



RESEARCH PAPER

Geo-Economic Benefits of the CPEC Project for Pakistan

¹Iqra Fazal*, ² Dr. Waheed Ahmad Khan and ³Dr. Muhammad Irfan Ali

1. M.Phil. International Relations, Department of Political Science and International Relations, University of Central Punjab, Lahore, Punjab, Pakistan
2. Associate Professor, Department of Political Science and International Relations, University of Central Punjab, Lahore, Punjab, Pakistan
3. Assistant Professor, Department of Political Science and International Relations, University of Central Punjab, Lahore, Punjab, Pakistan

***Corresponding Author:** Iqra.fazal@dhpt.uol.edu.pk

ABSTRACT

In recent years, Pakistan has embarked on a strategic realignment, prioritizing geo-economics as a central pillar of its foreign policy. In this study, the core question that is addressed is whether geo-economic turn in Pakistan's foreign policy has led to greater interdependence or enhanced economic, political, and strategic power for Pakistan? The analysis delves into the various dimensions of Pakistan's geo-economic turn, including its efforts to foster regional connectivity, engage in the economic diplomacy, and attract foreign investment. It also examines the nation's evolving relationships with key regional players, such as China, India, Afghanistan, and Central Asian states. Through the study of documents related to the China-Pakistan Economic Corridor (CPEC) and interviews conducted by policymakers and researchers, different dimensions of geo-economics are explored in this paper. A comprehensive review of economic indicators and strategic partnerships helped us to analyze the extent to which Pakistan's geo-economic approach has yielded positive outcomes.

KEYWORDS CPEC, Geo-Economics, Interdependence, Pakistan

Introduction

In recent years, Pakistan has transitioned from primarily emphasizing strategic and security concerns to a more pronounced focus on economic diplomacy and regional economic integration. This shift is exemplified by initiatives like the China-Pakistan Economic Corridor (CPEC) and active participation in regional organizations such as the Shanghai Cooperation Organization (SCO). The aim of this transformation is to foster economic development, trade, and connectivity to achieve stability and prosperity in Pakistan and its surrounding regions. This study examines whether this geo-economic turn led to increased interdependence, enhanced economic influence, political clout, or strategic power for Pakistan. It explores the potential benefits of interdependence, including regional cooperation and reduced conflict risk, alongside the prospects of Pakistan's economic growth and increased global political relevance due to its economic strength. Furthermore, it investigates the relationship between economic strength and strategic power, as a robust economy can provide the necessary resources for military modernization and infrastructure development to serve strategic interests.

The role of China in Pakistan's geo-economics transformation is critical. CPEC is a key component of this cooperation. The CPEC project is a product of the enduring and friendly bilateral relations between China and Pakistan, characterized by mutually beneficial state-to-state agreements. From a geopolitical and geo-economic perspective, it can be seen as an extension of China's expanding economic network. It represents a small but significant part of China's overall economic growth and its increasing demand for regional connectivity. In line with China's 'One Belt One Road' initiative launched in

2013, which aims to revitalize the Old Silk Road, China is directing substantial investments towards Central Asia. This project is expected to enhance economic cooperation between the two nations, opening up numerous avenues for collaboration in the long run. By connecting China's Western regions to the Gwadar port in Pakistan and eventually linking Central Asia with the region, CPEC fosters a win-win situation between China and Pakistan, driven by the concept of interdependence in politics. The strengthening of Pakistan-China economic links has the potential to boost economic growth, enhance regional stability, and encourage people-to-people contacts. However, obstacles such as regional geopolitics, internal economic concerns, and sustainability concerns must be addressed with caution (Rahim, et. al. 2018)

Understanding Pakistan's foreign policy strategy requires a keen grasp of its geo-economic dimension. The country's pivotal positioning at the junction of South Asia, Central Asia, and the Middle East bestows upon it a central role as both a regional and global player. Evident in the CPEC project, Pakistan effectively exploits its geographical advantage to enhance economic ties and foster connectivity, not only with China but also with the broader region. Pakistan is working to boost its economic growth while at the same time developing a stable environment that promotes peace and security in the region by strengthening economic relations with the neighboring nations and important global actors. This continuous endeavor demonstrates Pakistan's understanding that economic stability and prosperity are critical components of a well-rounded foreign policy agenda, allowing it to safeguard its interests, deepen diplomatic interactions, and increase its overall global influence.

Pakistan, as a developing country, recognizes the need of leveraging its economic potential to solve internal issues such as poverty, unemployment, and building infrastructure. Through its geo-economic vision Pakistan intends to solve these problems and become a prosperous nation that also promotes peace in the region. The purpose of this work is to answer the research question: *Did the geo-economic turn in Pakistan's Foreign Policy lead to interdependence or its enhanced economic, political, and strategic power?* Research objective of this research is to know whether Pakistan is moving in the right direction to achieve its economic and political objectives. This research contributes to a wider academic discourse on the relationship between politics and economics. Additionally, it highlights the interplay between domestic political factors, international relations, and economic considerations. The study is completed by using the qualitative research method. For qualitative research, we conducted thirty interviews with different experts from universities, semi government institutions, and government ministries. We also read government official documents related to CPEC.

Key finding of this research is that even though Pakistan has not taken complete turn towards geoeconomics, it is definitely moving from a security-centric approach towards a geo-economic orientation. This transition has been prompted by the recognition of the growing influence of economic factors in shaping global relations and the realization that economic cooperation can drive national development and stability. China, particularly through initiatives like CPEC, has been pivotal in driving Pakistan's transition towards a geo-economic foreign policy. The shift towards geoeconomics aims to achieve interdependency rather than dependency. While concerns about potential dependency on China exist, Pakistan's geo-economic strategy focuses on creating mutually beneficial relationships that enhance its economic, political, and strategic power.

