

Socio-Economic Impacts of (CPEC) at Small Level Shopkeepers. A case Study of Gwadar's Markets, Pakistan



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Abstract

The China Pakistan Economic Corridor (CPEC) is a flagship project of the Belt and Road Initiative (BRI) designed to foster trade and investment through a network of roads, railways, and energy projects connecting China to Pakistan's Gwadar port. While the microeconomic and geopolitical dimensions of CPEC, limited attention has been given to its microcosmic impacts on small-scale shopkeepers in local markets, particularly in Gwadar. This study aims to fill that gap by investigating the socio-economic transformations experienced by small shop owners in Gwadar's markets. Through a mixed-methods approach combining qualitative interviews, surveys, and direct observations, the research captures the evolving dynamics of business operations, market structure, and livelihoods in Gwadar. Finding indicated that while infrastructure development and increased trade have stimulated commercial activity, the benefits for small shopkeepers remain unevenly distributed. Study also found small-scale shopkeepers in Gwadar's markets, exploring shifts in economic practice, community dynamics, and cultural adoptions amidst rapid infrastructural development. Positive impacts include improved markets access, rising customer footfall, and diversification of product offering. However, challenges persist, including rising property rents, increased competitions from external investors, and limited access to financing for local entrepreneurs. The study also highlighted the cultural and social shifts experience by shopkeepers, such as changing consumer behaviors and growing demand for modern retail practices. The research underscores the need for inclusive policy measures to ensure equitable economic benefits for local communities, promoting sustainable development alongside large-scale industrial growth. By illuminating the lived experience of small-scale shopkeepers, the research identifies that CPEC's localized impacts and offers policy recommendations for fostering inclusive growth in Gwadar.

Keywords: CPEC, Socio-economic impacts, small level shopkeepers, social values

1. Introduction

Pakistan is a developing country and the sixth most populated country in this world. Gwadar is the proposed business hub and a port underdevelopment, holds a key strategic significance from the perspective of China Pakistan Economic Corridor (CPEC). The city has a very rich history and a very diverse culture. Due to its historic value and cultural importance, it is considered one of the major business cities in the country. The China-led CPEC forms part of the Silk Road, which is intended to establish a trade route connecting China with most parts of the world. The CPEC projects start from Kashgar in Xinjiang, China, all the way to Gwadar in Baluchistan, Pakistan. This project is thus likely to bring in different projects in Pakistan in terms of improving infrastructure, pipelines, transportation systems, and developing the agriculture, railway, and energy sectors.

Currently, Pakistan's economy is facing challenges, prompting the government to assert that CPEC will

bolster the country's Gross Domestic Product (GDP), create new job opportunities, and enhance business prospects for its citizens. Small-scale shopkeepers play a vital role in society, as many individuals rely on them for their livelihoods. It is crucial to consider social and cultural values when implementing projects or new policies within any community. The distribution of projects should be based on principles of equity. The local population is essential for the success of any initiative. However, the implementation and distribution of CPEC projects appear to be uneven in Gwadar and Baluchistan. Residents of Baluchistan express feelings of injustice and insecurity regarding CPEC, claiming they receive only 5% of the benefits while over 60% of their land's resources are utilized by CPEC and the Pakistani government. Similarly, the local community in Gwadar is dissatisfied, believing that other districts and the Punjab province are reaping greater rewards from CPEC and its associated projects.

China and Europe's development have been shaped by distinct historical, cultural and geopolitical trajectories. Europe driven by Renaissance, industrial Revolution and colonial expansion, evolved into a hub of innovation, democracy and global influence. While China with its ancient civilization, key point on centralized governance and technological advancement. England developed more due to her and other's nation's mines which they utilized in early era (Huang, 2002).

Numerous large-scale projects are currently underway at Gwadar port, including the construction of pipelines, power plants, infrastructure development, new roadways, modern transportation systems, high-quality hotels, and an international airport. Local shopkeepers and residents have high hopes for these initiatives, anticipating job creation, business growth, and the opportunity to learn new commercial practices from the global community. The small-scale industry stands to benefit significantly, potentially increasing its earnings and expanding its operations in both Gwadar and Baluchistan (Ijaz, 2015).

The CPEC is viewed positively by local shopkeepers, who believe it will greatly benefit farmers, traders, and shopkeepers across the region. Particularly, the southern Punjab area, from Multan to Karachi, is expected to thrive due to improved transportation, facilitating easier access for selling mangoes and cotton. CPEC also included advanced technology related to the Multan to Karachi highway, which would be used to uplift trade. Local shopkeepers welcomed this mega project as a breakthrough in poverty alleviation and also sent their regards to China for long-lasting friendship (Ishaque, 2016). The future of CPEC is expected to be linked with the blue economy, which would further support and nourish the projects. During an interview, Abbas Hassan, a research fellow at Institute of Strategic Studies Islamabad (ISSI), indicated that China could assist Pakistan in the development of the latter's blue economy, especially in deep-sea mining. The marine resources can be exploited, and revenue could be generated in collaboration with the Chinese, therefore making the port viable as well as adding value to the initiatives taken by CPEC as well. Institute of Engineers, 2017 Both nations' people get employment due to this mega project. Development of train and road construction from Gwadar to China's Kashgar is one good approach for the transportation of both the nations. This will connect the north side of Pakistan to the west side of China, meaning the snow area. In this way, both countries common peoples will be connected in an easy way. Shopkeepers' can get benefits to import and export, Easy and cheaper access of transportation for Pakistan's shopkeepers.

