



## China Pakistan Economic Corridor and Regional Integration: A Liberal Approach

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### Abstract

*As a structural change in the world's balance of power, the China-Pakistan Economic Corridor (CPEC) has been viewed by politicians and scientists. In Southwest Asian countries in general, as well as in Pakistan in particular, it has a broad economic and geopolitical effect. During its implementation stage, the CPEC is a transnational project that may face challenges both in the geographical and human field. Extra-ordinary engineering resources, massive financing and political persuasion for managing social elements of South West Asian countries would be required. This article explores China's evolutionary relations with the international system in order to accelerate the development of infrastructure and boost socio-economic growth by regional integration and liberal institutionalism. It is a multilateral strategy to help Pakistan realise its true economic and strategic potential. It also strives to link*



*China's multilateralism with regional integration under the CPEC on the basis of liberal connectivity values.*

**Keywords:** China Pakistan Economic Corridor, Regional Integration, Institutionalism, Multilateralism

## **Introduction**

The phraseology of "China Pakistan Economic Corridor" (CPEC) appears to be an expression of future prospects that arose out of the belief that a wider region's socio-economic development is not just conceivable but possible through the formation of contacts between people. This is likely to happen if partner countries are determined to move to an increased level of harmonious cooperation. The Belt and Road Initiative (BRI) is the flagship project for a Multilateral Initiative. It provides a revolutionary framework for regional connectivity to promote global economic regionalisation. It leads to an integrated, shared destiny, harmony and progress region with a win-win model to develop geographical connections. CPEC projects are positive because regional economies are increasingly participating, reducing irritants or rivalries and maximising the public good. The project will be a positive feature of regional states.

Land cooperation and regional integration help nations to overcome such divisions, which prevent the development of goods, administrations, capital, individuals and thoughts. In fact, these divisions limit social and economic growth, especially in developing countries. Strategic differences between states, geographically shaped, administrative policies and the lack of infrastructure, are an impediment to a region's socio-economic development. CPEC offers its users numerous possibilities to promote regional connectivity by means of integrated infrastructure. It encourages them, by promoting regional integration of goods, services and markets and by constantly flowing trade, capital, people and ideas, to overcome exorbitant division. It promotes collaboration between States and provides them with physical and institutional infrastructure based on railways and the maritime transport system, which generates higher trade and enterprise flows.

The CPEC is often linked to the outlook of a game-changer that reflects its commitment to common goals. At the Investment Forum (Saudi Arabia), Premier Imran Khan announced "CPEC is a great opportunity for Pakistan. CPEC links us to one of the largest markets in China. Due to CPPC, Special Economic Zones (SEZs) are being developed that encourage investment around the world. China is an immense market and the route of CPEC will connect with the strategic position of China and Pakistan worldwide."<sup>i</sup> In



building CPEC under the liberal institutional values, Chinese leaders are equally determined to promote multilateral collaboration. It is evident in the special message of Chinese President Xi Jinping that "We need to promote our common interests and to develop together. The CPEC should serve as the basis of our practical cooperation, focused on Gwadar port, energy development of infrastructure, and industrial cooperation to enable people in Pakistan and other countries in our region to benefit from the development of Gwadar port<sup>ii</sup>.

This paper aims at exploring Chinese multilateralism's theoretical dimensions, i.e. liberal institutions and regional integration. Recently, the world has witnessed America's unilateralism that refuses to carry out its global superpower duties. The present case is that the World Health Organization (WHO) is discontinuing its US support under the guise of Covid-19. The unilateral approach to promoting and developing international standards and human welfare institutions tends therefore to discourage this multilateral approach. On the other hand, China wishes to encourage globalisation through liberal institutional values on the basis of a multilateral approach, under the influence of regionalism. In this context, this paper explores further the academic debate on the applicability of internationalist paradigms in the One Belt One Road initiative (OBOR) with the leading CPEC project. The situation slowly emerging from Chinese multiplicity in the changing word order scenario is assessed using a simple qualitative research method.

### **Liberal Institutionalism and CPEC**

Liberal theories are about how best the international system can be organised and reformed. They advocate diplomacy and multilateralism as the best strategies for States to pursue and develop supranational (e.g., the EU) and global organisations (especially the UN). Violence is regarded as ultimate policy<sup>iii</sup>. Liberal institutionalism is an integral part of contemporary international model reforms. It is supposed to play a significant role in promoting collaboration and harmony between nations national and international institutions.

