

FAQEER MUHAMMAD, SARANJAM BAIG,  
KHALID MEHMOOD ALAM, ATTAULLAH SHAH (Eds.)

# SILK ROUTE REVISITED

ESSAYS AND PERSPECTIVES ON  
CHINA PAKISTAN ECONOMIC  
CORRIDOR AND BEYOND

CHINA STUDY CENTRE  
KARAKORAM INTERNATIONAL UNIVERSITY  
GILGIT-BALTISTAN, PAKISTAN

## **Understanding Mountain Communities Knowledge and Their Support for China-Pakistan Economic Corridor: The Mediating Role of Perceived Tourism Development**

Faqeer Muhammad

<https://orcid.org/0000-0003-3261-3066>

China Study Centre (CSC), Karakoram International University Gilgit-Baltistan

Amjad Ali

<https://orcid.org/0000-0002-5840-8848>

Department of Development Studies, KIU Hunza Campus

Muhammad Idrees

<https://orcid.org/0009-0004-2771-7930>

Department of Economics, Karakoram International University Gilgit-Baltistan

Abid Hussain

<https://orcid.org/0009-0003-8654-8770>

PhD Scholar at the Department of Economics, KIU Gilgit-Baltistan

Zia Uddin

<https://orcid.org/0000-0003-1499-6075>

PhD Scholar at the Department of Economics, KIU Gilgit-Baltistan

### **Introduction**

Gilgit-Baltistan (GB) is a region in northern Pakistan that hosts some of the world's highest mountain peaks, breathtaking valleys, and lush meadows. These natural wonders have made GB a popular destination for tourists seeking adventure and beauty. Despite its potential for economic development through tourism, the region has faced several challenges, including poor infrastructure, energy deficits, sectarian violence (Arshad, Iqbal, & Shahbaz, 2018), and Climate change (A. Ali et al., 2021; Baig, Hussain, & Yenigun, 2021; Shedayi et al., 2022). However, there has been a recent increase in holiday arrivals to Pakistan's northern areas, with a 25% growth observed in 2016 compared to the previous year (Arshad et al., 2018) and recently tourism is more pronounced in remotes regions of Gilgit-Baltistan (Amjad Ali, 2022). In addition, the China-Pakistan Economic Corridor (CPEC) project aims to improve accessibility and communication in the region, which could help to address some of the challenges facing the tourism industry in GB. The CPEC project is also expected to develop the hotel industry within its project artery, which could further boost regional tourism (Asif et al., 2019).

The CPEC project has identified the development of tourism-boost sectors as a primary goal, with two centers, one axis, and five designated zones. The centers are located at Gwadar Port and Karachi. At the same time, one axis is a seaside sightseeing strap, and the five zones comprise Gwadar, Jiwani, Jhal Jhao, Keti Bandar, and Ormara Sonmiani. By developing the tourism industry in the region, the CPEC project could help to create stronger social, political, and economic ties between Pakistan, China, and other countries in the region. People's perceptions of the effects of the China-Pakistan Economic Corridor (CPEC) on regional tourism development can be positive and negative. Social exchange theory suggests that people consider the multidimensional effects of tourism on their livelihoods. While improved infrastructure through the CPEC project can open the door for more economic activities, people are also aware of the potential adverse effects of mega-tourism on natural resources and culture (Bhat & Mishra, 2021). Scholars argue that at the initial stages of tourism development, people tend to prioritize economic benefits over other effects and are willing to bear the costs of tourism in exchange for resources to earn from tourism development (Tournois & Djeric, 2019). Additionally, tourism can be a source of cultural exchange (Jaafar, Rasoolimanesh, & Ismail, 2017), but conservative people may fear cultural exchange due to tourism, while liberal and direct beneficiaries may be more willing to accept these changes (Gursoy, Jurowski, & Uysal, 2002).

