

# CPEC and Balochistan: Prospects of Socio-political Stability

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## Abstract

*In the age of economic integrity and changing geopolitical environment, Pakistan is keen to strengthen itself domestically and bring much needed change in Balochistan. The Government of Pakistan has made a number of efforts to reach out to the people of Balochistan. Especially, after the launch of the China Pakistan Economic Corridor (CPEC) in 2015, socio-political stability of Balochistan has become crucial for political leadership and policy makers. The historically neglected province of Balochistan, lacks socio-economic development, communication infrastructure and employment, which have impeded social, political and economic progress of the province. In order to overcome its challenges, economic development, social and political stability is necessary. The paper, by focusing on the challenges being faced by Balochistan, will attempt to analyse that how the CPEC would be a 'game changer' for the province. It explains that how the implementation of the CPEC projects in the province will help to address the challenges being faced by the local population and how they would be able to overcome future challenges by ensuring stability.*

**Keywords:** Balochistan, CPEC, Political Instability, Human Development, Natural Resources, Employment.

## Introduction

China has emerged as a reliable strategic partner of Pakistan in the international arena. It can be argued that China's stated foreign policy principle of peaceful coexistence has worked in favour of a mutual beneficial relation between Pakistan and China. China not only achieved extraordinary economic growth but it has emerged as one of the most influential players in the global affairs. It is determined to sustain its rise and wanted to share the socio-economic benefits by connecting with the rest of

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the world. In 2013, to fulfil this dream, the Chinese President, Xi Jinping, came up with a visionary plan “One Belt One Road (OBOR)” initiative. Through OBOR, China is seeking to reinvent the ancient Silk Road while emphasising “mutual trust, equality, inclusiveness, mutual learning and win-win cooperation.”<sup>1</sup> The CPEC falls within President Xi’s grand scheme and is seen as a crucial link between the “Silk Road Economic Belt” and “21st Century Maritime Silk Road,” which collectively form the OBOR. Beijing believes that forming close ties with its neighbouring countries and ensuring stability in the region are essential for the economic progress. China has always recognised Pakistan’s significance in its rise and realises that stability in Pakistan serves China’s own interests.

Pakistan is confronted with various internal challenges and it considers the CPEC as a game-changer in a bid to revive its fortune. The CPEC, which is considered as a “national project” is going to be a fate changer for all provinces, especially Balochistan as it is going to connect Pakistan with the rest of the world through Gwadar port. Therefore, it is necessary to ensure socio-economic development and peace and stability in the province to reap the benefit of the CPEC for the entire country. The government has realised the need to address the concerns of the people of Balochistan. It can be argued that the future economic opportunities and the political attention, the CPEC has brought towards Balochistan, can potentially bring prosperity in the province.

This paper will discuss the political disputes and social grievances prevalent in Balochistan. It will also analyse the efforts by the government and the hurdles the Pakistani authorities have been encountering to ease the tensions in the province. Development challenges such as unemployment and water scarcity will also be discussed in detail. The primary focus will be on the potential impact of the CPEC in bringing about socio-economic development, peace and stability in the process. The impact of the CPEC will be projected with the help of relevant reports and case studies.

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<sup>1</sup> Christopher Johnson, “President Xi Jinping’s ‘Belt and Road’ Initiative: A Practical Assessment of the Chinese Communist Party’s Roadmap for China’s Global Resurgence,” Centre of Strategic and International Studies, March 2016.

## Problems of Balochistan

Non-inclusive policies, extractive institutions, fragmented political structure and negligence of national and local leaders towards the concerns of the locals have kept the province under-developed. According to a 2016 United Nations Development Programme (UNDP) report, around 71 per cent people in Balochistan live in multidimensional poverty, while this figure is much lower in other provinces. The Multidimensional Poverty Index (MPI) is a broad measure of understanding and measuring poverty that considers deprivations in education, health and standard of living along with income and wealth.<sup>2</sup> Given the lack of state infrastructure in the province, the findings of this report came as no surprise. According to Rotberg, lack of state infrastructure is the inability of the government to impose its authority and deliver stability.<sup>3</sup> Strong state infrastructure is required to establish the institutions, which serve the interests of the state. These institutions contribute to building a unifying identity among the people of the region. In their absence, the social and political landscape of Balochistan has been deteriorating for decades.

