

## NATION BUILDING THROUGH CPEC

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### **Abstract**

*Pakistan today confronts mega problems. It has been a victim of hybrid warfare for decades. Pakistan has been a hostage of International Financial Institutions (IFI). Even if we question, we question consequences and not the root causes. It is time to adopt a new 'development paradigm' that may meet our future needs. Pakistan does not lack in talented people but the local aristocratic power elites have become the protagonists, facilitators and handlers of hybrid war by making it sure that critical policy making and governance institutions are headed by incompetent and irrelevant people. That is how the western powers' hybrid war strategy ignited an 'implosion' in the former Soviet Union in 1991. This template was repeated in the Middle East and North Africa to precipitate 'colour spring' revolutions, destabilizing the entire region. The 21<sup>st</sup> century has catapulted Pakistan once again to a new level of geo-political and geo-economic importance. The Chinese knew that 'if China is the future, Pakistan holds the key'. China Pakistan Economic Corridor (CPEC) is a mean to an end i.e. economic take off of Pakistan. If official business continues as usual, CPEC is likely to be a 'missed opportunity'.*

**Keywords:** Nation Building, CPEC, Hybrid Warfare, Western Powers, North Africa.

### **Introduction**

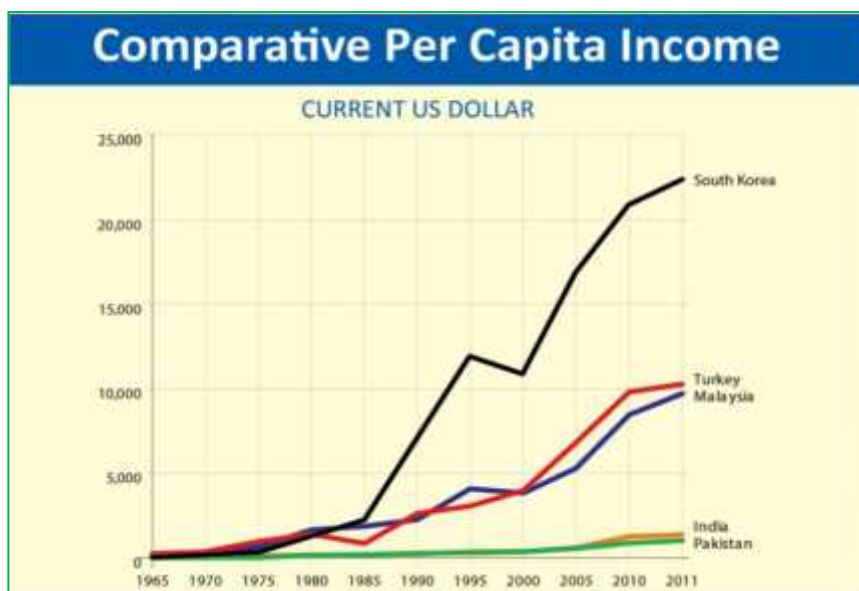
**P**akistan since its inception is facing problems. It has been a victim of hybrid warfare for decades. All nations make mistakes, irrespective of the economic model i.e. political economy, structural, classical, neo classical, liberal, neo liberal, socialist, or those following Washington consensus. The truth is that only nations which learn from the mistakes of others and more importantly their own, break the vicious cycle of poverty and enter into 'prosperity' zone. For 60 years Pakistan's economy has been a hostage of IFI Hit men and remained dependent on donors. Even if we question, we question consequences and not the root causes. The time to adopt a new 'development paradigm' that meets our future needs, addresses

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current failures and learns from the past mistakes, is “**now** or **never**”. Pakistan sits at the ‘cusp’ of historic transition in its nation building, with both vulnerabilities and in-built strengths, as we race to second quarter of the 21<sup>st</sup> century. The vulnerabilities are all too well known. But no vulnerability is stronger than sustained external interference by the western powers and institutions in our internal matters and inability of our so-called feudal and tribal elite dominated parliament and governance entities to undertake necessary reforms to thwart the hybrid war (known as the fifth generation hybrid war).

