



**RESEARCH PAPER**

**Socio-economic Expectations of China Pakistan Economic Corridor (CPEC) at Business Community Level. A Case Study of Lahore's Four Markets, Pakistan**

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**ABSTRACT**

Development and projects brings the prosperity to the communities. Especially mega projects can become the cause of development not only for communities also for marginal groups of the society. These projects make the standard of life higher, alleviate the poverty, controlling the crimes, enhancing the power of state, and upgrade the level of small-scale industry and improving the GDP of states. With this mega project first of all sea port is going established an important port moreover many roads, pipelines, dams, transportation and electric companies in Pakistan. Development induced new innovations, acculturations, cultural diffusions and socio- economic positions of local communities. Lacks of adequate agreement often make the marginal communities homeless and jobless for the rest of their life. Qualitative research design was used and sample was taken through non probability purposive sampling technique. Semi-structured, in depth interviews were conducted with 8 local businessmen of Lahore who were working with Chinese production and directly gaining products from China. By using thematic analysis 8 themes were came out with 3 subcategories. With CPEC they get more benefits, easy transportation, easy access of doing business and acculturations. Local businessmen showed great interest in CPEC project and they are fully excited to enhance their business with this mega project. Business community should be motivated for supporting their business with easy rules and regulation with this mega project.

**Keywords:**      Development of CPEC, Local Business Community, Perception, Socio-Economic Expectations

**Introduction**

China Pakistan Economic Corridor (CPEC) is a development project between both countries, which is going to develop in infrastructure, pipelines, transportation and in energy projects. This project is stated from 2013 and will complete in 2030. This project is started from Gwadar port Baluchistan, Pakistan to China's North area Kashgar, Xinjiang. According the tribune express of 2017 total expenditure is \$62 billion expected. Total cost of money is spending from Chinese side so they will get more benefits from this project. People of Pakistan are believed that CPEC is a game changer for Pakistan as well whole region. Many national and international companies will contribute their business here. It is expected CPEC development will improve the infrastructure of Pakistan, alleviate poverty and more local people will get more opportunities of jobs creations (Institute of Engineers, 2017).

Many projects like pipeline, railways lines, power plants, transportations and infrastructure will develop the economic zones. It is clearly expected energy crises will resolve due to the CPEC project. Lower level communities will enhance the level of life. Small

scale industry will get easy access of development due to CPEC. Gwadar is the key of economic zone for Silk Road. Local industry can be boos up with this project in Pakistan. In the first phase of CPEC Gwadar international airport established. High levels of hotels are going to establish in Gwadar as well other connected areas in Pakistan (Ijaz, 2015).

Main meaning of project is to forecast the net impact of CPEC it is estimated early harvest and medium term project which is in short time going for special welfare for all Pakistan. Spiciest zone of development education, electronic, energy crises, housing and infrastructure. Main focused of study is depending on districts base which have three routes western, eastern and central (Muzaffar, et. al. 2018 & Bengali 2015).

China-Pakistan Economic Corridor is a framework of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, India, Central Asian Republic, and the region. The enhancement of geographical linkages having improved road, rail and air transportation system with frequent and free exchanges of growth and people to people contact, enhancing understanding through academic, cultural and regional knowledge and culture, activity of higher volume of flow of trade and businesses, producing and moving energy to have more optimal businesses and enhancement of co-operation by win-win model will result in well connected, integrated region of shared destiny, harmony and development. China Pakistan Economic Corridor is journey towards economic regionalization in the globalized world (Rahim, et. al., 2018).

### **Literature Review**

Ruilian et. al. (2018) argued that CPEC is playing a bridge head role for the development of china. Especially this is related to BRI which one is a mega project for China. China will work with Pakistan on energy, pipeline, rail line, infrastructure and so many other development sectors. They explained social and environmental impacts which are important to be focus. There are some positive and negative impacts which they measured to used Delphi technique method. They found some macro and micro risks during the process of CPEC. Macro risks are include in politics, safety and law risks while micro risks include in ethnic benefits, religious beliefs, language and cultural issues. They mentioned social and environmental issues can happen during CPEC process. According the detail of this research main point is preventing key measures to reducing negative impacts. CPEC will go in development phase for both countries.

