



SAMHÄLLS-  
VETENSKAPLIGA  
FAKULTETEN

# Nothing Ever Happens

*A differences-in-differences analysis on the Belt and Road Initiative's impact (or lack thereof) on democratic indicators of participant states*

Author: Andreas Svoboda

Supervisor: Agustín Goenaga

Department of Political Science

Bachelor's Programme in Development Studies

## **Acknowledgements**

I cannot conceive of any meaningful work as truly solitary.

I am deeply grateful to my supervisor, Agustín Goenaga, whose expert guidance and unwavering support kept me tethered and pointed in the right direction.

My heartfelt thanks go to my friends Cole and Jan, who generously shared their insights through countless discussions and helped me navigate technical challenges. Their willingness to troubleshoot issues and thoughts alongside me made all the difference. This work would not have been possible without their support and encouragement.

Thus, while the errors that remain are mine alone, the insights achieved herein bear the imprint of these collaborative relations, without which neither the conception nor the execution of this project could have been realised.

## **Abstract**

This study examines the relationship between participation in China's Belt and Road Initiative and changes in democratic governance indicators among participating nations. Using differences-in-differences methodology, event study analysis, and propensity score matching on V-Dem data from 2000-2024, we analyse the impact of BRI participation on electoral democracy, participatory democracy, and political corruption levels. Simple comparisons reveal that BRI countries score 0.3-0.4 points lower on democracy scales and 0.45-0.48 points higher on corruption measures compared to non-BRI countries. However, when controlling for observable economic characteristics and employing fixed effects models, these associations become statistically insignificant. The findings indicate that observed correlations primarily reflect China's systematic selection of BRI partners rather than BRI participation causing democratic decline. China strategically engages with countries that already possess lower democratic standards and higher corruption tolerance, likely for practical project implementation considerations rather than ideological preferences. These results challenge narratives about BRI-induced democratic erosion and suggest China's strategy operates primarily through economic rather than political mechanisms. While BRI participation does not actively worsen democratic institutions short-term, China's partner selection may normalise lower governance standards in international development cooperation.

**Keywords:** Belt and Road Initiative, China, democracy, autocratic linkage, differences-in-differences, governance, authoritarian diffusion, V-Dem, selection effects, international development

|                                                                                  |           |
|----------------------------------------------------------------------------------|-----------|
| <b>1.0 Introduction.....</b>                                                     | <b>5</b>  |
| 1.1 Research Problem.....                                                        | 5         |
| 1.2 Aim and Scope.....                                                           | 6         |
| 1.3 Limitations.....                                                             | 7         |
| 1.4 Delimitations.....                                                           | 7         |
| <b>2.0 Literature Review.....</b>                                                | <b>8</b>  |
| 2.1 Political Influence: Democratic Linkage.....                                 | 8         |
| 2.2 Political Influence: Autocratic Linkage.....                                 | 8         |
| 2.3 Autocratic Linkage.....                                                      | 9         |
| 2.4 Authoritarian Diffusion.....                                                 | 10        |
| 2.5 Studies on Chinese Influence and Governance Outcomes.....                    | 13        |
| <b>3.0 Theoretical Framework.....</b>                                            | <b>15</b> |
| 3.1 Hypotheses.....                                                              | 16        |
| <b>4.0 Research Design.....</b>                                                  | <b>17</b> |
| 4.1 Overall Research Design.....                                                 | 17        |
| 4.2 Data.....                                                                    | 18        |
| 4.3 Methodology.....                                                             | 19        |
| <b>5.0 Analysis.....</b>                                                         | <b>21</b> |
| 5.1 Introduction to Empirical Findings.....                                      | 21        |
| 5.2 Propensity Score Matching: Addressing Selection Bias.....                    | 21        |
| 5.2.1 Matching Process and Variable Transformation.....                          | 21        |
| 5.2.2 Balance Assessment and Matching Quality.....                               | 22        |
| 5.2.3 Implication of PSM.....                                                    | 23        |
| 5.3 Event Study Analysis: Temporal Patterns of Democratic Change.....            | 23        |
| 5.3.1 Polyarchy (Electoral Democracy) Results (v2x_polyarchy).....               | 24        |
| 5.3.2 Participatory Democracy Results (v2x_partipdem).....                       | 24        |
| 5.3.3 Corruption Results (v2x_corr).....                                         | 25        |
| 5.4 Fixed Effects Difference-in-Differences Analysis.....                        | 25        |
| 5.4.1 Polyarchy (Electoral democracy) Fixed Effects Results (v2x_polyarchy)..... | 25        |
| 5.4.2 Participatory Democracy Fixed Effects Results (v2x_partipdem).....         | 26        |
| 5.4.3 Political Corruption Fixed Effects Results (v2x_corr).....                 | 27        |
| 5.5 Parallel Trends Assessment.....                                              | 27        |
| 5.6 Robustness Checks and Sensitivity Analysis.....                              | 29        |
| 5.7 Synthesis and Theoretical Implications.....                                  | 32        |
| 5.7.1 Selection Effects versus Treatment Effects.....                            | 32        |
| 5.7.2 Implications for Autocratic Linkage Theory.....                            | 32        |
| <b>6.0 Conclusion.....</b>                                                       | <b>33</b> |
| 6.1 Implications for Policy and Theory.....                                      | 33        |
| 6.3 Future Research Directions.....                                              | 34        |
| <b>Bibliography.....</b>                                                         | <b>35</b> |
| <b>Appendix A.....</b>                                                           | <b>41</b> |

**Abbreviations and acronyms**

BRI - Belt and Road Initiative

CPC - Communist Party of China

DiD - Difference-in-differences

MoU - Memorandum of Understanding

OLS - Ordinary Least Squares

PSM - Propensity Score Matching

## 1.0 Introduction

Launched in 2013 by China's President Xi Jinping, the Belt and Road Initiative (BRI) stands as a monumental undertaking aimed at enhancing connectivity and fostering cooperation across continents. The project has expanded to encompass over 140 countries spanning Asia, Europe, Africa, Oceania, and Latin America (Sarieddine, 2024; Wang, 2025b). The core objectives of the BRI revolve around fostering collaboration in trade and investment, policy alignment, infrastructure and connectivity, financial system integration, and cultural and social ties (Chang, 2019; Derudder et al., 2018). Political actors, such as the United States, declare the BRI as a political instrument of the CPC (Communist Party of China) and voice concerns regarding the possible adverse effects of the BRI on democratic governance, the sustainability of debt in recipient countries, and adherence to established international standards (Garcia & Guerreiro, 2024). Given the sheer scale and worldwide presence of the BRI as well as its presence in political discourse necessitate a comprehensive investigation into its potential political consequences that extend beyond purely economic considerations. The divergent narratives surrounding the BRI, portraying it alternately as an economic boon or a tool for geopolitical advancement, highlight a degree of uncertainty concerning its political effects.

### 1.1 Research Problem

At its core, the BRI is not a completely novel concept (Fang et al., 2022, pp. 315), in fact, China has long pursued policies designed to stimulate domestic growth and expand its international economic engagement. What sets the BRI apart is not its ideological origin, but rather its unprecedented scale and scope. Previous Chinese development programs, whether domestically focused on the interior provinces or externally directed at bilateral cooperation, such as Xinjiang's 1990s "double-opening" and the "Great Western Development Strategy", were relatively modest in ambition (Garcia & Guerreiro, 2024). The study of China's foreign involvement, particularly the BRI, has been viewed, both in academia and the public sphere, as a geopolitical tactic by China to trap countries in unsustainable debt and extend its influence (Jain & Chakrabarti, 2023; Jones & Hameiri, 2020). However, evidence does not strongly support this interpretation. Instead, economic motivations largely drive current BRI projects (Chang, 2019; Jones & Hameiri, 2020; Singh, 2020). It has been noted that China's development financing system lacks the cohesion and coordination needed to execute precise strategic goals, and that ultimately, the direction of BRI projects is shaped by the political and economic priorities of the host countries (Adhikari, 2024; Jones & Hameiri, 2020). Additionally, as noted by Li & Shapiro (2021, pp. 152), the growing global backlash against the BRI, often driven by populist rhetoric, xenophobia, or oversimplified narratives, obscures the need for serious, evidence-based scrutiny of its actual impacts.

Furthermore, it is also valuable to mention that BRI research, while expanding horizontally in reach, has been lacking in terms of depth (Blanchard, 2021). We assume that due to the heavily politicised nature of the topic, much of the existing literature focuses on economic and infrastructural aspects, while the political consequences for participating countries remain underexplored. These may include shifts in foreign policy alignment, regulatory changes favoring Chinese actors, or political responses to domestic opposition, often underpinned by the assumption that economic incentives alone drive political outcomes.

This deterministic view is increasingly challenged, where economic incentives do not automatically translate into political alignment (Kastner, 2016). Economic relationships are complex and frequently involve both benefits and liabilities, and BRI members must weigh these against domestic political considerations such as maintaining sovereignty, national autonomy, or public legitimacy. In some cases, the political costs of Chinese engagement, whether in terms of public backlash, elite contestation, or institutional compromise may outweigh the anticipated economic benefits. Furthermore, the causality of BRI members' positive attitudes to China stemming from economic incentives can be instead shaped by a nation's political-economic calculus, undermining the assumption that outcomes are the product of a purely bilateral relationship with China (Blanchard, 2021; Chaziza, 2020; Styan, 2019; Wang & Feng, 2023). As such, this research will aim to locate whether or not this political change is significant to the engagements with China through the BRI.

## 1.2 Aim and Scope

This quantitative study seeks to explore patterns and relationships between participation in the BRI and subsequent shifts in political conditions within involved countries. By analysing measurable changes in political stability and democratic indicators over time, the study aims to uncover whether engagement with the BRI coincides with notable trends in governance or institutional quality of participant/member nations.

To accomplish this objective, we formulate a research question as such: *To what degree does involvement in the Belt and Road Initiative correlate with changes in political stability or democratic indicators in participating nations?*

This will be investigated by using the following V-Dem indicators (Coppedge et al., 2025) . See Appendix A for details.

1. *v2x\_polyarchy (Electoral democracy),*
2. *v2x\_partipdem (Participatory democracy),*
3. *v2x\_corr (Political corruption),*

The utilisation of the V-Dem dataset allows for an examination of democracy that goes beyond simple metrics like the presence of elections. The chosen indicators encompass crucial dimensions of democratic governance and political stability, providing a detailed lens through which to analyse the BRI's potential influence. The granular nature of the V-Dem dataset enables a detailed examination of how different facets of democracy are affected by BRI involvement. Given the correlational nature of this study, it does not claim direct causality between BRI participation and political change. Political trajectories may be influenced by a host of endogenous factors, including prior regime characteristics or regional dynamics. However, identifying systematic correlations can provide a critical first step in understanding whether further causal research is warranted.

### 1.3 Limitations

To accurately assess the correlation between BRI involvement and political changes, it is essential to consider alternative factors that could also be at play. Domestic political factors, such as internal conflicts, political transitions including elections and coups, and social movements, often exert a significant influence on a nation's political stability and democratic trajectory. For instance, a country experiencing a civil war or a major political upheaval might see changes in its political and democratic indicators that are entirely unrelated to its involvement in the BRI. Similarly, regional and global influences can play a crucial role. International norms and standards related to democracy and human rights, promoted by various international organisations and Western nations, can also influence political developments within countries. Therefore, when examining political and democratic changes in BRI participating nations, it is crucial to analyse whether these changes can be attributed to BRI involvement or are more likely the result of these other domestic, regional, or global events.

### 1.4 Delimitations

The study centres around the inception year of the BRI, being 2013. The selected time frame of 2000 to 2024 ensures a temporal comparison, capturing trends both before and after the official launch of the BRI in 2013. This partition is chosen such that both of the segments from 2013 each contain a roughly equal amount of data points as well as it allows for the analysis of whether BRI involvement precedes or follows observable shifts in political indicators, and whether these changes are part of longer-term trajectories or specific to the post-2013 period. No nation was omitted from the V-Dem dataset besides the ones that were not coded in the dataset itself. These non coded nations are BRI members and include Antigua and Barbuda, Brunei, Dominica, Grenada, Kiribati, Samoa, Tonga (Coppedge et al., 2025; Wang, 2025a, 2025b).

