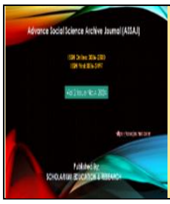

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The Rise of Chinese investment in Pakistan; Development or Track to Economic Subordination?

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ABSTRACT
Economic horizons in the Global South have been transformed by the emergence of Chinese investment under the Belt and Road Initiative (BRI) especially in countries that have been strategically oriented such as Pakistan. Although this is usually packaged as development partners, Chinese investment casts very critical challenges to the way their companies operate, how they conduct business in the market, and how well they conform to the interests of the host country. This paper will look at the economic effects of Chinese investment into Pakistan and assess whether their activities are neo-imperialism characteristics like those that were once practiced by the western multinationals in Africa and Latin America. The study examines two major dimensions based on a qualitative document study analysis which consists of how the Chinese Investment(s) together with their operating companies affect the labor market and the local industries in Pakistan and how their conduct compares to the historical examples of economic imperialism. The results show that Chinese companies are overrepresented in the strategic managerial positions with the local employees holding minor and low paying jobs. Also, the Chinese Investment has taken over markets through the national support and foreign influence and this has led to the crowding out of the local businesses and reduced the competitiveness of the Pakistani industries. Comparative study of the African and Latin American experience suggests that the Chinese Investment does not eliminate the exploitative systems of Latin American and African experience, instead it replicates them. These are labor hierarchies, monopolies and false corporate social responsibility. The paper finds that unless policy frameworks are strong, Chinese Investment risks will entrench the economic dependency in Pakistan and not bring equitable development in the country.

Keywords: Investment, MNC’s, Belt & Road Initiative (BRI), Foreign Direct Investment (FDI), Corporate Social Responsibility (CSR), Monopolistic Tendencies

Introduction

The sixteenth century marks the emergence of Capitalism along the lines of complete development of market trade. The growth of markets across the globe resulted in the world's division into 'labor' and 'specialization.' The implications of such specialization led to the fortification of various monopolies within distinct production sectors of the global economy (Kiely, 2010). In due course, the world economy became segmented into 'core’, 'semi-periphery,' and 'periphery' based on their respective capacities. The 'core' developed into what is currently identified as the 'developed' world, while the 'periphery' faltered under the cycle of unequal exchanges (Wallerstein, 1974). With the rise of globalization, this occurrence was reinforced by the ascendance of Investment in different forms as in the form of multinational corporations, which gained recognition as powerful non-state actors due to their financial capabilities. Most of the investment that have played a dominant role in the global economy over the last fifty years trace their roots back to the United States or Europe. However, since the announcement of the Belt and Road Initiative (BRI), formerly known as the One Belt One Road initiative (OBOR) by Chinese President Xi Jinping, there has been a remarkable increase in the presence of Chinese multinationals, companies & investments in different sectors.

In many developing and under-developed countries worldwide, including Pakistan, the spread of Chinese investment has grown in the last decade. Even though a plethora of literature continues to examine the economic impact of investments on developing and underdeveloped states, however, a predominant portion of these studies continue to focus on western multinationals, while Chinese investments have received scant attention. The role of investments is often viewed with skepticism. This is largely because the studies that have been carried out on the underdeveloped nations of the world, primarily the African region, have proven these Investments in the form of industries and MNC's less as messiahs and more as hypocrites (Amusan, 2018). Even though the faces of the institutions have changed, the processes and objectives of imperialism remain similar to those exhibited in the late 19th and 20th centuries (Chigozie, 2018); (Ojakorotu, 2018) (Udofia, 1984). Keeping in view the tendency of such multinational and transnational firms under Chinese investment to operate as agents of imperialism, I propose to carry out research aimed at adding to the existing literature on the linkages between neo-imperialism and the Chinese investments increasing worldwide by building on a case study of Chinese Investment in the developing world, mainly Pakistan.

