

A HAWK EYE ON SOCIO-ECONOMICAL DIMENSION'S FOR PAKISTAN UNDER THE SUNSHADE OF PAK CHINA ECONOMIC CORRIDOR

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Abstract

Economy of the world has multidimensional views that have different projections but in the glance of socio-economic based it shows many of the factors that play an important role for the economic growth that should be affected regional economy because regional economy has relevant interest of geo-based countries there are many of the indicators are available to show the socio economics status but main of them is FDI with the mainframe of economics of the society. The target of subjected research paper examines the effect the FDI with Pakistani economic growth GDP (Socio-Economic) with sunshade of china C P E C, this way in which a relevant inclusive growth contract which establishes economical, tactical connection among Pak-China but integrate with the other regions of Asia that might engage in recreation an important position humanizing tactical surroundings. In this paper FDI secondary information followed that has an era of 2007 -2018 in which create effect extra consistent to examine the information how Beijing's (FDI) is doing, in fact, speed up the Pakistani economics. In this paper instead of FDI main of the three additional variables trade openness in Pakistan, political Pakistani instability & violence/terrorism also a part of the subjected study to evaluate the socio economic factor for Pakistan & region as well. The method that has been used it is Least of the square process has practical to check the multidimensional consequence variables on GDP of Pakistani economy followed by socio-economics of Pakistan. In the subjected research paper, the conclusion that we got shows that FDI has positive significance effect on economic growth of Pakistan in terms of socio economics means (directly proportional) when the foreign direct investment (FDI) will increase in Pakistan than Socio-economic growth of Pakistan in the terms of gross domestic product (GDP) will also be increased especially under the sunshade of China-Pakistan Economic corridor. In a forecasted way, we can get a quick look predictable values in the terms of FDI the fiscal enlargement factor that our country be put in 1.25% -2.32% G D P from 2015 to 20-20 era as well.

Keywords: CPEC Project, Foreign Direct Investment (FDI), Socio Economics, Pak- opinionated wavering (PI), violence in Pakistan (TRR), deal / trade openness in PAK (TOP), (GDP).value.

Categorization of the Jel Code: F15: Monetary incorporation, F36: The monetary aspect of Economic incorporation

Introduction

With the passage of Every time in the history of the world many of the small and big alliances always done to move forward their socio-economies, from beginning of the world to till today these alliances have made by the different countries (Chaziza, 2016)and regions and the same procedure has been followed till today because there are every country has some interest with three others some has oil reserves, some has sea ports, some has agricultural fertilized area, some has minerals so many of the countries needed to each other's to complete their need that has attached to one another that convert the world into globalization every country want bilateral relations.

In the (CPEC) point of view is one the main evidence of bilateral multilateral relationship both countries have excellent relationship since from 1950 when Pakistan has recognized china PRC they sharing the 520 kilometer border line, china has supported Pakistan in a multidimensional way like; economic, political, military and nuclear assistant way as well. Both countries also have a rivalry with India as well.

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In 20th the Pakistan has also helped to make a page of the era in which facilitate the exude appointment of United state 's secretary Henry to the Beijing, this relevant appointment has created way US president Richard visit to china at 19-72 of the year. The turning point of the relations was at the time when leading first/opening Chinese president to deal with a dual sitting of NA with Pakistani senate as well, in this visit Mr. Xi Jinping, received majestic welcome on 20 and 21 April of 2015 (Mitrovic, 2016). This speech has delivered to the parliamentary hall 'China's promise including Pakistan's valued. Mr. Xi Jinping speech with the session that 'Pakistan and China's struggles have brought their hearts and mind together ', he has also added that 'Pakistan was with us when China stood isolated in the region '. Pakistan's Prime Minister Mr. Nawaz Sharif claimed that the countries are 'truly iron brothers for always'. Regardless of the countries' differences especially in size and development, Pakistan has always been valued ally for China. Pakistan remained greater benefactor of this relationship, at least in financial terms; Beijing's benefits should not make underestimating.