Significant investments are set to enhance various sectors in Pakistan, including power generation,

pipelines, and infrastructure. A notable power facility located in Sahiwal, a major district in Punjab, was initiated during a period when the country was grappling with energy shortages characterized by load shedding. This large-scale project is now providing energy to the local population, primarily offering more affordable electricity. The utilization of Pakistani coal not only supports this initiative but also benefits local industries (Ahmed & Mustafa, 2016). The Gwadar to Karachi motorway has been completed, providing a secure and efficient route for all types of merchants, facilitating smoother business operations. Another major initiative under the CPEC is the Karachi to Peshawar motorway, which will establish a direct road link between Pakistan and China. This development will significantly reduce travel time, allowing journeys that previously took two days to be completed in just one. As a result, both nations are expected to see growth in their business and tourism sectors, fostering stronger social and commercial ties among local communities (Awais, Samin, Gulzar, & Hwang, 2019).

In addition, local and international merchants will face cheaper labor and better transportation, which possibly may reduce levels of pollution in Karachi. It is doubtless that Gwadar port is going to become an international business hub within upcoming years. This port is highly important as it is going to connect Belt and Road Initiative (BRI) with Middle East and Europe. Additionally, there will be a good international airport, good standard hospitals, restaurants and hotels, and a big storeroom for containers. This port will boost up Pakistan's local manufacturing industries. Local Pakistan's shopkeepers will attach with nationals and multinational companies for earning (Naz, Ali, & Fatima, 2018). China initiated the CPEC in Pakistan that targets the infrastructure and Socio-economic development of the country. This CPEC project is often termed a game-changing project for the economy of Pakistan and one of the most pivotal projects in the history of the nation. As far as China is concerned, the CPEC is fundamental because, with this route, it gets access to bigger markets. The local population in Pakistan holds varied opinions regarding the CPEC projects. The local regions reflect the socio-economic dynamics, and such developments symbolize the nation's progress. In addition to socio-economic advantages, the country is expected to see improvements in education, healthcare, and energy sectors (Sial, 2014).

2. Literature review

2.1. BRI and CPEC

BRI and CPEC represent strategic economic and geopolitical collaborations spearheaded by China to enhance regional connectivity and development. BRI, launched in 2013, aims to link Asia, Africa, and Europe through infrastructure investments and

trade partnerships, fostering globalization. Within this framework, CPEC, a \$62 billion corridor connecting China's Xinjiang province to Pakistan's Gwadar port, is pivotal for economic modernization and regional stability. Sociologically, these initiatives impact social structure, cultural exchanges, migration patterns, and local economies, offering rich ground for exploring globalization, development theories, and transitional interactions. Abid and Ashfaq opine that CPEC will prove to be a game-changing impetus in the development of Pakistan. The venture will rejuvenate the local industries thereby creating jobs related to different CPEC projects (Abid & Ashfaq, 2015). This is also expected to develop long-term educational skills, thus leading to an overall better lifestyle of the locals. CPEC will develop ways for the shopkeepers of Pakistan to reach new markets by constructing roads, pipelines, and railways and develop new agricultural technology.

Khan et al 2016 mentioned that the CPEC has brought nine specialized economic sectors into the local market for all the provinces of Pakistan (Khan, Khan, & Anwar, 2016). All this is producing positive response for the local industries concerning the establishment of specific economic zones. The decrease in imports was also likely to generate different products within the local areas. It is expected to create as many as 200 million jobs-both by national and multinational companies working in tandem.

Habib Fazal et al observed that improved transportation access has massively reduced travel time in the 11 districts, hence making access to healthcare services very easy (Habib, Fazal, Farkhanda, & Adeel, 2015). This improvement in transportation further contributed to the reduction of rates of mortality and increasing enrollment in schools among the children. All this achievement is brought by developing efficient systems of transport and well-built road networks. The government 2019 argues that Prime Minister Imran Khan pointed out that CPEC acts as an important interconnect to link Pakistan to a huge marketplace. During the Saudi Economic Forum, he termed CPEC an opportunity of the century for global retailers. He stated that Pakistan would extend much better situations related to business operation. The collaboration between China and Pakistan will change the entire region into a hot cake business spot.

Aziz, I. et al report an essential undertaking toward South Asia with a particular focus on the partnership between China and Pakistan (Aziz, Raza, Bhatti, Ali, & Tahir, 2020). At the present time, the China-Pakistan Economic Corridor is still at its infancy. Many policymakers and analysts create the belief that the undertaking will bring an upsurge to the economies of both Pakistan and China. The venture will establish various job opportunities and also promote

small-scale industries. This research examines the effects and implications of CPEC on the livelihoods of natives. To assess the same, the researchers conducted an online survey among 335 local citizens from Pakistan; a majority responded that CPEC was having a positive impact on them.