Historical Context

In 2013, the China-Pakistan Economic Corridor (CPEC), designated as the leading project within the Belt and Road Initiative (BRI), was announced, which includes four essential pillars of investment: Gwadar port, communication infrastructure, energy infrastructure, and industrial zones. (Aziz, 2016). This project is one that will involve hundreds of Chinese companies to come and establish themselves in Pakistan. A qualitative study carried out as a part of research on similar lines showed that various Chinese multinationals such as Huawei and Zong are exhibiting such imperialist tendencies. This might not come as a surprise because the examples of imperial structures functioning in Africa; mainly Chinese state-owned companies have done the same. In the early 1960s, Chinese investment in Africa was considered on an ideological basis; however, this changed over the years and what can be seen now is a commercial agenda (Juach, Chinease investments in Africa: Twenty first century colonialism? (2011). The agenda in action is the presence of numerous state-owned enterprises in the African continent as investment to gather enough resources to fuel China's rapid industrialization.

Even though China and the African countries have excellent relations as trading partners, the situation in Chinese companies operating in Africa on the ground is somewhat hostile. Chinese employers tend to ignore factors such as the workers' rights, unfair labor practices, social security, or even minimum wage. Not just that, the African nationals are hired at low-paid tasks while the Chinese control the managerial positions (Juach, Chinese investments in Africa: Twenty first century colonialism?, 2011). Some scholars believe that China has been using Africa to lay grounds on which its industries & corporations can come and establish themselves (Zeleza, 2008). The Chinese appetite for raw materials has remained at an all-time high for the past few decades, and Africa has been fulfilling it, the technology transfer between China and the African states has remained low, and what has been witnessed is a rise in the export of raw materials and import of finished products by Africa (Bbaala, 2015). In the backdrop of the African experience of Chinese Investment, it becomes all the more important to assess and examine the operations Chinese multinationals in Pakistan. Considering that Pakistan is a strategic ally of China and both states enjoy mutual economic and politically beneficial relationships, a case study of Chinese Investment in Pakistan will reveal whether Chinese Investment operate differently in different settings.

OBJECTIVES

- To analyze the economic impact of Chinese investment on Pakistan's local industries and labor markets.
- To investigate whether Chinese Investment in Pakistan exhibit neo-imperialist tendencies similar to those observed in Western Investment in other developing regions.

Significance of Study

The present research will contribute to the available body of literature by analyzing the behavior of Chinese Investment in Pakistan. It will examine and see whether Chinese Investment are of the same behaviour pattern as their western counterparts and see whether their behaviour can be changed based on the geographical proximity, alliances formed in strategic relations with a country and their socio-cultural relations are the factor that makes Chinese investment behave in Pakistan differently than it behaves in other developing like Africa.

Problem Statement

The spread of Chinese MNCs in Pakistan as an investment by the Belt and Road Initiative has brought forth concerns regarding the economic effect of the MNCs. Much as these Investment are contributing towards infrastructure development and economic growth, there are still some issues related to its neo-imperialist nature, such as practices of exclusion, exploitation of resources and monopolistic behavior. This study aims at delving into the two-sided nature of Chinese Investment and determining whether they are drivers of industrialization or continue their economic domination tendencies.

Research Questions

The study will be informed by the following research questions:

- How have Chinese Investment impacted Pakistan's local industries and labor markets in terms of employment patterns, market competition, and corporate conduct?
- Do Chinese Investment operating in Pakistan reflect neo-imperialist tendencies similar to Western Investment in other developing regions such as Africa and Latin America?

Literature Review

Since the 1980s, the trend of investment from Investment in the form of FDI into developing countries, often much anticipated, is plagued with unemployment, ridden with debt, and burdened by poverty (Rahman, 2009). In order to understand Chinese firms case as agents of economic imperialism, there needs to be an in-depth analysis of Investment and their actions in many developing regions across the world. Africa as a continent is regarded as being very rich in natural resources while remaining very poor with harsh living conditions for its citizens. Many Investment in form of firms who have operations in the African continent have seen huge market share and valuation growth for their stocks. For example, In Liberia, the plentiful iron ore resources are utilized by the Swedish American-Liberian mining company (LAMCO) and Republic Steel. (Maekawa, 2015). These groups are accused of using and exporting these natural resources to their host countries for profit maximization while utilizing cheap labor and abundant natural resources of the African nation. In contrast, African citizens are denied membership in these corporations.

In a similar scenario, Chinese companies have been very active in countries like Venezuela and Equador. After the 2008 global recession, China has become an active lender to Latin American countries and starts to exercise powers due to its economic dominance and dependence (Moss,

2017) China has also been criticized for its policies of loans through its state-owned Multinational Companies. These Chinese Multinational companies invest heavily into the developing world by giving out easy loans when they know that it will be difficult and, in most cases, impossible for these countries to return the loan, in which case China (using its state-owned multinational) extends its influence over the areas of these deprived countries. Recently Sri Lanka had to give over the control of their Colombo Port to China because they could not pay back the loan in the due time frame. Similarly, Kenya & other African countries are being exploited by the management of their policies by the giant Chinese companies.

