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C.CPEC's Entry Point: Gwadar

1.Developing Gwadar

Purchased by Pakistan from Oman in 1958, Gwadar is a fishing town on the Arabian Sea not far from the Iranian border. General Pervez Musharraf's military regime (1999-2008) sought assistance from China and other countries to develop the town into a modern deep-sea port, along with a master plan for refineries, power plants and industrial estates. The Port of Singapore Authority assumed control over Gwadar port in January 2007, and inaugurated it in March that year. Gwadar subsequently became integral to CPEC, with proposed energy pipelines, and road and rail links connecting it to China's Xinjiang province through Gilgit-Baltistan via the Karakoram highway, aimed at turning it into a bustling commercial hub. In a November 2017 then federal minister for ports and fisheries, confirmed that China would receive 91 per cent of Gwadar port-generated profits over 40 years and the Gwadar Port Authority, controlled by the federal government, the remaining 9 per cent; Balochistan's provincial government would get nothing. The Port of Singapore Authority, the previous Gwadar port operator, had the same lopsided terms but many local officials and business community representatives believed that Islamabad should have renegotiated them with the Chinese operator. In November 2015, the China Overseas Ports Holding Company-Pakistan assumed control over Gwadar's free trade zone. Gwadar suffers from acute water and electricity shortages, major challenges to transforming it into a commercial hub. Iran exports electricity to Gwadar, but outages can extend up to ten hours a day. With pipelines running dry, privately owned tankers supply water at high prices. Attacks on tankers carrying water from the dam to Gwadar have provoked strikes by owners and drivers and strikes in thirsty Gwadar's markets and businesses. Gwadar's apparently limited commercial potential is raising suspicions about China's real intentions.

2.Leaving Gwadar's Communities Behind

Alienation is fast increasing as locals in Gwadar's inner city fear their homes could become the first casualty of the CPEC port and free (trade) zone project. While the Gwadar city master plan has yet to be finalised, according to several Gwadar officials, the federal government plans to expropriate land, bulldoze the old city and resettle residents; it is already prohibiting the Gwadar Development Authority from allocating any funds for the inner city's development. A state-led land expropriation is now underway in and around Gwadar under the 1894 Land Acquisition Act, including over 2,200 acres for CPEC's free trade zone, with an estimated 290,000 acres of land required for Gwadar city and 160,000 acres for residential purposes. Instead of improving the lives of locals, CPEC's presence is depriving them of their livelihoods. Local fisher folk and other stakeholders say the project will close Gwadar's jetty. Fisher folk, whose daily catch provides them just enough to feed their families, already have been denied access to the sea for days on end on security grounds. Locals also resent exclusion from employment in the port and in construction. Many criticise the military-run Frontier Works Organization, which dominates construction contracts in Balochistan and elsewhere, for using labour from central and northern Punjab.

3.Gwadar and the Baloch Insurgency

Over the past two decades, Baloch alienation has reached new heights. During Musharraf's regime (1999-2008), the military and paramilitary Frontier Corps attempted to suppress Baloch dissent, abducting, torturing and killing hundreds. The state has made few attempts to address Baloch calls for greater political and economic autonomy, which underpin the insurgency. It has also failed to prevent various jihadist groups, including Lashkar-e-Jhangvi and Lashkar-e-Tayyaba/Jamaat-ud-Dawa, from expanding their presence in Balochistan. With animosity toward Islamabad heightening, Baloch insurgent groups such as the Baloch Liberation Army have condemned CPEC projects as another attempt by the state to exploit Balochistan's resources while giving little back to the province and its citizens. Frequent killings of police and paramilitary personnel – by both Baloch insurgents and jihadist groups – including in normally safe areas such as the provincial capital Quetta, have raised questions about whether the state, even with a heavy military and paramilitary presence, can maintain security. Even if such attacks do not deter Chinese enterprises, they could be used to justify an even greater security presence, which, in turn, would risk feeding Baloch dissent and fuelling the insurgency.

V.Punjab and Sindh: Land Grab in the Heartland?

The CPEC Long-Term Plan outlined a focus on agricultural modernisation, setting as goals, among others, "to strengthen agricultural construction" and "to promote the systematic, large-scale, standardised and intensified construction of agricultural industry". While CPEC advocates expect that Pakistan's "untapped agricultural potential" can be realised through such cooperation with China, there is still little clarity about CPEC's agricultural component. Moreover, CPEC's focus on agricultural development could result in opposition similar to that in Gwadar in other parts of the country, including in the Punjab heartland and Sindh, where most land is privately owned. Chinese agricultural projects in Central Asia have sparked protests over agricultural deals and reforms perceived as friendly to Chinese enterprises. The same could occur in Pakistan.