Literature Review

Pakistan's Geo-Economic Vision

Pakistan's foreign policy has been shaped by various factors including its strategic location, historical background, and economic interests. In recent years, Pakistan has been focusing on enhancing its geo-economic position in the region and beyond, and to promote economic growth and development. Through the years Pakistan was using geo-political means to promote economically. Pakistan has always prioritized security issues due to its geographical location in a hazardous region and historical disputes with neighboring countries. The geo-economic change, on the other hand, shows a strategic shift in which Pakistan recognizes that economic development and collaboration with China may help its long-term security and stability. Former foreign minister of Pakistan Shah Mahmood Qureshi, Former chief of army staff Gen Qamar Javed Bajwa, former prime minister of Pakistan Imran Khan, are among policy makers of Pakistan who mentioned in their speeches that Pakistan has shifted now from geopolitics to geo-economics. The National Security Policy of 2022 is also a testament to this policy shift.

Pakistan has intensified geo-economic efforts in recent years to strengthen its economic integration with regional and global partners. Geo-economics pushes Pakistan to diversify its economy and decrease its reliance on a few industries. Pakistan can build a more robust economy that is less sensitive to external shocks by exploring new markets and sectors. Pakistan also wants to broaden its economic relations beyond China and form alliances with other nations and areas. It has participated extensively in regional organizations like the Shanghai Cooperation Organization (SCO) and the Economic Cooperation Organization (ECO) to increase trade, investment, and connectivity with neighboring nations. Participation in projects such as the Central Asia Regional Economic Cooperation (CAREC) program and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project also indicates Pakistan's geo-economic ambitions. (Gul, Asghar, & Khalid 2021).

Pakistan has also signed 12 FTA agreements all over the world. With Bangladesh, the nations of the Gulf Cooperation Council, Morocco, Singapore, Thailand, and Turkey, six accords are currently being negotiated. The significant agreements include PTAs with Indonesia and Iran as well as FTAs with China, Malaysia, Mauritius, and Sri Lanka. Most of the agreements were signed by 2008 after the initial phase of agreements began in 2005. Additionally, talks with five additional nations are ongoing.

One of the key pillars of Pakistan's geo-economic strategy is the CPEC project, which is more than just a system of roads that links Gwadar, Pakistan, with the Gulf States via Kashgar, China. For Pakistan, CPEC represents a comprehensive package of commerce and energy-related endeavors. Another example of the geographic significance of Pakistan is Gwadar, which is the nearest deep-sea port to the landlocked Central Asian Republics. Access to the "Gulf of Oman," which is linked to the "Persian Gulf" via the "Strait of Hormuz," is also given to China by Pakistan's Gwadar Port. (Ejaz & Jamil 2022)

Pakistan has declared a tilt towards "geo-economics" as the foundation of its foreign policy. It also looks like for the first time in history, a historic window of opportunity has opened for Pakistan to implement this vision as the dramatic event in Afghanistan seem to be reaching some sort of culmination. Although the country's West and North-West look to be benefiting from a favorable external environment, Pakistan's policymakers will still need to guide the project through internal 'hoops of fire' and

overcome internal disagreements. The CPEC project has the potential to drastically change Pakistan's economy, but our policy posture toward CPEC does not seem to be entirely consistent. If the West and China are openly engaged in a geopolitical contest, several senior policymakers still show a tilt towards the West. (Younis et. al. 2021)

The energy crisis is also the biggest challenge for the Pakistani economy. It contributes to playing a vital role in promoting economic growth. Pakistan's energy industry is in crisis as a result of a lack of energy output to meet the country's rising demand over the last few decades. Pakistan is now entirely dependent on imported energy resources such as gas and oil. In 2019, the Asian Development Bank issued a white paper claiming that Pakistan is an energy-insecure country. (Maryam 2022) CPEC is helping Pakistan to fulfill its energy needs. The initiative holds the potential to significantly elevate Pakistan's economy and enhance the livelihoods of approximately 3 billion individuals within the region. By participating in CPEC, Pakistan aims to attain a more favorable equilibrium between its geo-economic and geopolitical contexts, while also addressing energy needs and bolstering infrastructure. (Hussain, Khan, & Ayaz 2021) CPEC has proven to be a great help to Pakistan's energy-starved economy. It will serve as a gateway for the comprehensive transportation of gas and oil from Central Asia to other nations with a demand to meet their industry needs. (Ahmad, Fatima, & Bowra 2017)

In the context of Pakistan, geo-economics means that Pakistan is going to use its geo-strategic location to gain more economic benefits by connecting to all neighboring countries as well as with the whole world. CPEC is the biggest achievement of Pakistan and China in their history. CPEC will make Pakistan geo-economically strong country. In the coming years, a number of neighboring countries might be dependent on Pakistan and wish to join the CPEC to promote trade and connectivity. (Javaid & Javaid 2016)

Theoretical Dynamics of the Concept of Geo-economics

In recent times, there has been a growing prominence of geo-economics in academic discourse. (see Beeson 2018) Moisiu (2019) asserts that geo-economics holds an exceptionally wide-ranging scope and nature. It encompasses a diverse array of subjects, including borderless economic regions, strategic economic tools in foreign policy, neo-liberalism, economic nationalism, and similar topics. Moisiu proceeds to draw connections between neoliberal theorists from the 1990s and Luttwak's concept of state-centric geo-economics. Similar to Moisiu, the word 'geo-economics' has a very broad meaning in Vihma's (2018) thoughts and covers a variety of subjects, including cross-border economic zones, foreign policy, neo-liberalism, and economic nationalism.

