

## FACTORS INFLUENCING PAKISTANIS' PERCEPTIONS OF CHINA ECONOMIC CORRIDOR OF PAKISTAN

<sup>1</sup>Waqar Ahmad, <sup>2</sup>Muhammad Faheem Jan, <sup>3</sup>ShahJahan Masud

### ABSTRACT

#### Keywords:

*Perceptions of the people about CPEC, Quality of life, Personal benefits, Poverty reduction, Satisfaction, Acceptance and Support*

Based on the social exchange theory the main purpose of the study is to know how different factors affect the perception of the people about mega project of China Pakistan Economic Corridor (CPEC) in Pakistan which is being carried out through the major investment and collaboration of the neighboring country of China. The objective of this current research study is to determine how quality of life, personal benefits, poverty reduction, satisfaction, acceptance and support affects the perception of the people of Pakistan about the whole project of CPEC. A detailed model of study variables was presented and tested by using mix method approach. 400 respondents' responses were recorded from all over Pakistan through survey technique. Furthermore, 10 interviews were also conducted. The study results are showing that quality of life, personal benefits, poverty reduction, Satisfaction, acceptance and support have positive impact on perception of the people about China CPEC. The theoretical contribution of this study is it is a new addition in the literature of the people perception about CPEC. This study offers various practical implications to policy makers and government officials for successful and timely completion of China Pakistan Economic Corridor and to create prospective approaches based on Pakistani residents' perception toward better exploitation of CPEC as an opportunity.

### INTRODUCTION

Globalization and competitiveness have raised the necessity for every government to establish and maintain ties with other countries. A country's economic interests are currently the most important aspect of foreign policy. Globalization has not only brought nations closer together, but it has also encouraged positive exchanges among them. It has aided governments in establishing and maintaining relations with countries all across the world, not simply their neighbors (Gunduz, 2020). Governments may form commercial links with other nations due to

<sup>1</sup> Assistant Professor, University of Central Punjab, Pakistan. Email: [waqar.ahmad20@ucp.edu.pk](mailto:waqar.ahmad20@ucp.edu.pk)

<sup>2</sup> Assistant Professor, University of Central Punjab, Pakistan. Email: [faheem.jan@ucp.edu.pk](mailto:faheem.jan@ucp.edu.pk) (*Corresponding Author*)

<sup>3</sup> Assistant Professor, University of Central Punjab, Pakistan. Email: [shahjahan.masud@ucp.edu.pk](mailto:shahjahan.masud@ucp.edu.pk)

modern globalisation based on a single thread of mutual interest. This benefits all countries along the trade route, not just one. They are creating a route that helps all countries in the region (Lim, 2019). It assists governments in developing a robust foreign policy that encourages good relations with other countries. Furthermore, global trade and international investment have reached new heights. With China today becoming one of the world's leading exporters of a variety of commodities, the globe is witnessing a new emergence of economic superpowers (Latif et al., 2018). Western nations were the world's economic powerhouse many decades ago. They were the countries that aided in the stabilization of the world's rising economies. However, Asian nations have begun to improve economically in recent years. Because Asian countries have begun to see their potential and embrace their trade opportunities (Soni, 2018). As a result, China and India are increasingly serious competitors to Western economies. As a result of these factors, Asia's economy is gradually growing (Niazi, 2019). If China's economic development continues at this rate, it will overtake the United States as the world's economic leader. Furthermore, China has considered its own economic success and stability and that of other countries in the region. CPEC is one such endeavor. Because CPEC serves more than just China and Pakistan, it also benefits other countries in the region, as this economic corridor will establish a more efficient and effective trading route for other Asian countries. Globalization and competitiveness have raised the necessity for every government to establish and maintain ties with other countries. A country's economic interests are currently the most important aspect in foreign policy. Globalization has not only brought nations closer together, but it has also encouraged positive connections between them. It has aided governments in establishing and maintaining relations with countries all across the world, not simply their neighbors. Governments may form commercial links with other nations as a result of modern globalization based on a single thread of mutual interest.

It assists governments in developing a robust foreign policy that encourages good relations with other countries. Furthermore, global trade and international investment have reached new heights (Suci, Asmara & Mulatsih, 2016). With China today becoming one of the world's leading exporters of a variety of commodities, the globe is witnessing a new emergence of economic superpowers (Latif et al., 2018).