A. Agricultural Cooperation: Punjab's Challenges

Any ambitious agricultural modernisation project will require the acquisition and consolidation of large tracts of cultivated or cultivable land but such state-owned lands are in short supply. Small farmers own much of central Punjab's cultivated agricultural land, the most fertile in the country. There are large private landholdings in southern Punjab and Sindh but these are the currency of political fortunes; landowners would risk losing political influence should they sell up. But the availability of such land, and the provision of quality inputs and guaranteed prices, could attract entrepreneurs seeking to maximise profits in a short timeframe with little interest in the long-term viability of such projects. Large-scale displacement and dispossession, were they to accompany CPEC agricultural projects, would increase social and political tensions. Tenant and small farmers have resisted past attempts by the state to deprive them of their land or their rights to cultivate it, a notable example being the mobilization of tenant farmers on military-run farms in Punjab's Okara district, a dispute that has lasted for years. There are three broad categories of land ownership: individual; collective (ten or more owners); and land whose transfer or sale was not completed officially and whose ownership and property rights therefore are not clear. Tenants and farmers on land in the last category are particularly vulnerable to expulsion. According to the Land Acquisition Act of 1894, under which the state can acquire land "needed for a public purpose or for a Company", compensation is only given to formal owners of land, and excludes tenant farmers and those without deeds.

B. CPEC and Sindh's Tharparkar District

Sindh's impoverished Tharparkar district is the site of Pakistan's largest coal mining and power project, now a high-profile element of CPEC. The CPEC envisages mining thirteen blocks, covering 9,000 sq km, and doing so will likely displace many locals. As speculators enter the property market, many locals also could sell their lands and join the ranks of the unemployed. This reliance on coal for power projects will also pose serious environmental risks. One component of the Tharparkar mining and power project, run by a Pakistani multinational firm, provides a model for mitigating the disruptive effects of such development by giving locals stakes in the enterprise. The firm, which has the contract for one of the thirteen blocks, mainly employs locals on the mining site, with Chinese workers only providing technical expertise. It is building model villages, including homes, places of worship and markets, to resettle some 450 displaced families, and making long-term investments in skills development, training, jobs, education and health, including for women and girls. Tharparkar is one of the few regions in Pakistan with a Hindu majority and has a sensitive location bordering India. As a result, locals claim, security agencies doubt their loyalty to the state. As in Gwadar and Gilgit-Baltistan, the security presence is overbearing, with agencies keeping a close eye on activists and others that question CPEC developments. In late 2016 and 2017, enforced disappearances of activists and journalists in the district became common. Some observers suspect that opposition to CPEC was a factor. Stifling democratic debate could result in anti-CPEC sentiments assuming a far more hostile form in the future.

VI. Conclusion

If properly carried out, CPEC could promote economic development and growth and thus have a profound impact on Pakistan and its citizens. Unless there is a serious rethink in policy circles, CPEC could inflame tensions between the centre and federal units, and could trigger or worsen conflict within provinces. To avoid such outcomes, Pakistan's CPEC projects and programs should be guided by diligent planning and policy. Islamabad should determine the direction of Pakistan's CPEC policy, based on its – and not Beijing's – economic and political interests. It should place CPEC in the context of a broader strategic vision for modernizing its economy in ways that do not destabilise the polity. Beijing and Chinese companies face a steep learning curve with CPEC, but many problems could be mitigated through consulting and engaging the full spectrum of Pakistani stakeholders, from competing elites to the grassroots, and conducting comprehensive risk and political analysis to balance competing priorities. Efforts to ensure benefits are shared equitably need to be complemented by effective and extensive communication to illustrate common interests.

As Pakistan's democratic transition approaches another milestone, with a second consecutive elected government completing a full term and a successor assuming power in August 2018, the new parliament should seize the opportunities of a fresh mandate by shaping public debate on CPEC, and informing government policy. That policy should have the well-being of Pakistani citizens at its heart, rather than treating it as something that can be negotiated away in the pursuit of mega-development or perceived strategic interests.

Appendix B: Acronyms

CPEC- China-Pakistan Economic Corridor
SEZ-Special Economic Zones
FATA-Federally Administered Tribal Areas
ETIA-East Turkistan Islamic Movement
BRICS-Brazil,Russia,India,China,South Africa.

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