Pakistan has good geo strategic position in the region which always attractive for china especially from the east to the west through the land area and from the west to east partially based on sea area. For (SAARC) membership our country has supported china to be a part of its countries, in Beijing it has seen that from 2006, on the other hand, Beijing support Pakistan for proffer to join the Shanghai Cooperation (SCO) that has the safety, social and financial collaboration as well. In this Safety support of the (SCO) covers armed assistance with the acumen swapped and – mainly – joint counterterrorism exertions. So we can say that makes "win – win" condition for mutual countries particularly in the list of economy. China continuously try make Pakistan economical; position well due to which reasons Beijing always make big investments in Pakistan form FDI that make makes Pakistan's good socio economic position one of the evidence is subjected projected which is CPEC that should be made a sound for Pakistan's GDP and FDI as well.

The Review of Literature

Particular study shows that always socio economics based with gross domestic product that has boosted by the Foreign direct investment FDI, the year of 2000 shows that FDI from all of the available sources was \$ 323 million after that it has boost to the \$5.5 billion in the year of 2008 at the same time many of the other sources have generated to make FDI (Butt, 2015), the main investors for Pakistan since last multiple decades was Switzerland, Netherlands, UAE & United State of America as well. In this all scenario Beijing was small share in FDI that was \$600 million in the year of 2006 to 2007 but this investment move to \$ 46 million that is a point that making Pakistan for good its socio economic life and many of the other countries are looking forward to the investment in Pakistan which expecting GDP boost to 6 to 7 percent positively (YUSUF, 2013). which effect positively on socio economic factor. With the access of this report the Potential of security, socio-economic factors, mega intimidation constraint which affects (CPEC) in the main way so the present condition of the Pakistan internal security might be affected the subjected project which will be more damaging for this country.

With the strategical point of view, the subjected route will play the main role for the different economies connections in which mega market oriented economies can create the best option of the route for the passage of the oils and different types of the goods (SIAL, 2014).

With the argue of that done CPEC has made new dimensions Pak-Sino associations the much smooth and economical route for central Asia to china and Regional Countries by the connectivity of Pakistan's harbor, Gwadar Baluchistan the east west China. That type of connectivity move both countries socio- economy to the peak that will helpful for both countries to enhance their people life style batter because in Pakistan poverty area like Gawadar is going to attach with China to make batter stability both of the insurgencies issues (Hameed, 2016).

In this paper we can see that china looking to energy rich Persian gulf of the region in that way Pakistan is one of the key country that can help china for this because Pakistan has main gate way for middle east point of view so that's why both of countries are looking forward to the socio economic growth in both of the countries to get closer there peoples with different strategies like language courses different type of the scholarships including different

technological trainings so due to this reason both countries can get closer to make strengthened their socio- economic issues (Khan, 2016).

Problems Statement

In the subjected research paper will be analyzed that is major bang of China-Pakistan Economic Corridor (CPEC) via Pakistan's Economy (Socio-Economic) via relative FDI and GDP is making a sound?

Study Significances

In the last passed scenario that totally was narrate war that creates different countries powers for the rest of the world & done enforced to the creation of the Monopoly, but with the passage of the time means that in the present position of the economy in which many of the countries looking for different economical ventures. Many of the countries working with their personal interests with the rest of the worlds, the subjected article show that globalization ratio has increased via due course of time world economy where every country doing focused on socio economic factors to enhance human resource factors in this scenario china & Pakistan looking forward to making relations in the new peaks via subjected project create one page of socio-economic magnitude for their own and rest of the world as well.

Hypothesis Statement

Is the Foreign Direct Investment (FDI) will be the driver of the enlargement of the economics of Pakistan beneath sunshade of (CPEC) point of view?

