

CPEC AND GILGIT-BALTISTAN: A SOCIO-ECONOMIC PERSPECTIVE

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Abstract

CPEC, a massive economic project under BRI, focuses on the socio-economic and political dividends in Gilgit Baltistan. It is expected to create more than half a million jobs by creating Special Economic Zones in Gilgit, imparting a boom to the tourism industry and enlarging the scope of e-commerce. Hydropower development, technical expertise, and human resources—resulting from CPEC projects—are also likely to transform the socio-economic dynamics of the region. This paper argues that the success of CPEC—considering the importance of connectivity for local markets—is likely to transform the region's socio-economic dynamics that will help promote economic and social inclusion of the people, mitigating their sense of deprivation.

Keywords: *CPEC, Gilgit-Baltistan, Socio-Economic Development, China, Pakistan*

Introduction

China-Pakistan Economic Corridor (CPEC) is a subset of the Belt and Road Initiative (BRI) that President Xi Jinping launched in 2013. Under the BRI initiative, Beijing's investments have risen to \$3 trillion in infrastructure development in member countries.¹ The project entails more than six economic corridors that aim to connect Asia, Africa, and Europe. Its objective is to revive the old Silk Road. The initiative comprising infrastructure development and investment initiatives is expected to be vital for the economic development of participating countries stretching from East Asia to Europe. It is also expected to enhance China's economic and political influence in the region and beyond.

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¹ Xiangming Chen, Julie Tian Miao, Xue Li, *The Belt and Road Initiative as Epochal Regionalisation*, (London: Routledge, 2021), 31.

Pakistan borders China's western province Xinjiang Province which lies in the north and thus provides China with a potential corridor through the Karakoram Highway to the seaport at Gwadar in Baluchistan on the Indian Ocean. Under China-Pakistan Economic Corridor (CPEC), the two countries have signed 51 MoUs for collaboration.² The CPEC route provides China with an alternative, shorter access to reach the Middle East and Europe by reducing heavy reliance on the narrow sea corridor, Strait of Malacca. It also links western China to the Gwadar Port, facilitating China by extenuating its energy security predicaments in the Indian Ocean, cementing its position in Indo-Pacific geopolitics, and safeguarding its energy provisions from the Middle East. The CPEC enables China to shrink the shipping period of 45 days to 10 days through the Persian Gulf as the 13000 km long route will be reduced to 2500 km.³ The port will also complement the presence of Chinese staff administering a number of ports all around the Indian Ocean, involving Sri Lanka, Djibouti, and Seychelles, through which China can outsmart the US bid to sustain primacy in Asia.⁴

Gilgit-Baltistan (GB) is the gateway of the China- Pakistan Economic Corridor. The CPEC passes through Xinjiang and enters GB through the Hunza district for almost 300 Km before entering Khyber Pakhtunkhwa (KP) from the Kohistan district. The corridor is expected to be an agent for the economic development of Pakistan. A successful CPEC is also likely to open new corridors of opportunities for GB and positively contribute to addressing its political conundrum.⁵

This paper encompasses discussions on BRI's flagship project, i.e., the CPEC. It covers the geographical, political, and economic aspects of the corridor. It uses secondary sources, mainly due to lacking primary documents and feasibility studies on CPEC projects. It is divided into two parts. The first part explains the broader underpinnings of CPEC and highlights the importance of GB for the project. The next part focuses on economic prospects that may positively impact the socio-economic development of GB.

² Irfan Haider, "Details of Agreements Signed during Xi's Visit to Pakistan," *Dawn*, April 20, 2015.

³ Khalid Alam, Xuemei Li and Saranjam Baig, "Impact of Transport Cost and Travel Time on Trade under China-Pakistan Economic Corridor (CPEC)," *Journal of Advanced Transportation* vol. 2019, <https://doi.org/10.1155/2019/7178507>

⁴ Junaid Ashraf, "String of Pearls and China's Emerging Strategic Culture," *Strategic Studies* 37, no. 4 (2017), 166-81, <https://www.jstor.org/stable/48537578>.

⁵ Ahmad Rashid Malik, "The China-Pakistan Economic Corridor (CPEC): A Game Changer for Pakistan's Economy," in *China's Global Rebalancing and the New Silk Road*, ed. B. R. Deepak (Singapore: Springer, 2018), 69-83.