## **2.0 Literature Review**

When exploring the available literature on political influence stemming from aid initiatives such as the BRI, we will first motivate how various mechanisms can influence political behaviour, and thereby, democratic metrics.

### 2.1 Political Influence: Democratic Linkage

Linkage, defined by Levitsky & Way (2010) as the density of cross-border ties between countries, is increasingly recognised as a powerful mechanism through which international influence shapes domestic political trajectories. Rather than representing a single pathway or type of connection, linkage is understood as a framework encompassing the various forms of interdependence that tie national economies, societies, and political systems to Western liberal democracies (Way & Levitsky, 2010, pp. 43–44). Early studies on linkage have primarily emphasised democratic linkages, meaning those connecting states to the West. These connections are argued to promote democratisation by amplifying the international consequences of authoritarian behavior, cultivating domestic constituencies aligned with democratic norms, and empowering democratic opposition groups (Levitsky & Way, 2010, pp. 38–50). Importantly, linkage increases the visibility and cost of autocratic repression and electoral manipulation, thereby supporting democratic actors.

A body of literature, stemming from the work of Huntington (1991), supports the idea that international linkages can serve as pathways for democratic diffusion. This includes studies on the influence of regional democratic norms, neighboring regime transitions, trade relationships, election monitoring, and alliance patterns (Boix & Svolik, 2013; Elkink, 2011; Finnemore & Sikkink, 1998; Gleditsch & Ward, 2006; Hyde, 2011; Manger & Pickup, 2016). However, some of the diffusion literature often treats linkage indirectly or abstractly, without directly analysing the nature and structure of specific transnational relationships. In recent years, however, scholars have broadened this lens to explore autocratic linkage, that is, dense, multidimensional ties among authoritarian regimes or between authoritarian states and others. These ties can function similarly to democratic linkage but often serve to bolster rather than constrain autocratic power. Just as linkage to the West can strengthen democratic actors, autocratic linkage can enhance authoritarian resilience by providing material support, strategic advice, and normative backing for illiberal practices (Levitsky & Way, 2010, pp. 38–50).

### 2.2 Political Influence: Autocratic Linkage

A growing body of research has highlighted how international connections to authoritarian powers can shield regimes from external democratic pressures and provide resources that entrench autocratic governance (Ambrosio & Tolstrup, 2019; Weyland, 2017). For instance, research has shown that linkages

to Russia have been shown to undermine democratic movements in Eastern Europe by empowering autocratic elites and weakening democratic opposition (Cameron & Orenstein, 2013). Although research on linkage politics has advanced in recent years, it remains constrained by notable limitations as much of the existing scholarship focuses narrowly on a limited group of states, often overlooking broader global politico-economic dynamics, and tends to rely on qualitative case studies rather than cross-national, quantitative analyses capable of systematically capturing variation in linkage forms and their political effects. Consequently, while these studies provide important insights into particular cases, they fall short of offering a comprehensive understanding of how diverse international ties influence democratic and authoritarian trajectories. In response to these shortcomings, recent work has moved toward distinguishing *autocratic linkage* from its democratic or Western-oriented counterpart, conceptualising it as a distinct form of cross-border connection that, while similarly encompassing economic, social, and communicative flows, serves to transmit authoritarian norms and strategies across regimes rather than promoting democratic values (Levitsky & Way, 2010).

### 2.3 Autocratic Linkage

Building on this distinction, recent scholarship has underscored the unique role of autocratic linkages in sustaining authoritarian regimes. Unlike their democratic counterparts, these ties reinforce regime stability by promoting status quo interests among both domestic elites and international partners.

One mechanism through which autocratic linkage sustains authoritarian rule is by shaping domestic preferences. Levitsky and Way (2010) argue that Western linkages create vested interests among domestic elites who wish to avoid sanctions and isolation. In contrast, ties with autocratic states can generate similar incentives among domestic actors to preserve existing relationships that provide material benefits and political backing. Authoritarian leaders frequently rely on patronage to secure elite loyalty, particularly from military and business sectors (Pleines, 2019; Reuter, 2021). When regime revenues are closely tied to foreign autocratic support, political transitions may jeopardise these rent-based networks. Autocratic linkages also affect the international enforcement of democratic norms. Democratic linkage increases both the likelihood of international scrutiny and the imposition of sanctions during periods of authoritarian overreach. However, regimes embedded in autocratic networks often face less consistent pressure.

Moreover, autocratic linkage not only shields regimes from punitive measures but can also translate into direct support. International backing through economic aid, military assistance, or political coordination can be crucial to authoritarian survival (Soest, 2024; Tansey, 2016). This support is often motivated by fears of regime contagion, where democratic transitions in one state may inspire unrest in

others. Studies of diffusion dynamics show how models of protest and regime change can rapidly spread among closely connected countries (Bunce & Wolchik, 2006; Tolstrup, 2024).

Autocratic linkages facilitate learning and diffusion across regimes. Close ties enable incumbent elites to observe and adopt authoritarian strategies developed elsewhere (Loughlin, 2021; Tansey, 2016; Tansey et al., 2017). Autocratic regimes learn and adapt through several mechanisms, drawing on both intentional cooperation and broader processes of diffusion. One key way they learn is by emulating authoritarian tactics, especially when confronted with a crisis and seeking strategies for survival. Authoritarian regimes frequently draw upon prevailing rhetorical frameworks promoted by peer states, particularly those grounded in principles such as sovereignty, in order to rationalise their governance practices and bolster claims to legitimacy. These discourses gain additional strength when mutually reinforced through recognition and validation by ideologically aligned partner states (Loughlin, 2021).

A key example of this discursive alignment is the recurring invocation of narratives that seek to delegitimise popular uprisings, especially those labeled as "colour revolutions." Such narratives are not only emulated but also modified to suit local political contexts. The dissemination and adaptation of these discourses are further enabled by transnational media linkages and epistemic networks that facilitate knowledge exchange among authoritarian regimes (Loughlin, 2021; Koesel & Bunce, 2013). In addition to the intentional dissemination of legitimating discourses, authoritarian regimes also engage in less coordinated forms of learning that emerge through indirect observation. These forms of learning do not require direct interaction or explicit transmission from other regimes but instead arise when states internalise lessons from events unfolding elsewhere. For example, China's strategic adjustments following the democratic transitions in Eastern Europe in 1989, or the recalibrations by various authoritarian governments after the Arab Spring, illustrate how regimes may adapt by observing how others respond to similar challenges (Loughlin, 2021; Tansey, 2016; Tansey et al., 2017). This process, often described as passive diffusion, contributes to authoritarian durability by supplying decision-makers with models of repression, co-optation, or institutional reform that have proven effective in other contexts.

Transnational networks have also enabled the transfer of repressive technologies, with regimes such as Venezuela and Belarus emulating more sophisticated autocracies like China and Russia (Tansey et al., 2017). Regionally, states like Singapore have served as models for maintaining political control while adopting digital governance, influencing authoritarian approaches to information management across Southeast Asia (Levitsky & Way, 2010; Rød & Weidmann, 2015; Tansey et al., 2017).

## 2.4 Authoritarian Diffusion

Authoritarian diffusion refers to the transnational spread of authoritarian practices, not limited to the replication of regime types among autocracies, but encompassing any transfer of authoritarian tools,

behaviors, or strategies that serve to maintain or strengthen authoritarian rule (Ambrosio and Tolstrup 2019; Bank, 2017). This diffusion may occur between autocracies, from democracies to autocracies, or even among democracies undergoing democratic backsliding. Importantly, the concept excludes the spread of regime-challenging activities such as protests or armed rebellion, as these originate outside the ruling coalition and threaten rather than reinforce authoritarian governance. However, when authoritarian governments learn from or adopt foreign strategies to counter such threats, these defensive responses do fall within the scope of authoritarian diffusion. Tolstrup (2024) synthesizes three sub categories of diffusion: passive, cooperative/promotive, and coercive. From this point onwards we will focus on the first two respectively.

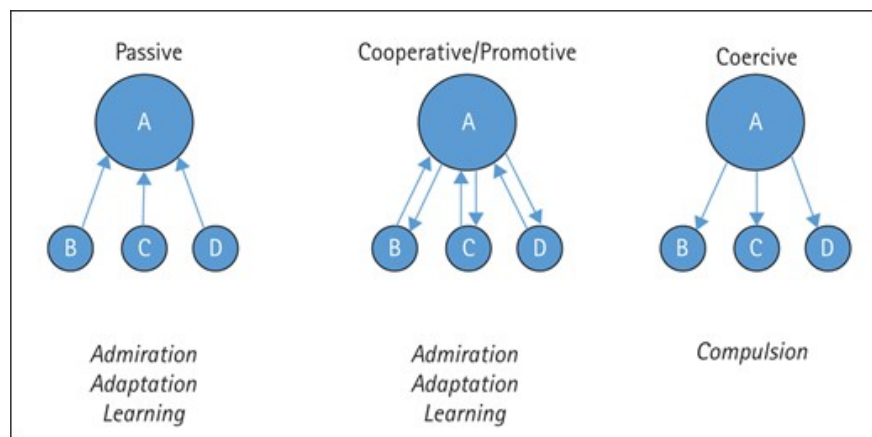


Figure 1. The different forms of authoritarian diffusion (Tolstrup, 2024)

In the passive mode of diffusion, convergence between the originator (A) and other actors (B, C, and D) occurs entirely at the initiative of the latter. Actor A plays no direct role in encouraging adoption. Instead, actors B, C, and D voluntarily emulate A's practices out of admiration, strategic adaptation, or observational learning. In the cooperative or promotive mode, by contrast, convergence is shaped by an interactive dynamic. Actor A is actively involved in the diffusion process, either by assisting others in adopting specific institutions, ideologies, or governance strategies, or by deliberately promoting their spread. This results in a more reciprocal exchange between A and the adopting actors, enhancing alignment through guidance and shared efforts.

Authoritarian diffusion can occur through mechanisms of admiration, learning, and strategic adaptation. States may emulate others not purely for practical reasons but out of ideological alignment or perceived legitimacy. The interwar spread of fascism across Europe illustrates how ideational appeal and active promotion can facilitate the transfer of authoritarian models (Braithwaite & Jeong, 2017; Gurol, 2023; Tolstrup, 2024). China's state-led authoritarian development has likewise inspired autocratic elites

globally (Hodzi, 2020), although others question whether a coherent “China model” exists and whether its influence is as widespread as claimed (Ambrosio, 2012; Loughlin, 2021; Ratigan, 2021).

Beyond ideological admiration, diffusion also occurs through authoritarian learning, where regimes adopt strategies not because they view them as normatively superior, but because they effectively address governance and survival challenges. Russia’s support for neighboring autocrats and the export of election-management strategies illustrate this form of learning (Tolstrup 2015). Similarly, China and Russia have promoted “internet sovereignty,” a model for digital control that helps other regimes suppress dissent and manage public opinion (Chen & Gao, 2024). China, in particular, has emerged as a leader in exporting digital authoritarian tools to states like Venezuela, Uganda, and Rwanda (Carter & Carter, 2025; Dimitrov, 2024; Yingyi & Benyera, 2025). However, as mentioned prior with general research on Chinese authoritarian diffusion, the literature contends that while digital repression is clearly expanding, the extent and drivers of China’s influence in this realm remain unclear (Dimitrov, 2024; Tolstrup, 2024), merely that it might potentially foreshadow additional future trends in autocracies (Frantz et al., 2020).

Importantly, regimes do not only learn from great powers; they often look to nearby or structurally similar regimes when adapting tactics. Convergence to autocracies can stem from copying peers with similar institutions, geographic proximity, or shared regime type. For example, internet shutdowns during elections proliferated among sub-Saharan African autocracies in the 2010s (Freyburg & Garbe, 2018; Keremoglu & Weidmann, 2020; Mare, 2020). Autocracies also calibrate repression levels based on practices in similar states (Olar 2019).