Design of the Research & Method

In the subjected paper sketch shows that how the relevant information has gathered has been followed from the data that is answerable for the asked questions, that has been researching approached as well.

Material

In the subjected paper the relevant Material has been taken secondary values with relevant source data that has been taken from different sources including different research article, Internet working, Business value glossy magazine, business articles, and the relevant vacuums.

Sources of Data

The secondary data has been followed and composed via the source of internet cable (together with Google of the map), relevant news, business books and do research journals articles/pamphlet as well.

Methodology and Data Analysis

The Qualitative approach via expressive study intent taken as a relevant part of the subjected article to make questions answers that have been asked in the subjected article.

Interpretation of the Valuable Data

GDP a socio-economic enlargement factor, (FDI), safety issue in Pakistan, the buy and sell Openness, political flux is the main relevant variable structure of the subjected paper construe the economic increase of our country sunshade of the subjected mega project (CPEC), All the above mention detail's value if found positive than it will be impact positive way otherwise it should be totally opposite way.

In Figure 1. In below the GDP has taken id DV growth socio economic factor.	In Table 1. The association the descriptive variables on GDP has taken via shade of CPEC.
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The Specified Restraint of the Current Study

Any of the projects that completed shows the actual values that have been done but during this mega project is in ongoing process that’s why it is more difficult for us to evaluate the exact position so we have taken as projected values. the corridor construction should fuel the economic growth of Pakistan by 1.5 percentage points on the original basis from 2016 to 2020” (WANG SONG JIANG, 2014). Due the reason that we have behind which is that this is a huge project has need maximum time but in the result of the subjected project the economy rate should get approx.23% to 25 % at the completion of this project which is a highly positive sign for the subjected article so this mega project makes our country economy peak of the new mountains.

CPEC via Geographic Way

In the subjected portion of the paper, we have focused on Pakistan geographic importance values including cultural importance because Pakistan has a central location from middle east so this makes Pakistan batter position in the world also Pakistan has deep warm water in Gawadar that makes his ports international levels.

Economy of Pakistan

Pakistan is currently being on the 38th position via economics point of view in which its nominal calculated GDP id \$285.77 billion with the enlargement rate of GDP 4.91 from the year of 2016 the different values chart is mention below;

Figure 1. GDP (Economics, 2019)



Table 1. The exports based partners of Pakistan (Reidel, 1988)

The Main Countries	% in the Export form
USA	\$ 3.9 billion (1 6.69% of Pakistan total exports)
Beijing/China	1.98bill-ion (7.8%)
Afghani-Stan.	1.76bill-ion (7.09%)
U K	1.76 bill-ion (6.1%)
German	1.10 bill-ion (4.2%)

Table 2. Imports tycoons for Pakistan (Kemal, 2007)

Main Countries	% of Total Imports works
China	16.9%
UAE	14.8%
Saudi Arabia	7.50%
Malaysia	3.90%

The Mega Project of CPEC

CPEC basically the main landmark among “the truly iron brothers work “maximum level of probable to fetch local money-making incorporation and it will be the win – win position among countries the detail of the investment in this mega project shows with the below given chart;

Figure 2. CPEC Investment Sketch (Muhammad Saqib Irshad, 2015);



One of the mega projects of the world (CPEC) has a huge period of the planning that has, 2013-2032. The main six factors are below.

- The basic mega venture is doing focused to make a free zone for the trade for the international market.
- This is a top Mega project of infrastructure with the reference of mega Train carry, Road with civil Aviation path.
- Relevant parts narrate mega Energy division the petroleum, wind speed energy, cosmological energy, Hydel energy.
- Baluchistan’s going to play a key role in thee subjected project to enhance Socio-economics factors.
- It has many of the mutually interesting projects.

