

Gilgit-Baltistan's Urban Shift: CPEC's Special Economic Zone Challenges

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Abstract:

OBOR (One Belt One Road) is one of the largest infrastructure projects in the world, and CPEC (China-Pakistan Economic Corridor) is an important component of it. It aims to serve the economic interests of both China and Pakistan by modernizing Pakistan's road, rail, air, and energy transportation systems and linking Pakistan's deep-sea ports of Gwadar and Karachi to China's western borders. It also proposes 9 Special Economic Zones (SEZs) to help the local economy integrate with the global economy and industrialize and enhance economic growth. This paper aims to explore the insights of the CPEC and its SEZs and their impacts on the economy and society of Gilgit Baltistan. It will analyze the enhancing urbanization of GB and the existing and upcoming socio-economic factors that arise due to this transformation.

Introduction:

Started in 2013, OBOR (One Belt One Road) is said to be one of the largest infrastructure projects in the world. Along with the other projects, CPEC (China-Pakistan Economic Corridor) is an important component of OBOR, which aims to serve the economic interests of both China and Pakistan. Along with modernizing Pakistan's road, rail, air, and energy transportation systems and linking Pakistan's deep-sea ports of Gwadar and Karachi to China's western borders. The bilateral CPEC project was initiated in 2015 after a value of \$46 billion agreements were signed (*China-Pakistan Economic Corridor (CPEC)|Introduction & Summary*, n.d.). After completion of the first four years of Phase 1, Pakistan entered the second phase of CPEC. This phase of the project considers the public-private partnership model. However, to date, the second phase has not been able to achieve the promised goals (Khan,2021).

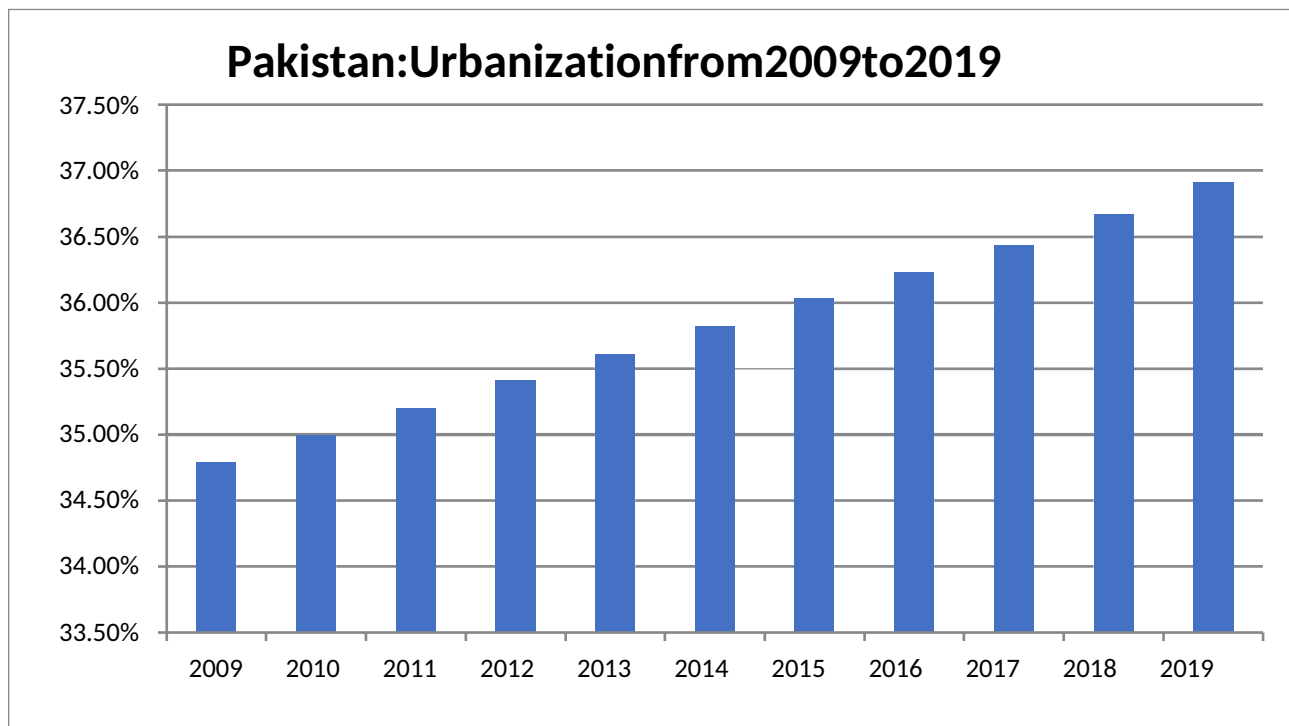
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Moreover, CPEC proposes about 9 Special Economic Zones (SEZs), one each in every province, along with one in Gilgit Baltistan (GB), Azad Jammu & Kashmir (AJK), FATA, and Islamabad (Figure 1.). Which helps the local economy to integrate with the global economy. It further aims to industrialize and enhance economic growth. While the world bank reports show that the proposed SEZs would reap some direct and indirect benefits (Abbas & Ali, 2017) if they get successful. It is also projected that CPEC with the help of the SEZs boosts the process of industrialization and urbanization. Nevertheless, urbanization in Pakistan is limited to metropolitan cities, and an abundance of people have been seen migrating to urban cities. The data taken from Statista (*Pakistan - Urbanization 2019*, n.d.-a), mentioned below shows the increasing urban population.