In our view, however, geo-economics serves as both a strategic practice and an analytical framework. From an analytical standpoint, geo-economics underscores how the pursuit of relative power motivates the actions of states. This understanding is close to Luttwak's (1990) definition of geo-economics. According to Luttwak, nations inherently aspire to gain a relative advantage over similar entities. The 'geo' aspect within geo-economics signifies that the economic foundations of national power must possess distinct geographical attributes such as resources located in specific areas or controlled sea routes. Because governments are territorially confined, they want the greatest outcomes for their own countries rather than the best outcomes for the global economy as a whole. According to Luttwak, territoriality and the competitive conduct of governments include geo-dimension in geo-economics. He claimed that "the international economy is affected by that fraction of its life that is geo-economic in character rather than simply economic in nature." (quoted by Wigell, Scholvin, & Aaltola 2018) Luttwak's contention was that with the absence of a Soviet military threat to the United States and its allies, the main arena for competition and rivalry among nations

would predominantly shift to the economic domain. Multiple intertwined factors contribute to this notable transition in global politics. The initial factor is the ascendancy of China, which has led to substantial realignments in global economic influence. A significant portion of ongoing scholarly and policy discussions in international relations revolves around the repercussions of a multipolar world, particularly concerning the outcomes of China's augmented economic and political leverage. China's ambition goes beyond establishing connections with just a few countries. China stands out as a foremost exemplar of geo-economic strategies, while Russia and the United States also hold substantial roles. (Anokhin & Lachininskii 2015)

Baru and Dogra (2015) highlighted that geo-economics involves the interplay between economy and geopolitics. Economic advancements have the potential to influence geopolitics, while changes in geopolitics can impact the economy. The financial crisis and disillusionment with the deregulated market system since 2008 have eroded the credibility of the liberal perspective, highlighting the intricate links between the economy and security. Additionally, the heightened emphasis on resource scarcities within the realm of international relations amplifies concerns about supply security and nurtures a zero-sum outlook. The swift expansion, industrialization, and urbanization in populous Asian economies have led to elevated resource prices and, albeit temporarily, revived neo-Malthusian apprehensions. (Baru & Dogra 2015) Although geo-economics is undeniably influenced by geopolitics, Western economics asserts that confining geo-economics solely within the realm of geopolitics is not entirely appropriate. (Hu 2022) Geo-economics is characterized by two primary definitions: one that highlights its connection to economic policy in response to changes in national power and geopolitics, and the other that emphasizes the economic repercussions of geopolitical and national power trends.

Geo-economics, according to Blackwill and Harris (2016), is the "use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results." Most important geo-economic instruments identified by these authors include trade policy, investment policy, economic and financial sanctions, financial and monetary policy, energy and commodities, aid, and cyberspace. While some continue to operate as before (aid), others are new (cyberspace) or operate in a different environment (energy). Furthermore, according to Blackwill and Harris, geo-economics is "re-emerging as a preferred form of geopolitical combat for some of the world's most powerful states and shaping the outcomes of some of the world's most important strategic challenges." It is stated that "the grand strategies of twenty-first-century geopolitics will be pursued primarily through economic resources." (quoted by Migel, Scholvin, & Aaltola, 2019, p. 6).

Taken together, the above-mentioned factors highlight the current relevance of geo-economics, which would be defined as the geostrategic use of economic power. As a result, geo-economics is concerned with shaping and managing the strategic environment in which states operate to pursue their national interests through economic means. The context and agenda of Luttwak are laid out to counter and criticize post-Cold War optimism, in which the 'logic of conflict' in international affairs is 'displaced' by new global interdependence and its positive outcomes. Luttwak's geo-economics challenges this liberal interdependence paradigm by highlighting strategic interests in economic relations between states.

The transformation from 'security' to 'economic' mindset entails a mental shift. If the economic competitor is also a strategic competitor, concerns about being disadvantaged are likely to be exacerbated. Instead of emphasizing the economic benefit

of interdependence, strategic competitors may seek to exploit them. In common parlance, dependence means a state of being determined or significantly affected by external forces. Interdependence, most simply defined, means mutual dependence. Interdependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries (Keohane & Nye, 2012: 7). If states believe that other states or actors are abusing economic interdependence to gain strategic advantages, their incentive to become independent starts growing, particularly if the actor suspicious of abusing interdependence is a central or dominant power in the system. For example, other countries have set up alternative payment systems to avoid the United States' control over SWIFT, which it has used to enforce its sanctions. (Cowen & Smith 2009)

Energy security is widely acknowledged as a crucial component of economic security in the contemporary world. Power projection abilities of a state are useless in the absence of sufficient energy sources. Asian countries primarily rely on imports of energy to satisfy their demands (Afzal, et. al. 2020). The area's economy will be choked off by any energy supply shortage, and worldwide supply lines will be upset. Because the main energy resources, particularly oil and gas, and the geographical location of producers are located at a certain distance from consumers, the supply of oil and gas by land through pipelines, waterways or tankers demonstrates the importance of this particular element of energy security. (Mukhammad, sidiqov & Turaev, 2020)

To sum up, the preferred understanding of geo-economics for us is that economic statecraft can become a means to achieve national strategic goals. Nations can employ economic tactics, such as sanctions, trade restrictions, or investment incentives to achieve their security goals and influence the conduct of other governments. Furthermore, states may create trade alliances or economic coalitions in the framework of geo-economics to improve their position within the global economic system. In the context of geo-economics, nations can partake in economic hedging through diversification of their economic engagements and investments. This tactical approach seeks to diminish reliance on a singular state or market, consequently reducing potential vulnerabilities and bolstering overall resilience in the face of economic fluctuations.