Initially, the Pakistani people were not very enthused about the CPEC project. People believe that because the initiative is backed by Chinese investors, Chinese enterprises would flood the Pakistani market, causing harm to local businesses (Kanwal et al., 2020). This was a crucial

feature of Pakistani resistance. Because the first phase of CPEC has already begun and is making great progress in Pakistan, the present research aims to assess the current view of Pakistanis and how much their earlier perception has changed. The first phase of CPEC is already showing effects across the country. Thus, it is critical to understand how Pakistanis see CPEC now that it has begun to be implemented successfully (Ali & Chaudhry, 2018). Thus, the present research is meant to not only promote CPEC among the Pakistani local populace but also to educate them on the project's advantages. However, the current research is meant to assist Pakistani policymakers in making CPEC a more productive initiative that benefits the Pakistani people. Past studies have identified the CPEC importance for the economy and prosperity of the people of the Pakistan, but it not mentioned that what are the perception of the people of Pakistan about CPEC. Furthermore, this is the theoretical novelty of the study, which is missing in the previous research.

### **LITERATURE REVIEW**

CPEC is China's model project for the One belt, one road (OBOR) ambitions. China has been heavily reliant on gulf nations for oil imports; in the meantime, these imports of oil and other trade goods move along a considerably longer path, under the sway of the American Navy via the Malacca strait. After such a lengthy journey, these items arrive in East China. They must then be relocated to the west of China, hundreds of kilometers from the east coast. As a result, the new route through Gawadar port and subsequently the Karakoram Highway is safer, more convenient, and less expensive. CPEC is promoted as a means of strengthening Pakistan's economic development and China's One Road, One Belt Initiative (BRI). Both nations' relations have reached new heights as a because of CPEC, which is seen as a game changer for the whole area and beyond. The CPEC is supposed to have been developed as part of a planned alliance between the governments of China and Pakistan. The China-Pakistan Economic Corridor is a long-term initiative which spans the years 2014-2030.

China and Pakistan accepted each other's independence status and sovereignty in the early days of 1950s. Pakistan and China have had friendly relations since they established diplomatic ties following their independence. Pak-China friendship is built on long-standing relationships; they are not only strategic allies, but also cooperating partners in every way (Bajpai, 2017). According to Bajpai (2017), Pakistan was the first Islamic country to recognise China as a sovereign state and immediately establish diplomatic ties. Pakistan recognized China as a free country in 1951, and the two countries began a bilateral relationship (Shamsa Kanwal et al

2018). Both countries have a long history of trustworthy and dependable relationships. They've known one other for decades and have a traditional friendship.

Both nations have close ties in political and economic concerns. R. M. Khan (2011). The ups and downs of a country's governing structure have little bearing on their close relationships. Their union is founded on the principles of justice and mutual gain in all walks of life. They each value each other's freedom, autonomy, and territorial truth. Mutual ties between the two countries are a primary priority of both countries' foreign policies. Pakistan backs China's agenda on one-China policy, Tibet, and Taiwan conflicts. On the other side, China is always willing to lend a helping hand to Pakistan in terms of defense and economic affairs. They provide their full support to Pakistan, their neighbouring country. The China-Pakistan Economic Corridor is one example of this collaboration, and it represents a significant investment by China in Pakistan. It comprises initiatives including road infrastructure, railway networks, communication, and energy.

Pakistan enthusiastically welcomed Chinese investment for communal and economic well-being. China assumed Pakistan's responsibility in combating terrorism in this region. According to Weidong, S. (2017), the Pakistan-China relationship is defined by three terms. The first is "all-season." Since the establishment of diplomatic ties 66 years ago, China-Pakistan friendship has been unshakeable, time-tested, and unaffected by changes in the two countries' international and internal situations. The second crucial phrase is "all-around." "Iron Brothers" is the third keyword. Netizens in China fondly refer to Pakistan as "Iron Brother," reflecting the genuine and deep emotions shared by ordinary people, men and women, elderly and young. During a visit to China, Prime Minister Nawaz Sharif stated, "Pakistan-China friendship is larger than the sky, sweeter than honey, and shallower than the sea." Pakistan and China are well-considered all-weather buddies or iron brothers.