Figure1.



(*Pakistan-Urbanization2019*,n.d.-b).

The reason for this growing urban settlement is the static development of remote areas and the lack of human development. This is where projects like the CPEC claim to develop remote areas with the help of better infrastructure, business, and economic opportunities. Likewise, GB is one among many in Pakistan, that is

expected to develop due to CPEC. No doubt CPEC has enhanced the importance of this area but historically GB is of great concern as well due to its geostrategic importance of GB, the unsettled status of this area cannot be ignored by both Pakistan and China. With the inception of CPEC, GB has also enhanced its pace towards development and seems to be transforming from a remote to an urban area (Sajid, 2020). Although the seasonal tourism and better internet connectivity still restrict this area to flourish more rapidly.

Moreover, the “Moqpondass” is one of the SEZs, established in GB, and it seems to attract many others to get their feet on the GB market. No doubt the economic development of GB is inevitable but human development, environmental safety, and cultural sustainability carry the same amount of importance. Nevertheless, CPEC along with the fast urbanization of GB has created an uncomfortable situation among the people of GB and other parts of Pakistan.

Unskilled labor is projected to earn job opportunities due to the SEZs but only after they get trained, which is both time and money-consuming. If the issue of unskilled labor is not solved, the development of SEZs will be useless for Pakistan (Ahmed et al., 2020). When it comes to developing SEZs, Pakistan has failed to come up with advantageous results from the existing SEZs (Jamal, 2019). Moreover, many people around Pakistan see CPEC as the next East India Company. Criticizes the policies and interest rates given to China for leasing the lands in Pakistan (Bartleby, n.d.). On the other hand, China is keen to achieve its strategic interest in East Asia, where Pakistan plays a vital role by bridging China with other parts of Asia. This is why a deep integration is needed between Pakistan and China. However, cultural constraints do exist between China and Pakistan (Yang, n.d.) as well. This shows that one has to submerge its culture with the other one.

Hypothesis and Research Questions

This project aims to explore the insights of the CPEC and its SEZs. While exploring their impacts on the economy and society of Gilgit Baltistan. It further will analyze the enhancing urbanization of GB and the existing and upcoming socio-economic factors that arise due to this transformation. The political aspect does also need to be pointed out as the GB has yet to be given an autonomous status as a province, which is an

important factor in the future of CPEC. Moreover, the unskilled labor of Pakistan needs more attention to be able to work with the sophisticated machines and projects of CPEC and the SEZs. The following research questions will help to analyze the above-mentioned specific concerns linked with the developing urbanization due to CPEC and its SEZs and their impact on society:

- i. What is the role of CPEC and the SEZs in shaping urbanization in GB?
 - a. What challenges do the climate and people of GB face due to the predicted advancement?
- ii. In light of the previous failed experiences of SEZs, how successful do the CPEC SEZs seem to be?
- iii. What are the adverse impacts of this urbanization on the labor market?

