

**China-Pakistan Economic Corridor: Opportunities and
Challenges for Pakistan from a Rational Choice
Theoretical Perspective (2013-2018)**



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Table of Contents

Acknowledgements.....	(i)
Deceleration.....	(ii)
Research Completion Certificate.....	(iii)
Abstract.....	(iv)
Introduction.....	1
I CPEC and Geo-Strategic location of China and Pakistan.....	4
II Historical context of China and Pakistan Relations.....	6
III Significance of Study.....	7
IV Problem Statement.....	7
V Research Objectives.....	18
VI Literature Review.....	18
VII Gaps in Literature Review.....	24
VIII Research Questions.....	24
IX Theoretical Framework.....	25
X Methodology.....	25
XI Limitations.....	25
XII Ethical Consideration.....	26
XIII Chapterisation.....	27
 Chapter No.1 Theoretical Framework	
1.1 Introduction.....	29
1.2 Definitions.....	29

1.3 Principles of Rational Choice Theory.....	29
1.3.1 Individualism.....	29
1.3.2 Optimality.....	30
1.3.3 Structures.....	30
1.3.4 Self-Regarding Interest.....	30
1.3.5 Rationality.....	31
1.4 CPEC and Rational Choice Theory: An Application.....	31
1.5 Criticism against Rational Choice Theory.....	35

Chapter No.2 Challenges to Corridor

2.1 Internal Challenges

2.1.1 CPEC route controversies.....	36
2.1.2 Khyber-Pakhtunkhwa (KPK).....	36
2.1.3 Balochistan.....	37
2.1.4 Sindh.....	38
2.1.5 Gilgit-Baltistan.....	39
2.1.6 Federal Government stance over Controversies.....	40
2.2 Lack of Formal Business Channels.....	42
2.3 Cultural Limitations.....	42
2.4 Absence of Excellence labor Force.....	43
2.5 Problem with Tax and Tariff issues in Pakistan.....	43
2.6 Engineering and Maintenance Challenges.....	43

2.7 External Challenges

2.7.1 Non-State Actors in China.....	44
2.7.2 Threats from India.....	45
2.7.3 Provincial Threat.....	47
2.8 Law and order situation in Balochistan.....	47
2.9 FATA and KPK.....	48
2.10 Gilgit-Baltistan.....	49
2.11 Special Measurements taken by Government.....	49

Chapter No.3 Opportunities for Pakistan

3.1 Domestic opportunities

3.1.1 Development of Roads and Railway Network.....	50
3.1.2 Improved Energy Sectors.....	52
3.1.3 Private Property Sector.....	52
3.1.4 Removal of Poverty.....	53
3.1.5 Human Development Market under CPEC.....	54
3.1.6 Agriculture Sector.....	55
3.1.7 Opportunities for Small and Medium Enterprises (SME's).....	55
3.2 External Opportunities for Pakistan	
3.2.1 Military Relations with China.....	56
3.2.2 Balanced Environment in South Asia.....	58
3.2.3 Peace and Prosperity in Region.....	58
3.2.4 Foreign Direct Investment (FDI).....	59
3.2.5 Encouragement of people-to-people connection.....	59
Chapter No.4 Regional and Non-Regional response to CPEC	
4.1 Afghanistan.....	62
4.2 India.....	63
4.3 Iran.....	65
4.4 Central Republican Countries (CAR's).....	66
4.5 United Arab Emirate (UAE).....	66
4.6 United States (U.S).....	67
4.7 Saudi Arabia.....	68
4.8 Russia.....	69
Chapter No.5 Methodology and Data Analysis	
5.1 Paradigm.....	70
5.2 Approaches in Qualitative Research.....	70
5.2.1 Historical.....	71

5.2.2	Descriptive.....	71
5.2.3	Exploratory.....	72
5.3	Data Collection.....	73
5.4 Data Analysis		
5.4.1	Qualitative Content Analysis (QCA).....	74
5.4.2	Directed Content Analysis (DCA).....	74
5.4.3	Manifest Content Analysis.....	75
5.4.3.1	Unit of Analysis.....	76
5.4.3.2	Categorisation.....	76
5.4.3.3	Coding.....	76
5.4.3.4	De-Contextualization.....	77
5.4.3.5	Re-Contextualization.....	77
5.4.3.6	Dross.....	78
5.4.3.7	Compare/Results.....	78

Data Analysis of Chapter No.2

5.5 Security	
5.5.1	Alliance.....79
5.5.2	Weapons.....80
5.6 Economy	
5.6.1	Development.....81
5.7 Social	
5.7.1	Interconnectedness.....83

Data Analysis of Chapter No.3

5.8 Political Disharmony	
5.8.1	Non-Cooperation.....84
5.9 Absence of Communication	
5.9.1	Language Barrier.....86
5.10 Security	
5.10.1	Non-Governmental Organizations (NGO's).....87

Data Analysis of Chapter No.4

5.11	Regional and Non-Regional (benefits)	
5.11.1	Bilateral Cooperation.....	90
5.11.2	Multi-lateral Cooperation.....	91
5.12	Regional and Non-Regional (Threats)	
5.12.2	State Level Threat.....	93

Chapter No.6 Conclusion

6.1	Summary.....	95
6.2	Findings.....	97
6.3	Suggestions/Recommendations.....	100

References

Work Cited.....	101
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List of Figures