Over the past few decades, Balochistan's share in the Gross Domestic Product (GDP) has also been declining, in comparison with other provinces. As per the findings of a report in 2005, the overall literacy rate in Pakistan was 47 per cent whereas, in Balochistan, the overall literacy rate was only 26.6 per cent. The province also lags behind in other social development indicators such as primary education enrolment rate, access to sanitation and safe drinking water.<sup>4</sup> Pakistan's largest province is also the least urbanised as compared to the rest of the country. Most of the population of Balochistan lives in rural areas but only 25 per cent of the villages have electricity. In contrast, 75 per cent villages, in other parts of the country, have the electricity facility.<sup>5</sup>

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<sup>2</sup> "Pakistan's New Poverty Index Reveals that 4 out of 10 Pakistanis Live in Multidimensional Poverty," UNDP: Pakistan, June 20, 2016, <http://www.pk.undp.org/content/pakistan/en/home/presscenter/pressreleases/2016/06/20/pakistan-s-new-poverty-index-reveals-that-4-out-of-10-pakistanis-live-in-multidimensional-poverty.html>

<sup>3</sup> Robert Rotberg, *When States Fail: Causes and Consequence* (Princeton University Press, 2003).

<sup>4</sup> Maria Malik, *Balochistan Conundrum* (Islamabad: Poorab Academy, 2013), 126.

<sup>5</sup> Ibid.

These figures clearly suggest that Balochistan is the least developed province of the country. However, the lack of progress is not due to the dearth of resources. The province is rich in natural resources. It contributes more than 40 per cent to the country's energy requirement in the form of electricity, natural gas and coal. Natural gas is the country's primary energy source and accounts for 50 per cent of the overall energy consumption. Most of it is produced in Balochistan and its overall share of country's natural gas reserves is 68 per cent. Despite possessing such a large share of natural gas, only four districts in Balochistan receive gas. Sui gas was discovered in 1953 and it was supplied to Rawalpindi in 1964. Balochistan's capital, Quetta, received it 33 years after the discovery.<sup>6</sup> Furthermore, the well-paying jobs in Balochistan's gas industry have also been taken by people from other provinces.

The resentment against the state has grown over these issues. Many locals have warned against further exploration or development in their province unless they are taken into confidence and given rightful share.<sup>7</sup> Along with social and political differences, exploitation of Balochistan's natural resources and lack of economic incentives for the locals are also a major factor behind the belligerent voices coming out of the province. Dealing with such concerns has been problematic for successive governments. As population growth and industrial expansion carries on rapidly in other provinces, they face an increasing demand of energy. To facilitate the growth in those provinces, the government has limited options to generate energy from resources that are available in Balochistan. Therefore, the energy crisis that has gripped the country can potentially fuel further tensions between the central government and Balochistan.

Lack of human development opportunities have also contributed to the rising unemployment in Balochistan. As a result of this rising unemployment, there is likelihood that uneducated youth could fall prey to extremist and terrorist organisations.<sup>8</sup> It is estimated that out of nearly 25,000 students who graduate in Balochistan every year, only 2,000 are able to secure jobs

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<sup>6</sup> Ibid., 130.

<sup>7</sup> Frederic Grare, "Pakistan: The Resurgence of Baloch Nationalism," *Carnegie Papers* (January 2006).