Pakistan does not lack in talented people but the local aristocratic power elites have become the protagonists, facilitators and handlers of hybrid war by making it sure that critical Policy making and governance institutions are headed by incompetent and irrelevant people. The IFIs have been ‘partners in crime’ in perpetrating economic despondency. Every IMF program of stabilization was meant to destabilize the country and make next IMF program has been signed and is in progress. Before IMF Hit men became hyper active with dual nationality and long term multiple entry visas for the western destinations to lobby for an IMF package for Pakistan in 1989, Pakistan was doing reasonably well ahead of India and Bangladesh. Since then, one IMF package has only ensured the next one. In 1991, India had to actually mortgage its gold reserves with the Bank of England to settle its debt obligations after witnessing what is known as the four decades of ‘Hindu rate of Gross Domestic Product (GDP) growth of 2 to 3 percent.



Source: Vision 2025, Ministry of Planning, Development and Reform Islamabad.

The power elite use their position for self-indulgence, self-gratification, self-protection and promotion. Over the past fifty years, elections after elections have been held without any change in complexion, composition, attitude or delivery. The unfortunate outcome has been Pakistan's sustained downslide in the comity of Nations. The IFI henchmen and hit men are all well placed in Pakistan's top policy making institutions such as the State Bank, Federal Board of Revenue, Finance, Commerce and Planning Ministries who help achieve their mentor's objectives for the sake of personal benefits. Wages for such services include dual citizenship, green card, multiple entry visas, scholarships and jobs for their off springs etc. There is marked interference by foreign powers and intelligence agencies in the internal affairs of Pakistan. The various forms and manifestations of the fifth generation hybrid war has been implemented with denial of economic space/market access, protracted sanctions, discriminatory tariffs, quotas, so-called business advisories, adverse ratings/rankings and media hostility. The IMF and IFI Hit men with 5 year multiple visa of western destinations, dominate the policy making institutions. Pakistan has in-built strengths too.

Pakistan was among 14 nations which gave loan of Rs.120 million for German reconstruction in 1950s. Comparison between Germany and Pakistan (All figures in US \$) 2015-2016		
	Germany	Pakistan
Causalities 1945 World War-II	7.5 million	1 million (1947)
Refugees	15 million	10 million
Area	357168 Square Kilometers	796096 Square Kilometers
Population	82 million	201 million
Size of Economy (Global)	4 <sup>th</sup>	27 <sup>th</sup>
GDP	3.8 trillion	304 billion
GDP (PPP)	3.842 billion (4 <sup>th</sup> )	1.060 billion (24 <sup>th</sup> )
Exports	1.28 trillion	21 billion
Per Capita Income	41,267	1468
HDI Score	0.926 (4 <sup>th</sup> )	0.550 (147 <sup>th</sup> )

**Source:** Wikipedia

An ancient Chinese metaphor says: “where there is stairway, it should be used”. Pakistan is ideally placed at strategic geographical location which is ‘gate way for interlocking regions’ of South Asia, Central Asia, West Asia, Gulf and Africa complements its demographic advantages; global connectivity; English language proficiency; civil/military institutions; rich natural and mineral resources endowments; expatriate community, social capital, soft power values and active

diplomatic presence at the international level. These are more than adequate assets to attract the great powers, including the Chinese with an eye on future, to bet on Pakistan. Pakistan's people have demonstrated repeatedly their unprecedented resilience to overwhelming odds and proved their ability to stage a 'comeback after every crisis'.

<b>In 1950, Pakistan Exported 111 Percent more than China</b>			
<b><u>Comparative Export Growth of Asian States</u></b>			
<b>(in million US dollar)</b>			
<b>States / Year</b>	<b>1950</b>	<b>1973</b>	<b>2006</b>
Pakistan	633	955	16,930
India	1,145	2,917	120,254
China	550	5,876	986,936
Japan	855	37,107	649,931
Republic of Korea	23	3,225	325,465

**Source:** Angus Madison. The World Economy, Organisation for Economic Co-operation and Development (OECD), Paris and World Trade Organization (WTO) International Trade Statistics 2007, Geneva.