Furthermore, the South Asian region is considered one of the less developed areas globally; during the last years of the 90s, countries in South Asia started looking outward and welcoming more Investment for higher non-debt foreign exchange reserves in the shape of FDIs (Ferdausy, 2009). In any capital-intensive sector, firms are known to use financial powers & in often scenarios, bribes to the authorities for favorable policies that hurt the local country. In most cases, they also tend to pay lower taxes by showing either meager profits or losses through which the public is kept uninformed from the concept of 'transfer pricing' (Aqil, 2014). Most of the time, production happens in most African nations during various stages, while the completed item is exported to be expended or appreciated by the west or developed countries. For this situation, an appropriate model is that of Nigeria in the activities of raw petroleum organizations (Udofia O., 1984). These organizations produce and market fuel and oil-based goods extracted in Nigeria into the close by African business sectors and further to the distant Western business sectors. The coordinated cycle of creation and promotion strengthens control in multinationals, which is seen as imperialistic. It is primarily arranged as 'imperialistic' because these Investment become the monetary drivers controlling the general state policymaking and, in a couple of cases, directing the developing nation. This has frequently put numerous multinationals into issues with the host nations. The cycle results in inappropriate misuse of natural assets accessible to the host nations with the approaches figured by the chiefs and experts from far-off countries who direct the terms and settle on the choices in regard to privately sourced Assets.

Moreover, Investments on the name of firms & MNC's are known to create an income distribution imbalance in developing countries. This difference between the incomes of the masses also serves an essential purpose for these corporations & firms. Researchers point out that since capitalist motives have resulted in making a profit as the only goal, it is achieved by keeping the population deprived of resources so they can't develop something that can give an equivalent competition to the MNC. Hence, Investment are mostly criticized for operating for the Richest 5, 10, or 20 percent of the population. Simultaneously, it is a huge problem for the masses in these developing countries as their human condition deteriorates. The policies of almost all the MNC's are biased in a way that they favor capital development in the host countries (Weinstein, 1976).

Empirical evidence of the African markets suggests that this hinders the optimal and balanced development of these developing markets. Since most of the resources are labor, but the development being done is capital intensive with significant control in the parent countries (Udofia O. E., 1984). In Mexico, e.g., Investment are 2.5 times more capital intensive than others, similar in the industry. Similarly, according to the International Labor Organization (ILO), almost all multinationals pay fewer wages than what is being paid in the industry and use political repression to silence the unions. Therefore, a statistical study suggests that while the short-term effects of MNC operations in a developing world show some economic growth and improvement, however, in the long run, the Investment have a very detrimental effect on the economy and growth of these developing countries (Kalia, 1982)

In addition to that, the potential of negative impacts foreign direct investments can have on the local Industry are many; empirical evidence suggests that Investment can harm local indigenous (Ade- Lawal, Investment impact on developing countries, (1983). Investments as MNC's are also well equipped to attract better talent (i.e., labor resources) by offering attractive alternatives to them. These talented individuals can open and run their businesses, but with MNC's advent, this brain drain affects the host country (Weinstein, 1976). For any nation, sovereignty is of utmost importance; however, with increased corporations exposure and penetration, these developing nations start to drench themselves into a situation where sovereignty is often compromised (AdeLawal, Investment impact on developing countries, (1983). China's investment in the developing world is a classic example. China has been offering loans to countries for whom it is very difficult to pay these backs and eventually once these countries find it difficult China exercises control over their foreign policy matters.