Ana et. al. (2012) social impacts assessments is a tool in research method which is helpful for analytical process. Actually it is tool to making policies, decision making and management of social and environmental issues, this is involve in different aspects of people's life. We assert social impacts assessments need to revisit important issues like culture, human rights, power and justice and other all matters of sustainable livelihood.

Small, (2017) mentioned in his research in the current situation this project is critically important for both countries. Recently Pakistan needs to overcome its economic development and energy problems. While China needs to enhance its boundary of influence, consolidate its global presence and saving future needs and demands of energy.

McCartney, (2018) analyses propulsive countries like USA, EUROPE, India and Germany have also did long term projects but CPEC seems long term impacts on Pakistan and China's economy as well their natives. CPEC deal great projects with both countries. Those project signed great infrastructure, shortage of electricity, enhancement of transportations and jobs opportunities for local people. This type of mega project boosted the economy and social status of common people in different countries.

Matonaro et. al. (2020) Said Chinese aid projects have positive impact on South Africa's local education and child morality issues but not good impacts on child nutrition. Its

qualitatively analyzed while using secondary data CPEC is source of generation jobs and enhancing chance of opportunities in labor marketing. The study assessed private investment will boost up in market because CPEC will provide free economic zone to his investors.

Hussain and Ali. (2015) elaborated that CPEC will become the source of peoples connectivity for both countries. It is a significant way for both countries and will also increase the economic way in Pakistan. It was also argued in 2015 four sectors were mentioned to development due to CEPC which were transport, energy sectors, infrastructure and industrial corporations.

### **Material and Methods**

In this study qualitative research method is used. (Denzin & Lincoln, 1994) narrated the real point of qualitative research is to explain social issues in natural way. This method is particular focus on responses and practical work rather than researcher on thinking. In this study qualitative design is considered as appropriate method to explain the thinking of local communities.

### **Sampling Technique**

Current study's required non-probability purpose sampling to explain the people's perceptions. The reason of this technique is targeted group of people is directly involve with CPEC project. The target group is doing business with Chinese products. Here 8 participants were chosen to use non-probability purposive sampling. The targeted area is four markets of Lahore, Punjab, Pakistan. Braun and Clarke, 2013 observations were keeping in mind. Six to ten participants makes up unique size of sample to explain the thematic analysis within short time framework.

### **Sample Taken and Exclusion Criteria**

The businessmen who are directly or indirectly working with Chinese productions or Chinese companies. Those participants were the part of study who knows about CPEC projects and those people are not research parts who have not knowledge of CPEC. Even those participants were also excluded who are not using Chinese production in local markets. Specific those participants included in research who are belong from these local markets of Lahore. Local workers or labor is also not included in this study.

### **Collection of Data**

In this study researcher used the semi-structured interview method. Before to go in field researcher made some relevant question according the demand of research. In interview guide 15 questions prepared for interview. Interview guide tested as pre-interview sampling against pilot study with 3 participants. Those two participants are not including in final research. The duration of interview was taking little difference during interview like 30-40 minutes still can't get information from participants. All questions were open ended for the demand of research. Willing and permission were informed before interview. The reason of semi-structured method technique is getting more knowledge of current project and their expectation for future.

### **Data Analysis Procedure**

In this research qualitative research method used inductive thematic analysis approach. (Braun and Clarke, 2013) elaborated thematic analysis like this way, this method can identifying, analyzing and reporting way within data. This technique to coding plan, semantic, inductive and descriptive to explain the data and to stay remains the reliable data.

Inductive TA remains grounded in the data rather than any other existing theory. Semantic TA focus on obvious real meaning of the field, finally Descriptive TA explains to summarize and elaborated exact meaning purpose of the data.