Today Pakistan's GDP is one and a half times larger than China's GDP in 1978 but Pakistan stands in 2019 where China stood in 1979, when it began its comprehensive policy of reforms and open door to the outside world. Pakistan's history of nation building is however, a long list of 'missed opportunities'. It is of no use to indulge in blame game, complaints and ungratefulness. Our airports and markets do not have tourists despite rich historical heritage sites, tourist attractions and hospitality of the local population. Due to systemic failures in the absence of rule of law, merit and inclusiveness, Pakistan's narrative is missing globally. Pakistan can and should reverse its sustained downslide. It is among the best blessed and geographically well placed nation. Its rich natural resource, mineral resource, human resource, diverse climate, demography, social capital, cultural values and civil-military institutions, provide formidable inbuilt strengths.

### **Nation Building Paradoxes of Pakistan**

Pakistan has a heavy baggage or burden in view of the peculiar circumstances of its history, economy and society which is preventing achievement of its destined role in the world, as per dreams of its founding fathers and millions of men, women and children who laid down their lives and continue to serve the nation under challenging circumstances. Some of these are self-inflicted injuries,

while others have been courtesy of Pakistan's western friends with whom Pakistan became the 'most allied ally' and yet remained the 'most sanctioned ally'. A 'security state paradigm', exists due to Jammu and Kashmir dispute, Afghanistan situation, security threats and wars imposed by India. Pakistan has however weathered all the challenges to its existence over the past seven decades and came out as the 'partial winner' in the great game of the 20<sup>th</sup> century. If only, it can launch home grown comprehensive reforms to ignite economic take off and unleash the energy of its 210 million population, it can be assured a place in the high table in the 21<sup>st</sup> century.

The 21<sup>st</sup> century has now catapulted Pakistan once again to a new level of geo-political and geo-economic importance. The Chinese know that 'if China is the future, Pakistan holds the key'. Fifty states are interested to be part of CPEC<sup>1</sup> – the new Suez Canal of the 21<sup>st</sup> century. The route to peace and prosperity in South Asia, West Asia, Central Asia and the Gulf region all goes through Pakistan. Pakistan has been held as a hostage by IFIs development model based on imported fuel. The civil service needs far reaching reforms to improve the quality of governance. The quota system, like the construction of water reservoirs needs urgent review and action. The domination of narrow interests in politics has promoted emotionalism, cynicism and nihilism in population. For instance, innovative policies have not been undertaken for the full utilization of overseas Pakistanis. If the Pakistanis can succeed in creating wealth in the Silicon Valley USA and elsewhere in the world, why cannot they do in their own country. The critical reason is the absence of an 'enabling environment'. No effort has been made to attract expatriate Pakistanis to develop 'Silicon Valleys' in Pakistan. A number of developing countries including China, India, Vietnam, Philippines have adopted and succeeded in harnessing their expatriate population to create wealth. Here in Pakistan, we have exposed our overseas compatriots to the wolves of qabza mafia and the incompetent and corrupt governance machinery.

The taxation system has failed to promote revenue generation due to failures to undertake reforms of rules and procedures. The submission of income tax has been deliberately made complex and vague to keep away honest and law abiding citizens from contributing in revenue generation. The failure to undertake full documentation of the economy with defective national income accounts computing and taxation system dims the prospects of Pakistani economy. The taxation officials cannot even fill their own forms in a country, where only ten percent have been to universities. In fact, literacy level has declined to 58 percent from 60 per cent last year. There exists a negative mindset of the privileged elite to

development, with an indulgent culture, irrational thinking and tunnel vision. Our exporters have failed to move beyond family businesses in economy, with lack of coordination between private and public sector. There is negative role of religion, caste, ethnicity and media in national, provincial and local politics. Pakistan's exports lack value addition, connectivity, market survey, research, and innovation/creativity. There does not exist implementation machinery for foreign MoUs, deals, contracts and agreements leading to failure in attracting Foreign Direct Investment (FDI). The iron frame of the state i.e. federal ministries, departments and autonomous bodies has been destroyed by decades of nepotism, cronyism and corruption.