The concept of "Liberal Institutionalism" is an alternative to the realistic international relations theory, emphasising global governance, international organisations, and the common aims of cooperation between states. Hedley Bull, professor of international relations, analyses the role of international organisations in world affairs and examines the idea of group objectives and interests in international society<sup>iv</sup>. Immanuel Kant offers the possibility for sustained cooperation in his essay "Perpetual Peace."<sup>v</sup> The liberal theory therefore focuses on maximising absolute gains through cooperation and soft



power. It also takes into account Robert Keohane and Joseph Nye's idea of complex interdependence theory, which argues that the States and their fortunes are closely interlinked<sup>vi</sup>. Likewise, liberal theorists believe that trade and economic interdependence promote peace and reduce the risk of conflict. One of the best-known assumptions is that the cost of economic opportunity reduces the chances of conflict eruption. Political leaders and decision makers of economically interdependent countries frequently restrict their willingness to resolve conflicts by using force. In other words, trade deters States of wars from socio-economic benefits and costs.

It is also possible to achieve this brief account of the liberal institutional system at regional level. While regional integration is a complex, interweaving singularity, liberal institutionalism and neo-functionalism theories can explain it. Both theories explain the notion of European integration and the contribution to regional integration of supranational bodies such as the European Commission. These theories argue that cooperation in one area creating stimulus to open cooperation in other sectors - a concept known as the 'Spillover Effect,' in spite of Brexit. The United Kingdom's theory. Enhanced interaction between economically integrated units and the supreme body (organisation) formed to manage this integration seek ways of further expanding the integration process. Therefore, in certain modifications in the case of the CPEC and its potential regional connectivity, the principles of Opportunity Cost and liberal institutionalism remain applicable.

Like other economic corridors, the CPEC aims to link adjacent trade, trade and industrial development countries to a common objective of collective socio-economic growth. CPEC is more than economic investment for Pakistan to boost its economy; it's also a strategic asset that could provide a necessary balance with the emerging Hindutva Indian Nationalist Agenda, which seeks to play an important role for Pakistan in the South and South Western countries.

CPEC is an alternative way to the Middle East and Europe from the Malacca Straits as well as the shortest trade route possible to the Arab Sea. The CPEC is a greater stimulus to their economies for landlocked Central Asian republics and Afghanistan than before. Such a regional connectivity arrangement, which helps to sustain regional cooperation and trust, to maximise absolute benefits for a peaceful and wealthy region, is also needed in every country in this region.

China's multilateral strategy for promoting the BRI CPEC project has created an impact on regional connectivity on increased economic activity alongside motorway networks. Careful coordination of cross-border projects across the region, such as economic

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corridors, helps promote confidence and capacity building in order to support progressive and functional regional integration. The CPEC provides a basis for building the capacity of the region, with mutual understanding and multilateral cooperation, to guarantee appropriate progress in socio-economic development. "All of the qualitative elements or principles which shape the character of the arrangement or institution are generally seen to include multiple-sidedness," says the Encyclopaedia Britannica<sup>vii</sup>. In addition to China and Pakistan, the CPEC project is therefore a dynamic institutional arrangement to adopt new principles and standards for regional development through an integrated multi-dimensional infrastructure network in order to reach a common destiny.

CPEC is essential for regional multilateralism for achieving significant economic growth, improving market efficiency, sharing public goods costs or large infrastructure projects, encouraging engagement in policy making, providing a cornerstone for social reform, building various blocks for global integration, and reaping a number of other non-economic benefits like peace and security. Multilateral cooperation and development potential areas cover regional interconnection based on transport infrastructure, energy centres, logistics hubs and flows, trade and trade. Other contributing factors are various investment opportunities, the creation of SEZ, financial partnerships, agricultural aid, socio-economic development (which include the alleviation of poverty, provision of education and training, expansion of medical equipment and water supply management), tourism (including coastal tourism), development of human resources, people-to-people. This regional environment undoubtedly favours global multilateralism with defined principles of cooperation and trust, working together for common goals. The principles are very much in common with the manifestation for the UN, which encourages the "construction of a world order dedicated to the secure and lasting peace in cooperation with other peace-loving nations that will guarantee that every human life in all countries will live free from fear and desire."<sup>viii</sup> Only when an environment of peaceful coexistence is vital for global cooperation can such a common objective be achieved. This reflects China's multilateral approach to the global reorganisation, enhancing the effectiveness of international institutions, discouraging regional unilateralism, developing socio-economic infrastructure, building air, road and maritime networks, and ensuring free flow of investment particularly in developing regions, promoting international standards and principles. Chinese foreign policy currently criticises the United States' unilateral approach, which continually decreases the multilateralism necessary to preserve the world order.

