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Impact of CPEC on HRD perspectives-: A qualitative Investigation

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Abstract:

This study will highlight importance of human resource development (HRD). The participants of the present study were all government employees who are working in CPEC-Centers under the Ministry of Planning, plus Universities CPEC Centers. Government strategies for training and development, economic development, cultural connectivity, employment opportunities are worthwhile. Individual interviews were conducted, applying a qualitative approach for getting the in-depth knowledge about the subject. Grounded theory method was used for data analysis and NVIVO-12 applied for information processing. Finding shows CPEC generating around 800,000 jobs in the next 15 years. Participants confirmed that 75% of the total employees working in CPEC projects are Pakistanis. Besides, there will be a positive multiplier effect and more indirect and induced jobs will be created.

Keywords. Human resource development, efficiency, training and development CPEC Centre, cultural connectivity, employment opportunities, Multiplier effect.

1. Introduction

The CPEC project is considered a game changer and a fate changer for regional and economic development. Following the logic of the “One Belt, One Road” (OBOR) strategy, mega Chinese investments (USD45.69 billion) are being initiated in Pakistan, and this is known as the China-Pakistan Economic Corridor (CPEC). Chinese government is investing in a form of one belt one road amounting (USD45.69 billion in Pakistan, and this is known as the China-Pakistan Economic Corridor (CPEC). CPEC is a flagship project of China, an important component of its much larger OBOR initiative. For Pakistan, it is a strategic and economic game-changer (Rana, 2016). Both countries decided to move ahead and with their new plans to establish China-Pakistan Economic Corridor (CPEC), which has given a motivation to improve their economic relations.

On the other hand, economic growth among South Asian countries is vulnerable not only due to governmental policies and political uncertainty, but also owing to a lack of proper mechanisms to initiate effective HRD practices on a large scale (Garavan, McCarthy, & Morley, 2016). HRD believe that human resources are the key foundation of competitive advantage for organizations. People are the most strategic assets of an organization and contribute a large share of benefits towards the organization (W. E. Ruona & Lynham, 2004; Saru, 2007). Evidence suggests that South Asia lags in terms of human development as compared to other regions (Haq, 2012).

The China-Pakistan economic corridor highlight the important facet of human resource development (training and development, education linkages, People to people contact, employment opportunities, and economic development). It is very essential and helpful for the policy makers, Manager, Directors to consider the neglecting aspects of human resource development and they ensure to take steps for human resource growth. This study will contribute to a body of knowledge. There are two main assumptions related to this research. Firstly, it is assumed that CPEC seems like a Chinese project and the advantages are associated with Chinese government plus few benefits are linked with Pakistan. Secondly, the present Pakistani government is very optimistic towards CPEC, they are considering CPEC as a game changer and

fate charger for this economy, millions of Pakistani people get employed and it would be the lifetime opportunity for development and growth.

2. Problem Identification

While capitalizing on the opportunity of socio-economic development in Pakistan, it seems that the field of human resource development (HRD) has been overlooked. The role of human resources is recognized as being strategic and crucial to the process of economic development (Berman, 2015; Castleman, 2016; Khilji et al., 2015).

2.1. Problem Statement

In the past studies the aspects of human resource development have been neglected now there is need for study to explore the human resource development aspects in the project of China-Pakistan economic corridor. To harvest greater benefits from CPEC, Pakistan needs to focus on the aspect of human resource development and to improve the pool of professionals, managers, executives, and technical workers rather than unskilled laborers or workers (Magsi, 2016).

2.2. Purpose Statement

The purpose of this study is to explore the process of government strategies for human resource development and how human resource of Pakistan has been prepare and utilizing in this mega project. This study will address the following research question: What are the strategies/policies for Pakistani governments taking to cater the future need for human resource development in CPEC project?

3. Literature Review

China-Pakistan has joined hands to develop their poverty ridden and comparatively under-developed regions through this project. As this mega project is a great opportunity for Pakistan. CPEC is a well-thought out and well-crafted concept and project to unleash the process of meaningful cooperation between the two neighboring countries and for the benefit of China and

West, Central and South Asia. Based on the notion of win-win situation, the strategic meaning of Pakistan-China economic corridor needs to be defined and examined from four perspectives: historical, economic, cultural, and geopolitical (Haq, 2015).