The implementation of CPEC has the potential to address the barriers that have hindered tourism development in the region. Scholars stress that people are enthusiastic about the opportunities that CPEC could bring for economic development (Baig & Hussain, 2020). The construction of roads and other infrastructure is a critical component of tourism development. Improved routes increase connectivity and lower tourist costs while opening up new destinations. Pakistan's tourism stakeholders must promote the country's tourist destinations through various media channels in multiple languages to attract diverse visitors. According to (Kanwal, Rasheed, Pitafi, Pitafi, & Ren, 2020), a positive relationship exists between people's willingness to support tourism and CPEC infrastructure. Their study focused on residents along the CPEC route, suggesting that local support for tourism could be a driving force in the success of the CPEC initiative. Scholars such as (García, Vázquez, & Macías, 2015) and (Kang & Lee, 2018) indicate positive attitudes towards projects like CPEC for tourism development. (Shang, Pitafi, & Rashid, 2022) also found that people's attitudes significantly influence tourism development behavior in the context of CPEC. Additionally, (Mamirkulova et al., 2020) discovered that inhabitants of Kazakhstan believe that the New Silk Road, similar to CPEC, will positively affect ecological tourism expansion and improve the quality of life for local communities. (Baig & Zehra, 2020) conducted a relevant study that found that CPEC significantly stimulates tourism in Gilgit-Baltistan. As CPEC infrastructure expands, the region will see more hotels, transportation, and tourism events. This creates an attractive opportunity for Pakistan and China as tourism destinations along their shared border (Khalil, 2017). With its four seasons, the changing weather patterns in Gilgit-Baltistan

also provide a comparative advantage to attract tourism.

The Gilgit-Baltistan region is still in the initial phase of tourism development. While locals have a harmonious attitude towards this emerging economic activity, the opportunity costs of tourism dwarf the benefits in terms of environmental sustainability (Nazneen, Hong, Jenkins, & Ud Din, 2022). Nonetheless, earlier studies by (Nazneen, Xu, & Din, 2019) claimed that CPEC had triggered tourism demand and highlighted the potential tourist destinations in GB (Alam et al., 2019). With improved infrastructure, people's perception of tourism development has also improved, and they expect a developed and improved tourism market with income-generating activities that stimulate local culture and climate in the forthcoming years. Their expectations are based on GB's tourism potential, including its highest mountains, traditions, passes, and natural beauty. To provide a different perspective, (Z. Ali & Sanauddin, 2022) conducted a people-centric qualitative study to explore the impact of CPEC on the local people of Gwadar. They found that while the indigenous population had reasonable hopes of development from CPEC ventures, their outlook had not changed since the inauguration of CPEC, causing apprehensions and hindrances. While development is appreciated in Gwadar, excluding the indigenous population in decision-making is viewed as discrimination against their legitimate rights and good governance.

The perception of the local community is crucial in supporting the CPEC project because they are the ones who are most likely to be affected by it. A positive perception can lead to greater cooperation, participation, and support for the project. On the other hand, negative perceptions can lead to resistance, opposition, and even protests against the project. Involving the local community in the planning and decision-making process and addressing their concerns can help build trust and ensure that the project is sustainable and has long-term benefits for all stakeholders. Furthermore, local communities are the ones who will ultimately use the project's outcomes, and their support is essential for the success and sustainability of the project. In this backup, this study examines the perception of local communities living along with Karakoram Highways in the district Hunza of Gilgit-Baltistan. It investigates the impact of residents' knowledge of CPEC on CPEC support through their perception of regional tourism development.

## **Methodology**

The key focus of this study is to understand the communities' knowledge of CPEC and their support of CPEC through their attitude toward CPEC and perception of the CPEC's role in tourism development. This study mainly focuses on those communities living along the CPEC route (also known as the Karakoram Highway) in the Hunza district of Gilgit-Baltistan. This region is famous for tourism because of its unique landscape, mighty mountain peak, plenty of glaciers and lakes, biodiversity, and unique cultural heritage (A. Ali et al., 2021; Nazneen et al., 2022). It is considered that the mega project CPEC will have a significant impact on the infrastructure development of this region which in turn to boot up

tourism development benefiting the local community directly.