Developing countries welcome multinationals operating across the world because of the FDI that they bring along; however, not all foreign direct investment (FDI) is in the best interests of the host country (Cohen, 2007). Multinationals are not obligated to put the host country's economic and social interests above their own, which might result in the FDI-based activities of the former being detrimental to the latter. As mentioned earlier, various European multinationals such as Nestle, Unilever, Royal Dutch shell, and many others have a monopoly over different sectors of the markets that they operate in. Western and European multinationals' functioning, whether boon or bane; have been studied by many (Cassen, 1984); (Ferdousy, 2009); Kiely, 2010; (Lapalombara, 1982); (Moran, 1978); Udofia, 1984) scholars. While some agree upon their role as agents of industrialization (Cohen, 2007; (Drucker, 1974) others find their roles as agents of imperialism (Baldwin, 2013); (McKenzie, 1977); Wallerstein, 1974) (Galtung J., 1969) (Galtung J. (., 1971) (Galtung J. &., A structural theory of imperialism-ten years later, 1980) (Galtung J. &., Violence: direct, structural and cultural., (2013). Significant research has been carried out in these scholars' studies, and they have collected evidence to support their respective views. (Ghani, 2015) (Gidengil, 1978) (Irogbe, 2013)

As the center for global manufacturing, the focus of China's foreign policy has been to fulfill its unprecedented need for resources and foreign markets (Jianhai). China has expanded its search for natural resources and has made significant investments in form of MNC's, firms, corporations in Sudan, Angola, Algeria, and Gabon. Between 2000 and 2005, the trade between China and African nations tripled, which led to China overtaking Britain and becoming Africa's largest trading partner (Kiely, 2010). Chinese businesses are dominant in multiple sectors of the African economy, including oil exploration, mining, and construction, but what is important to note is the extremely poor-working conditions created by them (Alden, 2005); (Torreguitar, 2008). The Africa-China economic relationship has been following a colonial pattern; instead of carving out a path for sustainable development in African countries, China has been using them merely as raw materials suppliers and a source of cheap labor (Jauch, 2011). The neo-colonialist economic order is visible in the skewed Sino-African relationship: abject poverty and escalating unemployment prevail in Africa. At the same time, Chinese businesses continue to make profits using African raw materials and energy resources (Bbaala, 2015). Moreover, the Chinese multinationals employ Africans in peripheral roles, and they are involved in non-technical activities while the Chinese workers hold managerial and technical positions (Alves, 2013)

Furthermore, China has been marking a path for underdeveloped countries that want to work towards their economic development and fit into the international order while remaining independent. It claims to work on the principle of non-interference and respect all such nations sovereignty while working with them (Kiely, 2010). Pakistan also falls in the category of developing countries that welcome foreign direct investment (FDI) from China via state-owned companies and Chinese firms. However, the Chinese's interactions via multinationals with the Pakistani human resource have not been explored in detail. It is essential to study Chinese multinationals behavior and interactions in Pakistan to see if they follow the same neo-colonial patterns that they have exhibited in the case of Africa. While China is an all-weather friend and a strategic partner of Pakistan, it is critical to understand its investment behavior and identify if they qualify as industrialization agents or not.

The literature on MNC's and their economic impact on Third World states demonstrates two scholarly trends. Firstly, most of the literature is persistently focused on western Investment as the drivers of the global economy and consequently as agents of imperialism; secondly the focus has often been those countries which form the peripheries of the global economy as those in Latin America and Africa. This study aims to add to both these strands of the literature. By examining the behavior of Chinese Investment in the form of MNC's & firms in Pakistan it will not only be analyzing whether Chinese Investment follow similar behavioral patterns as their western counterparts, but will also investigate whether factors such as geographical proximity, strategic alliance, and socio-cultural relations alter Chinese MNC behavior as opposed to their already explored roles in places such as Africa.

Research Methodology

The title of the proposal clearly indicates that a qualitative approach is utilized as the research methodology, in conjunction with a comparative document study approach that clarifies the role of Chinese multinationals operating in Pakistan. Although these Chinese multinationals are expected to be a source of foreign direct investment that will aid in Pakistan's economic development, they may also serve as agents of Chinese imperialism. The document study is designed to analyze the actions of Chinese Investment and their upper management concerning the human resource capital in Pakistan. Therefore, the research will be deductive in nature and will employ a document study method that is informed by both descriptive and explanatory research to create a more comprehensive understanding of the operations of Chinese multinationals in a globalized environment. This process will utilize various methodological tools, such as analysis of Pakistani human resources employed in various Chinese firms, and the collection of data regarding the operations of these multinationals in Pakistan, in addition to reviewing existing literature for secondary sources. The document study method is generally applied when a 'how or why question is being posed about a contemporary set of events over which the investigator has little or no control' (Yin, 1994). Additionally, the case study method employs tools such as 'documents, archival analysis, surveys, and interviews' to provide a more in-depth and detailed exposition of 'contemporary events when the relevant behavior cannot be manipulated' (Rowley, 2002). In this scenario, considering that the questions represented by this thesis follow a 'how' and 'why' pattern, the document study method appears to be the most fitting approach for analyzing the role of Chinese Investment in Pakistan. Moreover, Yin asserts that 'a document study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly defined' (Yin, 1994). Given that the thesis aims to provide an explanation of whether Chinese Investment follow a western neo-imperialist model in Pakistan, the phenomenon (the spread of Chinese firms) and the context (the neo-imperialist Dimension of MNC's globally) have not been analyzed in detail and thus a case-study of Chinese Investment and their economic impact on Pakistan is the most appropriate method to analyze whether Chinese Investment operate distinctively as opposed to their western counterparts.

