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**Between Autocratic Linkage,
Support and Non-interference:
An Assessment
of China's Influence
in South-Eastern, Central,
and Eastern Europe**

1. *Introduction*

With the third wave of global democratization (Huntington 1991) during the 1970s, scholars expected a progressive dominance of democracy around the globe. By the turn of the century, approximately 60 percent of the world's independent states became indeed democratic (Diamond 2008).

Yet, the enthusiasm driven by this third wave was premature and short-lived: this democracy force, which was supposed to encourage countries to undertake the path of regime change, soon clashed with the rise of authoritarian powers (Ambrosio 2010). Thus, this acceleration has begun to roll back: as reported by the NGO Freedom House which monitors the development of political and civil rights around the world, between 2005 and 2018 the share of Free countries declined to 44 percent (Freedom House 2019).

Against academia assessments inferring that the whole world is currently under a "democracy's retreat" (Freedom House 2019) or "rollback" (Diamond 2008; International IDEA 2021; Lührmann *et al.* 2017), in 2020 it was mainly struggling democracies and authoritarian states that accounted for more of the global decline. At the onset of the 15th consecutive year of decline in global freedom (2021), the countries witnessing democracy deterioration overcame those with democracy improvements by the largest margin since the 2006 negative trend started (Repucci and Slipowitz 2021).

If on one hand scholars witnessed that the 'third wave of democratization' has been gradually replaced by a 'third wave of autocratization'

(Lührmann and Lindberg 2019), on the other hand the power and prestige of authoritarian actors such as Russia and China are rising vis-à-vis the progressive power decline of world's democracies (Ambrosio 2010). By creating opportunities of engagement and investment in countries with scarce financial resources and political management abilities, China established an indirect influence on these countries. The latter has additionally brought along anti-democratic tactics and a gradual erosion of institutions and human rights protection in many countries (Repucci and Slipowitz 2021). The portrayal of Chinese financial investments as donations to dependent recipient governments together with the recent democratic leaders' resorting to physical force to fight the pandemic, has fostered the thinking that authoritarianism might be an effective recipe for good governance, thus undermining the advantages of a democratic setting (International IDEA 2021). Consequentially, the Chinese non-interference strategy has allowed accountability for power abuses to go neglected while gradually strengthening and reinforcing the formation of autocratic alliances.

Due to the quasi-simultaneous occurrence of these two phenomena, this article aims at investigating whether the empirical phenomenon of the 'third wave of autocratization' (spread around 2006) is connected with the occurrence of increasing Chinese linkage with other countries (started with the Chinese accession to WTO in 2001). This paper explores this relationship by addressing the research question: "What is the effect of Chinese linkage on the quality of democracy of countries from South-Eastern, Central and Eastern Europe?". The hypothesis displayed in the article maintains that China indirectly contributes to damaging the quality of countries' democratic systems, in lieu of intentionally exporting autocracy.

The relevance of conducting such a study is dictated by four reasons. First, academic research has so far focused on explaining shifts in regime types by inspecting domestic factors, leaving the influence of external variables often under-theorized and unexplored (Kästner 2019; notable exceptions: Bader, 2015; Melnykovska *et al.* 2012). Here, scholars mainly prioritized the study of democracy promotion and the domestic reasons for democratic backsliding (Lust and Waldner 2015).

Second, although scholars' attention has recently shifted from democracy to autocracy promotion when cases of authoritarian powers

suppressing democratization processes became more recurrent (Kästner 2019, 411; Yakouchyk 2019), scholars have tested the effect of this autocratic engagement solely on regime stability or *complete* democratic breakdown (Bader 2015; Schmotz and Tansey 2018; Tansey *et al.* 2017), thus hindering the possibility of detecting gradual shifts in democratic erosion (exception: Appendix of Tansey *et al.* 2017). Additionally, most studies on authoritarianism inspected why and how external state actors might support authoritarian incumbents in other countries (Tolstrup 2015), overlooking the role that China might play in domestic regime transitions.

Third, quantitative analyses have often only explored the effect of bilateral relations with China on specific regions of Central Asia or Africa (Hess and Aidoo, 2019; Sharshenova and Crawford 2017; Tansey *et al.* 2017), always considering cases of clear autocratization. However, as Lührmann and Lindberg emphasize, the ‘third wave of autocratization’ unfolds slow and retrieving evidence exclusively from complete breakdowns of democracies “fails to capture the often protracted, gradual and opaque processes of contemporary regime change” (Lührmann and Lindberg 2019, 1097). Furthermore, almost all contemporary autocratization episodes affect democracies, while fewer and fewer autocracies are affected by autocratization (Lührmann and Lindberg 2019, 1103).