The Energy Sectors of Pakistan

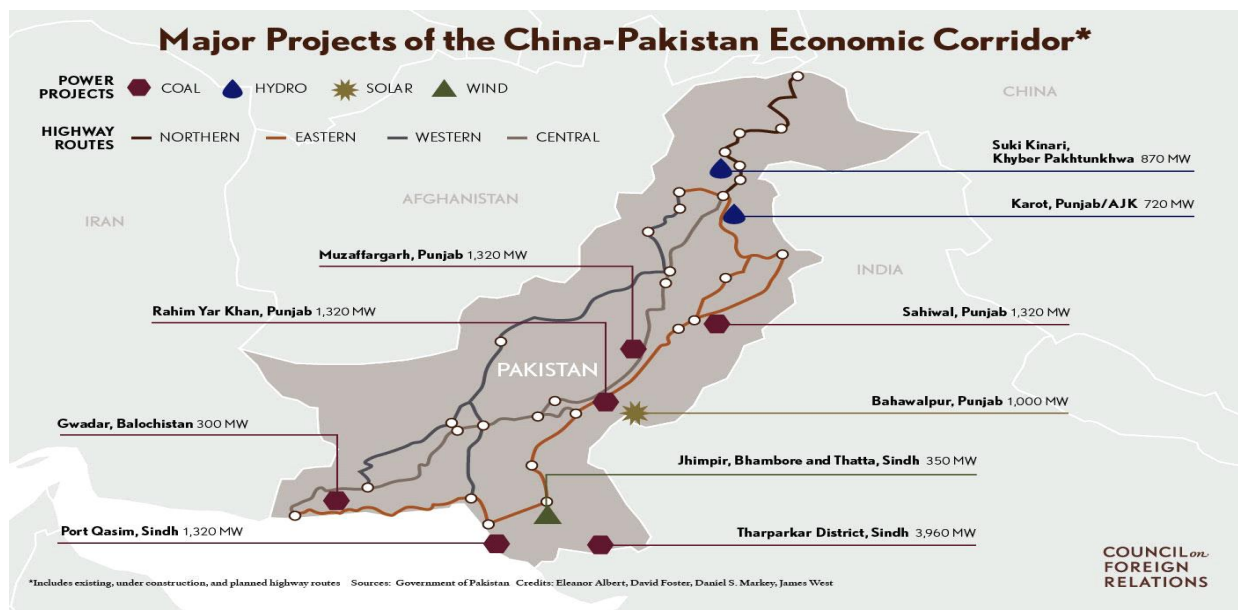
In CPEC the central focused on the main energy segment, the most deal of the total given amount estimated of \$ 33.02 billion estimated 72.76% - 73.09% projected \$46.50-64 billion deal based with the energy sector generations that was coal projects and crude oil as well. Regarding Furthermore \$2.567 billion is allocated towards the construction of the main way of the pipe there for transports LNGs way of the Iran of Pakistan cities of Nawab shah and Gwadar, with the examine the shortages is approximately 2.49% that should be subtracted from the GDP.

The Trade and Industry Zones and Development Plan in Gwadar Based

Basically One Belt One Road (OBOR) one of the huge project that has been derived from the china tact policy in which CPEC has a small part of it mega project much significance for the reason of the basic connection with the Eurasian part, in this project many of the special Economic Zones SEZ's also playing an important role to make central financial mega systems there are a initial main instance facilitation venture worked for the Gwadar Port in Baluchistan, Pakistan (PEDIA, 2019).

That approx. 385Km point of the sultanate of Oman that access work for china to middle East worked. Basically enterprise of free trade zones FTZ's at Gwadar main port that is approx. comparable to the FTZs the main country of business Hong Kong and the business industry of Shanghai.

Figure 3. The main project relates to CPEC PART (Markey, 2019)



The subjected defining venture in the beginning stage, specifically deliverable consequence presents the development area and. Its execution works on a variety of aspect should be obligatory additional consideration and conversation as well. Multiple challengers the way including security threats & main biased challenge worked for us. The other factor together with china's tactical policy also a part of it, United states of America and our neighbor (Pakistan Institute of Development Economics, 2016).