<sup>8</sup> "Pakistan is a Resilient Country," *Dawn*, February 04, 2012, <http://www.dawn.com/news/693166>

for themselves.<sup>9</sup> Poverty and unemployment are identified as the main factors behind their discontentment. If one compares Balochistan with Sierra Leone it could be argued that creation of employment has positive impacts on stability in fragile territories. It has been argued in literature that the civil war in Sierra Leone was a direct impact of unemployment amongst its youth population. The importance of youth employment can be understood from the statement of Sierra Leone's president in 2006, he stated that "the level of unemployment and the idleness of our youth have a propensity for social disenchantment. For us, employment is synonymous to peace."<sup>10</sup>

The country's weak economic performance and poor governance has led to unrest, which was followed by a devastating civil war that lasted for almost a decade. In the early 1990s when the war broke out, the standard of living in Sierra Leone was the second lowest in the world. The conditions made it possible for the rebels to recruit youngsters, in large numbers, to revolt against the state.<sup>11</sup> Much of the post-conflict recovery and resurgence of Sierra Leone's economy has been attributed to the prioritisation of job creation. Both the International Labour Organisation (ILO) and World Bank have reported that creation of employment plays a positive role in promoting stability.<sup>12</sup> It is asserted that employment decreases the incentives to indulge in conflicts. Furthermore, once the legitimacy of the state is established, the institutions can work more effectively. This generates further economic activity and reduces social and political instability.

Sierra Leone is considered as one of the least developed countries in the world. However, its total unemployment and youth unemployment rates are lower as compared to Pakistan. In Pakistan, the total unemployment rate is five per cent, while the youth unemployment rate

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<sup>9</sup> "Unemployment in Balochistan," *Dawn*, Aug 2, 2016, <http://www.dawn.com/news/1274809>

<sup>10</sup> Rebecca Holmes, "What is the Evidence on the Impact of Employment Creation on Stability and Poverty Reduction in Fragile States," Overseas Development Institute, London, 2013.

<sup>11</sup> Katherine Casey, "Healing the Wounds: Learning from Sierra Leone's Post-war Institutional Reforms," National Bureau of Economic Research, Cambridge, September 2012.

<sup>12</sup> World Bank, "World Development Report 2011: Conflict, Security, and Development," Washington, 2011.

is 7.7 per cent.<sup>13</sup> Pakistan faces an urgent need to address this challenge as the number of entrants in the labour force continues to rise every year. Balochistan, being the most volatile province and having a large proportion of unemployed youth, is in much need of development and economic opportunities. The government needs to take serious measures in order to ensure that resentment amongst Baloch youth does not reach a boiling point.

### **Potential Benefits of CPEC**

In recent years, to the credit of Government of Pakistan's initiatives, the security and political environment has improved significantly in Balochistan. According to the Provincial Home Department's report in 2015, there was 50 per cent reduction in terrorist attacks and target killings in Balochistan in the last two years.<sup>14</sup> The state has successfully encountered external and internal threats and has managed to strengthen its control over the affairs of the province. The projects under the CPEC will be instrumental in consolidating these efforts.

If the initial phase of development goes smoothly then the environment will be more supportive to develop political institutions, which the province direly needs. According to Francis Fukuyama, economic growth cannot be attained until and unless the right institutions are in place to organise a society. Despite being rich in natural resources, countries in Africa are much poorer than those in Europe. The reason for this is the difference in quality of governance and the nature of economic and political institutions.<sup>15</sup> The CPEC can be decisive in shaping a political structure that can facilitate economic growth and social order in Balochistan.

It is important to point out that the CPEC is not confined to economic collaboration between China and Pakistan. Both the states have mutual political and strategic interests in the region. China wants to bring stability in Pakistan as it can augment China's efforts of becoming a

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<sup>13</sup> UNDP, "Human Development Report 2015," UNDP Human Development Report Office, 2015.

<sup>14</sup> "Balochistan Assessment – 2016," South Asia Terrorism Portal, 2016, <http://www.satp.org/satporgtp/countries/pakistan/Balochistan/index.html>

<sup>15</sup> Francis Fukuyama, *The Origins of Political Order* (New York: Farrar, Straus and Giroux, 2012).

global power. Security concerns have halted development and deprived Pakistan from foreign investments in the past. The willingness of the Chinese businesses to invest in Pakistan has provided relief to the country and also an opportunity to address domestic challenges.

