

MS THESIS

**FEDERALISM AND THE POLITICS OF MEGA PROJECTS
IN PAKISTAN: THE CASE OF POLITICAL DEBATE
OVER CHINA-PAKISTAN ECONOMIC CORRIDOR**



Researcher

Bilal Yousaf
Reg. No. 31-FSS/MSPS/S15

Supervisor

Dr. Husnul Amin
Assistant Professor
Department of Politics & I.R, IIUI

Department of Politics and International Relations

Faculty of Social Sciences

INTERNATIONAL ISLAMIC UNIVERSITY, ISLAMABAD

2017





Accession No TH:18226 ^{M/11}

MS
382.09
BIF

Pakistan - Foreign economic relations - China.

Federalism in Pakistan.

China-Pakistan Economic Corridor (CPEC).

International commerce.

" trade.

**FEDERALISM AND THE POLITICS OF MEGA PROJECTS
IN PAKISTAN: THE CASE OF POLITICAL DEBATE
OVER CHINA-PAKISTAN ECONOMIC CORRIDOR**



By

Bilal Yousaf

Registration No. 31-FSS/MSPS/S15

Submitted in partial fulfillment of the requirements for the MS Degree in Political Science with Specialization in “Federalism and The Politics of Mega Projects in Pakistan: The Case of Political Debate Over China-Pakistan Economic Corridor” at the Faculty of Social Sciences, International Islamic University Islamabad.

DEPARTMENT OF POLITICS AND INTERNATIONAL RELATIONS

FACULTY OF SOCIAL SCIENCES

INTERNATIONAL ISLAMIC UNIVERSITY ISLAMABAD

2017

Certification

Certified that contents and form of thesis entitled “**Federalism and the Politics of Mega Projects in Pakistan: The Case of Political Debate over China-Pakistan Economic Corridor**” submitted by **Bilal Yousaf, Reg # 31-FSS/MSPS/S15**, have been found satisfactory for the requirements of the degree of M.S. Political Science.

Supervisor

Dr. Husnul Amin
Assistant Professor
Department of Politics & I.R,
International Islamic University, Islamabad

Internal Examiner

Dr. Manzoor Khan Afridi
Assistant Professor,
Department of Politics and International Relations,
International Islamic University, Islamabad

External Examiner

Dr. Qandil Abbas
Assistant Professor
School of Politics & I.R
Quaid-e-Azam University, Islamabad.

Dr. Manzoor Khan Afridi
Incharge
Department of Politics & I.R

Professor Dr. Samina Malik
Dean, Faculty of Social Sciences,
International Islamic University, Islamabad.

Dedication

TO

MY MOTHER, FATHER AND SIBLINGS

FOR

THEIR ENDLESS LOVE, SUPPORT

AND ENCOURAGEMENT

TABLE OF CONTENTS

Acknowledgements.....	i
LIST OF TABLES.....	ii
LIST OF ABBREVIATIONS AND ACRONYMS	iii
Abstract.....	v
CHAPTER 1.....	1
1.1. Introduction.....	1
1.1.1. Rationale of Study.....	3
1.1.2. Statement of the Problem	3
1.1.3. Objectives of the Study	4
1.1.4. Research Questions	4
1.1.5. Significance of the study.....	4
1.1.6. Delimitations of the Study	5
1.1.7. Conceptual Framework.....	5
1.1.8. Operational Definitions of Major Terms.....	5
1.2. Literature Review.....	6
1.3. Methodology	11
1.3.1. Research design.....	11
1.3.2. Data Collection.....	12
1.3.3. Data Analysis	12
1.4. Organization of Thesis.....	12
CHAPTER 2.....	14
Federalism in Pakistan: Theory, Practice and History.....	14
2.1. Introduction.....	14
2.2. Federalism.....	15
2.2.1. Origin and Evolution.....	15
2.2.2. Concept and Theoretical Foundations.....	18
2.2.3. Features of a Federation	19
2.2.4. Centrifugal and Centripetal Forces	21
2.3. Federalism in Pakistan	21

2.4. Center-Province Relations in Pre-Partition Phase	22
2.4.1. Minto-Morley Reforms, 1909 and Lucknow Pact	24
2.4.2. Act of 1919 and Political Struggle till 1935.....	25
2.4.3. The Government of India Act, 1935	26
2.4.4. Political Struggle and Lahore Resolution, 1940	27
2.5. From Independence to the Constitution of 1973, Phase	27
2.5.1 The Interim Constitution	27
2.5.2. One Unit, 1955	28
2.5.3. Constitution of 1956, Martial law and Ayub Regime	29
2.5.4. Second Martial Law and Yahya Regime.....	30
2.5.1. Bangladesh Debacle 1971	30
2.6. Constitution of 1973 to till today Phase.....	31
2.6.1. Zia Regime and 8th Amendment	32
2.6.2. Musharraf Regime and 17 th Amendment	33
2.6.3. 18 th Amendment.....	34
2.7. Conclusion	37
CHAPTER 3	38
Politics of Mega-Projects in Pakistan	38
3.1. Introduction.....	38
3.2. Mega Projects: The Nature of Mega Projects in Pakistan	39
3.2.1. Features of Mega-Projects.....	39
3.2.2. Mega-Projects Related Issues.....	40
3.3. Kalabagh Dam	42
3.4. Benazir Income Support Program.....	43
3.5. Gwadar: Deep Sea Port.....	46
3.6. Prime Minister Youth Programme.....	49
3.6.1. Youth Business Loan Scheme.....	49
3.6.2. Interest Free Loans Scheme	51
3.6.3. Youth Training Scheme	52
3.6.4. Skill Development Programme	54

3.6.5. Youth Laptop Scheme	55
3.6.6. Fee Reimbursement Scheme	56
3.7. China-Pakistan Economic Corridor	58
3.8. Conclusion	58
CHAPTER 4.....	60
Projects Under CPEC, Importance and Constitutional Provisions	60
4.1. Introduction.....	60
4.2. Overall Projects under CPEC.....	61
4.2.1. Energy Projects	61
4.2.2. Infrastructure	64
4.2.3. Other Projects.....	66
4.2.4. Gwadar Projects	66
4.2.5. Proposed Special Economic Zones (SEZ)	68
4.3. CPEC and Constitutional Provisions	69
4.4. Regional Connectivity	70
4.5. Importance and Opportunities.....	71
4.6. Conclusion	74
CHAPTER 5.....	75
Political Debate over CPEC and Center-Province Relations.....	75
5.1. Introduction.....	75
5.2. Why Political Debate?	76
5.3. Factors Responsible for Controversy/Political Debate	82
5.4. CPEC and Center-KP Relations.....	83
5.5. CPEC and Center-Balochistan Relations.....	86
5.6. CPEC and Center-Sindh Relations	87
5.7. CPEC and Center-Punjab Relations.....	88
5.8. CPEC and Gilgit-Baltistan.....	90
5.9. Conclusion	91
Conclusion	92
REFERENCES.....	95

Acknowledgements

With adoration and devotion, to Allah Almighty I offer my humblest gratitude, who blessed me with an opportunity to take this study and provided me with strength to complete the dissertation. I am deeply indebted to my mentor/supervisor **Dr. Husnul Amin** (The Executive Director of IRD) for taking charge of my dissertation at the time when it was direly needed. Without your encouragement and scholarly guidance, I could not have finished this thesis. He has always been very kind and cooperative throughout my research.

Moreover, I offer my special thanks to Dr Muhammad Saleem, Sardar Abdul Waheed, Irfan Khan, Mehmal Ali and Samra Malik who not only helped me but also forwarded their valuable suggestions regarding the study. I also extend my special thanks to my class fellows M. Suelman Shahid, Ozair Baloch and Ishfaq Hussain for their moral support and encouragement.

I am at dearth of words to express my gratitude to my parents and family members, who have been a constant source of prayers for me and indeed they have all my life. I also want to thank my mother, who have never been to school, but know more than educated mothers that how to do the brought ups. Finally, without the support of my parents and siblings, I would never have succeeded. I do understand what troubles you been through my absence at home.

Thank you all!!

Bilal Yousaf

August 2017, Islamabad

LIST OF TABLES

Table 3.1: Provinces Status of BISP, Poverty and NFC

Table 3.2: NFC Award and Youth Business Loan Distribution (2013-16)

Table 3.3: NFC Award and Interest Free Loan Distribution (Oct 2014-Aug 16)

Table 3.4: NFC Award and Youth Training Quota Distribution (Sep 2013-16)

Table 3.5: NFC Award and Skill Development Programme (Sep 2013-16)

Table 3.6: NFC Award and Fee Reimbursement Distribution (Sep 2013-16)

LIST OF ABBREVIATIONS AND ACRONYMS

ANP	Awami National Party
APC	All Parties conference
BISP	Benazir Income Support Program
BNP	Balochistan National Party
CCI	Council of Common Interest
CGPA	Cumulative Grade Point Average
CMEC	China Machinery Engineering Cooperation
COPHC	China Overseas Port Holding Company
CPEC	China-Pakistan Economic Corridor
FATA	Federal Administer Tribal Areas
FPSC	Federal Public Service Commission
GB	Gilgit-Baltistan
HEC	Higher Education Commission
JCC	Joint Cooperation Committee
JWG	Joint Working Group
ICT	Islamabad Capital Territory
KBD	Kalabagh Dam
KKH	Karakorum Highway
KP	Khyber Pakhtunkhwa
MDG	Millennium Development Goals

MoU	Memorandum of Understanding
MPI	Multidimensional Poverty Index
MW	Megawatts
NDRC	National Development and Reform Commission
NFC	National Finance Commission
PD&R	Planning Development & Reforms
PMYP	Prime Minister Youth Programme
SBP	State Bank of Pakistan
SDG	Sustainable Development Goals
SEZ	Special Economic Zone
UCT	Unconditional Cash Transfer
UNDP	United Nation Development Programme

Abstract

This research investigated the relations between the Center and the federating units (i.e. provinces) in the light of political debate over China-Pakistan Economic Corridor (CPEC). The study explored the debate around CPEC and placed it in the literature around grievances of sub-nationalities in a federation like Pakistan. Federalism in Pakistan is discussed in detail that how centralization affects the center-province relations and how politics around mega projects happened in a federation. The distribution of power between center and its federating units is prescribed in the constitution; the power may be political, economic, administrative etc. The beauty of federalism is the decentralization of powers. The unjust distribution of power opens the door for conflict between Center and Provinces. The claim of smaller sub-nationalities that political elite from Center always dominate on smaller provinces has been investigated in the light of the constitution of Pakistan. The study also analyzed that how secrecy and lack of transparency in a country may harm the smooth function of a multi-ethnic federation like Pakistan.

CHAPTER 1

1.1. Introduction

Pakistan emerged as a federal state while adopting, 'India Act 1935' as her interim constitution with some basic changes in 1947 (Rizvi, 2006). From very beginning Pakistan faced problems regarding the distribution of resources. The debate on Center-Province relations and inequalities between center and its federating units are as old as Pakistan. The issue of unjust distribution of resources remained unresolved. Despite of federation, there is a centralized government in Pakistan. The centralized government is considered unresponsive to the demands made by provinces. East Pakistan separated because of the sense of inequality and disparity (Khalid, 2013). Though, there is a centralized government in China but they made strategy to develop her western part which is not developed yet. In the case of CPEC, the opposition argued that federal government does not implement this project in true sense. The proposed project of prosperity for underdeveloped areas made controversial or secret. Khyber Pakhtunkhwa (KP) Chief Minister argues that federal government is depriving smaller provinces from their due rights (Ali, 2015).

China is investing \$46 billion (now more than \$50 billion) in Pakistan for the construction of CPEC under the theme of 'one belt one road' (OBOR). This proposed corridor is consisted of the three main routes, Central route, Eastern route and Western route. The huge investment covers, energy projects, railways, industrial zones and road networks. Due to this initiative, Gwadar Port of Pakistan would link with Xingjian

province of China through western part of Pakistan. Moreover, this corridor is linking Sino-Europe trade through the roads network of Pakistan (Ranjan, 2015).

The politics on mega projects have great place in federation. Such projects within a federation launched with foreign funding or funding by the central government. A centralized federal government creates impediments in the successful launching of these projects in a sense that it tries to give benefit to some constituencies for the sake to gaining political benefits. With this act, of federal government political debate started on the government or project by the federating units. Same happened in the case of Pakistan that federal government changed the passage of corridor to give benefit to some areas which created a controversy around CPEC.

The political debate on CPEC has been started in its initial stages because federal government made this project secret as argued by opposition. Opposition was of the view that, as per the 1973 constitution of 'Islamic Republic of Pakistan' federal government is responsible to take approval of such projects from 'Council of Common Interest' (CCI). The beauty of federalism is development on equal footing in all provinces/units but in the case of Pakistan it has never been materialized. Whereas, central government makes sure that the grievances of federating units will address on priority basis (some of them are addressed in 6th Joint Cooperation Committee (JCC) meeting). The federal government is propagating that all provinces will get benefit from this project.

CPEC is considered as a project of prosperity for less developed areas of Pakistan. There is a vital chance for Pakistani power elite to eliminate the concerns or depriving situation of sub-nationalities. It seems that CPEC project becomes controversial because

of the alleged changes in its original route. The secrecy in this project gives birth to a lot of questions over the transparency of proposed corridor. This project to great extent harms the Center-Provinces relations due to the alleged changes.

1.1.1. Rationale of Study

When we think about federalism, the first point that clicks in our mind is distribution of power (economic, political, administrative). Throughout, in the history of Pakistan, the issue of distribution of power between Center and Provinces remain debatable. CPEC project proposed to be a game changer for the region and important for the development of less developed areas of Pakistan (as well for China). The ruling power elite made this project secret which raised a question over the transparency of CPEC. So, this research is investigated the important project which is predicted to be a game changer but the secrecy and lack of transparency in the project made it debatable and harm the smooth function of federation. Moreover, Center-Province relations in the light of political debate over CPEC has investigated in this study.

1.1.2. Statement of the Problem

Over the past two years, numerous All Parties Conferences (APCs), protests, Seminars, TV Talk Shows, Newspaper articles and editorial were written over the controversy around the CPEC project in Pakistan. The main contention of the debate hovers around the lack of transparency in the projects under CPEC and the alleged changes to the CPEC original plan. All these debates have seriously questioned the smooth functioning of the federation and besides questions on CPEC many other questions

emerged in a result. This study revolves around to investigate these questions to add to the literature on federalism in Pakistan.

1.1.3. Objectives of the Study

Following are the basic objectives of this research:

- To analyze the politics around CPEC project and the Western-Eastern route.
- To examine the controversies in the light of various constitutional provisions for a smooth functioning of the Federation.
- To explore the importance of CPEC and examine the Center-Province relations in this regard.

1.1.4. Research Questions

2. In what respect, CPEC affects Center-Province relations?
3. What are the main factors which are responsible for creating the controversy (political debate) around CPEC?
4. What is the importance of CPEC and how the Pakistani power elite unfold this project?

1.1.5. Significance of the study

CPEC is considered to be a game changer, not only for Pakistan but also for the whole region. This study is important because it deals with such an important project that is deemed to be a significant economic project in the region. This research is helpful for academicians, policy makers and other relevant stakeholders to understand that how this

particular policy of CPEC affects the center province relations and what are the basic issues which create disturbance between center and federating units.

1.1.6. Delimitations of the Study

This research is limited to the politics of mega projects in Pakistan and specifically to the political debate over CPEC in the context of Federalism. Under the CPEC, grievances of neglected communities are also intensively discussed. The factors which are responsible to made this project debatable and harm the smooth functioning of federation is investigated in detail.

1.1.7. Conceptual Framework

The history of Pakistani federalism remained problematic from the very beginning. Unjust distribution of resources harms the Center-Provinces relations (Rizvi, 2006). This research is investigated federalism and politics of mega projects in Pakistan, and specially the political debate over CPEC in the light of federalism. So, by the federalism perspective, theoretically the research questions have been investigated. The theory of federalism has intensively discussed in the next chapter.

1.1.8. Operational Definitions of Major Terms

- ***China-Pakistan Economic Corridor:*** Is a mega project, which will connect Gwadar port of Pakistan to the west (Xinjiang province) of China. Under the theme of 'one belt one road' (OBOR) China is investing \$46 billion (now increased to more than \$50 billion) in Pakistan for the construction of this corridor.

- ***Federalism:*** This is a political arrangement, in which the powers are distributed between the Centre and the federating units through constitution. The constitution and the federal institutions are the custodian of the rights of the smaller provinces. In this research the Pakistani federalism will be discussed.
- ***Sub-Nationalities:*** Pakistan is a multi-ethnic state. Sub-nationalities in this research are used for Pashtuns, Baloch and the people of FATA, Gilgit Baltistan and Kashmir.
- ***Center-Province Relationships:*** Under federalism in Pakistan the relations of central government and the federating units comes under this term. Relations may be political, economic and administrative etc.

1.2. Literature Review

In his article, Abbasi (2010) described the federalism in general and as well in context of Pakistan. While arguing about the multi-ethnic societies, he declared federalism as the best system for Pakistan. Pakistan emerged as independent state and adopted federal system with some changes in India Act 1935. From very beginning Pakistan faced many difficulties regarding constitution but ultimately developed her first constitution in 1956 which was abrogated after 2 years. The next constitution was centralized in nature, thus Pakistan lost her largest province East Pakistan; the reason for this is depriving situation and aloofness from Pakistan western part. He further illustrated about the emergence of conflicts between central government and federating units due to the disparities at regional level while giving example of Baluchistan. He elucidates about the constitution of 1973 while stated that the constitution was not materialized in its true sense in terms of provincial

autonomy. In last, he concluded that the 18th amendment tries to address these issues and give much autonomy to provinces but central government remains unresponsive to the demands of provinces.

The research work of Nazir (2001) is best described the federalism and its problems in Pakistan. The writer was of the view that federalism is suitable system at the time when Pakistan emerged as multi-ethnic and regionally diverse state. From the very beginning and till now Pakistan faced problems of federalism (governance & political management). She further added that constitution is a source through which relations between Center and Provinces are managed but constitutions of Pakistan always made strong Center. In the result, central government not use the workable arrangements to address the concerns of provinces. To some extent, the authoritarian and dictatorial rules also undermine the role of provinces. While concluding, her research work she talked about the grievances of small provinces revolve around the economic disparities as done by center.