### **China's Growing Multilateralism Worldwide**

The idea of "Zhongguo"<sup>ix</sup> as China calls itself; the Middle Kingdom is not only geographical. It states that China is the centre of culture, politics and the economy. In



numerous ways, China's attitude towards global government - the guidelines, standards and institutions that control global collaboration - has been shaped in this chino-centred world view<sup>x</sup>. China has reappeared as a major force over the last two decades, with the second largest economy in the world and an international military. She gradually advocates for herself, trying to improve her central position in the global institutional framework and in global management bases. The foundations, mostly built by Western forces following World War II (WW 2), are made up of the World Bank, which provides credit and prizes to establishing States; the IMF, which aims to make sure the global money framework is strong; and the UN, among others. President Xi Jinping, the most prominent Chinese pioneer since Mao Zedong, called for China, in a way that reflects Beijing's qualities and needs, to lead in the shift in the global management framework, organisations and standards.

Since WW II, the United States, in the form of the IMF and the World Bank, have dominated global trade and finance. Over a period, however, global policy dynamics have changed and unilateralism has now taken centre stage in U.S. foreign policy. The Trump administration is more likely to distance itself from multilateral treaties and agreements, causing international institutions to distrust. Due to the US's failure to respect international obligations, Chinese multilateralism takes its place among the Committee of Nations, particularly in its adjacent areas. China's ready-to-play position has often been demonstrated in accordance with universal rules and standards. With the economic evolution of Beijing, its ability to lead existing fundamentals and standards is being reckoned with an increasingly dynamic role in world administration. The Chinese people have strengthened their capacity and power in four ways: their role has been strengthened by international institutions, their expanding impact has been publicised, their foundations have been developed to develop new regional and global organisations and their rules have been changed worldwide.

By opening up foreign trade and investment and pursuing free-market reforms, Deng Xiaoping played a key role in China's economic reconstruction in the late 1970s. Deng is considered to be the man who reinvented and for decades to come made China a strategic roadmap.<sup>xi</sup> Today, in the form of 'Rising China' the world has seen a tectonic shift of global power from west to eastern. The question here arises as to whether the world will be accomplished to listen to "Asia First" or simply be satisfied with Trump's "America First" slogan. The book "New Silk Roads: The Present and Future of the World" by Peter Frankopan highlighted the Chinese increasing aspirations for the world order, and how China's order in the future will be like.



Under the leadership of Xi Jinping, China is motivated to restructure regional and international orders by reforming global governance and building new mechanisms for cooperation. China is also paving its way by bringing in trade secrets, corporate strategies and export-controlled commodities to the support of industries economic information<sup>xii</sup>. The US is concerned that China wishes to lead the World Organization for Intellectual Property<sup>xiii</sup> China's influence is growing in such a way that the UN's second-largest supplier of peacekeepers and peacekeeping budgets is China amongst P5 members<sup>xiv</sup>. Beijing also heads four of the 15 specialised organisations at the UN: The Organization for Food and Agriculture; the International Civil Aviation Organization; and the ITUC<sup>xv</sup>. As a result, China's role in multilateral fora was increased and global governance patterns also transformed.

In the Asia Pacific region, as a result of loans, grants and other advisory departments the Asian Development Bank (ADB) is responsible for addressing regional development issues related to financing. ADB has committed \$39.3 billion in 2018 to several Chinese projects and is the largest sovereign lender<sup>xvi</sup>. As a result of the Asian Infrastructure Bank's importance, ADB has now gradually shifted its focus to issues such as environmental protection, poor inland regions or skarming (AIIB). Consequently, the creation by the AIIB and the New Development Bank (NDB) of two Chinese multilateral banks led ADB to revise its strategic priorities and operational procedures. AIIB focuses on infrastructure, transboundary connectivity, and the financing of private capital<sup>xvii</sup>. In addition, AIIB supports Chinese BRI, known as the "leading priority in external economic policy," with US reactions. The NDB, in turn, is a joint venture with BRICS countries, which ensures faster processes and large investments in the Asia-Pacific area (Brazil, Russia, India, China and South Africa).