The previous study also demonstrates that the concept of HRD has evolved with respect to the context of nationalities around the globe; they conclude that even though HRD is viewed through a narrow lens in literature, it has a much broader concept and value with much greater impact on development. In the knowledge-based economy, organizations are performing their business activities with utmost preference to a highly developed and skilled workforce. Proper training and development enhance the competitiveness of human resources, which could become a competitive advantage for an organization (Li & Huang, 2011).

3.1 Human Resource Development and CPEC

In recent times of economic development, several economic corridors have emerged globally as tools of regional cooperation and development. In the context of Pakistan, there is a lack of appropriate attention to the field of HRD, which has suffered neglect through the decades (Abbasi & Burdey, 2008; Asrar-ul-Haq, 2015). In Pakistan, the concept of HRD is rooted in the overall human development of the nation. HRD is at an evolving stage and is mostly considered as part of national human development. Based on available literature, HRD in Pakistan is defined as a policy for capacity-building of individuals to attain the goals of national manpower planning at the macro-level, and as a training and development function of any human resource Management department at the micro-level (Asrar-ul-Haq, 2015).

The recent economic breakthrough between China and Pakistan has triggered the beginning of a well-constructed and proper HRD policy for Pakistan. Since Pakistan faces a number of critical problems such as lack of skilled workforce, brain drain, lack of entrepreneurship, lack of education among common people, unemployment, and militancy, the current HRD scenario is a challenge for the execution of the project (Asrar-ul-Haq, 2015). This challenge is exacerbated by economic globalisation and the emergence of transnational business units within the country. It reflects the need for a comprehensive national.

This study emphasizes the important aspects of human capital and human resource development as investing in people increases productivity as an individual, organization and a society as a whole. In order to reap the maximum benefits from CPEC (Garavan, 2016). Human Resource is a most important ingredient of strategic development; most of the nation identify and understand importance of development of people. Gani and Jacobs (2005) identify that Singapore set an excellent paradigm. It is not a very big country, and no natural resources are there which make a developed country, but they prepare their people.

However, an important point to note here is that the concept was developed by China, as part of its policy “Go Global 2001”. Pakistan is one of the beneficiaries of the Chinese dream. Therefore, it is advisable for Pakistan to remain focused on development of the country rather than wasting time on petty issues (Kalia, 2015). All departments need to comply with the legislative and policy frameworks necessary for Human Resource Development by ensuring that they have the necessary strategies and policies in place. Garavan, McCarthy, and Morley (2016) emphasized that the trade and industry performance of an Asian nation is susceptible because of the government policies and political instability; there is a need for a mechanism for establishment of HRD practice at a broader level.

Researcher identifies the importance of human development to eliminate poverty and it is crucial to building the human capability (Naqvi, 2010). A huge amount of fund in case of CPEC projects demands a pool of trained and skilled workforce and more sophisticated infrastructure to play an essential role for the success of this mega activity and ultimately it will speed up the economic growth. In the knowledge-based economy, organizations are giving preference to the skilled and trained workforce. Training and development of human resource can enhance the competitive advantages of any organization (Li & Huang, 2011).

To understand the dire need of skilled and trained HRD, the government of Pakistan planned to focus HRD. It seems a reactive strategy to fill the existing demand for development of human resources for CPEC. Therefore, the planning commission of Pakistan has approved for the construction of State-of-The-Art University named as “University of the 21st Century” at the cost of PKR9.780 billion. The ministry is also planning to establish new institutes especially in

Gawader (Baluchistan). There is lack of skill in institutes that could be fulfill the need of the shortage of skilled labor market (Ahmed, Anuar, Arshad, Mahmood & Akhtar, 2017).

For instance, Port Qasim Coal Power Project conscripted hundreds of engineers to be sent to China for training. Being educated in China, and acquainted with the Chinese technologies and values, Pakistan has a prodigious competitive edge with this opportunity (CPEC centre, 2017). It gives a great opportunity to prepare an active workforce for the development purpose. According to the World Economic Forum in 2016 ranks Pakistan 118 out of 130 countries in term of the skilled human capital, only the prosperity and economic growth can be achieved if Pakistan's youth is made well educated and equipped with the modern expertise (Uzair, 2016). Pakistan should take China as a role model for economic development. In the last few decades, millions of people in china have escaped poverty. In all these country transformation educations play a vital role, according to the UNICEF's data China's adult literacy rate is 95.1% and Pakistan's adult literacy rate is 54.9%. Youth literacy rate is 100% in China both male and female whereas the Pakistan's male's literacy rate is 79.1% and in female 61.5%. Based on available literature, HRD in Pakistan is defined as a policy for capacity-building of individuals to attain the goals of national manpower planning at the macro-level, and as a training and development function of any human resource management department at the micro-level (Asrar-ul-Haq, 2015). The recent economic breakthrough between China and Pakistan has triggered the beginning of a well-constructed and proper HRD policy for Pakistan.

