**Assignment 3**

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**Current Social, Economic and Political Challenges related to Industrial Sector of Pakistan since Partition**

**“Impacts of CPEC on the Industry of Pakistan”**

**Introduction**

CPEC (China-Pakistan Economic Corridor) is a system of regional network. CPEC won't just be fruitful for China and Pakistan however will have positive effect on rest of the neighbour countries, and the area. China Pakistan Economic Corridor is venture towards financial regionalization in the globalized world. It has established harmony, advancement, and win-win model for every one of them. But as nothing is perfect in this world so CPEC is not an exception. It also poses many challenges for Pakistan industry. If Pakistan will succeed to cope these challenges positively then it will reap the sweet fruit of CPEC.

**Findings and Discussion**

In this section first of all we will describe our findings in respect of issues regarding all the three challenges (i.e. social, moral and political) that are part of the main topic and in the context of our further selected topic where we have investigated the impacts of CPEC on the industry of Pakistan.

**Findings**

CPEC is often considered as some magic spell that would immediately resolve the issues of the region. But this is not exactly as this, CPEC may boost economy of Pakistan yet it is source of additional problems. These problems are worth attention or else they may outweigh CPEC’s benefits:

1. **Loan from China:**

This project (CPEC) has been started based on a huge loan approx. in billions given to Pakistan. The success of this project immensely depends upon the strong economy of China. The question is that Pakistan’s economy is not well-established at the moment so how is our country going to repay this loan?

1. **China’s safe position:**

Due to all this economic activity in our region China has full opportunity to grow its business whilst Pakistan is at risk and may end up liable to a loan in billions. With time, this amount would be nothing to China but for Pakistan it would be no less than a huge mountain.

1. **Infrastructure challenge:**

Consider an example of a wide road with heavy traffic going on, just imagine, suddenly the road turns narrow now obviously the heavy traffic would end up facing immense difficulties. Similarly, China has strong industrial infrastructure whereas Pakistan has a weak one, so it’s a real challenge for how Pakistan will cope up with all these circumstances.

1. **Expertise challenge:**

Our country needs to increase expertise while we have the opportunity to do so. We should try to strengthen our industrial sector; meanwhile other countries are showing their interest in this region and planning to invest in. It is about time to raise the standards of our industry and workforce.

1. **Advanced technology:**

Since CPEC at the moment is dealing with underdeveloped areas both in China and Pakistan, we have a challenge for our Telecom industry to ensure the safety of goods and people travelling through this via a tracking system.

1. **Weakening of Pakistan’s Economy:**

Since Pakistan has weak industrial infrastructure, China has to bring its own infrastructure, machinery and setup henceforth; weakening Pakistan’s economy.

1. **Labour cost:**

It is a fact that China is well established in their industrial sector, people over there are well-trained rather China is by now saturated with highly-trained officials, in Pakistan due to unemployment, cheap labour is easily available.

China is ready to outsource its products by using this cheap labour. In this situation Pakistan industry may face shortage of labour because at the moment it can’t give a remuneration that is comparable to that given by China.

1. **Security:**   
   Pakistan is facing terrorism since more than a decade. Regions of KPK and Balochistan are more affected by this terrorism in comparison to rest of Pakistan. Since, focus of CPEC is to uplift these underdeveloped areas there is a high security risk which needs to be coped with.
2. **Environmental Concerns:**

CPEC is concerned with underdeveloped regions at the moment that are currently environmentally but once industrial units would setup there, there would be increasing environmental concerns due to these setups. Furthermore, this concern is more demanding as there will a huge increase in traffic due to CPEC. So, another challenge that is posed by CPEC is that country would have to take strict measures to maintain healthy environmental conditions.

1. **Challenges posed to small scale Industry:**

Arrival of China could be interpreted as the arrival of a devastating mob of locusts, which can seriously endanger small-scale industry.

**Discussion**

CPEC has been designed to economically boost up the economy of all the countries involved in it, but above findings suggest that despite its many benefits it poses many highly demanding challenges too. Main reason is the unstable economy of Pakistan at the moment. Another point to be noted is the well-established economy of China in contrast. In order to protect Pakistan from ending up liable to mountainous loan, we should think of ways to reciprocate it since the very beginning. We should think of ideas to create opportunity for mutual export.

It is in common observation that some people believe that CPEC is very similar to East India Company and has landed with similar missions on our land; and they are of the opinion to boycott it but this is wrong. They should understand that CPEC program will be in any case a source to reduce unemployment and challenges posed by CPEC can only be overcome if we stand united as a nation. If our industrialists handle these challenges positively then not only they flourish but our country will also prosper.

As there is a compelling need of building infrastructure in Pakistan, China is ready to invest a huge amount for this purpose. Our industrialists should take advantage of this opportunity to grow themselves. They should focus on possibilities to set up units to prepare raw materials and machineries for building different types of infrastructures. Above all we should focus on professional training of our workforce.

As access to market is necessary to enhance industrial growth, due to CPEC our industrialists will have easy access to new markets like China and Central Asian countries. So, focus should be on setting those industrial units that can export things demanded by these markets. As there are a number of Muslim countries in central Asia, a big initiative would be setting up an industry for halal meat. In this way our country can earn high foreign exchange.

Since partition the country’s focus is mainly to establish those industries that are related to agriculture for example sugar industry. CPEC challenges this thinking. As foreigners are expected to be continuously on our land, if we make arrangement for their hospitability, enough tax could be raised. New industries like tourism and hotel industries should be expanded.

We need to take serious steps to ensure security of the routes. This not only include law and order situation but also internet services should be made available.

Another important point would be to ensure provision of fundamental necessities of life in those regions, because they are underdeveloped and scarcely populated at the moment but soon it’s going to be populated by diverse people. In that case, ensuring measures to maintain healthy environmental conditions would become more vital.

**Conclusion and Recommendations**

Nation has many expectations from this program but for fruitful results, all posed challenges should be dealt carefully and to our full advantage. Our nation needs to fully understand the complete picture of the economy at the moment and should think of measures that can be taken at individual level for the betterment of our economy. Every individual should try to understand and recognize their role in betterment of our economic and industrial infrastructure. An individual with technical skills should master them and try to be fruitful in the country’s interest.

From the above discussion, it is clear that Pakistan industry faces multifaceted challenges due to CPEC. In the following regard some steps are recommended:

1. Our industrialists should prepare to invest to set up new factories.
2. Government should give relaxation in taxes and import duties.
3. As a nation we should achieve political harmony.