Material and Methods

The initial part of the research process was to develop a precise research question. Core research question guiding this research states: *Did the geo-economic turn in Pakistan's foreign policy lead to interdependence or its enhanced economic, political, and strategic power?* Through this research question, we wanted to know if Pakistan's geo-economic vision will lead to its dependence on neighboring countries, especially in terms of trade and energy. Or, if Pakistan's geo-economic vision will lead towards interdependence with neighboring countries. Furthermore, we wanted to explore what kind of benefits Pakistan can gain from its geo-economic vision. It is expected that increased access to energy, trade, and industrialization through geo-economics will lead to economic development in Pakistan. Through economic engagement with neighboring states, Pakistan's political power is also expected to be enhanced. With increase in its number of allies, Pakistan will be able to enhance its regional power and pursue more independent foreign policy. Especially, geo-economic turn in Pakistan's foreign policy could help it gain strategic goals against India and Afghanistan. It is expected that as Pakistan's economic ties with Central Asia will be enhanced, prospects for peace in Afghanistan will be increased and its relationship with Pakistan will be strengthened. The research questions and the related issues mentioned above became the basis of the interview guide, which we developed to conduct interviews from the experts in

policymaking, academia, and general research community. In addition to interviews, we also studied government documents related to the CPEC project. (Shah, et. al. 2020)

Government Documents

We went through the official documents that are available on Pakistani official website related to CPEC. Official papers contain thorough and well-researched information regarding policies, agreements, plans, and initiatives. CPEC is an important component of this research. Studying official papers helped us to know the actual stance of Pakistani government on CPEC. This material provided us with an excellent fundamental understanding of the subject, helping to understand the context, purpose, and scope of CPEC. Official papers gave us a historical record of CPEC's progress from its conception to the present. This historical background is critical to understand the elements that played a role in CPEC's trajectory and impact. Following six documents are included in this study:

1. Memorandum of Understanding (MoU) on CPEC
2. Long-term Plan (LTP) for CPEC
3. CPEC Energy Projects
4. CPEC Transport Infrastructure Projects
5. CPEC Industrial Cooperation
6. Joint Working Groups (JWGs) on CPEC

Through the study of documents, we found official Pakistani position on the project of CPEC. This study helped us understand the scope of the project, as well as future predictions made by government officials. This document analysis also helped in the construction of an interview guide. Information gathered from these documents helped us get a grip on technical aspects of the CPEC project. This proved to be very helpful information during the interview process.

Interviews

After studying CPEC related official documents, we conducted interviews. For these interviews, our main population was experts in policymaking, academia, and research organizations. Sample size was of thirty people from different backgrounds. We chose people for the sample based on their accessibility and availability through convenience sampling, a non-probability sampling technique. This strategy is frequently employed when it is difficult or unfeasible to select a random or representative sample from the targeted population. Since we focused on experts for this research, not the general public, convenience sampling was the most appropriate sampling procedure.

Interview Protocol

Prior to each interview, participants were presented with a participant information sheet and an informed consent form, aligning with ethical guidelines to ensure transparency, voluntary participation, and confidentiality. The introductory phase of the interview was strategically designed to establish a comfortable rapport with initial inquiries about the participant's background, current events in their life, and personal interests. This not only served to create a relaxed atmosphere but also laid the foundation for a more open and candid conversation.

Open-ended questions, characterized by phrases like "Tell me about..." rather than binary queries, were integrated into the protocol. This technique allowed participants the space to articulate nuanced perspectives and share detailed experiences. The questions were meticulously crafted to align with the overarching research objectives and had been influenced by an extensive review of existing literature on the geo-economic dynamics of Pakistan's foreign policy, particularly in relation to China (Refer to Table I).

Recognizing the fluidity of qualitative interviews, the protocol accommodated the potential emergence of additional questions or the need to re-order existing ones based on the participant's responses. This adaptability was crucial for fostering a natural and dynamic flow of conversation, akin to an organic dialogue rather than a rigid questionnaire.

Considering the participant's commitment of time and the necessity for a rich and comprehensive dataset, the protocol was crafted with a balanced length, aiming for an interview duration of approximately one hour. This aligns with best practices in qualitative research, ensuring depth of exploration without overburdening participants.

Finally, the interview protocol underwent a pilot testing phase, allowing for a practical assessment of question coherence, flow, and participant engagement. Feedback from the pilot testing phase was very instrumental in refining the protocol for optimal effectiveness in eliciting the desired insights. The protocol also incorporated a closing segment that invited participants to share any additional thoughts.

Interview Guide - Key Questions

1. Can you explain CPEC in the light of geo-economics?
2. Can you explain what is meant by interdependence between states?
3. Can you explain how Pakistan and other neighboring states can achieve interdependence through CPEC?
4. How CPEC and good relationship with China and other neighboring countries make Pakistan economically strong state?
5. Do you think that Pakistan will become dependent on China through CPEC, or it will be interdependence between the two states?
6. How can geo-economic focus in Pakistan's foreign policy promote local industrialization?
7. Can you explain how Pakistan's geo-economic expansion can help Pakistan overcome its energy problems?
8. In what ways enhanced transportation network will increase Pakistan's trade with China, Central Asian states, and Afghanistan?
9. Can Pakistan become important political player in the region after its geo-economic expansion?
10. What kind of political benefits Pakistan can gain by its geo-economic expansion?
11. How can China help Pakistan to counter India?
12. Do you think Pakistan would be able to stop terrorist activities from Afghanistan with the help of China?
13. Can increased trade relationship between Pakistan and Afghanistan solve their security problems?

Results and Discussion

As mentioned in the previous section, we collected two types of data: first from the official documents, and second through interviews. Documents helped us to understand the past scenario and how much work has been done on geo-economics expansion. Interviews, on the other hand, helped us understand if Pakistan is successful in achieving its geo-economic goals through foreign policy.

