



Article

Examine the Economic and Social Effects on Lao People's Perceived Benefit Attitudes towards BRI

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Abstract: The Belt and Road Initiative (BRI) plays a vital role in mobilizing economic and social development and improving national and international connectivity. This research proposes to examine residents' perceptions of economic and social effects of BRI in Lao PDR. Moreover, it attempts to test the moderating effect of location. A total of 412 survey responses were collected across the country via online survey, and structural equation modeling and multi-group analysis were used to estimate a research model and moderation. The findings reveal that both economic and social determinants have a positive influence on perceived benefit attitudes towards BRI. Specifically, education, tourism, and foreign direct investment (FDI) are the main drivers of the socio-economic benefits, whereas employment and living standards are not. The result confirms the nonexistence of the moderating effect of the location. Our study sheds light on the knowledge of BRI in the Lao PDR context by examining the socio-economic determinants on the perceptions of the local citizens and the moderating effect of location. The government and BRI authority are informed about the factors that explain the benefit of BRI; this information will be useful for future studies.

Keywords: BRI in Lao PDR context; Lao–China railway; social and economic impact of BRI; moderation of location

1. Introduction

The Belt and Road Initiative (BRI) was proposed by the government of China in 2013 with the goal of further integrating regional and global economies through trade promotion and exchange culture and technology among countries in Europe and Asia. To that end, the Chinese government has been actively engaging in basic infrastructure development such as road, highway, and high-speed railway construction across European and Asian continents to enhance trade and improve logistics networks among the participating countries. In addition, economic corridors, special economic zones, and hydropower are the key investment mappings of BRI that involve a large investment volume. In 2020, BRI spent approximately USD 20 billion in energy sector development, and the investments largely went toward hydropower [1]. These projects are considered as the utmost importance of the international strategic cooperation with the aim of promoting joint development and cooperation between China and the world. The strategy is to allow the participating countries to become a member of the global economy, develop connectivity, and strengthen economic cooperation between Asia, Europe, Africa, and Latin America. Currently, there are over 120 countries joining the BRI project [2]. The potential of BRI not only connects the countries, but also promotes the world's biggest policy for economic cooperation, coordination of trade policies, financing collaboration, and social and cultural cooperation [3,4]. Since the announcement in 2013, BRI has invested in public infrastructural projects abroad including ASEAN regions.



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Lao PDR is an important BRI partner from the ASEAN member states. The aim of joining as a partner is to improve social and economic cooperation, enhance sustainable development goals, turn Lao PDR from a land-locked to a land-linked country, provide various job opportunities, higher incomes, and better living standards. The first BRI's infrastructure project, the Lao PDR-China Railway (LCR), began in 2016 and construction completed in 2021. The mega construction project costs approximately USD 6 billion and was built by Chinese state-owned contractors who borne 70% of all construction costs [5]. The railway line runs from the Kunming city to Vientiane with an approximate length of 1000 km, and the northern provinces of Luangnamtha, Luangprabang, Oudomxay, and Bokeo conveniently facilitate trade and travel between Lao PDR and China as well as nearby provinces. The development of the railway increases international logistic networks and reduces transportation cost and time. Thus, it can generate positive economic returns, minimize trade costs, and serve as a key land transportation route in the Indo-China Peninsulas. One significant result of BRI in Lao PDR is that Lao PDR expects to increase its export to China by about 60% and have around 380,000-1,150,000 Chinese tourists through railway [6]. Furthermore, the hydropower station, ground station, and the new economic zone in the north of Lao PDR are other BRI key projects the Lao PDR government is planning to venture [7].

Since BRI is a multi-sectoral program and one of the most promising strategies that would positively create social and economic impacts [8], researchers have found that BRI can contribute to the development of FDI inflow, employment, income generation, education and labor, know-how, technology management [9,10], trade [11], living standards [12], tourism [13], and infrastructure [14]. Research also argues that conducting a study on understanding the host opinion is crucial since any development project can change the perceptions of the local host community yielding either positive or negative attitudes [15,16]. This implies that if the local residents view a project as favorable, they are likely to support it and become involved, and vice versa. As such, understanding the perception of local people is highly important for the success of a project. However, there has not been any study examining the perception of Laotians towards BRI. In particular there is no available information about the awareness that Laotians have on the BRI project and its benefits. Currently, receiving information about BRI is not common for all Laotians. Only official authorities working for BRI coordination and the residents living alongside the project areas know more about the initiative. Even though BRI information is communicated and disseminated among a particular group, their awareness and perception towards the social and economic impact of BRI have not been assessed. The present study proposes its research objectives as follows:

- (1) To assess the level of awareness of Laotians towards BRI;
- (2) To analyze the influence of the social and economic determinants on perceived benefit attitudes towards BRI;
- (3) To examine the moderating effect of the local citizens residing within and without BRI areas on the relationship between social and economic determinants and perceived benefit attitudes towards BRI.

The findings of this study contribute to the current body of BRI knowledge in the Lao PDR in three significant ways. First, the results provide novel insights into how FDI, tourism, employment, living standards, and education play an important role in forming perceived benefit attitudes towards BRI. This also provides important information about current perceptions of Laotians and emphasizes which factors significantly increase the perceived benefit attitudes towards BRI. Second, it verifies the moderating effect of location of the residents on the hypothesized links between economic and social effects and perceived benefit attitudes of BRI. This result not only paves the way to analyze the effect of location of BRI, but also increases the importance of differences in the perceptions of BRI's benefits among Laotians across the country. Third, this study is the first to provide a report on the perceptions of Laotians towards the perceived BRI benefit in the Lao PDR context, and such useful insight can be used as a policy guideline by the Lao PDR government and

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BRI authority to further work on development projects. Overall, the results contribute to the existing literature on BRI.