CPEC is a massive project's platform in building a stable economic route between China, Pakistan and all the way to Africa and Europe, which can also significantly assist Pakistan in maintaining upright relationships with its neighboring countries, such as Iran, Bangladesh, India, Afghanistan and the Middle East.

### **CPEC from the standpoint of Pakistani national interests**

The project of CPEC is thought to be a group of infrastructure schemes in Pakistan to support the devastated economy of Pakistan. CPEC comprises of building of up-to-date conveyance systems, various energy projects, and creation of special economic regions. The key goal of

this project is to link Pakistan Gawadar port on the Indian Ocean to China northwestern area of Xingjiang through a huge system of highways and railway tracks. If this project fits into reality Pakistan will be having enormous network of roads highway, railway networks and pipelines. Railways and pipelines. This road will cover almost 3,000 kilometers from Gwadar to Kashgar. The internal motorway is also the part of this project that will be about 1100 kilometers long extending from Karachi to Lahore in adding together to the Karakorum Highway from Kashgar through Khunjrab pass to Islamabad. This will be the biggest infrastructural project in the antiquity of Pakistan's history.

### **CPEC From a Chinese standpoint**

The presence of the Chinese navy at a critical geographical point in the Gulf will be strategically advantageous to China. They will have a check on INDO-US supremacy in the Indian Ocean, and they may struggle to achieve their aim of becoming a naval power. The use of the port is one thing, but an existing land link may help China refine its commerce with Central Asian states, Africa, and the Middle East. This path can cut the trip in half, from 10,000 kilometres to 2500 kilometres (Khalid, M.M, 2009). Gawadar will give China with a key location in the energy-rich Caspian Region, providing an alternative commercial route for the western Xinjiang region, which will use Gawadar port as a trading route. China's economy is growing at a pace of around percent per year, with a trading capacity of US \$ 1.76 trillion and a GNP growth rate of up to 7.3 percent. China manufactures the most photocopiers, microwave ovens, CD players, shoes, and toys in the world. China alone produces 70% of all these things in the entire world. China is experiencing rapid growth and is predicted to be the world's leading economy by 2025. Its expanding economic needs are causing it to restructure its financial procedures in order to include various nations for advanced and realistic economic development by increasing the number of permanent consumers in the worldwide arena for its products. To become a founding member of the World Trade Organization (WTO), the Chinese government's foreign and financial policies must be persuasive and well-organized.

### **CPEC's Economic Prospects**

The CPEC has been a long-term economic initiative. Infrastructure development, communal, educational, and health development are only a few of the many implications it has on Pakistani economy. A substantial boost to Pakistan's economy has resulted from this corridor. This corridor delivers good outcomes. Since then, several milestones have been made that contribute to Pakistan's thriving and sustainable economy. Trade requires investment. Its foreign capitals have seen an increasing trend in recent years due to the CPEC project's commitment to provide

numerous benefits to Pakistan. It was certified by the World Bank that Pakistan's foreign reserves reached \$24.4 billion in 2016 (Saeedi 2016).

A major concern of the twenty-first century is poverty. There are insufficient resources and talents to satisfy fundamental human needs at both individual and society levels.

### **Quality of life**

Two concepts emerge in the conceptualization of quality of life. One is whether they have a good life or a bad one (Diener et al., 2003). As an alternative to life satisfaction, the construct of QOL is commonly utilized as an umbrella (Kakar, Khan, & Research, 2021). If anybody wants to establish an image that demonstrates distinctive qualities to boost value of living and this notion is approved by the local community, it is best articulated in the context of social development projects. Many elements influence the social or local community's well-being. One example is tourist growth, which may significantly improve the lives of local populations (Daldeniz & Hamptons, 2013). Similarly, any cultural event or occasion may allow various ethnic groups to showcase their culture and values (Aman, Abbas, Shi, Ain, & Gu, 2022). Infrastructure development is important for economic growth, according to economic theory. The support of local community for CPEC is critical to the project's success. Unemployment rates in both nations would fall due to the CPEC project. A reduction in energy shortages, poverty reduction, and economic growth are projected by CPEC. Infrastructure development is important for economic growth, according to economic theory. Operating efficiently will supply fundamental necessities including healthcare, education, and job training (Kanwal, Chong, & Pitafi, 2019a). Transportation is one of the most important aspects of infrastructure development. It will cut travel time and costs.