Lastly, the recent significant inroads that Beijing made in South-Eastern, Central and Eastern Europe along with the successful ‘colour revolutions’ undertaken in these regional countries in the early 2000s make these countries suitable cases for assessing Chinese influence. On the one hand, after the 2008 global financial crisis, many regional countries in Eastern Europe looked to China as an increasingly salient economic partner, that through the Belt and Road Initiative (BRI) promised investing consistently in infrastructures, transport and energy (Brattberg *et al.* 2021). By proceeding so, this region is serving China as an entry point to the rest of Europe, allowing the Chinese power to establish a competitive alternative to the economic development package offered by Western Europe. On the other hand, Central Europe constitutes perhaps the most successful case of democratization: by the 2000, through EU’s active leverage and the undertaken ‘colour revolutions’, regimes in Croatia, Serbia, Slovakia, Romania and many more neighbouring countries had undergone democratic transitions (Levitsky and Way 2005, 27). Yet

recently the Institute for Democracy and Electoral Assistance (IDEA) has registered the highest democratic declines in this region, after Brazil and India (International IDEA 2021). The Chinese established political and economic influence in these countries, their successful democratic transition and their recent democratic decline constitute relevant conditions to assess the Chinese linkage effects on these countries.

By addressing the aforementioned research gaps, this article fulfils a quantitative exploratory study to shed light on the effects of Chinese linkage on South-Eastern, Central and Eastern Europe. Due to data unavailability for recent years (i.e. 2016 onwards), the scope of this research remains exploratory and cannot lead to final and ultimate results.

The paper proceeds as follows. The second section introduces the theoretical framework, where the state-of-the-art and present literature on domestic and external causes of democratic backsliding along with the theorization of Chinese influence are discussed. This will be followed by a section on data and methods, introducing the data sources employed and the variables' operationalization adopted. Lastly, the results of the random-effects regressions will be presented (4th section) and discussed (5th section), followed by a concluding chapter exploring the reasons behind the findings, the limitations encountered and further insights for future research.

2. Theoretical framework

2.1. A third wave of autocratization: the domestic causes

During the first years of the twenty-first century, the optimism that accompanied the global democratization process faced a dramatic disillusion. Many countries that had embarked democratization started diverging their trend and remained hybrid regimes in a blurry 'limbo' between consolidated forms of full democracy and full autocracy (Lührmann and Lindberg 2019, 1097). This reversal has thus opened the path to a 'third wave of autocratization' (Crossaint and Merkel 2019; Lührmann and Lindberg 2019).

Nevertheless, this third wave compared to former thicker autocratization waves, is characterized by a gradual erosion of a country's demo-

cratic institutional structure. If in the past autocratization meant sudden democratic breakdowns through military coups and election day vote frauds, currently the new mode of autocratization registers more gradual shifts in countries' democratic quality, which entail stagnation and restrictions on media and civil society freedoms, 'executive aggrandizement' (Bermeo 2016, 10) and autocratic support for democracy repression by authoritarian powers (Lührmann and Lindberg 2019, 1097). By attacking civil society freedoms, contemporary leaders have managed to subvert key dimensions of democratic institutions while keeping their democratic façade intact (Lührmann and Lindberg 2018). Thus, internally autocrats attack democratic institutions and values while externally authoritarian powers provide support to authoritarian political elites in other countries.

These events have led to the formation of many conceptualizations and theorizations within academia to address this phenomenon, along with the meticulous search for its internal and external causes. So far, the academic focus has been on the domestic causes; only recently, since the term 'autocracy promotion' (Burnell 2010) was introduced, the conceptualization of external influence became a subject of debate (Yakouchyk 2019).

At the domestic level, scholars identified six main causes for this empirical phenomenon. First, countries with asymmetrical distribution of financial and cultural resources are more likely to tend towards autocratization. On the one hand, in these countries the society perceives democracy as a threat to their economic interests; on the other, marginalized groups are reluctant to provide loyalty to the regime, even when a full establishment of democratic institutions occurs (Crossaint and Merkel 2019, 444).

