and China and the EU on the other hand were examined once again. It became clear that issues of economic, political and social integration within ASEAN need deeper investigation. The EU may still serve as a model in some aspects while also providing warning examples which Thailand and ASEAN should take to heart.

Volker Grabowsky

32nd Annual General Meeting and Conference of the Pakistan Society of Development Economists (PSDE)

Islamabad, 13–15 December 2016

"China Pakistan Economic Corridor and Regional Integration" was the topic of the 2016 annual meeting of the Pakistan Society of Development Economists (PSDE), the most prestigious social science conference in the country. The economic corridor under discussion is by far the largest development project ever begun here. The enormous publicity and enthusiasm that the project has created is not just because of its size, but even more because of its partner – the People's Republic of China. From the 1950s onwards the United States had been Pakistan's main economic, political and military partner, but whereas Pakistan became America's most loyal ally in the proxy war in Afghanistan in the 1980s and in the War on Terror after 9/11, the USA did not live up to expectations in Pakistan's wars against India and left Pakistan completely frustrated when the ongoing war in Afghanistan spilled over into its territory. Among all its allies, the USA is nowhere as unpopular as in Pakistan, which sees China, in contrast, as a reliable partner, whose friendship is praised as "higher than the highest mountains and deeper than the deepest seas".

Therefore, when China came up with a programme to be known as the Chinese Pakistan Economic Corridor (CPEC), with investments of USD46bn (and more), it was seen as a saviour from all ills. However, not many details of the project were known; news items in the media were inconsistent. It was therefore hoped that the conference would provide some clarity. Clarity was also needed with respect to regional integration, thus far mainly understood as the integration of the eight South Asian states – Pakistan, India, Bangladesh, Sri Lanka, Nepal, Bhutan, the Maldives and Afghanistan. Like Afghanistan, Pakistan is also a member of the ten-nation Economic Cooperation Organisation (ECO) and of the Shanghai Cooperation Organisation (SCO), which began with China and some of the newly independent Central Asian republics. Pakistan has no direct access to Central Asia, while Central Asia's land routes to the

Indian Ocean have been blocked for political reasons (Iran embargo) and war (Afghanistan). Pakistan, however, is one of only three neighbours that separate China from the Indian Ocean and the only one with close relations to China. The Great Game of the 21st century is over control of the Central Asian oil and gas reserves and of the transport and trade routes, commonly called the Silk Road.

Only after the break-up of the Soviet Union and the opening of China has the area been reintegrated into world travel, transport and trade. Trains from China cross Central Asia and reach German towns like Hamburg and Duisburg on a regular basis. An increasing portion of bilateral trade with China, Germany's major trading partner (2016: €170bn) is moved over land. Accordingly, there is considerable interest in China's One Belt One Road (OBOR) initiative also outside Asia (note: The Belt refers to overland and the Road to maritime transport).

The Silk Road was a network rather than just one road linking China with the Mediterranean, and if we look at the many projects that come under the name of Silk Road today, we see that China is building railways, roads, pipelines and transmission lines in all directions. It is also building ports along the Maritime Silk Road, known as a "Ring of Pearls". China has 14 neighbours and almost all of them have become part of these plans. The New Silk Road is a network, built to guarantee that imports reach China and exports reach destinations, even if some of the connections become difficult or even impossible to use. The existence of various corridors (e.g. through Myanmar) implies that they compete with each other for traffic, investment and business: they are to be more than just transport arteries.

Of particular interest for China is the development of its western provinces/regions. With an area of 4.1 million square kilometres, the combined region of Xinjiang, Tibet, Quinghai and Gansu is as large as the subcontinent, but has just 56 million inhabitants, as compared to Pakistan's almost 200 million. Western China's GDP of USD315bn (2015) is only 2.8 per cent of that of the whole country, but still more than that of Pakistan (USD271bn). The most western parts of China are closer to Europe than to the Pacific; they are also closer to the Arabian Sea. The Chinese Pakistan Economic Corridor is thus especially important for China's own integration by aiming to reduce regional disparities within the country.