2. Literature Review

2.1. Lao PDR-China Relationship

Lao PDR and China have shared a long history. Their relationship began before 1975 by working together under the framework called "support and assistance", where China assisted Lao PDR to fight against imperialism and improve the revolutionary movements [17]. Since then, the relationship between China and Lao PDR has developed rapidly, and both governments have formulated policies to strengthen friendship and encourage long-term stability, good-neighborliness, amiability, mutual trust, and comprehensive cooperation. Furthermore, by sharing a border and having similar political ideology, China and Lao PDR have become good friends and support each other in various efforts relating to economic development, trade, and technology cooperation [18].

The intergovernmental agreement enhances mutual benefits of China and Lao PDR. They not only tighten their historical relations, but also expand bilateral economic and trade development. There has been a steady growth of Chinese investments in Lao PDR and bilateral trade. For instance, China has granted more quotas to Lao PDR to export more cattle and various fruits to China [19]. Chinese investors are also showing attention to various investments in a variety of projects in Lao PDR including hydropower, agriculture, real estate, and communication [15]. Consequently, China has become a key investment partner for Lao PDR and its investment and trade volume has been continuously increasing.

China and Lao PDR have also been working closely on development projects such as poverty eradication, economic development, education, trade, and agriculture. The two countries agreed to join hands to implement the BRI strategy and link it with the land-locked to land-linked strategy of Lao PDR. The LCR project marks a historical milestone in the cooperation between Lao PDR and China. The project is promised to provide Lao PDR with socio-economic development benefits. Currently, the project is completed and is in operation. Through this project, Lao PDR and China are looking forward to more growth in international trade and cooperation in several areas [20].

2.2. Perceived Benefit of BRI

Since the implementation of BRI, Lao PDR has initiated several development projects with China to develop macroeconomic growth as well as increase job opportunities and revenue of Laotians. These projects are expected to bring huge advantages to Lao PDR in the long term. Lao PDR has been active in supporting BRI since it aligns with the 8th National Socio-Economic Development plan 2016–2020 to mobilize social and economic development, and particularly to graduate from the least developed country list by 2024 and lift the country to upper-middle-income in 2030 [20]. The railway project, the first of BRI's infrastructural project in Lao PDR, is expected to increase international investments, Chinese tourists, goods transportation and logistics, job opportunities, quality of education, and higher living standards [21].

It is China's aim that the participating countries will have a win-win benefit. For instance, Herroro and Xu [6] found that the BRI project can create benefits for European social and economic cooperation. Hong and Johnson [22] demonstrated that ASEAN is the key trade partner region that will receive more Chinese investments, especially in the Lancang-Mekong region. As observed by Chheang [23], BRI can bring Chinese investments to Cambodia. Moreover, trade, tourism, and investment can be expanded through BRI in China and the joining countries [24].

As noted by several reports, BRI provides a good opportunity to the host country to develop and strengthen its position in the global marketplace, perception of the host citizens towards BRI has also been widely noted. The studies argue that the success of project implementation comes from a support of the local citizens [15]. This implies that the understanding of the host community's perceptions towards BRI is critical. The research

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findings highlight different benefits perceived by the local citizens and the influential factors that increase positive support of BRI [8,25]. For instance, BRI is believed to socially and economically benefit the local community by creating more jobs, various activities in trade, businesses, cultures, environment, education, tourism, and facilities.

2.3. Research Model and Hypothesis Development Research Model

The conceptual framework of this study shown in Figure 1 is grounded in Social Exchange Theory (SET) developed originally by Emerson [25] to explain the relationship between the effects of social and economic outcomes of BRI on perceived benefit attitudes. SET is one of the most powerful theoretical frameworks used for understanding the perceptions of residents of the host community towards a development project. According to Ali et al. [8], if the perception of people changes, the benefit perceived for such development also changes. This explains that if people believe they can gain more benefits, they are willing to exchange and support a project. As such, SET is regarded as the theory underlining the individual's experience towards mutual exchange that affects their community's wellbeing [26].

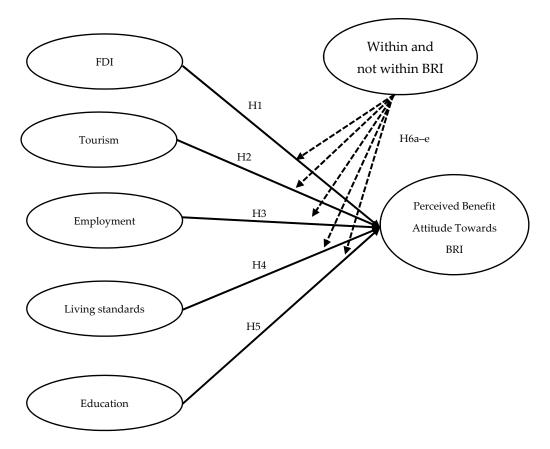


Figure 1. Structural model of perceived benefit attitudes towards BRI.

In the recent years, SET has been largely applied in attitude-based studies to examine citizens' attitudes [27]. It also has been extensively used to understand the perceptions of the host residents in the field of tourism development [28], business-to-business study [29], and organizational behavior [30]. Furthermore, several studies have utilized this theoretical paradigm to explain reactions and perceptions of an individual towards country development. For instance, Ali et al. [16] applied SET to investigate the reactions of local residents towards road and transportation development projects. The researchers explained why host residents' views could be expressed positively or negatively, and it is considered as a possible approach to predict the attitudes of the residents towards a development project.