Due to major policy missteps, the rural industrialization and cottage industry have been destroyed in the absence of rural credit market and banking coverage to the rural areas. The education does not meet beyond the needs of 2 percent elite class. There exists class based discriminatory system of three tier education system with O and A level, matriculation/intermediate and deeni madaris are further perpetuating class differences. There exists a culture of mediocrity in higher education, with no attention to investment in Research and Development (R&D) or training in modern professional values at every level little or no attention is devoted by education and media institutions to grooming of younger generation in social values for nation building process. There exists unbridled consumerism and a culture of living beyond means, snobbery, ostentatious life style. The absence of the rule of law results in loss of credibility and trust in state policies and institutions. Pakistani decision makers require to adopt modernization promote knowledge culture; acknowledge and rectify past mistakes, learn from global best practices and change their mindset.

Pakistan civil service is high in governance, but low in service; high in spending and low in revenue; high in protocol rituals and low in performance, high in vision and low in delivery; high in verbosity and low in implementation. There is prevalence of corruption at all levels of government due to lax monitoring, institutional weakness, and decay in social values, leading to cronyism, nepotism and bad governance. The legal system and judiciary need comprehensive reforms to make justice timely, cheap and accessible. The crowding of cases at the higher courts need to be checked by establishing 'intermediate mediation courts'. Only extremely important issues of constitutional nature, criminal or civil jurisdiction should be taken up in the higher courts. There is a need to learn lessons from the past and acknowledge mistakes and adopt nation building reform and revival program. Pakistan does not only have twin deficits i.e. trade deficit and fiscal

deficit. It has leadership deficit, trust deficit, governance deficit, intellectual deficit, common sense deficit. Disastrous decisions in nation building include many, but a few only compare to the fateful decision to seek IMF bailout in 1989 and regularly thereafter. Pakistan economy was doing far better than Bangladesh and India, before it adopted the IMF program.

### **CPEC: A 'Pakistan Dream'**

The rise of Pakistan's trusted strategic partner China as the economic superpower, the respect Pakistan enjoys in the Islamic world and the quality of its military and strategic resources, make it a category in itself. The demographic dividend of having almost 67 percent of population below 30 years of age enables Pakistan to groom at least a million high quality professionals and triple of this number of vocational trained manpower annually from 2020 onwards to sustain the growth trajectory being ignited by CPEC. China is willing to help. For all these to materialize where Pakistan's demographic plays out to its advantage, the governance paradigm has to move away from its pro-West bias, feudal tribalism, defunct elitism, class divisions, parochialism, and nepotism. Pakistan needs to align its policies and practices to serve its own national interests.

China is confronting a shortage of 85 million skilled and professional manpower until 2050 AD, to sustain its high economic growth trajectory. Most of this talent and skills gap will be met by the rapid process of automation and relocation of in-competitive sectors of economy to the developing countries. However even then, according to credible estimates, China will need to meet a third of its total shortage in manpower from foreign professional and skilled talent. China has already begun attracting foreign talents. A corporate, engineering or social science degree holder from China now has an assured job opening, as China moves ahead. Pakistani universities are however, handicapped seriously by the shortage of China experts who could impart courses in Chinese studies and disciplines. Most Pakistani students who proceed to China for higher education undertake it in English language without bothering to learn the Chinese language, thus remaining sadly handicapped to understand the society, institutions and its way of working. For example, preparing our future generation for the job opportunities in the emerging multinational conglomerates of China (who as of July 2018 number 120 of fortune 500 companies) is a real possibility.

