the concept “China” is the most frequent one. The results concerning Aspect 2 show that the concept of “increase” is occurred more frequently. The concepts related to the sovereignty of Pakistan is presented in Table 2, Aspect 3. It shows that the business community of Pakistan frequently uses the concepts “China” and “CPEC”.

Table 2. Concepts generated by Leximancer software based on three research aspects of this study: Aspect 1, beneficiary of CPEC; Aspect 2, impact of CPEC on Pakistan economic factors; and Aspect 3, impact on Pakistan sovereignty.

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Count</th>
<th>Relevance</th>
<th>Concepts</th>
<th>Count</th>
<th>Relevance</th>
<th>Concepts</th>
<th>Count</th>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>81</td>
<td>1</td>
<td>increase</td>
<td>146</td>
<td>1</td>
<td>China</td>
<td>44</td>
<td>1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>46</td>
<td>0.57</td>
<td>CPEC</td>
<td>101</td>
<td>0.69</td>
<td>CPEC</td>
<td>44</td>
<td>1</td>
</tr>
<tr>
<td>CPEC</td>
<td>42</td>
<td>0.52</td>
<td>employment</td>
<td>88</td>
<td>0.6</td>
<td>Pakistan</td>
<td>32</td>
<td>0.73</td>
</tr>
<tr>
<td>beneficiary</td>
<td>21</td>
<td>0.26</td>
<td>GDP</td>
<td>87</td>
<td>0.6</td>
<td>Chinese</td>
<td>31</td>
<td>0.7</td>
</tr>
<tr>
<td>countries</td>
<td>18</td>
<td>0.22</td>
<td>income</td>
<td>85</td>
<td>0.58</td>
<td>country</td>
<td>17</td>
<td>0.39</td>
</tr>
<tr>
<td>route</td>
<td>14</td>
<td>0.17</td>
<td>Pakistan</td>
<td>70</td>
<td>0.48</td>
<td>colony</td>
<td>14</td>
<td>0.32</td>
</tr>
<tr>
<td>trade</td>
<td>13</td>
<td>0.16</td>
<td>inflation</td>
<td>51</td>
<td>0.35</td>
<td>business</td>
<td>12</td>
<td>0.27</td>
</tr>
<tr>
<td>world</td>
<td>10</td>
<td>0.12</td>
<td>investment</td>
<td>50</td>
<td>0.34</td>
<td>world</td>
<td>10</td>
<td>0.23</td>
</tr>
<tr>
<td>benefits</td>
<td>10</td>
<td>0.12</td>
<td>economy</td>
<td>48</td>
<td>0.33</td>
<td>history</td>
<td>7</td>
<td>0.16</td>
</tr>
<tr>
<td>beneficiaries</td>
<td>9</td>
<td>0.11</td>
<td>jobs</td>
<td>42</td>
<td>0.29</td>
<td>government</td>
<td>7</td>
<td>0.16</td>
</tr>
<tr>
<td>economic</td>
<td>8</td>
<td>0.1</td>
<td>positive</td>
<td>38</td>
<td>0.26</td>
<td>interest</td>
<td>6</td>
<td>0.14</td>
</tr>
<tr>
<td>oil</td>
<td>7</td>
<td>0.09</td>
<td>people</td>
<td>35</td>
<td>0.24</td>
<td>people</td>
<td>6</td>
<td>0.14</td>
</tr>
<tr>
<td>project</td>
<td>7</td>
<td>0.09</td>
<td>due</td>
<td>32</td>
<td>0.22</td>
<td>era</td>
<td>5</td>
<td>0.11</td>
</tr>
<tr>
<td>corridor</td>
<td>6</td>