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With respect to SET and previous studies, this research asserts that the residents' perceived benefit attitudes towards the effects of BRI can either be positive or negative depending on how they view the exchange of BRI. For instance, if they believe that BRI is fruitful for the community, they will increase their perceived benefit attitudes, and vice versa. This study proposes five selected factors (i.e., FDI, tourism, employment, living standards, and education) to represent the exchange elements of BRI. According to previous scholars, the exchange elements can be tangible and intangible, economic and non-economic, quality of life, social, and psychological benefits [31–35]. In the lens of SET, these elements are conceptualized as the possible determinants which might affect local residents' attitudes. The residents evaluate FDI, tourism, employment, living standards, and education in terms of social exchange, that is, they evaluate these effects based on expected benefit obtained in return from the project. Therefore, it is assumed that the residents seeking social and economic benefits of BRI to satisfy economic and social needs of their community would increase their favorable attitudes towards the perceived benefit of BRI.

2.4. Hypothesis Development

2.4.1. Social and Economic Determinants

Researchers have actively studied the economic and social impact of BRI since it is believed that BRI is the socio-economic development strategy for the participating countries and their people [36,37]. It is considered a game changer benefiting the host community by increasing employment opportunities [38]; new investment projects [39]; touristic businesses [13]; quality of life and living standards [8]; and education [15]. To investigate the social and economic impact of BRI, five different social and economic determinants were identified in the current study based on the existing literature on BRI and other related development projects research. For instance, FDI, tourism, employment, education, and living standards have been widely employed in the development project literature, and they are found to be associated with the study of national economic wellbeing. Chakraborty et al. [40] studied the impact of the enactment of special economic zones on inflow FDI in India. Galina and Xu [41] analyzed the effect of FDI, employment, and trade of the host country. Supanyo and Chairatana [42] analyzed BRI and international tourism in Thailand. Daye et al. [13] researched tourism in Kazakhstan through the perspective of BRI. Snieska and Simkunaite [43] mentioned the development of education and other wellbeing facilities as the outcome of social impact of infrastructure development projects. Dang et al. [44] noted that official development assistance (ODA) is a strategic development project that can improve a community's living standards, education, investment, and FDI. Even though these social and economic determinants are common and have been used extensively in BRI and project development studies, they have not been incorporated in a model to estimate the attitudes towards BRI. Moreover, these studies have merely focused on the perceived economic and social impacts without examining their salient determinants on the perceptions of the local citizens. Thus, studying social and economic determinants can enhance the understanding of the local people towards the outcomes of the development project in an explicit way. The following section provides a discussion on FDI, tourism, employment, education, and living standards in more detail.

FDI

The consequences of FDI for the host country has been widely studied. It has even been questioned whether FDI can promote economic development in the capital importing countries. Several authors have placed emphasis on the investment as an effective way to promote sustainable economic development and the competitiveness of particular national resources and capabilities. As claimed in the study of Dunning [45], FDI can impact the host country at two levels, and each level receives different benefits. For instance, at the country level, FDI can provide a high quality market system, connect to global economic activity, and improve a country's asset and economic structure. At the firm level, FDI provides new incentives, advantages of globalization, opportunities for FDI from several countries, and

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growing needs in global market transactions. In the same vein, the China BRI initiative was recently promoted in Southeast Asian countries including Lao PDR. Economists believe that such projects would tremendously increase the economic wellbeing of BRI host countries [9] and accelerate several FDI activities [32]. These initiatives can connect foreign investors to the country by providing new investment and improving opportunities, creating more jobs, increasing high wages and labor skills, know-how, and advanced technological implications. As BRI is believed to bring positive results to the host country, its people would enjoy the benefits, and therefore, should perceive FDI as crucial for the country and its people. According to Kanwal et al. [15], positive attitudes of the host country lead to willingness to support a project. Thus, the following hypothesis is posited:

Hypothesis 1 (H1). *FDI will have a positive influence on perceived benefit attitudes.*

Tourism

The continued growth of the tourism industry leads to an increase in the income of a household, government revenues, and other tourism development policies. The result of tourism development can be indicated in terms of employment opportunities, income, and number of international tourist arrivals. As evidenced in South Korea, increasing tourism development results in national economic growth. In terms of BRI, the high-speed train and railway are expected to positively impact the growth of tourism [46]. Li et al. [47] observed that BRI is associated with an increasing number of inbound tourists and the opportunity for the local tourism practitioners, national tourism products, and tourist destination development. Another impact of tourism growth is the expansion of international network and cooperation between private sectors and government agencies to increase demand of tourism consumption in different forms such as festivals, tourism related activities, and exhibitions [48]. Touristic activities promote inbound tourism, generate revenue, and raise awareness of tourist destinations. Since the tourism industry is one of the main national economic development indicators in Lao PDR, the local tourism stakeholders will be likely to recognize the benefits and support the project. Thus, the hypothesis is posited as follows:

Hypothesis 2 (H2). *Tourism will have a positive influence on perceived benefit attitudes.*

Employment

The growth in employment is an important indicator measuring economic growth and advancement. It also enhances the move from being a least developed to a developing country. Particularly, in a low-income country, creating more jobs contributes to poverty alleviation. It is also likely to reduce social and economic issues [49]. The factor contributing to the growth of employment is foreign investment. It not only brings inflow capital, but also creates more jobs by firms. Employment development can also lead to more demands of high-quality workers. Employees will have an opportunity to receive training in relevant technology and skills so they can improve productivity. BRI can contribute to human capital by enhancing career advancement and creating new employment opportunities for many local workers in different sectors. For instance, the tourism sector will provide more job opportunities, followed by manufacturing, agriculture, and service [50]. Furthermore, the unemployment rate is also expected to be reduced [51]. As a result, job market conditions in Lao PDR will be better due to BRI. Thus, it is assumed that employment will be viewed very favorably.

