

## An Analysis of CPEC Projects in Hazara Division, Khyber Pakhtunkhwa

Kamran Naseem,<sup>1</sup> Manzoor Ahmad Naazer,<sup>2</sup> & Adnan Ashraf<sup>3</sup>

### Abstract:

The relationship between China and Pakistan encompasses many dimensions despite differences in their political, economic and social systems. Their bilateral ties gradually grew, widened, and deepened with every passing moment since their inception. China-Pakistan Economic Corridor signifies ever expanding horizon of bilateral cooperation between the two states. The projects promises win-win situation for both countries and believed to be a game changer for Pakistan. It is estimated that CPEC will provide employment to 6-10 million people till 2030. It will usher into a new era of socio-economic development in different parts of Pakistan especially the neglected and backward areas. The paper analyses the CPEC projects planned and executed in Hazara division and their potential contribution to the socio-economic development of the area. The study uses qualitative research and descriptive and analytical techniques. Data collected from primary and secondary sources was scrutinized through thematic analysis method to draw the conclusions. The study found that three projects, i. e. Havelian Dry Port, Hazara Motorway and Suki Kinari Hydropower Project would significantly contribute to the socio-economic development of the area. The proposed special economic zone in Hattar industrial state could help ameliorate the sense of deprivation of the local people but it could not be approved. The projects are likely to pose cultural challenges to local people that warrant careful strategy to be pursued by the local people and national leadership.

**Key Words:** Pakistan, China, CPEC, Hazara division, Hazara motorway, Siki Kinari dam, dry port

### INTRODUCTION

Friendship with China determinedly remained foundation stone of the foreign policy of Pakistan. Pakistan-China relationship is an excellent paradigm of peace-loving co-existence. The relationship between the two countries encompasses many dimensions despite differences in their political, economic and social systems. Political analysts and leaders of both countries often describe the depth of Pakistan-China relationship in the maxim; “A friendship higher than the heights of Himalayas and deeper than the depths of Arabian Sea.” It is also said that Pakistan and China are “all-weather friends” or “strategic partners.”

Pakistan and China enjoyed good relations from the day one and gradually strengthened, consolidated, expanded and deepened cooperation between them. Pakistan recognised Socialist China in 1950 and established formal diplomatic ties with Beijing in 1951. Though Pakistan had joined western sponsored alliances such as Southeast Asian Treaty Organization (SEATO) and

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<sup>1</sup> Assistant Professor, Department of Political Science, Government Gordon College Rawalpindi, Punjab, Pakistan. Email: kamrann43@gmail.com

<sup>2</sup> Assistant Professor and Head, Department of Politics & International Relations, International Islamic University Islamabad, Pakistan: Email: manzoor.ahmad@iiu.edu.pk

<sup>3</sup> Assistant Professor, Department of Political Science, Government Gordon College Rawalpindi. Email: adnan.ashraf113@gmail.com

Central Treaty Organization (CENTO) primarily due to the security threats emanating from India. Beijing initially had some apprehensions towards Pakistan because of latter's membership in the alliances but Pakistani leadership successfully clarified its position and dispelled Chinese concerns. After years of negotiations both states signed a boarder agreement on March 2, 1963 and also concluded the first trade agreement year (Ali, 2005). China provided political, and diplomatic support to Pakistan in its wars with India in 1965, and 1971. In 1972, it also used its veto in the UN Security Council against a resolution to recognize Bangladesh as an independent state (Zeb, 2012). Earlier, Pakistan provided China access to the world when it had been isolated completely in the wake up of non-recognition by the West and breakup with Soviet Russia. Pakistan also facilitated secret visit of US National Security Advisor Henry Kissinger to China and as a result, US President Nixon visited China in February 1972. China provided technical assistance to Pakistan's missile programme and also showed her keen interest in Pakistan's nuclear programme (Shamsi, Mustafa, & Ali, 2019).

The dawn of the 21st Century opened new avenues for cooperation between the two states and launching of China Pakistan Economic Corridor (CPEC) manifests widening horizon of their bilateral ties and cooperation. The project promises to create a "win-win" situation for both states whereas it is believed to be "game changer for Pakistan." It is expected the successful implementation of various projects planned under CPEC would usher into the socio-economic development of various areas, especially the neglected and marginalized regions of Pakistan.