Regarding the work on CPEC Khetran (2015) illustrated the strategy of China to develop her western part. Though, following this strategy they took initiative of CPEC and first introduced in May 2013. He elucidates that this corridor cut 12000 km distance as compared to previous route and cover verity of projects like, roads, energy, economic zones, railway and pipelines. He further illuminates the conflicts on construction of route and clarifies about the construction of western route on priority basis. This paper is unable to point out the concerns of KP and Baluchistan and not provided insight about Center-Province relations.

In a newspaper article, the writer argues that smaller provinces have reservation on the route of CPEC as only one road is built under CPEC on western route. The federal government gives more focus or projects (energy, rail network and motorways) to only one province which creates the feeling of deprivation among smaller federating units. He added that Pakistan would become a stronger federation if federal government followed development policy on equal footing in all federating units. He further argued that government must fulfill their promises as agreed in 'all parties' conference. (Zhob, 2015)

Ashraf (2015) in his work delineated the connectivity policy of China and enlightens the energy production but he did not illustrate in detail that how all this will be happen. In addition, he argued about the importance of Gwadar Port and as well as the reservations of India over this project specially emphasis on the disputed area and on Gwadar Port. To some extent, he also mentioned the importance of Pakistan in Muslim world which provides China a way towards Islamic bloc. He further argued about the conspiracy theories against the CPEC in its early stages. For Instance, changed the old route of CPEC specifically to give favor to Punjab and Sindh. He is unable to explore the inequalities done by the Pakistani power elite, as claimed by smaller sub-nationalities.

The writer in his article discussed the CPEC in details. He discussed the disproportionate distribution of finances among different areas of Pakistan. He argues that the western route got less attention while the Eastern route (Punjab) has got much attention with finances and development projects. He also points out the negative role of civil and military bureaucracy who added to the suffering of the country, and the fight among different level of political elites over CPEC. Moreover, the writer discussed mistrust

among provinces and the dominant central government by power elites from Punjab. He further illustrated that though there is trust deficit among the province but the only way forward is consensus among political forces and the way of federalism. (Javed, 2016)

The article of Saleem Safi best describes the controversy over CPEC. He declared CPEC as a game changer for the region and said that it is important and necessity of China in current scenario. He argued in his work that leaders (power elite) for the sake of their personnel and territorial interest made this project controversial. He further, clarifies about the developments (infrastructure) in north and south Pakistan and on western side there are no such developments. Power elites did conspiracy and making Lahore as center of CPEC. Moreover, Prime Minister called 'All Parties Conference' to address the grievances of smaller provinces and promises to give priority to western route but, neither any amount allocated in budget nor feasibility report prepare yet for planned motorway on western route. At the end, writer suggested that PM must bring this issue in 'Council of Common Interest' (constitution forum of solving such issues). The priority over 'Economic Zones' must be given to Balochistan, KPK and Gilgit Baltistan and priority over 'Energy projects' must be given to Sindh and South Punjab (Safi, 2015).

An impressive attempt by Arish U Khan, best describes the policy of regional connectivity. He elaborates that Pakistan China relations will improve and reached on the higher level because of the President Xi's idea of a 'China-Pakistan Community of Shared Destiny'. Writer argued that western part of China will get easy access to the warm water of Arabian Sea after completion of this corridor. He went on to say that development of 'Special Economic Zone' will boost the economy of both states. In the result, CPEC will

create employment opportunities and China's underdeveloped areas will become developed under this mega project. In the end, he argues that due to the road linkages, railways and energy projects under CPEC will bring mutual prosperity to both countries (Khan, 2015). His work is unable to explore the conspiracy over CPEC and the route controversy.

In his article, Safi (2015) enlightens the problem of CPEC while arguing that one specific party involved in the decision-making process which makes this project controversial. He then illuminates Pakistan Army's role for the success of this project and the efforts of striving stability in Fata, Balochistan and KP. His work best describes the reservations of smaller provinces over CPEC and they are demanding their due share on a merit basis. Government is making all decisions secret which may raise questions over the transparency of CPEC. He then elucidates that more than \$30 billion likely to be invested in the energy sector. Arguing about the 'Orange Line Train' he said that CPEC investment is diverted to this project. While concluding his work, he said that reservations of smaller provinces are removed easily if government shared relevant information with parliament and other stakeholders.

Regarding the work on economic corridor, Safi (2015) argued that without the acknowledgement of chief minister of smaller provinces and members from Gilgit Baltistan, the Chief Minister (CM) of Punjab and other leaders signed Memorandum of Understanding (MoU) with China. This development creates a lot of concerns and feeling of deprivation. He then raised a question over the transparency of CPEC that, why government did not bring this project in CCI for approval? He concluded his work while

saying that the focus of government initiatives are particular family or interest of some people but entire Punjab faced consequences.

1.3. Methodology

The research study attempted to investigate federalism and politics of mega projects in Pakistan. It explores the importance of CPEC and examined the political debate over CPEC. Secondary data has been used in this research like ministerial statements, official reports, newspapers & journal articles, constitution, web sources, TV talk shows, and reports of different institutions. Qualitative methodology has been used in this research and interpretive approach is used to analyzed all these sources.

1.3.1 Research design

This research is a case study of political debate over CPEC. Within case study the theory of 'federalism' is used to investigate the research questions. This theory is used to possibly answer the questions which emerged in the result of this project and tried to reach on a possible conclusion. As a case study, it is mixed research and used both qualitative and quantitative data. This project is deeply analyzed and from different sources data has been collected i.e. books, journals and newspaper articles, TV talk shows, official reports, different government official statements, official websites etc. In qualitative data analysis, interpretive approach is used to analyze the data.

Case study is defined by P.V. Young as "A fairly exhaustive study of a person or group is called a life of case history". Case study is limited but more intensive in nature (Singh, 2006). In the words of Yin, "a case study is an empirical inquiry that investigates

a contemporary phenomenon in-depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2009). To understand the secrecy, lack of transparency and political debate over CPEC, case study is best to investigate these issues.

1.3.2 Data Collection

This research is case study, so extensively data has been gathered from different sources. The sources are secondary which are consisted of books, official reports, ministerial statements, newspaper articles, journal articles, TV talk shows, official reports etc. The research is qualitative and data has been collected through before mentioned sources and analyzed by using analytic and interpretive approach.

1.3.3 Data Analysis

The collected data based on secondary sources regarding the politics of mega projects and political debate over CPEC has been examined. To best analyze the data, qualitative method is used in which interpretive approach has been used to analyze the data. “An interpretive approach to politics emphasizes the importance of grasping the ideas which political actors themselves hold about their activity” (Bevir, 2002). This approach went out to explain the social Phenomenon. In this type of research, researchers read data and interpret it.

1.4. Organization of Thesis

This study is organized in six chapters which explored the federalism, mega projects, CPEC projects and political debate over CPEC.

Chapter 1: First chapter is the introduction to the topic. Moreover, literature review, research objectives, questions, methodology, conceptual framework and thesis plan are discussed.

Chapter 2: In Chapter two an attempt was made to explained the theory of federalism and explore the issues of federalism in Pakistan.

Chapter 3: Chapter three is on politics of Mega projects in Pakistan.

Chapter 4: In Chapter four projects of CPEC has discussed in detail along with regional connectivity, constitutional provisions, importance and opportunities of CPEC.

Chapter 5: In this chapter, political debate over CPEC, Center-Province relations in this regard and strategy of Pakistani power elite to unfold this project has been discussed.

In last, with the help of collected data and gathered information's this study is concluded.

CHAPTER 2

Federalism in Pakistan: Theory, Practice and History

2.1. Introduction

An attempt was made to explain the theory, history and practice of federalism in general and particularly federalism in Pakistan. So, for that purpose this chapter is divided into two major sections. The first section particularly deals with the meaning, definition and concept of federalism. Moreover, the theory and evolution of federalism have also discussed in detail along with the forces which work for the centralization and decentralization of authority in a federal state.

In the second section I tried to elaborate the federalism history in Pakistan. In this regard, this section is divided into three phases. In first phase, center-province relations under British rule after the war of 1857 and the political struggle of Muslim League have discussed along with the factors which were responsible for the adoption of federalism in Pakistan. In second phase the center-province relations from independence to till the 1973 constitution along with two constitutions and martial laws in a country have discussed. In the third phase, I have discussed the federalism history from 1973 constitution to till to date.

2.2. Federalism

Latin word 'foedus' is a word from which the term 'federalism' derived; which means "formal agreement or covenant" (Dictionary, 2016). Foedus further describe that, for defense purposes states do contractual and cooperative agreements and fulfill their obligations accordingly (Rodden, 2004). The Concise Oxford English dictionary defines federalism as "the system of government in which several states form a unity but remain independent in internal affairs".¹ According to Mazher-ul-Haque (2008) "federation is a device to harmonies the need for local autonomy.... preserve the unity of the state.... should be government for the country as a whole to administer national affairs and other governments to look after the needs and interest of local areas in such a way that both sets of governments are supreme within their own spheres".

2.2.1. Origin and Evolution

It is a fact that every political system emerged on earth when societies became politically organized. People elected members to rule over them. With the passage of time they developed rules and make changes to their systems. All this process and experiences of states led to the establishment of new and developed political systems and federal system is one of them.

There is a valid question, why states adopted federalism? While answering this question on the basis of history is that, some states adopted this system because of the colonial history like Pakistan and India. Moreover, some states adopted it through peaceful and democratic processes like America to preserve the unity and strengthen itself. The

¹ Concise Oxford English Dictionary, 11th edition.

other reason is that some countries are highly centralized and due to the public pressure, they devolved authority and became federal (Anderson, 2008). According to William Riker modern federalism evolved from major two factors, one is voluntary bargains and the other is Defense (Rodden, 2004).

Federalism has its modern origin from the creation of American federation. America after independence formed confederation with Switzerland which was lasted in 1789. In September, 1787 America formed a constitution which was federal in nature and implemented in 1789 while creating the federation of 13 states. After that, in 1848 Switzerland also adopted federal arrangements of American example when civil conflict emerged in the state. The same experience was done by Germany and made its first federal constitution in 1871 while losing confederative setup. However, Canada became federal state from since its creation with the signing of constitution Act in July 1867. Further in January 1901 under the commonwealth constitution 6 colonies of Australia formed federation. The 19th and the early 20th century came up with the emergence of 4 federations. Civil unrest and dictatorship had deteriorated the constitutional history of these states. Federal arrangements (constitution) took time to emerged and experienced unitary as well as federal regimes. In the last two decades, the nature of federalism was changed; Brazil and Argentina lies in South America and Mexico lies in North America gave real essence to their federal arrangements. Whereas, Venezuela a South American country is highly centralized per the 1999 constitution, which abolished Senate and empowered president to interfere in states matters (Anderson, 2008).

With the end of British empire in post second world war era, new states emerged. Less than one decade from one century colonial rule and their political struggle from first half of twentieth century compelled India and Pakistan to adopt federal system. The other countries were Malaysia and Nigeria which adopted federal arrangements after independence. From decolonization, many other states adopted federal setup like Nevis, St. Kitts, Comoros, Belau and Micronesia. After few years when communism collapsed Yugoslavia, Czechoslovakia and Soviet Union came up with federal constitutions, but in nature one party had centrally controlled all authority. Further with some democratization the essence of federalism increased, but after some time these federations failed. However, with the failure of Soviet Union, Russia emerged as a post-communist federal state. After 1989 with the breakup of Yugoslavia, Bosnia-Herzegovina emerged with a federal structure. Moreover, in 1993 with the adoption of federal constitution Belgium became a federal state. Spain also became a federal state after devolving numerous powers to its regions. Ethiopia also adopted federalism which never had been any experience of democracy. In addition, Congo became a federal state with the adoption of new constitution and conducted her first elections under federal arrangements (Anderson, 2008).

It is worth mentioning, European Union in federalism history. It is the political institution and considered more confederal and less federal but comprises of many federal features. There are some recommendations and continuing debate among EU members whether adopted fully federal status or not (Anderson, 2008).

2.2.2. Concept and Theoretical Foundations

Federalism is a system which was adopted by most of countries having vast number of population. The geographical feature and ethnical diversion were also the factors while choosing this system. Territorial diversities within a state demands such a system which have ability to harmonies all segments live in a state. Each segment has their own values, needs and requirements, to fulfill their needs and requirements state assume political arrangements to harmonies these segments. For this purpose, government having two level, introduced under federal system, a government with central authority govern the whole country and the other level of government operates over the provinces/states (Ahmed, 2014). This is also called dual federalism and one of the mode of federalism in which constitution describes responsibilities of both level of governments. On the other hand, cooperative federalism is second mode in which each set of government cooperate with each other (Ariyo, 2003).

To ensure political and social participation along with accommodating diversity, federal system offers institutional arrangements under which units strive for autonomy and performing political actions while maintaining their identity (Naseer, 2007). The argument of political scientist that federalism is suitable system in which diverse political identities creates arrangements to resolve their disputes and developed solutions despite of their diversities (Ariyo, 2003).

Federalism is considered as a system of governance in a political system to manage certain arrangements among the different tiers of government. It ensures the coordination between the governments of federating units and central government and each government

remained independent in its sphere. So, by well-structured way division of power was adopted (Ariyo, 2003). K.C Wheare in his work on 'Federal Government' (1963) define federal principal as "the method of dividing powers so that the general and regional governments are each within a sphere, coordinate and independent." Whereas, A V Dicey, (1973) went to define a federal state as a "political contrivance intended to reconcile national unity and power with the maintenance of state rights." In the view of Wheare, division of power in federal structure between regional and state government make them independent in internal affairs. While on the other hand, Dicey view represents federal state as a maintainer of state rights for the sake of achieving national unity.

Some authors went to say that federalism is self-rule and shared rule political arrangements. It is a theory which hold the view of dividing authority and power among the federating units; that may be states, or associations of states. Federating units (states, provinces) representation in policy making process of central government is the essence of federalism but in theory and practice regarding these rules are some exceptions. For example, in Canada, Australia and Russia states governments do bargaining with central governments while policy making. (Abbasi, 2010).

2.2.3. Features of a Federation

George Anderson defines features of federal system while arguing that; i) a government in a federal state consist of at least two orders (one should have hold over the whole country and the other for the constituent units). ii) the second feature is written constitution, both governments work according to the rules and regulations mentions in the constitution. Federal government cannot amend the issues concerning with constituent

units without their consent. iii) constitution ensure certain autonomy to the both sets of governments. iv) equal representation in upper houses for constituent units increase their importance in decision making process. Finally, in the time of disputes between governments constitution empowered some institutions to handle them out. He argued that rule of law and democracy is necessary for smooth functioning of federation because autonomy for regional governments lacks in non-democratic regimes (Anderson, 2008).

In federation constitution is consider supreme document and agreement between sovereign states which form new state on the basis of this agreement. Constitution clearly demarcates the powers and functions of central and regional governments. No one can violate laws mentioned in the constitution; in the time of conflict between these governments constitution describes the resolution criteria. Thus, **constitutional supremacy** is one of the characteristic of federation. On the other hand, essence of federation is decentralization of power; in terms of **distribution of powers** between federating units and central government as compared to unitary state in which concentration of power is being observed. The method which were mostly adopted for distribution of power in federal state was that, central government hold the national importance matters and the federating units were empowered to hold the matters of regional importance. The matters of mutual importance (concurrent) are look after by both sets of governments but when conflict arises federal government override on the federating units. In addition, judiciary is supreme institution in federal state and called 3rd characteristic of federation. Thus, **supremacy of judiciary** is necessary in federal state for its smooth functioning and interpreting the constitution. Moreover, **bicameral legislature** is most

important and 4th characteristic of federation. In federation to give each unit equal representation in decision making process upper house was established. The other house which is called lower house represents the whole country (Haque, 2008).

2.2.4. Centrifugal and Centripetal Forces

In politics, centripetal force considers to be a force which worked for the strong center, where most of the state authority belongs to center we called it centripetal federalism. In this force, provincial governments become weaker because of pro-center approach. On the other hand, Centrifugal force in politics worked for the decentralization of authority, which means transfer of power from center to provincial/state governments. Basically, centrifugal force tries to achieve diversity in unity by transferring powers from federal government to units; the only aim behind this is to strengthen units while taking away the powers from center. Whereas, centripetal force does not compromise on its autonomy while uniting different ethnic groups (Kim, 2016).

2.3. Federalism in Pakistan

Currently 28 countries of the world have federal structure of government; among 28 countries few adopted presidential form of government and other parliamentary form as their political system. Some of them are highly centralized and some are decentralized while giving more autonomy to federating units. Pakistan is considered, one among the 28 countries, which adopted federal Structure as their political system. It was because of the colonial history and geography along with ethnic diversities which compelled a new born state to adopt federalism. Three factors are responsible for this adoption. First, during colonial period Muslim League continuously demanded provincial autonomy; they always

spoke against strong center and raised their voices for decentralization of authority. Second, the will of federating units were formed the federation of Pakistan either by referendum or by choice also mentioned in the partition plan. Third, Pakistan society was a combination of different ethnic groups and to harmonize all groups federal arrangements are necessary to create unity in diversity. Though, after adoption political history of federalism in Pakistan faced many crises. Constitutions were abrogated twice, martial laws imposed in a country thrice and constitution of 1973 went to the abeyance and suspended one time (Ahmed, 2014). Still federal structure is running in a country. For better understating the federal system in Pakistan, it is necessary to know the pre-partition history. So, for that purpose federalism in Pakistan is divided in three (3) phases.

2.4. Center-Province Relations in Pre-Partition Phase

British government from war of independence to till the 1935 Act slowly and gradually devolved the powers from center to provinces while following the demands from ethnic groups of subcontinent. In 1935, they proposed federal system formally but with strong center (Nazir, 2001).