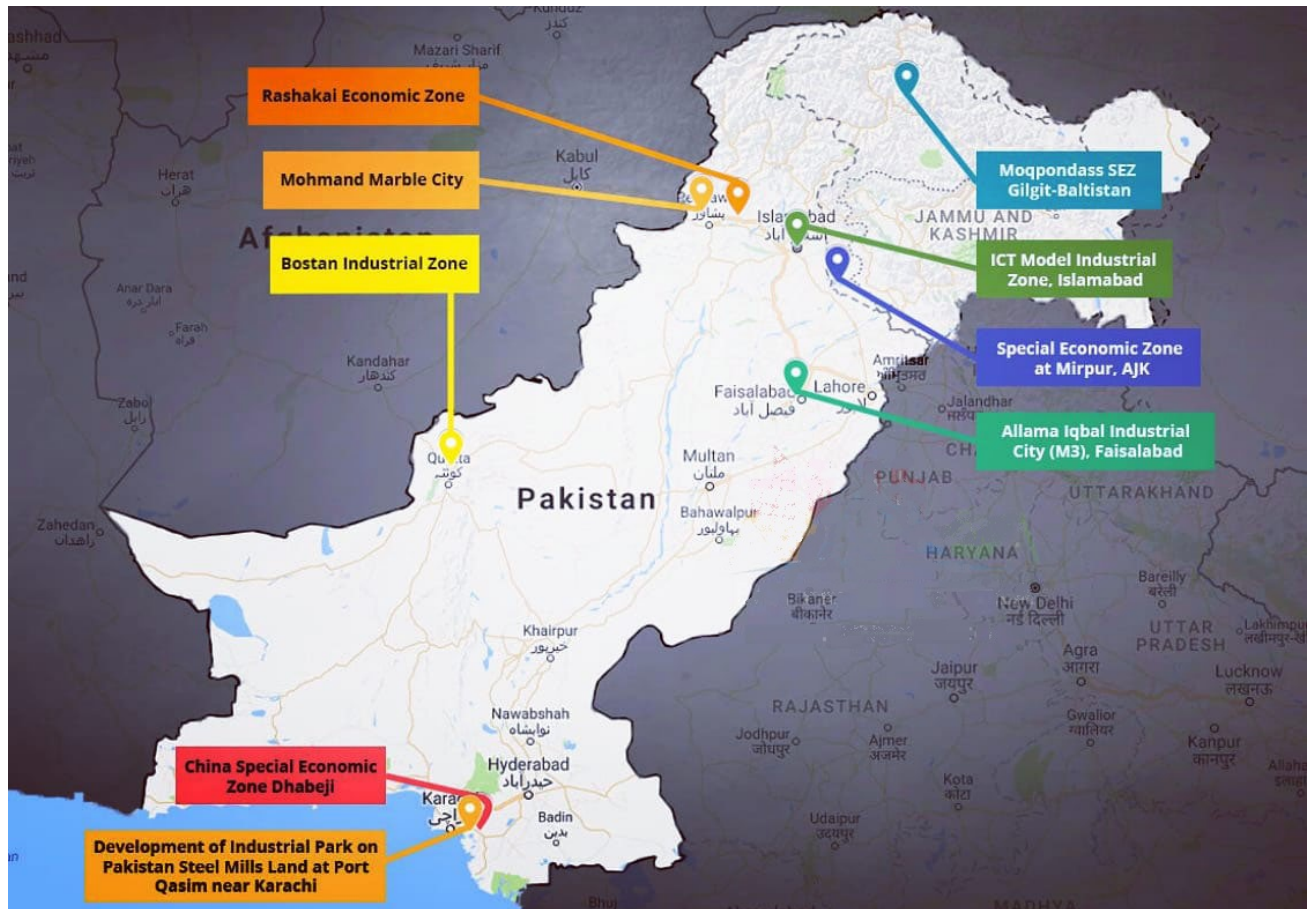
Methodology

The project is based on the existing literature and authentic articles related to the research area. Both qualitative and quantitative methods were used to extract and accumulate the data. The research objectives and questions are backed by already-published journal articles and renowned newspaper articles. Furthermore, the researchers analyze the gaps found in the previous research and highlight some other related concerns with the help of a literature review. All the data is taken from internet sources and their references given accordingly.

This project orbits around the dependent, independent variables, and the mediator. Where the area of GB, which gets the impacts and challenges is taken as the dependent variable. While SEZs of CPEC will be the independent variable, as the selected area gets affected due to SEZs of the CPEC project. Whereas urbanization plays the role of the mediator between the dependent and independent variables. When it comes to the SEZs in Pakistan, all the 9 SEZs will be enlisted and almost the success and failure of every SEZ will be discussed. The SEZs are - Different zones that have been planned in coordination with the federal governments of Pakistan and China and are present in the provinces of KPK, Sindh, Balochistan, Punjab, Islamabad, Port Qasim in Karachi, Mirpur (AJK), FATA, and Monqbondass (Gilgit-Baltistan). Details have

mentioned in the figure below (Figure 2).

Figure 2.



SEZs in Pakistan (PPM, 2020)

Analysis of data

The research questions and objectives will be analyzed with the help of the accumulated data, mentioned in the literature review and with the help of the gap analysis. The statistical data mentioned above and later added to the literature review will strengthen the analysis and assist in empirical judgment. While the content analysis will be a helpful tool to examine the qualitative data. Nevertheless, the obtained literature for both the qualitative and quantitative data will be compared with the hypothesis to understand if the objectives have been met or not. This analysis will further benefit to get more gaps and research questions for future reference.

Limitations

The research dominantly surrounds the area of Gilgit Baltistan and the socio-economic impacts of the only factor, urbanization, due to the CPEC and its SEZs. Where the SEZs will be highlighted. The search is based on subjective matters, where native individuals will not be able to participate. While the absence of surveys and interviews may also keep it away from objective results. The Internet would be the main basic source of accumulating data. Furthermore, limited literature existing for the specific area of research might make it hard to extract the related data from the sources.