### **Public support for CPEC**

For any initiative to be successful, local community support is required. The CPEC project is no exception. People will support this idea wholeheartedly if they see it as advantageous to themselves. They will assist the project at all stages. Everything hinges on the benefits that come with it. These projects benefit not only Pakistan's economy but also its citizens, according to government officials. The CPEC paybacks would be transmitted to the general public, say scholars (Shaikh et al., 2016). Pakistan's ambassador, Jalil Abbas Jilani, talked Because CPEC would improve Pakistan's economic status, it will also help the whole region.

This is because CPEC will bring it to its maximum height. Assembling multiple industrial plans that benefit the local economy and inhabitants, CPEC is a win-win situation multi-energy



initiatives and strategies will improve Pakistan's industrial and economic performance. Gawadar port being fully functional will enhance Pakistan's geopolitical influence in the area and open up trade avenues. Once the CPEC is finished effectively, all of these indicators will benefit the local population. Overall, the CPEC projects are tremendously beneficial to Pakistan. As stated by Makhdoom et al. (2018), CPEC is a network of industrial, economic, educational, and developmental initiatives that spans both nations' borderlands. These projects include Gawadar port, transportation infrastructure, electricity and railway networks. Researchers believe this initiative is a game changer for the whole country, since it has the ability to boost Pakistan's economies and provide thousands of jobs for Pakistanis (Rana, 2016) on the basis of significant study and official declarations, these two nations stand to gain from the CPEC project since Gawadar port provides the quickest, safest and most reliable access to all Arabian sea countries (Kanwal et al., 2020). Several CPEC projects are nearing completion, with some already completed and others in rapid development (Surendra Kumar, 2023). These initiatives continually provide new business and job prospects. Transport system economic and industrial zones in Pakistan (Qureshi, 2015).

Regional economic integration (REI) and infrastructure indexes suggested trade liberalisation. Empirical findings revealed REI-worthy infrastructure. Relative to inflation and currency rate, polity index (a measure of democracy) and FDI have a positive and considerable impact on REI.

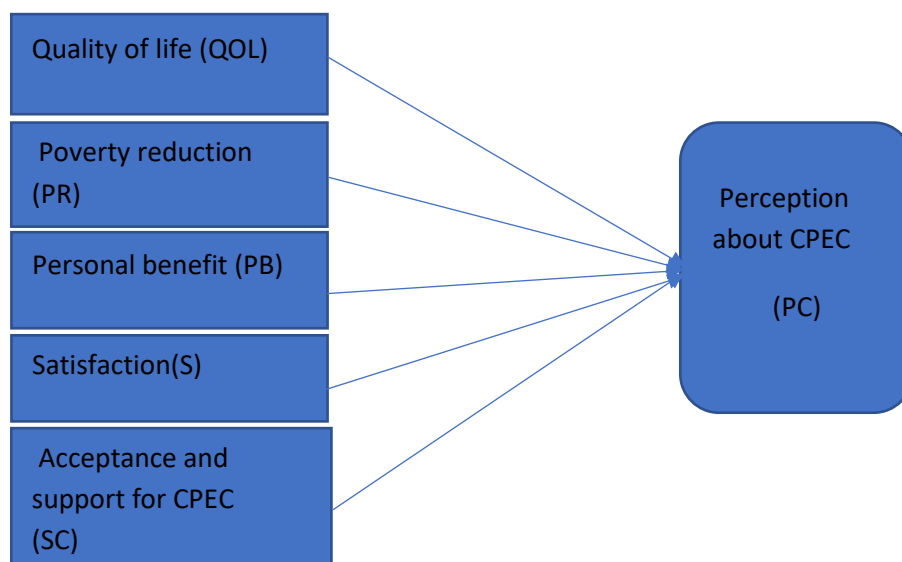
### **Satisfaction**

Predicated on these economic factors, CPEC is based on these infrastructural upgrades in the targeted areas of Pakistan. Numerous studies support the positive effects of CPEC on Pakistan's infrastructure development (Afzaal, 2023). The studies give an understanding of the CPEC difficulties and policy recommendations to improve the situation in Pakistan. According to Javaid and Umbreen (2016), China Pakistan Economic Corridor would usher in a new age of socioeconomic growth in the context of Baluchistan. Initially, several Baloch factions feared Gawadar port. They objected to the lack of local engagement in port operations and administration (Ziad & Haider, 2005). Baluchistan had the highest proportion of migration in 2010-2011 and 2012-2013, at 38.3% and 42.3% respectively, owing to lack of work prospects and social development (Siddiqui & Nadir, 2011).