This pattern is consistent with bounded rationality<sup>1</sup> models of decision-making, which suggest that dictators, constrained by limited information, tend to emulate familiar or nearby examples (Tolstrup, 2024). Authoritarian regimes often draw lessons from counterparts that share similar institutional structures. Monarchies are inclined to observe and emulate the practices of other monarchies, while military governments tend to adopt strategies seen in other military-led states. Likewise, one-party systems typically learn from the experiences of fellow one-party regimes, and personalist governments are most likely to look to other personalist autocracies when seeking models for governance or regime consolidation (Tolstrup, 2024).

Weyland (2013) extends the use of bounded rationality to the spread of authoritarianism during the interwar years and the autocratisation of Latin America in the 1960s and 1970s. Rather than relying on fully rational assessments, political actors often interpreted global events through cognitive shortcuts. Heuristics like availability and representativeness biases significantly shaped their judgments. Dramatic events such as the Russian and Cuban Revolutions captured disproportionate attention due to the availability heuristic, leading to an overestimation of their relevance and potential replication. The

---

<sup>1</sup> When decisions are based on the information available, even if that information is incomplete or limited.

representativeness heuristic caused elites to draw superficial parallels between foreign revolutions and their own situations, overlooking deeper differences. These cognitive distortions contributed to a widespread perception that existing regimes were inherently unstable and vulnerable to leftist insurgency. Viewing themselves in a “domain of losses,” status quo elites adopted risk-seeking strategies to prevent perceived revolutionary threats. Loss aversion further skewed responses, with potential losses from a leftist takeover seen as outweighing any democratic gains. This fostered preemptive, often repressive, measures and the installation of authoritarian rule. What emerged was not the emulation of revolutionary systems, but a counter-diffusion of authoritarianism driven by misperception and risk-prone decision-making within the bounds of cognitive limitation.

The mechanism of passive diffusion and adaptation-driven convergence may result from changing international norms (Kneuer & Demmelhuber, 2016). As norms shift, regimes often adjust not because they are compelled or persuaded directly, but to avoid the reputational costs of nonconformity. These changes occur through indirect observation and imitation, with states responding to prevailing global expectations in a largely uncoordinated and decentralised fashion. Unlike linkage, passive diffusion does not rely on dense transnational ties, sustained contact with external actors, or deliberate normative transfer (Levitsky & Way, 2010). Instead, it functions through ambient exposure to international trends, where states internalise new standards over time without external enforcement or institutional embeddedness. While both processes may lead to convergence, passive diffusion is less about engagement and more about emulation (Elkins & Simmons, 2005; Levitsky & Way, 2010).

## 2.5 Studies on Chinese Influence and Governance Outcomes

Over the years, numerous studies have been done in attempts to assess both the effectiveness of Chinese aid and how it shapes politics. A meta-regression by Mandon & Woldemichael (2023) suggests that when analysing the full sample of 1,149 estimates from 29 studies, there is no consistent empirical effect of Chinese foreign aid on recipient countries after accounting for publication selection bias. In sub-sample analyses, Chinese aid is positively associated with economic performance in recipient countries. However, most important for our purposes is their conclusion that there is no statistically significant or robust evidence that Chinese aid affects social development, political stability, governance, inflows of other types of foreign finance. Of note is also the mention of what type of publication bias is present, that is, the effect on environmental outcomes and soft power (Mandon & Woldemichael, 2023).

Sutherland et al. (2020) find that the BRI has intensified the effect of weak institutions in attracting Chinese FDI. Rather than avoiding fragile states, the BRI seems to foster growth in countries with institutional characteristics similar to China’s, such as low legal accountability (Wu, 2024). While this may raise concerns in liberal democracies, it also highlights how the BRI engages states often

neglected by Western actors, potentially supporting their economic development. BRI enhances China's political influence internationally. This in turn has caused countries participating in the BRI to be more likely to align with China's foreign policy, and this effect is largely driven by increased economic integration, via trade, investment, and contract projects (An & Wang, 2024; Haug, 2024), where the impact is especially strong in developing, non-landlocked, and non-neighboring countries. China has used this to their advantage, by presenting the BRI to the UN, in a normative light, as a force for good to grant it legitimacy (Haug, 2024).

The success of BRI projects is linked to the degree of institutional coherence and political steadiness within host states. In contexts marked by stable governance and functional institutional frameworks, project implementation tends to advance with minimal friction, bolstered by policy continuity and effective legal systems (Shi, 2024). Conversely, environments affected by volatility, be it political unrest, institutional fragility, or bureaucratic inefficiency, frequently experience disruption, revisions, or outright paralysis of development efforts. China's strategic emphasis under the BRI centers on securing political stability over advocating for any particular regime type, democratic or otherwise. Although it appears that China's modus operandi is primarily economic, it is inevitable that there will be spillover effects of Chinese norms (Jones, 2019; Lee et al., 2024).

### 3.0 Theoretical Framework

This study will focus on the net effects to democracy due to the influence from China's BRI. The research question - *To what degree does involvement in the Belt and Road Initiative correlate with changes in political stability or democratic indicators in participating nations?* - presents the idea that after a nation engages with the BRI, there will be a change to their political ecosystem, such that there will be a quantifiable metric that shifts.

As such, following the logic of Sutherland et al. (2020), we infer that participation in the BRI generates a form of linkage to authoritarian powers, particularly China, which facilitates the diffusion of autocratic norms and practices. Specifically, BRI-linked countries with initially low levels of rule of law and government accountability are more likely to experience declines in democracy over time. This occurs as states compete for Chinese investment and, in doing so, may intentionally weaken democratic institutions, such as labour protections, media freedom, or civil society autonomy, to align more closely with the preferences of an authoritarian patron and to signal political compatibility. Thus, rather than democratic linkage to the West fostering liberalisation, authoritarian linkage through the BRI contributes to the erosion of democratic standards.

If the primary objective of the BRI is economic, then it could be expected that the selection of partner countries to be guided predominantly by market-based considerations. In such a scenario, strategic decisions would focus on maximising returns on investment and mitigating portfolio risk through geographic and sectoral diversification. Consequently, engagement would likely target countries with significant infrastructure deficits, untapped market potential, and favorable economic fundamentals, irrespective of their political systems or propensity to align with China's policy preferences. The absence of a consistent pattern in political regime type among partner countries would thus reflect a predominantly economic rationale, unconstrained by ideological or strategic alignments.

However, an alternative pattern emerges if the BRI is also leveraged as a geopolitical instrument. In this case, we anticipate a greater propensity for China to prioritise partnerships with states that are strategically amenable, that those willing to make policy concessions or adopt positions congruent with China's broader regional and global ambitions. Autocratic regimes may feature more prominently in such a strategy, given their capacity to centralise decision-making and expedite bilateral agreements that serve China's strategic objectives. This dual-purpose interpretation of the BRI implies a more politically selective engagement.

As mentioned in the literature review prior, this paper's principle argument centres around linkages and diffusion. However, given the research that has looked at Chinese aid, the conclusions about these effects are inconclusive and largely label China's outward expansion via the BRI as economically motivated.

### 3.1 Hypotheses

Based on past research and our theoretical framework, the following hypotheses are tested:

Null Hypothesis ( $H_0$ ):

*There is no statistically significant correlation between involvement in the Belt and Road Initiative and changes in political stability or democratic indicators in participating nations.*

Alternative Hypothesis ( $H_A$ ):

*There is a statistically significant correlation between involvement in the Belt and Road Initiative and changes in political stability or democratic indicators in participating nations.*

## 4.0 Research Design

### 4.1 Overall Research Design

This study employs a quasi-experimental research design to examine the causal impact of Belt and Road Initiative participation on democratic governance outcomes. The fundamental research question investigates whether countries that join the BRI experience systematic changes in their democratic institutions and practices compared to countries that do not participate. The analysis exploits the staggered adoption of BRI agreements across countries between 2013 and the present as a natural experiment, allowing for causal identification through difference-in-differences methodology.

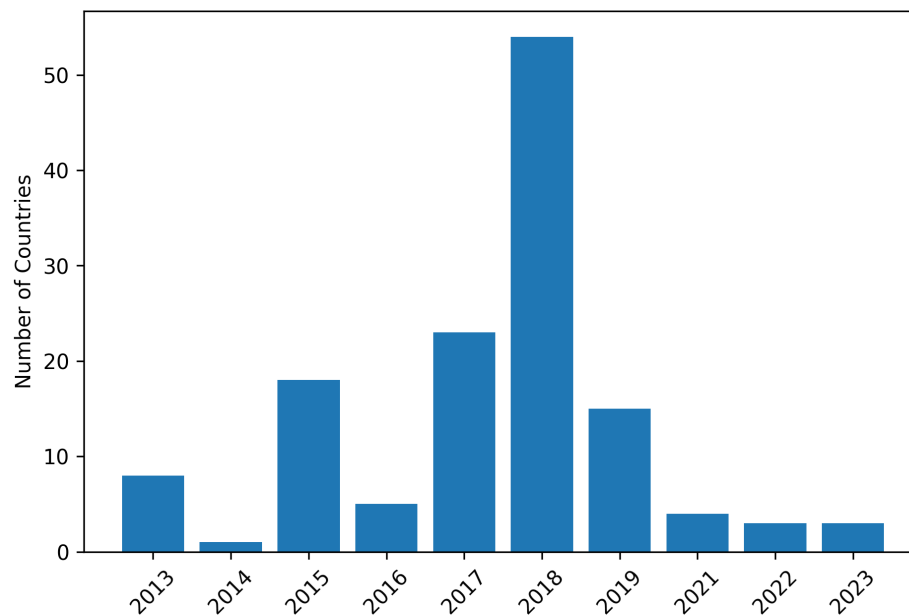


Figure 2. Number of Countries by Year of Signed MoU

The research design leverages temporal and cross-sectional variation in BRI participation to isolate the initiative's effects from other confounding factors. Countries sign MoUs to join the BRI at different points in time, creating treatment and control groups that vary dynamically throughout the study period. This staggered adoption pattern provides a robust identification strategy, as it allows for multiple comparisons: between countries that have and have not joined the BRI at any given time, and within countries before and after joining. This design addresses the challenge of causal inference by controlling for both time-invariant country characteristics through fixed effects and common time trends affecting all countries.

The analytical framework encompasses multiple complementary approaches to strengthen causal inference. The primary analysis employs an event study design that traces out year-by-year effects relative to BRI adoption, allowing for examination of both anticipatory effects and the dynamic evolution of impacts over time. This is supplemented by traditional difference-in-differences estimation with country and year fixed effects, providing an average treatment effect estimate. The research design also incorporates extensive robustness checks, including propensity score matching (PSM) to address selection bias, placebo tests to validate the genuineness of observed effects, and sensitivity analyses across different time windows. This multi-pronged approach ensures that findings are not artifacts of particular methodological choices or model specifications.

#### 4.2 Data

The analysis utilises the V-Dem dataset, which provides measures of democratic governance for countries worldwide (Coppedge et al., 2025). The dataset spans annual observations for each country, enabling longitudinal analysis of democratic trajectories before and after BRI participation. The primary outcome variables consist of three V-Dem indices that capture distinct aspects of democratic governance. For specifics pertaining to the indices, see the Appendix A.

Treatment assignment derives from countries' formal participation in the BRI through signed MoU. The dataset includes precise dates when countries joined the BRI, enabling accurate identification of pre- and post-treatment periods for each country. The treatment variable is coded as a binary indicator where countries receive a value of 0 for all years before signing their BRI agreement and a value of 1 for the year of signing and all subsequent years. Countries that never join the BRI maintain a value of 0 throughout the entire study period. For the event study analysis, an event-time variable measures years relative to BRI adoption, with negative values indicating pre-treatment years and positive values indicating post-treatment years. Control countries that never join the BRI are incorporated into the event study framework by aligning their observations with the same relative time periods as treated countries. Since 2013 marks the launch of the BRI, control country observations are mapped to event time based on calendar years, allowing them to serve as counterfactuals for what might have happened to treated countries in the absence of BRI participation. This alignment is essential because the event study requires both treated and control observations at each event time ( $t = -5, -4, \dots, 0, 1, \dots, 5$ ) to estimate treatment effects. While the specific method for assigning control countries to event times is somewhat arbitrary, it is a necessary step to ensure valid comparisons. By doing so, comparisons at a given event time, such as  $t = 2$ , reflect differences between countries at similar points in calendar time relative to the broader BRI rollout, thereby supporting a credible identification of treatment effects.