Hypothesis 3 (H3). *Employment will have a positive influence on perceived benefit attitudes.*

Living standards

Many studies have found that when people receive higher income and are able to access basic needs such as good roads, literacy, health care, and welfare, they can improve their living standards [52]. In the study of Khamga and Heleba [53], economic growth is an important indicator leading to better living standards. Since 2013, BRI has invested in

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public infrastructure such as roads, highways, and railways, aiming at boosting economic growth and living standards in the participating countries [54]. In the case of Lao PDR, the provision of railways and highways has modernized the country's basic infrastructure and lifted living standards to the next level. The means of transportation increases convenience and connectivity of travelling from village to village, district to district, and province to province. In other words, people across the country have access to government and private services, trade, and involve more in economic activities. Since this marks the effectiveness of BRI, it is expected that people will be likely to have a favorable perception. Therefore, the following hypothesis is posited:

Hypothesis 4 (H4). *Living standards will have a positive influence on perceived benefit attitudes.*

Education

Education is fundamental for a country's development. Without quality education, growth and prosperity can hinder development progress. Previous studies have shown that developing countries concentrate on investing in people and education since it is a crucial component of reducing inequality in a society and improving the living standards of residents [55,56]. Some scholars have shown that, investing in education can help people access higher and more necessary education [15]. Another finding claimed that the best approach to provide an opportunity for local people to experience more job opportunities and obtain higher income is to receive higher education [57]. Kanwal [58] highlights that increasing international trade between regions can provide an opportunity to the local people in the community to receive better education. The aim of BRI is to bring more trade. Thus, higher quality education and professional skill development of the host countries can be improved through BRI cooperation projects. Furthermore, as BRI concentrates more on future development, the importance of education as a rebound cultural and economic development is foreseen [59]. Under this discussion, BRI should be perceived as a good opportunity for Laotians to gain the benefits of education in Lao PDR.

Hypothesis 5 (H5). *Education will have a positive influence on perceived benefit attitudes.*

2.4.2. Moderating Effect of Location (within and without BRI Project Areas)

According to the previous studies on BRI, local residents living along or in the area of the project tend to perceive the benefits and costs differently from those who do not [13]. As argued by Nabi et al. [60]; Khwaja et al. [61]; and Afzal and Naseem [62], the local community faces challenges related to air quality, daily life activities, shortage of water, noise pollution, and traditional lifestyle due to the loss of resource control. On the other hand, similar research stated that the host community located near the route of a BRI project would receive more trade opportunities and facilities to run new businesses in multi-sectoral fields. This means that those residents may take into account the prospects of economic gain more than their counterparts. The aforementioned argument implies that the location can be the salient factor that differentiates the perceptions of the local citizens causing differences in attitudes towards the perceived benefits of BRI. However, a study that investigates such a location effect is considerably rare, leaving a gap in the literature. Moreover, even though several studies have found positive and negative perceptions of BRI among the host community of the participating countries, the location has been untapped [15]. Therefore, it is worthwhile to look at how location of the host citizens living within and without BRI areas can affect their attitudes. The LCR covers different provinces in the northern and central parts of Lao PDR, and the community living along the areas witnessed a change in their community and might hold the perceptions towards the economic and social effects differently from the other communities that are not in the project areas; both groups of community might express differences in the economic and social perceptions and attitudes towards BRI. Thus, the following hypothesis is posited:

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Hypothesis 6a–e (H6a–e). The location of the host citizens located within and without BRI will moderate the relationship between (a) FDI; (b) tourism; (c) employment; (d) living standards; (e) education and perceived benefit attitudes.

3. Methodology

3.1. Sample

Local Laotians from both public and private sectors residing across the country and across a different range of ages, gender, income level, education, and occupation were recruited as the target respondents of this study. The reason for selecting this general target group is that BRI and its development in Lao PDR is still at the early stage. Therefore, it is crucial to try to reach as many people in different geographical areas as possible to understand how much they are aware of the project. Therefore, recruiting respondents from north, central, and south of Lao PDR signifies the eligibility to participate in this study.

The decision on a sample size is based on the previous studies applying Structural Equation Modeling (SEM). According to SEM, the sufficient sample size used to test a conceptual model (i.e., path analysis) is critical for achieving a good model fit statistic [63]. The recommended sample size is between 200 and 300 or above as it will be sufficient to achieve the main goodness of fit indexes as such chi-square, root mean square residual (RMR), goodness of fit index (GFI), comparative fit index (CFI), Tucker–Lewis index (TLI), normed fit index (NFI), and root mean square of error approximation (RMSEA) [64]. Based on the guideline above, this study decided to obtain the minimum number of 400 data points to achieve the satisfactory goodness of fit.

3.2. Measurement

The process of preparing the measurement includes (a) rephrasing the wording of questions to match the aim of the current research; (b) translating the questionnaire into Lao, and then conducting a back-to-back translation to ensure its meaning and content, and (c) pilot testing the survey questionnaire against 50 respondents. In this process, it was found that some statements were confusing and lengthy, so they were revised accordingly to avoid any problems or difficulty in understanding. Moreover, the internal reliability test (i.e., Cronbach's alpha) was applied to confirm and finalize all items used before launching an online survey.

To measure the dimension of economic, social factors, and awareness of BRI, the current study used developed statements as suggested by previous studies to measure FDI, tourism, employment, living standards, education, attitude, and awareness. Each construct was measured by five items in a five-point Likert scale (1 = strongly disagree and 5 = strongly agree). The statements for the awareness construct were adopted from Zuo et al. [65]. The items for the FDI construct were developed from Imanche et al. [66]. Tourism and living standards constructs were measured by the items modified from Mamirkulova et al. [67]. The items for employment were revised from Kannaiah et al. [68]. For the education construct, the statements were developed from Sayavong [69], and Hussain [70]. Five items from Rasoolimanesh et al. [71], and Rana et al. [24] were developed to measure perceived benefit attitudes towards BRI.