To meet the objectives of this study, this study collected quantitative data through field surveys in 2022-2023. A questionnaire was developed with the help of the literature and expert input, and it had two parts. First, questions related to the respondents' demographic details were included. The second part included statements related to CPEC knowledge, attitude toward CPEC, CPEC, and Tourism development and community support for CPEC. Respondents were asked to rate their perception on a scale of 1-5 (1 being strongly disagreed and five 5 y agreed). To ensure the validity of the questionnaire, a pilot survey was conducted over 33 respondents with a Cronbach's alpha value of above 0.7 for all constructs. The questionnaire was revised based on the comments and suggestions received from the pilot survey. The questionnaire was initially developed in English language training; however, for the convenience of the respondents, it was translated into Urdu (the national language of Pakistan). Five university graduates were hired to collect final data and were given two days of training in research ethics and survey instruments. The respondents were selected using a cluster random sampling technique as the study's target population lifespan vast geographical area. For this purpose, the study area was divided into three clusters: lower Hunza, central Hunza, and upper Hunza, and the respondents from each cluster were selected randomly. The sample size was determined using the scientific formula with a 95% confidence interval and a 5% margin of error. This way, 475 valid responses were received and considered for statistical analysis.

## Results

### Sample Characteristics

Table 1 shows the characteristics of the survey respondents. It indicates that the majority of the study respondents are male (76.8%), and the profession of the majority of the survey respondents is business (57.19%), following private jobs (26.4%). 34.31% of the respondents are in the age group of 30-39, and 30.39% have monthly income in the PKR 100,000-150,000 range. The village-wise distribution of the sample is also shown in Table 1, where 18.63% of respondents belong to Aliabad, 15.69% ng to Murtazabad, and 20.92 respondents are from Hassanabad.

**Table 1: Demographic Profile of Respondents**

Variable	Characteristics	Frequency	Percentage
Gender	Male	365	76.8
	Female	110	23.2
Age	20-29	141	29.74
	30-39	163	34.31
	40-49	118	24.84
	50-59	47	9.8
	60 over	6	1.31
Profession	Business	272	57.19
	Govt Job	40	8.5
	Private Job	125	26.4
	Other	38	8
Education Level	Primary school or lower	40	8.5
	Secondary school	48	10.13
	Higher Secondary school	70	14.71
	Bachelor	154	32.35
	Masters	163	34.31
Income Level	Less than 50000	26	5.56
	50000-100000	141	29.74
	100000-150000	144	30.39
	150000-200000	118	24.84
	200000-250000	26	5.56
	Above 250000	20	3.92
Village	Aliabad	88	18.63
	Murtazabad	75	15.69
	Hassanabad	99	20.92
	Gulmit	70	14.71
	Hussaini	57	12.09
	Passu	42	8.82
	Kybar	29	6.21
	Post	15	2.94

	<b>Cronbach's alpha</b>	<b>Composite reliability (rho_c)</b>	<b>The average variance extracted (AVE)</b>
Attitude towards CPEC	0.835	0.753	0.616
CPEC Knowledge	0.761	0.853	0.605
CPEC Support	0.739	0.851	0.657
CPEC and Tourism Development	0.862	0.77	0.534

Table 2 presents the results of confirmatory factor analysis (CFA) for the research study, a statistical technique used to evaluate the construct validity of a measurement instrument. It includes three reliability and validity measures: Cronbach's alpha, composite reliability (rho\_c), and average variance extracted (AVE). Cronbach's alpha is a measure of internal consistency reliability, which indicates the degree to which the items in a scale or subscale are interrelated. It is found that the values of Cronbach's alpha range from 0.739 to 0.862, which indicates that the items in each subscale are highly interrelated and reliable. Composite reliability (rho\_c) measures the latent variable's reliability, the construct that the scale or subscale intends to measure. The values of rho\_c range from 0.753 to 0.853, which indicates that the latent variables have high levels of reliability. The average variance extracted (AVE) is a measure of convergent validity, which indicates the degree to which the items in a scale or subscale measure the same construct. The values of AVE range from 0.534 to 0.657, which indicates that the items in each subscale measure the same construct and have high levels of convergent validity.