After taking the control over Indian subcontinent, British government passed the 1858 Act to transfer the administration of those territories to Crown which were under the control of East India Company. Powers of company was abolished and these powers were given to the secretary of state, seated in British Parliament. Under the supervision of secretary of state, a council of 15 members were established which was empowered to work regarding subcontinent/Government of India. Basically, this council was subject to control the record of expenditures of subcontinent revenues and government. This Act is therefor,

administrative setup for subcontinent in Britain. Under the provisions of this act Queen was enjoyed the power to appoint the Governor-General (Khan, 2012).

In previous Act, British government did not decentralized authority to the local people of Indian subcontinent. The demands of local people compelled the leadership of Britain to decentralized authority and gave rights to the people in legislative process. For this purpose, British Parliament introduced Legislative Act also known as Indian Council Act, 1861.

The provisions of afore mentioned Act concerned with the power of Governor-General regarding his council and Local Government. Governor-General enjoyed the power to nominate members for his council. The members were from subcontinent and have power to make laws and regulations. Despite of this, Governor had power to veto any legislation made by Presidencies and was issue ordinances when needed. In addition, Governor was empowered to make new provinces and alter the boundaries of existing one (Khan, 2012).

After this in the history, important event was the creation of Congress. Congress claimed itself as representative body of both Muslims and Hindus but their attitudes towards Muslims were not good. With the partition of Bengal in 1905, congress approach toward Muslims were totally changed which compelled Muslims to form their own representative body, to fight for their rights. Therefore, Muslims formed their own representative body called 'All India Muslim League'. All demands were made under the banner of this party till the partition of Indian subcontinent.

2.4.1. Minto-Morley Reforms, 1909 and Lucknow Pact

Lord Morley prepared the constitutional reforms for Indian subcontinent due to the pressure of Indian people to give them more rights. These constitutional reforms were known as Indian Council Act. The Council of Governor General was enlarged in this act and legislative powers of council were increased. The right of separate electorate was given to Muslims and they got representation in legislative council. Indirect election system was followed under this act, according to which member of local bodies were elected by people and the elected members then elect Electoral College. Further, this Electoral College had been responsible to elect members of provincial legislature. The Indian people were unhappy due to all these developments as not much provincial autonomy was ensured in this Act (Khan, 2012).

Lucknow Pact, 1916 was a great achievement of both parties (Muslim League and Congress) to reduce their political differences. One-third seats were to get by Muslims under this pact in the Central Legislature and the demand of separate electorates was also accepted (Shah, 1994).

The advantage of this Pact was that the Congress had accepted Muslims as a separate nation for the first time in the history of subcontinent. Both parties agreed upon the mutual struggle for the self-government. This Pact paved the way for Muslims to safeguards their interest (Rabbani, 2012).

2.4.2. Act of 1919 and Political Struggle till 1935

This Act was passed to give Indians more participation in administration and in self-governing institutions. The provisions of the Act, empowered Central Legislature to make laws for Indian subcontinent. Bicameral legislature was introduced and the direct method of election was adopted, though certain restrictions were imposed on franchise. Term of office for council of State was five years and three years for Central Legislative Assembly (Khan, 2012).

Indian people demanded such a system which is suitable for Indian subcontinent and better served the interest of people. The distressed of British Government due to the demand of people compelled them to introduced reforms, which came out in the shape of this Act, in 1919. Before these reforms, Muslim League and Congress showed consensus on federal structure in Indian subcontinent. The Diarchy form of government was introduced in provinces under which provincial autonomy was limited. Because of this many leaders from both parties did not approve it (Shah, 1994).

Muslim leaders realized that without provincial autonomy it was difficult to safeguard the interest of Muslims, in Muslim majority areas. So, for this purpose in 1924, Muslim League session was held, in which they demanded federal structure under which provinces should be united and autonomous. Further, Muhammad Ali Jinnah proposed that to demarcate the legislative function it was necessary to give Residuary powers to provinces, to prevent the interference of Central government (Shah, 1994).

On the before discussed demands, British government had made commission named 'Simon Commission' in 1927 to setup new changes in British India. There was no

local representation in the commission, resultantly political parties and other related stakeholders boycotted the proceedings of commission. In 1930, commission report was published in which federal setup was proposed for British India, but Indians condemned this report (Khan, 2012).

2.4.3. The Government of India Act, 1935

Most significant Act in terms of Provincial Autonomy was passed by British Parliament in 1935 for Subcontinent. The nature of this act was federal because it was consisted of two parts, part one and part two dealt with Provinces and Center respectively. Apart from this, three list were introduced in the act along with diarchy in the Center. The provincial legislatures were empowered to use the powers mentioned in the second and third list regarding legislation but Center had empowered to use powers mentioned in concurrent list in time of conflict (Rabbani, 2012).

1935 Act, become a constitutional document for India and Pakistan after independence on the basis of which both states formulated their constitutions. The succeeding states were ethnically diverse and due to their peculiar colonial legacy of 1935 act, they adopted the federal form of governments. The problem was also existed in that Act which is regarding the over-riding powers of Governor General. Moreover, Quaid-i-Azam criticized the Act by saying that “it was devoid of all essential elements and fundamental requirements which are necessary to form a federation” (Naseer, 2007).

2.4.4. Political Struggle and Lahore Resolution, 1940

The 1937-39, Congress rule compelled Muslim League to changed its policy. Before it Muslim League continuously demanded provincial autonomy but after that they demanded independent state. The idea of separate homeland came under the banner of Lahore Resolution, famously known as Pakistan Resolution. In march 1940, this resolution was adopted which showed clear change into the behavior of Muslim leaders. They also rejected the idea of 'United India' because they thought that, this means Hindu domination over Muslims who are in minority. After that Cripps mission was rejected by both parties and Muslim league again demanded independent state. Another attempt was made by British government in this regard for the reconciliation between congress and Muslim league under the flag of Cabinet Mission. Proposal of this mission also created some problems which were resolved by Lord Mountbatten while giving his 'Partition Plan' and agreed by both political parties (Ali, 1996). The long political struggle of Muslim League comes up with an independent state with federalism as her political system.

2.5. From Independence to the Constitution of 1973, Phase

2.5.1 The Interim Constitution

The leadership of Pakistan after independence operationalized 1935 act in Pakistan and with few amendments center control over provinces were increased. Central government became most powerful government overall in world after adoption of these amendments (Sayeed, 1954). Moreover, the vague idea of Muslim league about state structure and ethnic balances led to the delay while establishing consensus constitution. The language and representation politics dominated the country afterwards (Adeney,

2009). After independence, Muslim league dominated the Pakistan constituent assembly till 1954 when it dissolved and this was the reason that Muslim league divided in groups inside (Adeney, 2007). The Jagto Front emerged in East Pakistan and in North-West Frontier Province 'Dr. Khan' ministry was dissolved after the East Pakistan elections of 1954, which created mistrust and tensions over the issue of provincial autonomy between center and provinces (Kundi & Jahangir 2002).

Many scholars established the argument that behind the independence there was an element of provincial autonomy, but after independence the dreams of provincial autonomy were not comes true. The Urdu and Punjabi elites subjugated the smaller provinces from their rights (Chandio, 2013). The grievances of provinces about socio-economic inequalities were increased in post-independence era and gave rise to many struggles for political and socio-economic equalities. Later after one and a half decade these grievances and struggles became the cause that Pakistan lost its eastern part in 1971 (Faiz, 2015).

In March, 1949 first significant step was taken by constituent assembly towards constitution of Pakistan called 'Objective Resolution' which became a basic document for future constitutions.

2.5.2. One Unit, 1955

One Unit was formed by merging the four provinces of West Pakistan which clearly negates the essence of federalism to smaller provinces. Moreover, the process of decision making was not only dominated by one province, the appointments of bureaucrats and military personnel as well. All this led to the destructive economic policies, linguistic and culture of smaller provinces (Chandio, 2013). This decision created East Pakistan

linguistically homogeneous and West Pakistan heterogeneous. The reason that west Pakistan was linguistically heterogeneous are the different linguistic groups like Balochi, Pashtu, Sindhi and Urdu along with Punjabi who were 63%. The ethnos linguistic groups were undermined in another way when Urdu was adopted as national language despite of the fact that it was spoken by only 3.24% people (Adeney, 2009).

2.5.3. Constitution of 1956, Martial law and Ayub Regime

1956 Constitution was framed by second constituent assembly and made Pakistan a state of two provinces in which representation was not based on population but on parity basis (Ahmed, 2014). Despite of language and representation politics, the framed constitution was centralized but federal in character. It tried to reduce the powers of central government but failed to do so because the central government had enough control on economic development and administrative matters (Adeney, 2009; Kundi & Jahangir, 2002).

With the dissolution of Legislative Assembly Ayub Khan came into power in 1958 without any constitutional status. This act of army chief put impact on federal system and deteriorated the relations between Western and Eastern part of Pakistan. New constitution was created in 1962 based on 'Basic Democracies' and the decision of One Unit was continued and remained as a part of constitution. Moreover, Constitutional commission was established to identify the causes of failure of parliamentary system and the commission recommended autonomy for federating units under federal structure but Ayub Khan ignored all such recommendations because he wanted a strong central hold. After that, Yahya imposed martial law in 1969 and came into power (Kundi & Jahangir 2002).

2.5.4. Second Martial Law and Yahya Regime

Yahya faced strong opposition from general masses during his rule which compelled him to annulled the decision of One Unit Scheme and restored the previous status of Provinces. Moreover, one man one vote was introduced instead of parity. Elections were held and none of the existing parties got clear majority in both east and west Pakistan; Awami League got majority of seats (160/162) in Eastern Part and 81 seats got by Pakistan People Party out of 138 in western part. All this create a political crisis and to counter this military operation was started but unfortunately East Pakistan was separated from Pakistan in 1971. It's the failure of Pakistan to not provide a consensual framework to overcome this political crisis. Apart from that, principle of parity, 1956 and 1962 constitutions also play a vital role in the disintegration of Pakistan because these constitutions are centralized in nature. So far as the fiscal federalism is concerned, provinces were dependent on central government in this regard (Ahmed, 2014).

2.5.1. Bangladesh Debacle 1971

In the largest province of Pakistan, the over centralization became a cause that broke away the province from Pakistani federation (Abbasi, 2010). Iram Khalid (2013) termed authoritarian rule and non-constitutional federal design a reason for losing East Pakistan. The leaders of that time were not only responsible for this debacle, though its roots traced back to the partition plan and somehow politicians and press of west Pakistan responsible for this cause (Khan, 2012).

2.6. Constitution of 1973 to till today Phase

Zulfiqar Ali Bhutto on the day of its enforcement said that, “the days of coups were ended and that violence in politics must stop” (Khan, 2012). He further said that “Autonomy has been the problem from the beginning, since the days when the British came into the subcontinent. Even the concept of Pakistan is based on autonomy” (Baxter, 1974). The legitimate constitution was made by the representative of people unanimously and adopted certain federal arrangements. Bi-cameral legislature was established in a country in which equality of provinces were ensured as well as gave representation on basis of population. National Finance Commission was established and empowered to distribute resources among federating units on the basis of mutual consensus. Moreover, Council of Common Interest was established and empowered to resolve disputes between center and federating units and among federating units as well. Despite of that, constitution is still centric in nature which compelled the political leadership of federating units to demand more provincial autonomy and constitutional reforms. The demand for reforms and provincial autonomy raised since its inception. It was decided that the constitution will be revised after 10 years and Concurrent List would be abolished while giving subjects to provinces. The consensus constitution promised provincial autonomy under parliamentary system in which judiciary will be independent and fundamental rights would be guaranteed by constitution and recognized by judiciary. Unfortunately, military dictators led the country to further centralization because the constitution was not implemented in its true spirit (Abbasi, 2010).

The Pashtun and Baloch part of federation were feel disgruntlement due to the strong hold of central government. CM of Balochistan and one MNA were arrested after two days of its enforcement on the charges of corruption. National Awami Party was declared unlawful and the state affairs were not handled to the government of NWFP. The state of nature led the country to another martial law and Zia-ul-Haq came into power by putting the 1973 constitution on abeyance (Khan, 2012).

2.6.1. Zia Regime and 8th Amendment

8th amendment in the constitution changed slightly the nature of federal system and the country run as a unitary with most of powers vested to president. Presidential orders were issued from time to time and the constitution in 1985 was also restored by Revival of the Constitution of 1973 order and 65 Articles were amended. The president became more powerful and he can have dissolved National Assembly under this order (Khan, 2012). In provinces, same powers were given to Governors. President was also empowered to appoints Governors and service chiefs. Due to this amendment, federal principle of constitution was affected by the concentration of powers in the center and in the office of the president (Khalid, 2013).

Mian Raza Rabbani (2011) argued that quasi-presidential system was adopted by converting from parliamentary form and state became semi-unitary instead of federation. He called Zia's supporters as puppet parliament and termed his rule as authoritarian rule which went to destroy the provincial autonomy. The parliament has been under subordination of the discretionary powers of President.

After his death, the democratic governments didn't survive to fulfill their tenure because of the centralization he made. The previous status of constitution was restored by 13th amendment which was done by a democratic government of PML-N. But it is important to be mention here, that units were under same pressure of center as they are before under president.

2.6.2. Musharraf Regime and 17th Amendment

The constitution of 1973 once again suspended by military dictator in 1999 while over throwing the elected government. He restored the 8th amendment and by restoring the office of president became more strong. He issued 'Legal Framework Order' and made these changes. Constitutional and legal protection were also provided by this order to the previously issued ordinances by military chief. Concentration of power in the office of president and over centralization once again destroyed the federal character of constitution which have had a long impact on political stability in Pakistan (Khalid, 2013).

Article 58(2)(b) and 212(2)(b) were reintroduced in the constitution through 17th amendment which gave power of dissolution of assemblies (national/provincial) to President and Governors respectively. Without the President consent some laws mentioned in Sixth schedule neither amendable and nor repeal able. Presidential order, 2002 and Local Government Ordinances were included in this. Provinces autonomy was again violated because that comes under the jurisdiction of provinces. Moreover, the elected parliamentarians were under the hostage of one man (Rabbani, 2011).

Regarding the elections from 1970 to 2002 Ijaz Shafi Gilani and Hasan Askri (2013) argued that these were steal and rigged in different ways from the nation. This

rigging was post-poll, pre-poll and on the day of polling. They went on to say that, elite in the history of Pakistan gave more attention to elections and development rather to rule of law and constitutional adherence. Protection of constitution was the third priority despite of that in democratic system it was first. Through National Reconciliation Order, 2008 elections were rigged by pre-polling. Lawyers movement of supremacy of rule of law had also shaped the elections and none of the any political party got absolute majority. Therefore, both effective government and opposition formed but PML-N joined the collation government of PPP. All this created a weak government which led the country toward poor governance. Despite that, PPP government did some structural changes to maintain the supremacy of rule of law and devolve some authority to the provinces under 18th constitutional amendment.

2.6.3. 18th Amendment

This amendment is a turning point in the constitutional history of a country because of its decentralized nature and the corrections it's made in the constitution and federal structure. Relation between center and provinces in general and one province relations with other province in particular can be best analyzed under this amendment. Moreover, this amendment also best describes the decentralized mindset as compared to centralized one (Ahmed, 2014). This amendment was affecting Center-Provinces relations in following way. i) After 18th amendment Pakistani state became more federal in terms of functioning of Majlis-e-Shoora; senate seats were increased while giving more representation to provinces. ii) Administrative relations were also amended between the center and provinces. Before this amendment article 144 stated that parliament can

legislate on the matters not mentioned in federal list concerning with provinces by their consent and now after amending it, the right was given to Provincial Assemblies to amend the legislation of Parliament. iii) Some changes are made in legislative powers while abolishing the concurrent list and increasing the function of Council of Common Interest (CCI). With the abolition of the list, responsibilities of provinces were increased. 18th amendment increased the importance of CCI and enlarged its membership. The CCI must have to meet once in 90 days. iv) The other body, National Economic Council (NEC) look after the inter-governmental relations. NEC was empowered to look after the economic policies of central government and its federating units. It also works for harmonization and coordination of economic policies. v) The importance of National Finance Commission was also increased after 18th amendment and it made provinces a bit stronger. Moreover, the share of provinces shall not be less than as mention in the previous award and implementation status of award would be reported to the provincial assemblies and parliament.

By passing of before mentioned amendment the nature of federalism changed considerably. It addresses long lasting demands of provinces though some issues are yet remaining to be address. The federalism in a country developing gradually and slowly, the difficulties it faced from last few decades are more or less in its current phase but, the centralized mindset is always there to change the decentralized nature of federalism. It is the need of hour, to change such mindset for successful running of federalism (Ahmed, 2014).

18th Amendment removed the restriction on premiership and with this removal now a Pakistani person become Prime Minister more than two times. While following the democratic continuity, PPP completed the tenure and successful transfer the power to caretaker government in 2013. After the transfer of power elections held in May, 2013. PML-N got the majority of seats and formed their government and Nawaz Sharif became first person to hold the office of PM third time.

This election was considered as subject to rule of law and not based on the will of authorities as the previous 9 elections. The political authorities termed this election as the non-transparent and full of irregularities. They started protest, against the government for irregularities and alleged rigging. This election became the most critical elections in Pakistan despite of that this was the first successful transfer of power after completion of tenure by democratic government (Gilani, 2013).

Government of Pakistan with Chines investment initiated a mega project called CPEC worth 46 Billion US Dollar in 2015 (Now this amount raised to more than \$50 billion after the 6th Joint Cooperation Committee (JCC) meeting while including new projects (Admin, 2017)). It was proposed that this initiative put positive impacts on economic growth, as this investment covers many projects regarding railways, energy, infrastructure and fiber optic. Two types of projects launched under this initiative, short term and long term. Short term projects likely to be completed in the first half of 2018 whereas, long term projects would be completed from 2025 to till 2030 (Naseem, 2015).

A detailed overview of federalism in general and particularly in Pakistan discussed in this chapter. Centralization and overriding powers throughout in the history harm the

essence of federalism. In the coming chapter politics of mega projects will be discussed in detail and how politics of centralization intervene in mega projects.