The main objectives of China's One Belt One Road (OBOR) initiative are to build a community of shared destiny by investing US \$ 1.3 trillion (gross US \$ 4

trillion) by 2030 AD in projects of connectivity such as roads, railways, power, ports, pipelines and human resources. The US \$ 62 billion China Pakistan Economic Corridor (CPEC) is the flagship project of the OBOR. The CPEC is meant to enable Pakistan's long moribund economy to take off by removing its supply side constraints in sectors such as infrastructure, energy and port handling capacities. While one third projects worth US \$ 22 billion under CPEC have been completed, work is ongoing on the second phase while the remaining third phase is under planning phase. The implementation of CPEC projects has been made possible by the unprecedented solidarity between various organs of state power and population. The success of these efforts have shocked the detractors and their powerful foreign backers. It is obvious that despite the many challenges, Pakistanis are determined to make CPEC a success. There is full agreement among the power brokers in Pakistan to see CPEC implemented to the full. The solidarity shown by our Chinese friends to our economic progress has very few parallels in diplomatic history.

China's medium to long term objectives include outsourcing its excess industrial capacity, developing new growth points, relocation of industrial zones, diversifying transit and transportation routes and supplies and to develop the western regions for closer integration with the Euro Asian markets. Pakistan has hundreds of 'shovel ready projects' in energy, motorways, railways, pipelines, industrial zones which given the 'trust' between the two countries, are already going through the various stages of full implementation. The Chinese initiative historically speaking resembles the economic dimensions of 'American Marshall Plan' after the World War-II for the Western Europe, but only ten times larger. The CPEC investment can generate 'multiplier effect' and 'spin offs' for the economy of Pakistan. There is a growing middle class, consumer culture and strong prospects for industrial revival, provided an enabling environment is established for 'wealth creation' by way of home grown comprehensive reforms in every sector of life. The projects of Gwadar's expansion plans, like the energy and infrastructure projects are all in full swing. The availability of multiple routes for transit corridors and the plans to build underground railway from Kashgar to Havelian will prove to be a real 'game changer' for the entire region contributing to peace, prosperity, security and stability for half of world's populations.

With CPEC entering the second or the middle phase of its implementation, it poses very different set of challenges and requires mobilizing different kinds of professional capacities. For example, attention is needed to the distribution system for dispersal of electricity from the grids, greening of environment with massive



plantations, dredging of canals, lakes and building up of water reservoirs, reforms in the civil service, local government, taxation, ease of doing business, banking and financial system, energy conservation, higher education, maritime, mining and tourism, etc. But the most important of these new policy initiatives are needed in the domain of poverty alleviation programs, through agriculture reforms, development of rural credit market, rural industrialization, township village enterprises, special economic zones and promotion of export culture. Again China is willing to help as 5000 Chinese small and medium enterprises are ready to relocate their factories to Pakistan to manufacture products for the Chinese market as well as abroad utilizing Pakistan's abundant raw material, cheap labour resources and location advantages.

The biggest challenge however is the 'disconnect' between Pakistani Small to Medium Enterprises (SMEs) and their Chinese counterparts in the absence of mutual awareness of culture, systemic and business ethics. The second challenge is the size of the companies. Some of the Chinese SMEs are indeed equal to Pakistan's Large Scale Enterprises (LSEs). Although Pakistan led the developing world during the decade of the 1960s and 1970s, the rules and procedure has also not kept pace with modernity. The third challenge is the slow decision making, low quality of governance with endemic corruption in all departments and all levels. In the absence of hard decisions for comprehensive policy reforms, the opportunities being opened up by CPEC, are not likely to be harnessed just by repeating the mantra of 'game changer' and a culture of ribbon cutting and China cutting. Pakistan needs to attract Chinese private sector investors with additional incentives package. Their investment in small and medium enterprises by way of joint ventures will bring in 90 percent of the investment envisaged under CPEC's medium and long term programs. The existing policies are inadequate. Pakistan has also unfortunately become a captive market for existing monopoly investors, who blackmail the government. CPEC is means to an end i.e. economic take off of Pakistan.