<td>0.07</td>
<td>better</td>
<td>30</td>
<td>0.21</td>
<td>EIC5</td>
<td>4</td>
<td>0.09</td>
</tr>
<tr>
<td>Chinese</td>
<td>5</td>
<td>0.06</td>
<td>improve</td>
<td>26</td>
<td>0.18</td>
<td>land</td>
<td>4</td>
<td>0.09</td>
</tr>
<tr>
<td>time</td>
<td>5</td>
<td>0.06</td>
<td>common</td>
<td>26</td>
<td>0.18</td>
<td>major</td>
<td>4</td>
<td>0.09</td>
</tr>
<tr>
<td>economy</td>
<td>5</td>
<td>0.06</td>
<td>projects</td>
<td>26</td>
<td>0.18</td>
<td>million</td>
<td>4</td>
<td>0.09</td>
</tr>
<tr>
<td>developed</td>
<td>4</td>
<td>0.05</td>
<td>business</td>
<td>25</td>
<td>0.17</td>
<td>bring</td>
<td>3</td>
<td>0.07</td>
</tr>
<tr>
<td>country</td>
<td>3</td>
<td>0.04</td>
<td>reduce</td>
<td>22</td>
<td>0.15</td>
<td>economic</td>
<td>3</td>
<td>0.07</td>
</tr>
<tr>
<td>developing</td>
<td>3</td>
<td>0.04</td>
<td>Chinese</td>
<td>21</td>
<td>0.14</td>
<td>control</td>
<td>3</td>
<td>0.07</td>
</tr>
<tr>
<td>everything</td>
<td>3</td>
<td>0.04</td>
<td>activities</td>
<td>21</td>
<td>0.14</td>
<td>industry</td>
<td>3</td>
<td>0.07</td>
</tr>
<tr>
<td>beneficial</td>
<td>3</td>
<td>0.04</td>
<td>economic</td>
<td>20</td>
<td>0.14</td>
<td>power</td>
<td>3</td>
<td>0.07</td>
</tr>
<tr>
<td>movement</td>
<td>2</td>
<td>0.02</td>
<td>grow</td>
<td>17</td>
<td>0.12</td>
<td>follow</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>span</td>
<td>2</td>
<td>0.02</td>
<td>industry</td>
<td>17</td>
<td>0.12</td>
<td>agreements</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>roads</td>
<td>2</td>
<td>0.02</td>
<td>toll</td>
<td>15</td>
<td>0.1</td>
<td>chances</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>needs</td>
<td>2</td>
<td>0.02</td>
<td>utilize</td>
<td>14</td>
<td>0.1</td>
<td>positive</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>vanish</td>
<td>9</td>
<td>0.06</td>
<td>asked</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>progress</td>
<td>9</td>
<td>0.06</td>
<td>establish</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>started</td>
<td>8</td>
<td>0.05</td>
<td>plan</td>
<td>2</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Note: Count refers to the total number of occurrences of a concept, and relevance is calculated as the percentage frequency of text segments (i.e., two sentences in this case) coded with that concept, relative to the frequency of the most frequent concept. It is to identify a concept’s relative salience in terms of frequency of occurrence (see https://www.leximancer.com/faq/display_and_output.html). 5: East India Company.
4.2. Semantic Network Comparison

