

The Star of CPEC- Analyzing the hurdles to Gwadar's Development

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Abstract: Ever since the launch of CPEC, Gwadar has gained extreme importance for Pakistan. The plans for it are marvelous but the journey from a small fishing town to a transnational shipping hub is long and riddled with obstacles. This research focuses on identifying the challenges, and their consequences and analyzing potential solutions. This qualitative research considers secondary data from a variety of research papers, articles, and official websites. This research concluded that most challenges to Gwadar's development are born out of a communication gap between the federal government and the locals. The problem lies in the people of Balochistan – Gwadar in particular- not being involved in the policy design process. Furthermore, some challenges are a consequence of neglecting sustainability of different aspects of CPEC and the desperate need of contingencies. If the challenges discussed in this research aren't dealt with effectively, they will be detrimental for the optimal working of Gwadar as the star of CPEC. To ensure that it is not the case, the CCI should be used effectively to reach mutual terms between the center and Balochistan and a timeframe needs to be implemented for development benefits to reach locals. It should be ensured that the interests of the locals don't get buried under the international ones.

Key Words: Gwadar, challenges, development, security, energy, ideology

i. Introduction

When Pakistan came into being, the fishing town of Gwadar on the coastline of Balochistan, used to be owned by the Khan of Kalat. He then gave it to Taimor Sultan who was once a ruler of Muscat in 1983 but Pakistan purchased it from Oman two years later and it officially became a part of Pakistan in the last month of 1985 (District and Session Court Gwadar, n.d.). Gwadar was thrown into the limelight in 2015 when its development as a deep-sea port became the focal point of the China-Pakistan Economic

Corridor which is the basis of the Belt and Road Initiative of China but challenges of different disposition and scope with a variety of consequences have marred the development of Gwadar.

ii. Literature Review

There are several on-ground obstacles that need to be addressed to improve the development of Gwadar. While numerous roads have been built under the China-Pakistan Economic Corridor (CPEC), the road network is still insufficient, particularly in terms of vehicular connectivity to China, Central Asian states, and Afghanistan. Additionally, Gwadar, despite being a deep-sea port on reclaimed land, lacks sufficient guiding channels and berths to accommodate a large number of ships, and its ship-handling capacity is generally low, especially when viewed as a potential transnational shipping hub. Furthermore, the implementation of policy agreements is lacking, particularly in terms of basic utilities such as water and electricity that are essential for Gwadar's development (Haider, 2021).

From the local perspective of Balochistan's residents, CPEC is not perceived as an economic savior for the region or the country. Instead, it is viewed as a strategy to exploit the province's resources and the potential wealth it will generate in the future. Given the historical handling of Balochistan's resources, primarily natural gas, by the federal government, CPEC has raised concerns among the Baloch people. Their skepticism and opposition are evident through their actions, which are seen as a significant obstacle to Gwadar's development (Aneja, 2006).

UAE's landscape is predominantly desert, with groundwater meeting only 1% of the population's needs. The remaining water requirements are fulfilled through desalination of seawater. However, the cost of desalinated water is higher, ranging between \$1-2 per gallon compared to groundwater (Anonymous, 2008).

During Imran Khan's tenure, Pakistan and China signed an Implementation Agreement, in which China committed to establishing a desalination plant for water and a solar generator in Balochistan (Faisal and Khurram, 2021).

Balochistan, Pakistan's least populated province, has the lowest annual consumption of petrol and natural gas but a notably higher electricity consumption rate at 5.25%. The province generates a mere 650 MW

of electricity, primarily from natural gas. A study facilitated by USAID in 2007 identified Nokkundi and Chagai areas of Balochistan as ideal regions for wind energy harnessing. The same study indicated that Balochistan has the highest potential for solar energy generation in Pakistan, with the capacity to contribute a substantial 1.2 million MW to the national power grid (World Bank, 2013).

Gwadar is home to over 70 mapped societies, although some lack the necessary No-Objection Certificate (NOC) from the Gwadar Development Authority, and the development of residential sectors has been slow. The Gwadar Development Authority's primary focus is on making the port operational, with residential development on the horizon (Anonymous, 2023).