Second, economic crises favour emergency legislation, legitimize institutional defects and normalize unrestrained power of the executive branch, thus reinforcing the authoritarian tendency (Crossaint and Merkel 2019, 444). A clear example of this is the recent COVID-19 crisis: in many countries, especially from Eastern Europe, political leaders turned to excessive surveillance, discriminatory restrictions on freedoms and aggressive enforcement of such restrictions (International IDEA 2021). These measures additionally pushed political elites of many countries to undertake greater personal executive authority (e.g. Hungary).

A third and fourth domestic cause have been found in the absence of strong traditions of civil society as well as in fragile stateness. When the civil society is weak and the state is partially eroded based on the use of force and violence (i.e. corruption and armed conflict), deficiencies in the rule of law are more probable (Crossaint and Merkel 2019, 444).

Here, a country's history also matters: the longer a dictatorship or totalitarian regime has been institutionalized in a country, the more difficult it becomes for that country to root out the autocratic culture and establish a full-fledged democracy (Crossaint and Merkel 2019, 444).

Lastly, international and regional influence also constitutes a key determinant: if ties with regional mechanisms, such as the EU or the United Nations (UN), which guarantee the promotion of democratic values around the world are lacking, political elites are more inclined to exploit the lack of regional supervision and violate democratic rules (Crossaint and Merkel 2019, 444).

In this regard, external influence of authoritarian powers such as Russia and China has also been found to be a key factor for regime change and autocratization trends (Melnykovska *et al.* 2012; Sharshenova and Crawford 2017). Consequently, academic focus shifted from democratization to autocratization processes. External factors and the related motives are discussed in the next paragraph.

2.2. A third wave of autocratization: the external causes

Besides domestic reasons for autocratization, the influence of external authoritarian countries has also been identified as shaping a country's autocratization tendencies (Ambrosio 2009; Tolstrup 2015, 674; Zielonka and Pravda 2001).

The academic interest for external factors as key causes of authoritarianism began when countries with on-going democratic processes started reversing the trend during the 2000s while non-democratic regional forces such as China, Russia and Iran truncated democratic transitions in neighbouring states and created economic alternatives to the Western European model (Kästner 2019, 411). Here, the academic focus gradually shifted from democracy promotion to the domestic characteristics of autocratic states or backsliding democracies, soon leading scholars to adopt terms such as 'autocracy promotion' or 'autocracy support' to

designate the (in)direct pressure authoritarian states might play on other countries (Burnell 2010; Kästner 2019; Yakouchyk 2019). If a plethora of different terms such as ‘democratic backsliding’, ‘autocratization’ and ‘democracy breakdown’ has been used to indicate regime transition towards authoritarianism, also different designations for autocratic states’ active or passive push to enforce authoritarian values in other countries have been employed.

However, as pointed out by the scholar Tansey (2016, 142), the term ‘autocracy promotion’ refers solely to the *intentional* efforts of authoritarian powers to support autocratic regimes to slow down the democratization process or strengthen the power of local authoritarian rulers. This term thus refers to the *direct* support of authoritarian powers, and it includes objectives only related to regime types, excluding foreign policy goals derived from self-interest motives. By contrast, as Vanderhill (2013, 8) claims, often the actions of powerful autocrats in supporting other countries are not aimed at developing authoritarian regimes, but rather at preserving the stability of authoritarian partner regimes (Kästner 2019, 414).

To tackle both the *direct* and *indirect* forms of autocratic support for other countries’ democracy reversal, this paper relies on Yakouchyk’s theorization of the term ‘autocracy support’. He defines the latter as a group of actions initiated by external powers that directly or indirectly contribute to the decline of democracy in a country, independently of the motives (Yakouchyk 2019, 5). For the scope of this article, this concept of ‘autocracy support’ is then translated and adapted into the Levitsky and Way’s concept of ‘linkage to the West’ (Levitsky and Way 2005) and Tansey’s notion of ‘autocratic linkage’ (Tansey *et al.* 2017). The latter describes the “density of ties (economic, political, diplomatic, social and organizational) and cross-border flows (of capital, goods and services, people, and information among particular countries) among particular countries” (Levitsky and Way 2010, 43). This autocratic linkage concept thus translates the implications of authoritarian support in concrete economic, political and diplomatic dimensions of such international relationships.

Yet, before investing important resources on another regime, external actors carefully consider the type and weight of the potential gain that may result from it (Tolstrup 2015, 679). Summarizing the different motives’ theorizations of different scholars, the reasons behind autocratic

support by external authoritarian powers can be summarized in four factors: economic value, geopolitical value, ideology and fear of contagion (Tolstrup 2015, 679; Yakouchyk 2019, 4).