This paper elucidates the significance of various projects planned under CPEC either planned or executed in Hazara division of Khyber Pakhtunkhwa province of Pakistan. The paper explores the CPEC projects planned for Hazara division and their potential to contribute to the socio-economic development of the area. The paper uses qualitative research method and descriptive and analytical techniques to scrutinize the data collected from primary and secondary sources. The primary data has been collected from the official reports and documents, speeches, interviews and statements of national leaders etc.

## **LITERATURE REVIEW**

CPEC is considered as the most significant projects in China's One Bet One Road (OBOR) now renamed as Belt and Road Initiative (BRI) plan. There will be handsome opportunities for educated youth of Pakistan. It is taken as "game changer for socio-economic development of Pakistan" (Rathore, Khan and Chawla, 2020). Pakistan has been able to overcome electricity crisis through CPEC. Construction of new roads and railway tracks will minimize the cost and will also save time. It will reduce poverty and will also bring economic prosperity in the country. China will also get benefits from CPEC as its will be in a position to get entry in the Persian Gulf through Gawadar port (Mahmood, 2016 ).

The China-Pakistan Economic Corridor project (CPEC) is perceived good for Pakistan because Pakistan can achieve three strategic aims through CPEC. One, CPEC gives better infrastructure to a region that has been backward in the past. This project will create huge employment. Two, Pakistan held Kashmir and Gilgit-Baltistan through which the CPEC goes would list an enhancement in Chinese troops aimed at giving security to Chinese engineers and workers. This dimension strengthens Pakistan's hold on the disputed land and gives a shield from Indian

counter –strikes in response to cross-border terrorism. Three, the CPEC gives an economic choice that lessens Pakistan's financial aid dependence on the US. China highlights that the CPEC is intended to strengthening economy of Pakistan. Chinese Scholars maintains that the CPEC is solely an economic initiative aimed at giving regional prosperity and better connectivity. It is not aimed at encircling India neither does it give a strategic framework for China-Pakistan security cooperation vis-à-vis India.

Ahmad and Malik argue that Pakistan can attain three strategic advantages from CPEC. First, CPEC will be supportive in providing infrastructure to the backward areas of Pakistan. Second, CPEC passes through Pakistani held Kashmir and Gilgit-Baltistan and Chinese troops are present to protect their engineers and workers. It will make stronger hold of Pakistan in the area and will also act as a shield from Indian strikes. Third, CPEC will surely minimise Pakistan's dependency on the US (Ahmad & Malik, 2017 ).

China intends to do trade of oil by adopting a nonviolent strategy and she has to import oil from Persian Gulf through a long route. CPEC will also boost China's economy as it provides a shortest way to reach Gawadar port. China desires early completion of CPEC that will provide her the shortest route to sell products to the world market. CPEC will also enhance the direct foreign investment in Pakistan and it will also provide employment to nearly 70,000 people in coming 15 years (Ali, Waseer, Ali, & Niazi, 2018).

A few studies focused on various aspects of CEPEC projects in Hazara as well. For instance, Waseem Ullah, Xu Ni, Asad Hussain and Bibi Neelam (2021) highlighted the relationship between transport infrastructure and poverty alleviation in the context of CPEC with special focus on Hazara division. Relying on quantitative research and data collected from 4 districts of Hazara they found that better road infrastructure and transport facilities had a positive impact on the efforts to eradicate poverty. They also found road project under CPEC helpful in alleviating poverty in the selected districts of Hazara division. Saheed, Ahmad, and Khan (2021) evaluated the impact of Hazara Motorway on growth of tourism in Hazara division. Based on data collected through a questionnaire by using random sample from tourists and seeking responses on factors associated with their expectations, the study found that there was a positive relationship between construction of Hazara motorway and growth of tourism in the area. It is expected that construction of Hazara motorway would boost tourism and ultimately economy of the local people especially those associated with transport, hoteling and related industries. Saheed, Khan, and Ahmad (2021) surveyed the impact of Hazara Motorway on growth of hotel industry in Hazara region. They found that the construction of the motorway had positively contributed to the growth of tourism and ultimately benefitted the hotel industry in the region.

A review of the literature available on CPEC shows that the academia focused mainly on the different aspects of CPEC (diplomatic, strategic, economic, regional, bilateral advantages, challenges and opportunities and Indian as well as US concerns). However, literature on CPEC projects in terms of their impact upon Hazara region in terms of social and economic implications more systematically and comprehensively is still to be produced. An effort has been made through this article to fill the literature gap in order to relate it to the people of Hazara region.