Geo-Economics, CPEC, and GB

The geo-economic capabilities of a state depend on its economic strength and geographic position in undertaking commercial activities. A study shows that the economic outlook of China under BRI is likely to impact about 70 percent of the global population and 55 percent of the global GNP.⁶ The rise of China as a major power in the international system is due to its economic growth and how it manages relations with other states. It needs economic resources, in addition to a peaceful environment which the Chinese leadership has referred to as the window of strategic opportunity, to sustain its burgeoning economy, which is a prerequisite to meet geopolitical ambitions and rank of the world power.

China needs oil and gas resources from the Middle East and Central Asia to continue its economic growth. A significant presence in the Indian Ocean, possibly through the Gwadar seaport, is vital to achieve these objectives. Otherwise, in a future confrontation with the US, the latter may block the Strait of Malacca from where 80 percent of China's energy supply is transported.⁷ CPEC offers a safe, short, and cost-effective trade route for China through Gwadar Port. In addition, the development and industrialization of Xinjiang can help suppress terrorism and ethno religious conflict in the province and promote inter-regional integration and a soft image of China.⁸

The geographic location of GB acts as an axis of regional connectivity involving India, China, and Afghanistan. The CPEC route that links Gwadar with GB thus opens new avenues of regional connectivity—depending on whether regional states can shelve territorial disputes to increase trade and economic connectivity.⁹ The project being a large development and strategic program, owes its success to a peaceful and friendly GB. The socioeconomic dividends under this project for GB may also entail adverse impacts on its clean environment leading to various forms of pollution. Thus environmental sustainability needs to be integrated into the development of the projects in the region. The recognition of their political identity through a constitutional arrangement that puts an end to GB's constitutional limbo is a significant benefit that the people of GB expect from the initiative.

⁶ X. Pu, "One Belt, One Road: Visions and Challenges of China's Geoeconomic Strategy," *Mainland China Studies*, 59(3) (2016), 111-32.

⁷ Chen Shaofeng, "China's Self-Extrication from the "Malacca Dilemma" and Implications," *International Journal of China Studies*, vol 1:1 (2010), 2.

⁸ Mathieu Duchâtel, "The Terrorist Risk and China's Policy toward Pakistan: Strategic Reassurance and the 'United Front'," *Journal of Contemporary China*, 20:71 (2011), 543-561.

⁹ Mir Sherbaz Khetran, "The Potential and Prospects of Gwadar Port," *Strategic Studies* 34 (2014): 70-89.

Prospects of Social, Political and Economic Opportunities through CPEC

Communication and Infrastructure Development

Accessibility, Roads and Bridges

CPEC promises infrastructure development in the region. It could have potential to improve connectivity within the region and with the outside world. The existing studies show that GB is already a beneficiary as the widening of KKH is in the last stage of completion. Under CPEC, plans for upgrading the 1254 km railway track are also considered. The core of CPEC is regional connectivity through roads and bridges for transporting goods from China. The Gwadar port can be used to transport goods from Pakistan to the Chinese and Central Asian markets. GB can be a trading centre between Central Asia and the Middle East due to CPEC. The opportunity of levying tax on containers and heavy vehicles carrying goods can also be a significant source of income for the region. It is expected that 70,000 trucks and containers will pass through the region every day.¹⁰

As per the CPEC master plan, a railway track will also be laid down from Xinjiang to Rawalpindi, opening another corridor of opportunity and accessibility. The existing Karakoram Highway (KKH) has been widened and improved, significantly facilitating GB's approach down the country for all practical purposes. Although the airport at Skardu has been declared International Airport, the facilities therein are far below international standards. Private airlines are offered incentives to operate flights to and from GB. PIA also facilitates weekly flights from Gilgit to Skardu and back. The Civil Aviation Authority (CAA) is working on identifying potential sites for constructing new airports in Gilgit-Baltistan.

A road construction project has been approved, and work will likely start soon on widening and improving the Gilgit-Chitral land route via the Ghizer District expressway. Feasibility studies have been undertaken to make Khunjerab Pass and Babusar Pass operational throughout the year. Another feasibility study on Shontar Pass has been undertaken to construct an expressway between Astore and Muzaffarabad. The RCC bridges and tunnels are being constructed within GB and on KKH to overcome landslide issues and facilitate rapid and smooth access for travellers. All the above infrastructural development measures have been necessitated by CPEC in one way or the other.¹¹

¹⁰ Shaista Tabassum, "Deforestation in Pakistan CPEC An Auxiliary Exacerbation," *Journal of Contemporary Studies* 9, no. II (2020): 59-72.