Dealing with the wide-ranging problems of Balochistan has been a daunting task for successive governments. The political situation in Balochistan has always been volatile and an impediment to economic growth of the country. The people of Balochistan complain that they have been marginalised and deprived from their fair share by the government. To effectively resolve their issues, it is necessary that the two sides develop greater understanding. Better connectivity, provision of economic opportunities and development of state infrastructure will lead to an increase in engagements between the locals and the government. Thus, the CPEC is a vital soft power tool for consensus building in the province.

International Governmental Organisations (IGOs) and Non-governmental Organisations (NGOs) have played effective roles in bridging the gaps between the state and society across the world. IGOs interact with states and take measures to align state policies with the international norms. They also provide technical support in formulating effective policy measures. On the other hand, NGOs act as pressure groups and push states to take socially responsible initiatives. They are involved in monitoring human rights norms, advocate policies and offer alternative platforms for political participation. Unfortunately, their involvement in Balochistan has been very limited due to lack of security and access. As Balochistan is expected to be at the heart of the CPEC, there is likelihood that such organisations will expand their operations in the province. The economic corridor, therefore, will open up possibilities for social integration and inclusive politics.

Around US\$35 billion have been allocated to energy projects under the CPEC. By 2020, over 10,000 megawatts of electricity is planned to be generated through its 'early-harvest' projects.<sup>16</sup> This addition in the country's power generation capacity will be vital in meeting future energy needs as the current shortfall has crossed 6,000 megawatts.<sup>17</sup>

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<sup>16</sup> "Energy Sector Projects under CPEC," *Pakchina*, May 26, 2016, <http://pakchina.pk/energy-sector-projects-cpec/>

<sup>17</sup> "Power Shortfall beyond 6,000MW," *Dawn*, May 21, 2016,

Along with the non-CPEC projects, like Balloki Power Plant, Neelum-Jehlum hydropower plant and extension of Tarbela Dam, the future energy demand is expected to be well matched. Both the CPEC and non-CPEC projects are spread throughout the country, which means that provinces, other than Balochistan, will have greater energy generation capacity. This would not only reduce burden on the resources of Balochistan and prevent them from being exploited but also increase the allocation of energy for the province.

The CPEC's energy projects will turn out to be beneficial in many ways. Firstly, they will reduce the political tensions, which are based on the perception that the Baloch soil is exploited to serve the interest of others. Secondly, greater provision of electricity would support economic activity in the province and also improve the standards of living in its rural areas. And thirdly, the coal power projects that are being developed in Hub and Gwadar will create employment opportunities for the local population of Balochistan.

Gwadar is regarded as the cornerstone of CPEC. The construction of the Gwadar port began in 2002, which triggered the development of the projects such as Makran Coastal Highway (N10) and M8 section of motorway that now links the port city with Sindh. Since becoming operational, the port has handled more than 6 million tonnes of import cargo.<sup>18</sup> Since 2002, developments in Gwadar have already spurred economic activity in the province and with the CPEC, the city can become a regional hub. Other developments in Balochistan under the CPEC includes the expansion of Gwadar port, construction of inter-city highways and Special Economic Zones (SEZ). Balochistan is the least connected province of the country. With the materialisation of these projects, Balochistan has the potential of becoming a domestic and international trading hub. The long-term plan of the CPEC runs till 2030, and there are further projects in the pipeline that will complement the current ones. This will ensure consistent growth in the province and the benefits will be extended to greater parts of Balochistan.

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<http://www.dawn.com/news/1259756/power-shortfall-beyond-6000mw>

<sup>18</sup> "Pakistan Economic Survey 2015-16," Ministry of Finance, Government of Pakistan, 2016.



The land of Balochistan is also rich in other natural and mineral resources like copper, uranium, iron ore, marble and gold. However, Balochistan lags behind other provinces because much of its resources and markets are untapped. Greater connectivity brought about by the CPEC will support in the development of new industries and markets.

The most persistent and enduring grievance of the local population against the central government is that they have never been adequately compensated.<sup>19</sup> The devastating effects of extractive political and economic institutions as discussed by Daron Acemoglu in his book *Why Nations Fail* are clearly recognisable in Balochistan.<sup>20</sup> The CPEC has the potential of delivering economic prosperity to Pakistan's poorest and the neglected province. It will not only address the grievances of the local population but also give them the incentives to integrate socially and politically in order to overturn their economic woes.