Review of Documents

According to the official documents, CPEC is a significant infrastructure project that proposes to connect the Gwadar Port in Southwestern Pakistan to China's northwestern region of Xinjiang, via a network of highways, railways, and pipelines. It is considered a flagship project of China's Belt and Road Initiative (BRI) and has attracted substantial investments from China. The CPEC project encompasses various sectors, including energy, transportation, and industrial development. It includes the construction of power plants, the upgrading of transportation infrastructure, the establishment of special economic zones, and the development of Gwadar Port as a trade hub. CPEC has the potential to significantly boost Pakistan's economy. Different components of the project can create employment opportunities and stimulate economic growth in Pakistan. These developments can improve country's overall infrastructure and contribute to its long-term development. CPEC also addresses Pakistan's energy crisis, as it incorporates several energy projects, including coal, hydro, wind, and solar power plants. These projects can help alleviate Pakistan's energy crisis and ensure more stable and reliable energy supply.

The document *Special Economic Zones (SEZs)* shows that through SEZs, industry will be promoted in Pakistan. These industries and linked projects require skilled and unskilled labor, providing employment prospects for the local population. These zones are designed to attract foreign investment, promote industrialization, and facilitate technology transfer. They can help Pakistan develop its manufacturing and industrial sectors. Through CPEC, Pakistan can also benefit from China's expertise in various sectors. This collaboration can lead to knowledge and technology transfer, contributing to Pakistan's human capital development.

The Long-Term Plan (LTP) for the CPEC is a comprehensive document that was released in 2017. This strategic plan outlines the goals, priorities, and implementation plans for the various projects under CPEC. The objectives outlined in the LTP include enhancing connectivity, promoting industrial cooperation, and improving people's livelihoods. The LTP highlights investments in various energy sectors, including coal, hydro, solar, and wind power projects. Additionally, the plan emphasizes the upgradation and construction of transmission lines to improve energy distribution across the country. Industrial cooperation is another key aspect outlined in the LTP. The plan aims to promote collaboration between China and Pakistan in sectors such as textile, garments, and manufacturing. Agricultural development is also a significant focus of the LTP. The plan recognizes the importance of modernizing agriculture, improving water resource management, and developing agribusinesses. The aim is to enhance productivity, increase agricultural exports, and improve the overall socio-economic conditions of rural areas. In line with its vision of common development, the LTP emphasizes socio-economic welfare. It acknowledges the importance of improving people's livelihoods and reducing poverty. The plan outlines cooperation in areas such as education, healthcare, poverty alleviation, and tourism, with the goal of uplifting communities and improving quality of life. The strategic location of Gwadar Port and its potential as a regional hub is a significant aspect of LTP. The plan recognizes the port's strategic importance and outlines specific projects for its development and the establishment of a free economic zone. Gwadar Port is envisioned as a gateway for trade

and economic activities, this approach will not only yield advantages for Pakistan but will also play a role in fostering regional connectivity and promoting economic integration.

CPEC is also playing a significant role to overcome energy crisis in Pakistan. There are several coal-based power projects are being constructed under CPEC, primarily located in the Thar region of Pakistan. These projects aim to utilize Pakistan's vast coal reserves to generate electricity. Notable projects include the Port Qasim Coal Power Plant, Sahiwal Coal Power Plant, and the Engro Thar Block II Coal Power. CPEC also emphasizes the development of hydropower projects to harness Pakistan's water resources for electricity generation (Khan, et. al. 2022). The most prominent project in this category is the Karot Hydropower Project, located on the Jhelum River. It is a run-of-the-river project with a capacity of 720 megawatts (MW). To promote renewable energy, CPEC incorporates solar and wind power projects across different regions of Pakistan. Notable solar projects include the Quaid-e-Azam Solar Park in Punjab and the Sachal Energy Park in Sindh. Wind power projects like the Dawood Wind Power Project and the Jhimpir Wind Power Project have also been initiated.

CPEC Transport Infrastructure Projects provides an overview of the transport infrastructure projects under the CPEC. As an essential component of the Belt and Road Initiative (BRI), CPEC aims to enhance connectivity and trade between China and Pakistan. CPEC includes the construction and upgradation of several highways to enhance road connectivity within Pakistan and link them to China. Notable projects in this category include *Karakoram Highway (KKH) Realignment*; *Lahore-Karachi Motorway (M-9)*; *Multan-Sukkur Motorway (M-5)*; and *ML-1 Railway Up gradation*. The CPEC transport infrastructure projects are expected to bring numerous benefits and have a transformative impact on Pakistan's economy and regional connectivity. CPEC's infrastructure projects can also improve accessibility to scenic areas and cultural sites in Pakistan, attracting tourists and promoting cultural exchange. This can boost the tourism industry and increase revenue for the country.

Interviews Data Analysis

Interviews in social sciences provide means to gather qualitative data, capture individual experiences, understand social phenomena in natural settings, and ensure participant engagement, ultimately contributing to a more comprehensive and nuanced understanding of the research topic. Interviews prioritize the voices and experiences of the participants themselves. Through interviews, researchers can give participants the opportunity to share their stories, express their opinions, and contribute to the research process. This approach allows for a more inclusive representation of different perspectives. Finding themes in interviews is an important stage in qualitative research because it allows researchers to infer meaning from the data and gain a thorough picture of the topic under consideration. Analysis of the interview data yielded following four themes:

Theme 1: CPEC will help Pakistan and other neighboring states to become interdependent on each other.

