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Baloch Insurgency and its impact on CPEC

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Abstract

CPEC, a significant development project, aims to connect Pakistan and China through highways, oil and gas pipelines, railways and an optical fiber link all the way from Gwadar to Xinjiang. Being the biggest venture in the bilateral ties of China-Pakistan, the project faces certain undermining factors. The research explores the lingering security concerns that surfaced due to the destabilizing and separatist efforts of the Baloch Liberation Army (BLA) and Baloch Liberation Front (BLF). It also elaborates the Chinese concerns and Pakistan efforts to address these concerns while assuming the hypothesis that a secure and stable environment is necessary to reap the fruits of this mega project. The work also answers some innovative questions thus helpful for the students of Economics, Pakistan history, politics, Internal Relations, Foreign Policy and for those who intend to read about China-Pakistan and their joint ventures as CPEC. The main objective of the study to empirically analyses the response of Baloch community. Graphical and empirical methods have been adopted to describe and analyze the facts and figures related to the topic. The results clearly indicate that CPEC will face resistance from people of Balochistan, which will negatively affect the prospects of CPEC. The results also indicate that social issues like migration should be tackle to increase the benefits. Furthermore, people think that such project is important for growth and development of the country.

Key words: CPEC, BLA, BLF, Gwadar, Security.

China Pakistan Economic Corridor and Internal Security Challenges

“You will encounter many distractions and many temptations to put your goal aside. But if you hang in there, always following your vision, I have no doubt you will succeed.”

(Larry Flynt)

Nations pursue their national interests in a number of ways. The most important amongst them is bilateral ties and bilateral trade and investment agreements. Pakistan and China are “all-weather”¹ allies having different bilateral projects for the mutual development and progress. Both countries signed first bilateral trade agreement at 1963 during that time their

¹ Rosheen Kabraji, “The China-Pakistan Alliance: Rhetoric and Limitations”, *Asia Programme Paper ASP PP 2012/01* (Chatham House: December, 2012) 4.

relationship strengthen and based on India 'centric'.² Currently, the development of Gwadar port is significant development between China-Pakistan relations. It has attracted the global community and perceived as an initiative for regional economic development and economic integration. Gwadar port is a financial and business port where all the regional and global nations can take benefits. The administration of China has refused the propaganda that this port would be utilized for military purposes. It would be fully utilized and operationalized for the economic and trade activities.³

Larry Flynt's quote perfectly fits over the mutual agreement "CPEC", between China and Pakistan. There are number of distractions and temptations to halt the work on CPEC from local organizations such as Baloch Liberation Army (BLA) and Baloch Liberation Front (BLF) separatist agenda in addition to the external disaffection from Iran, Afghanistan and India. Pakistan and China are committed to stand against the storm and pursuing this mega project. The strict hang with strong vision over the CPEC, both the countries would succeed in making economic progress and prosperity.⁴

CPEC is at the center of diplomacy for last many years. It is a project offering many benefits to both China and Pakistan. For China, it has two essential advantages after the completion of the Economic Corridor and Gwadar Port. Firstly, it would link the western China with Middle East by providing the shortest route to China. In this way, utilizing the Economic Corridor, China can easily access Middle Eastern Markets. It is advantageous for China's western region particularly

² Andrew Small, *The China-Pakistan Axis: Asia's New Geopolitics*, (New York: Oxford University Press, 2015), 48

³ Zahid Anwar, "Gwadar Deep Sea Port's Emergence as Regional Trade and Transportation Hub: Prospects and Problems", *Journal of Political Studies*, Vol. 1, Issue 2, 98.

⁴ Massarrat Abid & Ayesha Ashfaq, "CPEC: Challenges and Opportunities for Pakistan", *Pakistan Vision*, Vol. 16, No.2, 155.

Xinjiang region on the grounds because it is almost 4000 km away from main coastal area of China.⁵

Secondly, the proposed Gwadar-Xinjiang energy pipeline would provide secure and less expensive energy supply to China. Currently, Chinese transshipments come through the Strait of Malacca which has many economic and security challenges. Gwadar offer various financial opportunities to China and its geo-strategic location can give a position where China can, without any hurdle, secure its interests. It gives the capacity to ensure more security of the Chinese vessels in Arabian Sea.⁶

What is CPEC?

China-Pakistan Economic Corridor (CPEC) is a significant development project. Firstly, this project was proposed by Chinese Premier Li Keqiang during his visit to Pakistan in May 2013 and finally approved during Prime Minister Nawaz Sharif visit to Beijing on July 5, 2013.⁷ The main purpose of this mega project is to connect Gwadar Port; which located in south-western part of Pakistan; to China's north-western region of Xinjiang. It has taking into account 18 different projects, for example, development of road, railroads, energy, industrial zones and Gwadar port related projects and these would be finished within the next five years. The infrastructure and energy related ventures have enormous significance for Pakistan's economy. CPEC is a landmark in the mutual relationship of China-Pakistan. Its total cost is estimated about

⁵ Cherg-shin Ouyang, "The Sino-Pak Trade and Energy Corridor- An Assessment-", *The 8th Pan- European Conference on International Relations, Institute of International Relations, Warsaw Economic University Poland, (18-21 September,2013)*

⁶ Saima Perveen & Jehanzeb Khalil, "Gwadar Kashgar Economic Corridor: Challenges and Imperatives for Pakistan and China", *Journal of Political Studies, Vol.22, Issue-2, 2015, 356.*