The theoretical framework of the study is based on Social Exchange Theory (SET), as proposed by (Homans, 1958). SET assumes that social exchanges are derived from mutual benefits. As demonstrated, the gains of the project outweigh its costs. This means that socio-economic well-being is a process that flows both ways: both parties gain more benefits from the project than incurred expenses. SET assumes human interactions allow people to have more advantages from the projects developed as compared to the profits the second party received. It would be most successful if the projects are economically, socially and culturally perceived to be beneficial to the local people in which case this party would most likely succeed in implementing the projects under CPEC. Ali, L. et al. write that while SET has been employed in numerous projects, the usage has remained at a minimum when solving societal issues and advocating for international initiatives (I. Ali, 2017). This research aims to contribute to a more informed understanding of the small-scale shopkeepers regarding their perceptions about CPEC and the success of its initiatives in the Gwadar region, further solidifying that this project is indeed beneficial to the locals in Pakistan.

2.1.1 Economic Impact

From an economic viewpoint, CPEC is often considered very beneficial both for the locals of Pakistan and for the overall economy of the country. According to Ali, L, et al. (I. Ali, 2017), the project will contribute to strengthening the economic framework of Pakistan; it also promises better living conditions for the residents of the country. Such project development ranging from pipeline to new roadways, latest transportation modes and Information Technology (IT) sector of the country will likely benefit the economic milieu of the local people. Most of the locals thus feel that CPEC will raise their standard of living. But Javaid and Jahangir (Javaid & Jahangir, 2015), have mentioned that some of them are thinking that it will have adverse effect on the local industries of Pakistan. Along with the infrastructure development, telecommunication facilities, manufacturing units, pipelines, and coal-power energy sectors and improvement of agriculture units will also provide new employment and training to the local laborers. New restaurants, hotels, and airports will also ensure easy accessibilities for new job opportunities and business prospects. However, local industries may not find sufficient avenues for expansion and development.

Due to overpopulation of that country, unemployment in Pakistan is increasing day by day. It has resulted in the following social problems, which have enormous burden on the economy of Pakistan such as hunger, poverty, social exclusion, and criminal activities. Haq, R. and Farooq, N. (Haq & Farooq, 2016) argue that CPEC provides a golden opportunity for the natives and shopkeepers of Pakistan to overcome all of the aforementioned issues of that country. According to the prior research, it is supposed to bring along employment and all forms of stimulation to the local industry. Nunkoo and Gursoy, (Nunkoo & Gursoy, 2012) argue that the economic benefit arising from foreign projects is typically a strong indicator which can provide a justification for its development. Therefore, this investigation assumes that the higher level of economic impacts is associated with higher levels of support by residents for the initiatives taken by CPEC. Assuming increased economic gains, this research is based on the premise that local residents are bound to become supportive of the CPEC projects. Infrastructure building, project execution, food, new Chinese restaurants, business sector developments, and Confucius institutes, transport access are expected to provide opportunities for the kiosk owners to adjust their businesses and help them to flourish in the new economy.

Hypothesis (H1)

The economic impact of small level shopkeepers has a good effect on the local business' support for the CPEC projects.

2.1.2 Social impacts

The CPEC will also bring about far-reaching changes in the social domains, particularly in terms of the promotion of social interaction, cohesiveness, and improvement in the general welfare of society. This will become obvious by increased education, health, housing, and other vital services becoming available to the native populations. According to Haq and Farooq, with CPEC in Pakistan, certain changes pertaining to family life, cultural values, education as well as health services can be seen. The project is also likely to lead to increased development in IT and health, thus benefiting the host communities. Increased living standards and social protection are also likely to increase over the next few years. Previous studies have indicated increased positive impact of CPEC in Pakistan in terms of improved health, education as well as social standards (Rafiq & Weiwei, 2017). The setup of new educational institutes is also a direct result of the CPEC; in addition, the collaboration between small and large shopkeepers contributes towards the elimination of social discrimination in society.

There have been a lot of cultural festival-related events and social gatherings between Pakistan and

China. A lot of social and cultural activities related to Chinese culture are being conducted in Pakistan. The national days and inauguration of the new projects have also been marked by both countries by showing the culture of each other in terms of clothes and flags (I. Ali, 2017). There is a growing trend that people from rural areas migrate towards urban centers in search of business and job opportunities (Asif & Ling, 2019). Researcher focused on modernization and western theories when he stated that China itself did not build theories but follow to western theories and doing the practical practice. China's movement toward modernization on the western modern theories (黄宗智, 2005). This is one positive development of CPEC. There are several small entrepreneurs who now travel to China from Pakistan by bus by expanding their business, which further indicates the presence of CPEC. These social transformations in development, social welfare, healthcare, and establishment of smart cities, are therefore contributing positively to the communities. Connectivity of small-scale shopkeepers generally from rural areas with big cities is also on a rise, which shows that CPEC is uprising the local economies. An increase in healthcare facilities, availability of transportation, and new roads improves their quality of life and, therefore, increases the social status of small shopkeepers in Pakistan regarding CPEC.