Proponents of CPEC argue that the project will enhance regional cooperation and interdependence. They believe that by creating a network of roads, railways, and pipelines, CPEC will facilitate trade, investment, and economic integration between Pakistan and the neighboring countries. This increased connectivity, they argue, can lead to mutual benefits and stronger interdependence among the participating states. *Dr. Arish (Institute of Regional studies Islamabad)* said in his interview that interdependence means to create interdependence for both nations. It means interdependence must create

a win-win situation for all the countries involved. In his view, CPEC will be able to create win-win situation, despite the fact that Pakistan is more dependent on China, and China is less dependent on Pakistan. In this respect, Pakistan will depend on asymmetric interdependence. In such a relationship the less dependent actor can use the asymmetric interdependence for power position in bargaining over an issue or bunch of issues.

Dr. Hassan (Minhaj University, Lahore) argued that CPEC appears to be leading to interdependence between Pakistan and China, but it is too early to make a definitive conclusion. CPEC is a collection of infrastructure projects currently under construction throughout Pakistan, primarily funded by China. While CPEC has the potential to bring various economic benefits to Pakistan and the region, including improved infrastructure, energy projects, and job creation, its impact on interdependence among neighboring states is a subject of debate. It is important to note that the extent of interdependence resulting from CPEC will depend on several factors. One crucial factor is the ability of the participating countries to capitalize on the opportunities presented by the project. While CPEC is primarily focused on Pakistan, it does have the potential to benefit other regional players, such as Afghanistan, Iran, and Central Asian countries. These countries would need to develop their infrastructure and take advantage of the improved connectivity to fully realize the interdependence envisioned by CPEC. Furthermore, geopolitical dynamics and individual countries' policies can also influence the level of interdependence. While CPEC aims to foster economic cooperation, it is not without its challenges. Concerns have been raised regarding the transparency of the project, its potential impact on local communities and the environment, and the debt sustainability of Pakistan. These issues can affect the level of trust and cooperation among the participating states. The degree to which interdependence is realized is determined by how successfully these problems are addressed and how well the advantages of CPEC are distributed among the participating nations. CPEC is an ongoing initiative, and its long-term effects on interdependence among neighboring states are yet to be fully realized.

Theme 2: Increased access to energy, trade and industrialization through geo-economics will lead to economic development in Pakistan.

Yes, it is true that energy, trade, and industrialization directly contribute to state economy, but the problem is that Pakistan has failed to achieve its geo-economic goals. Pakistan has resources, but they are not properly utilized for its nation. *Muhammad Mehdi (Chairman, Institute of International Relations and Media Studies, Lahore)* said in his interview that "Pakistan is unable to achieve its economic goals because of its incompetent policies. Pakistan fails to create a good economic diplomacy with the neighboring countries." It is a need of time that Pakistan should realize the importance of geo-economics. To ensure sustainable economic development, Pakistan should focus on promoting industrialization. This can be achieved through effective industrial policies, investment in infrastructure, research and development, promoting entrepreneurship, and enhancing the business environment to attract both domestic and foreign investment in the industrial sector. Pakistan can achieve sustained economic growth, expand employment opportunities, boost productivity, boost exports, and lessen reliance on imports by building a strong industrial sector. Here are some significant ways that Pakistan's economy might gain from industrialization. Industrialization leads to the establishment of factories and industries, which creates a significant number of job opportunities for the workforce. This helps in reducing unemployment rates and poverty levels. Economic growth through industrialization contributes to the overall economic growth of a country by increasing its GDP. Industrialization also promotes technological advancements and innovation. China's technological advancements and expertise offer

opportunities for collaboration and knowledge transfer to Pakistan. Joint ventures in various sectors such as telecommunications, aerospace, defense, and manufacturing have facilitated technology sharing and skills development in Pakistan. This helped Pakistan to enhance its technological capabilities and bridge the technological gap. Hence, due to Pakistan's geo-economic turn, especially its participation in the CPEC project, has helped Pakistan to strengthen its economy.

Theme 3: Through economic engagement with neighboring states, Pakistan's political power will be enhanced.

A nation's capacity to influence and shape international affairs, policies, and judgments is referred to as its political power. Economic power, military might, diplomatic clout, and soft power assets like culture and ideology are some of the elements that influence a country's political power in the global arena. *Dr. Hassan, (Minhaj University Lahore)* argued that if states have enough political power, they can become main political actors. However, in the case of Pakistan, it needs more time to become a main political actor in the region. Time, investment, and a serious attitude will be needed for Pakistan to become a strong economy and important political player. Economic connectedness can help to maintain regional stability. As neighboring nations grow economically integrated, they may have a stronger incentive to preserve stable ties in order to protect their economic interests. Pakistan's role in promoting such stability has the potential to boost its political status in the region. In terms of international politics, Pakistan and China already have a close and long-standing partnership that benefits both nations in several ways. They have a lifelong friendship, which has specific strategic benefits. Both countries have shared interests in areas such as regional security, counterterrorism, and stability in South Asia.

Through developing alliances with other nations and regional organizations, Pakistan will be able to grow its influence and prominence in its immediate surroundings. This point of view is founded on the premise that alliances give opportunities for diplomatic engagement, economic cooperation, and joint security efforts, all of which could improve Pakistan's standing in regional and international affairs. By joining alliances, Pakistan can have access to diplomatic discourse and talks on a variety of regional and global concerns. These conversations have the potential to increase Pakistan's importance at the regional and international level. Economic collaboration, trade agreements, and investment possibilities are all frequently facilitated through alliances. While coalitions can help Pakistan increase its political power and regional leadership, success is not assured. It is dependent on efficiently leveraging these partnerships, managing internal issues, and establishing confidence with neighbors.

Theme 4: Geo-economic turn in Pakistan's foreign policy will help it gain strategic goals against India and Afghanistan.