⁷ Ahmad Ahmadani, "China-Pakistan Economic Corridor: PM approves over \$ 38bn projects", *Daily Times, 09 May, 2014.*

US \$46 billion, including US \$34 billion for energy infrastructure. Pakistan is experiencing an extreme energy crisis which has hampered the economy. The current Govt. understood that without solving the energy crisis, the nation cannot develop.⁸ This project will play a significant role to change the global economic world order by benefitting the people of Central Asia, South Asia and China.⁹

Geography of China-Pakistan Economic Corridor

Geographically, CPEC starts from Gwadar port, located at the mouth of the Persian Gulf and closer to the Strait of Hormuz, which is considered as a main route for oil shipment. The route ends in Western Chinese province of Xinjiang.¹⁰



⁸ Chinese President Xi is making a \$ 46 billion move in Pakistan (*Business Insider*, April 20, 2015)

⁹ John Calabrese, "Balancing on ' the Fulcrum of Asia': China's Pakistan Strategy" *Indian Journal of Asian Affairs*, Vol 27/28. No. 1/2 (2014-2015),1-20.

¹⁰ Hasan Yaser Malik, "Strategic Importance of Gwadar Port", *Journal of Political Studies*, Vol. 19, Issue-2, 2012, 57.

Project Details

The economic corridor would be comprised of around 50 bridges, Karachi-Lahore motorway including three bridges to be built over River Sutlej, Ravi and Indus. It would improve the economic condition or growth and infrastructure in both the countries.¹¹

Effects on the Region

CPEC will change the futuristic economic world order. During Chinese President Xi Jinping visit to India and Pakistan, he announced to invest \$ 20 billion in India over next five years, while in the case of Pakistan over \$ 46 billion through this project. India has showed disaffection with growing China-Pakistan economic, diplomatic and military ties.¹² China has also enhanced its trade with Southeast Asian countries under its Asia Pacific policy. China is investing in Bangladesh along with Pakistan as a part of its “String of Pearls” strategy.¹³

Security Concerns to CPEC

CPEC is considered the key project to boost the economies of China-Pakistan but it faces certain security threats obstructing its development. In this way, the major security hurdles comes from the militant organizations such as Balochistan Liberation Army (BLA), Balochistan Liberation Front (BLF), Tehreek-e-Taliban Pakistan (TTP), and Lashkar-e-Jhangvi (LeJ).¹⁴ These

¹¹ Shakeel Ahmad Ramay, “China Pakistan Economic Corridor: A Chinese Dream Being Materialized Through Pakistan” *SPDI Report*, 4.

¹² D. Bhattacharjee, “China Pakistan Economic Corridor”, *SSRN Electronic Journal*, 2015.

¹³ F. Godement, “China’s Neighbourhood Policy”, *European Council on Foreign Relations, Asia Centre, China Analysis*.

¹⁴ Duchatel, “The Terrorist Risk”, p.561; ‘Security Council Al-Qaida and Taliban Sanctions Committee adds names of four individuals to consolidated list, amends entries of three entities’, United Nations, 10 December 2008.

<http://www.un.org/News/Press/docs//2008/sc9527.doc.htm>; Narayan Lakshman, ‘China blocked U.N. sanctions against terror group at Pakistan's behest’, *The Hindu*, 7 December 2010, <http://www.thehindu.com/news/international/article936090.ece>.

organizations are on front line to hamper the project pace with the help of physical destruction and attack on Chinese labor force as Chinese workers have been killed and kidnapped from different sites. Due to this reason, China has shown concerns over the internal security condition of Pakistan.

Another major threat to the economic corridor is political issues. Chinese President Xi Jinping had planned to visit Pakistan in September 2014 but due to political situation this visit was canceled. In this way, another controversy was created by some nationalist political parties related to route changing.¹⁵ Although Prime Minister of Pakistan organized all parties conference and clear the three major routes details like

- I- Western route originating from Gwadar will pass through Turbat, Panjgur, Naag, Basima, Sohrab, Kalat, Quetta, QilaSaifullah, Zhob, DIK, Mianwali, Hasanabdal and Islamabad.
- II- Central route will originate from Gwadar, Quetta, and reach DIK via Basima, Khuzdar, Sukkar, Rajanpur, Liya, Muzaffargarh, Bhakkar, DIK.
- III- Eastern route will include Gwadar, Basima, Khuzdar, Sukkar, RYK, Bwp, Multan, Lahore/Fsbd, Isbd, Mansehra.¹⁶