3.3. Data Collection

Following other literature on BRI and recent studies, for instance, Kanwal et al. [15], an online survey method was adopted. A survey was formed by using a Google Form, and WhatsApp was also chosen as a channel to distribute an online survey link. The reason for adopting such an approach is that it was observed that most Laotians are now using social media, such as WhatsApp as a main platform of daily communication. Thus, using this channel can help researchers reach the sample population by less time-consuming means and avoid travelling to established red zones amid the COVID-19 pandemic. The data collection ran from 1 August 2021 to 15 September 2021. The questionnaire consisted of

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three sections: The first section asked the participants about their awareness of BRI. The second section was the questions about socio-demographics. The third section was the part in which the participants provided their perceptions on the main constructs. The data were collected from the target samples identified and each of them received the Google Form link via WhatsApp. First, the link was sent to the group of acquaintances to request them to participate in the survey. As this survey was completely voluntary, the participants took part in the study only when they were ready. Then, they were asked to forward the link to their friends and people they know who might be interested in taking the survey. Moreover, local researchers in Oudomxai, Luangnamtha, and Luangprabang provinces were hired to collect data using the online survey responses from the those surveyed in these provinces.

4. Analysis Results

4.1. Demographic Statistics

To analyze the demographic characteristics of the samples, SPSS statistical software version 24 was utilized. The total number of the respondents was 482, and after the data cleaning process (whose answers were missing and lacking variation in the answers were removed), the overall samples consisted of 421. This is considered as an adequate sample size for further analysis based on the previous recommendations. The demographics of the respondents consisted of 58.4% female and 41.6% male. They are within the age range between 19 years and 29 years of age (62.7%) and are students (47.3%), earn KIP 1,500,000 and lower (43%), have a bachelor's degree (67.7%), and most of them reside in Vientiane (35.4%). More details are presented in Table 1.

Table 1. Socio-demographic characteristics.

	Group	Frequency	Percent
	18 and below	16	3.8
	19–29	264	62.7
A ~~	30–39	111	26.4
Age	40–49	28	6.7
	50-59 and above	2	0.5
	Total	421	100.0
	Male	175	41.6
Gender	Female	246	58.4
	Total	421	100.0
	KIP 1,500,000 and lower	181	43.0
T	KIP 1,500,001-3,500,000	151	35.9
Income	KIP > 3,500,001 and higher	89	21.1
	Total	421	100.0
	Govt. staff	108	25.7
	Company staff	66	15.7
Occumation	Student	199	47.3
Occupation	Private business	34	8.1
	Unemployed	14	3.3
	Total	421	100.0
	Secondary school	1	0.2
	High school	19	4.5
	Vocational school	6	1.4
	Diploma	6	1.4
F1	Middle diploma	3	0.7
Education	Higher diploma	33	7.8
	Bachelor's degree	285	67.7
	Master's degree	65	15.4
	Doctoral degree	3	0.7
	Total	421	100.0

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Table 1. Cont.

	Group	Frequency	Percent
	Attapeu	2	0.5
	Bokeo	2	0.5
	Bolikhamxay	32	7.6
	Champasak	12	2.9
	Huaphanh	13	3.1
	Khammuan	8	1.9
	Luangnamtha	28	6.7
	Luangpabang	49	11.6
	Oudomxay	57	13.5
Province	Phongsaly	3	0.7
	Salavanh	4	1.0
	Savannakhet	6	1.4
	Vientiane	25	5.9
	Vientiane	149	35.4
	Xekong	3	0.7
	Xaiyabouly	12	2.9
	Xaisomboun	4	1.0
	Xiengkhuang	12	2.9
	Total	421	100.0

Note: USD 1 = KIP 10,000.

4.2. Measurement Analysis

Prior to conducting further data analysis, this study performed the following statistical processes. First, the Exploratory Factor Analysis (EFA) was conducted to find out how many components can be extracted from all observed variables. The result of EFA using promax rotation, Kai-ser–Meyer–Olkin (KMO) criteria, and the eigenvalue greater than 1 (total variance = 30.413%) shows that six components were extracted with the adequacy index (0.967) of Bartlett's Test of Sphericity χ^2 (1225, N=421) = 14087, p<0.000). This indicates that the six extracted factors having sufficient eigenvalue > 1.00 were retained for factor analysis.

Next, this study performed the Principal Component Analysis (PCA) to ensure that the items loaded on their respective constructs. From the result obtained, the items that had cross loading between factors and had a low factor loading score < 0.5 were removed. For instance, one item from education construct, two items from living standards construct, employment, tourism, and attitude constructs, and three items from the FDI construct were removed. Following this test, the Confirmatory Factor Analysis (CFA) was performed via Structural Equation Modeling (SEM) in AMOS version 24 to confirm the measurement model against the data collected prior to testing the path analysis. The result of CFA reports a goodness of fit evaluated by goodness of fit: $\chi^2_{120} = 217.349$, p < 0.000; GFI = 0.947; RMR = 0.024; NFI = 0.947; CFI = 0.975; RFI = 0.932; IFI = 0.975; TLI = 0.968; and RMSEA = 0.044. This confirms that the model fits against the data collected.

The final stage was the validity test via Cronbach's alpha, Composite reliability (C.R), and Average Variance Extracted (AVE). The results show that each construct had a validity score falling within the cutoff value which was higher than 0.05 [72]. Furthermore, discriminant validity, mean, and standard deviation were also calculated. Particularly, the sufficient level of discriminant validity of the measurement model was confirmed, signifying no issue regarding the discriminant validity among the constructs. More detail of this analysis results can be found in Tables 2 and 3.