Of all the themes identified through the interviews, there was the weakest support for the strategic benefits of geo-economic turn in Pakistan's foreign policy. Afghanistan-Pakistan ties have been complicated due to border conflicts, terrorism, and regional power dynamics. Improving commerce, connectivity, and energy cooperation will potentially improve relationships. To achieve stability and collaboration in this partnership, however, underlying security concerns and historical conflicts must be addressed. Furthermore, the internal dynamics of Afghanistan, particularly the roles of numerous groups and other players, have a considerable impact on the regional environment. The effectiveness of a geo-economic shift in foreign policy is dependent not only on Pakistan's actions, but also on the reactions of other regional and global powers. Achieving strategic aims against neighboring nations necessitates a careful balance

between economic involvement and regional and international players' larger geopolitical considerations.

Prof. Adam (Dean at the University of Bahria, Islamabad) mentioned that before CPEC Tans-Afghan project was the best opportunity for Pakistan to expand trade, build strong relations with neighboring countries, and to promote export, but unfortunately Pakistan did not materialize it. The Trans-Afghan railway would provide Pakistan with a direct land route to Central Asia, enhancing trade and economic connectivity. It would open up new markets and opportunities for Pakistani businesses and facilitate the movement of goods, thereby boosting economic growth. Pakistan can also potentially benefit from energy cooperation with Central Asian states through the railway project. The railway would also contribute to regional integration efforts, fostering closer ties between Pakistan, Afghanistan, and Central Asian states.

Regarding Pakistan-India relationship, it is obvious that Pakistan's shift towards geo-economics will improve relationship with India. However, it is crucial to take into account probable difficulties and dangers. The normalization process could be hampered by political sensitivity, security worries, and unresolved difficulties. Any deterioration in ties or rise in tensions could harm the anticipated economic gains. Overall, the rapprochement between Pakistan and India and the resumption of regional trade has the potential to have a favorable effect on Pakistan's economy through promoting economic expansion, trade diversification, investment, technology transfer, energy cooperation, and tourism. To overcome the current obstacles and fully realize these economic gains, diplomatic dialogues, long-term efforts, and cooperation are required.

Conclusion

Pakistan's pursuit of a geo-economic turn in its foreign policy holds the potential to bring about significant transformations in its regional and international standing. The China-Pakistan Economic Corridor (CPEC) has emerged as a central driver of this shift, offering opportunities for economic development, increased access to energy, trade, and industrialization. The rationale behind this strategy was to leverage economic strength as a means to gain influence and advance national interest. Through initiatives such as CPEC, Pakistan aimed to attract foreign investment, promote infrastructure development, and boost trade. These efforts contributed to Pakistan's economic growth and bolstered its economic power at the regional and global level. Economic strength can also translate into political power. As Pakistan strengthens its economic ties and expands trade relations, it may gain diplomatic leverage and influence. Economic cooperation can create opportunities for political dialogue and cooperation, enabling Pakistan to pursue its political objectives effectively. However, the realization of political power through economic means depends on various factors, including the country's diplomatic capabilities and the broader geopolitical landscape. While economic cooperation can bolster strategic power indirectly, it is crucial to differentiate between economic and military power. Strategic power primarily pertains to military capabilities, defense alliances, and geopolitical positioning. While the geo-economic turn may contribute to overall national strength, it does not inherently guarantee a direct enhancement of strategic power. Pakistan's strategic power is influenced by a complex array of factors, including its military capabilities, regional dynamics, alliances, and geopolitical interests.

Geo-economic turn in Pakistan's foreign policy is not called a complete turn yet, even though it is mentioned in Pakistan's National Security Policy of 2022. It is more like a process under which Pakistan is moving in the right direction. No doubt CPEC is the best practical example of successfully promoting geo-economic focus in Pakistan's foreign policy. However, Pakistan's foreign policy is still focused on security concerns

particularly its relations with India and Afghanistan. Why complete transition towards geo-economics has not taken place in Pakistan's foreign policy? To answer this question, following key reasons can be highlighted: 1) Pakistan faces significant security challenges, particularly in its relationship with India and the ongoing conflict in Afghanistan. These security concerns still dominate Pakistan's foreign policy agenda, leading to a greater emphasis on geopolitics and military considerations rather than purely economic ones; 2) Pakistan is still a developing country with limited economic resources. This restricts its capacity to fully leverage geo-economic strategies in its foreign policy. Economic development and stability within the country itself remain critical priorities, and Pakistan's dependence on international economic assistance and investment make it very difficult to fully utilize its geo-economic potential. *Dr. Hassan (Minhaj University)*, argued that "when states have dollars in their pockets, they always go for investment. Pakistan needs to invest in states in its neighborhood." Unfortunately, Pakistan still does not have enough money to spend on its neighbors; 3) Pakistan is situated in a complex and dynamic region, where competing interests of major powers intersect. The influence of external factors, such as the United States, China, and Saudi Arabia shape Pakistan's foreign policy choices. These dynamics often prioritize security and geopolitical considerations over purely economic interests; 4) Pakistan has maintained strong defense ties with several countries, including China and the United States. These defense partnerships are crucial for Pakistan's security and contribute to its foreign policy outlook. While economic cooperation is also pursued, defense collaboration tends to receive more attention due to security imperatives; 5) Domestic politics and public opinion play a significant role in shaping Pakistan's foreign policy. Public sentiment, historical narratives, and political dynamics influence the priorities and direction of foreign policy choices. This can sometimes limit the extent to which geo-economics can be pursued.

Recommendations

In order to address the above-mentioned issues, Pakistan needs to focus on fostering regional cooperation, resolving political disputes, enhancing security measures, investing in infrastructure development, and diversifying its economy. By focusing on these problems, Pakistan can unlock its geo-economic potential and leverage its strategic location for regional trade, connectivity, and economic growth. Another important development could be the signing of a proposed charter of economy in Pakistan. The charter of economy is significant because it has the potential to support continuity, stability, and long-term economic planning in Pakistan. By fostering consensus among political parties, it could reduce policy uncertainties and create a favorable environment for domestic and foreign investment. This can boost investor confidence, attract capital inflows, stimulate economic growth, and ultimately lead to improved living standards for the people of Pakistan.