In economic terms, authoritarian regimes are more inclined to strengthen trade interdependencies among themselves due to the fear that a regime change could potentially harm their economic revenues (Tansey *et al.* 2017). Besides, weaker authoritarian regimes generally tend to depend on external resources and materials to survive (Yakouchyk 2019, 6). The geopolitical factor is also a pivotal motive: external actors will be more prone to engage with other autocratic leaders if such relationship yields access to strategic locations, preservation of the military bases, or as a counterbalancing act against other powers (Tolstrup 2015, 679). Ideological reasons also continue to play a role in explaining autocracy support. In the Chinese case, by gradually gaining control over media and non-governmental organizations, Beijing is able to portray a positive image of itself, promote its economic model alternative to the Western one, and shape local narratives in the targeted autocratic countries. This provides China opportunities to make inroads in those states with scarce resources and/or little political management capacity (Brattberg *et al.* 2021, 6). Lastly, considering fear of contagion, authoritarian powers aim at controlling the citizenry and reduce drastically democratic spillovers that might threaten their chances of survival (Yakouchyk 2019, 5).

Summarizing the theoretical framework provided above, autocratization tendencies are the result of both, internal and external circumstances. The weight and size of each internal and external factor in play, however, might differ from single case to single case. Having theorized the motives and the reasoning behind external support, in the next paragraph a zoom in the findings regarding Chinese influence will be discussed.

2.3. Zooming in: Theorizing Chinese influence

As shown in previous paragraphs, the democratic nature of a regime depends on the interaction between domestic and external forces, and the weight of each factor depends on the strength of the internal and external ties the country inquired engages in.

When it comes to measure the direction and size of the Chinese external influence on defective democracies and similar regime types, ac-

academic scholars provide a puzzled picture. On the one hand, a part of academic research provides findings which hint at a negative effect of Chinese autocratic linkage on the democratic quality of specific countries within Central Asia (Sharshenova and Crawford 2017) or Sub-Saharan Africa (Hess and Aidoo 2019). Here, additionally, academics discovered that economic ties with China might be linked with solid autocratic regime survival and likely democratic breakdown of defective democracies (Bader 2015; Tansey *et al.* 2017). On the other hand, other studies indicate that China's approach to such autocratic relationships has no (Hackenesch 2015) or positive effect (Melnykovska *et al.* 2012) on democratic structures. Nevertheless, even those studies confirming the pivotal role of Chinese autocratic linkage in determining the autocratic survival of other democracy-defective regimes conclude that these linkage effects are less comprehensive than expected, since only few proxies of this linkage result statistically significant (Bader 2015). Moreover, the investigations conducted by Tansey *et al.* (2017) and Bader (2015) end in 2010 and 2013 respectively, leaving the current period of Xi Jinping's leadership and the time of BRI's launch uncovered. Empirical evidence of the Chinese role in regime change thus remains inconclusive. This paper to some extent brings closer-to-present evidence to the importance of Chinese linkage effects.

Yet, is Chinese leverage on these regimes direct? Is China actively and deliberately supporting authoritarianism? In ideological terms, China under Xi Jinping's leadership has stressed several times in the memo referred to as Document No. 9 that the "promotion of Western constitutional democracy is an attempt to negate the party's leadership and the socialism with Chinese characteristics system of governance" (Buckley 2013). This entails that China undertakes a political confrontation whenever it feels democratic powers are attacking the Chinese "doing-business approach". In practical terms, however, a deliberated authoritarian strategy only occurs when a defective democracy or incomplete autocracy is already politically unstable or there is a risk of democratic spillover among countries of the same region (Chen and Kinzelbach 2015).

In this article it is argued that the effect of China on the inquired countries is indirect. It might be that China does not have the ambition of making these countries undertaking a mere convergence to authoritarian states; yet its indirect leverage and ideological stances might still have

major effects on the democratic quality of countries. Moreover, the simultaneity of these countries' re-autocratization and their increasingly closer ties to the Chinese authoritarian power is becoming increasingly evident.

In this regard, many studies provide empirical evidence for the indirect nature of Chinese influence. Overall, autocratic linkage is hypothesized to affect the democratic quality indirectly. First, due to weak ties with democracies, countries with higher autocratic linkage to China have a higher probability of adopting an authoritarian survival approach such as violent repression or election fraud (Schmotz and Tansey 2018, 667). Second, in countries with high autocratic linkage, autocracy external promoters will enhance the performance of authoritarian rulers and leaders by satisfying important elites, such as the military or big state companies (Kästner 2019, 414; Schmotz and Tansey 2018, 667). Third, the Chinese political strategy in these hybrid regimes tends to be more neutral, always aiming at doing effective business and avoiding any direct interference at the domestic level (Melnikovska *et al.*, 2012).