The major reason in Baluchistan is nationalism movements. The initiative is perceived negatively since it may harm the province's traditional culture. The Bloch tribe Sardars are vital to the timely and effective completion of CPEC. They must also be assured of cultural

preservation in the face of this initiative. CPEC promotes solidarity and constructive social transformation (Khaskheli, Wang, Yan, & He, 2023).

Pakistan's political parties see China in a positive way to preserve two-sided connections. Pakistan's military establishment also supporting this project to help people of Pakistan to get out from the circle of poverty and unemployment as key in policymaking processes of Pakistan. The proceeding of Pakistan Institute of Development Economics conference (2016) highlighted three dimension of education, net enrolment at all the levels of education, health sector and housing are taken measuring social welfare index. To further see the multiple effect of CPEC on Pakistan, the results related to net impact of CPEC projects have shown a win-win situation as these projects will increase geographical connectivity and create millions of employment opportunities for the local people. This has laid foundation for the boost of economy and upgrading life style of the people in Pakistan.



### **Hypotheses**

*H1: Quality of life has positive relationship with perception about CPEC.*

*H2: Poverty reduction has positive relationship with perception about CPEC.*

*H3: Personal benefit has positive relationship with perception about CPEC.*

*H4: Satisfaction has positive relationship with perception about CPEC.*

*H5: Support and Acceptance for CPEC has positive relationship with perception about CPEC.*

## **METHODOLOGY**

### **Research Design**

Mixed method approach to collect the data from the respondents as per argument of (Hirose & Creswell, 2023). Furthermore, with applying the quantitative methods the data in the numeric [www.ijbms.org](http://www.ijbms.org)



form is collected through a survey conducted by the researcher through an instrument namely questionnaire. Both primary and secondary type of data has been used in this study to examine the impact of study variables.

### **Data Collection Method**

Questionnaire was filled by 400 respondents all over the Pakistan by using purposive sampling (Oribhabor & Anyanwu, 2019). In Pakistan most of the people they haven't knowledge of the CPEC in details, so only those participants were chosen whom have the knowledge of the CPEC. In this regard a purpose sampling technique was used to record the responses of the employees. Careful selection of respondents was ensured as only those peoples were selected who can provide information about different aspects of CPEC. Furthermore, 10 interviews were conducted with the respondents for the deep analysis of the study variables impact (Hennik and Kaiser, 2022).

### **Measurement**

#### **Quality of life (QOL)**

Quality of life is taken as an independent variable in this study. Quality of life is considered as positive attribute of community life general life, economic wellbeing and better opportunities that may create due to commencement of CPEC project. In this study four items were used to measure the quality of life of individual citizens. The scale for this questionnaire is adopted from (Fletcher et al., 1992), this scale is modified to articulate the current model of this study.

#### **Poverty reduction (PR)**

The second independent variable of this study is poverty reduction. Poverty reduction means reduction in poverty of common citizen through CPEC. For this variable we use mix items adopted from (Appah, John, Wisdom, & Review, 2012).

#### **Personal benefits (PB).**

Third independent variable of this study is personal benefits. These are the benefits that are associated with CPEC perceived by local community. The scale used for this variable is adopted from KO and Stewart (2002)

#### **Satisfaction (S)**

Satisfaction of the local people with CPEC project is the fourth independent variable of this study. Scale for this variable is adopted from (Ekicia & Cizelb, 2014).

#### **Acceptance and support for CPEC (SFC).**

Support of local residents and their acceptance toward this project of CPEC.

The fifth independent variable which is support for the CPEC is consisted of five items and were taken from the studies Kanwal et al. (2019a), L. Ali et al. (2018a), and Yoon et al. (2001).