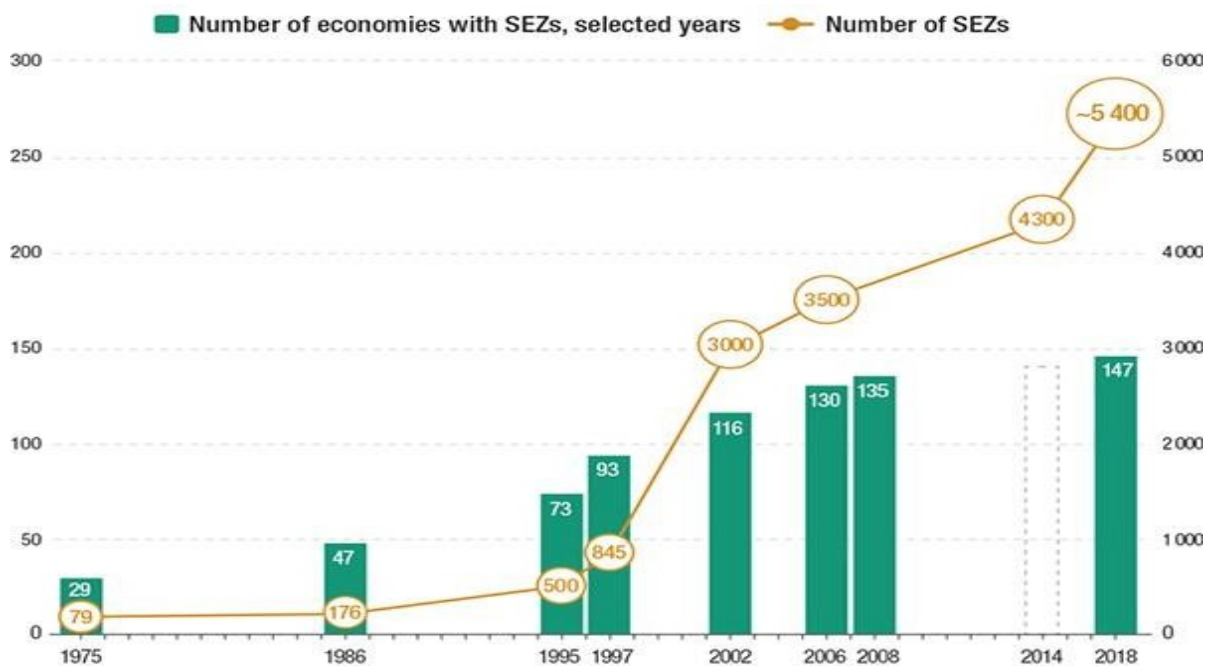
Literature Review

Hussain & Rao (2020) particularly talk about the impact of the SEZs to strengthen the CPEC project and the importance of those SEZs in the economic development and industrialization of Pakistan. Being specific to the impacts of SEZs and CPEC on Pakistan, the research further emphasized constructive change in all major sectors of the economy. With the completion of the first phase, Pakistan aims to develop SEZs with Chinese companies where it can be engaged in economic activities related to textiles, telecom, engineering, knowledge-based manufacturing, sea products, and sophisticated storage facilities for fruits and vegetables (Noor, 2020). However, it would not be that smooth to carry out such activities in one go, as there arise many issues. Such as “Low investment, dispersion of industry around the world, poor institutions, low-quality human capital, shallow tooling skills due to a lack of depth in vocational experience, lack of new technology, high market costs, brain-drain, low quality hard and soft infrastructure.” (Hussain & Rao, 2020). Due to some of the issues, the labor market gets adverse effects as well.

On the other hand, the Special Economic Zones are supposed to offer a much-needed boost to the country's economic activities (UNCTAD, 2019b). This is why many developing countries have steadily increased the number of SEZs within their country, although many had failed to fulfill the desired outcomes. Below mentioned data has been taken from (UNCTAD, 2019b), which reflects the idea that the number of SEZs has

enhanced over the course of time. However, these SEZs are for both developed and developing states. Where the basic free zones are most common in developed states and the remaining integrated zones are mostly found in developing countries.

Figure3.



(UNCTAD, 2019a).

Moreover, with regard to GB, there are feedback regarding the selection of areas for SEZs, where it states that GB provides a natural location to establish an economic zone (Khalid, 2018). While some have rose their concerns about environmental threats due to the heavy traffic chain of CPEC in GB and suggest enhancing the skills of local manpower for the SEZs. Which may help a state to have sustainable development. Regarding sustainable development (Rahman, 2018) talked about the elements of sustainable development, where Economic Sustainability is among many. Economic sustainability suggests the use of resources that satisfy the

needs of the current generation without compromising future needs. This is where CPEC’s actions contradict its basic idea of sustainable development. The below-provided data, taken from (Mirzaetal., 2019a) shows that under the CPEC project, coal has been used mostly to produce power in Pakistan. Coal is a nonrenewable resource and its use does not count in economic sustainability. While it is not even environmentally friendly to rely on coal production, as it is one of the major sources of CO2 emission (Cray, 2010). The following figure shows how CPEC uses coal production for power generation more than renewable energy sources.