In contrast to autocratic linkage, democratic linkage exerts its influence directly. As for the case of non-post-Soviet countries such as Slovakia, Croatia and Serbia (Silitski 2010, 341), the higher the linkage of hybrid regimes to the EU or other democratic actors, the higher is their tendency to embrace external pressure and undergo a democratic transition. In a way, closer ties to democratic powers shape democratic institutions, strengthen democratic political forces while isolating autocrats (Levitsky and Way 2010, 40-45). In other words, if the democratic linkage is high in a country, the external democratic pressure will be more effective thus leading to improvements in a country's democratic quality. Overall, the interplay between autocratic and democratic linkages along with their individual size determines a country's regime type and potential regime shifts.

Summarizing the argument, the first inference of this article assumes that autocratization is an unintentional effect of Chinese foreign policy (Risse and Babayan 2015, 385; Vanderhill 2013). A second conclusion of the literature review and state-of-the-art related to autocratization and democratization is that democratic backsliding or autocratic tendencies occurs as a result of an interaction between domestic conditions, external democratic linkage, and external autocratic linkage. The weight of

each factor in the result depends on how extensive linkage is. Where linkage is weak, international influences are weaker, and regime outcomes are mainly a product of domestic indicators (Levitsky and Way 2005, 33).

In the following paragraph, the specific effect of Chinese linkage on Central and Eastern Europe will be theorized, along with the related hypothesis.

2.4. The result of autocratic linkage: the cases of South-Eastern, Central and Eastern Europe

Few studies have investigated Chinese influence on domestic political systems quantitatively. Most research has so far considered consolidated autocratic states, neglecting to assess this impact on weak or not fully consolidated democracies. When considering the Chinese effect on the democratic quality of countries, however, this lack of research is astonishing: one would argue that closer ties to China would have the most extensive impact on more volatile or at least democratically weaker political systems. Given the lack of studies on the topic, this article focuses on the assessment of the Chinese autocratic linkage effects on few defective or not fully consolidated democracies in Central, South-Eastern and Eastern Europe.

Here, Central, South-Eastern and Eastern Europe¹ constitute the regions that have undergone the biggest democratic transformations in the last decades (Crossaint and Merkel 2019, 442). Namely in the late 1990s, at the end of the first post-communist period, Central and Eastern Europe was considered a democratic success story (Cianetti *et al.* 2018), thus leading scholars to assume that these regions have passed by “a point of no return” to authoritarian reversal processes (Ekiert & Kubik 1998, 580). Despite unfavourable conditions for democratic tendencies, by 2008 Croatia, Macedonia, Romania, Serbia, Slovakia and (partially) Albania had successfully democratized (Levitsky and Way 2010, 128). Ul-

¹ Whilst considering EU member states and non-EU countries from these regions indistinctively is highly disputable, the preliminary analysis of the study displayed no major differences attributable to the criterion of the EU membership among the countries' regression models. For this reason and due to space limits, the author assesses all the countries together.

timately, by 2016, 10 out of 19 embedded democracies could be found in these two regions (Crossaint and Merkel 2019).

Nevertheless, this democratization process reversed unexpectedly, leading to a recent deterioration of the quality of democracy in most of these countries. Namely, within Eastern Europe, countries count 16 autocracy-reversed episodes during the third wave of autocratization (Lührmann and Lindberg 2019, 1103). Here, paradigmatic representative models are certainly Hungary and Poland, but scholars identified additional solid trends in Czech Republic (Hanley and Vachudova 2018), Slovenia (International IDEA 2021), Belarus, Slovakia (Vanderhill 2014) and many more countries (Cianetti *et al.* 2018). This optimistic picture of successful democratization in these regions must therefore be revised based on current developments.

Yet, the problem of poor democratic quality is assumed to exceed the traditional causes of legacies of communist or pre-communist authoritarianism or of transition politics side-effects (Cianetti *et al.* 2018, 244), and involve instead all the three regions in the phenomenon of “neighbour emulation” (Brinks and Coppedge 2006).