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Table 2. Reliability and validity.

Constructs	Indicator	Factor Loading	Cronbach-α	C.R	AVE
FDI	FDI1 FDI2	0.69 0.83	0.73	0.74	0.58
Tourism	TOR3 TOR2 TOR4	0.80 0.70 0.78	0.80	0.81	0.58
Employment	EMP2 EMP1 EMP3	0.86 0.70 0.79	0.82	0.83	0.62
Living standards	LIV3 LIV4 LIV2	0.80 0.77 0.84	0.85	0.85	0.65
Education	EDU2 EDU4 EDU3 EDU5	0.72 0.77 0.86 0.82	0.87	0.87	0.63
Perceived benefit attitudes towards BRI	ATT4 ATT3 ATT5	0.83 0.79 0.65	0.79	0.80	0.58

Table 3. Discriminant validity, mean, and standard deviation.

	ATT	TOR	EDU	EPM	LIV	FDI
ATT	0.760					
TOR	0.668	0.762				
EDU	0.611	0.479	0.794			
EMP	0.571	0.603	0.660	0.785		
LIV	0.533	0.555	0.725	0.748	0.806	
FDI	0.661	0.725	0.502	0.566	0.561	0.764
Mean	3.39	4.10	3.65	3.76	3.66	3.84
S.D	0.74	0.71	0.78	0.76	0.79	0.74

Notes: ATT: attitude; TOR: tourism; EDU: education; EMP: employment; LIV: living standards; FDI: Foreign direct investment.

4.3. Assessing Respondent's Awareness of BRI

The analysis at this stage was conducted to respond to the first objective "To assess the level of awareness of Lao people towards the BRI". To that end, a descriptive analysis was performed to identify the mean and standard deviation of the awareness statements of BRI. The analysis result reveals the extent level of Laotians awareness interpreted by adapting the range of interpretation for the Likert scale suggested by AI-Mutawah and Fateel [73] (See Table 4). Overall, the awareness of the respondents towards BRI was ranked as high with the mean score 3.46. In that, the statement "I see that the BRI will help develop my country" had the highest mean score of 3.99 indicating a high level of awareness. Following this was the statements "I know that the BRI responds to the national development" and "I am aware of the BRI's benefits" that had the mean score 3.72 and 3.48, respectively, implying a high level of awareness. However, the statements "I am well aware of the BRI" and "I know about the BRI's plans and progress" had the mean score 2.28 and 2.84, respectively indicting a moderate level of awareness.

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Table 4. Awareness level of BRI.

No.	Items of Awareness towards BRI	Awareness Level			
	items of Awareness towards DKI	Means	S.D	Interpretation	
1.	I am well-aware of BRI.	3.28	1.051	Moderate	
2.	I see that BRI will help develop my country.	3.99	0.824	High	
3.	I am aware of BRI's benefits.	3.48	0.932	High	
4.	I know about BRI's plans and progress.	2.84	1.056	Moderate	
5.	I know that BRI responds to the national development.	3.72	0.964	High	
	1	3.46	-	High	

Note: Range of interpretation: (1) 1.00–1.80: very low; (2) 1.81–2.60: low; (3) 2.61–3.40: moderate; (4) 3.41–4.20: high; (5) 4.21–5.00: very high.

4.4. Hypothesis Analysis Result

The second stage is to analyze the influence of the economic and social determinants on perceived benefit attitudes towards BRI. This is a causality effect analysis aiming at finding the relationship between the independent variable (FDI, tourism, employment, living standards, and education) and dependent variable (perceived benefit attitudes towards BRI). To test the proposed hypotheses, SEM was performed. This approach helps researchers evaluate an impact of the hypothesized link simultaneously, particularly this method is still limited in BRI research. Overall, model testing received statistical satisfactory confirmed by the chi-square statistic of goodness of fit: $\chi^2_{120} = 217.349$, p < 0.000; GFI = 0.947; RMR = 0.024; NFI = 0.947; CFI = 0.975; RFI = 0.932; IFI = 0.975; TLI = 0.968; and RMSEA = 0.044. The path analysis reported in Table 5 reveals that FDI, tourism, and education significantly influence perceived benefit attitudes towards BRI. Thus, H1, H2, and H5 were supported ($\beta = 0.27$, t = 3.07, p < 0.01; $\beta = 0.32$, t = 3.62, p < 0.000; $\beta = 0.35$, t = 4.58, p < 0.000). On the other hand, H3 and H4 were not supported as these links were not statistically significant.

Table 5. Hypothesis results (SEM).

Hypothesis	Coefficient	<i>t-</i> Value
H1: FDI→Perceived benefit attitudes towards BRI	0.27	3.07 **
H2: Tourism→Perceived benefit attitudes towards BRI	0.32	3.62 ***
H3: Employment→Perceived benefit attitudes towards BRI	0.07	0.84 ^{n.s.}
H4: Living standards→Perceived benefit attitudes towards BRI	-0.10	-1.12 n.s.
H5: Education→Perceived benefit attitudes towards BRI	0.35	4.58 ***

Note: ** p < 0.01, *** p < 0.000. n.s. denotes not significant.

4.5. Multi-Group Analysis

Even though the BRI project covers from north to south of Lao PDR, some main cities are not included in the development plans. Therefore, it is assumed that those who are residing within or along the project might perceive the impact of BRI and its benefits better than those who are not, which creates the gaps in the benefits known and received. To that end, a multi-group analysis and chi-square difference test was conducted to estimate constrained and unconstrained models. Prior to this, the respondents were split into two different groups. The first group consisted of five provinces (Vientiane capital, Vientiane, Luangpabang, Luangnatha, and Bokeo) within the BRI project, and another group consisted of thirteen provinces outside BRI development areas. According to the result shown in Table 6, this assumption was not supported. In that, the difference was not found between these two groups on the effects of FDI, tourism, employment, living standards, and education on perceived benefit attitudes towards BRI. Thus, the result confirms nonexistence of the moderating effect of the location of the host citizens located within and without BRI. Consequently, H6a–e are not supported.