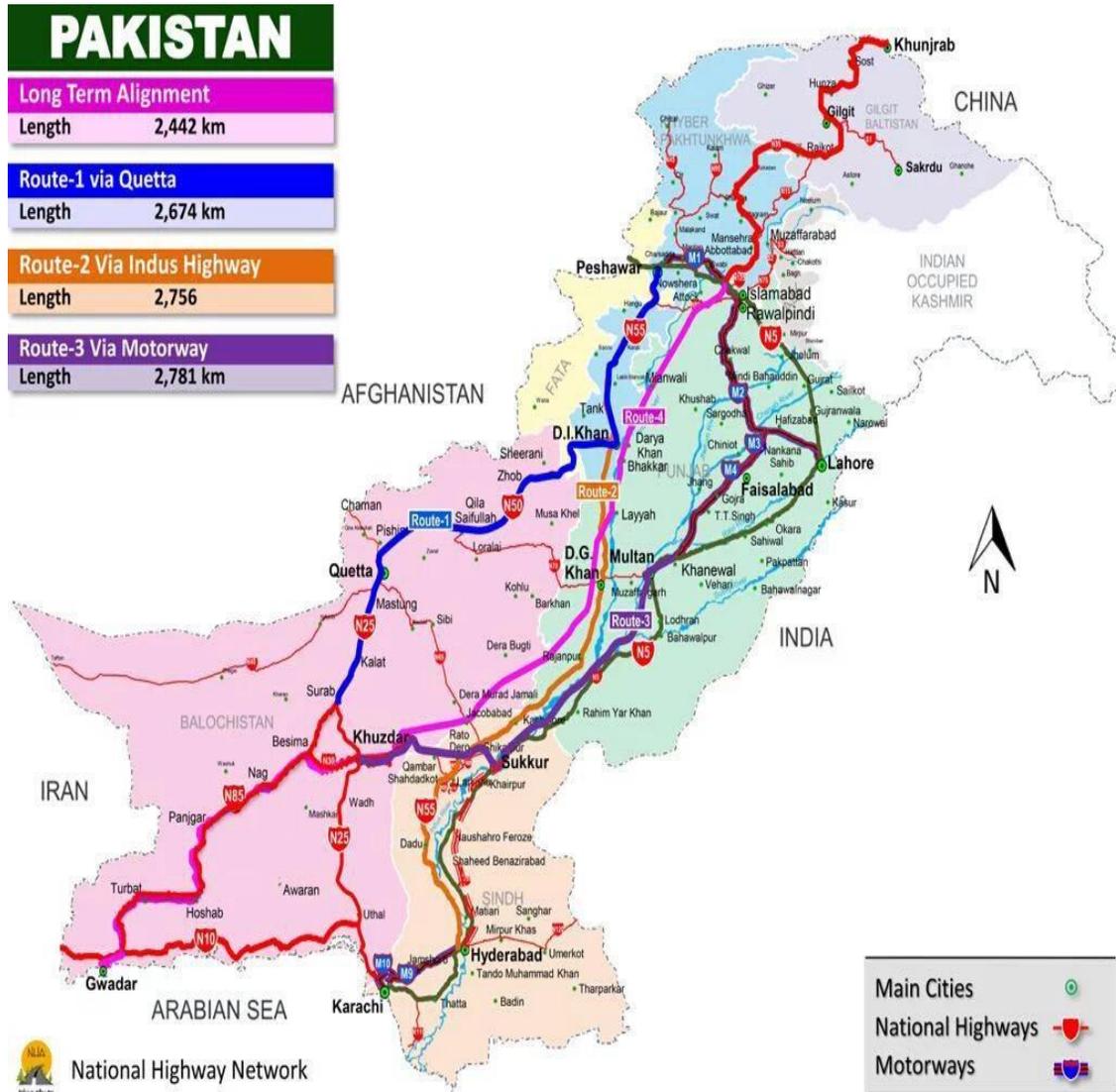
In the same line, India; through its secret agency RAW and its involvement in Balochistan; is trying to create security threats and uncertain situation to affect the project negatively.¹⁷

¹⁵ Ibid., "CPEC: Challenges and Opportunities for Pakistan", 151.

¹⁶ "China-Pakistan Economic Corridor? The Route Controversy", *Chief Minister Policy Reform Unit Govt. of Balochistan*. 2015, 3.

¹⁷ Safdar Sial, "The China-Pakistan Economic Corridor: An Assessment of Potential Threats and Constraints", *Conflict and Peace Studies*, Vol.6, No.2, 2014. 24.

Similarly, Balochistan instability is undermining the growth of project. The involvement of Baloch militant's organization in terrorist activities for the fulfillment of their interests such as separatism or demanding independent state are adding fuel to already dismal state of affairs. Nationalist Baloch views that it would result in mass migration in Gwadar would threaten the



existence of Baloch as it could turn the Baloch majority into minority it will also threaten Baloch identity.¹⁸

¹⁸ <http://www.ipripak.org/cpec-and-the-baluchistan> factor/#sthash.05TR0DCE.dpuf

Furthermore, ethno-sectarian is another important reason insurgency in Balochistan. Muhammad Ali Talpur in an article ‘A few questions answered’ wrote: “The China Pakistan Economic Corridor is the center of interest for China, Pakistan and, naturally the world, as all perceive it according to the strategic and economic advantages and disadvantages it holds for them, whatever importance it may hold for others, it is extremely important for the Baloch whose lives it will destroy in the name of development.”¹⁹ Many separatist leaders of the Balochistan province are opposing the China-Pakistan Economic Corridor (CPEC). In this way, Brahamdagh Bugti, the leader of the outlawed Baloch Republican Party (BRP), criticized the CPEC and Gwadar port projects and called for an UN sponsored referendum in Balochistan to decide its future. Similarly, the BLF, head Dr. Allah Nazar Baloch, is mainly concentrated in the southern coastal Makran belt though it functions across Balochistan. The group based on dissatisfied middle-class and lower middle-class Baloch youths. The Lashkar-e-Balochistan (LB) led by Javed Mengal is focused in south-western districts of Balochistan (Panjgur, Gwadar, Kech, particularly Turbat) and also Khuzdar. It is supposed that the group was involved in terrorist attacks on the Chinese Consulate in Karachi and a blast at the Lahore Railway Station in August 2012. (PIPS, 2013). The Baloch Liberation Army (BLA) and Baloch Republican Army (BRA) are also active in parts of Gwadar and its neighboring districts particularly Panjgur and Kech and their main purpose to create hurdles in the development of CPEC.²⁰

The study is concerned to check the intensity and nature of resistance from Balochistan Liberation Army (BLA) and Balochistan Liberation Front (BLF) to CPEC. To accomplish this task, we got response from local people of Balochistan through questionnaire. The main concern

¹⁹ Waqar Ahmad, “Balochistan, CPEC- another View”, *The Daily Time*, Islamabad (14 July 2015).