A 2019 survey conducted by the Pakistan Social and Living Standard Measurement showed that although Balochistan's average household income had increased by 21% since 2014, it remained the lowest in the country compared to other provinces (Money, 2020).

One significant obstacle to Gwadar's development is the ideology and actions of the Balochistan Liberation Army (BLA). The BLA's core objective is to eliminate foreign influence and establish a separate state of Greater Balochistan while opposing the exploitation of Balochistan's resources. The BLA vehemently resists CPEC and launches attacks against Chinese nationals working on government-mandated projects in Balochistan. These attacks have extended to government employees, teachers, police, and army personnel. The anti-foreign terrorism attacks by the BLA include the suicide bombing of the Confucius Center at Karachi University (Younus and Ahmed, 2022).

A prominent personality within the BLA, Brahamdagh Khan Bugti, has openly advocated violence against non-Balochis, both locals and foreigners. This has resulted in violence targeting individuals of Punjabi ethnicity, including those with multiple generations of residency in the province. In addition, attacks on foreigners, especially Chinese nationals, have increased, with notable incidents such as the attack on the Chinese consulate in Karachi. Moreover, Quaid-e-Azam's house in Ziarat was set ablaze (Stanford University, 2019).

A significant protest was organized in Gwadar, driven by concerns about competition in the fishing industry. Chinese fishing vessels using harmful fishing nets have threatened the livelihood of the 65% of the local population dependent on fishing. Additionally, the port's development has made daily life more

challenging for locals due to increased security checks and a lack of access to basic utilities like electricity and clean water (Aamir, 2021).

Furthermore, the federal government claims that 91% of the profits from the Gwadar port will go to China in alignment with their investment. However, locals argue that they should receive 98% of the revenue, with the remaining share going to China (Aamir, 2021).

iii. Research Design and Analysis Approach

This research was conducted using secondary data and the research design adopted is a combination of descriptive and diagnostic designs of research. In lieu with this, different sources of literature along with reports of work done by international organizations and data from government associated websites was used in order to analyze the reasons behind the challenges to Gwadar's development and possible course of action for these hurdles.

iv. Analysis of Challenges to Gwadar's Development

a. Deficits in Infrastructure and its Planning

The path to the development of an area is fraught with challenges, and one of the key obstacles to Gwadar's development is the lack of an extensive road network—essential for realizing its envisioned success. Before international interests in Gwadar escalated, it was an extremely remote location, and the level of development in Balochistan is insufficient to support Gwadar's growth. Most construction materials and equipment need to be imported from elsewhere. Furthermore, Gwadar's potential as a major hub depends on its connectivity with Central Asian states, Afghanistan, and China. Under the China-Pakistan Economic Corridor (CPEC) framework, a total of 24 transport infrastructure projects were planned, but only six have been completed, five are under construction, and the rest have a long way to go before they are realized (Ministry of Planning, Development & Special Initiatives, n.d.). This limited progress suggests that the development that locals desire, within their desired timeframe, is logistically and politically challenging.

Concerns also arise regarding CPEC's reliance on land-based transport infrastructure. These concerns revolve around climate change and the complexity and uncertainty it introduces into socio-economic and

political aspects of society. In 2022, Pakistan experienced severe flooding due to climate change, setting the country back by five years. The issue is that such events are likely to recur, and CPEC's core infrastructure must be redefined to address the constant threat of natural disasters. Contingency plans need to be developed to enhance CPEC's capacity to cope with road damage caused by landslides and floods. Both the north and south of Pakistan are susceptible to flooding, and Balochistan is prone to flash floods, especially during western depressions.

Furthermore, an evaluation of the facilities at Gwadar port indicates that its development is not progressing at the expected pace. When compared to international ports it is meant to compete with in the future, Gwadar falls short in its ability to handle marine vessels effectively. It lacks sufficient guiding channels, berths, docking bays, and other necessary elements for the safe navigation of cargo vessels. Additionally, there is a notable absence of offices for shipping companies and storage facilities capable of handling large volumes of goods. This raises questions about Gwadar's ability to function as a transnational shipping hub and manage the anticipated trade volume.

b. Mindset of the Balochis

Furthermore, one of the most significant challenges to Gwadar's development arises from the sentiments prevailing among the Baloch people. Balochistan has historically been the least developed province in Pakistan, characterized by minimal acculturation and limited progress in political and economic development. During the early decades of Pakistan's existence, policies such as the One Unit policy, and the pursuit of power centralization by ambitious politicians and military leaders, had detrimental effects on national integration. These policies led to the misallocation of resources and the exploitation of resources for the benefit of a select few. While the 18th Amendment and the 7th NFC Award took significant steps towards decentralizing power, there remains an ongoing conflict between the central government and the federating units, particularly over the utilization, management, and distribution of natural resources like natural gas.