Hypothesis (H2)

The societal impact of small level shopkeepers has a positive effect regarding CPEC projects.

2.1.3 Cultural Impact

The status of a host nation is significantly influenced by the social and cultural transformations brought about by international initiatives. According to Iqbal (Iqbal, 2018), local cultures are receptive to new influences, which are often facilitated by advancements in infrastructure, road development, and educational innovations. The emergence of new tourist attractions, hotels, and restaurants positively impacts the perspectives of local communities. Anticipated cultural shifts and innovations stemming from the CPEC are likely to strengthen familial and social ties, fostering connections among friends and communities. This has led to intermarriages and the establishment of strong relationships, as well as the exchange of culinary practices, all attributed to CPEC. Ali et al. suggests that large-scale projects like CPEC may lead to the preservation of historical sites and the establishment of museums and libraries (I. Ali, 2017). The phenomenon of small group-based violence, such as communal riots, ethnic clashes and mob attacks has been socio-political implication in India. Social network plays a vital role in shaping the recruitment dynamic for such groups. These networks often use platforms for mobilization where personal ties, community affiliations and ideological

alignments are exploited to recruit individuals into violent activities (Chakravarty & Chaudhuri, 2010). The foundation of rational SET suggests that small-scale shopkeepers will recognize the benefits of CPEC and its implementation in Gwadar, as well as throughout Pakistan. Previous research indicates that CPEC is likely to provide significant advantages to these small shopkeepers, leading to a positive perception among them. Consequently, it is expected that the general public will also support the initiative.

Hypothesis (H3)

The cultural impact of small level shopkeepers has a positive or negative effects with CPEC projects.

3. Methodology

3.1 Research Design

This study employs a mixed-methods approach combining quantitative and qualitative methods to

comprehensively analyze the socio-economic impacts of CPEC of small-level shopkeepers in Gwadar. The study employed convenience sampling; a method commonly used in previous research. According to Kanwal, S. et al. (Kanwal, Pitafi, Rasheed, Pitafi, & Iqbal, 2022), this approach is particularly effective for gathering information from local small shopkeepers in Gwadar.

3.2 Study Area Selection

- Main Bazaars: Gwadar port Market, Fish Market, and Jewani Bazaar were selected.
- Peripheral Markets: Small shops and stalls in residential areas affected by CPEC developments.

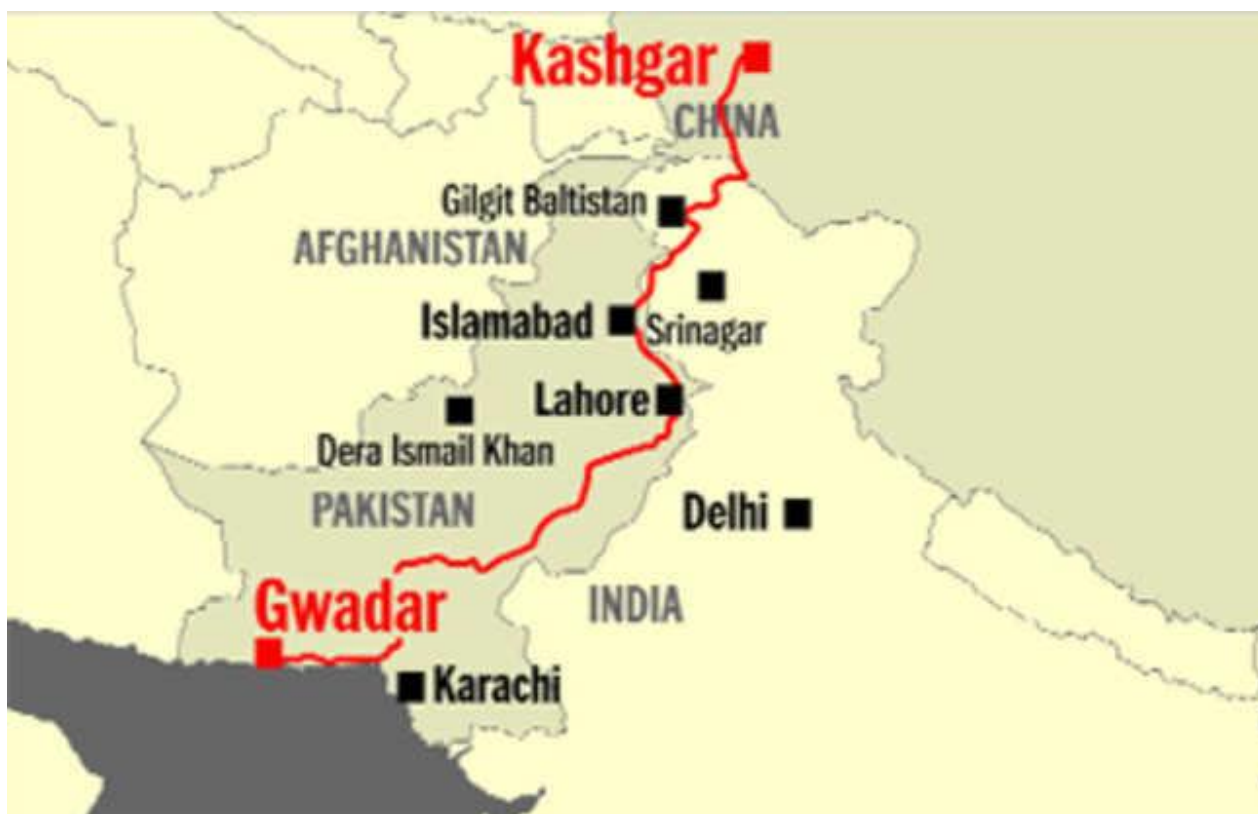


Figure 1. Map of projects inside Pakistan (source of CPEC pictures on google).