¹¹ Islamuddin Sajid, "CPEC Transforms Pakistan's Remote Gilgit-Baltistan," *Anadolu Agency (AA)* August 18, 2020, <https://www.aa.com.tr/en/asia-pacific/>.

The Development of Hydro Power Potential

GB has immense hydropower potential as 27 percent of the region consists of glaciers: the largest concentration outside the Polar Regions. There are six main Tributaries of the Indus River (Suro River, Shyoke River, Shigar River, Gilgit River, Hunza River, and Astore River).¹² The average annual runoff near Diamer-Basha on the Indus River in GB is 1955 Cumec (50 MAF), which can produce up to 23,000 MW of electricity. As per GTZ-WAPDA (1993-1996) study, approximately 40,000 MW hydropower potential exists in GB, and if low-head hydropower units are placed, the generation may increase twice. However, until recently, only 170 MW of electricity was produced by Water and Power Department, GB. The table underneath illustrates the hydropower sector plans for GB.¹³

Table 1: Harnessing Hydropower Potential of GB

Sr. No.	Project Description	Type	Number	Status	Capacity (MW)
A	Currently Operational Projects in Gilgit-Baltistan	Mostly Public Sector	106	Operational	98
B	Power Potential				
2	Projects Under Implementation				
	a. Diamer-Basha Dam	Public Sector with International Funding	1	Under Implementation	4,500
	b. Bunji Hydro-Power Project	Public Sector with International Funding	1	Under Implementation	7,100
	c. Phandar Hydropower Project	Public Sector	1	Under Implementation	80
	d. Other Public Sector Projects under Implementation	Public Sector	6	Under Implementation	196
	3. Private Sector Projects	Private	3	Under Implementation	40
4	Solicited Sites	-	12	Projects with Feasibility Study Completed	534
5	Raw Sites	-		Areas Identified	8,540
	Total				20,990

Source: AKRSP, "Horizons of CPEC in Gilgit-Baltistan A Prospective Study"

Some major projects are Diamer-Basha Dam 4500 MW, Bunji Tunnel 7100 MW, YULBO 3000 MW, Thorgo Pari 2500 MW, Tungus 2100 Katzara 1500 MW, etc.¹⁴ Apart from these, there are several hydro power projects, ranging from 10 MW to 1000 MW, whose feasibility studies have been conducted but physically no tangible progress is seen. However, it is the issue of investment that these resources have not been realized for the benefit of GB and Pakistan.

¹² A Technical report on "Horizons of CPEC in Gilgit-Baltistan: A Prospective Study," *Aga Khan Rural Support Programme*, (2017), <http://akrsp.org.pk/wp-content/>

¹³ Ibid.

¹⁴ Ibid.

Avenues of Revenue Generation under CPEC

The regional grid of GB is in the implementation stage, wherein after regional connectivity, it will be connected to the national grid. The work on Diamer-Basha Dam has started and is expected to be completed in eight years. The GB government has recommended 100 MW KIU at Hunza River and 80 MW Phander—both will be constructed under the CPEC. The availability of energy is directly linked with industries related to employment, improved earnings, and quality of life. Several small-range power projects are pending due to funding issues. In this context, the opportunity lies in CPEC. It is expected that CPEC investment will initially be focused on hydropower projects. The investment in hydropower is also environmentally friendly. There is around a 3000 MW shortfall for Pakistan against the total demand of 25000 MW.¹⁵ The hydropower development in GB can address the clean energy needs of Pakistan. It may enable Pakistan to export some electricity to China as well. But that would become possible only if GB's potential is fully exploited through CPEC projects.

Green Energy Corridor

According to the Alternative Energy Development Board (AEDB), GB has country's largest hydropower potential. Despite massive hydro potential generation in Pakistan, fewer efforts and investments have been made to garner the benefits. Since fossil fuels dominate Pakistan's energy mix, it imports expensive fuels (Oil, Coal & Gas) for power generation. This negatively costs the struggling economy of Pakistan. Circular debt for the power sector reached Rs. 2476 billion by February 2022. (Rs. 2.47 trillion).¹⁶ The circular debt is the due gap between the high cost of electricity generation, dying transmission/distribution infrastructures, and actual revenue collections and the role of generous government subsidies to bridge the tariff onslaughts. The government of Pakistan has recently approved "the Alternative and Renewable Energy Policy, 2019", wherein ambitious goals have been set. The policy intends to achieve 20 percent on-grid capacity from alternative and renewable energy technologies by 2025 and 30 percent by 2030.¹⁷ This ambitious goal can only be achieved if the hydropower potential of the GB is harnessed.