In this context, the Baloch people hold deep skepticism regarding the benefits of the China-Pakistan Economic Corridor (CPEC) for their region. The prevailing belief among them is that CPEC is merely another means for the central government to encroach on Baloch autonomy and exploit their resources. This outlook has put them on edge, leading to expressions of rebellion, resulting in social and political unrest. Such unrest is detrimental to Gwadar's development. Furthermore, it raises significant questions about the government's efforts to address their concerns and why the Baloch people are not adequately represented in discussions. Protests and militancy can be suppressed temporarily, but the long-term implications need to be addressed.

c. Utilities

Furthermore, the significant challenge to Gwadar's development is the scarcity of water. The people of Gwadar were promised that the China-Pakistan Economic Corridor (CPEC) would bring positive changes to their lives. However, despite the emergence of numerous housing societies and ongoing work on the port and airport, the lives of the local residents in what was once a small fishing town have seen little improvement. In their protests, these people have emphasized their dire need for water. In the present day, access to water should not be an issue for a coastal town, as desalination technology is commonly used worldwide to meet water requirements. The United Arab Emirates serves as a notable success story, where desalinated water not only fulfills the people's needs but is also used for electricity generation and industrial purposes.

Pakistan and China signed an agreement for a desalination plant, but its implementation lacks a strict timeframe and remains uncertain. The city and its people require water for development today. Property owners in Gwadar can only develop their investments when water is readily available. The influx of people is necessary for the area's social development, including education, healthcare, and other essential services. Those visiting Gwadar for various purposes, including commercial activities, currently rely on bottled water brought from outside, which is not a sustainable solution. Thus, the shortage of water and delays in policy implementation are more significant obstacles to Gwadar's development than they may

appear from a distance.

Additionally, Pakistan's energy crisis remains a persistent challenge to its development. The country's cyclical debt and reliance on imported furnace oil for electricity production hinder progress. Pakistan possesses substantial potential for sustainable electricity generation through renewable resources, but allocation of funds and attention is required. The existing 650 MW produced in Balochistan relies on natural gas, which is an unsustainable source. The natural gas crisis in the country is akin to the electricity crisis, with people protesting against gas load-shedding, especially during winter when they struggle to heat their homes and cook.

To make matters worse, the gas crisis has escalated to the point where even urban areas receive limited gas supply in the summer. It seems counterintuitive to use such a scarce resource for electricity generation when Pakistan has significant potential for harnessing wind and solar energy to bridge the energy gap. USAID identified regions where it's most feasible to harness these renewable energy sources, including the Nokkundi and Chagai areas in Balochistan. Balochistan receives abundant sunlight, and if harnessed, it could contribute over a million megawatts to the national grid.

The challenge lies in the rugged landscape of Balochistan, making it challenging and costly to provide basic amenities like electricity to its scattered population. However, establishing wind and solar energy plants within Balochistan would simplify logistics and reduce costs, thereby improving the quality of life for the residents and alleviating their concerns regarding central interference through CPEC. For example, healthcare facilities can't provide a high level of care without access to facilities such as X-rays, MRIs, or surgery equipment. Thus, the lack of electricity poses a major obstacle to Gwadar's development.

d. Development of Gwadar as a City is Not a Priority

Furthermore, the primary focus of the government and CPEC authorities is centered on developing the

infrastructure required to make the port operational. However, the city itself demands development and attention. The lack of attention to the city's needs has left its residents feeling restless. As previously mentioned, without the development of the residential sector and an influx of new residents to settle in Gwadar, the locals will continue to experience a very low standard of living.