²⁰ www.economist.com/news/asia/21653657-conflictbalochistan-must-be-resolved-trade-corridor-between-pakistan-and-china-bring.

was to check people perception that whether CPEC will face resistance from local people of Balochistan, whether security concerns are there? CPEC will have implications for Pakistan economy and security situation it will face. In addition, the survey tried to get people opinion about the Iranian and India urge to participate in the project and implications of CPEC for India.

Variables and Estimation Techniques

We have use Likert scale to know about people's response to different questions, where 5 represent if they are highly agreed to our statement and 1 show high disagreement.

The study uses two different methods to find the crux of study, firstly we analyses the whole scenario by getting responses of people. Firstly, graphically show that what people perceive about CPEC at different grounds. Secondly we analyses the results empirically through Logit model. We consider dependent variable as dichotomous where the response 'y_i' is binary, assuming only two values that for convenience we code as one or zero. For example, we could define

$$y_i = \begin{cases} 1, & \text{if people think that CPEC have positive implications} \\ 0, & \text{otherwise} \end{cases}$$

Where y_i is a random variable that can take the value of zero or one.

Binary data can be estimated through Linear probability model (LPM) and this model is usually estimated by OLS. One problem with this model is that the probability on the left-hand- Side (dependent variable) has to be between zero and one, but the linear predictor on the right-hand- side (independent variables) can take any real value, so there is no guarantee that the predicted values will be in the correct range unless complex restrictions are imposed on the coefficients.

A simple solution to this problem is to transform the probability to remove the range restrictions, and model the transformation as a linear function of the covariates. First, we move from the probability to the odds

$$\text{Odds} = \Pi_i / (1 - \Pi_i)$$

And is defined as the ratio of the probability to its compliment, or the ratio of favorable to unfavorable cases.

Second, we take the log of odds which has the effect of removing the floor restriction. Now the probability is between positive infinity to negative infinity. So, the Logit model is good for estimation of a binary data, the coefficients we get from this model is defined as probabilities. The logistic function was invented in the 19th century for the description of the growth of populations and the course of autocatalytic chemical reactions, or chain reactions.

The basic model we are going to estimate is:

$$\text{CPEC1} = f(\text{Sec1}, \text{Sec2}, \text{sec3}, \text{sec4}, \text{res2}, \text{ind4}, \text{ind5}, \text{pak1}, \text{soc1}, \text{iran1}, \text{iran2})$$

And

CPEC2 = f (sec4, res1, res2, ind1, ind4, ind5, pak1, pak2, soc1, trans)

We can estimate following models:

$$\text{CPEC1} = \alpha_0 + \alpha_1 \text{sec1} + \alpha_2 \text{sec2} + \alpha_3 \text{sec3} + \alpha_4 \text{sec4} + \alpha_5 \text{res2} + \alpha_6 \text{ind4} + \alpha_7 \text{ind5} + \alpha_8 \text{soc1} + \alpha_9 \text{iran1} + \alpha_{10} \text{iran2} + \varepsilon$$

$$\text{CPEC} = \beta_0 + \beta_1 \text{sec4} + \beta_2 \text{res1} + \beta_3 \text{res2} + \beta_4 \text{ind1} + \beta_5 \text{ind4} + \beta_6 \text{ind5} + \beta_7 \text{pak1} + \beta_8 \text{pak2} + \beta_9 \text{soc1} + \beta_{10} \text{trans} + u$$

Where

CPEC1 = whether CPEC have positive implications for people of Balochistan; and

CPEC = Baloch people will play positive role in development of CPEC.

These are dependent variables, which can take values 0 or 1. When the value is 0, it implies that if people think that it has no positive implications; whereas 1 if people think that it has positive implications so it should be carried out.

We also use another question to analyses that whether people of Balochistan are willing for CPEC project or not by asking them whether they will play a positive role in CPEC or not? Again we collect their response through yes or no, which shows their response about the project. We also use it as dependent variable and carry out all the analysis through it to check the robustness of results. The independent variables are measured through likert scale which ranges from 1 to 5 where 5 shows strongly agreed while 1 show strongly disagreed. The definition of variables is as under:

Sec1= CPEC faces security concerns.

Sec2=CPEC affects Pakistan's internal security.

Sec3=The proposed CPEC will be affected by Pakistan's internal security.

Sec4=Current security situation of Balochistan is suitable for CPEC.

Res1=CPEC faces resistance from BLA and BLF.

Res2=Baloch nationalists are against the development of CPEC.

Ind1=India is providing financial and arms assistance to BLA and BLF.

Ind2=Raw is threat to Balochistan security and CPEC.