3.2 Thematic Literature review method

In this study thematic literature review method used because researcher wants to organize and discusses existing literature based on the theme. Theoretical concepts are important in this study to better understand of the topic. The researcher conducting research on Impact of CPEC on HRD perspectives-: A qualitative Investigation. The literature is divided in separate sections such as, Human Resource Development and CPEC strategies for human resource development. Basically, in this study described the relationship of each work to the other therefore thematic literature review is more suitable for this research.

4. Methodology

In the present study, individual interviews were conducted, applying a qualitative approach for getting the in-depth knowledge about the subject. The participants of the present study were all government employees who are working in CPEC-Centers under the Ministry of Planning, Islamabad plus Universities CPEC Centre of excellence- Pakistan Institute of Development Economics (PIDE) Quaid-e-Azam University Islamabad, and Comsats University, Islamabad. A total of 20 officials were approached for interviews. Out of 20, only 9 government officials were got agreed to be the part of the study and participated in interviews (detail mentioned in Table 1). The researchers read all interviews independently and used NVIVO-12 for information processing. One of the most significant developments in qualitative research in the past 20 years is the emergence of computer software that can assist in the use of qualitative data analysis.

A purposive sample is selected based on characteristics of a population and the objective of the study. Purposive sampling is also known as judgmental, selective, or subjective sampling. This sampling technique is applied because of the selective sample size. For data analysis, grounded theory method (Strauss & Corbin, 1990) was used in the present research. Grounded theory outlines a few-step process in which the researcher moves: (a) First of all, the researcher begins with a general question; (b) relevant people and incidents are theoretically sampled; (c) relevant data are collected; (d) data are coded that generate concepts; (e) through a constant comparison of indicators and concepts, categories are generated, the crucial issue is to ensure that there is a fit between indicators and concepts; (f) relationships between categories are explored in such a way that hypothesis about connections between categories emerge; and the theory is explored using grounded theory process in relation to different settings from that in which it was generated.

5. Results and Findings

The demographic variables of the study are shown in table 1.

Table:1 The Main Characteristics of the Sample (N = 9).

Characteristics	Frequency	Percentage
Gender		
Male	7	78
Female	2	22
Age		
Less than 30 years	2	22
30-40 years	5	56
More than 40 years	2	22
Education		
Master /MS	6	67
PhD	3	33

The Pakistani government has been taken following strategies for promoting human resource development.

5.1 Employment opportunities for Pakistani workforce

According to the international labor organization, CPEC would bring more than 400,000 jobs to the country while the Applied Economic Research Centre has estimated that the mega initiative would provide around 700,000 direct jobs between 2015 and 2030.

- Early harvest projects of CPEC have created 30,000 direct jobs for Pakistanis (ACCA Global and PCI)
- Construction of ML-1 projects will further create 10,000 to 15,000 direct jobs this year (Ministry of Planning and Development)
- CPEC will reduce unemployment by 2.32 million by end of 2018 (Global Times)
- 75% of the total employees working in CPEC projects are Pakistanis, contrary to the belief that the Chinese have a higher representation (Ministry of Planning and Development)

During a interview VP Legal and Corporate affairs shared her experience and clear fewmyths regarding CPEC. Majority employees are Chinese, and a very few are Pakistanis.

- We have 2900 Pakistani employees and 1824 Chinese employees working on this project and the number is rapidly increasing.
- The Head office has equal representation. I'm a Pakistani and I'm the VP of this company.

China is using prisoners as employees in CPEC projects:

- There are no prisoners working in our company and the two sponsors of this project have hired the best employees to ensure the success of this project.
- As the projects are under construction. For the known projects the employment generation is around 60,000 from which 97 percent are domestic while only 3 percent are foreign workers.