<b>Relationship</b>	<b>Coefficient</b>	<b>SD</b>	<b>t-value</b>	<b>Result</b>
Attitude towards CPEC -> CPEC Support	0.039	0.07	0.555	Not supported
CPEC Knowledge -> Attitude towards CPEC	0.87	0.009	98.59	Supported
CPEC Knowledge -> CPEC Support	0.103	0.076	1.359	Not supported
CPEC Knowledge -> CPEC and Tourism Development	0.289	0.044	6.616	Supported
CPEC and Tourism Development -> CPEC Support	0.635	0.036	17.81	Supported

Table 3 presents the results of hypothesis testing related to the China-Pakistan Economic Corridor (CPEC) and its impact on attitude and support towards it and tourism development. The first hypothesis tested is the relationship between attitude towards CPEC and CPEC support, and the results indicated that this re-

relationship is not supported ( $t < 0.05$ ). The second hypothesis, the relationship between CPEC knowledge and attitude towards CPEC, is supported ( $t > 0.05$ ). Similarly, the third hypothesis tested is the relationship between CPEC knowledge and CPEC support. The standard coefficient for this relationship is 0.103, with a standard deviation of 0.076 and a t-value of 1.359, and the result indicates that this relationship is not supported. Furthermore, the fourth hypothesis, the relationship between CPEC knowledge and CPEC and tourism development, is supported. The last hypothesis, the relationship between CPEC and tourism development and CPEC support, is also supported. These results provide evidence for the impact of CPEC knowledge and tourism development on attitude and support towards CPEC. Specifically, the results support the notion that more excellent knowledge of CPEC and its potential impact on tourism development can lead to a more positive attitude towards CPEC and more significant support. However, the results also indicate that attitude towards CPEC alone does not necessarily translate to support for it. The results suggest that CP tourism development is essential in shaping attitudes towards CPEC and its ultimate success.

**Table 4: Indirect Effect of CPEC Knowledge on CPEC Support**

Relationship	Coefficient	SD	t-value	Result
CPEC Knowledge -> Attitude towards CPEC -> CPEC Support	0.034	0.061	0.55	No mediation
CPEC Knowledge -> CPEC and Tourism Development -> CPEC Support	0.184	0.03	6.02	Mediation