Ind3=India is involved in any terrorist activities in Balochistan.

Ind4=India should response negative to China economic corridor.

Ind5=CPEC will have implications for Indian economy.

Pak1=CPEC have positive impact on Pakistan economy.

Pak2=CPEC security issues implement negative impact on growth.

Soc1=There is loss for Baloch people if urban migration occurs in Gwadar.

Soc2=Due to this migration, Baloch community will become the minority in their native land.

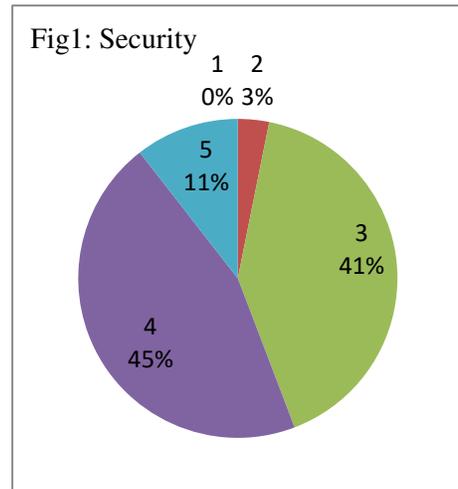
Trans= Western route is secure for transportation

Iran1=Iran has concerns over CPEC development and security in Balochistan.

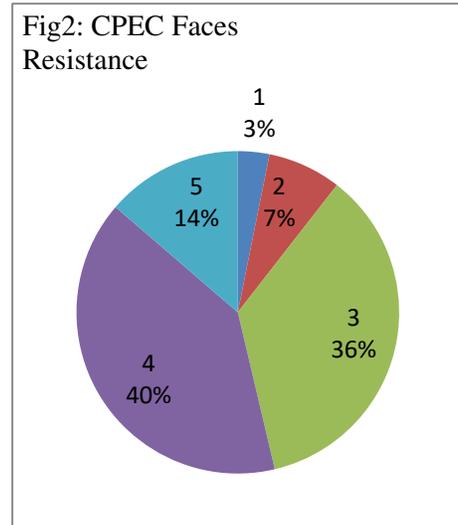
Iran2=Iran will influence the CPEC in Balochistan.

The graphical analysis of response of people (in average for each separate section as earlier discussed) is as follow:

Around 56% people respond that CPEC affects and can be affected through security issues in the region while 41 % are of the opinion that they have no idea yet that whether it will cause or affected by security issues. (See Fig1)

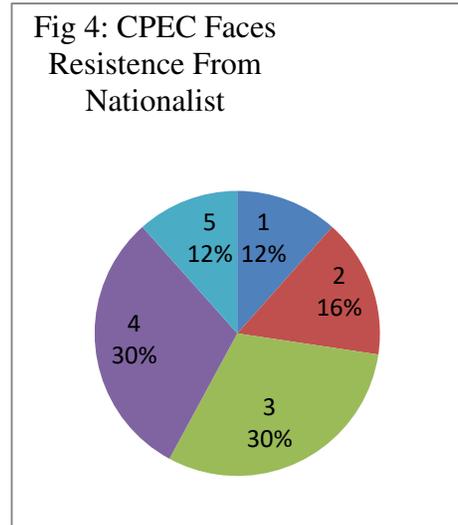
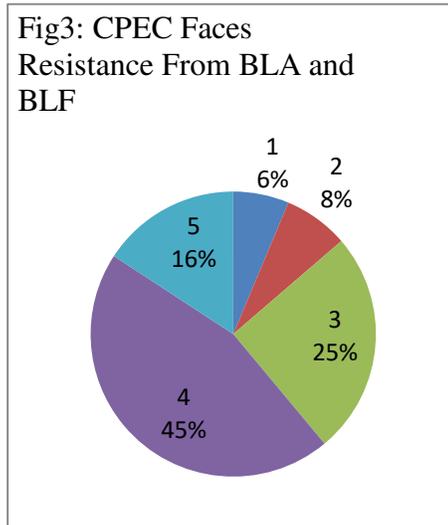


It is expected that CPEC project will face resistance from BLA, BLF and Nationalist. In fig 1, the response is shown that around 54% of people of Baluchistan feel that CPEC will face resistance from BLA, BLF and Nationalist. In fig 2 and 3, we analyzed the resistance from BLA, BLF and Nationalists separately.



The conclusion made above is again clear from figure 2 that 61% strongly agree with the statement that CPEC face

severe challenges from BLA and BLF in terms of security (Fig 3). While 42% people are of the opinion that nationalist are hurdle in the way of CPEC in

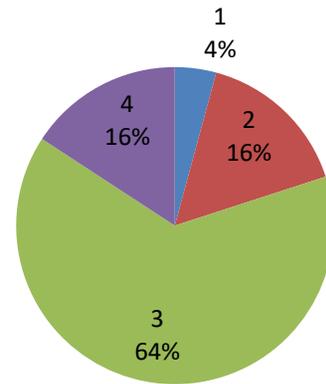


terms of security (Fig 4).

We also got response on whether India is providing financial assistance to create security threats to create hindrance in CPEC. The response of people is shown in Fig 5.

The results suggest that 64% people are neutral in India's negative impact on CPEC. Only 16% people think that India can be threat for CPEC.