¹⁵ Muhammad Sibtain, Xianshan Li, Hassan Bashir, Muhammad Imran Azam, "Hydropower Exploitation for Pakistan's Sustainable Development: A SWOT Analysis Considering Current Situation, Challenges, and Prospects," *Energy Strategy Reviews*, Vol 38 (2021), 100728.

¹⁶ "Pakistan: Power Sector Circular Debt Surges to Rs 2.47 Trillion," *ANI News*, February 10, 2022, <https://www.aninews.in/news/world/asia/>

¹⁷ "Alternative and Renewable Energy Policy, 2019," *Government of Pakistan*, July 21, 2019, <https://www.aedb.org/images/>

Gilgit-Baltistan still needs to be connected to National Grid but is planned to be done with the completion of the Diamer-Basha Dam. Meanwhile, a project named, "Establishment of Regional Grid in GB" is in the implementation stage which will create connectivity within GB. The nearest connection with the national grid from GB is Chitral (170 km) and Dassu (300 km). The regional grid of GB will optimise existing and planned hydropower projects for local needs, and create connectivity with the National and Xinjiang Chinese Grids in the long run. This potential area of cooperation between China and Pakistan under the CPEC framework benefits both sides, especially GB.

A Green Energy Corridor can be established by expanding/connecting GB regional Grid with Xinjiang Grid Station on one side and KP on the other. This grid connectivity may help import electricity to address the energy requirements of GB and elsewhere in the country for a shorter period. Moreover, once the hydropower potential of GB is tapped and commissioned, the electricity can be exported to China. This will bring prosperity to GB and billions of rupees to Pakistan. China has made an international commitment to shift away from fossil fuels towards clean energy sources with low carbon emissions. China has pledged to use 80 percent non-fossil energy by 2060. This is a huge area of cooperation as China's commitment to using 80 percent non-fossil energy can be well facilitated under CPEC by establishing a Green Energy Corridor with GB at the core of it. According to a local official, "more than 50K MW explored hydro capacity, plus many unexplored including solar and wind cannot only make GB an (economic) corridor but also a producer of CGE".¹⁸

¹⁸ Personal interview with a local official in GB, September 12, 2022.

Table 2: CPEC Infrastructure Projects in Pakistan

<i>Projects</i>	<i>Chinese Investment (US\$ bn)</i>	<i>Domestic Share</i>	<i>Domestic Share (US\$ bn)</i>
Energy Projects	33.8		5.9
Coal 7560 MW	8.8	20%	1.8
Wind 200 MW	0.5	20%	0.1
Hydel 1590 MW	4.2	50%	2.1
Solar 1000 MW	1.7	0%	0
Second Phase 6445 MW	9.5	20%	1.9
Mining Expenditure	9	50%	4.5
Roads	5.9	80%	4.7
Railways	3.7	50%	1.8
Mass transit in Lahore	1.6	50%	0.8
Gwadar Port	0.7	50%	0.3
China Pak Fiber Optics	0	0%	0
Total	45.7		18.1

Source: "The China–Pakistan Economic Corridor (CPEC): Challenges and Prospects," *Area Development and Policy* 4, no. 4 (2019).

The 820-kilometre Pak-China Fiber Optic between Khunjerab Pass and Rawalpindi will bring 3G, 4G, and 5G to the region, improving digital connectivity, employability and economic activity in the area. It will enhance communication, promote tourism, and create trading opportunities for the locals in the area. The improvement in information technology can revolutionize the field of e-commerce.¹⁹ For instance, the educated youth of GB will have access to international online markets to earn without much ado. Improved internet access will bring about easy, cost-effective e-health and e-learning services while considering the area's topography and geography.