## THEORITICAL FRAMEWORK

Power is the key term in international relations. According to Barnett and Duvall, “power has two dimensions at its core: (1) the kinds of social relations through which actors’ capacities are affected (and effected) and; (2) the specificity of those social relations” (Barnett, & Duvall, 2005). The main assumptions of realism are: there is a state of anarchy in international system; each state gives primary importance to its national interests; universal moral principles have no value for states; states maximise their power for their existence and states are the central actors in international politics (Donnelly, 2000). The traditional concept of power is hard power and it is claimed that international structure of world politics is anarchic. States do not accept any higher authority and believe in increasing their power. Hard power is defined as “an ability to reach one’s goals through coercive actions or threats, the so-called ‘carrots’ and ‘sticks’ of international politics.” Traditionally, hard power is assessed by such standards as geography, population size, territory, economic strength, natural resources and military force (Raimzhanova, 2015). Joseph S. Nye, an American scholar of international relations used the term “soft power” in late 1980s. According to Nye, soft power is the capability to shape what others want by being attractive. He further remarks that “this attractiveness rests on intangible resources such as culture, ideology, and institutions that can help to legitimize a given state’s power and policy in the eyes of others” (Wang, & Lu, 2008).

According to Nye “Soft power is more difficult, because many of its crucial resources are outside the control of governments, and their effects depend heavily on acceptance by the receiving audiences. Moreover, soft power resources often work indirectly by shaping the environment for policy, and sometimes take years to produce the desired outcomes” (Nye, 2004). Nye opines that state can achieve its objectives by combining the characteristics of both hard power and soft power. He views that “both are ultimately related because they both represent the ability to achieve desired goals by affecting the behavior of others and, thus, are inextricably intertwined.” The combination of elements of hard power and soft power is called soft power. Nye examines that “If hard power is ‘push’ and soft power is ‘pull’, the combination allows leveraging maximum results in a legitimate way” (Raimzhanova, 2015).

China announced action plan on Belt and Road Initiative (BRI) in 2015. China believes in “peaceful development.” It means that “China should develop itself through upholding world peace and contribute to world peace through its own development. It should achieve development with its own efforts and by carrying out reform and innovation; at the same time, it should open itself to the outside and learn from other countries” (Mannan, & Khan, 2018). Moreover, China “advocates tolerance among civilizations, respects the paths and modes of development chosen by different countries.” According to Chinese leadership, Beijing “supports dialogues among different civilizations on the principles of seeking common ground while shelving differences and drawing on each other’s strengths, so that all countries can coexist in peace for common prosperity” (Mannan, & Khan, 2018).

China designed the BRI under the guiding principles of the charter of the UN. There are five main tenets of BRI “Peaceful Coexistence: mutual respect for each other’s sovereignty and territorial integrity, mutual nonaggression, mutual noninterference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence (Government of China, 2015). Collaboration is envisaged in five areas under the BRI: “increasing monetary collaboration; deepening cultural and

social exchanges; forging infrastructure and facilities networks and strengthening investment and trade relations” (Johnston, 2018).

According to former UN Secretary General Ban-Ki Moon “Soft power is an essential ingredient in international diplomacy now more important than ever.” Maleeha Loodi, Pakistan’s former ambassador to the UN, defined soft power in the following words, “When soft power is deployed as a pivotal part of a country’s diplomatic strategy it pays rich dividends, enabling that country to build trust and influence and thus more effectively promote its foreign policy goals.” Brand Finance launched ‘Global Soft Power Index 2020 Report’ and also organised ‘Soft Power Summit’ in London on February 25th, 2020. According to the said report, “China and Russia rank high on influence (Loodi, 2020). China is pursuing the soft power model through its CPEC projects to enhance its influence in the region by proving its beneficial capabilities for multiple ethnic groups living alongside the routes of CPEC.