**People perception about CPEC (P).**

People perception about CPEC is the outcome variable of this study. Scale for perception about CPEC is measuring the negative and positive perception of local community toward CPEC. This scale is adapted from (Rahbek, 2005) study. It has four items.

In order to check the validity, internal consistency, and reliability of the instrument pilot study was conducted before the original study. Purpose of pilot testing was to check the ability of respondents that how well they understand the question. Total forty respondents were selected for pilot testing. The time horizon for this study is cross sectional and data is collected one time within a period of 24 weeks.

**ANALYSIS**

In order to generate the median, mean, standard deviation, and range to determine the number of respondents agreed with the research descriptive data was used. To test the data's dependability, alpha values were determined for each variable. Correlation analysis was performed to determine the degree of relationship. Parametric The correlation matrix was analyzed using Pearson correlation. The next stage in data analysis was to utilize linear regression to assess the research hypothesis. The following are the results for demographics, descriptive statistics, and other statistical figures.

Table 1: Descriptive statistics

	N	Minimum	Maximum	Mean	S Deviation
QOL	400	1.500	5.000	3.544	.756
PR	400	1.800	4.800	3.320	.722
PB	400	1.800	5.000	3.628	.800
S	400	1.666	5.000	3.535	.880
SFC	400	1.750	4.750	3.521	.781
P	400	1.00	5.000	3.647	.780

Data shows the sample size minimum, maximum, mean and standard deviation of all six variables of the study. Descriptive statistics of independent variable QOL indicates that standard deviation is .756 and mean is 3.544 which suggests that data is supportive to the statement of this particular variable. SD is showing the amount of data which is deviating from mean. SD and mean of PR have also expressed that majority of respondents have agreed upon the idea of the variable under this study. Likewise, mean values of PB, S, and SFC manifest the extent of tendency of respondents into the statements made under each variable.

## Reliability statistics

Table2: Reliability of the Variables

Variables	Cronbach's Alpha
Poverty Reduction	0.743
Quality of Life	0.821
Personal Benefits	0.723
Satisfaction	0.710
Acceptance and Support	0.791
Perception of the People about CPEC	0.721

Above mentioned table 2 show the reliability statistics of whole questionnaire. There were 39 items used in this survey. Reliability of overall questionnaire is 0.753 which means that questionnaire is highly reliable for investigation the variable under study.

## Linear regression Analysis

Table 3: Regression Analysis for Hypothesis: 1 (QOL-P)

Model	Sig value	T value	R square	Beta	F value
	0.00	14.37	.347	.589	211.32

Predictors: (Constant), QOL

Dependent Variable: P

Regression analysis was used to identify the relationship of QOL and Result of this regression analysis is as above. The test data reveals that there is a significant relation between QOL and P as the value of p is 0.000 that is lower than .05 and the value of t is 14.37 that is higher than of 1.96 and the value of F is 211.695 that shows compatibility of this model. It implies that QOL has got positive impact on P. We now take a look on the values of Beta and R square. The test results have shown us that the value of R square is 0.347 which means that 34 percent of the change occurred in P was due to the change in QOL as well as the 66 percent change is due to other factors apart from QOL. The value of Beta has also shown positive relationship of QOL with P. This has also shown that one unit of change occurred in QOL is going to bring about 58% change in P. From analysis above it can be interpreted that quality of life has significant positive impact on perception about CPEC. If quality of life is expected to be improved through CPEC people's perception about CPEC will be more positive.

Table 4: Regression Analysis for Hypothesis: 2 (PR-P)

Model	Sig value	T value	R square	Beta	F value
	0.00	13.66	.319	.565	186.163

$t > 1.96, p < .05$

Predictors: (Constant), PR

Dependent Variable: P

We have performed the regression analysis to determine the relationship between PR and P. The outcome of this regression analysis is shown above. The test demonstrates a significant relationship between QOL and P since the value of p is 0.000, that is lower than .05, the value of t is 13.66, that is above 1.96, and the value of F is 186.163, which indicates the model's fitness. It denotes that PR has a positive effect on P. Now we examine the values of R square

and Beta. The findings have revealed that the value of R square is 0.319, which suggests that 31% variation occurred in P is attributable to changes in the PR, also the 69% is because of other variables apart from PR. The value of Beta indicates a an affirmative or positive association between PR and P. It also demonstrates that one unit of change in PR will result in a 56 percent shift in from the aforementioned study, it can be concluded that poverty reduction has a large beneficial influence on people's perceptions of CPEC. People's perceptions of CPEC will be more positive if CPEC intervention reduces poverty.