### *CPEC and Water Security*

Scarcity of water is emerging as one of the most pressing concerns for Pakistan. According to the World Resource Institute, Pakistan ranks amongst the top five countries which are confronted with severe water stress and poor availability of sanitation and safe drinking water.<sup>21</sup> This will have implications for both, economic growth and regional stability, as countries in Pakistan's neighbourhood are also dealing with severe water issues. A report prepared for the US Senate has warned that there could be severe tensions in the region due to water shortage and the resulting impacts.<sup>22</sup> In order to curtail such an alarming situation and secure the future of millions of residents, the water crisis has to be brought on top of provincial and central governments' agenda.

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<sup>19</sup> Robert Wirsing, "Baloch Nationalism and the Geopolitics of Energy Resources: The Changing Context of Separatism in Pakistan," Strategic Studies Institute, 2008.

<sup>20</sup> Daron Acemoglu, *Why Nations fail: The Origins of Power, Prosperity, and Poverty* (Crown Publisher, 2012).

<sup>21</sup> "Water – Pakistan's most critical Challenge," *Dawn*, April 25, 2016, <http://www.dawn.com/news/1254171>

<sup>22</sup> *Avoiding Water Wars: Water Scarcity and Central Asia's Growing Importance for Stability in Afghanistan and Pakistan* (Washington DC: US Government Printing Office), 2011.

Amongst Pakistan's provinces, Balochistan faces the greatest risk posed by water crises in the country. Growing population size and a period of drought from late 1990s to mid-2000s has contributed immensely to desertification in the province. Most areas of Balochistan rely on ground water but that has depleted sharply due to added stress in the absence of alternative sources and increased demand. According to a statement made by the Chief of International Union for Conservation of Nature (IUCN), Balochistan, during a seminar held at Quetta Press Club in 2016 pointed out that earlier, water would be available a few feet deep but now it has to be pumped out from more than 800 feet below the surface.<sup>23</sup> Thus, access to water has become limited and costly for a large number of people in Balochistan.

Water scarcity persists in the neighbouring countries of Pakistan as well. Iran and Afghanistan, which border Balochistan, have also witnessed their economy suffering from water shortages. On the other hand, the Gulf countries like United Arab Emirates (UAE) and Saudi Arabia have been investing in desalination plants and are currently well capable to match their requirements. Since the signing of the initial agreement of the CPEC in April 2015, further investments under the umbrella of the CPEC have been pumped in the country. It is reasonable to expect that the CPEC will also bring investments that will seek to generate water supply for the city of Gwadar. China ranks fifth in the world, when it comes to installed desalination capacity and is pursuing further projects to cater for domestic demand.<sup>24</sup> The Chinese investors can look at Gwadar as a worthwhile option for installing desalination plants. The high solar energy potential of the area could allow for the development of solar powered desalination plants like in the UAE, which will be less costly to operate and, therefore, generate greater profits.

Pakistan is already water-stressed country and is also going to be severely affected in the future by the changes in the climate. The recent altercations with India over the Indus Water Treaty have also created uncertainty regarding its main source of water. As suspected by the report

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<sup>23</sup> "Water Crisis: Going Dry," *Dawn*, March 06, 2016, <http://www.dawn.com/news/1243503>

<sup>24</sup> "China Turns to the Sea for Fresh Water," *Bloomberg*, April 2015, <https://www.bloomberg.com/news/articles/2015-04-09/china-embraces-desalination-to-ease-water-shortages>

prepared for the US Senate in 2011, water insecurity is well and truly becoming a serious threat for regional stability. For China, regional stability is one of the main foreign policy objectives while stability within its regional ally is in its own national interest. Therefore, it is reasonable to expect that the CPEC will be extended to resolve Pakistan's water crisis. Construction of the two dams under the CPEC has already started in Gwadar whereas, the federal government has raised allocation of the Public Sector Development Programme (PSDP)'s water development project funds for development of multiple projects in Balochistan.<sup>25</sup>