Pakistan is however, only 'cherry picking' from China's development experience. Any progress without 'comprehensive policy reforms' is unsustainable. Building 'knowledge corridor' could be worth many times more than multi track motorways. It will respond to demands of society and usher sustainable prosperity. When we build motorways, we deny higher education opportunities to thousands of promising and talented youth. There is what the economists prefer to call an 'opportunity cost' for every CPEC or non-CPEC project. Pakistan appears losing out on the future. 50 percent scholarships offered by Chinese universities are unutilized

due to lack of awareness and pro-West bias in our education system in particular and society in general. It is hence important for HEC to develop a futuristic vision of tapping the emerging opportunities of the rise of China, not only limited to CPEC but in China and the broader region of OBOR of Euro-Asiatic connectivity. This is necessary for riding on the 'China wave' or the 'Euro Asian Wave' of the next phase of globalization under a win-win template (Shuang Yin). There is the need to introduce well considered comprehensive policy reforms in the higher education sector.

### **Policy Initiatives for the New Government on CPEC**

A strong CPEC narrative is a must for CPEC's full implementation. This is necessary because of the campaign of disinformation being carried out by India and certain western countries both in Pakistan, China and globally. The government may launch the three Special Economic Zones (SEZ's) and remove all the hurdles in the way of nine prioritized SEZ's. The government may announce additional incentives for attracting foreign investment from China. No country gets FDI, with 'level playing field'. China itself had from 1994-2007 subjected firms with FDI at 15% income tax, as against 33% for domestic companies. Economic growth and industrialization come at a price. Only hard decisions by its visionary leadership enabled China to break the vicious cycle of poverty. The government may establish 'China investor facilitation cells' in federal, provincial ministries and departments, manned by Chinese knowing officials/experts. CPEC will become only 'supply side economics', without comprehensive policy reforms, unable to trigger 'economic take off'. The IMF policies followed by successive regimes never encouraged them to undertake serious 'structural reforms', all the public commitments being nothing but eyewash. For instance, over the past seven decades in the rural sector, there is lack of rural industrialization, rural credit market and banking coverage, widespread destruction of the cottage industry and insignificant attention to the SMEs. The resultant consequences have been low rate of domestic savings, tax collection, FDI and low fixed capital investment, low factor productivity, poor innovation, backward vocational & technical skills. There is absence of 'soft infrastructure', which increases the cost of doing business.

Now Pakistani economy is undergoing 'creative destruction'. Firms without value addition, global market connectivity and Innovation are dying a 'peaceful death' or relocating. Unemployment level remains high. The official data are not credible. There is lack of implementation machinery, for facilitating Chinese private sector's MoUs, deals, contracts and agreements. Only the big ticket projects are being monitored by the officials. The Board of Investment (BoI) mandarins lack

corporate capacity, knowledge of global best practices, legal and marketing professionalism having only English speaking and drafting skills. Pakistan needs to attract new foreign investors with additional incentives package. The existing policies are inadequate. Pakistan has unfortunately become a captive market for existing monopoly investors. The government may launch reforms in the higher education sector to prepare human resources for the nation building needs of Pakistan and CPEC Projects. The government may simplify rules and regulations for ease of doing business to facilitate domestic and Chinese investment. The government may launch a comprehensive program for training of vocational and technical skills for CPEC projects, job placements and manpower requirements of global Chinese firms. The government may establish a data bank of CPEC related research at PIDE. The government may establish a centre for transfer of civilian technology and purchase of prototype equipment and machines for kick starting rural industrial enterprises and SMEs in Pakistan. The government may announce a new national policy for overseas Pakistanis to attract their investment in CPEC related projects and industrial zones. The government may establish an overseas Pakistani bank (like China) to mobilize their investments through banking channels.

The Prime Minister may hold monthly meeting of CPEC experts, Chinese companies representatives and Pakistani counterparts to know their views on hurdles in attracting investment from China. The private sector feels left out and has developed serious misgivings regarding CPEC and Chinese investment. It is hence important to create awareness and involve all stakeholders in nation building. Poverty alleviation, industrialization, greening of Pakistan, climate change issues and water scarcity need to be looked as 'priority areas of development', learning lessons from China. Study teams and planning experts of Pakistan may be sent to China's national development and reforms commission for short and medium term courses in China's reforms and open door policy.