Fig 5: India hindrance in CPEC



CPEC is creating many opportunities for Pakistan economy in terms of investment, energy, transportation etc. This project is a big hope for Pakistani economy which is observed by the people's response as 89% people are of the opinion that CPEC will have positive impact on economic conditions of Pakistan. We have also cross checked it by asking that CPEC will negatively affect economic growth of Pakistan, we observe following response as shown in figure 6. It is again clear that the CPEC have minimum negativity as 60% people views it a positive step to economic prosperity of the country.

Fig 6: CPEC have positive impact on Pakistan's economy

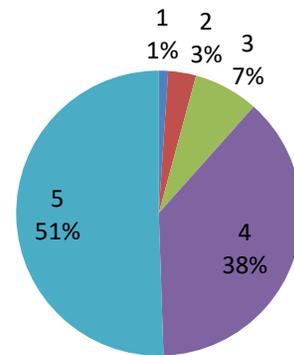
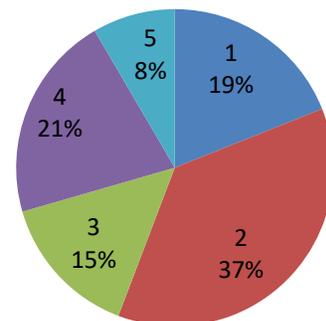
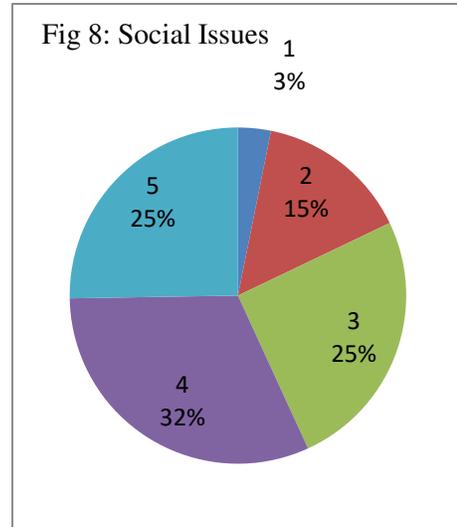


Fig 7: CPEC negatively affect Pakistan's economy



People of Baluchistan think that social issues (as migration etc.) will negatively affect CPEC in Pakistan and more than 50% of the people are of the opinion that social issues may have deterrence for CPEC. ²¹



Empirical Analysis:

In this study, we use “General to Specific method” to find the empirical results (given in Table 1 and Table 2). In this method, at first step, we use all the independent variables and exclude the variable which is highly insignificant and we repeat this process till the coefficients are significant. We follow the same process as in model 1 only sec1, sec2, res2, ind5, and iran1 are statistically significant. So we drop the variable which is highly insignificant. In model 2, 3, 4 and 5; we repeat the same process, and we reach to the model 6 where all the variables are statistically significant. The results suggest that sec2 [i.e. CPEC affects Pakistan’s internal security] has negative impact on CPEC1 [i.e. CPEC have positive impact on the development of Balochistan] and it implies that due to increase in issues regarding the internal security of Pakistan, there is 0.03 lesser probability for CPEC’s positive impact on Balochistan. It means that internal security has negative implications for CPEC1 because local Baloch community has not satisfied from the development on CPEC and China’s involvement in the Baloch region. It will also threaten the Baloch majority population into minority in Gwadar district. Furthermore, Baloch nationalist Mehran Marri Baloch representative at the United Nations Human Rights

²¹ Survey through questionnaire from Local Baloch people.

Council (UNHRC) said that CPEC is an “illegal” project. He further said that China and Pakistan have no legal right to construct on the Baloch soil. Any construction goes on is illegal and international community should object to the construction.”²² So, Baloch nationalist creates hurdles in the development of CPEC. We have also observed that there is 0.0857 higher probability for CPEC success in Balochistan due to ind5 [i.e. CPEC will have implications for Indian economy] and it is positively affecting CPEC. India wants to become Asian economic giants but China counter India’s position in South Asia. CPEC is considers as a game changer for the region it will also groomed the economies of China and Pakistan. It will further increase the Chinese influence in Pakistan. India also claim that CPEC is passes through the region of Gilgit Baltistan which is held a disputed territory of Kashmir in this way they are not legalized to passes this route from disputed territory.²³

²² <https://baluchsarmachar.wordpress.com/2016/09/20/china-pakistan-economic-corridor-illegal-mahran-marri/>

²³ Majid Mahmood, “China-Pakistan Economic Corridor- The Geo-Strategic Dimension and Challenges”, *CISS Insight: Quarterly News and Views*, 61.

Table 1: Dependent Variable: CPEC1: CPEC have positive impact on the development of Balochistan.