Moqpondass Special Economic Zone (SEZ)

Of nine Special Economic Zones (SEZs) planned under CPEC, one will be established at Moqpondass, Gilgit.²⁰ This Moqpoondass SEZ will boost trade, generate employment, attract FDI, and increase economic activity in the area. Since there is no SEZ in the region, a successful zone can significantly benefit the locals small and medium-sized industries will create employment opportunities. This SEZ is expected to be a viable instrument of socio-economic development. It is not yet in place, and a land dispute over grazing rights with the government is yet to be settled. However, the site is ideally located at KKH, which may be instrumental if it

¹⁹ Sarfraz Ali, "820 Km Optic Fiber Cable Project in GB to Facilitate Tourism, IT Awareness," *Daily Pakistan Global*, August 12, 2018, <https://en.dailypakistan.com.pk/12-Aug-2018/>

²⁰ Dr. Rameez Khalid, "Strategy for Developing an Effective SEZ in Gilgit-Baltistan," *Centre of the Excellence for CPEC*, Issue 2, Working Paper 21 (2018), <https://cpec-centre.pk/wp-content/uploads/>

is linked with transferring technology to the local economy for overall development.

CPEC proponents believe that, in the long run, it will bring socio-economic development to the area and make GB an economic cradle for Pakistan. It will enhance the geo-economic and geo-strategic importance of Pakistan and play a crucial role in foreign policy decision-making.²¹ It will facilitate large and wide-scale economic development, particularly significant potential exists for small and medium business enterprises, and e-commerce will flourish with the completion of projects on optical fiber and improved internet facilities.

There are always costs associated with progress, and CPEC is no exception. There are widespread perceptions of marginalisation and exploitation because GB does not regularly participate in any CPEC-related decision-making forums like the Joint Cooperation Committee (JCC), Joint Working Group (JWG), or Technical Experts Committee.²² Moreover, without having addressed constitutional identity apprehension, it is interesting to see how the interests of local communities are safeguarded. Apart from the constitutional issue, the fear of environmental degradation and demographic changes are a matter of concern for the locals. Nonetheless, a development practitioner Sultan Abbas believes that “CPEC will enhance GB’s economic relevance and political profile within Pakistan and globally.”²³ In this context, it is important to concentrate on sectors leading to prosperity and success and to devise plans to minimize the negative impacts of CPEC projects on GB.

Enhancing Economic Development

With CPEC, it is expected that FDI will come, and the untapped resources of GB, like minerals, hydropower, and the agriculture sector will be harnessed for the larger good of the country and the region.²⁴ Tourism, which is already a flourishing sector, is seen to be thriving with the coming of Chinese and local tourists. The local business community will be able to establish partnerships with Chinese and Pakistani counterparts for the export of dry fruits, precious stones, and local handicrafts.²⁵ The region

²¹ “CPEC to Change Fate of GB,” *The News International*, May 20, 2017.

²² Seth Oldmixon and Prateek Joshi, “The China-Pakistan Economic Corridor: A Game Changer for Gilgit-Baltistan,” *The Diplomat*, January 28, 2017, <https://thediplomat.com/2017/01/>

²³ In discussion with Sultan Abbas (Development Practitioner, AKDN), (Islamabad, April 2022)

²⁴ “CPEC: Gilgit-Baltistan Fate to be Changed,” *Times of Islamabad*, June 17, 2016.

²⁵ “CPEC ‘Game-Changer’ for Pakistan, ‘Fate-Changer’ for Region: PM,” *The Nation*, August 29, 2016.

will equally benefit like other provinces, and its fate will be changed with CPEC.²⁶

The biggest promise CPEC offers is the economic payoffs through generating economic activity. However, there currently needs to be a heavy industry in GB to produce value-added goods and services despite raw material availability. In addition, an organised system for marketing local products needs to be more effective, which can bring the region into the global limelight. CPEC can offer avenues to GB's (agricultural and minerals) products to reach national and international markets. This requires international standard certifications. The CPEC projects will likely facilitate such certification enabling local products to reach international markets. CPEC-related employment is expected to benefit the GB.²⁷ With increased opportunities for trade with China, many employment avenues will be open for the people of GB. The Phase II of CPEC is labour intensive; therefore, one may expect more employment opportunities to meet the requirements of the relocated industries.

Human Resource Development

Human Resource Development is a broader framework under which the skills, abilities, capacities, and knowledge are either improved or enhanced to meet challenging requirements. GB has good potential for the development for its human resource. The literacy rate in GB is well above 65 percent.²⁸ The good literacy rate shows that the region has good base for the development of skilled labour, professionals, and IT experts.