The Research Design

The study employs a case-study design, combining descriptive and explanatory methods. It uses both primary and secondary data to provide an in-depth analysis of how Chinese Investment is affecting Pakistan. Tools like elite's interviews analysis, archival research, etc. ensure a robust and comprehensive approach. The primary population includes content analysis of officials' communication & speeches, expert's interviews, noting employment patterns. Secondary data on the operational practices of Chinese Investment in Pakistan is also analyzed. This ensures the study captures perspectives from both institutional operations and individual experiences.

- Archival research: To gather data on the historical and operational aspects of these Investment.
- Secondary sources: Existing literature and reports are analyzed for contextual understanding.

Findings

What have been the effects of Chinese Investments on the local industries and labor markets in Pakistan regarding the employment trends, competition in the market, and corporate behavior in the country?

Chinese investment as various companies enters Pakistan in a Belt and Road Initiative (BRI) agreement especially the China-Pakistan Economic Corridor (CPEC) has given far-reaching ramifications to the local labor markets and industries in the country. Even though these corporations are saleable in terms of developing infrastructure and foreign investment, empirical evidence indicates that their effects on the employment systems and competition within the market are not clear and can be detrimental to the economic sovereignty in the long run.

Regarding the employment patterns, Chinese corporations/ firms would bring Chinese managerial personnel and would reassign Pakistani workforce to low skilled and low paid jobs. Such a practice establishes a structural separation of labor that is reminiscent of colonial social setups. As noted by Shahid Rashid and Zahid (2018), many of the managerial and strategic positions of these companies are occupied by Chinese, and Pakistani professionals have no chances of improvement or experience in the corporate upper management. This has contributed to sidelining the local talent and establish a parallel corporate structure that leaves out the indigenous knowledge and skill building. The same trends have been previously witnessed in Africa where Chinese Investment hired local workers who were mainly occupying peripheral jobs with the technical and strategic jobs being occupied by Chinese workers (Alves, 2013).

This is further marginalization in decision making processes and therefore labor inequality is reinforced and cannot transfer technical skills and corporate knowledge to the local workers. It also creates dissatisfaction and resentment in the employees and there is low morale and low productivity in the long run. The structural theory of imperialism by Galtung (1971) explains this phenomenon perfectly in which the center (China) and the periphery (Pakistan) remain in bondage by the former having control of the major decision making processes using economic and institutional means.

There has also been great interference with the competition in markets. Chinese Investment are supported by the government, such as financial subsidies, diplomatic advantage, and application of modern technology. This unfairly emphasises them with Pakistani small and medium-sized enterprises (SMEs), most of which are unable to compete on an equal footing. The Center of Excellence for CPEC estimates that there are more than 2,300 Chinese firms doing business in different industries in Pakistan, ranging between telecommunications and construction and power (Shahid Rashid and Zahid, 2018). Their quantity movement into the market has led to the ousting of the local companies and crowding out of the local entrepreneurs.

This hegemony reflects previous reproaches of Western Investment in the post-colonial states, in which foreign enterprises gained monopoly influence over the local markets. Chinese companies, despite portraying themselves as developmental allies, are becoming a more perceived monopolist force, which is concerned with profitability and dominance above a mutual development (Moss, 2017). These monopolistic trends are not only economic but also political as state owned businesses in China tend to be in tandem with the overall foreign policy of the country (Kiely, 2010).