2.7. Conclusion

On the basis of above gathered information's, we must be aware of the fact that many states adopted federal structure to secure themselves. Some states adopted it for geographical tendencies and to provide unity in diversity because many ethnic groups live in such heterogeneous states. In addition, some states adopted it due to the legacy of their colonial masters. Pakistan falls in both, the colonial legacy and geographical tendencies which compelled her to adopt federal structure after independence. Centralization of authority in interim constitution as well as in 1956 and 1962 constitution along with One Unit scheme and military rule harm the country in long run specially the smaller provinces. All these reasons became a cause that Eastern part of Pakistan disintegrated and became a new state called Bangladesh. This debacle didn't teach lessons to the leadership of Pakistan and through 8th and 17th amendments country further led to the centralization. The claim of smaller provinces is still existing about the provincial autonomy. 18th amendment tried to resolve the concerns of provinces but centralization of power still there to harm the essence of federalism.

CHAPTER 3

Politics of Mega-Projects in Pakistan

3.1. Introduction

Mega-Projects is not a new phenomenon, though it was old one but new for underdeveloped world. The mega-projects launched for the sake of boosting the economy or for development of the underdeveloped areas. In the case of federation mega projects sometimes create controversies and sometimes unite all the units. Mostly the mega projects changed the scenario of politics and some politicians used them to give benefit to their constituencies for the sake of winning elections.

The focus in this chapter is on politics of mega-projects in Pakistan. So, for that purpose I divided it in two sections. In first section my focus is on Mega projects, and their related issues with special focus on the nature of mega projects in Pakistan. In addition, the problems of mega projects have discussed. The second section deal with some projects launched in Pakistan (old and new one) which includes, Kalabagh Dam, Benazir Income Support Programme, Gwadar Deep Sea Port, Prime Minister Youth Programme and China-Pakistan Economic Corridor. The politics of these projects have discussed in detail, below in this chapter and the detail discussion on CPEC will be discussed in the coming chapters.

3.2. Mega Projects: The Nature of Mega Projects in Pakistan

Mega-projects are defined as public, physical and expensive initiatives launched by federal programmes or sometimes by business enterprises (collation with government) for their immediate stake interests. Such projects put impacts both positive and negative on economy, society and environment. Due to their big size and design, these projects get huge public attraction. It is not possible that all public get benefits from one project, some will get direct benefits and the other may not. In public sector idea of projects are originated but later confined to the prospective constituencies. Public leadership try to get the support of public, modify critics and manage conflicts (Hugo Priemus, 2008).

Hugo Priemus et al (2008) argued about the findings of mega-projects investigated by Luberoff and Altshuler (2003), in their work about the rail transit system, airports and highways which have four dimensions. First, is urban renewal which comes under urban politics. Second, is national patterns which is regarding national developments. Third, is about intergovernmental in which projects were mostly started with federal funding or through federal programmes. The key players who played important role in such projects are federal, provincial and local authorities. Finally, development was traced by them, more than a half century which is enough for evolution.

3.2.1. Features of Mega-Projects

In the work of Hugo Priemus et al (2008) features of mega-projects are best describes as 6 Cs:

- Colossal (in size and scope).
- Captivating (because of its esthetic design, engineering achievements and size).

- Controversial (projects put impacts on third party, followed by mitigation packages and funding).
- Costly (project costs are often underestimated due to irrationalized and bad decision making and sometimes due to the extension in estimated time).
- Control Issues (operation, funding and determine about the key decision makers).
- Complex (construction, funding, uncertainty and risk in terms of design).

3.2.2. Mega-Projects Related Issues

In the book of Hugo Priemus et al (2008) three issues are explained:

- Contested knowledge will have emerged in its result. The interest of main actors (policy/decision makers) will make the project more contested and debatable.
- When policy makers denied the contested knowledge, this will create problems for further decision making and put negative implications on it.
- Regarding to cope the contested information new strategies will be introduced. The aim is to negotiate on such information instead of finding objective knowledge.

In most of the western and oriental societies mega-projects play an important role in different ways. First, politically they are under heavy debate, economic impacts are assumed to the great extent and budget implications become major issues. In addition to that, cost of mega projects is in multi-billion dollars mostly. Second, scientific debate over these projects due to the huge cost and uncertainty of economic effects (one group of people get direct benefit to it and the other one remain deprived or unable to take benefit due to the physical appearance of project). Because the quality of decision making depends upon the sound ex-ante evaluation of mega-project. The benefits of such projects are mostly

overestimated and in terms of cost, underestimated. He also argued that many mega-projects gave low returns than predicted according to the ex-post evolution (Hugo Priemus, 2008).

In the chapter before this, researcher discussed the federalism in general and particularly federalism regarding Pakistan. Researcher came to conclusion that how over centralization and military coup destabilized the country. In this chapter research focuses on how in the presence of centralization, mega-projects emerge, implement and bear fruits for nation. In the above discussion, researcher defined mega-projects and explained the pros and cons. Researcher elucidated the characteristics of mega-projects and their related issues. Now it's easy to explain the politics of mega projects in Pakistan.

Naeem Ejaz et al (2013) in their work build the notion that in the current decade Pakistan is performing better and progressing gradually in terms of mega-infrastructure developments. They argued that planning on many mega-projects are in progress and many projects are under construction. In addition to that, under construction projects faced management problems like delay, shortage of labor, corruption etc. For instance, 2 billion rupees Zero Point Interchange (Islamabad) project cost about 4 billion rupees after increasing money due to the delay in funding and increase in prices. Same happened in the case of Taxila underpass projects which was delayed to the expected completion period. Now researcher has been discussed some of mega projects in Pakistan to examine the politics around these projects.

3.3. Kalabagh Dam

Water is a basic need for life and every living being needs it for survival. Human history tells us the story that disputes over water is not a new phenomenon though it was the old one since the human existence. In the case of Pakistan, Kalabagh Dam (KBD) emerged as a serious dispute between the federating units from the last three decades.

The debate over KBD emerged in 1984 after the issuance of project report. This dam was highly politicized and three among four units of Pakistan are against it and they (KP & Sindh) also passed assembly resolutions against the proposed dam. Punjab is the only unit which have the consent to build this dam (Feyyaz, 2011). KP believe that this proposed dam will only benefit Punjab and that the small provinces will tackle the environmental waste of this project. According to the estimates this project will be built in KP and the power houses along with a section of a canal will be built in Punjab. Furthermore, it believes as the evident from the statistics that due to the height of this dam Nowshehra would be completely drowned and Mardan will be affected from salinity and water logging. Moreover, thousands of people will be displaced from this proposed dam (M. Israr Khan, 2014; Muhammad, 2012).

Sindh claims that due to lack of water in river Indus it will face different problems because of the construction of this Dam. First, the productivity in Sindh will be affected due to the shortfall of water and Sindh will get less from its share. Furthermore, due to the intrusion of salty water into the delta the land will become barren. It is evident from the past record that Sindh faces water shortfall in normal times and if this dam builds than the problem will be further complicated. There are already issues between the Punjab and

Sindh province regarding the distribution of water (M. Israr Khan, 2014; Muhammad, 2012).

Balochistan province is not a main stakeholder of this project but as a federating unit and due to the water scarcity, its government support the stance of other provinces (KP, Sindh). Whenever the reservoirs have been built in federation, there was chances of conflict among provinces (federating units) which needs to be resolved on time while building consensus among them. In the case of Pakistan, federation was failed to develop consensus on the issue of KBD and the politics over this dam is still survived since 1984. Moreover, the NFC award distribution and to some extent displaced people of Tarbela Dam also play a vital role for provoking this conflict (Muhammad, 2012).

3.4. Benazir Income Support Program

In 2008, Benazir Income Support Programme has been launched with the aim of reduction/eradication of poverty. The purpose was to facilitate women especially and the marginalized and under privileged vulnerable segments of society while establishing 'Social Protection Net'. The objectives of this mega initiative were to: i) maximize the financial capacity of poor segments of society and their deserving family members; ii) remove the vulnerability and bad condition of poor segments of society and underprivileged people with the help of targeted programmes and implementation of comprehensive policies & iii) ensure the equitable distribution of wealth and reduction in poverty. The main and long term objective of this initiative was to eradicate poverty and increase women empowerment, as set by the Millennium Development Goals (MDGs, now Sustainable Development Goals, SDGs) (Directory, 2017).

BISP is considered the largest Social Safety Net in the history of Pakistan. The beneficiaries of BISP has increased rapidly in number from the beginning to till 2015 and was near about 5.59 million in whole Pakistan. In the 4 provinces, the number of beneficiaries were 5.27 million and further more will be included soon. Instead of that, Poverty Score Card identified around about 7.7 million eligible families all over the Pakistan. The allocated budget for the year of 2014-15 was Rs. 97 Billion. BISP initiatives were Waseela-e-Taleem, Waseela-e-Rozgar, Waseela-e-Sehet, Waseela-e-Haq, E-Commerce and Unconditional Cash Transfer. Under the initiative of Unconditional Cash Transfer (UCT) each concerned families who were eligible for BISP got Rs. 1000 per month in its initial phase and later this amount was increased to 1200 for the year 2013-14. Moreover, the amount for the year 2014-15 were increased to 1500 (Directory, 2017). The table below described the province wise BISE beneficiaries with the comparison of poverty ratio in provinces and their NFC share.

Table 3.1: Provinces Status of BISP, Poverty and NFC

Province	Population	NFC Share	Beneficiaries Families	BISP %	Poverty Ratio (MPI)	Overall (MPI) ratio in Pakistan
Punjab	55.867	51.74	2023793	38.36	31.40%	38.80%
Sindh	24.828	24.55	1883369	35.69	43.20%	
KP	13.935	14.62	1135687	21.52	49.10%	
Balochistan	5.37	9.09	232793	4.41	71.00%	
Total	100	100	5275642	100		

Drafted by me and the data were collected by these sources: www.finance.gov.pk, Pakistan Economic Survey (2014,15-16) & UNDP – Multidimensional Poverty in Pakistan, www.pk.undp.org.

In the overall provinces, BISP beneficiaries were about 5,275,642 in number from the last half of 2015 and the beginning of 2016. The Punjab has 31.4% poverty ratio, which means that every 3 people out of 10 is below poverty line. Per these figures BISP targeted every 4 persons out of 10 in Punjab who fall under poverty line and live in vulnerable condition. The same situation is in the whole country that out of 100 every 40 persons fall under poverty line. In this regard, Punjab got 38.36% BISP quota whereas its poverty rate is less than this. On the other hand, Sindh province has 43.2% poverty ratio, which means that more than 4 persons out of 10 live under poverty line. Beneficiaries from Sindh were 1,883,369 in number which is 35.69% of the total beneficiaries in provinces, so according to this Sindh got less quota from its poverty rate. The situation in KP is worse than bigger provinces because the poverty ratio is 49.10% which means that 5 persons out of 10 live under poverty line. The beneficiaries in KP were 1,135,687 which is 21.5% of the total beneficiaries. By following this BISP was failed to target the maximum number of vulnerable people in KP but, the process is in progress to tackle this problem and include more people in Social Safety Net. Central government must take this issue serious because such little things creates grievances among provinces and weaken the federation. The situation of Balochistan is most vulnerable as 7 persons among 10 live their life under poverty line and deprived from basic rights. The poverty ratio is 71 % and it has just got 2,32,793 number of beneficiaries under BISP which is 4.41% of the total. Being a big province in terms of area, Balochistan seems completely ignored in this scheme as its poverty ratio is more than other provinces. In this regard, it seems that the aim of BISP in terms of poverty reduction was completely ignored in the case of Balochistan.

The study on the evolution of BISP revealed that in initial phase the parliamentarians decided about the deserving families which have no scientific basis for selection of beneficiaries. The criteria of selection created hurdles in the way of identifying deserving families in the transparent and fair manners. So, for that purpose 'Poverty Score Card' was adopted to determine the deserving families (Uddin, 2013). In terms of eradication of poverty, BISP was not considered as 'magic bullet' but somehow this initiative provides opportunities or to some extent facilitate the vulnerable people for their food and health needs. As rationale of this initiative was to help the 'Poorest of the poor' in the scenario of rising fuel and food prices. In addition to that, BISP played its role in decreasing poverty to some extent but not eradicate it (Farooq, 2014).

3.5. Gwadar: Deep Sea Port

Gwadar is considered as new economic hub for Pakistan and a trade route particularly for Pakistan and generally for the region. Gwadar has its own importance in terms of geography and monetary for both Pakistan and the region. Gwadar is situated in the Balochistan province which is the biggest province of Pakistan in terms of area and least developed and populated. Balochistan and Gwadar is famous because of the world's largest deep sea port which is now a part of CPEC (Tanoli J. R., 2015). The history tells us that an American led survey in 1954 revealed about the importance and significance it has. Pakistan took the hold of Gwadar port in 1958 after getting it back from Oman. After realizing its importance in 1964 as a port, no progress was made to make it operational. And almost 4 decades later a progress was made on it with the help of China for its construction and development in the era of Pervez Musharraf to make this port a deep-sea

port. The work on its construction was started in 2002 and completed in 2006 (Anwar, 2011). In 2002, Gwadar Port Authority was established at Gwadar, consisted of 9 members and one chairman who had have responsible for the maintenance, planning, operations and construction of the port. By following development agenda Port Master Plan for 50-year was approved (Ministry, 2017).

The government made first phase operationalized with the inauguration in 2007 by Pervez Musharraf and the work on next phase was started in the same year. In 2013, responsibility for the construction of Gwadar port and its related projects was got by China Overseas Port Holding Company (COPHC). Makran Costal Highway about 700km has been completed linking Gwadar and Karachi with the cost of Rs. 15 billion. This company got all types of rights relating Gwadar port for the period of 40 years. The port provides shipping and commercial services along with multimodal transport, transport management, free zone, storage, handling, transshipment, transit and port industrial functions (some of them are operational and others are in progress). The port is consisted of 2539 acres and there is possibility of more extension and acquisition of land (Khetran, 2015; Ministry, 2017).

Gwadar Port now a mainstream economic hub considered as a gateway to CPEC. Under this initiative, around about US\$ 2.500 Billion projects (15 in number) were approved in 2nd and 5th Joint Cooperation Committee (JCC) meeting on Feb 2014 and November 2015 respectively. The estimated or expected time was 3 to 5 years (Ministry, 2017).

China western region specially Xinjiang have similar situation as in Balochistan. Both are area wise bigger, rich in mineral resources and least developed in terms of infrastructure (Khetran, 2015). Balochistan is facing severe problems like, persistent drought which led to water shortage, remoteness and its underdevelopment. Moreover, the insurgencies inside Balochistan seems that the people have losing their trust on federal government which is a serious issue and need to be resolved. All this mistrust was happened because of the deprivation situation of Balochistan as claimed by Baloch's. Whereas federal government went on to say that Tribal Social Organization created impediments in the way of economic development. In addition, ethnic diversities also created intra-provincial conflict which cause backwardness and the reason for this is their social backwardness. The federal government decided to resolved these grievances and mitigate through mega-projects but the problem was emerged with the fact that 86% amount has been spend over Gwadar and kachhi Canal and the rest of 14% to other projects. So, in this sense this investment of federal government is confined to some area. The rationale was built by the time that it is inexpedient that connecting the Gwadar port with the region under the theme of 'Connectivity for Regional Prosperity' which is not yet integrated with the rest of the province economically. The other notion is that Gwadar is far away from the raw material, capital and markets or to some extent labor, so make it viable it must be integrated with other areas of Balochistan. The Baloch urged about to give representation to marginalized class of Balochistan in the upcoming and ongoing projects. The Gwadar Port project shall not bear any revenue for provincial Government even though the federal government also far from its benefits due to the 40 years handling of port to China company (Mallah, 2007).

It is a dire need of time to launched new projects for the sake of connectivity of other areas of Balochistan to Gwadar. This will bring people of Balochistan an opportunity for prosperity and federal government a way to resolved their grievances.

3.6. Prime Minister Youth Programme

This is an initiative of Nawaz Sharif (PML-N) government for youth, for the sake of combating unemployment and the socio-economic development. This Programme covers number of schemes which enables youth and poor people to acquire good employment opportunities, technical skills, economic empowerment, IT skills and job training to become efficient in their fields. This wide range mega-initiative consists of 6 schemes (interest free loan, youth business loan, youth training, fee reimbursement, youth laptop programme and skill development programme) and work on these schemes are in progress (Office, 2017). The details about these schemes and fact about distribution are discussed below along with the discussion that how grievances emerged from mega-initiatives in federation.

3.6.1. Youth Business Loan Scheme

This scheme was designed to facilitate the educated and unemployed youth (not restricted) around the country who are willing to establish their own businesses. Eligibility criteria for this is that one must be a national identity card holder and aged 21 to 45 years. 50% quota has been fixed for women, 90% is recovery rate and 6% is interest rate. There will be no sectoral limit for the distribution of loans, importance of sector and received applications will decide the limit. The amount of loan is up to 20 lacs. In a nut shell, this

is the responsibility of State Bank of Pakistan to ensure that loans are distributed as per the provinces population (Office, 2017).

Table 3.1: NFC Award and youth business loan distribution (2013-16)

Province	Population	NFC Award	Amount of Loans in Billion Rupees	Actual Share in Loans	Difference in actual and NFC share
Punjab	55.86	51.74	5834	78.699	26.95
Sindh	24.82	24.55	552	7.446	-17.10
KP	13.93	14.62	881	11.884	-2.73
Balochistan	5.37	9.09	146	1.969	-7.12
Total	100	100	7413	100	

This table has been drafted by me while taking data from these sources: Idrees Khawaja and Musleh ud Din (2013), Pakistan Economic Survey 2015-16 (www.finance.gov.pk) & Prime Minister Youth Programme (www.youth.pmo.gov.pk).

The total amount of loans provided to 4 provinces is Rs7413 Billion, as enlisted in the table. Punjab got Rs5834 billion with the percentage of 78.6 and the NFC share of Punjab is 51.74%. In this regard Punjab received 26.9 % more loan from its share, as in the scheme precisely mentioned that SPB ensure distribution on population basis. On the other hand, Sindh got Rs552 billion and which is 17.1% less from its share. KP got Rs881 billion which is 2.7% less than its share. Balochistan as a smaller province in terms of population got 146 billion rupees which is 7.12% less than its share as shown in the table. All this appears in a way that the focus of this scheme in last three years were on Punjab which creates grievances and mistrust among provinces and make mega-initiative controversial.