Further analyzing concept frequencies, we investigated the interconnections among the concepts and themes for three aspects. In Figure 2, the theme “China” (the bubble in the center) is most central and dominant. When looking at the concepts in the theme of “China”, we find out that the concepts “economic”, “corridor”, and “CPEC” are closely related. It indicates that CPEC is an economic corridor developed by China. Moreover, the concepts “trade”, “route”, “world” and “oil” indicating that China wants to develop a route for trading with the world as well as for its oil import. We also identify that the concept “beneficiary” is semantically close with the concept of “China”, which indicates that China is a primary beneficiary of CPEC. However, China also wants to develop this project for the benefits of Pakistan, as the concept of “Pakistan”, “benefits”, “project”, and “beneficiaries” are semantically related. The theme “roads” is overlapping with the theme “China”, which indicates that China wants to connect the world by developing the roads infrastructure.

Figure 2. Semantic network: beneficiary of CPEC.

The concepts “Chinese”, “movement”, and “beneficial” are also very close to the concept “China”. It shows that there are some opportunities of jobs for Chinese people in Pakistan under CPEC project. As far as the theme “span” is concerned, it shows that the period is involved in completing this project. Altogether, the concept “China” is semantically closely related to the following concepts: “Pakistan, project, beneficiaries, and benefits”, “beneficiary”, “CPEC, developing, country”, “Chinese, movement, and beneficial”, “economic and corridor”, and “trade, route, trade, world and oil”. Moreover, the themes “beneficiary” and “China” are overlapping with each other, which shows the relevance of beneficiary with China. Figure 2 shows that China is developing an economic corridor (CPEC) for the purpose of trade with the world. This route is more economical for oil import. This route is also beneficial for Pakistan and other neighboring countries. Collectively, all five themes are showing that China and Pakistan are both the beneficiaries of CPEC.

The themes boundaries are more solid in the concept map shown in Figure 3; it is because this concept map has more concepts than the one in Figure 2. This phenomenon indicates that, when CPEC will be operational, the activities regarding business, employment/jobs, GDP, personal income,
economy, investment, and inflation will be amassed. According to Figure 3, the views of respondents can be categorized in two categories: (1) CPEC is a route made by China primarily for its own benefits (import/export), as discussed in Figure 2. The only benefit Pakistan will gain from CPEC is the Toll Taxes of the CPEC route in terms of the transit charges. For example, the theme “toll” is overlapping with the theme “increase”. This shows that the concepts “toll” and “increase” both are semantically interrelated. (2) Surely, China is the beneficiary of CPEC route (as discussed in Figure 2) but on the other hand, it will also have a positive impact on the economy of Pakistan. For example, the concept “increase” is closely semantically linked with the concepts “business”, “employment”, “jobs”, “income”, “common”, “Pakistan”, “CPEC” and “investment”. This shows that, with the investment on CPEC, there will be an increase in the business activities in Pakistan, which will eventually increase the employment opportunities and personal income of the common person. In Figure 3, the theme “reduce” shows that the Pakistani local industries will suffer due to CPEC because some respondents have the view that Chinese industries will replace their industries. However, their viewpoint is weak because the theme “reduce” does not overlap with the theme “increase” and the concept “CPEC” is more semantically related with “increase” than “reduce”.

Three major themes in Figure 4 show the aspects related to the sovereignty of Pakistan. In the theme “China”, the concepts “China” and “CPEC” are overlapping. In addition, the concepts “CPEC”, “world” and “economic” are near the concept “China”, which shows that the main objective of China is to develop CPEC to connect the world. The concept “control” is far away from the concept “China”. This shows that China does not want to control the economy of Pakistan and repeat the history of the East India Company. In the theme “Pakistan”, the concepts “Pakistan”, “people”, and “Chinese” are semantically linked. China is a true friend of Pakistan, and a strong Pakistan is the need of China. Thus, China wants to fortify Pakistan. China will have an incredible stronghold in business and industry, yet it will never endeavor to overcome Pakistan.

![Figure 3. Semantic network: CPEC’s impact on the various sectors of Pakistan’s economy.](image-url)
Three major themes in Figure 4 show the aspects related to the sovereignty of Pakistan. In the theme “China”, the concepts “China” and “CPEC” are overlapping. As well as, the concepts “CPEC”, “world” and “economic” are near the concept “China”, which shows that the main objective of China is to develop CPEC to connect the world. The concept “control” is far away from the concept “China”. It shows that China does not want to control the economy of Pakistan and repeat the history of the East India Company. In the theme “Pakistan”, the concepts “Pakistan”, “people”, and “Chinese” semantically linked. China is a true friend of Pakistan, and a progressive Pakistan is the need of China. So China wants to fortify Pakistan. China will have an incredible stronghold in business and industry, yet it will never endeavor to overcome Pakistan.

Figure 4. Semantic network: CPEC’s impact on Pakistan’s sovereignty.

5. Discussion

Focusing on the first aspect, one can visualize that 80% (31% + 38% + 11%) are of the view that China is the ultimate beneficiary of CPEC project. Because, oil imports will be done through this route, as well as to develop its western part of China.

Opposing the above responses, as shown in Figure 5, 68% (19% + 38% + 11%) of respondents predict that CPEC will open new horizons of progress and prosperity for Pakistan. Not supporting or favoring either side 11% of respondents suggest that many other countries can use this route for trading as well, which could open a new window to expedite business activities around the territory.