### HISTORY OF PAK-CHINA ECONOMIC RELATIONS

Pakistan-China economic relations have a history of about six decades, though the people of the two lands have exchanged goods and undertook trade from times immemorial. After signing border agreement, both states signed also their first trade agreement in 1963 and extended each others “the Most favoured Nation status” on reciprocal basis. The treaty was initially for a year, extendable automatically, unless any party desired to terminate it with three months notice before its expiry. Pakistan imported cement, coal, machines, iron and steel products, chemicals, seeds and raw materials etc. from China (Vertzberger, 1983). During 1960s, Pakistan’s major exports to China were jute, raw wool and raw cotton. Their bilateral trade was steadily grew in the following decades. Pakistan faced increasing trade deficit against China but there was a dramatic increase in their trade imbalance at the dawn of the new century. It has been increasing constantly. Pakistani exports to China are still slender and it must focus on boost to its exports to China (Kayani, Ahmed, Shah, & Kayani, 2013 ).

Table 1: Pakistan’s Bilateral Trade with China (1990 to 2006) in US \$ Million

Year	Exports	Imports
990	66.91	336.68
991	61.36	358.44
992	54.12	420.78
993	59.97	436.59
995	121.16	515.26
996	118.88	574.27
997	158.20	584.80
1998	154.96	422.75
999	180.72	446.76
2000	244.65	550.11
2001	289.38	487.02
2002	236.37	698.54
2003	259.64	957.33
2004	300.58	1,488.77

2005	435.68	2,349.39
2006	506.64	2,914.93

(Source: Kayani, Ahmed, Shah, & Kayani, 2013: p.460.)

Pakistan and China signed Preferential Trade Agreement (PTA) in November 2003 and it was a beginning of a new phase in their economic relationship. Pakistan can get advantage from the situation by accelerating its exports that will also promote the economic growth (Kayani, Ahmed, Shah & Kayani, 2013 ).

Both states signed China-Pakistan Free Trade Agreement (CPFTA) in 2007. Consequently, Pakistan-China mutual trade enhanced by 325 percent from 2008 to 2016 and the significant portion was Chinese exports. Pakistan can get advantage from CPFTA by proper utilization of Pakistani trade products under CPFTA. It must also exclude such items from the import list that can be easily produced at the local level and include such items that are necessary to import. It will be helpful in saving the local industry and reduce unemployment. Since the implementation of CPFTA, trade imbalance can be seen between the two countries. In 2008, Pakistan's trade deficit was US \$ 2,859 which increased to US\$ 12,090 million in 2016 (Mukhtar, & Hongdao, 2017 ).

Table 2: Pakistan's Bilateral Trade with China: Trade Deficit million US \$

Year	Trade Deficit
2008	-2859
2009	-6656
2010	-6056
2011	-7352
2012	-7371
2013	-9201
2014	-12064
2015	-9084
2016	-12090

(Source: Mukhtar, & Hongdao, 2017: p.71 )

### China-Pakistan Economic Corridor (CPEC)

The Prime Minister of China Li Keqiang envisioned the idea of China Pakistan Economic Corridor (CPEC) in May 2013 during his state visit to Pakistan. The Prime Minister of Pakistan Nawaz Sharif went on official visit to China and a Memorandum of Understanding (MOU) was signed by the both countries on July 5, 2013 (Mahmood, 2016 ). CPEC is considered as a core project of China's One Belt One Road (OBOR), now renamed as Road and Belt Initiative (BRI). It is estimated that CPEC will provide employment to 6-10 million people till 2030 (Rathore, Khan, & Chawla , 2020 ).

Table 3: Milestones in the way to CPEC

Year	Milestones in the way to CPEC
1990-2008	Some form of formal strategic economic alliance between China and Pakistan had been on the political agenda and part of foreign policy of major political parties during 1990s.

	Government of Pakistan led by Nawaz Sharif used the narrative of new north-south 'economic corridors' through construction of Peshawar-Karachi motorway for development. It received great attention from China.
2013	CPEC agreement was signed to undertake projects worth \$18 billion.
2015	Both states signed 46 new agreements worth \$46 billion.
2017	Investment was increased from \$46 billion to \$55 billion during CPEC summit.