The construction of the analytical dataset involves several important preprocessing steps. Trade openness data, measured as trade as a percentage of GDP, undergoes winsorisation at the 1st and 99th percentiles to mitigate the influence of extreme outliers on propensity score estimation. This transformation is particularly important given the wide variation in trade intensity across countries, from small island economies with trade exceeding 200% of GDP to large, relatively closed economies with much lower trade shares. The winsorisation preserves essential variation while preventing extreme observations from distorting the matching algorithm used in robustness analysis. The final dataset comprises an unbalanced panel with annual observations for treated and control countries, filtered to maintain a balanced event-time window that ensures sufficient observations for reliable estimation while maximising the post-treatment period available for analysis.

#### 4.3 Methodology

The core analytical framework utilises difference-in-differences estimation, which identifies the causal effect of BRI participation by comparing how democracy scores change in countries that join the BRI versus how they change in countries that do not join, during the same time period. This method automatically accounts for any fixed differences between countries and any global trends (like the COVID-19 pandemic) affecting all countries equally, isolating the specific impact of BRI participation.

The event study specification forms the cornerstone of the analysis, estimating separate treatment effects for each year relative to BRI adoption. This approach creates indicator variables for each event time period and interacts with them with treatment status, allowing the data to reveal the temporal pattern of BRI impacts without imposing restrictive functional form assumptions. The regression specification includes country fixed effects to control for time-invariant national characteristics such as historical institutions, geographic factors, and cultural attributes that might influence both BRI participation and democratic outcomes. Year fixed effects capture global trends affecting all countries simultaneously, such as worldwide democratic backsliding or international economic conditions. Standard errors are clustered at the country level to account for serial correlation within countries over time, ensuring valid statistical inference.

We additionally carry out a dynamic difference-in-differences model that extends the analysis by explicitly modeling pre-treatment trends and post-treatment dynamics. Using the year immediately preceding BRI adoption as the reference period, this specification estimates coefficients for event times ranging from five years before to five years after treatment. This approach serves dual purposes: testing for pre-treatment parallel trends (coefficients for pre-treatment years should be statistically insignificant) and tracing the evolution of treatment effects over time. The model employs panel regression techniques

with entity and time effects, utilising the `linearmodels` package's `PanelOLS` implementation to ensure proper handling of the panel data structure.

PSM addresses potential selection bias arising from non-random BRI participation. The matching procedure uses pre-treatment values of the outcome variables to estimate each country's probability of joining the BRI through logistic regression. Countries are matched based on their propensity scores using nearest neighbor matching, creating a sample where treated and control countries are observationally similar in their pre-treatment characteristics. The main analyses are then replicated on this matched sample to verify that results are not driven by systematic differences between BRI and non-BRI countries.

Robustness checks encompass multiple strategies to validate the findings. Placebo tests randomly assign false treatment dates to countries and re-estimate the model, repeating this process one hundred times to generate a distribution of placebo effects. If the observed treatment effects are genuine, the placebo distribution should center around zero with the actual estimate lying in the extreme tail. Time window sensitivity analysis varies the length of pre- and post-treatment periods included in the analysis, testing windows of three, five, seven, and ten years to ensure results are not artifacts of particular temporal restrictions. These specifications verify that findings remain consistent across different analytical horizons.

The analysis produces comprehensive visualisations to communicate results effectively. Event study plots display point estimates and confidence intervals for each year relative to treatment, clearly showing when effects emerge and how they evolve. Parallel trends plots examine the key identifying assumption by comparing outcome trajectories for treated and control groups in the pre-treatment period. Coefficient heat maps provide visual summaries of the full set of event study estimates, facilitating pattern recognition across different outcomes and specifications.

## 5.0 Analysis

### 5.1 Introduction to Empirical Findings

This analysis section presents the empirical findings from our investigation into the relationship between BRI participation and changes in democratic indicators across participating nations. Our analytical framework includes event study regressions, fixed effects difference-in-differences models, PSM, and various robustness checks to ensure the validity and reliability of our findings.

### 5.2 Propensity Score Matching: Addressing Selection Bias

#### 5.2.1 Matching Process and Variable Transformation

Our PSM procedure was designed to address potential selection bias in BRI participation by creating balanced treatment and control groups based on pre-treatment economic characteristics. Essentially it compares “like” countries. The matching process utilised three key economic indicators: GDP growth annual, total population, and trade as a percentage of GDP. To improve matching quality and address distributional challenges, we implemented several variable transformations.

For GDP growth (GDP\_growth\_annual), we calculated five-year rolling averages to reduce volatility and capture longer-term economic trends rather than short-term fluctuations that might not be representative of a country's fundamental economic trajectory. This transformation is crucial because annual GDP growth can be highly volatile due to temporary shocks, making it a poor indicator of underlying economic conditions that might influence BRI participation decisions. The five-year average provides a more stable measure of economic performance that better reflects the structural economic factors likely to influence China's investment decisions.

Population data (total\_population) underwent logarithmic transformation to address the extreme scale differences between countries. Without this transformation, countries with vastly different population sizes would be difficult to match effectively, as the raw population differences would dominate the matching algorithm. The log transformation normalises these scale effects while preserving the relative differences in country size that might influence BRI participation patterns.

Trade as a percentage of GDP (Trade\_percent\_of\_GDP) was winsorised at the 1st and 99th percentiles to address extreme outliers that could distort the matching process. Some countries, particularly small island nations or city-states, can have trade-to-GDP ratios exceeding 100% due to their role as *entrepôts*, while others may have unusually low ratios due to geographic isolation or autarkic (or self-sufficiency) policies. Winsorisation ensures that these extreme cases do not unduly influence the matching algorithm while preserving meaningful variation in trade openness.

### 5.2.2 Balance Assessment and Matching Quality

The PSM procedure with economic indicators successfully created a more balanced sample, though important differences remain between treated and control groups. After matching, we retained 25 countries with sufficient data for analysis, including both BRI participants and non-participants. The standardised mean differences for our matching variables showed substantial improvement after the matching procedure, indicating that the PSM successfully reduced observable differences between treatment and control groups.

Table 1: Propensity Score Matching Balance

| Variable                        | Period        | Treated Mean | Treated SD | Control Mean | Control SD | Difference | Std. Mean Diff. |
|---------------------------------|---------------|--------------|------------|--------------|------------|------------|-----------------|
| GDP_growth_annual_5yr_avg       | Pre-Matching  | 2.4361       | 3.5295     | 2.8696       | 3.5201     | -0.4335    | 0.1238          |
| GDP_growth_annual_5yr_avg       | Post-Matching | 2.9137       | 2.9991     | 2.7516       | 3.2858     | 0.1621     | 0.0521          |
| total_population_log            | Pre-Matching  | 16.5910      | 1.6302     | 16.5504      | 1.8133     | 0.0407     | 0.0237          |
| total_population_log            | Post-Matching | 16.6112      | 1.6777     | 16.8821      | 1.7112     | -0.2709    | 0.1610          |
| Trade_percent_of_GDP_winsorised | Pre-Matching  | 89.4606      | 38.3712    | 85.0798      | 64.7712    | 4.3808     | 0.0816          |
| Trade_percent_of_GDP_winsorised | Post-Matching | 88.0252      | 35.6265    | 82.8748      | 36.1649    | 5.1504     | 0.1446          |
| Sample Size                     | Pre-Matching  | 27           |            | 31           |            |            |                 |
| Sample Size                     | Post-Matching | 25           |            | 25           |            |            |                 |

Seen in Table 1. the PSM procedure operates at the country level, aggregating pre-treatment observations to create mean values for each nation's economic characteristics. The reduction from 27 to 25 countries reflects the application of caliper matching (0.2 standard deviations), which excludes countries without sufficiently close matches to ensure high-quality comparisons. While the matching process identifies 25 well-balanced countries, the subsequent panel analysis expands to 25 entities by reconstructing the full time series for matched countries and including additional countries that meet the temporal data requirements for the 5-year event window. This approach maintains the methodological rigor of PSM-based selection while maximising the available observations for the difference-in-differences analysis, resulting in 429 total country-year observations across the 11-year analysis period (2008-2018).

The balance statistics reveal that while PSM improved covariate balance, some residual differences persist. This is not uncommon in PSM applications, particularly when dealing with complex

international development contexts where countries differ along multiple dimensions. The improvement in balance provides confidence that our estimates are less likely to be driven by these observable economic differences, though we acknowledge that unobservable factors may still influence both BRI participation and democratic outcomes.

### 5.2.3 Implication of PSM

The contrast between matched and unmatched results has important theoretical implications for understanding BRI's relationship with democratic governance. The substantial reduction in effect sizes after matching suggests that China's BRI partner selection is systematically related to both economic characteristics and democratic institutions. Countries with particular economic profiles, characterised by specific patterns of GDP growth, population size, and trade openness, are more likely to both participate in the BRI and exhibit certain democratic characteristics. This finding aligns with rational economic theories of Chinese foreign policy that emphasise market-seeking and efficiency-seeking motives in BRI participation.

### 5.3 Event Study Analysis: Temporal Patterns of Democratic Change

The event study methodology employs Ordinary Least Squares (OLS) regression with time-period dummy variables to estimate the differential effects of BRI participation across multiple years before and after joining.

Table 2: Combined OLS Regression

| Event Time | Polyarchy  | Polyarchy_SE | Participatory Democracy | PartipDem_SE | Political Corruption | Corruption_SE |
|------------|------------|--------------|-------------------------|--------------|----------------------|---------------|
| -5         | -0.3269*** | -0.057       | -0.2737***              | -0.052       | 0.4751***            | -0.089        |
| -4         | -0.3263*** | -0.057       | -0.2740***              | -0.052       | 0.4757***            | -0.088        |
| -3         | -0.3156*** | -0.056       | -0.2662***              | -0.051       | 0.4712***            | -0.088        |
| -2         | -0.3201*** | -0.056       | -0.2691***              | -0.051       | 0.4646***            | -0.088        |
| -1         | -0.3321*** | -0.055       | -0.2765***              | -0.05        | 0.4675***            | -0.089        |
| 0          | -0.3519*** | -0.056       | -0.2897***              | -0.051       | 0.4684***            | -0.088        |
| 1          | -0.3632*** | -0.055       | -0.2970***              | -0.05        | 0.4689***            | -0.089        |
| 2          | -0.3768*** | -0.053       | -0.3094***              | -0.049       | 0.4782***            | -0.088        |
| 3          | -0.3800*** | -0.053       | -0.3104***              | -0.048       | 0.4617***            | -0.089        |
| 4          | -0.3720*** | -0.055       | -0.3014***              | -0.05        | 0.4498***            | -0.09         |
| 5          | -0.3757*** | -0.055       | -0.3062***              | -0.05        | 0.4572***            | -0.09         |

\*p < 0.05, \*\*p < 0.01, \*\*\*p < 0.001

SE = Standard Error

### 5.3.1 Polyarchy (*Electoral Democracy*) Results (v2x\_polyarchy)

The event study analysis for polyarchy reveals striking patterns that provide insights into the relationship between BRI participation and electoral democracy. The regression results from Table 2 show consistently negative coefficients across all event times, ranging from -0.3269 to -0.3800, with all coefficients being highly statistically significant ( $p < 0.001$ ). These findings indicate that BRI countries exhibited substantially lower levels of electoral democracy both before and after joining the initiative. The model achieves an R-squared of 0.447, indicating moderate explanatory power that is reasonable for cross-country democratic research, where the focus is on identifying precise treatment effects rather than explaining all sources of institutional variation.

The magnitude of these coefficients is substantial, representing approximately 0.33-0.38 point differences on the polyarchy scale. Given that the polyarchy index ranges from 0 to 1, these differences represent meaningful distinctions in democratic quality. The consistency of coefficients across time periods suggests that rather than BRI participation causing democratic decline, there appears to be a systematic difference in initial democratic levels between BRI participants and non-participants.