### **Stabilization Policies for the Economy**

The recommended policy initiatives for urgent implementation are: withholding tax on bank transfer may be abolished for attracting enhanced remittances of overseas Pakistanis. Overseas Pakistanis bonds, Sukuk bonds and Euro bonds may be launched to add cushion to depleting foreign exchange reserves. Deferred payment for oil imports may be considered with friendly countries, to avoid pressure on foreign exchange reserves. Import curbs may be imposed on consumer and luxury goods items. Austerity measures and reduction in non-development expenditure may be carried by restructuring of federal ministries,

departments state owned entities. Reforms may be introduced in public sector entities such as WAPDA, PIA and Pakistan Steel etc. to make them viable and profitable without the subsidies. Exchange controls may be introduced to check illegal transfer of money. Efforts may be doubled to bring back looted wealth and corruption proceeds of prominent Pakistanis in foreign banks. Foreign liquid and property assets of Pakistanis abroad may be investigated and their sale proceeds be brought back through international cooperation.

Short term bilateral maturing loans may be re-scheduled with friendly countries, but every effort may be made for not approaching IMF. Relevant ministries may promote research to identify new areas of investment for CPEC investors, impact on domestic players, study of labour market, development mercantilist eco-system, learning from global best practices. Challenges and solutions. No excuse or hurdle may be allowed in the way of launching SEZs, identification of hurdles and solutions, development of industrial clusters, sectors, producers, supply chains and service providers. Reviving the small and medium enterprises, identification of hurdles and solutions, credit crunch, cumbersome rules, paucity of talent, institutional disconnects, inadequate database, etc. The lack of suitable comprehensive policy reforms to rectify the malaise affecting governance in all sectors of the society is greatly felt. Large size of administrative units is giving rise to feelings of alienation, deprivation, disenchantment, parochialism, provincialism and absence of grass root development for the sustained development of democracy i.e. local government. Complex and archaic rules, laws and procedures are leading to loss in productive work hours, legal wrangling and criminal wastage. The relevant institutions have failed to develop a narrative to promote soft image and Pakistan's position on issues of national interest at the global level.

Public policies may focus on empirical based research instead of the so-called vision, verbosity narrative, emotional mindset, narrow interests etc. which have played havoc with the national economy. The resultant consequences have been low rate of domestic savings, tax collection, FDI and low fixed capital investment, low factor productivity, poor innovation, backward vocational & technical skills. Introduction of reforms in vocational training and higher education to develop human resources for CPEC and global market. Structural reforms may be initiated without delay in FBR, civil services agriculture, education, legal system, industrial policy trade, energy, finance and banking, labour market, mining, water, environment, foreign direct investment, Small and Medium Enterprises (SMEs), Maritime economy, ease of doing business, procurements, wastage, corruption,

culture, media, social capital and foreign relations etc. There is an urgent need for visionary transformation from the paradigm of security state to economy state, jihad militancy to start up economy, from import addicted to export economy. The relevant ministries may address the lack of transparency, the absence of clarity, terms and conditions, tax concessions, revenue lost projection, terms of repayment, cost benefit analysis, rates of return, employment generation of CPEC projects. Work needs to be initiated under CPEC long term plan i.e. agriculture, tourism, finance and securities sector, mining, vocational and higher education, urbanization, environment, water resources etc.

## **Conclusion**

The summary of Pakistan's nation building paradoxes are: leadership crisis, bad governance, self-serving elite, politics of patronage, big size of administrative units, ethno centrism, poor work ethics, lack of professionalism, blame game, conspiracy theory, culture of negativism, benami accounts, a culture of extremist thinking and intolerance, emotionalism promoted by media, gender gaps, decentralization minus power to local bodies, obsession with English language, game of cricket, biryani, bar-b-queue, religion, poetry, America, great game etc. Pakistan needs to establish urgently to move away from the IMF and its designed policies, followed by the successive regimes. The relevant institutions should examine policy blunders, mistakes and missteps that cost the nation. Pakistan cannot continue doing the same thing with the same mindset again and again, ensuring its sustained downslide. The Western powers yearn for 'colour revolution' in Pakistan to benefit from the chaos and anarchy, as was visible in the Middle East, West Asia and Africa.