China, an emerging economic giant, flexes its muscles very well. China was not included in the international financial system until the 1980s. Today, Peking has become an increasingly effective attempt to settle the US domination worldwide in the international monetary system via the IMF<sup>xviii</sup>. With China active involvement in the formal governance of the IMF, it has become by voting share the third largest IMF member and benefited from the recent IMF governance reforms. Another vehicle Beijing uses for its multilateral leadership is Shanghai Cooperation Organization (SCO) in particular in Central Asia<sup>xix</sup>. Many experts have suspected the commitment of China-SCO to be a calculated move to enable China to advance its interests there<sup>xx</sup>. In Kazakhstan and Turkmenistan, Peking holds energy stakeholders. There are also shifting dynamics of power between Russia and China, for example, when both signed a treaty of friendship and cooperation in 2001<sup>xxi</sup>. There is also a chance that China's BRI will be integrated into



Russia's Eurasian Economic Union (EAEU). President Putin also argued that the BRI targets match the EAEU targets. President Putin argued<sup>xxii</sup>.

In contemporary international politics, BRICS remains a major antidote of G7 and the other US-dominated institutions. Even in the BRICS, China is the economic power most powerful and contributes to the contingency fund in cooperation<sup>xxiii</sup>. BRICS is shown to be a force multiplier for China's multilateral diplomacy and will remain so if China continually pursues its geopolitical and economic interests. China is an increasingly important contributor to its growth strategies in the G20. It can be examined. China is the second largest economy in the world and serves as a link between development and the developed world<sup>xxiv</sup>. Otherwise the unilateralism of the U.S. can be traced back to the move of Trump to substitute for the US-Mexico Canada Agreement (NAFTA) (USMCA). The withdrawal of Trump from the TPP also marks China's dominance and greater influence over the global economic system. Although TPP was an important strategic pivot for Asia-Pacific in the US, it remains to be seen whether or not China dominates the region<sup>xxv</sup>.

Chinese foreign policy has an important place in Southeast Asia, particularly since the formation of the Asian Association (ASEAN). ASEAN was initially formed with the aim of resisting the spread of communism and speeding up economic growth in the Member States<sup>xxvi</sup>. The active participation of China-ASEAN in bilateral dialogue and the ASEAN regional Forum has enabled it to increase its relations<sup>xxvii</sup>. The 27th Free Trade Area of ASEAN-China also shows how China cooperates with regional economic organisations. China is considerably increasing its economic and strategic priority with the Gulf Cooperation Council (GCC) Member States<sup>xxviii</sup>. China's technological progress is considered a catastrophe to US security, in particular in the digital realm with the increase of 5G. In more than 170 countries Huawei, a Chinese technology giant, operates and is spreading across the world<sup>xxix</sup>.

It is obvious that China's role in multilateral diplomacy has increased in large numbers, while presenting US unilateral security and strategic interests worldwide with serious challenges. The increase in populism and the rise of White Supremacists in the United States is not only destroying the "American Dream," but also spreading American divisions. The United States administration is in danger of having serious implications for its superpower agenda in the spirit of liberty. The US has adopted an international unilateral policy in order to avoid gradually giving unjustifiable explanation to its global responsibility. In any way, politically, economically, and militarily, the US is lagging behind as a result of its steady rise in debt, declining international influence and unsuccessful international politics based on violence. Under the constraints of this

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environment, Chinese multilateralism has proven its worth globally, and it has provided a platform for integrated economies through railways, energy projects, industrial zone construction, seaport development, investment promotion and cooperation and the elimination of irritants. President Xi Jinping's initiative for Belt-Road also manifests Chinese regional multilateralism to develop socio-economic links in a liberal institutional framework such as CPEC, for better connectivity and cooperation.

### **BRI and Regional Integration**

Over the years China has developed its global commitment as a way to accelerate its connectivity to the outside world. On the other hand, the United States sees China as a threat to its future hegemony in the world. It is important to note that Chinese interests flow not only in the business field, but also promote the interplay of strategic interests. China's multilateral strategy is geared towards concepts such as cooperation and development. Liberal institutionalism stresses that liberal institutional arrangements should be introduced in order to ensure cooperation between states<sup>xxx</sup>. In multilateral diplomacy, China is leading and is still shaping the world order. China's OBOR and AIIB projects are multi-million-dollar initiatives, putting China at the centre of global decision-making<sup>xxxii</sup>. Beijing is also constructing new institutions centred on China. The Belt Road, a tremendous arrangement to use Chinese support to finance infrastructure in different countries, was launched in 2013 by China. The gradual and proactive multilateral approach in Beijing is in the interest of President Xi's vision of bringing China back to its previous glory. OBOR sometimes is called the 'New Silk Road' and becomes one of the most desirable development projects ever imagined in memorising old glorious initiatives. The OBOR scheme is now doubled: the Silk Road Economic Belt and the Maritime Silk Road. It is now extended from East Asia to Europe. Both of them are commonly referred to as BRI as OBOR<sup>xxxii</sup>. The graphics of BRI are as follows:

BRI is astonishing in China's ambition. To date have been the undertakings and enthusiasm of over sixty-five countries – accounting for nearly 66% of the global population, almost 35% of world trade or about one-third of the world's GDP. The largest BRI project, which analysts estimate to be the CPEC of \$68 billion, links China with Pakistan's Arabian Sea Gwadar Port (neighbouring the Persian Gulf). China is committed to stimulating global economic relations with its historically neglected western and south-west regions. The satisfaction of partners' infrastructure needs will boost regional development by helping them to increase exports, supporting the creation of new jobs and encouraging stable regional growth. Five main priorities are identified under the Belt-Road initiative: policy coordination and infrastructural connectivity.



BRI is a China-led effort to boost economic turnaround and enhance regional connectivity and apparently develop the largest single-investment infrastructure ever. BRI's dividends are confined not only to growth in China but also to partner countries. This effort includes trillions of dollars in major transportation, energy, media communications, modernised industrial areas and the development of technical capacities. As of January 2017, more than 100 countries and world organisations have reacted to BRI well, with more than 40 having signed cooperative agreements, and the numbers are increasing, according to Chinese President Xi Jinping. BRI-related activities are effectively ongoing at over \$900 billion. However, the ADB estimated that this would cost more than 22, 6 trillion dollars by 2030<sup>xxxiii</sup>. Nevertheless, under liberal values of peaceful coexistence BRI has received a gigantic amount of positive responses to China's multilateral approach to regional integration.

Liberal Internationalism's theory appreciates China's responsibility for developing regions, such as the global South through BRI, as it does in Africa<sup>xxxiv</sup>. The BRI in China aims to connect over 65 countries around the world to a higher degree of multilateralism. It also confused western scientists and politicians who regard it as a 'walled-world'<sup>xxxv</sup>. However, China is redesigning the regional order of Asia and securing the future of China as a major power by means of the BRI<sup>xxxvi</sup>. China seems determined to change global governance standards and institutional structures for the common good. Chinese strategy seems determined. But as the BRI projects are accelerated, China created new globalisation standards and laid down new values and norms through the application of multi-layered multilateralism. Some critics have accused BRI of neo-colonialism. BRI does not threaten the international liberal order but does pose a challenge for US hegemony. Analysing China's surplus capital and industry capacity by the liberal institutionalism of the BRI, it promotes deepened globalisation<sup>xxxvii</sup>.

### **Regional Connectivity Role of CPEC**

Economic corridors offer important links between economic nodes or hubs, usually focused in urban areas. The approach is not only a means of transportation of goods and services but also a means of promoting social and economic development in the vicinity. An economic corridor along a defined geographical route, mainly at the frontier intersections between two countries or more, highlights bilateral projects and puts greater emphasis on infrastructure planning and development to achieve maximum common benefit. The Economic Corridor of a) Eurasia Land Bridge, b) China-Mongolia-Russia, (c) China-Central, Asia-West, Asia, (d) China-Indo-china and Peninsular Economic Corridor, (e) the Chinese-Pakistan Peninsular Economic Corridor and the China-India-Myanmar Economic Corridor are the 6 main international corridors for the BRI.

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The CPEC in the South Asian area is a 3,000km corridor that links the Silk Road Economic Belt to the North and the 21st Century Maritime Silk Road to the South. It starts in Kashgar (China) and ends in Gwadar (Pakistan). The Gwadar seaport is at the core of CPEC, intended to become a modern deep-sea port which is ultimately transformed into an oil resource city with oil-refining areas with a pipeline link that covers almost 17% of Chinese oil imports, in addition to offering a centre for a regional network of railways, roads, telecommunications, supplies of energy, general shipping and maritime services. The CPEC projects include explore the opportunities for industrial co-operation, speed up digital transformation and establish a high-quality common development community. The CPEC will expand the economic activities and provide direct benefits for the billions of persons in China, South Asia, Central and South-West Asia and the Middle East through its connection with the Arab Sea and the Persian Gulf.