Table 5: Regression Analysis for Hypothesis: 3 (PB-P)

Model	Sig value	T value	R square	Beta	F value
Regression	0.00	13.584	.317	.563	184.513

$t > 1.96, p < .05$

Predictors: (Constant), PB

Dependent Variable: P

Similarly, to identify the relationship of PB and P we have used regression analysis and result of this regression analysis is as above. The test results have shown a substantial relation between PB and P as the value of p is 0.000 that is lower than .05 and the value of t is 13.584 that is also higher than of 1.96 mark and value of F is 184.513, which shows the compatibility of the model. It manifests that PB holds positive impact on P. Now have a look on the R square and Beta values. Results demonstrate that R square is 0.319 it means that 32 percent of the change in P is due to change in PB and 68 percent change is due to other factors other than PB. The Beta value show positive relationship of PB and P. it also shows that one unit of change in PB will bring about 56% change in from above analysis it can be interpreted that personal has positive has significant positive impact on people’s perception about CPEC. If people feels that they are getting benefit from CPEC project, people’s perception about CPEC will be more positive.

Table 6: Regression Analysis for Hypothesis: 4 (S-P)

Model	Sig value	T value	R square	Beta	F value
Regression	0.00	13.583	.317	.563	184.506

$t > 1.96, p < .05$

Predictors: (Constant), S

Dependent Variable: P

Once again, regression analysis was used in order to identify the possible relationship of S and P and result of this regression analysis is as above. This test suggests that there is a significant relation between the two i.e. S and P as the value of p is 0.000 which seems to be is less than .05 and the value of t has happened to be 13.583 which is surely higher than of 1.96 whereas the value of F is 184.513 which proves the fitness of this model. It is to say that S has created a positive impact on P. Now have a closer look on the R square and Beta values. Results have

shown that the value of R square is 0.319 which means that 31 percent of the change occurred in P was actually due to the change in S and 69 percent change was due to the other factors other than S. The beta value has shown a positive relationship between S and P. It has also shown that 1 unit of change in S has brought about 56% change in P. From above analysis it can be interpreted that satisfaction about CPEC project has significant positive impact on people's perception about CPEC. If people feel satisfy about CPEC then their perception about CPEC will be more positive.

Table 7: Regression Analysis for Hypothesis: 5 (SFC-P)

Model	Sig value	T value	R square	Beta	F value
Regression	0.00	11.427	.247	.497	130.576

$t > 1.96, p < .05$

Predictors: (Constant), SFC

Dependent Variable: P

Once more regression analysis was used to identify the relationship of SFC and P and result of this regression analysis is as above. The test has revealed a sufficient relationship between SFC and P as value of p is 0.000 that is lower than .05 and the value of t is 11.427 that is higher than of 1.96 and value of F is 130.576 which show fitness of the model. Its means that SFC has positive

Impact on P. Now we have a look on the R square and Beta values. Results have shown that R square is 0.247 it means that 24 percent of the change in P is due to change in SFC and 76 percent change is due to other factors other than S. The beta value show positive relationship of SFC and P. It also shows that one unit of change in SFC will bring about 49percent change in P. From above analysis it can be interpreted that support of general public about CPEC project has significant positive impact on people's perception about CPEC. If people think that majority of people are supporting this project of CPEC then their perception about CPEC will be more positive.