Pakistan, with its unhappy history of regional neglect, would greatly benefit from the Economic Corridor, as this would open up its western borderlands, i.e. the provinces of Khyber Pakhtunkhwa and Balochistan. The project would thus help to integrate not only Asia and China, but especially Pakistan. Regional development, however, is more than just building infrastructure. Investment is welcome, where it creates gainful employment for the local workforce. However, where locals lack qualification and have to fear that "better"

jobs go to outsiders, regional development is seen rather as a hostile intrusion, especially if natural resources (agricultural land, water) are concerned. Dozens of workers and guards have already lost their lives in terrorist attacks along the track in Balochistan. Regular skirmishes across the border with Iran have become so bad that this neighbour has set up fences and walls across hundreds of kilometres of open terrain, where traditionally the local population could move unrestricted. Officially, the Economic Corridor is also to benefit Pakistan's neighbours, thereby furthering Asian integration. But as fences have also been set up along the borders with Afghanistan and India, how then can CPEC become an instrument of regional integration? There is no doubt that China has the political will, the financial means and the technical capability to realise the grandest projects. But as Pakistan is not China's only option, one would expect comparative studies of competing projects.

The focus of the conference, however, was exclusively on the home country, in the plenary sessions as well as in the panels. After the inaugural sessions, well covered by TV, radio and newspapers, a new World Bank report with the title "South Asia's turn: Policies to boost competitiveness and create the next export powerhouse" was presented, but only those parts that dealt with Pakistan. This created an immediate reaction, first from the floor and later from the Pakistan Foreign Office, as a slide showed a map of Pakistan which included only the Pakistani-held part of Kashmir. By the afternoon, it was declared that the World Bank had offered their excuses and promised to withdraw the map. The message of the report, i.e. the loss of competitiveness in South Asia, particularly in Pakistan, and the need to improve it in order to increase exports, got lost in the controversy.

The controversy very much reflects the priority of politics over economics: the Pakistan government holds that the fate of the erstwhile princely state of Jammu and Kashmir (minus those parts that Pakistan ceded to China in a treaty in 1963) still remains to be decided, while the Indian government considers the entire state to be part of the Republic of India. International organisations and foreign governments consider the affair as a bilateral matter, to be sorted out by India and Pakistan. However, in the case of CPEC this is easier said than done, as the northernmost part of the Corridor runs over territory controlled by Pakistan, but claimed by India.

Further sessions were dedicated to various aspects of Pakistan-China trade, and regional and financial integration, all in light of the proposed economic corridor, yet surprisingly without active participation from the Chinese themselves. When asked why, one of the few Chinese present (and only on the first day), quipped: "Maybe they should have been invited."

Not only trade-related topics were discussed. The question of sovereign development was raised, as the Chinese make it clear that CPEC is a commercial undertaking, funded and executed, but not exclusively, by Chinese enter-

prises. It is not clear what kind of guarantees the Pakistan government has given or is expected and prepared to give to Chinese investors. Most investment will be in transport and energy. Some roads have already been built: the Karakoram Highway that links Xinjiang with the Indus valley was reopened, after it had been interrupted for two years by a landslide that created a 22km-long lake, submerging the road. At the other end of the country, a direct road between Quetta and Gwadar has been built in record time. This allows the "ordered disorder" of Karachi to be bypassed and will soon be linked to the Indus valley, bypassing unruly Quetta as well.

Ecological concerns were raised especially with respect to the string of new power plants to be built and operated by Chinese companies. Pakistan has large deposits of lignite (brown coal) in southern Sind, mined in open pits. With their high carbon dioxide emissions, however, coal-fired power plants are considered to be especially harmful to the environment. The papers presented will be published with the proceedings of the conference in the annual issue of the Pakistan Development Review.

Postscript: Upon returning to Pakistan the author reads that the Economic Advisor to the Planning Commission expects 4 per cent of global trade to pass through CPEC by 2020, generating USD6-8 billion in tolls and rental fees per year (*Business Recorder*, 11 May 2017). Such unbounded enthusiasm for CPEC is not shared by everyone, especially as Chinese plans have been leaked to the press, indicating an agenda extending far beyond transport and energy, and raising fears that CPEC might develop into another East India Company.

Wolfgang-Peter Zingel

7th Annual Conference of the Study Group South Asia of the German Geographical Society (DGfG)

Augsburg, 27–28 January 2017

The South Asia study group within the German Geographical Society (DGfG) has grown steadily in recent years and now has eighty members in Germany, Austria and Switzerland. The majority of its members are employed in universities, but also include teachers and practical working geographers from consulting companies and development cooperation. At this year's meeting 33 members made their way to Augsburg, where they were welcomed by host Matthias Schmidt.