Notably, the coefficients remain relatively stable across the event window, showing no clear trajectory of increasing or decreasing effects over time, which challenges simple causal narratives about BRI-induced democratic erosion, instead suggesting that China may have systematically selected countries with already lower levels of electoral democracy for BRI participation. The stability of coefficients from five years before to five years after BRI joining suggests that the relationship is more about selection than treatment effects.

### 5.3.2 Participatory Democracy Results (v2x\_partipdem)

From Table 2, we observe that the participatory democracy analysis yields similar patterns to those observed for polyarchy, with negative coefficients ranging from -0.2737 to -0.3104 across all event times. All coefficients are highly statistically significant ( $p < 0.001$ ), indicating robust associations between BRI participation and lower levels of participatory democracy. The R-squared of 0.443 indicating moderate explanatory power. The temporal pattern shows a slight deterioration in participatory democracy scores in the post-BRI period, with coefficients becoming more negative after year 0 (the year of BRI joining). The pre-treatment coefficients range from -0.27 to -0.28, while post-treatment coefficients range from -0.29 to -0.31. While this difference is modest, it could suggest some limited erosion in participatory democratic practices following BRI engagement.

This finding aligns with theoretical expectations about autocratic linkage potentially affecting domestic political processes. Participatory democracy encompasses direct citizen involvement in political decision-making, and the slight post-treatment decline might reflect changes in governance practices that

reduce space for citizen participation. However, the magnitude of change is relatively small compared to the initial differences, suggesting that selection effects remain the dominant factor, in other words, countries with lower democracy scores may have been more likely to join the BRI, but the BRI itself did not cause a substantial democratic decline afterward.

### 5.3.3 Political Corruption Results (v2x\_corr)

Since higher values on the index indicate greater levels of political corruption, these positive coefficients reveal that BRI countries exhibit substantially higher levels of political corruption than non-participating countries. The R-squared of 0.449 demonstrates moderate but meaningful explanatory power, capturing key patterns in corruption levels while acknowledging that governance outcomes are influenced by numerous historical and institutional factors beyond the scope of this event study design.

This finding aligns, indicated in table with critical narratives about Chinese development finance potentially enabling or being associated with corrupt practices. The results suggest that BRI countries, on average, have higher levels of political corruption than non-participating countries, where public officials are more likely to exploit their positions for private gain. Seen in Table 2, the magnitude of these coefficients is substantial, representing approximately 0.45-0.48 point differences on the corruption scale.

The temporal stability of corruption coefficients suggests that this relationship reflects pre-existing differences rather than BRI-induced changes. This pattern indicates that China may systematically engage with countries that already have higher levels of political corruption, possibly because such environments present fewer regulatory constraints or oversight mechanisms that might complicate infrastructure projects (Chaziza, 2020; Sutherland et al., 2020). Alternatively, countries with higher corruption levels might be more receptive to Chinese investment approaches that differ from Western development finance standards, creating a selection dynamic based on institutional compatibility rather than institutional quality.

## 5.4 Fixed Effects Difference-in-Differences Analysis

### 5.4.1 Polyarchy (Electoral democracy) Fixed Effects Results (v2x\_polyarchy)

The fixed effects DiD model provides a more conservative estimate of the BRI's impact by controlling for time-invariant country characteristics (via country fixed effects) and common global shocks (via year fixed effects). In Table 3, the treated\_post coefficient is -0.0311 with a p-value of 0.0931, which is not statistically significant at the conventional 0.05 threshold. This result differs from the event study, which showed stronger and statistically significant negative associations post-BRI. The discrepancy may indicate that time-invariant country differences explain part of the observed relationship in the event

study. However, it's also possible that the DiD model, by averaging treatment effects over time, may not capture dynamic or heterogeneous impacts that event studies are better suited to detect.

The model's R-squared within is 0.0933, meaning that the fixed effects regression explains about 9.33% of the variation in polyarchy scores within countries over time, after accounting for country-specific and global year effects. The use of robust standard errors clustered by country helps ensure reliable inference by accounting for potential serial correlation in democratic outcomes. Taken together, the DiD findings suggest that joining the BRI does not produce clear, systematic shifts in polyarchy scores across countries in the matched sample. This weakens the case for a strong causal effect of BRI participation on electoral democracy, although the possibility of delayed or context-specific effects cannot be ruled out.

Table 3. Fixed Effects DiD Results: Polyarchy (Electoral Democracy) (v2x\_polyarchy)

| Parameter    | Coefficient | Std_Error | T_stat  | P_value | Lower_CI | Upper_CI |
|--------------|-------------|-----------|---------|---------|----------|----------|
| const        | 0.5987      | 0.0065    | 92.761  | 0       | 0.586    | 0.6114   |
| treated_post | -0.0311     | 0.0185    | -1.6838 | 0.0931  | -0.0674  | 0.0052   |

#### 5.4.2 Participatory Democracy Fixed Effects Results (v2x\_partipdem)

The fixed effects DiD model for participatory democracy yields a treated\_post coefficient of -0.0173 with a p-value of 0.1470, also not statistically significant, indicated in Table 4. Similar to the polyarchy result, this implies that there is no robust evidence of an average post-BRI decline in participatory democratic practices among treated countries once time-invariant confounding factors are accounted for. The R-squared within is 0.0713, indicating that the model accounts for about 7.13% of the change in participatory democracy scores within each country over time, controlling for country and year fixed effects.. The results again diverge from the stronger associations identified in the event study.

One possible explanation is that the event study captured selection effects and differences between BRI and non-BRI countries that existed prior to treatment. This can be explained by the fact that while both the event study and fixed effects DiD models estimate treatment effects using the same matched data, they differ in structure and interpretation. The event study captures year-by-year changes, highlighting the timing and dynamics of the BRI's impact, whereas the fixed effects model estimates a single average post-treatment effect, controlling for country and year fixed effects Overall, these results do not support a strong, immediate, or uniform erosion of participatory democracy following BRI participation, challenging claims that BRI leads to sweeping political consequences across diverse country contexts.

Table 4. Fixed Effects DiD Results: Participatory Democracy (v2x\_partipdem)

| Parameter    | Coefficient | Std_Error | T_stat  | P_value | Lower_CI | Upper_CI |
|--------------|-------------|-----------|---------|---------|----------|----------|
| const        | 0.3979      | 0.0042    | 95.355  | 0       | 0.3897   | 0.4062   |
| treated_post | -0.0173     | 0.0119    | -1.4532 | 0.147   | -0.0408  | 0.0061   |

#### 5.4.3 Political Corruption Fixed Effects Results (v2x\_corr)

The fixed effects DiD analysis yields a treated\_post coefficient of -0.0061 with a p-value of 0.6444, indicating no statistically significant effect, as shown in Table 5. This coefficient is negative but very small in magnitude and statistically indistinguishable from zero, suggesting that BRI participation is associated with a negligible reduction in political corruption levels. The R-squared within is only 0.0029, indicating minimal explanatory power for within-country variation in corruption levels over time.

Importantly, these findings contrast sharply with stronger patterns observed in the event study analysis. One interpretation is that countries joining the BRI already had relatively better political corruption, and that selection, not treatment, explains the association. However, since the sample was matched on economic characteristics before estimation, and since fixed effects already remove time-invariant bias, the null result may also reflect the limitations of estimating a single average treatment effect when the true effects vary by country or over time.

Table 5. Fixed Effects DiD Results: Political Corruption (v2x\_partipdem)

| Parameter    | Coefficient | Std_Error | T_stat  | P_value | Lower_CI | Upper_CI |
|--------------|-------------|-----------|---------|---------|----------|----------|
| const        | 0.4983      | 0.0046    | 108.25  | 0       | 0.4892   | 0.5074   |
| treated_post | -0.0061     | 0.0132    | -0.4619 | 0.6444  | -0.032   | 0.0198   |

#### 5.5 Parallel Trends Assessment

While propensity score matching improves comparability between treated and control countries by balancing observable pre-treatment characteristics, it does not guarantee that the groups shared similar outcome trajectories prior to treatment. The parallel trends assessment reveals variable evidence across democratic indicators with important implications for causal interpretation.

Figure 2. presents mixed evidence with parallel trends until approximately one year before treatment, followed by continued decline post-treatment (from ~0.48 to ~0.43). The late pre-treatment divergence raises questions about whether post-treatment changes represent treatment effects or continuation of emerging trends.

Figure 3. shows a pre-treatment decline in BRI countries from approximately 0.30 to 0.29 before agreement, continuing post-treatment to 0.26-0.27. This suggests post-treatment declines reflect continuing pre-existing trajectories rather than BRI-induced effects.

However Figure 4. demonstrates strong parallel trends, with both groups maintaining stable, parallel trajectories throughout the pre-treatment period. The consistently higher corruption levels among BRI countries (~0.67) versus non-BRI countries (~0.19) reflect level differences rather than differential trends, validating the identification assumption.

These findings demonstrate that matching reduced level differences but did not fully address underlying outcome dynamics. The violation of parallel trends particularly for participatory democracy undermines confidence in causal estimates, while corruption results appear more credible given strong pre-treatment parallelism. Overall, the evidence that apparent post-treatment changes largely reflect pre-existing trajectories rather than treatment effects provides additional support for the null hypothesis that BRI participation does not cause systematic changes in democratic indicators.

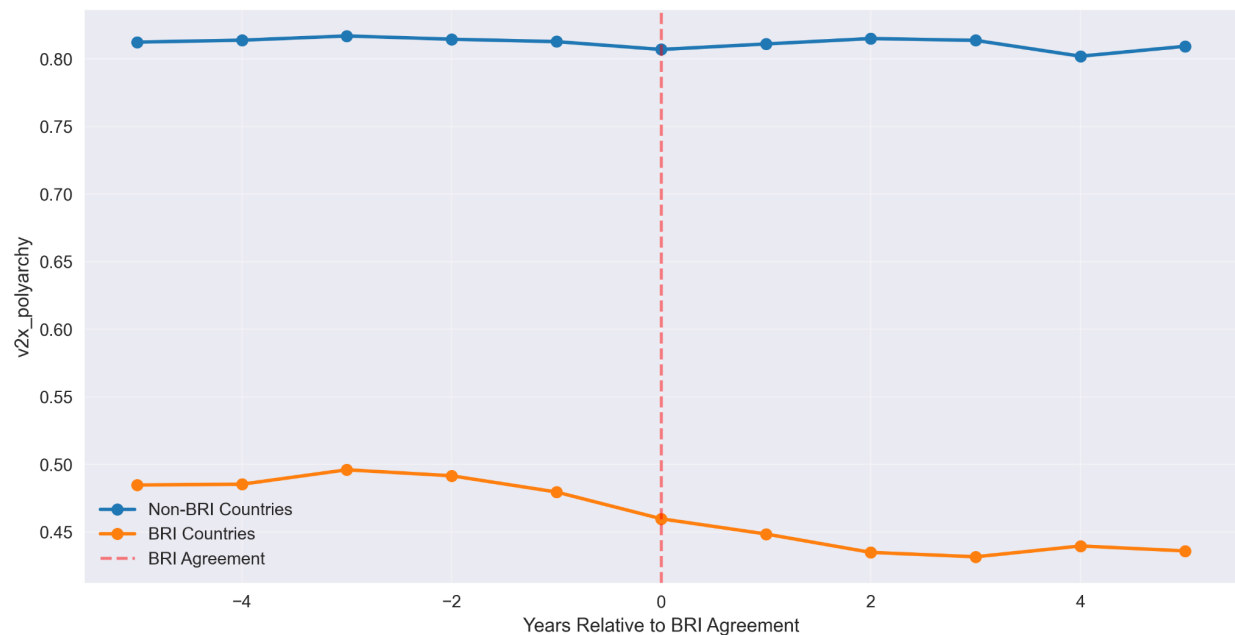


Figure 2. Parallel Trends Check, Polyarchy (Electoral democracy), (5 year window, matched sample)