5.2 Investment in Training and Development

The China-Pakistan Economic Corridor (CPEC) is also providing avenues for educational and vocational cooperation between Pakistan and China. The cooperation is taking place through the technological skills transfer, vocational training, and publication of policy research, teacher exchange program and provision of skilled labor (Ministry of Planning and development, 2017). Government is committed to aligning technical skills training offered in TVET sector with industrial demands including emerging human capital needs of CPEC projects. The Minister for Education and Professional Training, the EU Ambassador Jean Francois stated that reforms in the education sector are they pre-requisites to bear fruits of the China-Pakistan Economic Corridor (CPEC). The 63 million euros vocational education sector reforms project is being funded by European Union, Germany, and Norway (The Dawn News, 2017).

“CPEC is as important a project for Europe, as it is for Pakistan and the region since it will also facilitate trade between Asia and Europe,”

National Vocational and Technical Training Commission (NAVTTTC) provides proper guidelines and train unskilled labors.

5.3 Impact of CPEC on economic development

The CPEC projects enhance the employment and economic opportunities of vulnerable groups, particularly women and youth in Pakistan. CPEC will also help to promote inclusive development from Gilgit to Gwadar by enhancing the employment and human resource. The prevailing figure of reduction in unemployment is 5.9%. It will drastically reduce in the coming years. Up till now we cannot specify. The domestic workers utilized are not skilled therefore most of the jobs are for unskilled and supporting staff level jobs.

5.4 Cultural Connectivity

Both governments of Pakistan and China are taking bold measures for the success of the mega project. The cultural agreement signed between Pakistan and China will ensure enhanced coordination for technology exchange, capacity building, scholarships and exchange of higher education are also part of the agreement.

The cultural and regional connectivity provided through CPEC is opening boundaries between countries for trade and cultural engagement, an opportunity which can be utilized for promotion of Pakistani culture and sending a positive image of the country along with gaining economic benefits.

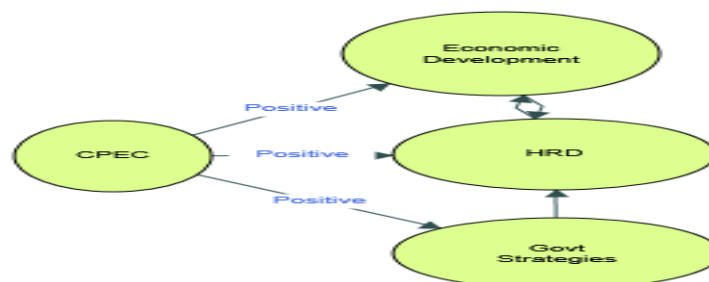
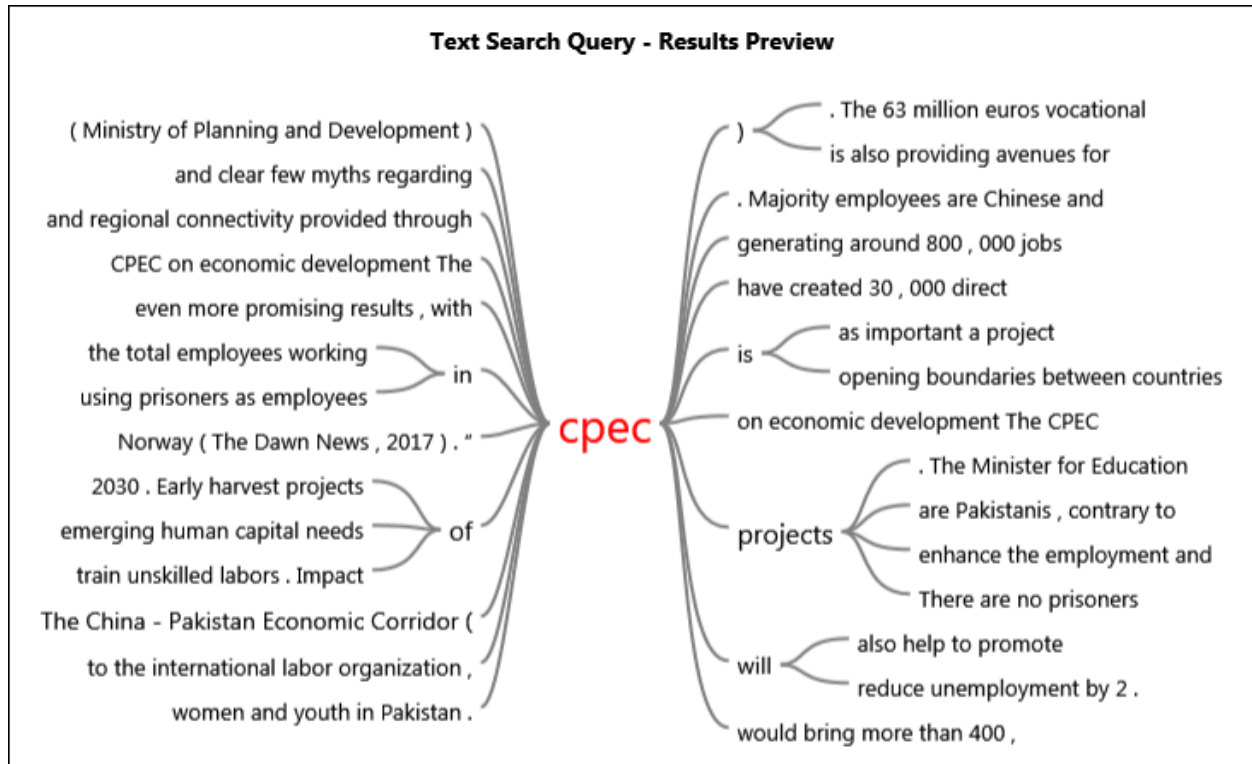