3.6.2. Interest Free Loans Scheme

It is a micro-finance facility which was aimed to provide poor people access to the industry. This program completely focuses on the poor people lies between 18.5 up to 40% poor scoring. Those who are beneficiaries of BISP are unable to get this loan. 50% loans quota is reserved for women. The area has been extended to all over Pakistan but, un-served areas would be on priority in this scheme. Those districts which have less facilities in terms of microfinance network and have less than 12% microfinance beneficiaries would be given priority. No interest rate will be charged and its tenure is up to 3 years. Maximum size of loan is 50,000 and the average loan is 25,000. The number of loans are 250,000 and recovery rate is 99%. Rs2.7 Billion has been recovered till September, 2016 (Office, 2017). The distribution of loans is described in the table below among provinces.

Table 3.2: NFC Award and interest free loan distribution (Oct 2014-Aug 16)

Province	Population	NFC Award	Amount of Loan in Billion Rupees	Actual Share in Loans	Difference in Actual Share and NFC Share
Punjab	55.867	51.74	2231	50.97	-0.76
Sindh	24.828	24.55	1203	27.48	2.93
KP	13.935	14.62	732	16.72	2.10
Balochistan	5.37	9.09	211	4.82	-4.26
Total	100	100	4377	100	

Table has been drafted by me while taking data from these sources: Pakistan Economic Survey 2015-16 (www.finance.gov.pk), Idrees Khawaja and Musleh ud Din (2013), & Prime Minister Youth Programme (www.youth.pmo.gov.pk).

The amount of Rs4377 Billion has been distributed among 4 provinces. Punjab got almost near its share about Rs2231 Billion which is 50.9% of total amount distributed in provinces. On the other hand, Sindh got Rs1203 Billion rupees which is 2.9% more than the share of Sindh. KP share is 14.62 per the NFC share but here the people from KP got 2.10% more amount than its share. The total amount, people of KP received is Rs732 Billion. Where the problem lies here is that per the NFC, Balochistan share is 9.09% but in terms of loan people of Balochistan got Rs211 Billion which is 4.26% less than its share. Such situations in mega-schemes are responsible to creates the sense of deprivation among provinces.

3.6.3. Youth Training Scheme

The purpose of this scheme is to train the educated youth throughout Pakistan in public and private sector. Education qualification is HEC recognized 16-years degree or have 3 years Diploma after matriculation. Applicants must have 2.5/4 CGPA or minimum 50% marks in annual system along with Pakistani nationality. Moreover, 25 years of age is maximum limit and no quota is reserved for female, they are encouraged to apply. 12 thousand per-month stipend has been given to candidates for the period of one year. The placement and distribution of internees is based on per NFC and FPSC criteria (Office, 2017). The distribution of interns is explained in a table below with comparison to NFC share.

Table 3.3: NFC Award and youth training quota distribution (Sep 2013-16)

Province	Population	NFC Award	Quota Under This Scheme	Actual Share	Difference in Actual Share and NFC Share
Punjab	55.867	51.74	25000	57.80	6.06
Sindh	24.828	24.55	9500	21.96	-2.58
KP	13.935	14.62	5750	13.29	-1.32
Balochistan	5.37	9.09	3000	6.936	-2.15
Total	100	100	43250	100	

Drafted by me and sources are: Prime Minister Youth Programme (www.youth.pmo.gov.pk), Pakistan Economic Survey 2015-16 (www.finance.gov.pk) & Idrees Khawaja and Musleh ud Din (2013).

Overall 43250 internships were given to the educated youth under first phase in all 4 provinces. 25000 interns are placed in the Punjab province which is the 57.8% of total placement and the share of Punjab in NFC is 51.7%. So, in this regard, Punjab received 6.06% more internships from its share. In Sindh, 9500 interns were placed which is 21.96% of the total interns. As per NFC quota Sindh share is 24.5% but its only got 21.9%, which was 2.6% less than its actual share. The third province KP got the placement of 5750 interns which is the 13.29% of the total interns. So according to this KP province got 1.3% less share from its actual share according to the NFC award. 3000 interns have been placed in Balochistan province which is the 6.9% of the total interns. The actual share of Balochistan is 9.09% and they got 2.15% less than from their shares. The difference is not too big but it is enough for creating grievances among Baloch and federation. After analyzing this table, we came to know that the Punjab got 6.06% more share which is the right of other provinces. Such little things in a multi-ethnic state become the reason of

mistrust and grievances, which needs to be resolved on proper time because sooner or later these things might be harm the essence of federation.

3.6.4. Skill Development Programme

The focus of this programme is on unemployed youth of Pakistan and the purpose is to provide them training for the sake to improve their skills and creates productivity. Men and women who have middle level education and age up to 35 years are eligible for this ongoing initiative. Moreover, disable and Madaaras students are also eligible. This scheme is extended all over the Pakistan and Rs5000 fee per moth has been supported for at least 6 months along with that Rs2500 has been given to all students as a stipend for 6 months (Rs3500 for FATA students). Among these six months, one month is reserved for job training and 25000 internees would be entertained every year. The distribution criteria were according to the per NFC rule. The interesting thing is that for Phase-I allocated budget is Rs.800 Million and Rs.85 Million has been saved from this amount with 22000 trainees who have completed their trainings. Rs.1187 Million was allocated for Phase-II and Rs.2630 Million for Phase-III. The number of trainees did not increase but the allocated amount does (Office, 2017).

Table 3.4: NFC Award and skill development programme (Sep 2013-16)

Province	Population	NFC Award	Target Trainees	Actual Share	Difference
Punjab	55.867	51.74	38250	53.12	1.38
Sindh	24.828	24.55	17550	24.37	-0.17
KP	13.935	14.62	10200	14.16	-0.45
Balochistan	5.37	9.09	6000	8.33	-0.75
Total	100	100	72000	100	

Drafted by me and sources are: Pakistan Economic Survey 2015-16 (www.finance.gov.pk), Prime Minister Youth Programme (www.youth.pmo.gov.pk) & Idrees Khawaja and Musleh ud Din (2013).

The target of Skill Development Programme was 25,000 trainees per Phase but in first phase almost 22,000 trainees have been trained. The total targeted trainees from provinces were 72,000 in number which was divided on per NFC criteria. The Punjab got 53.1% share in it while its share in NFC is 51.7%. 32,250 trainees were from Punjab among 72,000, so in this regard, Punjab had got 1.38% more share from its actual share. The other province Sindh have its share about 17,550 trainees from 72,000 which is about 24.7% and its very near to the share under criteria of NFC rule. Khyber Pakhtunkhwa had got the share of 12,200 trainees from 72,000 which is 14.16%. Per NFC rule share of KP is 14.62% and in this regard KP is almost near about its share. In this scheme the distribution is almost transparent and around about NFC rule.

3.6.5. Youth Laptop Scheme

The purpose of Youth Laptop Scheme is to fill the digital and communication gape among the Pakistani students from colleges and universities level. Along with laptop a dongle devices have been allotted to the students as well. The students of all those

universities are eligible which have been recognized by HEC. The distribution under this scheme were extended to all over Pakistan in HEC recognized universities and 100,000 laptops would be distributed per phase. Rs.4.5 Billion was allocated for first phase 2013-14 and 93004 laptops have been distributed. Haier build local assembly unit in Lahore under this scheme and the motive is to assemble laptops in Pakistan. Rs.21 Billion have been allocated for 2014-18 (4 phases) and more than 82,000 laptops have been distributed yet among different universities students of Pakistan in Phase-II and remaining are under process. The laptops were distributed in almost 83 HEC recognized universities in all provinces, autonomous units, FATA and federal capital Islamabad (Office, 2017).

3.6.6. Fee Reimbursement Scheme

The purpose of the scheme is to provide help to the needy students of less developed areas in terms of their tuition fee and encouraged them for the pursuance of higher education in Pakistan. The fee has been paid directly to the concerned university in which student has enrolled and this Reimbursement was started from spring semester 2015. All those students have had eligible who were and will be registered in Master and Ph.D. programs. The distribution of fee Reimbursement has been only limited to some districts of 4 provinces (all over in case of Balochistan) including FATA and GB (less developed areas). The average tuition fee per year is Rs. 40,000 and 50,000 students every year will be able to get the Reimbursement of fee. HEC and Ministry of Education were and have responsible to execute this scheme and implement accordingly (Office, 2017).

Table 3.5: NFC Award and fee reimbursement distribution (Sep 2013-16)

Province	Population	NFC Award	No of Students	Actual Share	Difference
Punjab	55.867	51.74	38004	44.94	-6.79
Sindh	24.828	24.55	14474	17.11	-7.43
KP	13.935	14.62	14938	17.66	3.04
Balochistan	5.37	9.09	17133	20.26	11.17
Total	100	100	84549	100	

Table is drafted by me with the help of these sources: Pakistan Economic Survey 2015-16 (www.finance.gov.pk), Idrees Khawaja and Musleh ud Din (2013) & Prime Minister Youth Programme (www.youth.pmo.gov.pk).

Balochistan and KP is the more less developed areas of Pakistan as compared to others and so far, this scheme is meant to help and encouraged the students from less developed areas. Whole districts of Balochistan are included in the scheme because of their less developed intensity. 17,133 students from Balochistan got the fee reimbursement which is 20.26% of the total distributed among provinces. In this regard, Balochistan received 11.17% more share because of its under-development. Students from KP secured 14,938 fee reimbursement which is 17.66% of the total. So KP received 3.04% more from its NFC share in terms of under developed situation. The share of Sindh was 14,474 out of 84,549 Reimbursements. The percentage is 17.1% which is 7.4% less than its NFC share, the reason for this is that other smaller provinces have more underdeveloped than Sindh. The 38,004 students from Punjab province got fee Reimbursement, which is 44.9% of the total distribution. The difference is 6.79% less from its NFC share. The distribution under this scheme is based on the criteria of underdevelopment which in a long run will be

able to address and mitigate the grievances of smaller provinces. The provinces in such a federation bear fruits when the government focuses on underdeveloped areas.

3.7. China-Pakistan Economic Corridor

A mega-project between two brotherly neighboring countries (Pakistan, China) for the sake of shared destiny under belt and road initiative. The work on the project has been started in 2013 with the investment of \$46 Billion (now more than \$50 billion) in different sectors like energy, infrastructure, rail network etc. Details about the projects of CPEC, its importance and opportunities will be discussed in the coming chapter.

3.8. Conclusion

Mega-projects have both advantages and disadvantages, which varies upon the nature of projects. As I discussed these projects are big in size and attracted huge amount of public. Sometime when these projects become controversial government tackle issues by making some structural changes or mitigating them by launching new small projects for the area which have concerns. Such projects also delayed due to the lack of funding on time and sometime vested political interests.

The Kalabagh issue become controversial due the grievances of smaller provinces and over the claim that Punjab didn't gave due share of provinces and after building this dam other provinces faced shortage of water and other related issues. The BISP evaluation also tell us a bad story in terms of distribution among provinces. The provinces have more poverty and got less share in BISP which become a cause of politics over BISP. In Gwadar port project the situation is not much different with the rest of projects. Government put

more focus on Gwadar port and other two to three projects and the rest of Balochistan needs its attention which faced many other issues and became causes of grievances and insurgencies. Under the PMYP six initiatives are currently running and the distribution criteria was NFC Award. The situation in four of them are worst and violated the criteria of NFC award in the last three years. The other two initiatives followed by the wise distribution and accordingly NFC criteria. The politics over CPEC started from the day it appeared in front of public and unfold by the government. The politics of mega-projects put both positive and negative impacts on the society because sometimes society need something and due to the self-interested politics, society remain deprived from that thing which is important for it.

CHAPTER 4

Projects Under CPEC, Importance and Constitutional Provisions

“The Pakistanis love china for what it can do for them, while the Chinese love Pakistanis despite what they do to themselves.” (Aijazuddin, 2000)

4.1. Introduction

In the introduction of this whole study the research explained the CPEC in detail and have no need to discuss here. Particularly in the first part of this section, researcher discussed the projects of CPEC separately as, Energy project, Infrastructure, Fiber Optic, Gwadar Port and Special Economic Zones with the province wise status. The next part of this chapter is dealing with the constitutional provisions, in which research discussed the articles related to projects like CPEC or Solving mechanism for disputes emerged between federal government and governments of the federating units in this regard. The concept of regional connectivity in terms of CPEC is also discussed in detail. This part also dealt with the importance of CPEC and opportunities created in the result of its operationalization. Political debate (controversy) was started due to the route of CPEC and projects distribution which have discussed in next chapter.

4.2. Overall Projects under CPEC

CPEC is a huge network of regional connectivity which will benefit not only Pakistan and China but the other neighboring countries and put positive impacts on their economies. This mega initiative covers and proposed many projects like energy, infrastructure and rail network etc. The aim of this initiative was the development of economies and achieving regional peace under community of shared destiny. Promoting bilateral connectivity and people to people contact in this regard is the mission of this corridor. Moreover, while following the aim and mission MoU was signed on CPEC Action Plan and Long term plan on 5th July 2013. Presently under CPEC the cooperation areas are infrastructure (airports, road, railways), energy, industrial zones and Gwadar port and city projects. In long run cooperation areas, will be tourism, agriculture, industries, financial and Human resource development (Planning, 2017). The details of the projects are given below:

4.2.1. Energy Projects

While considering the growing energy needs of Pakistan, a huge proportion of CPEC investment is reserved for energy projects. These projects will be able to generate 10400 MW electricity (Institute, 2017; Planning, 2017). Projects are as under:

1. Port Qasim Electric Power Plant (Sindh). A coal based power project and will be able to generate 1320 MW. The estimated cost of this project is 1,980 Million US\$. 65% work on it has been completed and the operating company is Power China Resource Ltd.

2. Sahiwal 2x660MW (Punjab) is another coal based power plant with the capacity of 1320 MW and the estimated cost is 1600 Million US\$. 60 % work on the before said project has been completed. Huaneng Shandong Rui Group, China is the executing company of this project.
3. Engro Thar power plant (Sindh) is coal fired power project and the capacity of generation is 4x330MW (1320). The estimated cost over this project was 2000 Million US\$. Surface mine in Block II is also attached with this project and the cost of this mining project is 1,470 Million US\$. Executing company is China Machinery Engineering Cooperation (CMEC) and 60% work on site has been completed.
4. Gwadar Coal / Oil / LNG Power Project (Balochistan) has the capacity of generating 300MW and the estimated cost is 600 Million US\$.
5. HUBCO Power Plant (Balochistan) is coal fired power project and has the capacity of 1x660 MW electricity generation. The estimated cost over this project is 970 Million US\$.
6. Rahimyar Khan Power Plant (Punjab) is also proposed coal fired project and its feasibility is in progress. The proposed electric generation capacity of this project is 1,320 MW with the estimated cost of about 1,600 Million US\$.
7. SSRL Thar Coal Block 1 (coal extracting in Sindh) has the estimated cost of 1,300 Million US\$. Likewise, SSRL 2x660 electricity generation project has the capacity of 1,320 MW and estimated cost is 2,000 Million US\$.
8. Zonergy Solar Park (Punjab) has the capacity to generate 900 MW when completed. The estimated cost over it is 1,215 Million US\$.

9. Dawood Wind Farm (Sindh) has the capacity to generate 50 MW. The estimated cost is 125 Million US\$. 90% work on it has been completed and the executing company is Hydrochina International Engineering Co. Ltd.
10. UEP Wind Farm (Sindh) has the capacity to generate 100 MW electricity with the estimated cost of 250 Million US\$. 60% construction work is completed and the executing agency is UEP Wind Power (Pvt) Ltd.
11. Sachal Wind Farm (Sindh) has the capacity of 50 MW electricity generation and estimated cost over this project is 134 Million US\$. Construction is in progress and almost 60% work has been completed. Proposed operational date is June, 2017.
12. Suki Kinari (KP) is a Hydro Power Station and will have the capacity of 870 MW. The estimated cost of this project is 1,802 Million US\$. 50% progress has been made on it.
13. Karot (Punjab & AJK) is another Hydro Power Station, which will have the capacity of 720 MW electric generation and the cost over this project is 1,420 Million US\$. Construction on this project is in progress and almost 25% work has been done.
14. A Transmission Line project (Sindh and Punjab) from Matiari to Lahore have estimated cost of 1,500 Million US\$. Almost 15% progress has been made on the project and the executing company is China State Grid.
15. Another Transmission Line (Punjab and Sindh) from Matiari to Faisalabad have same cost of 1,500 Million US\$. Same progress has made on this project as in the above project and the China State Grid is the executing agency.

Actively Promoted Energy Projects

16. Gaddani Power Park 2x660 (Balochistan) have the capacity of 1320 MW with the estimated cost of 3,960 Million US\$. This project is under study. Likewise, Gaddani Power Park (Jetty + Infrastructure) is a project with the estimated cost of 1,200 Million US\$. This project is also under study yet.
17. HUBCO 1x660 (Balochistan) coal power plant with the capacity of 660MW have 970 Million US\$ estimated cost. Negotiation on this project is in progress.
18. Kohala (AJK) is a Hydel Project with the electric generating capacity of 1,100 MW and cost over this project is 2,397 Million US\$. Some work about feasibility and other matters have been done.
19. Pakistan Wind Farm II 2x50 (Sindh) is a project with electric capacity of 100 MW and the total cost of this project is 150 Million US\$.
20. Thar Mine Mouth Oracle project (Sindh) has capable to generate 1320 MW of electricity and the cost of this project is 1,300 Million US\$. Feasibility of the said project is under progress.
21. Muzaffargarh power project (Punjab) is coal based and has capable to generate 1320 MW. The cost of this project is 1,600 Million US\$ and it is under feasibility process.