### *Agriculture Sector*

Agriculture is the largest sector of Balochistan's economy and a leading employment generator in the province. The average share of agriculture in Balochistan's GDP, in the last 10 years, has been 34 per cent.<sup>26</sup> However, the depletion of water resources and shortage of water storages and irrigation facilities have hampered the growth of this vital component of the local GDP. Unsustainable techniques and a rapidly rising population are aggravating the problem. As the CPEC related investment pour in the province, more people are expected to arrive in Balochistan, which will place further stress on the water situation. There is an urgent need to build-up Balochistan's capacity to meet its present and future needs.

The CPEC needs to be complemented with government initiatives to restore the progress in the agriculture sector. Failure to do so will also have adverse effect on the CPEC's contribution in the province. A large number of local labour force being trained to work in agricultural activities. Many do not possess the skills for the jobs currently being created under the CPEC. If farmers are not supported adequately, they will lose their livelihood and that would bring about social and political repercussions. The Government of Balochistan has taken notice of the looming crisis but so far its efforts are falling short.

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<sup>25</sup> "PM Inaugurates 5 Development Projects in Gwadar," *Samaa*, September 2016, <https://www.samaa.tv/pakistan/2016/09/pm-inaugurates-5-development-projects-in-gwadar/> and "Major Chunk of FY17 Water Uplift Project Funds Allocated to Balochistan," *Business Recorder*, December 2016, <http://epaper.brecorder.com/2016/12/23/15-page/831092-news.html>

<sup>26</sup> "Whitepaper Budget 2016-17," Government of Balochistan, Finance Department, 2016.

Nevertheless, the CPEC can itself play a major role in boosting the agriculture sector of Balochistan as it produces a variety of fruits and also boasts a huge potential in fisheries. Better access and connectivity through the CPEC will attract investment in this sector as well. The completion of the corridor will open up new domestic and foreign trading opportunities for farmers and fishermen. Export of Balochistan's agricultural products will not only improve the earnings of the locals but also provide much needed relief to the government through foreign earnings. Therefore, it will be highly encouraged to facilitate development of agriculture sector in Balochistan.

The city of Gwadar has its own water-related issues. After a nearby dam went dry a few years ago, the small population currently, residing there has faced many difficulties. Its demands are being inefficiently met by tankers carrying water from other parts of the country.<sup>27</sup> A city that has been dubbed as the future trading hub of the region must have a sufficient and viable supply of this basic human need.

### **Ensuring the Success of CPEC**

The success of the CPEC will heavily rest upon its ability to provide jobs and enhance economic opportunities. At present, unemployment and poor economic prospects for the young generation pose a serious threat to the province's progress. Poorer access to the quality education and stalled employment opportunities for the youth of Balochistan, makes their predicament worse. It is very difficult for them to get into better universities and find suitable jobs in other parts of the country. Furthermore, the government has traditionally been the chief employer in the province but recent policies have slowed creation of jobs in the public sector. In order to accommodate local labourers in the CPEC related projects, it is vital that the government directs attention towards developing their skills. If adequate efforts are not made in human resource development, then only a fraction of local labour force will benefit from the CPEC. Consequently, there will not be any substantial progress in addressing the instabilities in the province.

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<sup>27</sup> "Gwadar may Face Severe Water Shortage," *Dawn*, December 10, 2016, <https://www.dawn.com/news/1301596>

The framework for Pakistan's economic growth, prepared by the Planning Commission of Pakistan, highlighted that human incompetence is a greater challenge to Pakistan's economy than availability of infrastructure. It is expected that the CPEC will create jobs for the local population in the initial phase but measures have to be taken in order to consolidate the gains. A lack of direction and coherence has caused past projects to be ineffective in promoting economic growth and human development. The Deputy Chairman of Planning Commission of Pakistan, Dr Nadeem-ul-Haque, pointed out that development projects in Pakistan require strategic direction to deliver sustainable benefits.<sup>28</sup> Therefore, to expand employment opportunities, the quantity of investment has to be complemented by felicitous planning and human development initiatives.