(Source: Rathore, Khan, & Chawla, 2020: p.304)

Table 4: CPEC Proposed Projects under Early Harvest Programme

Sr. No.	Project Name
1.	Karakorum Highway (Phase II) up gradation and reconstruction from Raikot to Islamabad via Mansehra.
2.	Karachi Lahore motorway; Multan Sukkur Section.
3.	Up gradation of ML1 and construction of Havelian Dry port.
4.	Gawadar port project mainly includes Easy Bay Expressway, Gawadar International Airport, Construction of Breakwater, Dredging of Berthing areas and channels. Integrated development of Gawadar city/region and development of related infrastructure.
5.	Orange Line Metro Train Project (Lahore)

(Source: Mahmood, 2016: pp.2-3)

### **CPEC and its Advantages for Pakistan and China**

Pakistan has been facing series of crises in energy sector since long. It was estimated that CPEC energy projects would add about 10,800 Megawatts electricity to the national grid. Infrastructure (railways, roads) plays a key role in economic prosperity of a state. Pakistan combated with terrorism for the last two decade. It was not able to construct new roads and railway lines. CPEC can be helpful for Pakistan in construction of new roads and railway tracks. It will help in creation of connectivity of different parts of Pakistan and also enhance business activities. Both the countries agreed to build 21 mineral zones and 29 industrial parks. It will result in growth of locally produced goods, enhancement of exports and creation of job opportunities for young and educated youth (Mahmood, 2016 ).

The economy of China has been growing at the rate of 10 percent per annum which increased its energy demand. China imports oil from Africa and Persian Gulf at a large scale. It built Gawadar port and Pakistan gave the operational rights to China for a period of 40 year. It has paved the way for China's entrance in Persian Gulf and Indian Ocean and connecting Kashagir to Gawadar. China uses Strait of Malacca, the world's unsafe strait, for its consignments and its ships have to travel 16,000 Kms and take 2 to 3 months to arrive at Shanghi port. The distance between Kashiger city of Xinjiang and Gawadar port is just 3,000 Kms. It is a secure, shortest and cheapest route for Chinese supplies. It is estimated that China will get benefit from Gawader port by saving nearly 6 million USD per day for its 50 percent oil supplies. Gawader port also has a great strategic significance as China will be in a position to keep an eye on Indian and US naval movements in Persian Gulf and

Indian Ocean. In pre-CPEC scenario, US enjoyed the status of the largest foreign investor in Pakistan. However, China has left US behind and is the largest foreign investor in Pakistan in post-CPEC scenario. CPEC will also increase people to people contacts between the two states (Mahmood, 2016 )

### **Significance of CPEC for the Region**

Under the umbrella of CPEC, Pakistan is likely to become a junction of diverse corridors between the three regions namely; Central Asia, West Asia and South Asia. The trade linkages between these regions will accelerate economic activities. Gawadar port has an imperative position due to its large area and deep water that can designate it as the focal point of energy in Asian region. The port has the capability to open a door of peace, progress and economic well-being to the entire region. Joint projects such as units for food processing, exploration of mineral and fisheries can be initiated. Gawadar port will also facilitate storehouses, trading, ship transportation, manufacturing and business services for world import-export trade, especially that of Iran, Iraq, UAE, Oman, China, Qatar, Afghanistan, Central Asian Republics (CARs), Saudi Arabia and other regional states. The said port is located at the starting point of Persian Gulf and has a great geostrategic significance (Chawla, 2018). Gawadar port will create a link between landlocked countries and rest of the world and it can be termed as “an entry way to Asia.”

### **HISTORICAL OVERVIEW OF HAZARA REGION**

Hazara is a region in the northeastern part of Khyber Pakhtunkhwa province of Pakistan. Hazara division consists of eight districts viz; Mansehra, Haripur, Battagram, Abbotabad, Torghar, Upper Kohistan, Lower Kohistan and Kolai-Palas. River Indus flows to the west of this division. This region has a great historical importance since the times of ancient India. The sacred book of Hinduism, Mahabharata, has a clear mention of this region being the part of ancient state of Kamboja which was republican state in its nature (Raychaudhuri, 2006). Alexander, the great warrior of Macedonia, established his rule over this region when he conquered the parts of the northern Punjab in 4<sup>th</sup> century B.C. Before leaving, he handed over the control of this region to Abisaras, the ruler of the state of Poonch in 327 B.C (Irvine, 1910). Hazara was a part of Taxila administration during the reign of Maurya dynasty. Ashoka ruled over this region after 272 B.C. The Edicts of Ashoka are still present in three large rocks near the hill of Bareri. Hindus have a number of their sacred places in this region (Rose, 1997). The region remained under the control of various other dynasties including Shahi dynasty till the rulers of Kashmir established their rule over this area in the latter half of the 11<sup>th</sup> century. The region also remained under Mughal rule from the 14<sup>th</sup> century to start of the 18<sup>th</sup> century when the Swatis gained its control. Its strategic location was fully utilized by the Mughals for having an access to Kashmir. The region of Hazara also remained a part of Durrani empire from the mid-18<sup>th</sup> century to the start of the 19<sup>th</sup> century. Durrani empowered the local tribal chiefs by ruling through them (Irvine, 1910).