Variables	model 1		model 2		model 3		model 4		model 5		model 6	
	dy/dx	p-value										
sec1	0.04848	0.06600	0.04923	0.07500	0.04745	0.05200	0.04814	0.05700	N/A	N/A	N/A	N/A
sec2	-0.04937	0.03300	-0.05260	0.02600	-0.04777	0.03100	-0.04754	0.02900	-0.03767	0.08300	-0.03671	0.08600
sec3	0.01982	0.31200	0.01938	0.43300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
sec4	-0.02567	0.28700	-0.02165	0.35100	-0.01602	0.39100	N/A	N/A	N/A	N/A	N/A	N/A
res2	-0.03895	0.09900	-0.03663	0.13800	-0.03169	0.15200	-0.02729	0.15100	-0.01840	0.45400	N/A	N/A
ind4	0.01205	0.51000	N/A	N/A								
ind5	0.06725	0.01900	0.07230	0.03500	0.07123	0.04800	0.06126	0.03900	0.08176	0.01600	0.08576	0.01400
pak1	0.02370	0.14300	0.02702	0.08600	0.03552	0.05900	0.03585	0.06400	0.05435	0.00500	0.04782	0.01600
soc1	-0.02456	0.20400	-0.02616	0.16000	-0.02935	0.05800	-0.03298	0.03600	-0.03612	0.14100	-0.04557	0.03100
iran1	-0.06025	0.07500	-0.06408	0.10400	-0.06022	0.12100	-0.05917	0.14800	-0.06580	0.06800	-0.06372	0.08900
iran2	0.04159	0.19700	0.04998	0.19700	0.04623	0.22900	0.04153	0.25200	0.05129	0.09300	0.04547	0.13400
Wald chi2	40.60000		38.28000		38.29000		28.19000		34.51000		34.16000	
Prob > chi	0.00000		0.00000		0.00000		0.00040		0.00000		0.00000	
Log pseudo likelihood	-24.05264		-24.36782		-24.85643		-25.22668		-27.00750		-27.36065	

The results obtained through questionnaire also clearly indicate that people think that CPEC will affect Pakistani economy positively. Hence, CPEC should be realized and our empirical analysis suggests that positive economic situation increase the possibility of success of CPEC by 0.04. It's all depended on the secure environment for the project. Pakistan armed forces providing secure environment to the workers and Chinese labour to avoid any hurdles in the project hence the project will increase the prosperity in the region which will make the people to reap benefits of CPEC. While, Soc1 [i.e. there is loss for Baloch people if urban migration occurs in Gwadar] affect CPEC negatively and its chances are 0.05. Iran1 indicating that Iran has concerns over CPEC development and security in Balochistan and its has negative and significant implication for CPEC1 as there is increase in Iran's concern over development and security in Balochistan, there is 6% chance of increasing failure of CPEC. Mostly Baloch according to survey considers that Iran not created hurdles in Balochistan only minor chances are present that Iranian involvement in any militant activities in Balochistan because Iran also desire to participate in the mega project of CEC and takes advantages from this.²⁴ But empirical results prove that involvement of Iran in the project may negatively affect CPEC.

The Table 2 represents the results of same method of General to Specific Model, with the different dependent variable i.e. CPEC2 (Baloch people will play positive role in development of CPEC). After the repeated estimation and skipping of most insignificant variable though the estimation process, we find out that sec4, res11 res21 ind1 and trans are the significant variable in determining the role of Baloch people in development of CPEC. The Sec4, indicating the suitable situation of Balochistan regarding security is positive determining the behaviour of

²⁴ "Iran desires a role in CPEC", *Dawn* 10, September 2016.

Baloch toward CPEC. If there is sustained security of Balochistan, then the chance of positive attitude of Balochi's towards CPEC gets 7 % chance to success of CPEC.

Table 2: Dependent Variable: CPEC2: Baloch people will play positive role in development of CPEC?

variable	model 1		model 2		model 3		model 4		model 5		model 6	
	dy/dx	p-value	dy/dx	p-value	dy/dx	p-value	dy/dx	p-value	dy/dx	p-value	dy/dx	p-value
sec4	0.042118	0.418	0.048217	0.348	0.048184	0.35	0.069013	0.129	0.081432	0.06	0.070533	0.087
res1	0.069412	0.231	0.075216	0.2	0.073349	0.216	0.091533	0.099	0.087501	0.115	0.068308	0.165
res2	-0.10412	0.051	-0.10096	0.057	-0.10565	0.051	-0.10143	0.061	-0.08821	0.081	-0.0947	0.059
ind1	-0.10852	0.046	-0.11132	0.041	-0.12254	0.013	-0.11452	0.021	-0.10549	0.028	-0.10923	0.02
ind4	0.03244	0.564	N/A	N/A								
ind5	0.063861	0.329	0.065823	0.314	0.058188	0.359	N/A	N/A	N/A	N/A	N/A	N/A
pak1	-0.03563	0.563	-0.02907	0.625	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
pak2	0.05893	0.302	0.06246	0.267	0.063763	0.255	0.064245	0.248	N/A	N/A	N/A	N/A
soc1	-0.07618	0.125	-0.07461	0.134	-0.07771	0.113	-0.0718	0.139	-0.05223	0.24	N/A	N/A
trans	0.073267	0.111	0.084039	0.055	0.077029	0.065	0.084494	0.036	0.092252	0.021	0.081055	0.033
Wald chi2	19.11		19.67		19.26		17.79		18.11		16.42	
Prob > chi	0.0389		0.0201		0.0135		0.0129		0.006		0.0057	
Log pseudo likelihood	-54.76853		-54.964702		-55.063507		-55.574121		-56.281697		-57.038975	

The res1 (resistance from BLA is also influencing positive the reaction of Baloch people. If there is resistance from BLA, it would raise 6 % probability from the people perception about CPEC in Balochistan. The res2, indicating the resistance from Baloch Nationalists for CPEC, is negatively affecting the role of Balochi in construction of CPEC i.e. 9% chance of failure in developing the role of Balochi in CPEC due to intervention by Baloch Nationalists. Similarly, ind1 (India is providing financial and arms assistance to BLA and BLF) is negatively affecting the role of Balochi in success of CPEC by 10%. Whereas, the security of western route of transportation is positively adding impact of inhabitants of Balochistan in CPEC, with the theme of secure western route of transport, the role of Balochi is increasing by 8 %. To overcome the resistance from Baloch nationalist Govt. of Pakistan decided to establish a special security division for the security of Chinese workers, this force consisting of 10,000 security personnel which including 5,000 from special services group of elite who are specially trained for counter terrorism.²⁵

Potential Benefits from the CPEC

- **Diverse Investment opportunities**

CPEC will help in bringing foreign investment in Pakistan. This trade route will provide easy access and as a result investors will feel easy and secure to trade over here.