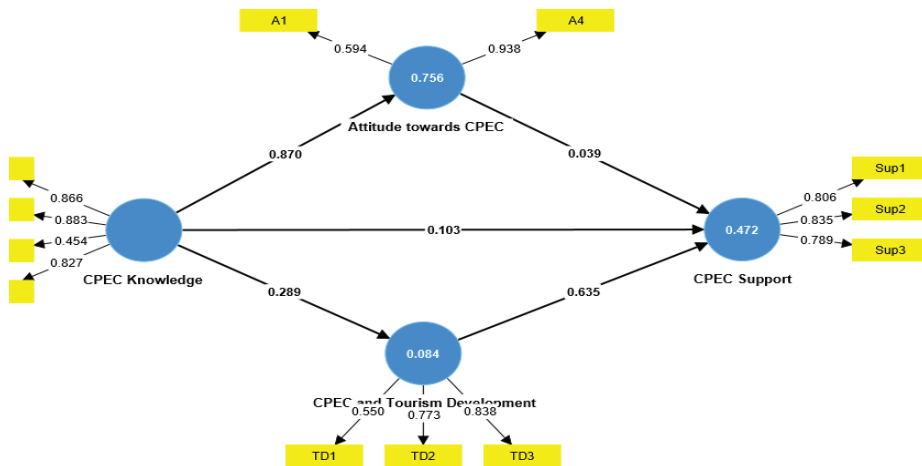


Table 4 shows two indirect effects of CPEC knowledge on CPEC support. The first path is the attitude towards CPEC, and the second is CPEC and tourism development. For the first path, the standard coefficient is 0.034, the standard deviation is 0.061, and the t-value is 0.55. The result indicates no mediation effect between CPEC knowledge and CPEC support through attitude towards CPEC. In other words, attitude towards CPEC does not mediate the relationship between CPEC knowledge and CPEC support. The statistical values for the second path



indicate a mediation effect between CPEC knowledge and CPEC support through CPEC and tourism development. It explains that tourism development act as a mediator in the relationship between CPEC knowledge and CPEC support. These findings suggest that CPEC knowledge indirectly affects CPEC support through tourism development.

## Discussion and the Way Forward

This study assessed how the impact of residents' knowledge of CPEC on CPEC supports their perception of tourism development in the region. The study investigated the influence of attitudes toward CPEC, CPEC Knowledge, and CPEC and Tourism Development on CPEC support from an individual resident's perspective; therefore, the data is collected from the individuals living in the areas that would be settled along the CPEC route in Gilgit-Baltistan region. The research paper presents the empirical data on the relationship between CPEC knowledge and attitude towards CPEC collected from residents of the Gilgit-Baltistan region living where the CPEC route is planned. However, previous studies have tried to unleash the importance of CPEC, explicitly analyzing the possible impacts of cultural tourism on the local culture and the host community's well-being (Baig et al., 2022). Another study conducted in the same region investigated the trickle-down effects of the CPEC route, using 'tourism' as a mediator between CPEC, well-being, and asset holdings. The study found a positive and significant relationship with tourism as a moderator.

The study's findings in Tables 3 and 4 aimed to investigate the impact of CPEC knowledge, attitude towards CPEC, and CPEC and tourism development on CPEC support in Pakistan. The results indicate that greater knowledge of CPEC and its potential impact on tourism development can lead to a more positive attitude towards CPEC and greater support for it. These findings are consistent with previous research suggesting that knowledge and awareness of a project can positively influence public support (Chaudhry et al., 2018; Wang et al., 2019). The study's findings suggest that having a positive attitude towards CPEC only sometimes equates to support for the project, as previous research has also shown that attitude may not strongly predict behavior (Ajzen, 1991). Thus, it is important to consider additional factors like economic benefits when assessing public support for large development projects like CPEC.

The findings in Table 4 indicate that tourism development mediates the association between CPEC knowledge and CPEC support. This outcome aligns with studies showing that tourism development can positively influence public support for large-scale projects (Li et al., 2020). Furthermore, the results suggest that attitude towards CPEC does not serve as an indirect link between CPEC knowledge and CPEC support. This result corresponds with the conclusions of a previous study by Ye et al. (2018), which demonstrated that attitude is not always a mediating factor in the relationship between knowledge and behavior.

The study's results suggest that increasing knowledge and awareness of the CPEC and its potential impact on tourism development can positively influence public support for the CPEC. However, it is essential to consider other factors, such as economic benefits, when evaluating public support for large-scale development projects. Based on the results obtained, this study suggests the following policy recommendations:

1. To garner more significant support for the CPEC project, organizations and businesses should prioritize disseminating more information and educational resources regarding CPEC's potential impact on tourism development. Such efforts may enhance public knowledge of the project and potentially lead to increased support.
2. Organizations and businesses involved in CPEC must recognize that having a positive attitude towards CPEC does not always equate to support for the project. Hence, they should concentrate on initiatives that foster support, such as promoting the potential benefits of CPEC for tourism development.
3. The results suggest that tourism development is important in shaping attitudes towards CPEC and its ultimate success. Therefore, organizations and businesses involved in CPEC should prioritize initiatives that promote tourism development in the region.
4. Policymakers should prioritize initiatives that promote education and information dissemination about CPEC and its potential impact on tourism development. This may include investing in educational programs and campaigns to increase knowledge of CPEC among the general public.
5. To ensure the success of CPEC, policymakers should prioritize promoting tourism development in the region since it plays a crucial role in shaping attitudes towards CPEC.
6. The results suggest that attitude towards CPEC alone does not necessarily translate into support for the project. Therefore, policymakers should focus on initiatives that promote support for CPEC, such as promoting the potential benefits of CPEC for tourism development and addressing any concerns or challenges related to the project.

### **Suggested Citation**

Muhammad, F., Ali, A., Idrees, M., Hussain, A., Uddin, Z. (2023). Understanding Mountain Communities Knowledge and their Support for China-Pakistan Economic Corridor: The Mediating Role of Perceived Tourism Development. In *Silk Route Revisited: Essays and Perspectives on the China-Pakistan Economic Corridor and Beyond* (pp.73-83). CSC-KIU.

## References

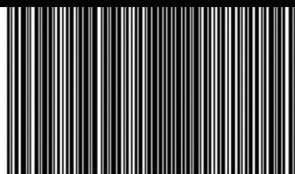
- Alam, K. M., Li, X., & Baig, S. (2019). Impact of transport cost and travel time on trade under the China-Pakistan economic corridor (CPEC). *Journal of Advanced Transportation*, 2019.
- Ali, A. (2022). Residents' attitude and perception toward the impact of mountain tourism in Gilgit-Baltistan Pakistan. *Journal of Public Affairs*, 22(3), e2577.
- Ali, A., Ali, G., Shah, G. M., Shah, A., Karim, R., Joshi, S., . . . Khan, B. (2021). Factors shaping the economics of land use change in Gilgit Baltistan, Pakistan. *GeoJournal*, 1-16.
- Ali, Z., & Sanauddin, N. (2022). The Perspective of Native People Regarding Developmental Projects of China Pakistan Economic Corridor (CPEC) in Gwadar, Balochistan. *The Pakistan Development Review*.
- Arshad, M. I., Iqbal, M. A., & Shahbaz, M. (2018). Pakistan tourism industry and challenges: a review. *Asia Pacific Journal of Tourism Research*, 23(2), 121-132.
- Asif, M., Zhiyong, D., Ullah, I., Nisar, M., Kalsoom, R., & Hussain, M. A. (2019). The study on China-Pakistan Economic Corridor (CPEC) as a language and culture changer in Pakistan. *Journal of the Punjab University Historical Society*, 32(1), 35-49.
- Baig, S., & Hussain, H. (2020). Do shocks have permanent or transitory effects on tourist inflow? An application of stationarity test with structural breaks: evidence reexamined for Gilgit-Baltistan, Pakistan. *Asia Pacific Journal of Tourism Research*, 25(2), 120-130.
- Baig, S., Hussain, I., & Yenigun, C. (2021). The Trickle-down Effects of China's Belt and Road Initiative: Empirical Evidence from China-Pakistan Economic Corridor. *Turkish Online Journal of Qualitative Inquiry*, 12(10), 2092-2107.
- Baig, S., & Zehra, S. (2020). China-Pakistan economic corridor, governance, and tourism nexus: evidence from Gilgit-Baltistan, Pakistan. *Current Issues in Tourism*, 23(23), 2884-2889.
- Bhat, A. A., & Mishra, R. K. (2021). Demographic characteristics and residents' attitude towards tourism development: A case of Kashmir region. *Journal of Public Affairs*, 21(2), e2179.
- García, F. A., Vázquez, A. B., & Macías, R. C. (2015). Resident's attitudes towards the impacts of tourism. *Tourism Management Perspectives*, 13, 33-40.