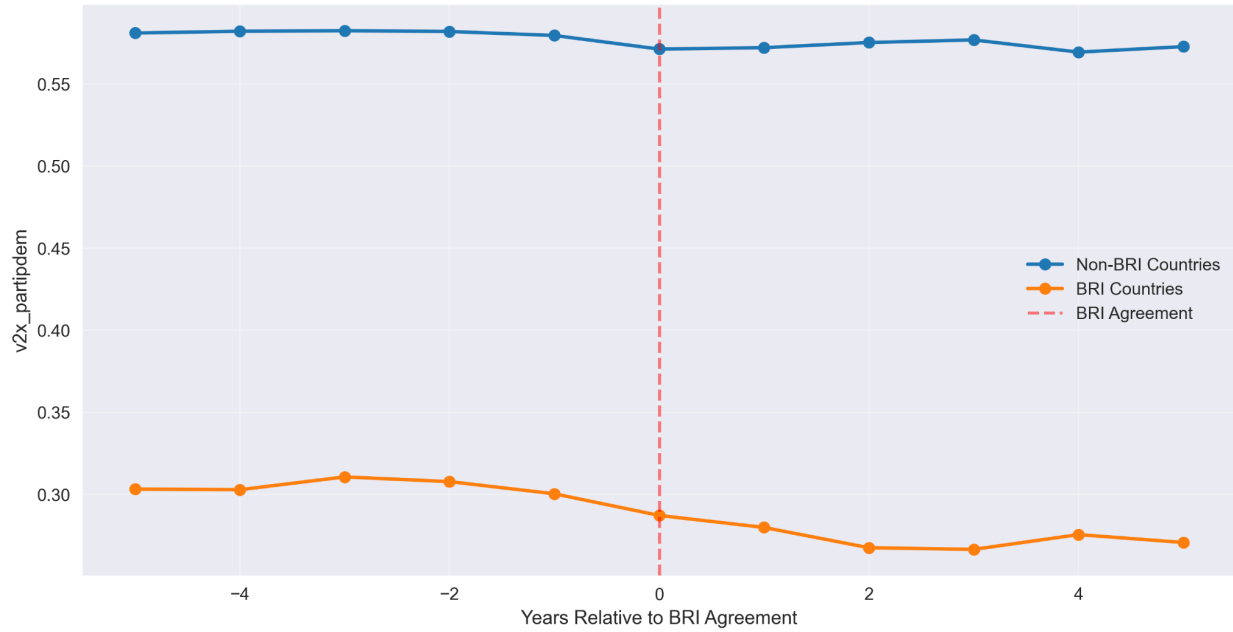


Figure 3. Parallel Trends Check, Participatory democracy, (5 year window, matched sample)

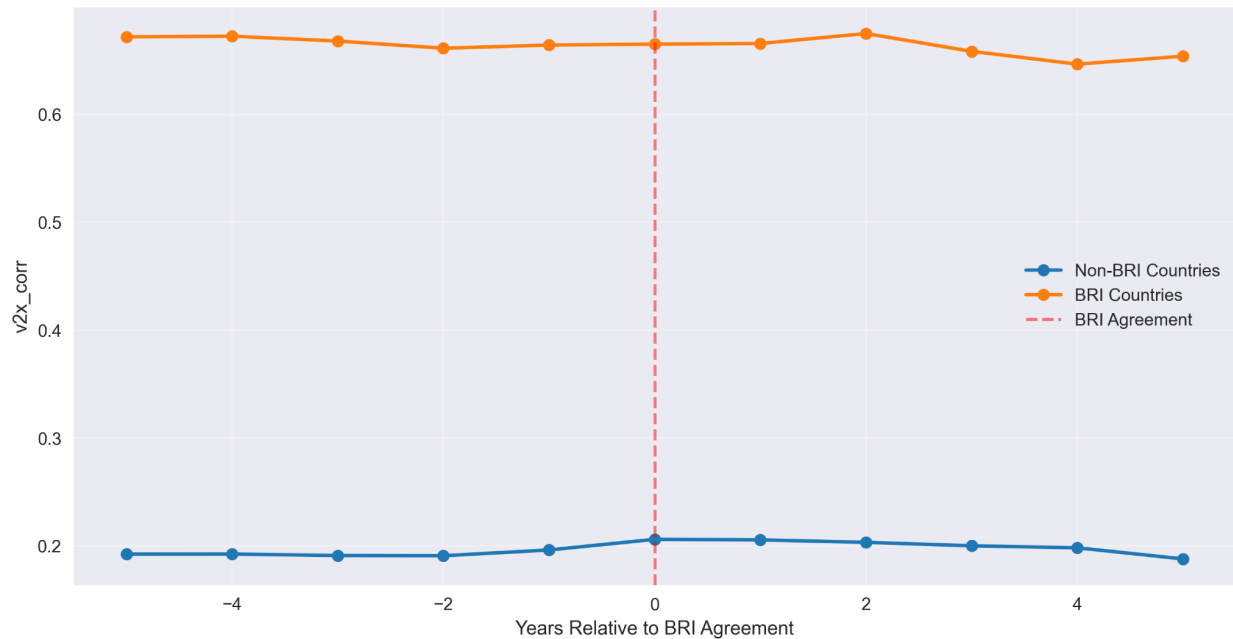


Figure 4. Parallel Trends Check, Political corruption (5 year window, matched sample)

### 5.6 Robustness Checks and Sensitivity Analysis

The placebo test results provide strong methodological validation and support for our null hypothesis findings. By randomly assigning fake treatment dates and re-estimating treatment effects across 100

iterations, the placebo tests generate distributions of false treatment effects that center appropriately around zero (ranging approximately from -0.06 to +0.06), confirming that our analytical approach does not suffer from systematic bias. Shown in Figure 5, Figure 6, and Figure 7, our actual treatment effect estimates (indicated by the red dashed lines) fall well within these placebo distributions for all three democratic indicators, demonstrating that the true BRI effects are statistically indistinguishable from random noise. This pattern strongly supports the null hypothesis that BRI participation does not cause systematic changes in democratic institutions, as genuine treatment effects should be clearly distinguishable from the placebo distribution. The convergence between these placebo results and our fixed effects estimates provides robust evidence that the apparent associations between BRI participation and democratic outcomes in our event study analysis reflect selection effects rather than causal treatment impacts, reinforcing our conclusion that China's BRI strategy operates primarily through economic rather than political mechanisms.

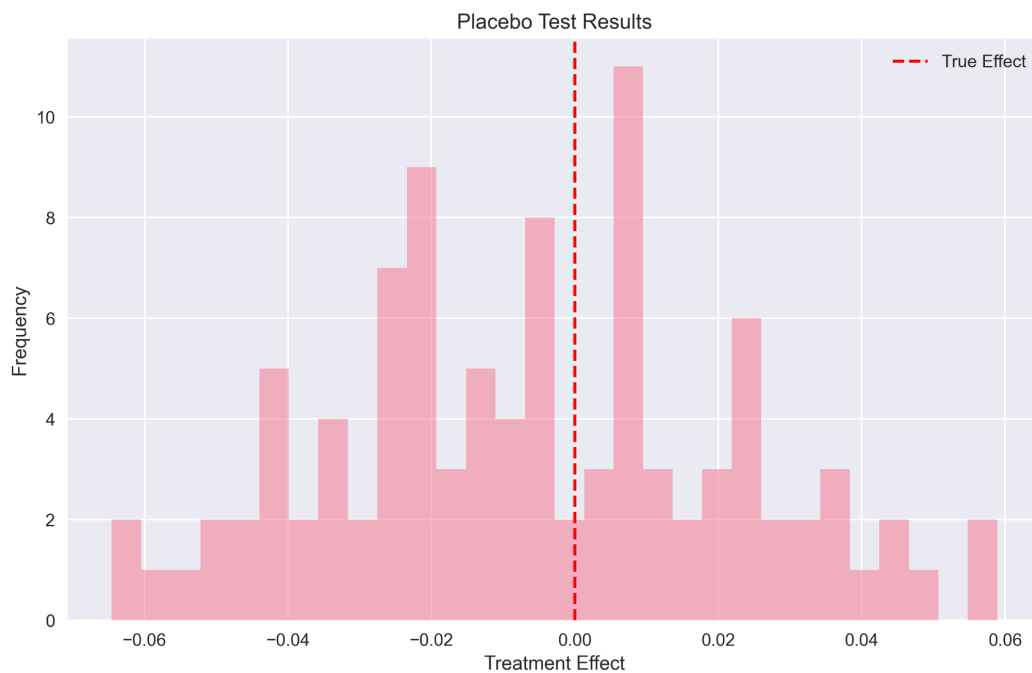


Figure 5. Placebo Test (Electoral democracy), (5 year window)

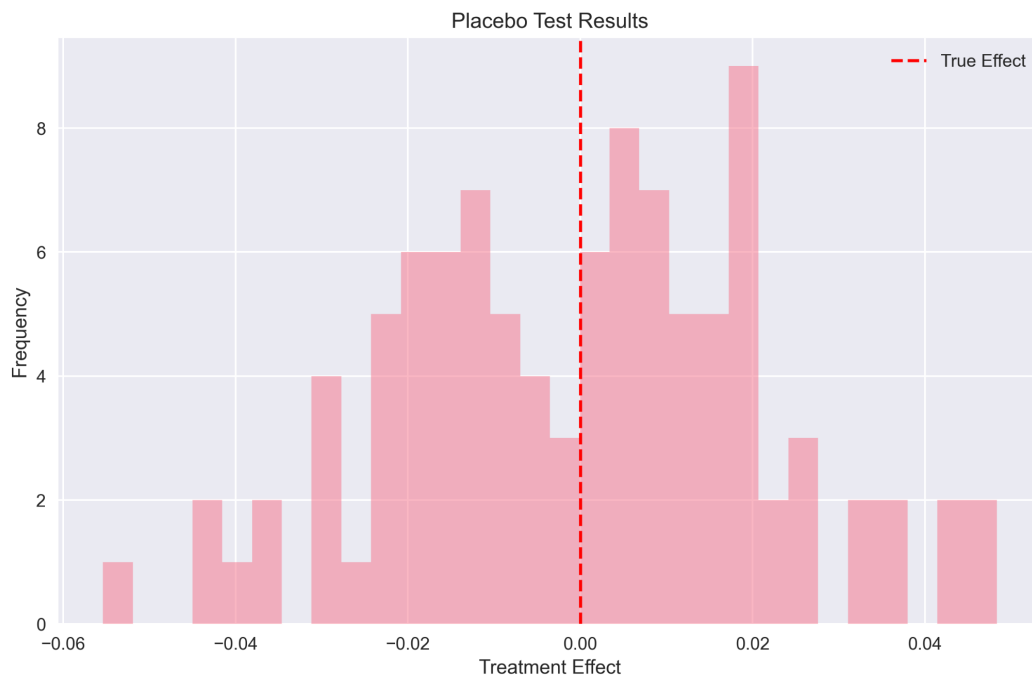


Figure 6. Placebo Test, Participatory democracy (5 year window)

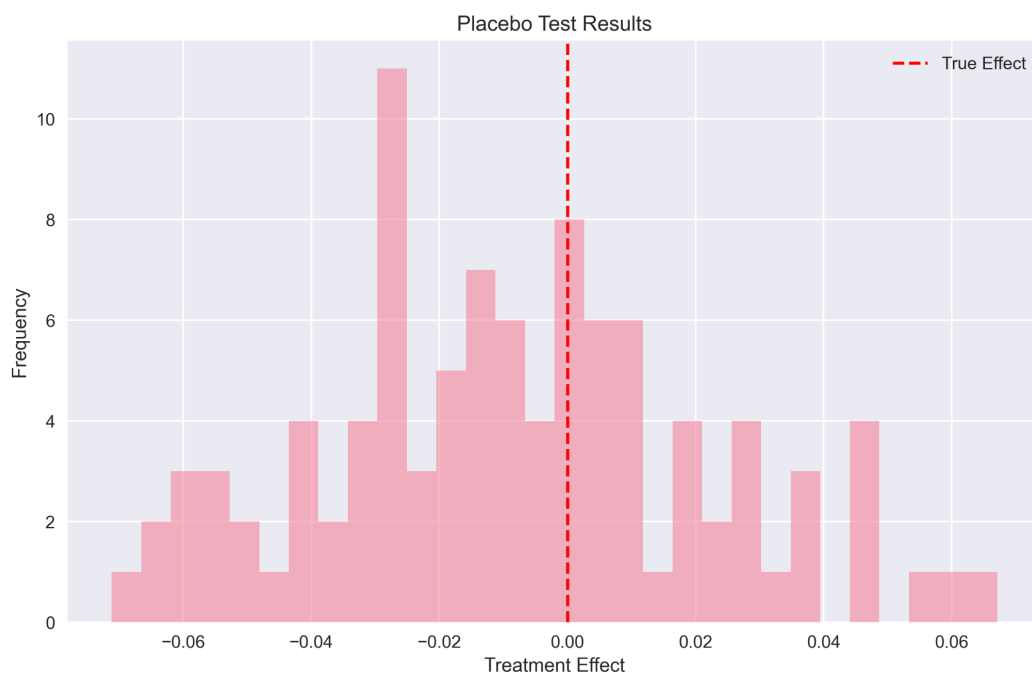


Figure 7. Placebo Test, Political corruption (5 year window)

## 5.7 Synthesis and Theoretical Implications

### 5.7.1 Selection Effects versus Treatment Effects

Our analysis reveals that the relationship between BRI participation and democratic indicators is primarily driven by selection effects rather than treatment effects. The convergence of evidence from multiple methodological approaches, that being fixed effects models, propensity score matching, and robustness checks, consistently point to the conclusion that China systematically selects BRI partners based on characteristics that correlate with democratic institutions, but BRI participation itself does not appear to cause substantial changes in democratic governance.