## Results and Discussion

The main objects of the study are expectations and assessments of businessmen relevant the CPEC and impacts of this project on local businessmen in district Lahore, Punjab, Pakistan. The business community is directly concerned with Chinese companies and they have many positive expectations relevant to CPEC. Many positive socio-economic factors were observed during the research which business community expressed. Many social impacts are going to develop with this project as well economic source are more expected.

Punjab is a big province of Pakistan and its capital city is Lahore. Lahore is 2<sup>nd</sup> largest city of Pakistan. Research showed southern side and eastern side of Punjab is going to connect and getting more opportunities with the routes of CPEC. M3 motorway Lahore to Multan already completed which is the part of CPEC. Many businessmen are getting benefits of easy transportation and shortage of the time also. Business community is expected many more opportunities after compilation the 2<sup>nd</sup> and 3<sup>rd</sup> phase of CPEC. It is a perception of some people CPEC project is between China and Punjab not for other provinces of Pakistan. Senator Daud Khan Achakzai said this project name is CPEC it men China Punjab Economic Corridor because other all province has not power like Punjab (Dawn, 2015).

Social impacts include all basic institutions that are directly concerns with human structures. Education, health, infrastructure, living standard and pubic administration are included in social development (Aziz, et. al., 2020).

Maximum respondents showed that CPEC development enhanced the facilities of infrastructure via roads and transportations. Many businessmen are positive gestures due to CPEC their transportations standard are updated. Many new roads are going to give the facilities to cover their distance and journey. People can reached in hospital on time due to good roads. Even many businessmen have experienced they got these opportunities. Many respondents also agreed due to CPEC, the level of education, transportation, and infrastructure will go in advancement and developments. Respondents were optimistic this mega project will enhance the standard of the people and alleviate the poverty from their region. Public participation and its interest in projects can play an important role for its development. For the success of project public opinion and participation are essential elements (Haq & Farooq, 2016).

Local communities of businessmen were stated that this mega project is going to build trade cooperation, ethical values, cultural innovations and technology inventions. They are fully expected that this mega project will stable the economy of Pakistan. They will directly do business with Chinese companies. Their people to people contact will enhance more strong to both countries. Easy access of doing business will boost up the business of local people. CPEC is going to enhance the trade values, ethical values, culture and innovation's in different sectors. Standard of health services, accessibilities of educational facilities will also improve. Standard of life of normal people will enhance due to CPEC (McCartney, 2022).

One of big businessman stated in his interview economic package in every sector will improve the strong positions. These positions can be categories into these sectors like promotion in tourism, agriculture sector, new power plants, transportation and development of infrastructure. CPEC will also contribute to economic cooperation by providing the link between the China and Pakistan also as well with Middle East to Europe. This link wills impacts strong economic sectors in Pakistan. Multinational companies will

enhance their circle in Pakistan which also the source of our strong business strategy. Our businessmen will learn many innovations from their business patterns. Local industry will also build their relations with other nationals. CPEC is going to build the economic industry in Baluchistan as well in Pakistan. Tourism, agriculture and local industry will get many economic benefits due to this mega project. CPEC link is not going to connect China and Pakistan; it will also connect to Middle East and Europe (Chaziza, 2016).

Majority of participants were very clear on environmental condition of Lahore as well Pakistan also. They argued that although they had many approaches and expectations on CPEC but also truth that due to this mega project many environmental enemies will come in the local markets. Their pollution level will increase in air and other fields. Air pollutions will create many disses in markets. Temperature level is also going to change every day in Pakistan. Pakistan has a mega challenge of environmental issue. Higher authorities need to think in advance about environment issues. CPEC roads directly influence the environment of Pakistan and will create many problems for local areas (Zhang et al., 2013).

The results of the current study also explored that CPEC is also helpful to control the energy crisis in Pakistan. Pakistan is facing the problems of shortfall in all over the country. Many industrialist and businessmen are facing these problems. It's expected a huge quantity of short fall is going to fill due to this mega project. Approximately 33\$ million is going to invest with the completion of this project. Moody's investors company argued that CPEC will overcome the energy crises in Pakistan. The problem of investors are facing due to load shedding with the completion of this project they will get benefits (Ali, 2016).