Method for Worked

In subjected research paper we are focusing basically on the socio economics of our country the G D P, in the paper FDI & GDP both are taking under the umbrella of CPEC and the data that has been used from the year of 2008 to 2018 (as per fiscal year of Pakistan) in this paper we have used total five 5 types of variables GDP (Gross Domestic product) main factor of socio economics as dependent variables regarding political instability(PI) , Foreign direct investment (FDI),Trade Opening (TOp),the incident if terrorism in Pakistan has done (TRR) as independent variables. In this FDI which always play a significant role for the GDP of our country since last two decades.

Table 3

Name Country	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018
China.	012.9	-100.9	-3.3	46.9	125.9	89.9	696.8	256.3	595.9	267.8

UK..	459.0	264.4	295.6	206.1	206.8	634	158	173.3	79.8	51.8
Dubai	579.0	179.01	243.32	285.7	37.0	27.9	-36.3	217.0	161.0	99.0
JA P AN.	130.9	45.3	27.9	3.7	30.08	30.1	29.0	70.0	20.4	26.0
. The Hong Kong	338.9	157.1	9.9	126.6	81.3	241.6	229.5	84.4	130.9	5.7
Switzerland	168.9	228.3	170.6	110.5	127.1	149	209.8	2.8	75	8.2
K.S.A	44.9	-91.3	-133.8	6.5	-79.9	3.2	-40.1	-64.8	101.2	-19.6
Germany.	68.6	76.9	53	21.2	27.2	5.6	-5.7	-20.3	-34	-1
Korea	1.3	2.3	2.4	7.7	25.4	25.8	24.4	13.9	-18.6	-0.4
Norway.	275.9	101.1	0.4	-46	-276	-258.4	-21.6	2.7	172.3	-51.5
USA	1319.3	869.9	468.3	237.1	227.7	228.1	212.1	209	-64.5	51.3
Others	2105.2	1965.2	1019.6	621.3	289.7	286.5	224.4	262.7	91.4	851.1
Total including Pvt. Proceeds	5408.8	3719.9	2150.8	1634.8	821.7	1456.5	1667.6	851.2	1281.1	1285.5
Privatization Proceeds	132.2	0	0	0	0	0	0	0	0	0
FDI Excluding Pvt. Proceeds	5266.6	3718.9	2152.8	1635.8	825.7	1459.5	1698.6	851.2	1285.1	1283.5

In the above given chart energy sector has main focused and china got good position due to its interest in Pakistan and energy sector as well in the point of view of FDI, we can see that many of the countries have invested in Pakistan but china got top due to regular FDI of its.

Table 3 eventually based on Currently FDI in Pakistan with the perspective of CPEC (Economics, <https://tradingeconomics.com/pakistan/foreign-direct-investment>, 2019);

The value has 5.99% boost foreign direct investment within the year of 2016-17 compared to year within 2015-16.

The calculated observed consequence

Replica for the deterioration scrutiny to review:

$$LGDP = \alpha + \beta_1 FDI + \beta_2 TOP + \beta_3 TRR + \beta_4 PI + \epsilon.$$

Table 4. The calculated Summary of Statistic results

Main Variables	N	Mini-mum	Maxi-mum	X -Mean	Std- Deviation
LGDP	010	21.97	26.17	26.5000	0.8989
FDI	010	7.0	22.44	19.503	1.99932
PI	010	-6.90	8.00	1.000	5.96545
TOP	010	26.92	38.91	33.8048	3.00100
TRR	010	0.00	1026	139.5610	240.02350

In the above mention chart, we have taken the total number of observations is 010 in which all summary of statistics calculations is taken in terms of dependent variable as LGP D regarding TOP, TRR, PI & FDI are based on explanatory variables for working.