Chinese Investment have not observed much compliance to corporate social responsibility (CSR) in regard to corporate conduct. Their work environment is usually dictatorial, working long hours, and little benefits, and little respect of local work laws. Exploitative work environment is common among the workers and it is against both the international labor standards and the Pakistani norms data collected as a result of the interviews of industry professionals also a part of the academia are showing that. The concept of structural violence introduced by Galtung (2013) would apply in this case since the damage will be indirect but rooted deeply in the institutional behavior of these companies.

In sum, though the Chinese Investment have brought a lot of capital and infrastructure in Pakistan, their effects on labor market and the local industries are of great concern. These companies keep generating disparities in labor structures, undercut local enterprises and are characterized by exploitative corporate practices. Their activities in Pakistan which are not supposed to be a route to inclusive growth but only imitating some similar patterns to economic neo-colonialism which place the Chinese interests above the development of Pakistan indicate that the evidence is there. Thus, the economic development prospect through Chinese Investment is bound to become a cycle of dependency and marginalization in the long run without strict regulatory frameworks and active policy interventions just like it happened in Hambantota Port that fell into Chinese hands.

Does Chinese Investment in Pakistan bear similar tendencies with the Western Investment in other developing economies like Africa and Latin America of being dependent?

The trends of Chinese Investments in Pakistan in form of corporations and firms are similar to Western investment behavior in other developing countries. Such tendencies have three prevalent trends namely the hierarchy of labor, economic dominance and the control of strategic resources and this is well recorded in African/Latin American and currently being more vivid in Pakistan.

Chinese Investment tends to copy the patterns of employment in the Western Investment in colonial and post-colonial periods. In Pakistan, the Chinese companies have a disproportionate managerial staff, restricting the local workers to low-wage, low-skill jobs (Shahid Rashid & Zahid, 2018). This is a replica of the racialized and hierarchical employment framework that the Western Investment had developed in Africa and Latin America, where the locals were systematically locked out of the decision-making process and knowledge transfer (Alves, 2013). The aim, be it intentional or not, is identical: keep the host country in control and diminish its autonomy.

Additionally, Chinese companies operate in monopoly and displacement based market activities as it is witnessed in Latin America. Moss (2017) emphasizes that Chinese loans based on corporate-motivated investments usually cause market dependence and governance. The Chinese Investment in Pakistan replaces the local players in the infrastructure, energy and telecommunications industry. Such activities undermine local strength and limit diversification of the economy. Whereas the Western Investment resorted to the power of dominance in trade and technological superiority, the Chinese Investment added them with the geopolitical tools like the BRI, which made their creation model more state-integrated (Kiely, 2010).

Further, Chinese corporations engage in monopolistic and displacement-oriented market practices similar to those seen in Latin America. Moss (2017) highlights how Chinese loans tied to corporations driven investments often lead to market dependency and strategic control. In Pakistan, Chinese Investment crowd out local competitors in sectors such as infrastructure, energy, and telecommunications. These actions erode local capacity and restrict economic diversification. While Western Investment leveraged trade dominance and technological supremacy, Chinese Investment combine those with geopolitical instruments such as the BRI, giving their making dependent model a more state-integrated dimension (Kiely, 2010).

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The strategic nature of Chinese Investment is also tied to resource extraction and infrastructure control another hallmark of making subordinate. In Sri Lanka, loan defaults led to Chinese control over critical national assets like the Hambantota Port (Moss, 2017). Although Pakistan has not seen asset handovers of that scale yet, its growing debt burden and reliance on Chinese-built infrastructure places it in a vulnerable position. These arrangements suggest that Chinese Investment are not neutral investors but actors embedded in China's broader strategy to shape the global south's political economy.

Moreover, CSR (corporate social responsibility) remains absent or superficial in Chinese firms, echoing the exploitative nature of Western Investment during the 20th century. The lack of local community engagement, absence of upward mobility for local workers, and exploitative labor environments are central themes in both Chinese and Western MNC behavior. Galtung's (1971, 2013) structural theory of imperialism helps frame this comparison where foreign capital imposes development models that generate dependency rather than empowerment.

In conclusion, the operational behavior of Chinese Investment in Pakistan does not substantially differ from the imperialist models employed by Western firms in other developing nations. If anything, their integration with state strategy and long-term geopolitical interests makes them more insidious. Despite rhetorical commitments to "win-win" cooperation, their practices reveal a structure designed for control, not mutual development. As seen in Africa and Latin America, Pakistan's experience suggests that unless checked by firm regulatory policies, Chinese Investment will continue to reproduce the same exploitative models that define 20th-century Western neo-imperialism.