4.2.2. Infrastructure

Under CPEC new infrastructure and transportations project have been launched along with the upgradation of existing infrastructure (Planning, 2017; Institute, 2017). The details of infrastructure projects are as under:

1. KKH Phase II (KP) is a project of 118 KM long from Thakot to Havelian and the cost of this project is 1,305 Million US\$. The work on the project has been started in September 2016. The proposed completion date of this project is March, 2020 and one of its section (40KM) from Havelian to Mansehra will expected to be completed by May, 2018.
2. Multan-Sukkur Section (Peshawar-Karachi Motorway) is 392 KM long project and estimated cost is 2,846 Million US\$. Construction work on the project has been started in August, 2016.
3. Khuzdar to Basima (Balochistan) 110 KM long N-35 Road project is in the process initial formalities.
4. The upgradation of D.I. Khan to Zhob N-50 Phase-I (KP – Balochistan) is 210 Km long road and currently under the process of procedural formalities.
5. KKH N-35 (KP) Thakot to Raikot 136 KM remaining portion is under the feasibility stage.

Railway Related Projects

6. Reconstruction and Expansion of existing Line ML-1 has 1,872 KM long and the cost of this project is about 8,172 Million US\$. The feasibility of this project has been completed and the executing company is China Railway.
7. Havelian Dry Port project (KP) have the estimated cost of 40 Million US\$ and the feasibility report has been submitted.
8. Capacity Development of Pakistan Railways is the project which is under Discussion.

Rail Mass Transit Projects

9. Greater Peshawar Region Mass Transit, Karachi Circular Railway, Quetta Mass Transit are the projects agreed in the meeting of JCC to make it the part of CPEC. In this regard, for the sake to complete the formalities of the project the task has been given to the JWG.
10. Orange Line – Lahore (Punjab) is also a part of CPEC. The length of its track is 27KM and estimated cost is 1.46 Billion US\$.

4.2.3. Other Projects

11. Optical Fiber Cable is a cross border project which have 820km Long. Work on it was started in October, 2015 and 220km cable has been completed. The project cost 44 Million US\$.
12. Digital Terrestrial Multimedia Broadcast (DTMB) was a Pilot Project which has been completed at the cost of 2 Million US\$.

4.2.4. Gwadar Projects

The development work of Gwadar port has been started earlier but Under CPEC many projects have been launched to make it the economic hub (Planning, 2017; Institute, 2017). The Gwadar projects are as under:

1. Gwadar East-Bay is the 19km long expressway which have 140.60 Million US\$ estimated cost. Mekran Coastal Highway will be Connected to port through this expressway.
2. New Gwadar International Airport is also a part of CPEC Projects which have estimated cost of 230.00 Million US\$.

3. Construction of Breakwaters is another project which will be built on port. This project has estimated cost of 123.00 Million US\$.
4. One other project is Dredging of berthing areas and channels with the total estimated cost of 27.00 Million US\$.
5. Gwadar Free Zone project is under the supervision of China Overseas Port Holding Company and have the estimated cost of 32.00 Million US\$.
6. Fresh water, water supply and distribution is the project for Gwadar city and have estimated cost of 130.00 Million US\$.
7. China-Pakistan Friendship Hospital is the title of old hospital of Gwadar after its upgradation. Almost 20% work on it has been completed and the total cost of this project is 100.00 Million US\$.
8. Technical and Vocational Institute would be established at Gwadar under CPEC and the cost of this project will be 10 Million US\$.
9. Gwadar Smart Port City Master Plan is another project proposed under CPEC and a little progress has been made on it.
10. Industries in Gwadar is a proposed project of JWG which is under approval process.
11. Development of Gwadar University is a proposed project with the collaboration of China's leading university under CPEC.
12. Development and upgradation of boat making, fishing and maintenance services project was also proposed under CPEC.

New Provincial Projects

- Chitral CPEC Link Road, Naukundi to Mashkhel and Mashkhel to Panjgur Road, Development of Keti Bunder Sea Port and Mansehra to Muzaffarabad-Mirpur Road are the new projects which are under consideration on the concerned Joint Working Group.
- Iron Ore Mining, Processing & Steel Mills Complex at Chiniot and Quetta Water Supply Scheme are under the process of making proposal for implementation of these projects by relevant governments.

Social Sector Developments Projects

Transfer of Knowledge in different Sectors and People to People Exchanges are two proposed projects of social sector developments.

4.2.5. Proposed Special Economic Zones (SEZ)

Proposed SEZ for all provinces, federal capital, autonomous units and federally administered tribal areas are as under (Planning, 2017).

1. In KP, Rashakai Economic Zone on M-1
2. In Sindh, SEZ Dhabeji
3. In Balochistan, Bostan Industrial Zone
4. In Punjab, Punjab-China Economic Zone, M-2
5. In Islamabad, ICT Model Industrial Zone
6. At Port Qasim establishment of Industrial Park on Pakistan Steel Mill Land
7. In AJK, Bhimber Industrial Zone
8. In FATA Mohmand Marble City

9. In Gilgit Baltistan Moqpondass SEZ

4.3. CPEC and Constitutional Provisions

As Per the article 37 (a) of the constitution of Islamic Republic of Pakistan, “The State Shall promote, with special care, the educational and economic interests of backward classes or areas” (Khan, 2015).

Article 154 (1) of the constitution states that “Council Shall formulate and regulate policies in relation to matters in Part II of the Federal Legislative List....” (Khan, 2015). Whenever the dispute emerges between federating units and center, the process of resolution is to refer it to the Council.

As per Article 156 (2) the “National Economic Council.... ensure balanced development and regional equity....” (Khan, 2015).

Article 157 (1) empowered federal government “to construct hydro-electric or thermal power.... stations for electricity generation” in any province but on the condition to consult it with concerned provincial government (Khan, 2015).

Article 157 (3) states that any disputes between federal government and provinces relating to the matters discussed in this article shall refer to the Council of Common Interest for resolution (Khan, 2015).

Explanation: As the article 37 clearly states that this is the responsibility of state to care and promote the educational and economic interest of backward areas or classes. In chapter one I categorically mentioned with reference that China planned CPEC to develop her

western part and promote the backward classes economically. In the case of Pakistan situation is quite different as claimed by smaller provinces (mentioned in next chapter) that the focus of CPEC inside Pakistan is on the developed cities. The successful resolution of the controversy of CPEC is possible under article 157 (3).

4.4. Regional Connectivity

The China-Pakistan Economic corridor is the part of the one belt and one road project as the revival of the historic silk road to connect the western China with the West of Pakistan. This project is the part of the Chines go west policy to develop its western parts as they are very far from the eastern ports. Under the CPEC, the corridor is being built from the Kashgar stretched to the Gwadar port. Under this project road, railway tracks, economic zones, oil and gas pipelines and energy projects are the basic infrastructure for the success of this project is being carried out. CPEC will connect Pakistan and China to the Europe, Africa and Central Asia. To reap the maximum benefit from the project different countries had showed interest in CPEC. Basically, this is an energy transit and trade project. Energy resources and goods could be transferred in the minimum possible time as compared to the previous strait of Malacca. The project will provide trade security to China, and Pakistan will reap the benefits from foreign investment, trade and energy resources (Wolf, 2016).

4.5. Importance and Opportunities

China-Pakistan economic corridor is believed to be a game changer not only for Pakistan but for the whole region. China has started this mega project to develop its western under privilege parts (also having independent movement) and to decrease its dependence on the South China Sea. On the other hand, through this transit trade agreement and route China is investing more than \$51 billion dollar. While investing this huge sum, China is the leading foreign investor country in Pakistan. CPEC will provide huge economic and strategic opportunities and is providing stimuli to the geo-economic and geo-strategic friendship of both countries (Butt, 2015). This section of the study has been dedicated to the importance and opportunities of CPEC.

China-Pakistan Economic Corridor is an energy transit and connectivity project. Which will connect China and Pakistan with the three continents i.e. Asia, Africa and Europe via sea and land (rail and road). Infrastructure, including roads, railway tracks, oil and gas pipelines, economic zones and energy projects are the part of this mega project. Some of its opportunities are as the followings:

Transit-Trade: Basically, this project is a transit trade route. China is investing in CPEC under the one-belt and one road project to get access and connect the three continents via sea, land i.e. road and rail. Under this project, for the connectivity and transit trade purposes different infrastructure is being built from the Gwadar deep sea port to the Chinese Xinjiang province. This project will provide different opportunities not only to Pakistan and China but to the whole region to expand the economic activities and benefit from each other natural resources, trade, human resource and experiences (Butt, 2015).

Economic activities: All stakeholders in Pakistan and China agree about the benefits of this mega project that it will not only give stimuli to the economic activity in both countries but after its operationalization it will change the fate of the whole region (also called fate/game changer). Its supposed intentions and the successes are evident from the different countries who showed interests in CPEC project to benefit their countries. Currently, in Pakistan China is investing huge investment, which will increase with the passage of time. After the start of the work on CPEC, it is expected that different companies from China and from across the world would invest in different sectors in Pakistan. Under CPEC, railway tracks, roads, economic zones, energy projects (priority sector), pipelines from Gwadar to Kashgar, Airport, Universities, mass transit projects and many other important works are carried out in Pakistan. After the completion of these projects, Pakistan will be right on the track towards economic growth and prosperity (Butt, 2015).

Development of under developed areas: CPEC was initiated to develop the under-privileged areas of Western China. Along with the solution of grievances of the deprived communities who are vulnerable to the terror activities against the government, will diversify the Chinese ingoing and outgoing trade through the nearest route which will decrease the distance and time in which the cargos, goods and other trading items will reach through this short route to its destination. In Pakistan, there is a hot debate regarding the route. Initially it was decided that the route will pass from the less developed areas of the four provinces but later, the government issued some controversial maps regarding the route which was changed in the favor of Punjab province by the federal government. The

negligence of the small provinces and under developed areas sparked controversy. The central government has revisited its previous behavior and accommodated and resolved some of the grievances of the small provinces regarding the CPEC. Anyhow, this project will provide huge job opportunities and will provide different incentives to the less developed areas.

Geo-strategic importance: Geo-strategically CPEC is very important for both Pakistan and China. It will provide access to the energy resources in central Asia, Africa etc. Strategically this route would be a safe and nearer trade route for China to expand its trade while having the energy security (Butt, 2015).

Connectivity: CPEC aims bilateral and regional connectivity to enhance economic activity. CPEC will connect China and Pakistan on the first place with three continents via sea, road and rail. Different regional actors have shown their interest in this project and it is expected that the project will be the fate changer of the whole region.

Will help to control militancy: Peace in the region is guarantee to the success of the CPEC. The increased inter-dependency will help to decrease rivalries, proxies, poverty and other major causes of militancy. It will bring harmony, stability and prosperity to the region (Wolf, 2016).

Will give stimuli to the friendship: Pakistan and China friendship is considered as higher than the Himalia's and deeper than the deep sea. It is also called the all-weather friendship. Historically, Pakistan and China have good relations but the economic side of these relations remained shallow. With the help of CPEC project the geo-strategic relations

could be changed into the geo-economic relations, and it will provide stimuli to further tack to heights the bilateral relations between Pakistan and China (Butt, 2015).

4.6. Conclusion

CPEC is not a name of single project, though it contains variety of projects under mega initiative. This initiative is beneficial for not only two main stakeholders but for the entire region (including Asia, Europe and Africa). A huge section of CPEC investment is proposed to be invested on energy sector projects and the work on some projects was started in 2015. There is only one energy project proposed in KP province which pave way for political debate and CPEC became a hot topic inside and outside the province. The alleged changes in the infrastructure projects (route) also made CPEC a debatable topic (discussed in next chapter). The issue of CPEC also come under some provisions of constitution and some grievances of smaller provinces has been resolved. Irrespective of that, CPEC contain a lot of opportunities and have great importance particularly for Pakistan and china and generally for the whole region.

CHAPTER 5

Political Debate over CPEC and Center-Province Relations

5.1. Introduction

Political debate started with the unfolding of details by the government of Pakistan about CPEC. This debate was less from Sindh and Punjab province as compared to other two provinces (KP and Balochistan). Two main reason for the debate is change in original route (claimed by opposition and smaller provinces) and the secrecy in the project with non-representation of smaller provinces in JCC meetings.

This chapter revolves around the political debate on CPEC. In initial section, history of CPEC is discussed with all details about JCC meetings and APC's held by government to mitigate the concerns of federating units. The passages of CPEC route is also discussed in this section. Further, I discussed the factors which were responsible for this debate. The other section of the chapter contains details about the relations of provinces with federal government and their concerns regarding CPEC. A concluding chapter is followed by this chapter in which over all thesis is concluded and recommendation are discussed.

5.2. Why Political Debate?

This is an important question that why political debate emerged around the CPEC. To answer this, it is necessary to describe the history of CPEC from its beginning to till now with all events happened during this course of time, so we can easily apprehend it.

Chinese Premier visited Pakistan in May 2013 and signed MoU on CPEC (Agency, 2013). His visit was followed by PM Nawaz Sharif visit to China in July 2013 for five days (signed MoU's) and discussed the issues related to CPEC (Elahi, 2013).

Ahsan Iqbal (Minister of Planning and Development) on 14th May, 2015 revealed that both countries had signed MoU on CPEC, on 5th May 2013. Under this MoU, they constituted a Joint Working Group (JWG) which is responsible to make decisions regarding connectivity of routes from Kashgar to Gwadar. While disclosing the routes of CPEC he also insisted that no change in the original route of CPEC has been made (Reporter, 2015). The details of routes are as under:

Western Route: has its origin from Gwadar and will connect to Islamabad while passing through Dera Ismail Khan. Between Islamabad and Gwadar, it will cover the areas of Turbat, Basima, Panjgur, Nag, Sorab, Qalat, Quetta, Qila Saifullah and Zhob.

Central Route: originated from Gwadar and will connect to Dera Ismail Khan. Between these two cities it will cover the areas of Basima, Sukkur, Khuzdar, Rajanpur, Muzaffargarh, Layyah and Bhakkar.

Eastern Route: start from Gwadar and reached to Islamabad. This route will cover the areas of Basima, Sukkur, Khuzdar, Rahimyar khan, Multan, Bahawalpur, Lahore and Faisalabad.

From Islamabad to ahead these three routes follow same route via Hassan Abdal to Havelian, Mansehra, Thakot and then Khunjerab to Kashgar (Reporter, 2015).

In August 2013, JCC met in Islamabad and discussed the initials of long-term plan for CPEC. It was the first meeting of JCC in which they made energy and infrastructure as a key area for cooperation between two states. The meeting was attended by vice chairman of NDRC, Zhang Xiaoqiang and Ahsan Iqbal Minister of PD&R with other delegates (Xinhua, 2013). No representation of provinces was in this meeting which became a cause of political debate over CPEC and federal government. The next meeting (2nd JCC) was held in Beijing on February 19, 2014. No data about the meeting was available at CPEC website as well as on internet.

April 2015 is important in the history of Pakistan-China relations in the sense that, the President of China visited Pakistan and both states signed the agreements of different projects under CPEC. They also signed 51 MoU's on different areas of cooperation. It was also said that, the dimension of Pak-China relations changed from political to economics. He said, "*We hope that this initiative will enable us to work together with South Asian countries to fulfill our common dream of rapid development*" (Rizvi, 2015).

In initial phase of CPEC, political debate and criticism has been started around the CPEC. The reason for political debate is the concerns of federating unit's over the CPEC

route and related projects. While countering these concerns, and maintain unity/harmony between provinces and center, PM Nawaz Sharif called All Parties Conference on May, 28th 2015. Representatives from all the major and some minor political parties attended the afore mentioned conference.

The meeting was called to address the concerns of smaller provinces (some political parties) and build consensus on the route of CPEC. All parties reached on consensus after the meeting and they pledged to take full political ownership of CPEC. They decided to constitute Joint Working Group, which will have membership from all provinces. The group was responsible to make recommendations, related to the developments in the CPEC route. Prime Minister in the meeting said that transparency will be kept throughout the CPEC. After that, opposition leader Khursheed Shah demanded, to call another APC for the sake to discuss the concerns of opposition parties on the existing route of CPEC (Haider, 2015).

Government also agreed to constitute the parliamentary committee (which had been constituted later) to address the concerns of provinces/political parties and oversight the progress of CPEC project. It was decided in the meeting that western alignment (passes through Balochistan and KP) will be completed first to address the concerns of related provinces. Asad Umar, member of National Assembly (PTI) said that, "*Our concerns about project-wise details and three alignments of the corridor have been addressed*". Ahsan Iqbal mentioned that Orange Line Train was not a part of CPEC (but in 6th JCC it was included as one of CPEC project and was also discussed in the earlier meetings of JCC. This portion has discussed in detail in 6th JCC meeting below) (Ghumman, 2015).

JCC conducted its third meeting in Beijing in August 2014, for further discussion on CPEC. In third meeting, CM Balochistan Dr Abdul Malik and CM Punjab Shahbaz Sharif, along with other representative from various departments (energy, infrastructure & transport) attended the meeting. After meeting, Ahsan Iqbal revealed that the focused was on short term projects and consensus on various energy projects have been achieved, which will be helpful for Pakistan to fulfil her growing energy needs (Desk, 2014). The Sindh and KP had no representation in third meeting, which pave a way for political debate around CPEC.

Opposition Parties called a pre-meeting on January 10, 2016 in which Khyber Pakhtunkhwa CM Pervez Khattak expressed his view regarding CPEC as, "I am the Chief Minister of Khyber Pakhtunkhwa but never have been contacted regarding the Project" (Admin, 2016). Five days later he agreed on some issues in APC meeting called by PM Nawaz Sharif and reached to the consensus on certain issues discussed in next paragraph.

Second APC held in Islamabad on January 15, 2016 aimed to build consensus on CPEC and addressed the reservations of Provinces. Chief Ministers of 4 provinces along with the CM of Gilgit Baltistan and other ministers of CPEC related ministries attended the meeting (Desk, 2016). Decisions taken in above-mentioned meeting are as under:

- Federal government with the consultation of provinces would decide the location of Industrial parks.
- While following the "One Corridor, Multiple Passages", the western part of CPEC will be completed within two years and six months as a priority projects.

- The western route (expressway 4-Lane) converted into 6-Lane in which provision of funds was the responsibility of federal government and KP government was responsible for land acquisition.
- A committee (with representatives from provinces, federal government and Gilgit Baltistan) was established to oversee the CPEC projects.
- Information Cell was created in Ministry of PD&R, aimed to share the information's with provinces regarding CPEC and coordinate with them in related matters.