Data was taken from 8 respondents from 4 markets of Lahore which showed 91% was said yes they happy for face to face interaction while 9% was said no they will not happy to this type of interactions. 81% was said yes CPEC will change the game of Pakistan's economy and only 19% was said CPEC will not become the source of game changer for Pakistan. 64.2% was agree, 31.6% was neutral and 4.4% was disagree for change in social status as well their economic status out of 8 respondents from 2<sup>nd</sup> largest city of Pakistan which is directly and indirectly attached with the route of CPEC. To ensure healthy and environment conditions to citizen with social status is good element. People's interaction and communication is healthy sound for the betterment of project (Aziz, et. al. 2020).

The result of study also explored that CPEC roads and transportation will improve the physical and social structure of the Lahore. Local people will get chance to avail comfortable transportation. Fares and rents will expect lower that current situation. 80% respondents are satisfied that CPEC will enhance their business in current markets. (D. Tynan 2013) new arrangement of (GCAP) seems in a good sense which is economic, political and geographic authorities in region. These routes will connect new methods of business in Pakistan. Their linkages will refresh the methods of business which already working in Pakistan. It's seen all groups who are trading want to get more connections in all over the world.

The study provides the analysis of socio-economic expectations of CPEC in district Lahore. Many basic problems and structures of the businessmen discussed in previous sections. Here study explored the discussion of cause study of 4 markets of Lahore.

Current situation in 4 markets of Lahore is double minded of business uprising and down rising. Many of the problems businessmen are facing like load shedding, IMF policies, instability of political governments, power of authorities, inflation, and unemployment and business boycotts with neighbor country with India. In this situation China is strong hope for Pakistani businessmen for doing easy business. Already businessmen were working with Chinese brands and companies. Some of the businessmen are going directly to China for import their things while others are purchasing their business products from whole sellers from Karachi or Lahore's big markets. CPEC is strong hope for the business in Pakistan

which will give an opportunity to small and big businessmen for their businesses. A cause study helped the researcher to prepare questioners for field in four markets of Lahore.

Many new projects are signed with the CPEC which are going to facilitate to businessmen for their easy way of doing business. To control energy crises many new power plants are going to establish in Pakistan. Many new roads are going to connect to all Pakistan through CPEC. Some of the roads are already complicated which are giving many fruitful benefits to business community as well local people of Pakistan. Infrastructure of Pakistan is changing in development way which is also due to CPEC projects. Railway tracks, pipelines, transportations, agricultural innovations and modernization in business are going to develop due to CPEC. Many respondents who are directly doing business with China they argued this mega project is seem very useful for the economy of Pakistan as well for business community also.

Business community is expected that CPEC is not only fruitful for business sense also will change the social status of their daily life. All social institutions or social sectors of Pakistan will seems change in future as well current situation is also eye witness. In Gwadar and sounding areas new hotels, restaurants, airports and many Chinese Confucius are opened. Many universities of Pakistani are already opened Chinese language centers there many Pakistanis are learning language. Innovations and modernizations in agriculture are expected much more even many new Chinese's machines and innovation are also working already. People to people contact will enhance more already many new couples are seen in both countries in the shape of interstate marriages. Many cultural habits are also going to change like already Chinese food is famous in Pakistan as well Lahore. Geo political relations of both countries will become stronger already India is blaming on both countries on military alliance. Pakistan's geo strategic relations with other states will also strong due to CPEC or importance of Gwadar port.

Pakistan is free for all ethnic groups who want to express every type of freedom ether that's relevant to their religion or culture. They had the basic rights of celebrations. With the success of CPEC all ethnic groups are free to do business or get job in Pakistan. It's said many new jobs for local people will create and they will be the part of industries. Many marginal groups will get chance of business and development of their economic situations. Many cultural diffusions and acculturation phenomena's will create which are showing little negative sense also. One cultural dominance is also expected and adoption of new technology is also harmful for society. Many pollution chances will also going to increase and climate risks are also expected. Pakistan already facing many pollution and environmental problems which are not seen to solve in future. Food patterns of local peoples are going to disturb in coming days.