China will have access towards Arabian Sea. This will help China in trading as route will be shortened.

Central Asian countries will find a way to make money by connecting with other parts of the world.

²⁵ Priyanka Singh, "The China Pakistan Economic Corridor and India" *Institute of Defence Studies and Analysis*, 07 May, 2015.

- **Regional connectivity**

CPEC will help Pakistan connecting with Central Asian countries. These countries are hard to access otherwise. The link with these resources rich countries will help Pakistan boost its economy.

- **Industrial Cooperation**

Short and economic route will help Pakistan to develop its industry by importing in the RAW materials from Central Asia and Afghanistan. China is rich in industrial field thus giving him an upper hand to spread its products.

- **Financial Cooperation**

It will be easy for the countries to share wealth and resources to use them for mutual benefits. In this way nations will help each other develop their economies

- **Agricultural Cooperation**

There are some crops that are indigenous to some areas and are not found in others. Connecting these areas will help in stabilizing economies and eliminating the shortcomings of this field.

- **Tourism**

Pakistan, China and Central Asian countries are gifted with mesmerizing sites. The only hurdle is safe and comfortable access. This project will help people visit these areas. As a result, these nations will get a chance to enhance their economy.

- **Educational linkage**

Pakistan and China are relatively better in the field of studies. This will give students of Central Asian Countries a chance to flourish in the field of studies.

- **Human resource development**

By connecting different regions of the areas we will be able to manage the resources properly. Some parts of Pakistan are full of natural resources such as coal. In the same way Central Asians have a rich asset of oil. We will connect these resource rich areas with resource deficient areas.

- **Health Care**

Medical facilities can be improved and easily accessed due to linkage of far off areas. We can be able to use and know about the treatment techniques of different areas.

- **People to people contact**

CPEC helps in bringing different cultures together. As a result it can help in eliminating the hatred in people's mind and keep them close to each other.

- **Increase in livelihood opportunities**

By connecting backward areas with economically rich countries we will bring stability and betterment in the life of the individuals.

- **Enhance Security and stability of the region**

Pakistan is making and recruiting new force for the safety of envoys passing through this route. This will help in bringing peace in this area. Even Afghanistan and Central Asian Countries can be saved from the evil of terrorism due to availability of resources.

Conclusion

To sum up, CPEC is the largest joint venture in the history of bilateral ties between China and Pakistan. CPEC is aimed to connect China and Pakistan through land routes and railways for economic integration purposes. The project would benefit both China and Pakistan economically and strategically.

As far as, China is concerned, the project would prove China with access to the Central Asian, Middle Eastern and European markets. The trade activities of China would be accelerated by the project; thus, strengthening the Chinese economy. In addition, the project would provide more secure and reliable passage to Chinese trade activities as compared to Indian Ocean route where China is surrounded by American Allies. On the other hand, Pakistan would get infrastructural development, in addition to countering its energy crisis. Pakistan would also get revenue as the passage would yield transit fee. It would also increase trade activities as industrial zones are in the process of establishment around the CPEC routes.

Although the project is fascinating and expected to yield numerous benefits to both Pakistan and China but there are certain factors which are trying to obstruct CPEC. The most important concern or hurdle in its way is internal instability and security situation of Pakistan. Politically, there are growing civil military tensions at the apex. It creates an environment of uncertainty. Due to this, Chinese Premier has once delayed his visit to Pakistan. The weak democracy and ineffective leadership would remain unable to fully exploit the benefits of CPEC. Growing corruption and demand of accountability and *Dharna* politics are weakening the democratic culture.

In addition to the internal instability, the country faces the vitriolic challenges of extremist, sectarianism, separatism and terrorism. The very origin of the project, Gwadar or Balochistan province is plagued in instability and uncertainty due to activities of Baloch Liberation Army (BLA) and Baloch Liberation Front (BLF). These nationalist organizations are funded by the foreign secret agencies to spur separatism in the province. The separatism and subsequent military efforts to restore the state writ has created a situation of civil war in the province making it vulnerable to insecurity.

The security challenge is acute and challenging the mega project. There is a great need to adopt and implement vigorous security plans to ensure internal security and stability. The government of Pakistan is well aware of the need and has taken certain steps to counter the challenge. It is building Special Protection Unit (SPU) and Armed Division to secure the corridor from any kind of threat. The government is trying to get the alienated Baloch leaders on the same page. They are making efforts to share political power with the Baloch leaders. Pakistan army is carrying on military operation in tribal areas to suppress the insurgent elements within the country. These steps are praise worthy; yet, still there is a long way to go. The vigilant and strong security policy will ensure the peace and stability, which would in turn facilitate the pace of progress and prosperity.

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