JCC held its fourth meeting in Beijing, in the month of March 2015 and CM of Punjab along with Ahsan Iqbal and other delegates attended the meeting. Members of JCC approved many projects including energy (coal, wind, Solar, hydel) and infrastructure. On the occasion, Ahsan Iqbal said that CPEC is not the name of western alignment or one route, as some segments of society speculated about changes, it was the part of CPEC. The concerns about alignment changes were wrong and Karachi-Lahore motorway and Indus highway was also the part of CPEC (Reporter, 2015). The representation from other provinces were also not seen in this meeting which created a trust deficit between center and federating units.

Fifth JCC met in November 2015 in Karachi, to review the progress of CPEC projects and for the sake to developed further understanding and additions of new projects. Ahsan Iqbal said that JCC decided to establish 25 industrial zone in Pakistan, 8 in KP, 7 in Punjab, 4 in Sindh and the remaining in Balochistan and Gilgit Baltistan (further discussion was being held in next meetings and number of industrial zones decreased to 8). They also

decided to enhanced the capacity of energy projects. This JCC also agreed on the dualization of the western route from Gwadar to Quetta (Imaduddin, 2015). Samar in his article mentioned that for the sake of inclusion of developments projects from provinces in CPEC, representatives from all provinces were invited in the meeting and CM Sindh attended the meeting (Samar, 2015).

The representative from province and center met before the 6th JCC meeting and agreed to include two industrial parks and two projects from each province in the CPEC. CM Gilgit Baltistan, Chief Minister KP with Governor and representatives of other provinces along with Ministers from Azad Jammu and Kashmir (AJK) attended the pre JCC meeting, presided by Ahsan Iqbal. The afore mentioned meeting was the occasion in which they decided that upcoming meeting could be attended by central and provincial governments (the meeting has been attended by the representatives of all provinces along with federal government). It was decided that rail projects from Punjab (orange line) and from Karachi (circular Railway) will be the priority projects of CPEC. The inclusion of two projects of same nature for KP and Balochistan was identified as part of CPEC new investment (more than \$50 Billion). Chief Minister KP also handover the list of projects for KP, to Ahsan Iqbal for the inclusion in the CPEC (Kiani, 2016).

JCC held its 6th meeting in Beijing (29 December, 2016), Ahsan Iqbal and Khawaja Saad Rafique with other members represented the federal government. Chief Minister of KP, Balochistan, Sindh, Gilgit Baltistan represented their regions in the meeting along with concerned secretaries. The members reviewed and emphasized over speedy progress on

the initiated projects. They also evaluated the progress made on long term plan of CPEC, infrastructure projects and energy initiatives (Desk, 2016).

Ahsan Iqbal termed provinces participation in 6th JCC as a provincial support to CPEC and this participation increases the CPEC investment up to \$50 billion. He also went on to say that, some segments doing conspiracy and involved in spreading misconception about harmony over CPEC issue inside Pakistan. Further he said, “all the reservations of federating units were addressed and everyone is now jointly working for success of this project”. While talking about the transparency of CPEC, he said it is transparent project and all allegations are baseless. Chief Minister KP said that, “all his reservations have been addressed: therefore, his government is busy to maximize benefits of CPEC (Admin, 2017).

5.3. Factors Responsible for Controversy/Political Debate

The factors responsible for political debate are as follows:

- **Disinformation** about the CPEC route and other projects created a lot of debate around CPEC. Basically, people of Pakistan and the federating units have less informed about CPEC projects in its initial stages till 2015. There was a notion that government deliberately hide the information from the people of Pakistan and as well for the federating units which created an unrest in the relations of provinces and federal government.
- **Secrecy** in a project also responsible for making relations worst. This is the reasons that questions on the transparency of CPEC raised by provinces. Government made

all documents secret which paved way for political debate and disturbed the center-province relations to the great extent. Even, provinces have no information regarding projects before 6th JCC meeting as they showed their concerns. After 6th JCC, situation became normalized, government shared information with provinces and mitigated some concerns as well.

- *Non-representation of smaller Provinces in Initial Meetings of JCC* is also responsible for creating debate on CPEC. The initial meetings of JCC contain no representation from smaller provinces and the reason for this is the secrecy maintained by federal government. Over the protest by smaller provinces and made this issue public, government took this issue seriously and by mitigating the concerns of units give them representation in 6th JCC meeting.

5.4. CPEC and Center-KP Relations

Center-KP relations were deteriorated when federal government unfold the route of CPEC. Government of KP went on protest at governmental level and as well as raised this issue in public. The concerns of KP is regarding the changing of original route decided before and covering the most of the west of Pakistan. Relations became worst till 2016 but after mitigating the concerns by federal government relations return to normalization.

On 6 October, 2015 a resolution adopted unanimously in KP assembly over the issue of CPEC route and opposed all the changes in the original plan of CPEC while saying that such changes will harm the relations amongst federating units and create disharmony. KP assembly also demanded the implementation of the National consensus made in first

APC on 28 May in later and spirit in the said resolution. They termed these changes as a threat to the federation of Pakistan and its integration (Ashfaq, 2015).

Chief Minister KP Pervez Khattak in January 2016 said that 'if central government deprived KP from its due share than CPEC won't pass through the KP'. He further went on to say that, 'center should divert CPEC route away if the KP did not get benefit from it and if the KP didn't then nobody will be able to get anything from it'. Pervez Khattak scolded over Punjab for 'snatching the rights of smaller provinces and precisely mentioned that to benefit the largest provinces (in terms of population) everything was manipulated. He mentioned about the federal government that it was denying the due share of KP whether it was water, gas, oil or net hydel profit issue and forcing KP government to go for agitation. While mentioning political forces inside province, he said all were united on the issue of CPEC and the important thing is that Punjab has need to change its behavior towards smaller provinces. About western route, he said that federal government pledge on May 28, for its completion on priority basis. He requested to political leaders of province to fight for the rights of province and raise their voice in this regard (Report, 2016).

Pervez Khattak while speaking about the importance of western route said that as compared to eastern route it has 500 to 600 km shorter distance and was backward as well, which must be completed on priority. He also revealed that, he wrote a letter to central government about some contentious issues between province and center and demanded copies of agreements signed between Pakistan and China. He added that, no response from center and by not taking them into confidence regarding CPEC, let us to raise this issue in

public to pressurize the government. He further said about to take CPEC issue into the CCI, the national and provincial assemblies and other forums which can handle such issues (Report, 2016).

In September 2016, Pervez Khattak (KP Chief Minister) termed CPEC as 'Silent Corridor' because of the secrecy it has and no one have knowledge about the projects initiatives. CM also mentioned that a pressure over federal government was created by all parties' conference and in the response under CPEC some projects came to KP (Desk, 2016).

The provincial president of Qaumi Watan Party and a senior minister of KP cabinet Sikandar Hayat Khan Sherpao said that "without the participation of KP, CPEC project couldn't be completed". He said, for country's progress, development of all federating units is necessary and it seems that Pakistan was not being run like a federation because Punjab is dominating on other provinces. On the other hand, Sardar Hussain Babak from ANP termed CPEC as an issue of life and death for the people and called it, as a game-changer for the future of province (Report, 2016).

Asfandiyar Wali Khan, who is the chief of ANP has clearly mentioned that if the people of KP get their due rights then CPEC will be acceptable to KP. While threatening center, he said that they would not led the center to start CPEC until KP got its due share (Desk, 2016). On the other hand, it seems that inside the KP there were also differences between political parties for instant, Iftikhar Ali Mashwani said that "ANP is befooling Pakhtuns and have adopted dual standards on CPEC". He further said that they are

misleading Pakhtuns, doing point scoring on the said project and not fighting for the rights of KP (Shaikh, 2016).

5.5. CPEC and Center-Balochistan Relations

When we talk about CPEC and Balochistan, the thing which clicks in our mind is Gwadar Port. Gwadar port has great importance in the sense that it is a central point and a gateway of CPEC. Being a deep world sea port and with great strategic location, its paved a way for the cooperation of both states (Pakistan & China) in different areas under CPEC. Balochistan have extraordinary importance because of Gwadar port, in this section I discussed about, how Gwadar port help Balochistan economy particularly and its people. I also discussed the role of CPEC in the development of province and the concerns of Balochistan regarding CPEC project.

The importance of Balochistan increases because of Gwadar port and China decided to established pipelines (oil & gas) from Persian Gulf to Xinjiang through Balochistan and Hindu Kush Mountains. As compared to Malacca Strait, Balochistan through Gwadar port provided shortest route for Chinese goods to be reached in Xinjiang. The militant problem faced by Balochistan was assumed as threat to CPEC, so countering these threats Pakistani officials pledged for provision of security. Some scholar in Pakistan believed that CPEC will boost the economy of Balochistan and restore stability. Politicians of Balochistan thinks that, if this happen, then the trade generates in the province, most of it will flow towards Punjab which is hoping by Punjabi establishment (Desk, 2015).

Akhter Mengal in December 2015, said that without addressing the concerns of Baloch's regarding CPEC, its fate would be as of the Kalabagh dam. He said, Gwadar port

is an integral part of CPEC and no one can deprive Baloch's from their due rights, this project should benefit the people of province.

Chief of BNP Akhter Mengal on February 25, 2017 said that, "*CPEC is not meant for the progress of Balochistan....it would transform the Baloch Nation into a minority on their own soil*". He said that it is the need of time to pass legislation for the protection of Baloch's and "*not let them become a minority.... in Gwadar*". While talking about the CPEC he said that it is not a welfare program or a development fund and the infrastructure and resource allocation has never been seen so far. The aim of this is to enhance trade and generate profit for enterprises. What Pakistan gets in it, is just the trade links, infrastructure and jobs and the allocation of benefits are in the hands of China. The checkered history of Balochistan tell us that it was underdeveloped and repressed over the decades and it would be unwise to ignore the concerns of Baloch's. He termed the projects as subject to power politics (and the home for it is Punjab). He further said that federal government must address this concern because unresolved concerns pave the way for insurgencies, which would put CPEC at risk (Desk, 2017).

5.6. CPEC and Center-Sindh Relations

Sindh relations with central government are not too bad because of the reason that both governments (PPP & PML-N) have strong ties and previously signed Charter of Democracy. Sindh had some concerns over CPEC projects specially regarding Keti Bandar port, which were resolved by federal government. They have also some concerns on water supply which is under discussion. Overall Sindh have good ties with federal government.

Sindh civil society after KP and Balochistan raised their objections regarding CPEC projects. Fazalullah Qureshi (former federal secretary) from Sindh said that PML-N government (federal government) used CPEC (route/projects) to strengthen their grip in central Punjab. He said, development of Ketu Bandar Port determines the benefits of CPEC for Sindh (this was one of the concern of Sindh as well, which has been resolved later) (News, 2016).

In February 2016 Sindh Finance Minister (Syed Murad Ali Shah) requested the parliamentary committee on CPEC to Call the CCI meeting on the concerns and issues regarding CPEC (Reporter, 2016). The issues between two set of governments were related to energy projects (under CPEC) and water supply. Land acquisition was the problem which comes under energy projects and later solved through dialogues between both. In 2017, CCI meeting was held in which most of the issues of Sindh were resolved.

CM Sindh on March 2017 said that CPEC will boost the economy of Sindh as 9 energy projects under CPEC are in Sindh. He also attended the 6th JCC meeting in December, in which on his efforts 3 more projects were included for Sindh which will be beneficial for whole province and particularly for Karachi (Times, 2017).

5.7. CPEC and Center-Punjab Relations

Center and Punjab relations are good enough because of the reason that Pakistan Muslim League Nawaz (PML-N) runs the government both in center and Punjab province. This is not the only reason of good relations, throughout in the history, Punjab have maintained good relations with federal government and that was the reason smaller provinces called central government a Punjab dominated government. In terms of CPEC,

Punjab also went one step ahead and build strong ties not only with federal government but directly with china as well. Punjab tried to get more benefits from CPEC as much as it can and succeeded in its initiatives.

The proof of good relations of Punjab with central government is that, CM Punjab attended the 3rd and 4th meeting of JCC in which he decided projects related to Punjab. One time CM Balochistan attended meeting with him but no representative of other provinces is along with him. Infrastructure, industrial zone, energy projects are the projects which has been initiated and some are proposed to being built in Punjab. Orange line train is one of the expensive project build in Lahore under CPEC (discussion on it is followed in next paragraph).

CM Punjab in August 2016 said that an opposition to CPEC is considered as opposition to Pakistan. He was of the view that continuity of CPEC projects is important because Pakistan economy is recovering day by day. While talking about energy projects he said that work on energy projects is on fast track in Punjab and “Punjab speed is Pakistan Speed.” He talked about transparency that no one have any proof and can prove corruption of single penny, if someone do it, I will go home. Further, he mentioned that tendering took place for orange line metro train project to ensure transparency (Desk, 2016).

There is clear cut misconception created by government about orang line train and is a best example of lack of transparency and secrecy. Ahsan Iqbal said that metro train project is the project of Punjab government and included in CPEC in 6th JCC meeting but the project was mentioned in the minutes of the initial meetings of JCC. As per media report 53% projects are allocated to Punjab (Tanoli, 2016).

In the finalization of CPEC long term plan (LTP), Punjab helped the federal government to maximize its benefits (Ullah, 2017). Punjab also represented the initial meetings of JCC in which short term plan and early harvest projects were discussed. It was said that Punjab being a big province have potential to lead the CPEC.

5.8. CPEC and Gilgit-Baltistan

Gilgit-Baltistan (GB) is the northern area of Pakistan and historically is a part of Jammu and Kashmir. The borders of GB connecting Pakistan with Chinese province Xinjiang and the route of CPEC is passing through both territories. Gilgit-Baltistan is not an independent province (constitutionally) of Pakistan and facing recognition problem now a day's. Though, GB is autonomous body of Pakistan and enjoy semi-provincial status which is considered as challenge to CPEC. GB is an essential part of CPEC and the unclear legal status of the area would be considered as a big challenge to multibillion dollar project (Wolf, 2016).

The researchers from GB argued that no projects for GB has announced apart from road and Special Economic Zone (SEZ). Being a strategically important for CPEC, GB is completely ignored in the mega investment. The education level in the region raise up and a lot of youth is unemployed, though CPEC is a way to create opportunities for the locals in their own region and for that purpose federal government must turn their attention to the neglected area (Gilgit-Baltistan) of Pakistan. Along with that, the region has significant importance because of the bulk of cultures and languages historically. Now it's up to Pakistani leadership that they deal GB as a route to CPEC or fulfill their promises regarding the development of this region (Torwali, 2017).

5.9. Conclusion

The concerns of smaller provinces emerged on CPEC when central government issued maps of the route of CPEC. These controversial maps became the cause of political debate. Smaller provinces (Balochistan and KP) went on protest and demanded their due rights and more weightage in CPEC projects. Even the formal authorities from respected provinces issued the harsh statements about fate of CPEC and related projects. Then federal government called APCs and tried to mitigate these concerns. The APCs in a long run failed to counter the political debate. In 2016, before the 6th JCC meeting, a meeting held in Islamabad in which government decided to give representation to federating units in JCC's meetings. This decision and new projects proposed in 6th JCC became a source to counter the political debate.

Conclusion

This research revolves around the political debate on CPEC. While investigating the political debate first federalism in Pakistan and its pre-phase discussed in detail. Based on gathered information's I came to conclusion that centralization always dominated the multi ethnic federation of Pakistan throughout her history. For the sake of achieving unity in diversity Pakistan adopted federalism but unfortunately due to the overriding powers (centralization) the federation of Pakistan not bear fruit as it meant for. Smaller sub-nationalities of Pakistan suffered throughout the history and the proof for it is the centralization of power in first two constitutions of country with one unit scheme. East Pakistan also separated due to that very reason because the grievances redressal mechanism was so weak in the initial decades of Pakistan (weak as well afterwards). The question of smaller sub nationalities regarding provincial autonomy remained unanswered which created the bad vibes for them regarding center and even federation further led to the centralization with 8th and 17th amendment. Throughout the history, central government did not take full-fledge initiative to solved the concerns of smaller provinces. Only one initiative was taken under the roof of 18th amendment but not implemented in later and spirit. Still country run under the strong center but provinces are still fighting for their rights.

Further, this centralization affects the mega projects as well. Mega initiatives attracted huge amount of public, bigger in size and started with the federal funding. These projects are planned to give benefit to some constituencies and contain both advantages and disadvantages. When debate started around these projects then federal government

tackle such concerns or mitigated by announcing new projects or make some structural changes. Likewise, in the case of CPEC it seems that route was changed to give benefit to some areas. When federating, units started protest then federal government came one step ahead and tackle this issue while announcing some small projects and relate them with CPEC. Centralization affected CPEC in the sense that all details about projects kept secret by the federal government which created disturbance in the relations of center and smaller provinces. CPEC have both advantages and disadvantages for Pakistan and it will provide a huge competition to the local industry.

Political debate was started because of the alleged changes in the route of CPEC and due to many other reasons. There was no representation of smaller provinces in the initial meetings of JCC which increased the height of issue. The debate increased day by day and then federal government came ahead to solved the issues. Federal government under CPEC announced projects with the name of 'new provincial projects' to mitigate the concerns of provinces. The inclusion of new projects raised the amount of CPEC investment up to \$51 billion. Finally, we saw that with the inclusion of representation from provinces in 6th JCC meeting political debate is controlled to the great extent and many concerns were resolved.

Findings/Recommendations

- Centralization of power in the federation of Pakistan harm the smooth functioning of federation.
- Centralization is also responsible for creating politics around mega projects. The proof for this is the unfair distribution under mega projects.

- Secrecy in the CPEC project created grievances around CPEC and harmed the center-provinces relations.
- Lack of transparency issue is created because of the secrecy in CPEC project.
- If the CPEC related issues will discussed in the meeting of CCI then there is no room left for political debate on it.
- Representation of smaller provinces in JCC meetings is necessary to make decisions smoothly and avoid political debate.
- Government must disclose the documents regarding CPEC to avoid misconceptions.
- To provide full-fledge information to the people regarding CPEC projects is necessary to avoid the secrecy and lack of transparency.
- Federal government must take the concerned province in confidence before launching project in the respective province.
- The focus of CPEC projects must be turned to the backward areas to promote the vulnerable classes and resolve the grievances of neglected communities.
- If government want CPEC as a game changer for Pakistan, then there is a dire need of political unity.