According to Denzin and Lincoln (Denzin & Lincoln, 1996), the essence of qualitative research lies in its ability to elucidate social issues in a natural context. This approach emphasizes the importance of responses and practical engagement over the researcher's own cognitive processes. In this context, qualitative design is deemed an appropriate method for understanding the perspectives of local communities.

3.3 Sampling strategy

- Population: small-scale shopkeepers in Gwadar markets.
- Sample Size: 100 respondents selected using stratified random sampling to ensure representation of different types of shops (e.g., general stores, clothing shops, mobile accessory stalls, eateries)
- Inclusion Criteria: Shopkeepers operating for at least one year before the initiation of major CPEC projects.

The observations of Cleland and Gareis (Cleland, 2006) were taken into consideration. More than 20 participants contributed to a distinctive sample size, facilitating thematic analysis within a limited timeframe through a single-ended questionnaire.

3.4 Data Collection Methods

A. Quantitative Data Collection (structured Questionnaire)

1. Demographic information (age, education, family size)
2. Business performance (sales, profits, customer footfall)
3. Perceived benefits and challenges due to CPEC (e.g., rent increases, infrastructure improvements)
4. Socio-economic changes (living standards, access to utilities)

B. Qualitative Data Collection

1. Semi-Structured Interviews: in depth interviews with 20 selected respondents to explore nuanced impacts of CPEC development, including changes in customer demographics, rent dynamics, and market competition.
2. Focus Group Discussions (FDGs): Two FDGs involving 8-10 shopkeepers each together collective insights and validate survey findings.
3. Observation: field observations to assess physical changes in markets infrastructure, customer behavior, and shop conditions.

Different methods are being used to analyze various data in concluding an ideal sample size. In this study, the researcher will apply Gorsuch's rules. As quoted in McGehee and Andereck (McGehee & Andereck, 2004) an acceptable minimum sample size for computation is five times the number of variables. In the survey questionnaire that was used in this study, there are 25 questions; therefore, the calculated minimum sample size will be 25 (5*5). It was further considered necessary to seek help from Mike Petres in order to increase the sample size. The issue of the sample size determination methodologies is discussed in improving the research findings by Peters and Chan (Peters, Chan, & Legerer, 2018), hence proving the acceptability of our study sample size. The determined sample size stood at 22, hence meeting the requirements as set by earlier studies, and was reliable as well. The survey was taken at their convenience, and the ethical considerations, such as confidentiality, were clearly explained to them. It was explicitly expressed that the study taken from them would be used only for publication purposes.

3.5 Measurements

All the relevant measurements were also adopted in this paper to reinforce international initiatives presented in other literature. The measurements and conceptual frameworks were based on McGehee & Andereck (McGehee & Andereck, 2004) as well as Jurowski (Jurowski, 1994). These were consistent with this study. A 5-point Likert Scale was used with choices between strong agreement and strong disagreement. Cheng made sure all the instruments had valid questions with clarity of language to enable adequate responses (Cheng, 2016). Additionally, the research questionnaire went through a review process by senior professors and advanced students in order to enhance the quality of the research.

3.6 Data Analysis Techniques

Quantitative Analysis:

1. Descriptive statistic (mean, median, standard deviation) were applied
2. Inferential statistics (regression analysis to examined correlations between shop performance and perceived CPEC impact)
3. Used of software: SPSS or Stata for Statistical Analysis

Qualitative Analysis:

1. Thematic content analysis for interview and FGD data were applied.
2. Used NVivo for coding and identified recurring themes.

The inductive thematic analysis approach constitutes the qualitative research method employed in the approach of this study. According to Braun and Clarke (Braun & Clarke, 2013), thematic analysis is a "method for identifying, analyzing and reporting patterns within data". In such a method, semantic, inductive, and descriptive coding strategy maintains the integrity of the data intact.

3.7 Validation and Reliability

1. Pilot Study: Conducted with 10 respondents to test and refine data collection tools.
2. Triangulation: Cross-verification of data from multiple sources (questionnaires, interviews, and (FDGs) to ensure validity.

4. Results and Discussion

Table 1 indicated the level of respondents which are involve in selected markets and shops. Education is the parameter which focused their thinking and way of doing business. It is easy to understand for researcher how education is controlled and bringing the changed in their business and daily life.

Table 1. Educational point of view.