CPEC is means to an end i.e. economic take off of Pakistan. With CPEC now entering into second phase, timely wide ranging comprehensive policy reforms are needed. Time is of essence. Precious time has been lost and there now exist a narrow time space between 2019-2020 to conceptualize, enact Presidential Ordinances or Parliamentary Acts and implement these Initiatives in order to release the full potential of the economy. Bureaucracy cannot do it. The system of governance in Pakistan is in urgent need of corrective measures. All solutions emerge with 'mindset' change. This is why the famous British economist John Maynard Keynes had in mind when he had observed that the 'problem was not of generating new ideas but remaining with the old mindset.' Deng Xiaoping China's paramount leader and the father of reforms and open door policy that has transformed China since 1978, like never before, had stated that the most difficult challenge he faced in his mission to change China from its old centralized

subsistence in ward looking economy to a modern market driven society, was the 'mindset of the people' who were neither ready for change nor believed it could happen. The expatriate Pakistanis and our entrepreneurial community are all waiting to see 'change' happen in governance to restore their trust in public policies. Until that happens all talk of 'change' by those who have long term multiple visa and dual nationality, will amount to 'hot air'.

For the first time in many decades, Pakistan is ready for a 'paradigm change' in development planning. The existing institutions however lack the professional capacities if not the political will, to make it happen. The parliament, business and academia need to synergize their wisdom. The parliament has to deliver by undertaking legislative business. Precious time has already been lost. There appears to be no sense of urgency to reform the way things have been done. We fail to comprehend that it is our current ways of thinking and doing, which have brought us to this sorry and tragic state of affairs. In my view, there only remains the narrow span of 365 days of 2019, to make the 'comprehensive policy reforms' to happen. The establishment of obscure task forces with neither the professional capacity nor the will to prepare Recommendations for new policy initiatives has been a gross wastage. Time is fast running out. If official business continues as usual, CPEC is likely to be a 'missed opportunity'. Ancient Chinese military strategist 'Sun Tzu' whose writings are now popular globally, among the entrepreneurs, as much as policy makers and military strategists had observed: 'An opportunity seized, only multiplies'. Let Pakistan's leadership and decision makers listen, before it is too late!

## NOTES

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1. China–Pakistan Economic Corridor (CPEC) is a collection of infrastructure projects that are currently under construction throughout Pakistan. Originally valued at \$ 46 billion, the value of CPEC projects is worth \$ 62 billion as of 2017. CPEC is intended to rapidly modernize Pakistani infrastructure and strengthen its economy by the construction of modern transportation networks, numerous energy projects, and special economic zones. On 13 November 2016, CPEC became partly operational when Chinese cargo was transported overland to Gwadar Port for onward maritime shipment to Africa and West Asia, while some major power projects were commissioned by late 2017. A vast network of highways and railways are to be built under the aegis of CPEC that will span the length and breadth of Pakistan. Inefficiencies stemming from Pakistan's mostly dilapidated transportation network are estimated by the government to cause a loss of 3.55% of the country's annual GDP. Modern transportation networks built under CPEC will link seaports in Gwadar and Karachi with northern Pakistan, as well as points further north in western China and Central Asia. A 1,100 kilometre long motorway will be built between the cities of Karachi and Lahore as part of CPEC, while the Karakoram Highway from Hasan Abdal to the Chinese border will be completely reconstructed and overhauled. The Karachi–Peshawar main railway line will also be upgraded to allow for train travel at up to 160 km per hour by December 2019. Pakistan's railway network will also be extended to eventually connect to China's Southern Xinjiang Railway in Kashgar. The estimated \$11 billion required to modernise transportation networks will be financed by subsidized concessionary loans. [https://en.wikipedia.org/wiki/China%E2%80%93Pakistan\\_Economic\\_Corridor](https://en.wikipedia.org/wiki/China%E2%80%93Pakistan_Economic_Corridor).