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Table 6. Moderating Effect.

Group	Within BRI	Outside BRI	Cl : C	
Structural Path	Coefficient (t-Value)	Coefficient (t-Value)	Chi-Square Difference (Δ ^{df})	
FDI→Perceived benefit attitudes towards BRI	0.70 (6.971) ***	0.64 (6.559) ***	1.2 ^{n.s.}	
Tourism→Perceived benefit attitudes towards BRI	0.65(7.976) ***	0.69(7.323) ***	0.12 n.s.	
Employment→Perceived benefit attitudes towards BRI	0.54(7.166) ***	0.60(6.614) ***	0.71 ^{n.s.}	
Living standards→Perceived benefit attitudes towards BRI	0.52(6.497) ***	0.54(6.403) ***	1.45 ^{n.s.}	
Education→Perceived benefit attitudes towards BRI	0.61(7.798) ***	0.62(6.896) ***	0.30 n.s.	

Note: *** p < 0.000. n.s. denotes not significant.

5. Discussion

Experts believe that BRI can bring about multiple positive outcomes including economic and social development to the countries joining this initiative project. However, such outcomes of BRI including FDI, tourism, employment, living standards, and education perceived as beneficial drivers among Laotians have not been reported recently. As the citizens are very important stakeholders of the project activities, knowing which effects of BRI they perceive as benefit provides important insight into the future policy to support the project and implementation plan. Therefore, this study takes the first step to investigate the current limitation of knowledge on BRI in Lao PDR. The quantitative research study, which is still largely limited in the Lao PDR context was utilized to achieve three main objectives. The outcomes are discussed in detail below.

Awareness of BRI

The awareness towards BRI was assessed. Overall, Laotians have relatively high awareness of BRI. Particularly, they are aware that BRI will help develop the country. This is maybe because of the LCR project, which is a mega transportation construction project under the BRI initiative in Lao PDR. The LCR marks the important infrastructure development that can bring opportunity to more underdeveloped regions to start new trade and participate in a cross-border trade activity. In addition to this, the respondents know that BRI responds to national development. This may imply that the BRI project can meet the needs of country development. As indicated in the socio-economic development plan 2016–2025 [74], the Lao PDR government attempts to strengthen regional and international economic integration, it also signed cooperation agreements and negotiated with several countries including the ASEAN-China Free Trade Area for further cooperation. Therefore, the BRI project is an effective strategy in implementing socio-economic development plans. Moreover, the participants are aware of the BRI's benefits. The result is that Laotians see BRI as the greatest partnership project which is in line with the national strategy to transform Lao PDR from being a land-locked to a land-linked marketplace with the connectivity with ASEAN member states and other global trading partners. Furthermore, BRI can bring more advantages in upgrading favorable conditions in the field of bilateral and multilateral economic, trade, investment, tourism, energy, environment, society, culture, and other activities. However, the responders are less likely to have high awareness of BRI and its plan and progress. This is possibly because BRI is still in its early phase of development in Lao PDR. Therefore, people across the country are still uncertain of BRI's plan.

Relationship between the effects of BRI and its perceived benefits

Previous researchers have noted several effects of BRI including FDI, tourism, employment, living standards, and education. However, they rarely investigate which of these effects are statistically perceived as a benefit of BRI. Based on the findings of this study, FDI, tourism, and education have a significant relationship with perceived attitude towards the BRI project. Education appears to be the factor with the higher influence

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on perceived benefit attitude towards BRI than FDI and tourism. This implies that BRI would provide huge benefits to educational attainment in Lao PDR. As argued by previous researchers, road and transportation projects tend to result in social development of the host communities including education of the local residents [3]; especially people living in the rural areas as they would have easy access to standard and high-quality education. For instance, prior to full LCR operation, the project provided Chinese language education to Laotians who are presently hired in the first national railway project. This highlights the importance of human capital investment from the BRI project.

Moreover, the study finds that tourism has a direct positive impact on attitudes. This finding suggests that BRI can beneficially improve the tourism industry in Lao PDR. BRI nurtures the growth of not only domestic touristic businesses, but also brings in more international tourists to the country. Even though tourism is one of the indirect consequences of the BRI project, the improvement of road construction and railway networks provide significant amenities for the tourism industry to attract more visitors [8]. The express bullet train named Laxe Xang, which is the first high-speed train, marks the significant development of infrastructure that contributes to local tourism businesses of the nation.

FDI shows a positive relation with perceived benefit attitudes towards BRI. This indicates that the BRI project is perceived as a benefit and would bring more investment opportunities to Lao PDR. Since BRI and FDI strategically focus on the improvement of economic connectivity and the poverty eradication [4], this would positively impact various economic sectors and strongly create employment with high wages to the host country. It has been noted that FDI can provide benefits to the receiving countries including short-and long-term capital market, technology know-how and adoption, market access, skills management, and export growth [75]. As shown in Malaysia and Cambodia, Chinese investment under the BRI initiative has continuously increased in the past few years contributing to a steady growth of national economic development [9,76].

On the other hand, this study did not find a positive relationship between employment, living standards, and perceived benefit attitudes towards BRI. This implies that BRI may not provide a direct benefit in terms of employment and living standards, but it can indirectly contribute to these through other initiative projects of BRI. For instance, the effect of FDI may lead to poverty reduction, and thus jobs would be created and living standards of the local residents can be improved [77]. In addition, Laotians have not faced severe unemployment problems, and it is not currently considered a major concern for development.