In GB, the CPEC is expected to pave the way for human resource development which is a dire and immediate need of the area, as without skilled manpower or required human resource development cannot be realized at all. GB must transform itself as a knowledge economy and progressively develop its skilled human resource to sustain the demands of CPEC. Aziz Ahmed Jamali, Additional Chief Secretary of Development, views that "although CPEC opens multiple arenas of opportunity and it may impact as an influencer, its game-changing impact can never be realized without meaningful investment in human capital."²⁹ CPEC, through its various contours, is likely to open new arenas of Human

²⁶ Muhammad Ismail, "CPEC and Gilgit Baltistan", *Pamir Times*, November 15, 2021. <https://pamirtimes.net/2021/11/15/cpec-and-gilgit-baltistan-2/>

²⁷ "Job, Business Opportunities to be Created in GB through CPEC," *Daily Times*, June 18, 2016.

²⁸ Abdul Rehman, Luan Jingdong, and Imran Hussain, "The Province-Wise Literacy rate in Pakistan and its impact on the Economy," *Pacific Science Review B: Humanities and Social Sciences* 1, no. 3 (2015): 144.

²⁹ In discussion with Aziz Ahmed Jamali, (ACS Development, PDD, GB), (Gilgit, April 2022).

resource development as one of the major issues in GB is the dearth of skilled human resources.

Technical and Vocational Training

Skills development and Technical and Vocational Education and Training (TVET) are critical to job creation and sustainable economic development. A major reason for the lack of qualified and skilled manpower is the non-availability of work opportunities that limit the possibility of a large pool of skilled workforce. Skills development and transfer are possible through collective engagements under the CPEC projects. For high-tech requirements, institutions of technical and vocational education are planned. In addition, efforts are being made to link existing technical institutions with Chinese institutions so that existing learning centres can also be strengthened. *Confucius* Institutes have been established to teach Mandarin so that locals can learn the language, which will help them better understand Chinese society and the market.

Development of Services Sector

This is an area where GB can benefit the most. More than 60 percent of its population (1.502 million estimated in 2017) is young, and the literacy rate and education are higher among the youth.³⁰ This can be capitalized by producing productive human resources. If GB develops a skilled workforce, earning and employability avenues can multiply. Under CPEC, the services sector can grow significantly by systematically developing human capital, like managers, teachers, IT experts, doctors, hotel services work force, hydro power-related expertise and minerals-related skills. In this regard, the SEZ in the region will also offer a great opportunity.

Economic Inclusiveness of GB under CPEC

CPEC has increased the geo-political and geo-economic importance of GB. People from across the country, being cognizant of the ever-increasing importance of GB, are undertaking business ventures, building housing facilities, and expanding the hospitality industry, leading to an increase flow of domestic and international tourists. On the political front, mainstream political parties of Pakistan are participating in local elections, consultation on national level policies is being held, and national-level programs are extended to GB. Federal Government is investing in upgrading communication infrastructure, airlines, and tourism. On the development side, development models are being copied and implemented elsewhere in the country. National Rural Support

³⁰ "Gilgit Baltistan at a Glance-2020," *Statistical & Research Cell (SRC)*, Accessed April 4, 2022 <https://portal.pnd.gog.pk/Content/Files/Reports>.

Programme (NRSP), Sindh Rural Support Programme (SRSP), Punjab Rural Support Programme (PRSP), and Sarhad Rural Support Programme (SRSP) seek inspiration from AKRSP GB for rural development.³¹ CPEC through its various interventions has the potential to stir partnerships with a broad array of stakeholders including the private sector and civil society for the holistic development of GB based on principles of inclusivity.

CPEC can create such an economic environment wherein businessmen from other parts of the country may invest in GB. This will create opportunities for employment and profitability for the locals, thus leading to the economic mainstreaming of the local population. Economic inclusivity leads to inclusive prosperity, which is expected from the CPEC. Economic growth largely transpires by boosting the efficiency of local human resources. SEZs can enhance the skill base; knowledge may come with Chinese expertise/experience and the transfer of technological infrastructure. GB now needs a more skilled work force; this hindrance can be addressed under CPEC-related auxiliary initiatives. Human capital equipped with skills and knowledge, supplemented by technology, is a prerequisite to enable growth. Economic growth can get impetus through the inclusivity of underutilized resources, a cross-sector approach, and financial inclusion of people, assets, and places. Thus, CPEC may provide the opportunity for increased inclusivity and participation of locals in economic activity for the collective good.