Education	Frequency	Percent%	Valid%	Cumulative %
0 level	6	5.4	5.4	5.4
elementary	13	13.2	13.2	18.6
Matriculation	32	32.8	32.8	51.4
Above 10th	49	48.6	48.6	100.0
Total	100	100.0	100.0	

A total number of 100 respondents were selected from four markets of Gwadar in order to make the results reliable. The findings have shown that 6 (5.4%) were illiterate, 13 (13.2%) were middle, 32 (32.8%) were matriculate, and 49 (48.6%) had more than matriculation. Howard and Masset (Howard & Edoardo, 2004) explain that education and health are closely related, especially to travel and mobility. More transportation links the communities in communication, education of the people living in those areas, and healthcare services. Increased

mobility and transportation offer citizens with more positive factors in many facets of life. It is important to note that educated people are better in utilizing transport systems and adhering to health rules and regulations than illiterate ones.

Table 2 represents the economic-class of the business community, and most of them described themselves as belonging to the middle class. Business community desired to improve their work and socioeconomic status with this BRI's projects.

Table 2. Economic classes of selected businessmen

Economic class	Frequency	Percent	Valid Percent	Cumulative Percent
Lower	6	6.2	6.2	6.2
middle	73	73.0	73.0	79.2
Upper	21	20.8	20.8	100.0
Total	100	100.0	100.0	

This research is done in selected four markets of Gwadar. Its breakdown consisted of 6 (6.2%) lower class, 73 (73%) middle class, and 21 (20.8%) upper class participants. Projects that seek to develop value within society are usually aligned towards the majority class. In most regions, the middle class holds a great percentage of the population. The fact that this research has more middle-class participants increases the validity of the variables tested. Middle

class and small level business are working with Chinese products, which is the strong source of their easy business in Pakistan. 53% businessmen of Lahore's four markets were purchasing Chinese product(Shabbir & Xiangming, 2022).

Table 3 presents its approach of business community is positive or negative with percentage. These selected markets are mainly involved in business with Chinese firms and imported products.

Table 3. Future of CPEC

CPEC's future	Frequency	Percent%	Valid Percent%	Cumulative%
Agree	85	85	85.4	85
Disagree	15	15	14.6	100.0
Total	100	100.0	100.0	

Selected markets present its quantitative form out of 100 respondents, like 85 (85%) were agree while 15 (15%) disagree that CPEC is no more future in Pakistan. This output indicated that small community business is feeling secure their future and they are compatible with their social norms which are changing in daily life. In the PIPS 2016, 81% of respondents consider that CPEC will bring economic development in respective localities, and which would have a profoundly positive and lasting impact on Pakistani society. Besides, 67% of respondents think that CPEC will support culture and society. As per this report, the majority of participants are willing to consider innovation and development beneficial if practiced through proper channels.

McCartney (McCartney, 2018) states that even though long-sketch projects have been carried out by countries such as the USA, Europe, India, and Germany, CPEC seems to possess long-lasting effects on the economies of Pakistan and China as well as on its citizens. The CPEC initiative includes large projects for infrastructure development, electricity generation, road enhancements, and the development of job opportunities for the local community. Such mega developments have brought or can bring a change in economic and social status for ordinary people of any nation.

Table 4 depicts the opinion of the local community chosen from four different markets in Gwadar on an equal basis. Most of the respondents showed a very

positive attitude toward cultural modernization and also a blend of diversified culture.

Table 4. CPEC's Influence culture on business community

Impacts on hometown	Frequency	Percent%	Valid%	Cumulative%
Yes Positive	60	59.6	59.6	59.6
Yes Negative	7	7.4	7.4	67.0
Don't know	33	33	33	100.0
Total	100	100.0	100.0	

Indeed, the research findings from four markets in Gwadar showed that out of 100 respondents, 60 persons or 59.6% reported positive impacts, 7 persons or 7.4% reported negative impacts, and 32 persons or 33% were uncertain whether CPEC was a blessing or a curse on their culture. The 59.6% level signifies a significant relation to positive cultural changes among kiosk shopkeepers and thus justifies the variables being researched. The new structure of GCAP seems very convincing as it includes the economic, political, and geographical authorities in the region. These highways are also likely to bring new business methodologies in Pakistan, which will rejuvenate the old ones. In fact, all trade groups seem interested in expanding their circles all over the world, making healthy relations with other cultures

and traditions. GCAP has also been highlighted for its trading goals. Professor S. Frederick Star presented a theory concerning GCAP wherein he focused on the links between two regions for different purposes. This is, in fact a positive direction of economic cooperation and geopolitical interaction between the heartland and Rimland. Soma Chaudry explained in her research that when Leaders got identifications in the running projects their status were changed in the family. Grass root women performed excellent role for the community building strategies (Chaudhuri & Morash, 2019).

In table 5 built the association between CPEC' projects regarding its scope and future outcomes in the sense of socio-cultural platform in selected business community in Gwadar.