One effective model of promoting stability in a region is the one that incorporates the nature and forms of employment along with relevant policy measures. The model is endorsed by the United Nations Policy for Post-Conflict Employment Creation, Income Generation and Reintegration (UN PCEIR) and is in line with the tracks of its peace building process.<sup>29</sup> In the initial track, short-term employment projects are implemented to meet the immediate needs of the most vulnerable. The foundation for development is laid at this point. In the next track, economic activities are supported to make the local communities self-reliant. As a result, trading activities increase in the region and the government adjusts its macroeconomic policies to cater for new realities. In the final track, an enabling national environment is created to strengthen state's capacity. By applying such an approach in Balochistan, gains from early harvest projects can be consolidated to ensure long term stability.

The CPEC should not be treated as an entirely independent endeavour, rather a part of Pakistan's economic development plan. Other measures are also necessary to complement the CPEC's contribution in uplifting of Balochistan's economy. Building the capacity of Balochistan's cities to absorb local workforce is likely to take time. In the meanwhile, investment

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<sup>28</sup> "Framework for Economic Growth," Planning Commission of Pakistan, Islamabad, 2011, <https://www.theigc.org/wp-content/uploads/2016/08/Planning-Commission-2011-Final-Report.pdf>

<sup>29</sup> Hugo de Vries and Leontine Specker, "Early Economic Recovery in Fragile States – Priority Areas and Operational Challenges," Hague: Clingendael Institute, 2009.

in education and training programmes for the Baloch youth will not only prepare them for future employment opportunities, arising in their province, but will also help them in attaining jobs that are already available outside of Balochistan.

According to a study by the International Monetary Fund (IMF), countries that improve their governance, after a period of instability, tend to have greater economic growth in the medium-term than those countries whose governance does not improve.<sup>30</sup> It further concluded that adequate policy measures and structural reforms also drive improvement in the labour market. The Pakistani authorities need to take serious measures to match international standards of governance. Developing state institutions and ensuring accountability and transparency are necessary for the CPEC to live up to its potential. Moreover, inter-provincial disputes must be addressed timely so that progress on development projects goes on smoothly. In short, the CPEC has to be supported by strong political will and its practical implementation.

## Conclusion

The CPEC is manifestation of a all-weather friendship between China and Pakistan. It will enhance economic growth in both the countries and also further their mutual strategic interests in the region. It is a national project and no province is neglected in the proposed plans. Balochistan's geographical location has made it strategically important for both the countries. The province has a long history of economic backwardness and political unrest. However, the CPEC has the potential to finally turn things around over there. Development of infrastructure and creation of employment opportunities will play a pivotal role in bringing stability in the province.

Furthermore, China is emerging as a dominant player in the region. The regional powers, other than India, like UAE, Saudi Arabia and Iran, have shown confidence in China, taking up the role of maintaining order in the region. With an ever growing influence, China can more effectively pursue its foreign policy objectives of peaceful coexistence and mutual benefit in

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<sup>30</sup> "The Dynamic Effect of Social and Political Instability on Output: The Role of Reforms," International Monetary Fund, 2013.

the region. Geographically, Balochistan lies at the forefront of China's strategic initiatives in the region. China's economic interests in Balochistan will curb foreign interventions in the province while opening up partnership opportunities for neighbouring countries along the CPEC.

To set things in order in Balochistan, it is essential that the CPEC is supported by adequate policy measures. Infrastructure development alone cannot support long term progress in the province. Improvement in institutions and state infrastructure along with social development initiatives are necessary requirements for stability. The CPEC should not be considered as a standalone remedy but as an opportunity to augment state and nation building efforts.

Pakistanis have generally been sceptical about foreign funded projects in their country. The CPEC, however, has not only been well received but is also being cherished by the locals. This is due to the fact that Pakistanis consider China as Pakistan's friendliest country. Most importantly, their opinion is reflected by all the political parties voicing their support for the CPEC. Moreover, the supportive role played by the security institutions of the country has also been very encouraging. The impact of these positive developments will surely be revealed in Balochistan in the coming years.

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