<i>Figure 1: China-Pakistan Economic Corridor (CPEC)</i>	13
<i>Figure 2: Strategic importance of Gwadar port</i>	15
<i>Figure 3: All Parties Conference (APC)</i>	41
<i>Figure 4: India Troubled by Pakistan Progress</i>	48
<i>Figure 5: Railway Network of CPEC</i>	56
<i>Figure 6: Military Opportunities to CPEC</i>	57
<i>Figure 7: Regional Connectivity through CPEC</i>	61
<i>Figure 8: Types of Qualitative Research</i>	75
<i>Figure 9: Qualitative Research Method</i>	76
<i>Figure 10: Methodology and Data Analysis</i>	77
<i>Figure 11: Steps of Manifest Content Analysis (MCA)</i>	78
<i>Figure 12: Frequency of Words</i>	80

List of Tables

<i>Table 1: Challenges to Corridor</i>	<i>36</i>
<i>Table 2: Estimation of Terrorist Attacks in FATA.....</i>	<i>48</i>
<i>Table 3: Opportunities for Pakistan.....</i>	<i>51</i>
<i>Table 4: Category and codes of Chapter No.2.....</i>	<i>79</i>
<i>Table 5: Category and Codes of Chapter No.3.....</i>	<i>84</i>
<i>Table 6: Category and Codes of Chapter No.4.....</i>	<i>90</i>

LIST OF ACRONYMS AND ABBREVIATIONS

ANP	Awami National Party
APC	All Party Conference
BLA	Balochistan Liberation Army
BLF	Balochistan Liberation Front
CAR's	Central Asian Republican States
CPEC	China-Pakistan Economic Corridor
DCA	Directed Content Analysis
ETIM	East Turkmenistan Islamic Party
FBR	Federal Bureau Revenue
FDI	Foreign Direct Investment
GB	Gilgit Baltistan
KPK	Khyber-Pakhtunkhwa
LeJ	Lashkar-e-Jhangvi
LNG	Liquid Natural Gas
MCA	Manifest Content Analysis
MOU's	Memorandum of Understandings
OBOR	One-Belt-One-Road
QCA	Qualitative Content Analysis
RAW	Research Analysis Wing
RCT	Rational Choice Theory
S.A	Saudi Arabia

SEZ's	Special Economic Zones
SME's	Small and Medium Enterprises
SSF	Special Security Force
TTP	Tehreek-eTaliban Party
UAE	United Arab Emirates
U.S	United States

Abstract

China-Pakistan Economic Corridor (CPEC), a flagship project of One-Belt-One-Road (OBOR) initiative, which consists infrastructure, energy and technology which is currently being constructed in all over Pakistan and western Xinjiang province of China. China is financing this project through low interest loans to Pakistan. The total investment of Corridor is now \$62 billion USD. In the theoretical framework a Rational Choice Theory (RCT) has been applied in this case with its five different components .The CPEC project is a rational choice initiative of China and Pakistan. The purpose of thesis is divided in three parts: to analyze the opportunities for Pakistan committed to CPEC, to examine the challenges faced by Corridor all over in Pakistan, and finally to study the regional and non-regional response to CPEC. The research methodology used during this study follows the qualitative research method and its different approaches, and also it will analyze the whole data with the help of Qualitative Content Analysis (QCA) and author used Directed Content Analysis (DCA) with its main type Manifest Content Analysis (MCA) with the help of its seven steps. This study aims to explore the opportunities for Pakistan to improve its infrastructure, energy, development of roads and railway, and Special Economic Zones (SEZ's) and China has opened new geo-political and geo-economic opportunities to Pakistan. While China wants to get direct access to the Indian Ocean. This route might facilitate China with an alternative route to reach the world without crossing Strait of Malacca and increase its economic influence in the whole region.

Introduction

China-Pakistan Economic Corridor (CPEC) is a concept of regional connectivity between countries in the region. CPEC has identified earlier that it will not give numerous benefits only to Pakistan and China but also it will give tremendous opportunities to Afghanistan, Iran, India, United Arab Emirates (UAE), Russia, Saudi Arabia and Central Asian Republic countries. CPEC is designed to increase transportation system, road and railway sector, improved energy sector and free exchanges of growth and increase people to people contact in the whole region. Corridor is a framework of economic regionalization in the globalized world. According to official CPEC website, the CPEC project will serve rational interest it and will be beneficial for all regional countries (CPEC , 2018). Initiative investment of CPEC was \$46 billion when it was signed, now the total worth of project is \$62 billion (Abbas, 2018).

There are two main aspects of the Corridor: Regional connectivity and Economic development and Corridor comprises the fifty-one mutual agreements which are under the supervision of China and Pakistan engineers. There are four main areas in which China is helping Pakistan on infrastructure, transportation, energy and industrial sector. The CPEC is the Flagship project of 'OBOR', through OBOR China will get direct access to reach Europe and African market (Cheema, 2015). Chinese initiative will bring a lot of opportunities when Silk Road will be completed, it will decrease the time and cost for European countries (Amir, 2018).

In 2013, Li Keqiang who proposed China-Pakistan Economic Corridor (CPEC) when he visited Pakistan. In this project, the Corridor will connect two countries from Gwadar (Pakistan's province) to Kashgar (Chinese province). CPEC is the multi-billion project which will facilitate to local and ruling elites of Pakistan, in this project different sectors will be improved with the help of China (Ahmad, 2018).

China wants speedy modernization of Xinxiang province to bring them at par with its eastern provinces. With the help of Pakistan, China will get direct access to the Arabian Sea via Gwadar port because it's a shorter route, it will facilitate China with an alternative route to reach the Strait of Malacca and it also provides an opportunity