REFERENCES

- Abbasi, Z. F. (2010). *Federalism, Provincial Autonomy and Conflicts*. Islamabad: Center for Peace and Development Initiatives (CPDI).
- Adeney, K. (2007). *Federalism and Ethnic Conflict Regulation In India and Pakistan*. New York: Palgrave Macmillian.
- Adeney, K. (2009). The Limitations of Non-consociational Federalism: The Example of Pakistan. *Ethnopolitics*, 8(1), 87-106.
- Admin. (2017, January 19). *www.cpec.gov.pk*. Retrieved from Ministry of Planning Development & Reform: <http://cpec.gov.pk/news/23>
- Admin, W. (2016, January 10). *APC declaration asks for fulfillment of CPEC promises: The Nation*. Retrieved May 16, 2017, from The Nation Web site: <http://nation.com.pk/national/10-Jan-2016/apc-on-cpec-underway>
- Admin, W. (2017, January 19). *6th Post JCC Meeting: China Pakistan Economic Corridor*. Retrieved May 12, 2017, from China Pakistan Economic Corridor Web site: <http://cpec.gov.pk/news/23>
- Agency, N. (2013, May 22). *Chinese Premier In Pakistan: Dawn*. Retrieved April 26, 2017, from Dawn Web site: <https://www.dawn.com/news/1012968>
- Ahmed, D. S. (2014). *Historical Evolution of Federalism in Pakistan*. Islamabad: Pakistan Institute of Legislative Development and Transparency (PILDAT).
- Aijazuddin, F. S. (2000). *From a Head, through a Head, to a Head: The Secret Channel between the US and China through Pakistan*. Karachi: Oxford University Press.
- Ali, M. (1996). *Politics of Federalism in Pakistan*. Karachi: Royal Book Company.
- Ali, M. (2015, April 22). K-P Censures Change in Route of China-Pakistan Economic Corridor. *The Express Tribune*.
- Anderson, G. (2008). *Federalism: An Introduction*. Canada: Oxford University Press.
- Anwar, Z. (2011). Gwadar Deep Sea Port's Emergence as Regional Trade and Transportation Hub: Prospects and Problems. *Journal of Political Studies*, 97-112.
- Ariyo, A. (2003). *"Theories of Federalism" in Fiscal Policy and Growth in Africa: Fiscal Federalism, Decentralization and the Incidence of Taxation*. Addis Ababa: Economic Commission for Africa.

- Ashfaq, M. (2015, October 07). *Changes in Economic Corridor Route Echo In KP Assembly: Dawn News*. Retrieved April 22, 2017, from Dawn Web site: <https://www.dawn.com/news/1211484>
- Baxter, C. (1974). Constitutional Making: The Development of Federalism in Pakistan. *Asian Survey*, 14(12), 1074-1085.
- Butt, D. K. (2015). Impact of CPEC on Regional and Extra-Regional Actors: Analysis of Benefits and Challenges. *The Journal of Political Science*, 128-133.
- Chandio, J. (2013). The Crises of Federalism in Pakistan: Issues and Challenges . *Strengthening Participatory Organization*, 1-37.
- Desk, W. (2014, August 28). *Third Meeting of JCC: The News*. Retrieved May 2, 2017, from The News Web site: <https://www.thenews.com.pk/archive/print/640076-third-meeting-of-jcc-on-china-pakistan-economic-corridor-held>
- Desk, W. (2015, Jun 6). *Dark corridor: The Economist*. Retrieved May 18, 2017, from The Economist Web site: <http://www.economist.com/node/21653657>
- Desk, W. (2016, December 30). *6th JCC on CPEC end with Satisfactory Note: Pak China News*. Retrieved May 12, 2017, from Pak China News Web site: <http://pakchinanews.pk/6th-jcc-on-cpec-ends-with-satisfactory-note/#>
- Desk, W. (2016, August 10). *An Opposition to CPEC is Opposition to Pakistan: Pak China News* . Retrieved June 14, 2017, from Pak Chian News Web site: <http://pakchinanews.pk/any-opposition-to-cpec-would-be-opposition-to-pakistan-cm-punjab/>
- Desk, W. (2016, September 16). *ANP Chief on CPEC: Pak China News*. Retrieved February 19, 2017, from Pak China News Web site: <http://pakchinanews.pk/cpec-acceptable-to-kpk-only-if-the-province-is-given-due-rights-anp-chief/>
- Desk, W. (2016, September 12). *CPEC A silent Corridor: Pak China News*. Retrieved April 22, 2017, from Pak China News Web site: <http://pakchinanews.pk/cpec-became-a-silent-corridor-kpk-minister-pervez-khattak/>
- Desk, W. (2016, January 15). *PR No. 134 Decisions Taken In The All Parties Conference: Press Information Department*. Retrieved May 16, 2017, from Press Information Department Web site: <http://www.pid.gov.pk/?p=14070>

- Desk, W. (2017, February 27). *CPEC Development Fund: The Nation*. Retrieved May 18, 2017, from The Nation Web site: <http://nation.com.pk/editorials/27-Feb-2017/cpec-development-fund>
- Dicey, A. V. (1973). *An Introduction to the Study of the Law of the Constitution*. London: English Language Book Society and Macmillan .
- Dictionary, L. (2016, December 13). *Legal Dictionary*. Retrieved from The Free Dictionary : <http://legal-dictionary.thefreedictionary.com/federalism>
- Din, I. K. (2013). Intergovernmental Transfers: An Evaluation of Mechanism and Design of Transfers in Pakistan. *The Pakistan Development Review*, 45-68.
- Directory, D. (2017, February 27). *Demographic Directory: Benazir Income Support Programme* . Retrieved from Benazir Income Support Programme Web site: <http://www.bisp.gov.pk>
- Elahi, F. (2013, July 30). *Nawaz China Visit: Dawn*. Retrieved April 25, 2017, from Dawn Web site: <https://www.dawn.com/news/1032950>
- Faiz, A. (2015). *Making Federalism Work*. Karachi: Oxford University Press.
- Farooq, D. e. (2014). Effectiveness of Cash Transfer Programmes for Household Welfare in Pakistan: The Case of the Benazir Income Support Programme. *Pakistan Development Review*, 1-32.
- Feyyaz, M. (2011). Construction of Kalabagh Dam. *PILDAT*, 1-20.
- Ghumman, K. (2015, May 29). *Parties give go-ahead to China-Pak Corridor: Dawn News*. Retrieved May 16, 2017, from Dawn News Web site: <https://www.dawn.com/news/1184885>
- Gilani, D. H. (2013). *The First 10 General Elections of Pakistan A Story of Pakistan's Transition From Democracy Above Rule Of Law To Democracy Under Rule OF Law: 1970-2013*. Islamabad: PIILDAT.
- Haider, I. (2015, May 28). *Parties Pledge to take full ownership of CPEC: Dawn News*. Retrieved May 13, 2017, from Dawn News Web site: <https://www.dawn.com/news/1184733>
- Haque, M. U. (2008). *Political Science: Theory and Practice* (8th Edition ed.). Lahore: Bookland 16, Urdu Bazar.

- Hugo Priemus, B. F. (2008). *Decision-Making on Mega-Projects Cost–Benefit Analysis, Planning and Innovation*. Cheltenham: Edward Elgar Publishing Limited.
- Imaduddin. (2015, November 12). *JCC agrees to add more projects under CPEC: Business Recorder*. Retrieved May 9, 2017, from Business Recorder Web site: <http://www.brecorder.com/2015/11/12/260817/>
- Institute, P. C. (2017, March 15). *Energy Projects: China-Pakistan Economic Corridor*. Retrieved from Chian-Pakistan Economic Corridor: <http://www.cpecinfo.com/energy-generation>
- Institute, P. C. (2017, March 17). *Gwadar Port City: China-Pakistan Economic Corridor*. Retrieved from China-Pakistan Economic Corridor: <http://www.cpecinfo.com>
- Institute, P. C. (2017, March 16). *Transportation Infrastructure: China-Pakistan Economic Corridor*. Retrieved from China-Pakistan Economic Corridor: <http://www.cpecinfo.com>
- Javed, U. (2016, January 18). CPEC and Federalism. *Dawn News*, p. 9.
- Khalid, I. (2013). Politics of Federalism in Pakistan: Problems and Prospects. *South Asian Studies*, 28, 199-212.
- Khan, A. U. (2015, January). Pak-China Economic Corridor: The Hopes and Reality. *SPOTLIGHT on Regional Affairs*, 1-32.
- Khan, H. (2012). *Constitutional and Political History of Pakitan*. Karachi: Oxford University Press.
- Khan, M. A. (2015). *The Constitution of The Islamic Republic of Pakistan, 1973*. Lahore: Key Law Reporters (KLR) Publications & Co .
- Khetran, M. S. (2015). The Potential and Prospects of Gwadar Port. *Strategic Studies*, 70-89.
- Kiani, K. (2016, December 23). *Provinces invited to attend CPEC meeting in Beijing next week: Dawn*. Retrieved May 12, 2017, from Dawn Web site: <https://www.dawn.com/news/1303890>
- Kim, S.-U. (2016, December 13). *Federalism Centripetal*. Retrieved from Sociology Index: http://sociologyindex.com/federalism_centripetal.htm
- M. Israr Khan, D. M. (2014). Feasibility Study Of Kalabagh Dam Pakistan. *Life Science Journal*, 458-470.

- Mallah, A. B. (2007). Mega Projects in Balochistan. *Collective for Social Science Research*, 1-17.
- Mark Bevir, R. R. (2002). Interpretive Theory. *Theory and Methods in Political Science*, 1-39.
- Ministry, P. (2017, March 1). *Gwadar Port & CPEC: Ministry of Ports & Shipping*. Retrieved from Ministry of Ports & Shipping: <http://www.mps.gov.pk>
- Muhammad, U. (2012). *Hydro Politics and Interprovincial Relations in Pakistan: A Case Study of the Kalabagh Dam Controversy*. Uppsala: Sveriges lantbruksuniversitet Swedish University of Agricultural Sciences.
- Naeem Ejaz, J. H. (2013). Assessment of most critical success factors for mega construction projects in Pakistan. *Life Science Journal*, 255-261.
- Naseem, A. (2015). *Impact of China Pak Economic Corridor - A Bird's Eye View*. Islamabad: BMA Capital.
- Naseer, S. (2007). Federalism and Constitutional Development in Pakistan. *Contributions to Nepalese Studies* (pp. 2-10). Nepal: Centre for Nepal and Asian Studies.
- Nazir, M. (2001). *Federalism in Pakistan: 1947 - 58*. Lahore: Department of Political Science, University of Punjab.
- News, T. (2016, January 15). *Sindh's Civil Society Bodies Raise Objections Over CPEC: The News*. Retrieved June 19, 2017, from The News Web site: <https://www.thenews.com.pk/print/93458-Sindhs-civil-society-bodies-raise-objections-over-CPEC>
- Office, P. (2017, February 25). *Fee Reimbursement Scheme: Prime Minister Youth Programme*. Retrieved from Prime Minister Youth Programme: <http://www.youth.pmo.gov.pk>
- Office, P. (2017, January 06). *News Details: Prime Minister Office*. Retrieved from Prime Minister Office Web site: <http://youth.pmo.gov.pk>
- Office, P. (2017, February 24). *Youth Business Loan: Prime Minister Youth Programme*. Retrieved from Prime Minister Youth Programme Web Site: <http://www.youth.pmo.gov.pk>
- Office, P. (2017, February 25). *Youth Laptop Scheme: Prime Minister Youth Programme*. Retrieved from Prime Minister Youth Programme Web Site: <http://www.youth.pmo.gov.pk>

- Office, P. (2017, February 25). *Youth Skill Development Programme: Prime Minister Youth Programme*. Retrieved from Prime Minister Youth Programme Web Site: <http://www.youth.pmo.gov.pk>
- Office, P. (2017, February 25). *Youth Training Scheme: Prime Minister Youth Programme*. Retrieved from Prime Minister Youth Programme Web Site : <http://www.youth.pmo.gov.pk>
- Planning, M. o. (2017, March 15). *About CPEC: China Pakistan Economic Corridor*. Retrieved from China Pakistan Economic Corridor Web site: <http://www.cpec.gov.pk>
- Planning, M. o. (2017, March 16). *CPEC Infrastructure Projects: China Pakistan Economic Corridor*. Retrieved from China Pakistan Economic Corridor: <http://www.cpec.gov.pk>
- Planning, M. o. (2017, March 15). *Energy Projects: China Pakistan Economic Corridor*. Retrieved from China Pakistan Economic Corridor: <http://www.cpec.gov.pk>
- Planning, M. o. (2017, March 17). *Gwadar Projects: China Pakistan Economic Corridor*. Retrieved from China Pakistan Economic Corridor: <http://www.cpec.gov.pk>
- Planning, M. o. (2017, March 21). *Special Economic Zones: China Pakistan Economic Corridor*. Retrieved from China Pakistan Economic Corridor: <http://www.cpec.gov.pk>
- Rabbani, M. I. (2012). *Pakistan Affairs* (Nineteenth ed.). Lahore: Zahid Bashir Printers.
- Rabbani, M. R. (2011). *A Biography of Pakistani Federalism Unity in Diversity*. Islamabad: Leo Books.
- Ranjan, A. (2015, May). *The China-Pakistan Economic Corridor: India's Options*. *Institute of Chinese Studies*.
- Report, B. (2016, January 03). *CPEC won't pass through KP if due share denied: Dawn Newspaper*. Retrieved April 20, 2017, from Dawn Web site: <https://www.dawn.com/news/1230458>
- Reporter. (2015, March 26). *JCC of CPEC selects energy and infrastructure projects for implementation launch: China.org.cn*. Retrieved May 8, 2017, from China.org.cn Web site: http://www.china.org.cn/world/2015-03/26/content_35162141.htm
- Reporter, S. (2015, May 15). *Ahsan Reveals three Routes of Corridor: Dawn*. Retrieved April 24, 2017, from Dawn Web site: <https://www.dawn.com/news/1182074>

- Reporter, S. (2016, February 20). *Sindh Wants CCI to Trash Out CPEC Issues: Dawn News*. Retrieved June 19, 2017, from Dawn News Web site: <https://www.dawn.com/news/1240743>
- Rizvi, D. H.-A. (2006, December). Dynamics of Federalism in Pakistan: Current Challenges and Future Directions. *Pakistan Institute of Legislative Development and Transparency (PILDAT)*, 1-31.
- Rizvi, H. A. (2015). The China-Pakistan Economic Corridor: Regional Cooperation and Socio-Economic Development. *Strategic Studies*, 34(4), 1-17.
- Rodden, J. (2004, July). Comparative Federalism and Decentralization: On Meaning and Measurement. *Comparative Politics*, 36(34), 481-500.
- Safi, S. (2015, November 28). CPEC- EK QABL-E-AMAL FORMULA. *Jang Urdu*.
- Samar, A. (2015, November 13). *JCC of CPEC: The News International*. Retrieved May 9, 2017, from The News International Web site: <https://www.thenews.com.pk/print/72946-jcc-of-cpec-decides-to-enhance-capacity-of-thar-power-projects-to-2600mw>
- Sayeed, K. B. (1954). Federalism and Pakistan. *Far Eastern Survey*, 23(9), 139-143.
- Shah, S. M. (1994). *Federalism in Pakistan: Theory and Practice*. Islamabad: National Institute of Pakistan Studies.
- Shaikh, N. A. (2016, December 22). *CPEC: Pak China News*. Retrieved April 14, 2017, from Pak China News Web site: <http://www.pakchinanews.pk>
- Singh, Y. K. (2006). *Fundamentals of Research Methodology and statistics*. New Dehli: New Age International.
- Tanoli, J. R. (2015). Comparative Analysis of Gwadar and Chabahar: The Two Rival Ports. *Center for Strategic and Contemporary Research*, 1-7.
- Tanoli, Q. (2016, September 3). *Punjab gets lion's share in Chinese Projects: The Expree Tribune* . Retrieved from The Express Tribune Web site: <https://tribune.com.pk/story/1175160/economic-corridor-punjab-gets-lions-share-cpec-projects/>
- Times, D. (2017, March 15). *CPEC To Boost Sindh's Economy: Daily Times*. Retrieved June 19, 2017, from Daily Times Web site: <http://dailytimes.com.pk/pakistan/15-Mar-17/cpec-to-boost-sindhs-economy-cm>

- Torwali, Z. (2017, August 22) *CPEC in Gilgit-Baltistan: The News*. Retrieved August 26, 2017, from The News Web site: <https://www.thenews.com.pk/print/225069>
CPEC-in-Gilgit-Baltistan
- Uddin, R. (2013). *Benazir Income Support Programme (BISP) Scorecard Spot Check Evaluation*. Islamabad: Innovative Development Strategies.
- Ullah, D. M. (2017, March 29). *CPEC and Punjab: The News*. Retrieved June 17, 2017, from The News Web site: <https://www.thenews.com.pk/print/195099-CPEC-and-Punjab>
- Wheare, K. C. (1963). *Federal Government*. London: Oxford University Press.
- Wolf, S. O. (2016, 06 28). The China-Pakistan Economic Corridor: An Assessment of its Feasibility and Impact on Regional Cooperation. *South Asia Democratic Forum (SADF)*, 1-62.
- Wolf, S. O. (2016). China-Pakistan Economic Corridor (CPEC) and its impact on Gilgit-Baltistan. *South Asia Democratic Forum (SADF)*.
- Xinhua. (2013, August 28). *First Meeting of JCC: Global Times*. Retrieved April 27, 2017, from Global Times Web site:
<http://www.globaltimes.cn/content/806890.shtml>
- Yin, R. K. (2009). *Case Study Research Design and Methods* (Forth ed.). California: SAGE Publications, Inc.
- Zhob, K. S. (2015, December 15). CPEC and Balochistan. *Dawn News*.