In addition to its progressive outlook, CPEC matters greatly for the region, as either Pakistan's economic stability cannot be tolerated by regional competitors or China's increase, since the developed countries can withstand an influential power. China's naturally growing tendency towards Pakistan, under the CPEC, has been criticised by India as retaining its aggressive stance on the building of the Gilgit-Baltistan Road under the CPEC<sup>xxxviii</sup>. The U.S., India, Japan and Australia's quadrilateral security alliance in the Indo-Pacific region, on the other hand, aims to contain the Beijing ascendancy. There is also a domestic negative CPEC propaganda suspected of the project leading to unemployment and the local production industries being destroyed<sup>xxxix</sup>. Both China and Pakistan believe that CPEC is a vehicle for regional integration in this hostile geostrategic environment and that they connect regional economies through Pakistan (a conduit for regional and international trade). The benefits provided to CPEC include the development of infrastructure, tackling energy problems, boosting domestic and foreign direct investment, increasing trading volume, generating jobs, industrialising, and developing tourism. It is also a potentially regional and international corridor for trade.

The importance of Pakistan in the entire region has been amplified in CPEC projects. Although Pakistan and China were the primary beneficiaries, it would also benefit from the operationalization of the CPEC by other regional States. The neighbouring states of Beijing and Islamabad welcome the use of resources to the CPEC. Indeed, neighbouring states will not only improve their serviceability but also develop their national economies in a constructive manner and improve socio-economic conditions, thereby fosters peace and regional stability. However, different regional connectivity priorities for participating states may depend on their connectivity gaps, financial limitations or inclinations to power. Although it is often difficult to assess the effect of regional cooperation on exchange and speculation, economic activities, social development and income

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distribution. For example, hurdles to the outskirts may compensate for the benefits of the development of transport infrastructure. In order to ensure that regionalism is inclusive and social, environmental and administrative risks are manageable, adjusted local reconciliation strategies and foundations are truly necessary. In this way Liberal institutionalism rejects the pragmatic assumption that international politics is a power struggle in which military issues are the main focus, and maintains that it is better to have a regional-driven institutional framework that enables countries directly to participate in world administrative problems and avoid us than to see a hostile world.

CPEC is a BRI flagship project that aims to support long-term cooperation between regional States to maximise absolute gains through cooperation and soft power. The CPEC therefore provides an institutional arrangement that can foster mutual commercial benefits for all the attached economies in a systematically compatible manner for the socioeconomic development of the whole region, as the theory of complex interdependence argues that the states and their wealth are closely interrelated. As an energy deficient country, for example, Pakistan addresses the energy deficiency crisis through the CPEC. A coal fired power plant with a capacity of 1,320MW China Power Hub Generation Company (CPHGC) has helped Pakistan to address its energy deficit<sup>xl</sup>. Many similar development projects make CPEC a safe transition to regional growth and stability. The recent Chinese-Iran Investment Agreement of 400 billion US dollars shows China's intentions of expanding regional links to Iran, Afghanistan, the CARs, the Middle East and Turkey. It will help to boost regional trade and development and reduce regional tension. At present, the volume of trading between Pakistan, Iran and Turkey is quite low, but CPEC expansion toward south-west Asia will be a unifying factor, in particular Iran and Turkey. Long-term socioeconomic development will be driven by mega infrastructure-building projects that promote growth in the Region.

## **Conclusion**

CPEC's contributions to removing bottlenecks which impede the economic development of Pakistan and have led to employment opportunities for young people are undeniable. There have been significant improvements in the financial perspectives that have attracted foreign investment worldwide. In a word, this project will benefit not only Pakistan and China but also Iran, Afghanistan, Central Asia, Turkey, and the wider region. China's economic growth benefited only its neighbouring countries a few decades ago but now affect growth throughout the world. The opening of China has strengthened links with the world, as reflected in world trade patterns and the flow of capital.



CPEC is a new international policy interdependence venture which builds a profitable link with neighbours in the region. It calls for a change in the foreign policy approach of Pakistan that encourages closer economic ties, defence cooperation and trade in order to deal effectively with security threats. The Ministry of Planning, Development and Special Initiatives is responsible at the national level for monitoring projects related to development, such as the CPEC. The Government of Pakistan has established a CPEC Authority for the institutional sector to increase geographical links with enhanced road and air transport systems, to facilitate free trade and contacts between people, to promote understanding through the provision of academic, cultural and regional knowledge, to improve trading and business flows and to improve cooperation through this. CPEC provides a gradual regional integration institutional framework focused on balanced socio-economic development. Such an initiative shows that the CPEC is a journey to regionalisation interdependence through the extensive field of the liberal institutional framework and a seamless connection to the globalised world.



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