Moreover, the majority of Gwadar's population is in a state of poverty. While the average income in Balochistan has increased since 2014, it is still far from reaching a level where people can afford to purchase property in Gwadar. As a result, the individuals who have invested in land in the 70+ housing societies mostly come from other provinces.

e. Working of the Balochistan Liberation Army

Moreover, actions are often born from intentions, and the way people think and the beliefs they hold have a significant impact on the course of their future. For example, the American Civil War was rooted in ideological differences among the people, the French Revolution was driven by evolving thought, and the creation of Pakistan was deeply tied to the ideology of the sub-continent's Muslims. It's safe to say that having a strong faith in your cause is one of the most powerful weapons in your arsenal, and the ideology of a faction in Balochistan is a major obstacle to Gwadar's development.

The Balochistan Liberation Army (BLA) has persisted for a considerable period, and their actions over the years reflect their continued presence and their unwavering commitment to their beliefs. Throughout Pakistan's history, separatist movements have emerged in Balochistan repeatedly. Political mismanagement and vested interests have fueled this fire. Decades of misunderstandings are now manifesting in the form of the BLA, which seeks to establish a separate state and protect itself from foreign and non-Baloch interference. One contributing factor to this sentiment is the lack of Baloch representation in major initiatives like the China-Pakistan Economic Corridor (CPEC), leading to significant resentment. Additionally, disputes over natural resources have exacerbated the situation, convincing Balochis that they must defend themselves against outsiders. While Pakistan belongs to all Pakistanis, the growing regionalism has led the BLA to advocate for what amounts to an ethnic cleansing of Punjabis in Balochistan, despite many of these families having been settled there for generations.

The BLA has long aimed to prevent foreign intervention, and the approval of CPEC by the federal government was mishandled, as it was precisely what the Balochis did not want. The government should have addressed their concerns and ensured that the Baloch locals would benefit substantially from the project, as progress in any part of Pakistan benefits the nation as a whole. There is a narrative suggesting that the presence and actions of the BLA itself indicate foreign intervention in Pakistan's affairs to foment domestic unrest and deter expected foreign direct investment.

Furthermore, the BLA's history of terrorist activities, particularly targeting foreign nationals, especially Chinese, reveals their strong xenophobia and fear of exploitation. Pakistan's military has often had to provide protection for Chinese companies and nationals working on various aspects of CPEC in Balochistan. This raises concerns about the project's sustainability because nothing disrupts the economy like political unrest, and it's uncertain how long the military can maintain security for CPEC given the enduring Baloch sentiment. Suppression of disorder and dissent is not a permanent solution.

With the security situation remaining a significant concern, investors in Gwadar may not see returns on their investments. Other countries and shipping corporations may also be skeptical about using the Gwadar port as a transnational shipping hub due to concerns that groups like the BLA could jeopardize CPEC's operation. Such uncertainty surrounding CPEC's future raises questions about whether the development of Gwadar will proceed as intended or face ongoing setbacks, like the bombing of the Confucius Center. These challenges created by the BLA stand in the way of holistic development in Gwadar.

f. Pitting of Local Interests Against the Chinese Interests

Furthermore, one aspect of Gwadar's development is that it pits the interests of the local community against those of the Chinese. Historically, Gwadar has been a small fishing town, far removed from the grandeur of development, and fishing has remained the primary profession of the locals, even to this day. One of the significant interests the Chinese have in Gwadar is its potential for seafood exploitation, which they have already begun. Pakistan's relatively lax environmental sustainability laws provide the Chinese with leeway to overfish, using small-holed fishing nets and trawlers in the waters off the coast

of Gwadar. This has become a major cause of concern for the local fishing community.

This challenge arises because the people of Gwadar build their own small boats and craft their own nets. Fishing has been their primary source of income, and they strive to fish in a way that does not harm their source of food and future earnings. Chinese fishing practices take the majority of the catch in the area, and the local population is suffering due to the diminishing catches and the potential long-term impact of increased Chinese fishing. As a result, the people of Gwadar have staged protests to address this legitimate issue. If it means being left without means of sustenance, the people are likely to agitate in the future to protect their community.