Regarding the second aspect, the majority of respondents forecast that CPEC will have a constructive effect on Pakistan’s GDP, employment, personal income and foreign investment, the reason is that Pakistan will become a trade hub. China and other regional countries will use this route for imports and exports. Due to business activities, industries will be established in Pakistan. Employment opportunities will be more and more due to which personal income will be increased. Pakistan will also collect toll taxes. Foreign investors will have confidence to invest in Pakistan.
Discussing the third aspect, 60% of the respondents argued that Pakistan will never be undermined by Chinese intervention. To support this ideology, respondents provided the following reasons:

- China has a strategic relationship with Pakistan.
- In this era, no country can retain the land occupancy of any other country without legislation.
- China is building OBOR only for the purpose of trading, not for occupying the areas of other countries.

There are many Chinese working in Pakistan, thus 33% of respondents expressed doubt that China will occupy Pakistani territory. Some respondents said that the terms and conditions of the agreement are not shown to the general public of Pakistan, which raises questions about the credibility of the Pakistani leadership.

6. Conclusions

Our findings identify that China is building CPEC’s route to connect itself with the world to expand its trade and also to shorten its oil-importing route. CPEC is pronounced as a huge connecting path on the OBOR chessboard. CPEC is, indeed, a pathway associating the Silk Road Economic Belt in the north with the 21st-Century Maritime Silk Road in the south. The most important cost elements for shipping operation consist of shipping freight, sailing speed and seaborne transport time (Yang et al. 2018). Sheu and Kundu (2017) investigated these cost elements and found that CPEC is the shortest, fastest and economical route for China to import its oil. It is not only beneficial for China but also for Pakistan and other neighboring countries, e.g., Iran, Afghanistan, Kazakhstan, etc.

The development of infrastructure in developing countries like Pakistan leads to enhance economic activities, increase production facilities, reduction transactional and trade costs as well
as to employ poor people (Pravakar Sahoo 2010). Pakistan lies at the intersection of South Asia, Central Asia, and Western Asia. The zone outfits Pakistan with a beneficial opportunity to enhance its economy by giving road network to these regions. Due to CPEC, Pakistan will get connected with various countries and will become a trade hub. It would be a game-changer plan for Pakistan. With the development of Gwadar port, the movement of ships and cargo vessels will be quite massive. Toll taxes will generate a lot of income as various countries will import and export their goods on this route (Ministry of Planning Development and Reforms 2019). A lot of industry and foreign investment will come into Pakistan. A lot of economic activities will be generated by such industrialization: the establishment of workshops, training institutions, hotels, hospitals, etc. Due to industrialization, the old traditional industry will be updated with the new one. Many Chinese businessmen are in the process of investing and installing new industry and plants. They intend to boost the industrial sector in Pakistan with the collaboration of local business community. The industrialization and advance technology will improve the living standard, buying power, personal income, employment opportunities, and GDP in Pakistan. According to the dominant view of the respondents, Pakistan’s sovereignty is not under any threat with respect to CPEC. However, some have doubts that, due to CPEC, Pakistan’s import from China may increase, which can affect the local industry. On the contrary, CPEC also provides export opportunities to Pakistan, which can boost the local industry and economic activities.

6.1. Recommendations

No doubt, CPEC will transform the economic landscape of Pakistan by tourism, trade and business. Unfortunately, there is always room for misadventure and mishaps that can devastate the frame of expected benefits. In every business, many people are involved with different psychological, cultural, social, racial and religious identities. For unbiased outcomes, it is necessary to abide by certain rules, such as:

1. Government officials must avoid political corruption.
2. Nepotism is a root cause for downfall of any strategic planning.
3. Giving and offering bribes to countrymen must be considered a serious crime.
4. White-collar crime usually involves respectable and powerful people that can give birth to other crimes such as fraud, money embezzlement or money laundering.

CPEC can be a nation-building project if it is projected for the projection of government programs to extend business relations.