Figure 4.

Power projects	Prioritized projects	Actively promoted projects	Installed Capacity (MW)
Coal	7	5	13140
Wind	4	1	350
Solar	1	–	900
Hydel	2	1	2693
Gas	–	1	525

(Mirzaetal.,2019b).

Furthermore, SEZs and mega projects like the CPEC do contribute in many aspects, but they can be sustainable if there is good governance and political stability. (Beg et al., 2018) is of the view that economic interdependence, without a doubt, helps to mitigate global political conflicts around the world. No doubt, the BRI (belt and road initiative) connects economies and creates integration among the states. But political instability and conflicts in the state pose a great threat to the success of such projects. Therefore, CPEC SEZs need to be carried out with political stability in Pakistan and the people’s mandate needs to be respected as well (Reporter, 2018).

Another aspect brought forward by (Beg et al., 2018) is human security. Protection of the sovereignty and land of the state is important but the human-centric security of the state is more important in the globalized world. Internal conflicts and terrorist threats bring unreliable human security within a country. That ultimately

puts foreign economic projects in danger. Pakistan has yet to stabilize itself politically and issues like terrorist attacks, separatist movements, and disputed areas again put the future of long-term projects in danger (Memon et al., n.d.). Gilgit Baltistan (GB) as mentioned earlier, is important strategically and a disputed area. India claims to have GB as a part of their territory just like Kashmir while the Chinese interest and investment in GB attracts other powerful states as well, which further poses a threat of more dispute in the region. In another report, the concern of the Chinese military has risen. Other countries' interests in GB must not be ignored as countries like India, America, Russia, and, to a lesser degree, Central Asian countries, may not like China's military control and hegemony over this area due to its strategic position and abundance of natural resources. In GB, China already has a large military presence, and the CPEC would give it an opportunity to beef up its military to defend its massive investment (ANI, 2017).

Nevertheless, SEZs have indeed helped many economies to enhance with time. However, it is important to understand that SEZs in developing and underdeveloped states are more vulnerable than those in developed ones. In states like Pakistan, SEZs are being developed in rural or remote areas which creates more possibilities of failure. The article (Frick & Rodríguez-Pose, 2019) states that due to the reduced capacity of remote areas to communicate with non-SEZ businesses and workers, SEZs in more rural areas can have a smaller effect on the neighboring areas. Likewise, some socio-economic challenges do create restraints for the CPEC SEZs as well. Such as increasing state debts, declining financial competence of firms, rupee devaluation, and rising trade deficits (Ahmad & Taidong, 2020). These issues raise the question of the sustainability of CPEC SEZs and their aftershocks for Pakistan. For more than two decades China has used SEZs as a policy lab, regarding which a Chinese professor says that governments can use the SEZs as a testing ground, if successful go with it and if not try another way (Healy, 2018). This policy of China can be valuable for developed countries but not for countries like Pakistan. As Pakistan is not in the economic condition to exploit its resources in such experiments. Rather than attempting to provide an economic quick fix, SEZs should work to alleviate specific economic distortions. Otherwise, the examples of failures of SEZs in Asia are inevitable. Such as the Thailand SEZs did not prove to be that effective (Society, 2018) and India's SEZs

have also failed due to many reasons, including ineffective land selection and corruption (Kwatra, 2018). While (Jamal, 2019) suggests that many SEZs in China itself have not even been sufficiently used or given benefit to the larger economy. Other than the benefits, the other side of the picture for Pakistan may lead the country to a greater hazard.

Moreover, the dangers may also arise at the micro-level as well. Where the labor market gets targeted due to the SEZs. Such as the case of Cambodia SEZs, where the labor wages remained unchanged but the land prices enhanced drastically (Brussevich, 2020), which makes it difficult for the labor market to cope with the expenses. On the other hand, high-skilled labor may be paid more but a lack of skills in indigenous people may lead to the import of foreign workers. In the case of Pakistan, laborers have not been identified as such in the discourse on CPEC (Hisam, 2017). If the labor market gets to work under the CPEC projects, again they are obliged to follow the domestic labor law, which visibly lacks proper implementations. Even the SEZs act of 2012 articulates that all labor laws of Pakistan apply to the laborers of the SEZs (Hisam, 2017). This reflects the idea that urbanization of remote areas only enhances the infrastructure and living expenses but not the earnings for the laborers. Ideally, if the skills of the people are developed through greater investments, then again, the majority would prefer to go for the jobs, while entrepreneurship efforts may decrease among the people due to this factor. Moreover, the labor force of Pakistan is the tenth-largest in the world (Magsi, 2016), and the literacy rate is only 59.13% (Statista, 2020). While the majority of the literates do not get exposure to higher education as well. Training such labor to high skills is no doubt far too expensive than expected and if the same implementation of the labor laws is carried on then human development way away to attain.