This finding has important implications for theories of autocratic linkage and diffusion. While the literature suggests that dense ties with authoritarian powers can facilitate the transmission of autocratic norms and practices, our results indicate that such transmission, if it occurs through the BRI, is either very gradual or occurs through mechanisms not captured by our measures of democratic institutions. The absence of immediate institutional changes does not preclude more subtle forms of influence, but it suggests that concerns about rapid democratic erosion following BRI participation may be overstated.

The selection effect interpretation aligns with arguments in the literature that China's BRI strategy is primarily economically motivated. Countries that are attractive for economic reasons, those with growing economies, significant populations for market potential, and openness to trade, may also tend to have particular institutional characteristics. The correlation between these economic and political factors creates apparent associations between BRI participation and democratic outcomes that do not reflect causal relationships.

### 5.7.2 Implications for Autocratic Linkage Theory

While Levitsky and Way's framework suggests that dense ties with authoritarian powers can undermine democratic institutions, our results indicate that this mechanism may operate differently in the context of economic development initiatives compared to direct political or security relationships. As mentioned prior, the apparent *modus operandi* is economic (Chang, 2019). Unlike security partnerships or direct political support relationships, infrastructure and development cooperation may create fewer opportunities for the transmission of governance practices. This distinction suggests that different types of international relationships may have varying implications for domestic political development.

However, our findings do not entirely rule out autocratic diffusion through the BRI. The mechanisms of diffusion identified in the literature, including learning, adaptation, and normative change, may operate over longer time horizons than our analysis can capture. Additionally, more subtle forms of influence, such as changes in policy priorities or administrative practices, might not be reflected in the broad institutional measures we examine.

## 6.0 Conclusion

To answer our research question *"To what degree does involvement in the Belt and Road Initiative correlate with changes in political stability or democratic indicators in participating nations?"*, our analysis provides a clear but nuanced answer.

The degree of correlation is substantial in simple comparisons: BRI countries score approximately 0.3-0.4 points lower on polyarchy and participatory democracy scales, while scoring 0.45-0.48 points higher on political corruption measures compared to non-BRI countries. However, when we control for observable economic characteristics through propensity score matching or use fixed effects to control for unobserved time-invariant factors, these associations become much smaller and statistically insignificant. This pattern indicates that the correlation primarily reflects China's systematic selection of BRI partners rather than BRI participation causing democratic decline or increasing corruption. The corruption findings are particularly revealing, as they suggest China systematically engages with countries that already have higher levels of political corruption. The consistency of this pattern across multiple analytical approaches provides confidence in the selection interpretation, indicating that China may prefer partners with governance environments that present fewer regulatory constraints or oversight mechanisms.

### 6.1 Implications for Policy and Theory

These findings have important implications for both policy discussions and theoretical understanding of Chinese international influence. From a policy perspective, the results suggest that while BRI participation correlates with concerning governance patterns, these associations reflect China's partner selection strategy rather than BRI participation actively worsening democratic institutions or increasing corruption levels in the short term.

However, the results do indicate that China systematically engages with countries that have lower democratic standards and higher corruption levels, which has significant implications for global governance patterns. By preferentially engaging with countries that have weaker institutional oversight and higher tolerance for corrupt practices, the BRI may inadvertently reinforce existing patterns of poor governance rather than actively promoting institutional improvement. This partner selection strategy could normalise lower governance standards in international development cooperation and potentially undermine efforts to promote transparency and accountability in global infrastructure projects.

From a theoretical perspective, our findings suggest that economic forms of international engagement may have different political implications than the security or political relationships emphasised in much of the autocratic linkage literature. The BRI appears to represent a primarily economic relationship interaction mechanism that seeks institutional compatibility rather than institutional

transformation, at least within the time frame and scope of our analysis. This suggests that China's selection of partners with higher corruption tolerance may reflect practical considerations about project implementation rather than ideological preferences for authoritarian governance.

## 6.2 Future Research Directions

Our analysis opens several important avenues for future research. First, longer-term studies will be essential for understanding whether BRI relationships eventually produce institutional changes that normalise higher corruption levels or further erode democratic practices beyond what our immediate post-joining period can capture. The gradual nature of institutional change suggests that normalisation effects might emerge over decades rather than years.

Second, more granular analysis of different types of BRI engagement could reveal whether certain project types, particularly those involving closer government-to-government cooperation or less transparent procurement processes, have varying implications for corruption levels and democratic oversight. Different types of projects may create different opportunities for rent-seeking behavior or institutional capture.

Third, investigation of the mechanisms through which higher corruption tolerance facilitates BRI project implementation could provide insights into whether China's partner selection actively reinforces corrupt practices or simply reflects pragmatic adaptation to existing institutional environments.

Finally, comparative analysis with other international development initiatives could help isolate whether the patterns we observe are specific to Chinese engagement or reflect broader tendencies in international infrastructure cooperation. Such comparison could provide insights into how different approaches to development cooperation interact with domestic governance quality.

Our analysis contributes to a more nuanced understanding of the BRI's political implications, revealing that while the initiative may not actively promote democratic erosion or increase corruption in the short term, China's systematic selection of partners with weaker governance standards might raise important questions about the long-term implications for global governance norms. However, it should be noted that, as mentioned in section 2, China might be filling the gap in development initiatives that Western nations have omitted, thereby skewing the perception of why China engages with these nations.

The evidence suggests that while immediate institutional capture may be limited, the BRI's tolerance for higher corruption levels and weaker democratic oversight could have tangible implications for international development standards and governance expectations. Understanding these relationships accurately is essential for informed policy responses to China's growing international role and for ensuring that large-scale infrastructure cooperation contributes to, rather than undermines, institutional quality and democratic governance.

## Bibliography

- Adhikari, M. (2024). The BRI as an Iterative Project: Influencing the Politics of Conflict-Affected States and Being Shaped by the Risks of Fragile Settings, *Journal of Contemporary China*, vol. 33, no. 150, pp.971–986
- Ambrosio, T. (2012). The Rise of the ‘China Model’ and ‘Beijing Consensus’: Evidence of Authoritarian Diffusion?, *Contemporary Politics*, vol. 18, no. 4, pp.381–399
- Ambrosio, T. & Tolstrup, J. (2019). How Do We Tell Authoritarian Diffusion from Illusion? Exploring Methodological Issues of Qualitative Research on Authoritarian Diffusion, *Quality & Quantity: International Journal of Methodology*, vol. 53, no. 6, pp.2741–2763
- An, J. & Wang, Y. (2024). The Impact of the Belt and Road Initiative on Chinese International Political Influence: An Empirical Study Using a Difference-in-Differences Approach, *Journal of Chinese Political Science*, vol. 29, no. 2, pp.257–281
- Bank, A. (2017). The Study of Authoritarian Diffusion and Cooperation: Comparative Lessons on Interests versus Ideology, Nowadays and in History, *Democratization*, vol. 24, no. 7, pp.1345–1357
- Blanchard, J.-M. F. (2021). Belt and Road Initiative (BRI) Blues: Powering BRI Research Back on Track to Avoid Choppy Seas, *Journal of Chinese Political Science*, vol. 26, no. 1, pp.235–255
- Boix, C. & Svolik, M. W. (2013). The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships, *The Journal of Politics*, vol. 75, no. 2, pp.300–316
- Braithwaite, A. & Jeong, S. (2017). Diffusion in International Politics, in *Oxford Research Encyclopedia of Politics*, [e-book], Available Online: <https://oxfordre.com/politics/display/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-548> [Accessed 16 May 2025]
- Bunce, V. J. & Wolchik, S. L. (2006). International Diffusion and Postcommunist Electoral Revolutions, *Communist and Post-Communist Studies*, vol. 39, no. 3, pp.283–304
- Cameron, D. & Orenstein, M. (2013). Post-Soviet Authoritarianism: The Influence of Russia in Its ‘Near Abroad’, *Post-Soviet Affairs*, vol. 28, pp.1–44
- Carter, E. B. & Carter, B. L. (2025). Exporting the Tools of Dictatorship: The Politics of China’s Technology Transfers, *Perspectives on Politics*, pp.1–20

- Chang, Y.-Y. (2019). Understanding the Belt and Road Initiative (BRI), *European Journal of East Asian Studies*, vol. 18, no. 1, pp.7–35
- Chaziza, M. (2020). Egypt in China's Maritime Silk Road Initiative: Relations Cannot Surmount Realities, pp.255–283
- Chen, X. & Gao, X. (2024). Norm Diffusion in Cyber Governance: China as an Emerging Norm Entrepreneur?, *International Affairs*, vol. 100, no. 6, pp.2419–2440
- Coppedge, M., Gerring, J., Knutsen, C. H., Lindberg, S. I., Teorell, J., Altman, D., Angiolillo, F., Bernhard, M., Cornell, A., Gjerløw, H., Glynn, A., Grahn, S., Hicken, A., Kinzelbach, K., Marquardt, K., McMann, K., Mechkova, V., Medzihorsky, J., Neundorf, A., Paxton, P., Pemstein, D., Seim, B., Sigman, R., Skaaning, S.-E. & Sundström, A. (2025a). V-Dem Codebook V15, [e-book] Varieties of Democracy (V-Dem) Project, Available Online: <https://v-dem.net/data/dataset-archive/> [Accessed 7 May 2025]
- Coppedge, M., Gerring, J., Knutsen, C. H., Lindberg, S. I., Teorell, J., Altman, D., Angiolillo, F., Bernhard, M., Cornell, A., Gjerløw, H., Glynn, A., Grahn, S., Hicken, A., Kinzelbach, K., Marquardt, K., McMann, K., Mechkova, V., Medzihorsky, J., Neundorf, A., Paxton, P., Pemstein, D., Seim, B., Sigman, R., Skaaning, S.-E. & Sundström, A. (2025b). V-Dem Dataset V15, Available Online: <https://v-dem.net/data/dataset-archive/> [Accessed 7 May 2025]
- Derudder, B., Liu, X. & Kunaka, C. (2018). Connectivity Along Overland Corridors of the Belt and Road Initiative, *World Bank*, [e-journal] no. 6, Available Online: <https://hdl.handle.net/10986/30609> [Accessed 27 February 2025]
- Dimitrov, M. K. (2024). Exporting Chinese Digital Authoritarianism, in *Routledge Handbook on Global China*, Routledge
- Elkink, J. A. (2011). The International Diffusion of Democracy, *Comparative Political Studies*, vol. 44, no. 12, pp.1651–1674
- Elkins, Z. & Simmons, B. (2005). On Waves, Clusters, and Diffusion: A Conceptual Framework, *The ANNALS of the American Academy of Political and Social Science*, vol. 598, no. 1, pp.33–51
- Fang, C., Nolan, P. & Linggui, W. (2022). The Routledge Handbook of the Belt and Road, 2nd edn, [e-book] London: Routledge, Available Online: <https://www.taylorfrancis.com/books/9781003286202> [Accessed 6 February 2025]