• The effect of location

Currently, the LCR progresses in only five different provinces in Lao PDR. This may lead to a gap in terms of the effect of BRI received and known for those who live along the BRI project and those who do not. The knowledge of residents about BRI may create a difference in terms of the benefits perceived. The multi-group analysis was conducted to test the moderating effect. The analysis result shows that the effect of BRI on perceived benefits between two groups does not exist. This indicates that there is no moderating effect of the people residing within and without BRI areas. The location does not make any differences in perceptions of the respondents towards the benefits of BRI. Furthermore, this may imply that the dissemination of public information on BRI by the government of Lao PDR spreads throughout the country making the local residents living in different parts of Lao PDR become aware of the effect of BRI. Moreover, our findings indicate that residents from both areas do not differ in terms of the attitudes towards the perceived benefits of BRI.

6. Conclusions

International cooperation is considered as a significant strategy for Lao PDR to develop the country in different areas. Particularly, Lao PDR is a supporter and interconnector for BRI and Chinese government investment. It is believed that both parties can increase their cooperation in economic connectivity and political strength by implementing BRI. The

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country can benefit from this strategy by gaining access to available financial resources and funds to invest in infrastructure. Most importantly, BRI possibly turns Lao PDR from a land-locked to a land-linked hub connecting Thailand, Cambodia, Malaysia, and Singapore [15]. BRI is positively expected to provide a huge beneficial impact to the country joining. However, which effect is considered as the benefit was not explored in Lao PDR context. This study attempted to fill in the gap by assessing the level of awareness of Laotians towards BRI, analyzing the influence of social and economic determinants on perceived benefit attitudes towards BRI, and examining the moderating effect of the location of the citizens residing within and without BRI areas on the relationship between socio-economic determinants and perceived benefit attitudes towards BRI. The findings of this research provide important contributions to the existing body of knowledge of the BRI initiative project in Lao PDR in terms of the public awareness of BRI and perceived BRI benefits, which was not investigated in previous literature. More significantly, the study provides several implications and important insight which can serve as baseline information for the future evaluation of BRI project development.

Findings of the awareness of BRI among Laotians will be significantly important for the Lao PDR government and the BRI project managers. This result informs the government regarding the understanding of the local residents as the project progresses. It is also important for the policymaker to draft promoting policy to create more attractive incentives for more investment and business-friendly environment. Specifically, Laotians see and know that BRI will help develop the country and respond to the national development needs. They are also aware of BRI benefits. However, as BRI has not largely evolved in Lao PDR yet, the government and project managers should increase the awareness of Laotians in terms of the plan and progress and general awareness of BRI so that they become more certain of what is going on regarding BRI. Awareness programming and information dissemination campaigns through media channels can be applied to help raise public awareness. For instance, related government officials may run awareness campaigns to reach different groups of people having various backgrounds and residing in different areas. Moreover, an activity such as the national knowledge competition in which a contestant is asked about BRI and/or Lao-China cooperation can be ideal to improve awareness and highlight general knowledge, plan, and progress of the BRI projects in Lao PDR.

Furthermore, the result shows that the local Laotians perceive education, tourism, and FDI as the significant benefits of BRI. BRI will increase several investing activities which result in economic growth. They also expect that such initiative projects will increase travelling, promote the tourism industry, and add a variety of tourism products. BRI is forecasted to provide more scholarships, research, and training programs to students, and education for adults and children living in remote areas. Given that education, tourism, and FDI are important beneficial outcomes of BRI, the official authority and policymakers should formulate policies that support the expectations of the local community in order to avoid problems and encourage their full economic participation and support in the project. Overall, this information informs the government and policymakers in terms of more investment from the Lao PDR government to consider investing in these areas. As suggested by Vörös and Somsack [15], Lao PDR might not gain the expected benefits fully if there is no action from its actors. As FDI, tourism, and education are the important factors driving the benefits, its people should know how to diversify and expand the capital inflow in different sectors of investment. This requires people with adequate knowledge and skills to develop the tourism industry. Therefore, investing in human capital is one of the first priorities of the Lao PDR government to respond along with the progress of BRI implementation.

On the other hand, this study shows that employment and living standard effects are less likely to be the fundamental benefits of BRI, so government officials and project managers must be informed that these benefits are not considered as significant by the local Lao PDR community. As BRI is still in its beginning stage, ensuring that the local community

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has adequate awareness of its benefit is crucial for Laotians. As such, the government authority and BRI project management should focus on creating the awareness of BRI by emphasizing on employment and living standards to make the benefits of BRI clearer. Since the local community is a very important stakeholder, active participation in economic, social, and political realms is therefore crucial for a smooth project implementation. Overall, the finding of this analysis marks two critical roles of economic and social factors as the outcomes of the BRI initiative project.

Even though the current study provides several implications, there are limitations that are worth mentioning for future follow-up research. First, there are limitations regarding the conceptual framework. Since this is the first study that applies a quantitative research method to investigate the perceptions of Laotians towards BRI, the study is not able to draw a justification on the constructed model. Therefore, a future study may consider replicating and estimating the model to increase its validity and reliability. Another limitation is regarding the data collection and respondents. Since this study was conducted during the second wave of the COVID-19 pandemic in Lao PDR, it limits the authors' ability to collect data in an offline setting and to reach desirable target respondents with a variety of socio-demographic characteristics such as different age groups, respondents from certain provinces, and occupations. Next, there is a paucity of literature on BRI that focuses on investigating its benefits as perceived by citizens, which leads to the inability to make a comparison of the findings of this research. Finally, the results of the study lack generalization. Therefore, interpretation of the results of this study must be performed with caution as some of the effects such as the effect of FDI must be verified by further analysis.

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