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Employment Generation under CPEC

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The China-Pakistan Economic Corridor intends to implement structural changes on Pakistan Before the China-Pakistan Economic Corridor project started, it was never considered an infrastructure-specific project that would require the construction of some roads, bridges, etc. Instead, an advanced cycle structure was created that works in the streamlined line of Pakistan. It is considered to be a 1+4 portfolio which includes improvement of existing infrastructure followed by development of the power sector to facilitate industrial expansion and finally export of manufactured goods through Gwadar port after its establishment. Therefore, the CPEC project begins with the production, transportation, and finally export of goods produced in "industrial zones" called CPEC Special Economic Zones (SEZs).

Industrial development is considered the core of any country part of sustainable economic growth. This growth is not only limited to the growth of the GDP values, but the rise of society in terms of advanced living standards is a real picture, one could imagine. These projects are also sure to help bring down the unemployment rate, which currently stands at 5.9 percent. According to the International Labor Organization (ILO), CPEC will create around 400,000 jobs in the country, while the Center for Applied Economic

Research estimates that the mega-initiative will generate around 700,000 direct jobs between 2015 and 2030 data shows even more promising results. CPEC will create around 800,000 jobs over the next 15 years. The CPEC Center of

Early harvest projects in the field study, including CPEC infrastructure construction and related projects, reportedly created nearly 51,000 jobs, of which 97% of the workforce was local, while 3% of them were classified as Chinese workers. On the other hand, in a field study of energy projects, although there was Chinese skilled labor in the construction phase, in the operation phase, the proportion of numbers changed dramatically, and more domestic skilled labor for these projects.

Most studies show, that to maximize their profits, production units follow certain practices to minimize their costs, especially when it comes to inputs needed by the business. One study found that the Sahiwal coal-fired power plant, the China Power Hub Generation Company, and other high-profile energy projects are replacing high-paid Chinese technicians with relatively cheap domestic skilled labor. Realizing that the overwhelming skill set of engineering graduates is not enough to meet the demand for technical personnel, Chinese managers have begun to focus on hiring graduates from some Pakistani universities. The first batch of engineers was recruited entirely from Pakistani universities, including the University of Engineering and Technology (UET) Lahore and the National University of Science and Technology Islamabad (NUST) at the Sahiwal coal fired power plant. Out of 124 engineers, 80-90 graduates were employed by UET, while the rest were from NUST. However, the next round of recruitment in 2016

was received by almost all the accredited engineering schools in Pakistan. Shortly after recruitment, the workers were sent to China for 6 months of technical training and then sent to UET to complete a 12-module training program specially designed for the operational phase of the Sahiwal plant. Currently, the foreign workers are mostly working in the maintenance department and have a three-year exit window to Pakistan from the labor market. In this regard, approximately 100 domestic management level employees have been hired in the maintenance department, and more are expected for the current fiscal year. In addition, the aforementioned factories set up vocational and training centers on their construction sites to provide free training to the local semi-skilled workforce to help them acquire advanced skills.

Similarly, nearly 75,000 jobs were created. According to the field survey conducted by CoE-CPEC, the locals have used the early harvest projects of CPEC. In addition, the study prepared employment forecasts for special economic zones based on different scenarios; for emerging markets and developing economies. So far, the debate has revolved around the original projects, along with the near future industrial development of the SEZs. The International Labor Organization (ILO) database has data on 3,500 zones in 130 countries, and today there are more than 4,300 SEZs worldwide and this

number is growing rapidly. Sustainability is the main cause of the success of SEZ creation and successful operation. Countries use special economic zones as a means of industrialization. SEZs are estimated to have created around 66 million jobs worldwide, of which 30 million are in China alone, see ILO 2003, 2007 and Aggarwal, 2010.

Based on 4,300 jobs created in 2010. SEZs across the globe, certain analytical tools have been identified to facilitate likely job creation in Pakistan's nine SEZs under CPEC. These jobs will be identified after identifying the industries that can move to the three priority SEZs namely Dhabei, Faisalabad, and Rashakai. Possible industrial changes in these areas were identified after a critical analysis of local resources. It was also discussed and agreed that the industries moving to Pakistan will not get the same capacity as in Pakistan, rather the industries will add value to the domestic products. Such industries are mostly labor-intensive, offering huge opportunities to the domestic workforce.

Employment generation figures in the upcoming CPEC projects have been estimated considering the SEZs already in operation globally. In addition, the CPEC Center of Excellence collaborated with NAVTTC (National Vocational and Technical Training Commission) in a study to study future labor demand.