Apart from the proposal of the Charter of Economy, following are the other key recommendations of this research. Firstly, Pakistan should engage in aggressive diplomatic efforts to address regional problems, which can help to improve stability and increase its appeal as an investment destination. Secondly, Pakistan needs to facilitate international student exchanges, academic cooperation, and research collaborations. This has the potential to encourage information exchange, innovation, and human capital development. Thirdly, it is need of time for Pakistan that it should build good relations with India and Afghanistan. Improved relations among these nations can encourage tourism and cultural exchanges. This can result in more people-to-people connections, more tourism income, and stronger soft power. Fourthly, Pakistan should contribute more to global humanitarian and development projects. Such contributions have the potential to boost Pakistan's global position and foster goodwill among foreign partners.

Finally, Pakistan should use media to boost its positive image at international level. Such initiatives will build Pakistan's soft image and encourage other nations to engage with Pakistan to promote mutually beneficial ties.

To conclude, we can emphasize that prioritizing political stability, promoting tourism, and fostering a dynamic trade environment, Pakistan can strategically position itself to harness the full spectrum of geo-economic advantages. This multifaceted approach not only addresses immediate economic challenges but also lays the groundwork for sustainable and resilient national development.

References

- Afzal, N., Yaseen, Z., & Muzaffar, M. (2020). China and India: On the Edge of Water Dispute and Cooperation, *Journal of Arts and Social Sciences*, 7 (2), 231-244
- Ahmad, H. Z., Fatima, S., & Bowra, Z. A. (2017). CPEC 2015: A Review of proposed opportunities and significance. *Paradigms*, 11(2), 178-183.
- Anokhin, A. A., & Lachininskii, S. S. (2015). Evolution of the ideas and contents of geoeconomic studies. *Regional Research of Russia*, 5, 90-95.
- Baru, S., & Dogra, S. (Eds.). (2015). *Power Shifts and New Blocs in the Global Trading System (Vol. 1)*. Routledge.
- Beeson, M. (2018). Geo-economics with Chinese characteristics: The BRI and China's evolving grand strategy. *Economic and Political Studies*, 6, 240-256.
- Blackwill, R.D. & Harris, J.M. (2016). *War by Other Means: Geoeconomics and Statecraft*. Harvard University Press.
- Cowen, D., & Smith, N. (2009). After geopolitics? From geopolitical social to geoeconomics. *Antipode*, 41(1), 22-48.
- Ejaz, K., & Jamil, F. (2022). Belt and Road Initiative of China: Implications for South Asian states. *South Asian Studies*, 36(2), 351-366.
- Gul, S., Asghar, M. F., & Khalid, M. (2021). Shifting national security paradigm of Pakistan from geopolitics to a geo-economics era. *Global Economics Review*, VI(I), 81-94.
- Hu, W. A. (2022). Geo-economic linkages between China and the countries along the 21st century maritime silk road and their types. *International Journal of Environmental Research and Public Health*, 19, 1-28.
- Hussain, S., Khan, F., & Ayaz, M. (2021). Politico-economic implications of CPEC on Pakistan. *FWU Journal of Social Sciences*, 15(4), 147-162.
- Javaid, U. & Javaid, R. (2016). Strengthening geo-strategic bond of Pakistan and China through geo-economic configuration. *Pakistan Economic and Social Review*, 54(1), 123-142.
- Khan, R., Muzaffar, M., & Mustafa, M. (2022). Pakistan-India Water Conflict: A Causal Analysis *Annals of Social Sciences and Perspective*, 3(1), 43-51
- Keohane, R. O. & Nye, J. S. (2012) *Power and Interdependence*. New York: Longman.
- Luttwak, E. N. (1990). From geopolitics to geo-economics: Logic of conflict, grammar of commerce. *The National Interest*, 17-23.
- Maryam, I., Ikram, I. (2022). Energy crisis in Pakistan and its solutions: *Paradigm Shift*.
- Migel, M. Scholvin, S. Aaltola, M (2019). *Geo-economic And Power Politics In the 21st Century*. London and New York: Routledge Taylor and Francis Group.
- Moisio, S. (2019). Re-thinking geoeconomics: Towards a political geography of economic geographies. *Geography Compass*, 13(10), 1-13.

- Mukhammadsidiqov, M., Mukhammadolim, & Turaev, A. (2020). The influence of the energy factor on modern International Relations. *The American Journal of Political Science Law and Criminology*, 2(12), 5-15.
- Mukhtar, M., Ishaque, W., & Malik, M. S. (2019). National security paradigm of Pakistan - retrospective analysis. *NDU Journal*, 170-185.
- Rahim, N., Khan, A. M., & Muzaffar, M. (2018). Problems and Prospects of CPEC for Economic Development and Regional Integration. *Global Economic Review*, III (I), 21-30
- Shah, S. T. A., Muzaffar, M., & Yaseen, Z. (2020). Debunking Concerns of the New Delhi over CPEC, *Pakistan Languages and Humanities Review*, 4 (1), 33-46
- Vihma, A. (2018). Geoeconomic analysis and the limits of critical geopolitics: A new engagement with Edward Luttwak. *Geopolitics*, 23(1), 1-21.
- Wigell, M., Scholvin, S., & Aaltola, M. (Eds.). (2018). *Geo-economics and Power Politics in the 21st Century: The Revival of Economic Statecraft*. Routledge.
- Younis, M., Shah, N. H., Gul, R., Khan, H., & Malik, R. (2021). Impact of change of government in Pakistan on CPEC and Pak-China relations. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(10), 3054-3067.