Analysis and Discussion

Failure of Existing SEZs in Pakistan

In many countries including China, SEZs have proved to be a viable aspect of economic growth. While following the footsteps of these countries in 2012 Pakistan put forward an Act for SEZs i.e. Special Economic

Zone (SEZ) Act 2012 (PBIT, 2022). The SEZs are designed to promote significant foreign direct investment (FDI). The local government is then encouraged to provide subsidies for different infrastructure, such as ensuring the availability of uninterrupted energy and enacting favorable trade and tariff laws that are only relevant to items offered and manufactured within SEZs. Similarly, some of the most alluring jobs and advantages of SEZs are locally supplied labor and strong transportation networks for exports of manufacturing (Zia et al., 2018). SEZs have been implemented in Pakistan before, but not to the extent or with the goals that CPEC-focused ones are expected to. In order to create a framework for joint public-private ownership of businesses inside the private sector, the Special Economic Zones Act was established in 2012, providing different incentives in relation to machinery import taxation. Such transactions can be carried out on a state-to-state basis (for example, between Pakistan and China) or through a process whereby the provinces of Pakistan negotiate with China directly. Pakistani SEZs will focus on a number of areas, such as information technology, mining processing, and value-added manufacturing.

Increasing the productivity and competitiveness of Pakistani businesses is another important priority for policymakers. Pakistan was 107th out of 140 nations in the 2018 Global Competitiveness Index (GCI), however, it was second to last among South Asian nations. If we talk about the failures of SEZs, the historical background of IEs and SEZs shows us a clear picture. We can learn valuable lessons from one of Pakistan's most well-known failures regarding our SEZ experience. Gadoon Amazai IE was established in 1988 to raise living conditions in KPK and provide jobs. The incentives were removed in 1992, and 133 units were closed, despite the IE originally recording a considerable positive impact: Rs. 53.83 billion in investment, 35 industrial units, and employment for 14,843 persons. Industrialists in neighboring provinces objected to the idea. The area was also inaccessible from the major cities and had high transportation expenses as a result of its remote position. Another error was the misappropriation of land in the Quaid-e-Azam Industrial Estate (QIE). Property costs are high in QIE since it is near Lahore, the province capital. As a result, businesses that needed larger plots at reduced prices, modern infrastructure, and greater highway access moved from QIE to Sundar IE. Investors and manufacturers started renting or selling their premises at QIE for business purposes

after relocating to the more advanced IE. The non-industrial units are drawn to QIE by its comparatively lower rentals, spacious locations, and superior utility service, particularly for electricity. As a result, at QIE, non-industrial buildings like TV stations and institutions are starting to take the plots intended for industrial estates and businesses. The key takeaway is the need for greater planning to guarantee the efficient utilization of areas designated for industrial production while providing planned IEs for new businesses(Ahmad & Zhou, 2020).

Timeline of SEZs in Pakistan

With the enactment of the Special Economic Zone Act 2012, Pakistan embraced the SEZ model of industrialization 2012. According to the Act, SEZs may be established by the federal and provincial governments in the public, private, or public-private partnership (PPP) sectors. Around 2015–16, in conjunction with a significant legal revision, the first SEZs under the Act were notified. The regulatory actions and SEZ notification, however, did not take up until 2019. While the details of the timelines and different announcements of SEZs are mentioned in the figure below (Figure 5.).

Figure 5.



Timeline and Announcements for SEZs (Chapter 7, n.d.)

There are now 22 authorized SEZs, of which 21 have been notified. While nine SEZs have been authorized under CPEC, of which four have been accorded priority status, thirteen of these 22 approved SEZs had previously been Industrial Estates and Industrial Parks. According to the developers, the majority of SEZs are created by public sector development corporations, two are done so through public-private partnerships, and

three are created by the private sector, including two sole business SEZs. However, there are plans for two more SEZs in the private sector. The 22 authorized SEZs are believed to encompass more than 15,000 acres, according to the most recent statistics. Plot delineation has been completed for 11 SEZs, and more than 3,000 plots have been delimited so far(Jamali, 2022).