- Finnemore, M. & Sikkink, K. (1998). International Norm Dynamics and Political Change, *International Organization*, vol. 52, no. 4, pp.887–917
- Frantz, E., Kendall-Taylor, A. & Wright, J. (2020). Digital Repression in Autocracies, V-Dem Working Paper, UWP no.27, Varieties of Democracy Institute, pp.1–54
- Freyburg, T. & Garbe, L. (2018). Authoritarian Practices in the Digital Age| Blocking the Bottleneck: Internet Shutdowns and Ownership at Election Times in Sub-Saharan Africa, 0, *International Journal of Communication*, vol. 12, no. 0, p.21
- Garcia, Z. & Guerreiro, P. (2024). What American Policymakers Misunderstand about the Belt and Road Initiative, *The US Army War College Quarterly: Parameters*, [e-journal] vol. 54, no. 2, Available Online: <https://press.armywarcollege.edu/parameters/vol54/iss2/4>
- Gleditsch, K. & Ward, M. (2006). Diffusion and the International Context of Democratization, *International Organization*, vol. 60, pp.911–933
- Gurol, J. (2023). The Authoritarian Narrator: China’s Power Projection and Its Reception in the Gulf, *International Affairs*, vol. 99, no. 2, pp.687–705
- Haug, S. (2024). Mutual Legitimation Attempts: The United Nations and China’s Belt and Road Initiative, *International Affairs*, vol. 100, no. 3, pp.1207–1230
- Hodzi, O. (2020). African Political Elites and the Making(s) of the China Model in Africa, *Politics & Policy*, vol. 48, no. 5, pp.887–907
- Huntington, S. P. (1991). Democracy’s Third Wave, *Journal of Democracy*, vol. 2, no. 2, pp.12–34
- Hyde, S. D. (2011). Catch Us If You Can: Election Monitoring and International Norm Diffusion, *American Journal of Political Science*, vol. 55, no. 2, pp.356–369
- Jain, S. & Chakrabarti, S. (2023). The Dualistic Trends of Sinophobia and Sinophilia: Impact on Foreign Policy Towards China, *China Report*, vol. 59, no. 1, pp.95–118
- Jones, L. (2019). Does China’s Belt and Road Initiative Challenge the Liberal, Rules-Based Order?, *Fudan Journal of the Humanities and Social Sciences*, vol. 13
- Jones, L. & Hameiri, S. (2020). Debunking the Myth of ‘Debt-Trap Diplomacy’: How Recipient Countries Shape China’s Belt and Road Initiative, Report, Chatham House - The Royal Institute of International Affairs, Available Online: <https://apo.org.au/node/307728> [Accessed 3 May 2025]

- Kastner, S. L. (2016). Buying Influence? Assessing the Political Effects of China's International Trade, *The Journal of Conflict Resolution*, vol. 60, no. 6, pp.980–1007
- Keremoğlu, E. & Weidmann, N. B. (2020). How Dictators Control the Internet: A Review Essay, *Comparative Political Studies*, vol. 53, no. 10–11, pp.1690–1703
- Kneuer, M. & Demmelhuber, T. (2016). Gravity Centres of Authoritarian Rule: A Conceptual Approach, *Democratization*, vol. 23, no. 5, pp.775–796
- Koesel, K. J. & Bunce, V. J. (2013). Diffusion-Proofing: Russian and Chinese Responses to Waves of Popular Mobilizations against Authoritarian Rulers, *Perspectives on Politics*, vol. 11, no. 3, pp.753–768
- Lee, B. T. F., Bettani, S. A. & Sims, J. P. (2024). Rise of China: Hegemony or Harmony?, *Chinese Political Science Review*, vol. 9, no. 3, pp.381–417
- Levitsky, S. & Way, L. A. (2010). Explaining Competitive Authoritarian Regime Trajectories: International Linkage and the Organizational Power of Incumbents, in *Competitive Authoritarianism: Hybrid Regimes after the Cold War*, [e-book] Cambridge: Cambridge University Press, pp.37–84, Available Online: <https://www.cambridge.org/core/books/competitive-authoritarianism/explaining-competitive-authoritarian-regime-trajectories-international-linkage-and-the-organizational-power-of-incumbents/5CD35E39273D4097DF24BE392844EF38> [Accessed 11 May 2025]
- Li, Y. & Shapiro, J. (2021). Rethinking Extractivism on China's Belt and Road: Food, Tourism, and Talent, in *Our Extractive Age*, Routledge
- Loughlin, N. (2021). Chinese Linkage, Leverage, and Cambodia's Transition to Hegemonic Authoritarianism, *Democratization*, vol. 28, no. 4, pp.840–857
- Mandon, P. & Woldemichael, M. T. (2023). Has Chinese Aid Benefited Recipient Countries? Evidence from a Meta-Regression Analysis, *World Development*, vol. 166, p.106211
- Manger, M. S. & Pickup, M. A. (2016). The Coevolution of Trade Agreement Networks and Democracy, *Journal of Conflict Resolution*, vol. 60, no. 1, pp.164–191
- Mare, A. (2020). Internet Shutdowns in Africa| State-Ordered Internet Shutdowns and Digital Authoritarianism in Zimbabwe, 0, *International Journal of Communication*, vol. 14, no. 0, p.20
- Pleines, H. (2019). The Political Role of Business Magnates in Competitive Authoritarian Regimes: A Comparative Analysis, *Jahrbuch für Wirtschaftsgeschichte / Economic History Yearbook*, vol. 60, no. 2, pp.299–334

- Ratigan, K. (2021). Are Peruvians Enticed by the “China Model”? Chinese Investment and Public Opinion in Peru, *Studies in Comparative International Development*, vol. 56, no. 1, pp.87–111
- Reuter, O. J. (2021). Why Do Ruling Parties Extend Authoritarian Rule? Examining the Role of Elite Institutions and Mass Organization, SSRN Scholarly Paper, 3835036, Available Online: <https://papers.ssrn.com/abstract=3835036> [Accessed 17 May 2025]
- Rød, E. G. & Weidmann, N. B. (2015). Empowering Activists or Autocrats? The Internet in Authoritarian Regimes, *Journal of Peace Research*, vol. 52, no. 3, pp.338–351
- Sarieddine, T. (2024). Hegemonic Features of China in the Belt and Road Initiative, in T. Sarieddine (ed.), *A Tale of Rice and Copper: A World-Systems Analysis of Chinese Hegemony in Pakistan*, [e-book] Singapore: Springer Nature, pp.49–79, Available Online: [https://doi.org/10.1007/978-981-97-3508-2\\_4](https://doi.org/10.1007/978-981-97-3508-2_4) [Accessed 7 March 2025]
- Shi, Q. (2024). The Impact of Political Stability and Institutionalization Levels in Host Countries on the Advancement of Belt and Road Initiative Projects An Analysis Based on Four ASEAN Countries, *Journal of International Economy and Global Governance*, vol. 1, no. 7, pp.17–34
- Singh, A. (2020). The Myth of ‘Debt-Trap Diplomacy’ and Realities of Chinese Development Finance, *Third World Quarterly*, [e-journal], Available Online: <https://www.tandfonline.com/doi/abs/10.1080/01436597.2020.1807318> [Accessed 2 May 2025]
- Soest, C. von. (2024). 18 International Actors and Autocratization, in *The Routledge Handbook of Autocratization*, Routledge
- Styan, D. (2019). China’s Maritime Silk Road and Small States: Lessons from the Case of Djibouti, *Journal of Contemporary China*, vol. 29, pp.1–16
- Sutherland, D., Anderson, J., Bailey, N. & Alon, I. (2020). Policy, Institutional Fragility, and Chinese Outward Foreign Direct Investment: An Empirical Examination of the Belt and Road Initiative, *Journal of International Business Policy*, vol. 3
- Tansey, O. (2016). The Problem with Autocracy Promotion, *Democratization*, vol. 23, no. 1, pp.141–163
- Tansey, O., Koehler, K. & Schmotz, A. (2017). Ties to the Rest: Autocratic Linkages and Regime Survival, *Comparative Political Studies*, vol. 50, no. 9, pp.1221–1254
- Tolstrup, J. (2024). Authoritarian Diffusion, in A. Wolf (ed.), *The Oxford Handbook of Authoritarian Politics*, [e-book] Oxford University Press, Available Online: <https://doi.org/10.1093/oxfordhb/9780198871996.013.50> [Accessed 16 May 2025]

- Wang, C. N. (2025a). Countries of the Belt and Road Initiative, *Green Finance & Development Center*, Available Online: [www.greenfdc.org](http://www.greenfdc.org) [Accessed 24 April 2025]
- Wang, C. N. (2025b). China Belt and Road Initiative (BRI) Investment Report 2024 – Green Finance & Development Center, *Green Finance & Development Center*, Available Online: <https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2024/> [Accessed 3 May 2025]
- Wang, Z. & Feng, K. (2023). The Inclusiveness of China's Development Finance: China's Hybrid Approach to Aid and Poverty Reduction in Africa, *Elementa: Science of the Anthropocene*, vol. 11, no. 1, p.00066
- Weyland, K. (2013). The Diffusion of Authoritarian Rule: An Analysis of Causal Mechanisms, SSRN Scholarly Paper, 2299101, Available Online: <https://papers.ssrn.com/abstract=2299101> [Accessed 18 May 2025]
- Weyland, K. (2017). Autocratic Diffusion and Cooperation: The Impact of Interests vs. Ideology, *Democratization*, vol. 24, no. 7, pp.1235–1252
- Wu, J. (2024). China's Belt and Road Initiative: Economic Development or Strategic Statecraft?, *Asian Survey*, vol. 64, no. 6, pp.973–1003
- Yingi, E. & Benyera, E. (2025). The Future of Democracy in the Digital Era: Internet Shutdowns, Cyber Laws and Online Surveillance in Zimbabwe, *Alternatives*, vol. 50, no. 2, pp.283–297

## Appendix A

Descriptions of indices from V-Dem Codebook (Coppedge et al., 2025).

---

### 1. Electoral democracy index (D) (v2x\_polyarchy)

*Question:* To what extent is the ideal of electoral democracy in its fullest sense achieved?

*Clarification:* The electoral principle of democracy seeks to embody the core value of making rulers responsive to citizens, achieved through electoral competition for the electorate's approval under circumstances when suffrage is extensive; political and civil society organisations can operate freely; elections are clean and not marred by fraud or systematic irregularities; and elections affect the composition of the chief executive of the country. In between elections, there is freedom of expression and an independent media capable of presenting alternative views on matters of political relevance. In the V-Dem conceptual scheme, electoral democracy is understood as an essential element of any other conception of representative democracy — liberal, participatory, deliberative, egalitarian, or some other.

### 2. Participatory democracy index (D) (v2x\_partipdem)

*Question:* To what extent is the ideal of participatory democracy achieved?

*Clarification:* The participatory principle of democracy emphasises active participation by citizens in all political processes, electoral and non-electoral. It is motivated by uneasiness about a bedrock practice of electoral democracy: delegating authority to representatives. Thus, direct rule by citizens is preferred, wherever practicable. This model of democracy thus takes suffrage for granted, emphasising engagement in civil society organisations, direct democracy, and subnational elected bodies. To make it a measure of participatory democracy, the index also takes the level of electoral democracy into account.

### 3. Political corruption index (D) (v2x\_corr)

*Question:* How pervasive is political corruption?

*Clarification:* The directionality of the V-Dem corruption index runs from less corrupt to more corrupt unlike the other V-Dem variables that generally run from less democratic to a more democratic situation. The corruption index includes measures of six distinct types of corruption that cover both different areas and levels of the polity realm, distinguishing between executive, legislative and judicial corruption. Within the executive realm, the measures also distinguish between corruption mostly pertaining to bribery and corruption due to embezzlement. Finally, they differentiate between corruption in the highest echelons of the executive at the level of the rulers/cabinet on the one hand, and in the public sector at large on the other. The measures thus tap into several distinguished types of corruption: both 'petty' and 'grand'; both bribery and theft; both corruption aimed and influencing law making and that affecting implementation.