Another major challenge is rooted in the clash of interests between the Balochis and the Chinese. The profit-sharing arrangement agreed upon by the federal government with China, with 91% going to China, represents one extreme end of the spectrum. At the other extreme are the demands of the locals who vehemently argue that they should receive 98% of the profits, leaving only 2% for China. The fundamental issue with this situation is that these terms should have been open for discussion from the outset, with proper representation of Baloch interests during the government's cost-benefit analysis.

The people of Balochistan already felt exploited, and when the government presented the profit-sharing percentages, it deepened their misgivings about the entire concept of the China-Pakistan Economic Corridor (CPEC). It solidified their belief that their resources would be exploited in the name of development while the locals would suffer and receive minimal benefits. In response to one side's outrage, the locals responded with an even more imbalanced profit split. This situation leaves China questioning why it would invest billions in another country if it were to receive only 2% of the profits. The locals express the sentiment that they view investment in Gwadar as a means to disempower and colonize them, and the proposed profit-sharing percentages further reinforce this belief.

g. Disrupting the Lives of the Locals

Other than that, the development of Gwadar has made lives of the locals quite difficult and a large part

of it stems from the security concerns discussed earlier in this research. On one hand security is a necessary evil because of the constant threat of terrorist activities but at the same time, commute becomes taxing and hellish for the locals who are stopped at various checkpoints and made to prove their identity. This was also a cause for protest because it makes the innocent locals feel that they are the ones at fault.

v. Findings

Development in its true essence emerges as a result of long-term planning, thinking decades of time that exists at the moment. While Pakistan has been banking on the economic potential of what China-Pakistan Economic Corridor could amount to over time, the journey to that point has not been planned for, hence, majority of the challenges posed to the development of Gwadar. Policies related to the development of Gwadar lack the perspective of viewing it as a city where the locals have lived for countless years and fail to operationalize things that would turn it into a city where settlers would actually want to live.

Moreover, the grievances of the people of Gwadar and Balochis on the whole and the psychological and economic factors behind their current mindset is also one of the major root causes which is birthing further challenges to the development of Gwadar.

Also, the way that the national governments have been monopolizing the decision-making process has further worsened things and a put a crack in national integration which needs to be repaired quickly.

vi. Conclusion

In conclusion, the challenges to Gwadar's development are quite a lot and vary in terms of their domains, ranging from political ones, economic ones; defense related ones to environmental and social ones. This research shows that majority of these challenges have risen due to a lack of effective communication between the federal and the provincial government of Balochistan and the people being most affected by the international interest in Gwadar were not given a seat at the table and involved in the decision making process. Some challenges like the effects of climate-induced natural disasters on the road network and the sustainability aspect of the access that China has been given to Pakistan's marine resources are unresolved as yet and the framework does not answer them either. As long as the challenges mentioned

in this research are not addressed, they will keep popping up in the future and raise question marks on the operationalization of Gwadar as the pinnacle of CPEC.

vii. Recommendations

- The federal government should try to systematically bridge the communication gap with Balochistan on all things Gwadar and CPEC and actively use the Council of Common Interest to reach mutual understanding and develop a workable solution that all stakeholders are satisfied with.
- Pakistan should shore up on environmental laws that will bring the socio-economic practices of individuals and companies in compliance with the international standards of sustainability. Heavy penalization should be sketched out to ensure that these laws will be followed through because if nothing is done about it, it will be the people of Pakistan and Pakistan itself which will ultimately suffer.
- A strict time frame needs to be established for the development of wind and solar energy plants in Balochistan so that people can be gainfully employed and the Balochis can start seeing how the development of the region will benefit them firsthand.
- The facilities of the Gwadar port need to be developed to a much larger extent and the standard of services needs to be upgraded manifold in order to compete with other leading international ports.
- The social infrastructure of Gwadar needs to be improved so that it can ease the lives of the locals along with speeding up the process of development at large.
- Both the locals and the federal government need to negotiate and reach a solution to the conundrum over profits that would not jeopardize the growth of the locals nor compromise on the returns that China gets on its investments.
- Since the way of handling BLA until now is not very sustainable, the issues of Balochis need to be effectively addressed so that they can see BLA as wrong for what it is doing and they should not in fact, rally behind it.

- The government should ensure that the locals will get a majority share in the job opportunities that the development of Gwadar is providing so that they get integrated into the process rather than being spectators not gaining anything out of it.

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