Many governments promise and their statements were seen fake, which is an alarming situation. All said things are not authentic which are from Pakistani government as some respondent mentioned. Pakistan's political instability is also seems dangerous for the future of Pakistan. As one study concluded near Gwadar port about the promise of Pakistan's government. Around 100 families from Mulla Band were settled near port, they were shifted another place in 2007. Those people will get all basic facilities in future as promised the Govt. but still 15 years gone no one facilities provided them (Kousar. ET. Al, 2018).

## **Conclusion**

China Pakistan Economic Corridor is a mega project of the Asia as well of the world. This project is going to connect not only Pakistan and China also will connect to almost all over the world via One Road One Belt. CPEC is going to complete in 2030 with approximately \$46 billion which whole amount of project will offered China. Pakistan is going to give her land and will reward as per many terms and conditions. It is said CPEC is a game changer

project for Pakistan's economic as well for China's profits also. Many multinational and national companies are also going to invest their money with this project. As the CPEC is directly related with business for both countries as for the welfare of people is also not ignored. Many Pakistani Businessmen are doing business with Chinese companies already, they had very positive attitude toward this mega project. They are expected many hopes for their success in business. Businessmen had satisfaction about their socio-economic position will improve with this mega project. Some of business mentioned in interviews the infrastructure of roads is uniqueness which is completed due to CPEC. In this study four markets of Lahore were chosen for assessment of business community's expectations regarding CPEC. All local groups of the Lahore have right to do business easily, and they had positive expectation with this project. Local people will get access of easy transportations, rails, pipelines, infrastructure, job opportunities, and social interaction with other culture and easy way of doing business. With the completion of this project development is necessary for business community and positive social change in chosen region.

### **Recommendations**

After analyzed data and findings of the results some recommendations are compulsory which are observed during the research, which are following;

- After analyzed the study researcher want to suggest to new researcher CPEC is completed first phase and now working on second phase, many impacts and expectations are covered in this study. People already getting the impacts and expected in their business and social life which are purely due to CPEC. For future study need to explore some hidden contents like colonialism, debt trap, cultural domination and religious groups attitude.
- Pakistani government should clear all policies about the customs and taxes which a normal businessman should know. Many fake agents are spreading fake news on Chinese cultural dominance etc. which should be clear in normal citizen of Pakistan. Central Govt should control all rules and regulations which can be helpful for all types of businessmen.
- Pakistani media can play an important role for the better understanding of this project for local citizens. Some people were confused that CPEC is just a route between Baluchistan and Kashgar; Punjab is not part of this route. So media of Pakistan can explain many new innovation and real base things in the mind of local citizens.
- Many Chinese are already working with Pakistani businessmen but some uneducated people are thinking that they are here for controlling the economy of Pakistan. So here all officials of Pakistani should clear via their approaches Pakistan is independent in their decisions. No other forces are going to control Pakistanis economy.
- Modernization, innovations and diffusions are the symbols of development in industrial era but some rigid and enemies of Pakistan's are spreading wrong news about local culture's alleviated. Here need to improve the level of education and awareness to local people for the surety about their cultures.
- China is emerging economic power for the world but USA is ruling already her impact in not only Pakistan also as well all over the world. Many bureaucrats, establishment and civil servant have ally America. They are also become the source of negative news regarding CPEC. So here government of Pakistan should see by self ally Chinese and ally Americans narratives and should make clear policy for the betterment of only Pakistan.

- Business community should be treated as easy ways loans. Small scale industry should be attached with CPEC's projects and local people should be included in business and job opportunities. All the provinces of Pakistan should be treat with equality basis rights. Pakistan's government should keep controlling on cultural transforming and keep foreign policies for the betterment of Pakistan.



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