Discussion

This research findings show that there is evident consistency in the dependence course of behavior in the making between the Chinese and the Western investment operating in the Global South. Although the Chinese Investment can be discussed through the prism of a development discourse as part of the Belt and Road Initiative (BRI), its activities in Pakistan can be viewed in terms of the classical neo-imperialist policies that had been witnessed before in Africa and Latin America. They are exclusion of the local labor, market monopolization, and absence of interest in long-term development of human capital.

The initial research question also indicates that Chinese Investment in Pakistan strengthens asymmetric labor structures, which entail that Chinese citizens control the managerial jobs and the Pakistani employees are in the low-skilled jobs. Not only has this hindered the local professional development, but it has also brought into the fray the potential of Pakistan experiencing technological and managerial autonomy. The work hierarchy that ensues, which was backed by the theory of Galtung (1971), is adopted by previous systems employed centuries ago to preserve colonial power this time around in the economic front other than direct rule.

At the same time, the market squeeze triggered by Chinese Investment with the assistance by availability of subsidies and political support has brought about the loss of the domestic industrial competitiveness of Pakistan. The local SMEs cannot compete according to the level, technology and diplomatic advantages that Chinese firms have. The perception of Chinese Investment becomes more monopolistic and extractive which creates long-term doubts that sovereignty, innovation and economic autonomy.

The second research question portrays the Chinese Investment behaviors as being very similar to those of the westerners in Africa and Latin America. The mechanisms might vary e.g. China employs debt diplomacy and state ownership, but the consequences are the same: they are economically dependent, excluded locally and sovereignty of host nations is weakened.

All these findings collectively show that even though Chinese Investment in Pakistan exist under a logic of neo-imperialism, despite geographical and diplomatic proximity. Through their actions albeit under the pretence of partnershiping and investing, they continue to reproduce structures of dependency and inequality. The fact that such patterns are replicated in different geographies proves the fact that the behavior of Chinese Investment is structural and not context-specific.

Summary

This paper discussed how Chinese investments in types of MNCs in Pakistan have affected the local industries and labor markets and how effectively the practices are similar to historical trends of neo-imperialist actions of Western Investment in Africa and Latin America. The study adopted a qualitative case study method to assess the role played by Chinese Investment in the Pakistani setting by using interviews, secondary data and comparative analysis.

The initial important observation was that Chinese Investment introduce strict labor relations, which marginalize Pakistani professionals and leave them aside in terms of managerial posts. This restricts the ability to build skills and strengthens the feeling of structural dependence that resembles colonial models of employment. Moreover, Chinese companies drive away local industries due to monopolistic activities facilitated by financial and diplomatic assistance of the Chinese government.

The second result validated the hypothesis that the Chinese Investment reflects the Western-style neo-imperialism in terms of the strategies of operation. They have similar exclusionary practices, neglect of local welfare and strategic market control, even though they have variations in rhetoric and geopolitical packaging that recreates the pattern of exploitation.

These results upset the image of China as a harmless development ally and stress the importance of careful analysis of foreign direct investment in the developing nations such as Pakistan.

Conclusion

Although Chinese investment in Pakistan has been and still is being marketed as a form of development as well as strategic alliance, it exhibits neo-imperialist nature much like Western Investment in other regions of the Global South. The fact that they do not involve the local professionals in strategic positions, monopolize important sectors, and have superficial involvement with corporate social responsibility begs serious questions regarding the benefits of their presence in the long term.

The indication is that Investments undertaken by MNCs to China are not inherently dissimilar in nature or purpose as Western Investment in the past that was linked to economic imperialism. Their incorporation into the state strategy of China increases their capacity to establish dependency and alter the Pakistani economy to the foreign demands. These corporations may destabilize the industrial strength, the development of labor, and the economic sovereignty of Pakistan without the interference of the regulations.

In order to reverse these tendencies, Pakistan has to take firm policies that guarantee the labor protection, fair competition in the market and compulsory local involvement in the decision-making process. The development partnerships cannot only be evaluated based on their capital inflows but on how they lead to equitable, inclusive and sovereign growth. Only in this case, Pakistan can use foreign investment as means of development instead of the contemporary form of colonialism.

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