After the defeat of Sikh Army by the Britishers, the region of Hazara came under the direct rule of Major James Abbott. The British reorganized the region of Hazara by dividing it into three separate tehsils i.e. Mansehra, Abbotabad and Haripur and annexing it with Punjab before merging it in a newly formed North Western Frontier Province (NWFP) in 1901. This reorganization of Hazara region by the British resulted into the splitting up of the region into three parts viz. the western parts of this region were included in North West Frontier Province (NWFP), the areas of Mansehra



and Abbotabad constituted Hazara district of Peshawar division; northern part of the region was declared to be Hazara Tribal Agency and area between it and Abbotabad and Mansehra were to be the princely states of Amb and Phulra. This structural arrangement remained intact till 1950, when after Partition, the two princely states were merged in Hazara district. The status of Hazara district did not change during One Unit System that remained operational from 1955 to 1970. In 1970, a new Hazara Division was formed consisting of the two districts of Abbotabad and Mansehra. However, from 1970 to 2000, its composition was gradually changed till its present form.

The historical overview makes its strategic importance clear for rulers throughout the recorded history of this area. The geographical location of Hazara region adds to its importance (Farooq, Naazer, & Kafeel, 2021). It is situated between Northern Areas and Islamabad Capital Territory on one hand, to its east is the region of Kashmir while the rest of Khyber Pakhtunkhwa province is located towards its west. Moreover, the flow of Indus River in north-south line through it adds diversity to its geographical richness. On one hand, it is to the immediate south of the Himalayan range while, on the other hand, it is the recipient of the moist winds of Arabian Sea. Such a unique combination of various pattern of weather adds to its value not only for the local tourism but can also be instrumental in attracting foreign tourists.

#### **ANALYSIS OF CPEC PROJECTS IN HAZARA**

Keeping in view the historical and geographical importance of Hazara region, the mega project of CPEC seems to contribute a great deal in the socio-economic well-being of the people living in this region. The major components of CPEC that can benefit the region of Hazara include Havelian Dry Port, Motorway 15 (Hazara Motorway) and the production of electricity. The federal government considered other projects for Hazara which could not be implemented so far. These projects are being analysed one by one below:

##### **Havelian Dry Port**

In today's age of intense economic competition, dry ports carry great importance for boosting the trade of different countries as well as the spread of economic hubs away from the coastal areas. Keeping such a great importance of dry ports in mind, the prospects of a dry port in the region of Hazara has huge potential for socio-economic upliftment of local people but also the for growth of bilateral trade between China and Pakistan. Havelian Dry Port has been built near Baldhair Railway Station which is almost five km away from Haripur (Government of Pakistan, 2020).

After completion, this dry port will be of immense value for CPEC due to its capability of managing freight traffic between Pakistan and China in an effective manner. Alongside generating employment opportunities for the citizens of Pakistan, in general, and those of Hazara region, in particular, it will turn the region into an economic hub for the local traders who, previously, had to ferry their products from and to other dry ports. The trading skills among the indigenous population have been excellent since the ancient times. As this region is close to both Northern Areas as well as Kashmir, so historically it has been the route of the traders coming from China to the various parts of Indian Subcontinent.

The new dynamics of the present-day trade are deeply interlinked with the concept of soft power. Boosting of the trade in this region through Havelian Dry Port will benefit the people in more than one ways. Apart from the immediate economic benefits, it will also facilitate projection of Havelian and other parts of Hazara region through an increase in the soft power. The prosperous population will be better able to focus upon raising the educational standard of the people through an

improvement in the educational infrastructure of the region. The long-term result would be the excellence of the people of Hazara region in almost every field of life inspiring the population of other areas surrounding it.