- Gursoy, D., Jurowski, C., & Uysal, M. (2002). Resident attitudes: A structural modeling approach. *Annals of tourism research*, 29(1), 79-105.
- Jaafar, M., Rasoolimanesh, S. M., & Ismail, S. (2017). Perceived sociocultural impacts of tourism and community participation: A case study of Langkawi Island. *Tourism and Hospitality Research*, 17(2), 123-134.
- Kang, S. K., & Lee, J. (2018). Support of marijuana tourism in Colorado: A residents' perspective using social exchange theory. *Journal of Destination Marketing & Management*, 9, 310-319.
- Kanwal, S., Rasheed, M. I., Pitafi, A. H., Pitafi, A., & Ren, M. (2020). Road and transport infrastructure development and community support for tourism: The role of perceived benefits, and community satisfaction. *Tourism Management*, 77, 104014.
- Khalil, S. (2017). CPEC: Mutually beneficial growth opportunities for China and Pakistan. *Pakistan Journal of Applied Economics*, 27(1), 139-144.
- Mamirkulova, G., Mi, J., Abbas, J., Mahmood, S., Mubeen, R., & Ziapour, A. (2020). New Silk Road infrastructure opportunities in developing tourism environment for residents better quality of life. *Global Ecology and Conservation*, 24, e01194.
- Nazneen, S., Hong, X., Jenkins, C. L., & Ud Din, N. (2022). China–Pakistan economic corridor (CPEC), tourism demand, and environmental concerns: Policy implications for sustainable tourism in Gilgit-Baltistan. *Journal of Public Affairs*, 22(3), e2600.
- Nazneen, S., Xu, H., & Din, N. U. (2019). Cross-border infrastructural development and residents' perceived tourism impacts: A case of China–Pakistan Economic Corridor. *International Journal of Tourism Research*, 21(3), 334-343.
- Shang, Y., Pitafi, A. H., & Rashid, R. M. (2022). Assessing the impact of community factors on local community support for tourism: an empirical investigation of the China-Pakistan-economic corridor. *Frontiers in Psychology*, 2241.
- Shedayi, A. A., Xu, M., Gonzalez-Redin, J., Ali, A., Shahzad, L., & Rahim, S. (2022). Spatiotemporal valuation of cultural and natural landscapes contributing to Pakistan's cultural ecosystem services. *Environmental Science and Pollution Research*, 29(27), 41834-41848.
- Tournois, L., & Djerić, G. (2019). Evaluating urban residents' attitudes towards tourism development in Belgrade (Serbia). *Current Issues in Tourism*, 22(14), 1670-1678.

The China Study Centre (CSC) at Karakoram International University (KIU) is funded by the Higher Education Commission (HEC), Government of Pakistan, which frames the core objectives to value the foreseeable consequences of the establishment of this Center with special reference to the benefits that will achieve from creating a social space, which facilitates to study and research on diverse arts, culture, history and polity of China, GB-Pakistan and surrounding mountainous region. Hence, there is a deep understanding that the study or promotion of culture, history, society and polity is a shared objective of proposed China Study Centre at KIU and other partner institutions.

The establishment of centre aims to provide a base to learn not only Chinese society, but a window of opportunity to take advantage of this platform via developing research collaborations in Xinjiang and mainland China. These collaborations are key to conduct research with high relevance to GB. As referred above that, historically the GB (Pakistan) and Xinjiang (China) offer much in common to share, which includes languages, heritage sites, oral and documented traditions, religious traditions, socio-political and economic pacts, ethnography mapping of mountain communities, cultural diplomacy, etc. The commonalities of these wide range areas are significantly important to consider as an opportunity for collaboration between KIU, Chinese Universities and beyond.

Price: PKR1200/-



978-969-23900-1-9