Table 5. Conclusion by Ordinary least squares (OLS) method

The Variables	Co-efficient	Std. Error	t-Statistics	Prob.
C/α	19.3456	0.9124	23.9632	0.0000
FDI	0.1940	0.02935	6.9543	0.0000
PI	-0.0045	0.0107	-0.3909	0.7991
TOP	-0.0112	0.0194	-0.3999	0.6928
TRR	0.0009	0.0003	2.9909	0.0016

Point: to estimate the value of R^2 is based on 0.79, statistics of test F- is 23.009 the of the p test is 0.00 and the value statistical calculation of Watson 01.495.

As per mention was given a chart of OLS (ordinary least square) we can see that TOP, FDI, PI & TRR are the independent variables regarding gross domestic products is the dependent variable. In this chart we can see that the values of square of the R and Statistical calculation of the F-value showing integrity of the current replica. Present v calculation of the P-is 0-00 which is absolutely less than the 0-05 that shows the significant value for this model as per the model of Watson o DV makes 1.49 that is lies between 1.49-2.005 which shows not presence of auto-correlation and as per our regression model we can assume that error deviation are totally uncontrollable

The model that has been constructed is as below.

$$LGDP = 19.3456 + 0.19 (LF DI) - 0.01 (TP) - 0.049 (PI) + 0.001 (TRR)$$

Gross domestic products are calculating that's why as well the below given equation being followed:

$$GDP = \text{Consumption} + \text{Investment} + \text{Net Export} + \text{Government Expenditure}$$

In current calculation, our main focused variable foreign direct investment FDI shows positive result 0.26 which clearly shows that economic growth has a positive relation with FDI that is directly proportion like if FDI increases what percent than economic growth increase accordingly as well. This can we evaluate like unit% change in FDI can cause 26% in GDP which is the main factor for our socio economic point of view.

TOP (trade opening) factor shows not positive result with economic growth but not sufficient result found. Regarding political instability, it is also not found positive but not sufficient as well, in next glance TRR has a sound result with GDP but not relevant with the term of productivity like it is based on defining budget allocations instead of developing expenditures that can also cross check with annual budgets of Pakistan.

Conclusion

In this paper we have concluded that the CPEC is one of the mega projects that will impact not only Pakistan's economy it will be more good for regional point of view for the connectivity of many of the countries that will be helpful to improve poverty level in the region as security as well, because in the region when many of the countries will connect economically to each other it will be more helpful to control the many of the disputes that many of the regional courts have it.

This mega project (CPEC) has positive impact on Gross domestic product of Pakistan in terms of the country (FDI), in subjected document we have investigate the association of Socio-economical point the form of the GDP by means of Pakistan the reference of direct foreign investment beneath roof of subjected project After investigating have concluded direct foreign investment has significant function for socio-economical enlargement relate to Pakistan, impact of TRR with gross domestic product is with the exclusive production our economy which can examine through Pakistan's yearly budgeted evaluation that demonstrates how deficit increased by defense expenditure instead of developing expenditures.

In the current situation where many of the security challenges we have a government of Pakistan is spending more money on it, we need to work smartly to control these types of issues to control defense expenditures in terms to attain the social welfare and economic stability as well.

The current project which is CPEC can be a good story with the due course of our country socio-economy growth main incorporation of neighboring & the Middle of the west/ East of the countries via trades, transportations& cultural integrations.

Recommendations and Implications

- In the subjected mega project, it is important for geo strategic point of view especially in terms of regional socio economical way because Pakistan cashes this project to collaborate regional economies to maintain socio economic as well.
- In this project, we can convince different world economic leader countries to invest in this project to enhance the capability of the manpower works.
- Work on the foreign direct investment that how we can grab it because this project can be really good for Pakistan's GDP in terms of FDI.
- Need to do some extra measures to control our youth technical experience especially with the concern of CPEC to creating many of the relevant jobs.
- We have to make special measures regarding security purpose in current law & order positions and many of the open system challenges as well.

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