The benefits of this dry port for the Chinese traders are also manifold in nature. If on one hand, it will save a huge capital and a lot of time of the Chinese traders that could have been spent upon ferrying their products to and from Gawadar, then on the other hand, it will result into a great cultural exchange between the people of two countries in general which will benefit the people of Hazara Region as well by enhancing their international exposure. Thus, Havelian Dry Port, potentially, can lead to a multicultural and cosmopolitan Hazara region which would attract not only the traders and businessmen but people from other professions from throughout the world.

Another major benefit of Havelian Dry Port will be its positive effect upon environment by saving the consumption of extra fuel which would have been the cause of more damage to the environment due the emission of CO<sub>2</sub>. It would also save the drivers from the anxiety of long queues that is the cause of many roadside accidents around the world.

### **Hazara Motorway**

Hazara Motorway is the key component of CPEC. This project is also known as M-15 motorway. It is an intrinsic part of the economic route from western part of China to the south of Pakistan. The total length of M-15 Motorway is 180 kilometers. It connects the province of Punjab with the Hazara region by linking Burhan interchange with KP through different parts of Hazara region which include Haripur, Havelian, Abbotabad, Mansehra, and Thakot giving connectivity to other parts of Battagram, Kohistan and Gilgit Batistan upto Pakistan China border. The project of M-15 Motorway comprises 7 phases which became operational in three phases from December 2017 to July 2020 (Government of Pakistan, n.d.).

The route covered by Hazara Motorway conjoins all the areas in Hazara region making it convenient for the local people as well as the people from other areas of Pakistan and China to commute through this region in a hassle-free manner. Since it was a project first of its kind that was undertaken in this region at such a massive scale, so its various phases were completed one by one. The first phase of M-15 was the opening of the route from Hasan Abdal to Shah Maqsood the construction of which was inaugurated by the former Prime Minister of Pakistan, Mian Muhammad Nawaz Sharif, on November 29, 2014. The total cost incurred at this phase was PKR 33 billion. This phase of M-15 is a 6-lane spacious and fenced road from Hasanabdal to Havelian and then a separate 47-km piece of it from Burhan-Shah Maqsood Interchange to Havelian. This part of the route of M-15 was inaugurated by another former Prime Minister, Shahid Khaqan Abbasi on December 27, 2017 ("PM Inaugurates Hazara Motorway," 2017).

The next phase of Hazara Motorway is a 40-km long stretch from Shah Maqsood to Mansehra consisting of three sections of Havelian-Thakot route comprising six service areas, six tunnels and 47 bridges. It was inaugurated by Prime Minister Imran Khan on November 18, 2019 (China-Pakistan Economic Corridor, 2019). A linking route from Mansehra to Thakot was added to Hazara Motorway when Chief Minister of Khyber Pakhtunkhwa Mehmood Khan inaugurated this additional phase on July 29, 2020 ("CM Mahmood Khan inaugurates," 2020).

Hazara Motorway is a milestone in the uplifting of the Hazara region as it facilitates its linkage with not only the rest of Pakistani areas but also with China through Northern Areas. The people, now, can travel to and from different areas of Hazara Region consuming less time and undergoing less

fatigue. It is a boon for the local population of Hazara Region as through it they can bring about positive changes in their lives by availing various opportunities that it entails in the form of facilitating businesses and transportation. An easy access to this region is helping the tourism industry of this region to flourish ("Hazara Expressway," 2020).

The construction of Hazara motorway is quite significant for socio-economic development of the area. The roads and motorways are considered as engine of growth, the shrank distance between people and increase people-to-people contacts, ensure economic development, mutual understanding, peace and prosperity between nations. It has been witnessed that construction of Hazara motorway is contributing towards growth of tourism (Saheed, Ahmad, & Khan, 2021) and other industries especially transport and hoteling industry (Saheed, Khan, & Ahmad, 2021) of the region. Hazara region has a huge potential of tourism of diverse sorts, and construction of motorway in the area would significantly contribute to it. The presence of religious sites in Hazara can attract visitors from China and other states as well.

### **Suki Kinari Hydropower Project**

Another key component of CPEC in the context of Hazara Region is Suki Kinari Hydropower Project that is planned to be completed by Decemeber 2022 (CPEC, n.d.). In fact, the site of this project i.e. River Kunhar flowing through the Kaghan Valley in Mansehra District has been the subject of the planning for such a project since 1960. Till 2005, three different firms had prepared the feasibility reports for this project but no further work could be initiated because of the lack of awareness among the local landowners who were to be affected by this project about its importance (Sadaqat, 2015).