Social Inclusiveness of GB under CPEC

Social inclusion promotes a sense of belongingness to a particular community and one's role in a community. Social inclusion is important for a healthy life, and its absence leads to isolation, loneliness, and low self-esteem. GB is geographically and culturally isolated from the rest of the country; even within, GB chunks live in scattered and far-flung areas. CPEC can play a critical role in bringing people and cultures together. Language and culture are tools of social interaction and integration. Cross-cultural events, cross-fertilization of ideas, and cultural exchange programs can bring people from GB and the rest of the country closer to each other.

CPEC has the potential to bring people together through improved air and land accessibility of GB and active participation of people from GB in programs under CPEC. The Confucius Institute at KIU Gilgit plays an active role in teaching the Chinese language and organizing cultural events in GB. Such programs need to be expanded to other regions by introducing GB language learning centres in the country's major universities.

³¹ Guillaume De Spoelberch, Robert D'Arcy Shaw, Richard D. Bartel, "A Model: The Aga Khan Rural Support Program," *Challenge* 29, no. 6 (1987): 26–31.

Conclusion

CPEC is important for the socio-economic development of GB. It provides a pivot for regional connectivity, an opportunity to revive the ailing national economy and needs in energy, communication, infrastructure, industrial, and information technology sectors. It is also challenging because it may create and deepen polarization within Pakistani society, cause environmental degradation, invite proxy interventions, and increase vulnerability to external debt burden and other undue pressures. The positivity and apprehensions attached to CPEC are rational, yet the dividends of CPEC, which will be fully materialized gradually over a longer period are subject to the handling of the project based on the principles of consensus and a sense of ownership among the stakeholders.

The success of CPEC is the litmus test for the success of BRI, and the success of CPEC in GB is the litmus test for the success of CPEC. This correlation between BRI, CPEC, and GB is an interdependent relationship with varying scale and intensity, yet this interdependent relationship massively enhances GB's geo-economics and geopolitical significance. The territorial jurisdiction of GB acts as a pivot and an axis of land connectivity between South Asia, Central Asia, and Western China. The area of GB is also of geostrategic importance for Pakistan concerning its strained relationship with India. The region is a linchpin regarding the soft image of Pakistan with cultural diversity, sublime natural beauty, and rich natural resources, mainly hydro and mineral resources. The systems and structures in Pakistan are not responsive enough to meet the ever-increasing needs of investments/loans under CPEC which may aggravate the situation in Pakistan. However, for the Chinese signature project (BRI) to go global, CPEC is an absolute must for China for the overland transit route to the Indian Ocean. In addition to investments/loans, Pakistan seeks afloat military ties and diplomatic support, which has consequences. Pakistan sees an opportunity in China-India border clashes/disputes coupled with China's growing interest in building/consolidating an indefatigable blue-water navy and interests in far seas. This diplomatic machination is highly dependent upon the success of CPEC in all its manifestation.

The local dynamics are equally crucial for the success or failure of CPEC in GB. The consecutive governments at the federal and provincial levels have been able to allay the misperceptions about CPEC. They are trying to disseminate a strong positive impression yet there are voices in GB who are either politically disenfranchised, or their outlook is dominated by sectarian, ethnic or nationalistic affiliations, whereby knowingly or unknowingly they act as an auxiliary to either disrupt or make the project controversial.

According to the GB government's finance department, the Government of Pakistan has pumped around Rupees 118 billion into the development of Gilgit-Baltistan from 2003-2021, and with CPEC, more social and economic benefits may be garnered. Yet reservations, indignant displeasure, and discontent persist unabatedly, and with time it is regressing into anger and deprivation. The most advocated issue in GB is the political identity crisis, a constitutional limbo status of GB since her independence from the Dogra rule in November 1947. Therefore, this study concludes that without addressing political alienation, any socioeconomic intervention would only allay the uncertainties and dissatisfaction among the people. Stakeholders in Pakistan need to realize that political identity is the fundamental right of the people of G-B, and if left unaddressed, the issue would only exacerbate. The resolution of the political conundrum and concerns of GB's population is in the interest of CPEC. The success of CPEC, which depends on GB, would be at stake if the people's political questions were ignored.