Table 5. CPEC's and its social perceptions

Economic status	Frequency	Percent%	Valid%	Cumulative%
Lower	9	9.2	9.2	9.2
Middle	71	71.0	71.0	80.2
Upper	20	19.8	19.8	100.0
Total	100	100.0	100.0	

Chi Square = 183.664 df = 28 P-Value = .000 Gamma = .060

The relation of the economic status of the respondents to their social cognition about knowledge of CPEC has been verified to be significant by a chi-square statistic as high as 183.64 ($p = .000$). Also, the gamma coefficient = .060 indicates positive association between the variables, depicting that with greater economic status, the higher would be the social cognition about CPEC and its future. Since the calculated value of chi-square is higher than the tabulated critical values, the hypothesis that "the economic status of respondents plays an important role in fostering social cognition regarding knowledge of CPEC" is accepted at 5% level of significance. As pointed out by Hendrick (Hendrick, 1988), the data show that upper-class people generally do not concentrate on seeking employment or petty businesses. In this research, 67% of participants described themselves as middle class,

and all the middle-class respondents wanted to have a friendly loan scheme in their neighborhood for easy startup of their own business. Whereas the lower class wanted to get employed in public or private sectors. Here, the motivational factors of the upper class were just money earning and had very less intention of joining in public gatherings. The middle class gave interest to the public festivals and community activities. At last, it can be concluded that education and social cognition have given positive impact on small-scale businesses. Thus, all the hypotheses H are accepted as the obtained chi-square values reflect positive association.

In the table 6 built an association between education and social perception for the evaluation of strong attachments. "More education to the people more flexibilities to adopted the new projects".

Table 6. educational and social perceptions boundness

Education	Frequency	Percent%	Valid%	Cumulative%
No schooling	7	7.4	7.4	7.4
Less than 10 th	13	13.2	13.2	20.6
Matriculation	32	31.8	31.8	50.4
More than 10 th standard	48	47.6	47.6	100.0
Total	100	100.0	100.0	

Chi Square = 271.394 df = 42 P-Value = .000 Gamma = .048

Chi-square value of 271.394 explains that the higher education level of the respondents significantly associates with social cognition about the success of CPEC ($p=.000$). The Gamma value has presented Gamma =.048 showing the positive association among variables; thus, it is observed that an increase in age also increases the social cognition of a respondent about the future of CPEC. Since the calculated chi-square value is more than the tabulated critical values, the null hypothesis that "Higher education leads to a greater social perception of CPEC among respondents" is accepted at 5% level of significance. Education plays a crucial role in understanding technology and entrepreneurship in all spheres of human life (Davis, 2014). In most cases, people who are not educated tend to resist adopting innovations into their businesses. In contrast, educated people will surely look for ways to minimize time and effort but earn as much as possible. For Africa, 65 percent of the respondents said they could adopt the technology.

4.1 Analysis

4.1.1 Economic Opportunities and Market Expansion

Respondent: "Since the start of CPEC, there is more construction work, and some outsiders have started buying goods from my shop"

Respondents: "earlier we had fewer customers, but now the market is busier."

Analysis: increased business activity suggests a positive impact on shop traffic due to infrastructure development and an influx of workers and investors.

4.1.2 Competition from new Entrants

Respondent: "Big shops are opening, and they sell at lower prices, making it harder for us to survive"

Respondents: "The competition is tough because new traders are coming in with better supply chains"

Analysis: The entry of larger businesses is creating challenges from traditional shopkeepers, leading to economic pressures and changes in market dynamics.

4.1.3 Social and Cultural Change

Respondent: "We now see more people from outside Gwadar, and it's changing our culture slowly. Local shopkeepers are getting marginalized due to modern culture's influence."

Respondent: "There are mixed feelings about these changes. Some welcome it, but other feel their way of life is being disrupted."

Analysis: The influx of new populations and investors is reshaping the social fabric of Gwadar, causing both opportunities and cultural friction.

4.1.4 Infrastructure Development and Service Access

Respondent: "Roads and electricity have improved, making it easier to run the business. Our basic services are getting worse due to innovations in business."

Respondent: "We appreciate the better facilities, but they came at the cost of displacing some shops"

Analysis: Improved infrastructure enhances business operations, though some shopkeepers feel marginalized due to displacement caused by large-scale projects.

4.1.5 Uncertainty About the Future

Respondent: "We hear a lot about big future plans, but no one knows how small shops like mine will fit in. it seems that we small level businessmen will kickout because we don't know the computer education."

Respondent: "People are worried about being left behind as things modernize."

Analysis: Despite the promises of economic development, concern about exclusion and sustainability persist among small-scale traders.

Despite efforts to promote socio-economic growth through CPEC in Gwadar, post-interview analysis reveals persistent negative cultural and social development challenges. Local shopkeepers express concern over diminished traditional market dynamics limited cultural integration opportunities with incoming commercial entities and a sense of inclusion from decision-making processes. The rapid infrastructural development often sidelines indigenous business practices, creating friction between traditional and modern commercial frameworks. More ever fears of economic marginalization persist as larger enterprises overshadow small-scale vendors, threatening the preservation of Gwadar's local market culture and social cohesion.

Racial commodification in the Norwegian cultural field highlights the tension between celebrating the diversity and perpetuating system inequalities

through market-driven cultural presentation (Tica, 2024).