With the worsening of energy crisis, the need for new hydropower projects became obvious to all the stakeholders. A new policy for power generation projects was formulated by the Private Power and Infrastructure Board (PPIB) of Pakistan according to which seven different sites for hydropower projects were identified (Government of Pakistan, 2002). In response to the advertisement by PPIB in March 2005, SK Hydro Consortium submitted its technical and financial bids for Suki Kinari Hydropower Project which were found to be eligible for prequalification. Subsequently, a Letter of Interest (LoI) was issues to SK Hydro Consortium for carrying out a feasibility study for Suki Kinari Hydropower Project on November 15, 2005 ("LoIs issued for eight," 2005). This project could, however, not be launched for unkown reasons until it was placed in the list of the projects being undertaken under CPEC. Consequlty, an agreement was signed between the KP Government and SK Hydro Consortium and Industrial & Commercial Bank of China for this project which would yield 870 MW power on August 24, 2016 ("Agreement signed for," 2016).

The height of the proposed dam is estimated to be 54.5 meter whereas it width would be 336 meters. Construction plan for this project will not affect the population of the area. However, the construction of the dam will lead to the diversion of a 4-km long section of Kaghan-Naran Highway ("Power generation from Suki Kanari, 2019). The cost of this vital project is estimated to be \$1.8 billion (Khan, 2014). The project will radically improve the energy sector of Pakistan in addition to creating multiple opportunities for the people of the Hazara region by making their lives easier due to sufficient and affordable electricity which will result into the flourishing of industries in this region.

## CONCLUSION

CPEC signifies changing and growing dimensions of Pakistan-China bilateral relations. Strong economic bond was missing in their bilateral partnership and CPEC is aimed to bridge this gap in their seven decades old friendship. The projects potentially provides win win situation for both countries and it is believed to be a game changer for Pakistan. The project not only helped resolved energy crises but also brought much needed foreign direct investment that was adversely affected due to worsening law and order situation, especially unabated terrorism that the country faced in post 9/11 era. The project, however, coincided with recede in terrorist attacks after a well thought out military operation was launched to rootout the hideouts of terrorists groups in North Waziristan and their sleeping cells spread in various parts of the country.

CPEC promises beginning of a new era of socio-economic development in Pakistan, especially its relatively remote backward areas. Keeping in view this perspective, various CPEC project were planned for Hazara division in KP. Out of these projects, the Hazara motorway witnessed its completion fastly and it has already started contributing to the socio-economic upliftment of the region, especially rise in tourism that contributed to the hotel and transport industry besides decreasing the travel time significantly for the local population. It has eased their access to health and educational institutions and other facilities located in federal and provincial capitals, i.e. Islamabad, and Peshawar.

The other two projects, i.e. Suki Kinari Hydropower Project, and Havelian dry port are still under progress but their potential to socio-economic development of the country in general and for Hazara region in particular is quite obvious. The proposal to establish a special economic zone at Hatar industrial zone, in district Haripur has yet not materialized due to political reasons. If the proposal is revived, it will contribute more in providing employment opportunitites to the skilled workers, and investment opportunity to local investors besides others. The national and local leaders need to focus on this aspect and should not neglect Hazara while allocating special economic zones to different parts of the country.

All the three components of CPEC viz. Havelian Dry Port, Hazara Motorway and Suki Kinari Hydropower Project will change the dynamics of Hazara region by not only enhancing its strategic and economic importance but also by benefitting its population in multiple ways. These projects will usher in a new era of progress and prosperity of the people of Hazara region by bringing them at par with the people living in any developed part of the world by providing them the opportunities to prosper and excel in different field of life. This, in turn, will alleviate the sense of deprivation prevalent in some sections of the local population in Hazara which will strengthen national integration in the long run. Besides the economic benefits that these projects promise for the people of Hazara, their social outlook will also change by acquainting them with the dynamics of multiculturalism and globalization that are a bi-product of technological advancement. Better infrastructure not only imply the industrial development but also help raise the literacy and educational standards.

The projects in Hazara and interactions for Chinese people may alos pose some economic and cultural challenges to the people of Hazara region. In order to protect, indigenous cultrure, noesrm,

traditions, and religious heritage, as well as to preserve and promote economic opportunities, the local people, leaders and the government of Pakistan need to be vigilant.

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