Besides this, Pakistan’s economy must be headed towards a production-based economy. For this purpose, the Government of Pakistan (GOP) must help the traders, manufacturers, bankers and all business communities by providing necessary ingredients such training, education and all allied facilities that the foreign trade community enjoys. GOP should take the local industrialists and manufacturers into confidence and address the issues in the minds of local manufacturers. GOP must uncover the terms and conditions they have agreed upon with China. It must make agreements with the Chinese at equal footings. Limits and restrictions must be defined for China. All the allied facilities should be provided to local industrialists and manufacturers which a foreigner enjoys. Likewise, the state must give shelter to the traders here, motivate them, provide them with opportunities, and finance them in a better way. In addition, Pakistani labor and engineers must get the chance to work for the country.

Pakistan has fertile agricultural land; the latest technology must be obtained from China to empower the agriculture sector to play its part in realizing the objective of production-base economy. A sincere and focused approach is required from Pakistan on this project. It is a make or break situation for Pakistan. A determined, dedicated, and honest effort can put the country in the right direction. The security situation in the country must improve. All sectarian and provincial differences must be curbed and eliminated. Justified rights should be given to all territories CPEC will pass through.
6.2. Limitations and Future Direction

The scope of the study was limited to 85 respondents from different areas of Pakistan. The scope should be enhanced to international level, i.e., China. For this purpose, government offices, ministers, and officials of bilateral trade from both the countries must be contacted. The prospective of provincial ministers is also very important. The understanding of Chinese officials and traders is of utmost value to visualize the impact of CPEC on the region. The input from the officials of law enforcement agencies will be very vital for the security concerns of CPEC.

Author Contributions: The authors contribution is as follows: Conceptualization, Methodology, Formal analysis, Data curation and Writing—Original draft preparation, G.A.; Validation, G.A., M.A. and Z.L.; Supervision and Project Administration, Z.L.; Software, G.A. and S.H.W.; Resources, M.A.; Writing—Review and Editing, G.A., S.H.W. and U.M.

Funding: This research received no external funding.

Conflicts of Interest: The authors declare no conflict of interest.

References


Ashraf, Sajjad. 2015. China Pakistan Economic Corridor. Institute of South Asian Studies 364: 1–4. [CrossRef]

Biesenthal, Christopher, and Ralf Wilden. 2014. Multi-level project governance: Trends and opportunities. JPMA 32: 1291–308. [CrossRef]


Coyne, Imelda T., Hons Dipn, and Rscn Rgn. 1997. Sampling in qualitative research. Purposeful and theoretical sampling; merging or clear boundaries? JAN 26: 623–30. [CrossRef]

Estache, Antonio, and Grégoire Garsous. 2012. The impact of infrastructure on growth in developing countries. IFC Economics Notes 1. [CrossRef]


Ferdinand, Peter. 2016. Westward ho—The China dream and ‘one belt, one road’: Chinese foreign policy under Xi Jinping. International Affairs 92: 941–57. [CrossRef]


Sheu, Jiuh Biing, and Tanmoy Kundu. 2017. Forecasting time-varying logistics distribution flows in the One Belt-One Road strategic context. Transportation Research Part E 117: 5–22. [CrossRef]

Sheu, Jiuh Biing, and Tanmoy Kundu. 2017. Forecasting time-varying logistics distribution flows in the One Belt-One Road strategic context. Transportation Research Part E 117: 5–22. [CrossRef]


Tongco, Ma Dolores C. 2007. Purposive Sampling as a Tool for Informant Selection. Ethnobotany Research and Applications 5: 147–58. [CrossRef]

Yang, Dong, Liping Jiang, and Adolf K. Y. Ng. 2018. One Belt one Road , but several routes: A case study of new emerging trade corridors connecting the Far East to Europe. Transportation Research Part A 117: 190–204. [CrossRef]

Zia, Muhammad Muzammil. 2017. The Impact of CPEC & Related Road Infrastructure Projects on Employment 011. Islamabad: Centre of Excellence for CPEC.


© 2019 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (http://creativecommons.org/licenses/by/4.0/).