Urbanization and Gilgit Baltistan

Negative Impacts of Urbanization on Land

While looking into the urbanization of Gilgit Baltistan, one might suggest that it has an economic benefit for the region. However, we should not forget the opportunity cost of such development. No doubt the area is prospering economically and the infrastructure is enhancing day by day. On the other hand, the people and the natural habitat of this area are under an influence of an abundance of negative impacts. One of the areas affecting is the use of Land. Some of the primary internal drivers of land use change include the location of the land, ownership patterns, household size, size of the landholding, and income, whereas some of the primary external drivers include socioeconomic development of the region, the pattern of urbanization, and government policies. Over time, landscapes change gradually. Depending on regional demands and the current physical, socioeconomic, cultural, and environmental factors, several land uses are made. However, globalization's urbanization and industrialization have escalated land usage, particularly in isolated, high-mountain places where there is a shortage of available land. Economic, political, environmental, and social factors influence the conversion of land, more frequently from cultivated and arable lands to commercial uses. This conversion has a significant opportunity cost in terms of biodiversity loss, land fragmentation, and low agricultural productivity, creating significant problems with food, water, and energy insecurity(A. Ali et al., 2022a).

The figure below (Figure 6.) shows the current use of land in the three main districts of Gilgit Baltistan. These districts are in a pace of urbanization and the emerging urbanization is changing the demography and usage of land in this area.

Figure 6.

District	Village	Total cover area (ha)	Smallholding along main roads		Smallholding along linked roads		Built-up, associated orchard area		Forest area owned by the households	
			Area (ha)	%	Area (ha)	%	Area (ha)	%	Area (ha)	%
Hunza	Aliabad	491.8	81.3	16.3	24.2	5	230.6	46.7	155.7	31.9
	Karimabad	390.8	69.7	17.5	28.2	7.2	166.5	42.6	126.3	32.4
	Gulmit	486.6	87.2	17.9	41.7	8.6	269.4	55.4	88.2	18.1
	Sost	187.4	33.9	18.1	72.5	38.7	36.5	19.5	44.5	23.8
Ghizer	Gahkuch	2206.4	244.5	11.4	377.2	14.8	1165.3	54.3	419.4	19.5
	Damass	402	81.2	20.2	35.7	8.9	256.8	63.9	28.3	7
Nagar	Hoper	187.4	14.6	7.7	8.3	4.4	133.7	71.4	30.8	16.4
Total	4354.4	613.4	14.10%	588.8	13.50%	2260.8	52%	893.2	20.50%	

Land Usage Details of the Districts(A. Ali et al., 2022b)

Ghakuch, which covers an area of 2206.4 hectares, has the greatest total land area, followed by Aliabad, which covers an area of 491.8 hectares, Gulmit, which covers an area of 486.6 hectares, and Damas, which covers an area of 402 hectares. While the village Hoper and Sost are the smallest in terms of coverage area and have the same overall coverage area of 187.4 hectares, respectively. However, compared to other sample communities, the village of Hoper is shown to have the most built-up, related orchard area. The hamlet Sost, on the other hand, is discovered to be the least village with built-up and orchard area while having a covered area equivalent to Hoper. The impacts of urbanization are such that the use of land has drastically changed over the course of 10 years. In the case of District Ghizer, the amount of cultivated land owned by families tends to decline with time. The average amount of land that a household cultivated was 8.8 Kanal about a decade ago, 6.9 Kanal half a decade ago, and 4.4 Kanal in 2019. The growth in population and the transfer of land ownership are both responsible for this. The other two districts show a similar tendency. Similar falling

trends are seen in the amount of uncultivated land owned by families. However, in all three Districts, the amount of commercial land owned by households tends to slightly grow.

Failure of Sustainable Development: KKH

Gilgit-Baltistan was remote and only connected to the rest of the nation by air and occasionally open to jeep traffic until the KKH was built. All of the valleys are now interconnected by main spine roads and auxiliary roads connected to KKH as a result of the intervention in the shape of KKH. There are seven districts in all of Gilgit-Baltistan, and the KKH travels through the districts of Hunza-Nagar, Gilgit, and Diamer. Therefore, attention will be given to the changes in these three districts. It is important to understand that sustainable development of this area would be possible when the infrastructure does not disturb the climate and geography of this area. While the natural phenomenon does not get disturbed due to the developmental projects. However, it cannot be observed in the case of Gilgit Baltistan. The KKH has disturbed the land use with respect to agricultural land and water body. Artificial construction has increased since 1996 and the natural aspect of this area is changing rapidly. The figure mentioned below (Figure 7.) provides the comparative data for 1996 and 2016.

Figure 7.

Land use Classes	1996 Area in Km ²	2016 Area in Km ²	Change in Area Km ² 1996-2016
Agricultural land	131.97	90.87	-41.09
Built-up area	100.52	185.98	85.46
Water Body	58.04	41.07	-16.96

Changes after the Construction of KKH(Anwar et al., 2019)