## DISCUSSION

The research findings of this study indicate that the overall model produced for this research is important. We can see from this study that all independent variables, such as quality of life poverty reduction, personal benefits, satisfaction S, and acceptance & support for CPEC, are positively correlated with the dependent variable, which is perception about CPEC. Study findings show that quality of life has the positive and significant relationship with the perception of the people about CPEC. These results are in link with the findings of the (Khan, Mahmood, & Shoaib, 2022). poverty reduction positive and significantly influence the perception of the people. These findings are consistent with results of (Aloui, 2019). Similarly,

personal benefits PB has appositive and significant link with the perception of the people about CPEC. These results are concurrent with (Kanwal, Rasheed, Pitafi, Pitafi, & Ren, 2020) results. Like satisfaction and acceptance & support are positively correlated with perception about CPEC (Kanwal, Pitafi, Rasheed, Pitafi, & Iqbal, 2022). All of the independent factors in this study had a favourable influence on the dependent variable, perception. Individuals who are directly benefiting or who may profit in the future have a positive perception of this cooperative effort. Improvements in their quality of life, poverty reduction, education, contentment with the project, support and acceptance for CPEC, career prospects, and an increase in perceived income are all important aspects that might impact their views.

### **Conclusion**

This study attempted to analyze the economic aspects influencing Pakistani perceptions about the China Pakistan Economic Corridor. This conclusion is based on empirical facts and data obtained from 440 respondents using structured questionnaires and comprehensive interviews, including two mediating factors. All independent factors improve perception. They help to improve the Pakistani community's view of CPEC. It is about improving the quality of life and reducing poverty. This study's model includes employment and income as mediating factors. They partially mediate all independent variables' connection with perception. The results of this study show that favorable impression of CPEC patients is reliant on QOL, PR, PB, and SFC. In this study, economic advantages to local community are confirmed as favorable perception building factors. Locals or Pakistanis who benefit from CPEC will have a good attitude and impression. The view of CPEC will improve as the project's advantages increase. This report offers policymakers suggestions on how to gain local support for this initiative.

### **Recommendations for policy makers**

On the basis of the findings reveled from empirical evidences, this research suggests a few substantial recommendations for policy makers and government officials. This research shows that according to the Pakistani nationals their standard of life will be improved, poverty will be reduced and job opportunities will open through development of this CPEC project. They will perceive it positively if they find it beneficial in near future. According to them overall quality of life will get better in near future. The Government officials should support them morally to enhance their living standards and subjective wellbeing. They need to design strategies for senior citizens to consider their wellbeing and standard of living. Government officials need to promote the CPEC, s mega projects and its associated benefits to the local people which will

helpful in facilitating operational activities of CPEC in that areas. As local communities do have serious concern about environmental protection and pollution in respective areas. The CPEC project is in progress and infrastructure in these areas is disturbed. Chinese and Pakistani officials both should focus on environmental protection, environmental safety and green activities to create a positive gesture about environmental concerns. Officials need to be socially responsible about environmental protection in affected areas as Pakistan is already lacking in environmental policies both in public and private sector. Written policies can grab the attention and trust of local residents about environmental safety. There is a misconception among people that CPEC will not significantly bring any opportunity that will improve the education. They do not consider CPEC as a predictor of quality education in the country. Policymakers and Chinese officials can work in collaboration to initiate educational opportunities for the people of that region who are the direct beneficiaries of CPEC.

### **Limitations and future research**

Although this work has several ramifications because it is a new research area, it also has some drawbacks. Data is obtained from significant parts of Pakistan, respondents live in large cities, and the CPEC project is ongoing throughout Pakistan. Second, the study's sample size should be large. Due to time and financial restrictions, the sample size for this study is insufficient; future researchers can conduct this study with a bigger sample size. This study's respondents are exclusively from Pakistan; nevertheless, individuals in China, such as those in Xinjiang province, are directly benefiting from CPEC. People from the region may be used as responders by future researchers. This study strongly suggests collecting data from Chinese nationals as well in order to further describe the findings. Additional than the research variables, there are various other elements that might influence local inhabitants' perceptions, such as business, security, and community engagement. The perception variable is merely the perspective of the locals; future researchers might perform study on the opinions of government officials, policymakers, and personnel directly involved in this project. Future studies will be able to investigate the influence of political issues on people's perceptions in both nations. As an outcome variable, one of the independent variables, quality of life, can be explored individually. Researchers can look at the possible effects of a pandemic on the CPEC project's growth. As we all know, the CPEC project is facing some major challenges. This route's main opponent is India. Because it is both China's and Pakistan's neighbor. This project has a very poor reputation in its community. The Indian government is likewise adamant about this initiative.



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