Figure 1 N Vivo Model

As the above figure shows that government strategies towards HRD is positive relationship with the economic development. Analysis of facts and figures shows that CPEC is critically important for both countries.



The Planning Commission’s data shows even more promising results, with CPEC generating around 800,000 jobs in the next 15 years. Besides, there will be a positive multiplier effect and more indirect and induced jobs will be created.

6 Conclusion

Job Growth & Human Resource Development (JG&HRD) is vital to economic development and growth of Pakistan. At Centre of Excellence for China Pakistan Economic Corridor, they report on a very specific aspect of job creation & human resource development through China Pakistan Economic Corridor (CPEC) projects. Pakistan is about to gain a lot from these opportunities as there would also be a noteworthy increase in the annual economic growth of the country. CPEC

created job opportunities are not only for laborers but also for professionals (Centre of excellence-cpec, 2017).

The existing theoretical relationship between human capital theory and human resource development stems from their focus on the use of the labor force in the process of economic productivity, in the broader sense of the term (Zidan, 2001). The argument of this theory is that investments made in educating human capitals as flourishing their skills would leads to higher paybacks for a country like Pakistan.CPEC will foster new job horizons for providing youth with more promising prospects other than informal. Although governments are taking many initiatives for provision of jobs but still there is requirement of proper planning for demand and supply forecast.

- To design a database of different level of jobs created in early harvest projects (EHP)
- To provide the projection of total direct, indirect and induced jobs through CPEC projects

7 Limitation and Future Recommendations

Though the project is perceived as a 'game changer' and 'fate changer' for Balochistan, but still the researcher has some reservations about the project and interestingly these reservations are traced back to the controversial and confused policy statements regarding the project issued by the ruling party i.e., Pakistan Muslim League (N) from time to time. The other limitation is small sample size due to less access and availability of the government officials (Ministry of Planning CPEC centre and Universities CPEC centers) especially within the stipulated time period.

This study opens the door for future research. Firstly, this study as on a very specific aspect of job creation & human resource development and for future research it is suggested to explore on human resource planning in context of CPEC. Secondly, it is therefore interesting to study further to categorizing demand and supply aspects of workforce for short and long terms plan.

8 Practical Implication of the study

This study has following practical implications:

1. Government must make decision based on economic gains and multiplier impact on the economy. To develop a list of traits and the skills required to facilitate the CPEC projects from medium to long term plans. To provide policy guideline regarding the human resource development & requirement under CPEC medium to long term projects.
2. Transparency must be ensured for smooth functioning and equal distribution of benefits.
3. Government must use the existing institutions (Council for Common Interest) for resolving all controversies related to CPEC.
4. Strategic importance and its relevance for Pakistan in short and long run must give due importance.

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