The data shows that the agricultural land has decreased to 90.87 Km in 2016 from 131.97 Km in 1996. This

mountainous area and its natural habitat have been adapted to agricultural practices and the decrease in this practice has negatively affected the people and the environment. The people are now mostly dependent on the market for groceries and other usable items in their homes. Instead of using organic food, people are shifting towards processed food and it will negatively impact their health as well. The data further shows that the built-up (constructions) has increased rapidly while the water body has decreased in this area. The construction of buildings for the purpose of business has increased. Due to this deforestation is happening and the agricultural land is reducing. All these things have led to the increase of climate change in this area. Gilgit Baltistan has seen significant climate changes recently. As a result, the environment is adversely impacted. According to research, the region's temperature is rising twice as quickly as the plains. Rapid glacier melting causes river floods and the urgent need for glacial meltwater lakes. Less snowfall is causing the glaciers to melt. Glacial lakes rupture and overflow, destroying homes. Ibex and marmot species are at risk of going extinct due to the loss of their native habitat due to climate change, global warming, melting glaciers, severe weather events, and natural calamities. The enchantress of Himalaya, the snow leopard, is likewise in danger. As the natural land is turning into carpeted roads and cemented floors, the cultural practice of dumping waste material in lands has also changed. Now people mostly burn waste material and burning waste is a direct cause of harmful carcinogens like black carbon, a transient climatic pollutant that accelerates climate change. Significant volumes of greenhouse gases, including carbon dioxide and methane, which are frequently linked to air pollution, are released into the atmosphere as a result of open garbage burning (Barcha, 2022).

Enhanced Tourism and Culture of GB

Local customs, socio-cultural traits, social life, and religious beliefs of local inhabitants residing in a community have been impacted by the expansion of the tourist sector. Local customs, entertainment, accommodations, food, and other aspects of culture are lost wherever there is mass tourism, and this altered culture is used to attract and delight the mass traveler everywhere. Researchers from all across the world have recognized and explored some of the negative effects of tourism. For instance, tourist attractions may experience overcrowding, which would worsen traffic and generate parking issues, which would then affect

the local population. While tourism generates employment for locals, it can also result in serious issues with drug usage and excessive alcohol use. While the inflow of tourists in GB has also increased over the past few years. According to the Gilgit-Baltistan Tourism Department, around 204733 visitors visited Gilgit-Baltistan in 2015. The data mentioned in Figure 8. shows the details of the tourists in GB in the last few years.

Figure 8.

Year	Total No. of Tourists	International Tourists		Local Tourists	
		Numbers	Percentage	Numbers	Percentage
2007	34108	10338	30.31	23770	69.69
2008	62544	8504	13.6	54040	86.4
2009	62341	7739	12.42	54602	87.58
2010	53028	7728	14.58	45300	85.42
2011	66475	5242	7.89	61233	92.11
2012	33217	4324	13	28893	87
2013	56415	4501	8	51914	92
2014	53746	3442	6.4	50304	93.6
2015	204733	4082	2	200651	98

Number of Tourists in GB(Saqib et al., 2019)

The data shows that international tourists have decreased but the number of local tourists has enhanced drastically. The statistics for domestic travelers indicate an upward trend from 2007 to 2011, with little change in 2010 and a significant rise in 2012. 2012 saw the lowest and 2015 saw the highest number of visitors to Great Britain. Apart from polluting the area, the tourists pose a threat to the local culture as well. The risk of the local culture's traditional values vanishing further increases. While rapidly expanding tourism is having a direct influence on regional cultures and values. The likelihood of influencing tourists increases with the strength of the local culture. Unfortunately, Gilgit Baltistan's native cultural values are in danger of disintegrating. The villagers are modernizing themselves while forgetting their ancestors' customs. The local cultural values are deteriorating as a result of this(N. Ali, 2022).

Conclusion

SEZs are a subset of the state's limits that are required to enhance exports, improve infrastructure, create more jobs, and reduce administrative distortions while charging little to no tax. The Special Economic Zones (SEZs) in Pakistan so far have not been successful enough to offer a ripped fruit to the people of this country. Even if the SEZs survived and helped the country economically, it needs to be sustainable enough to cover every aspect under its umbrella. There are chances that these zones may have some long-term effects, such as contamination of the environment, exploitation of the success and reputation of other functioning businesses outside of these zones, production of negative externalities, etc. When developing SEZ, appropriate measures including those pertaining to human rights and corporate social responsibility (CSR) should be included.

There is much space for the development of Pakistan's SEZs. Regarding regulatory changes, the existing SEZ framework does not see SEZs in Pakistan as places that provide enterprises with a unique policy and regulatory environment. In reality, under the existing SEZ framework, unless expressly exempted, eased, or otherwise specified in the SEZ Act, all relevant laws and regulations of Pakistan, including those pertaining to the environment, employment, procurement, and building code, must be obeyed. These exemptions have not yet been made public. The governments of Pakistan and Gilgit-Baltistan are aware of the issues and are eager to get the bottlenecks eliminated. However, a sustainable strategy is required for the construction of physical infrastructures including highways, marketplaces, cold storage facilities, and the supply of support services. The culture and positive cultural practices are diminishing in this area and if attention is not given to such aspects there would be more negative repercussions.

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