5. Discussion and Implications

The principal justification for this study is to evaluate the effects of CPEC in Pakistan, with a focus on four Gwadar's markets. This region is a business-based region whose inhabitants are mostly local people. The CPEC projects are directly or indirectly interacting with these markets. Accordingly, socio-economic effects caused by CPEC have been probed in the context of four Gwadar markets. A majority of the respondents know about CPEC and perceive that it will increase their business avenues in many ways. It also reflects findings from previous research. Park, D. (Park, Nunkoo, & Yoon, 2015) observed that most media reports said that CPEC was either a matter of Gwadar people or the benefits would be received by the Chinese only.

It also tallies well with a number of earlier studies, including one done by Ali, M. (M. Ali, 2018), which also claims that CPEC will result in many job opportunities in ways which will enhance the economy of Pakistan. That would mean very high revenue for the country of Pakistan and prove to be a game-changing event for both countries, Pakistan and China. Considering the fact that the population of Pakistan is majorly middle class, their consideration and cooperation becomes very vital for complete success of CPEC. The culture and traditions of the Gwadar's are something different; however, based on our research, the local nationals are divided with many ethnic groups which is important for future plans.

CPEC has significantly reshaped the socio-economic dynamics of Gwadar's markets, with small level shopkeepers experiencing both opportunities and challenges. The influx of infrastructure development, improved connectivity, and increased trade potential have enhanced market activity, introducing new customer bases and diversifying demands for goods. However, these gains are tempered by rising competition from larger enterprises, and gentrification pressures, and evolving consumer preferences that often disadvantage traditional small businesses. Additionally, rapid economic transformation has led to inflationary pressures and increased operational costs, straining local shopkeepers. Policymakers must address these implications by promoting inclusive growth strategies, facilitating access to microcredit, and creating capacity-building programs that empower small retailers to adapt and thrive aimed the evolving market landscape.

This, therefore, has several implications for the future. New projects, with the help of Social Exchange theory, have huge potential and their implementations in different communities. Large-scale and smaller initiatives may be replicated across

the globe in different societies. For instance, CPEC can be viewed from different dimensions considering this present study. The results of this research could inform about regulations and strategies to policymakers, bureaucrats, officials, and politicians. Moreover, it has been related to several previous studies, such as those by Zhang, R. et al. (Zhang et al., 2018), proving that these findings are capable of developing social interaction, social cohesion, cultural diffusion, and acculturation, which can stabilize societal structures.

6. Conclusion

The China Pakistan Economic Corridor (CPEC) has brought transformative changes to Gwadar's socio-economic landscape, significantly influencing the operations and livelihoods of small-scale shopkeepers in the region. While the development initiatives associated with CPEC have catalyzed economic growth and improved infrastructure, they have also presented both opportunities and challenges for local markets. This study revealed that improved transportation networks and increased markets accessibility have expanded the customer base and enhanced product availability for many shop owners. Additionally, rising investments in Gwadar have driven urbanization, fostering a more dynamic commercial environment.

However, the socio-economic benefits have not been evenly distributed. The influx of new business and external competitors has intensified market competition, pressuring small shopkeepers to modernize their businesses practices or risk marginalization. Many shop owners expressed concerns over rising property values and rental costs, which threaten their financial sustainability. Furthermore, the perception of economic disenfranchisement and cultural dislocation among local traders highlights the importance of inclusive policies to safeguard their economic interest.

To ensure that CPEC-related growth benefits small-scale entrepreneurs, policy interventions are crucial. Initiative such as business capacity-building programs, financial support for small enterprises, and ensuring affordable commercial spaces can mitigate the adverse effects on local shopkeepers. In conclusion, while CPEC presents promising avenues for economic prosperity, a balance approach that protects and empowers small-scale businesses will be essential to fostering equitable socio-economic development in Gwadar.

7. Limitations and suggestions for future research

This study examined the socio-economic impacts of China-Pakistan Economic Corridor (CPEC) on small-scale shopkeepers in Gwadar's markets through insight gathered from 100 respondents. Several limitations were identified that offer avenues for

future research. First, the sample size, though representative of small business owners in specific market areas, may not fully capture the diverse economic dynamic of Gwadar. Broader study encompassing a more extensive range of respondents across different sectors and region could provide a more holistic understanding. Second, the reliance on self-reported data introduces potential biases, such as over or underestimation of business growth or challenges, which future researchers might mitigate by incorporating objective financial record and transactional data.

Additionally, the rapid evolving development landscape in Gwadar due to ongoing CPEC projects

necessitates longitudinal studies to track changes over time. The research also encountered challenges related to respondents' hesitancy in discussing politically sensitive topics indicating a need for improved trust-building strategies in fieldwork. Future studies could explore comparative analysis between Gwadar and other cities impacted by CPEC to discern regional variations in socio-economic outcomes. A mix-methods approach combining qualitative surveys could enhance the depth and reliability of findings. Addressing these limitations will contribute to a more nuanced understanding of the complex socio-economic landscape shaped by CPEC.

Abbreviations

China Pakistan Economic Corridor	CPEC
Gross Domestic Product	GDP
Belt and Road Initiative	BRI
Social Exchange Theory	SET
Islamabad Stratgic Studies Institute	ISSI
Information Technology	IT
Former Discussion Group	FDGs

Conflicts of Interest

There is no conflict of interests to declare among the authors.

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