Beyond neighbour emulation, another key determinant of these autocratization trends can be found in the autocratic linkage that many countries in the region have established with China. Starting from the election of Xi Jinping as President of the People’s Republic of China (PRC) in 2013 and the consequent adoption of the BRI, Beijing have gradually made significant inroads in South-Eastern, Central and Eastern Europe. By promising economic-oriented growth opportunities and investments in these regions, China was able to acquire solid leeway in this regional sphere and gradually as well as indirectly transfer its ideological stances to the local institutional systems (Brattberg *et al.* 2021). China managed to identify and take advantage of these countries’ vulnerabilities at the institutional and political level, while inciting illiberal domestic forces to act against the incumbents or take over the country’s leadership. These vulnerabilities might relate to the presence of weak institutional structures, low management capability and/or asymmetrical distribution of financial and cultural resources within these countries. By adopting this strategy, China further impoverished the already weak local institutional systems, thus creating room for worsening episodes of democratic quality. Whilst China might have not deliberately caused democratic qual-

ity impoverishment, the type of engagement it established with these countries, the fostering of a positive Chinese image, the promotion of an alternative economic model in the region and lastly the indirect shaping of local narratives has certainly boosted this downward trend (Brattberg, *et al.* 2021, 11).

Based on the theory on autocratic linkage and the increasing leeway China is achieving in these regions, the relationship hypothesized is the following:

H1: The higher the autocratic linkage to China, the lower quality of democracy of Central, Eastern and Southern-Eastern European countries gets.

The prospect that Chinese soft power² efforts might play a minor role in shifting democratic quality in these countries makes this study worth to investigate, and ultimately de-escalates the alarmist debate on China. Despite countries' diversity, all these countries share common characteristics related to the adjoining geographical position and the likely 'neighbour emulation' effect, that make the investigation of these bilateral relations more harmonized.

3. Data and Methods

3.1. Data sources

To test the relationship between autocratic linkage and countries' democratic quality, a panel dataset was constructed by importing indicators from different data sources. Here, the study assessed Chinese autocratic linkage effects on 15 countries from South-Eastern, Central and Eastern Europe: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Moldova, North Macedonia, Poland, Romania, Slovakia, Slovenia and Ukraine. The final dataset comprises

² It is worth mentioning here that the lack of quantitative data and their unsuitability to tackle indicators of soft power do not allow the present study to account for this foreign policy strategy in the regression models. Future research might address this issue by complementing quantitative analyses with qualitative data, sources more appropriate for assessing this aspect of the indirect influence.

315 observations for the period 2000-2020 ($n = 15$; $N = 315$; $T = 21$). Choosing this period of investigation will allow the author to consider the influence of international events such as the 2008 financial and economic crisis and COVID-19 outbreak, while assessing the influence of the Chinese linkage on a longer timespan through time lags. As crises often favour emergency legislation and normalize wider executive power, it might be fruitful to consider here a historical interval rich of unexpected external events. However, due to few missing data for some countries in specific years (i.e. 2001, 2019, 2020) the period of investigation differs based on the model and variables employed. The longitudinal dataset is therefore unbalanced.

To measure the dependent variable (DV) democratic quality, this study employed the five democracy indicators constructed in the V-Dem dataset (Coppedge *et al.* 2021): the electoral and liberal democracy indices, the participatory and the deliberative democracy indices and lastly the egalitarian democracy index. By assessing the autocratic linkage effects on each indicator separately, this paper provides a fully-fledged analysis of the potential impact of Chinese ties on different aspects of democracy.

These data were later combined with other trade and geographical data retrieved from the WITS partner timeseries data, the World Bank and the CEPII database respectively. For what concerns the proxies to measure autocratic linkage, import and export partner shares with China for each country were imported from the WITS dataset (WITS - UNSD Comtrade 2021), while the country's trade volume and the geographical proximity between China and the inquired countries were obtained from the World Bank (World Bank 2021) and the CEPII GeoDist dataset (Mayer and Zignago 2011) respectively. Lastly, control variables such as GDP per capita, GDP growth and political stability retrieved from World Bank data were added to the new dataset. For the scope of this research, it would have been fruitful integrating additional data on the oil and gas production of each country, the aid provided by China in these regions, the arms trade and the diplomatic exchanges with China. However, most of these data are available only for small and old periods, reaching exclusively until 2013. Including these outdated data into this analysis would have hindered the study's purpose of providing a more recent picture of this relationship; therefore, lesser but more updated data are employed in this analysis.

3.2. The operationalization of variables

Table A.1 (Appendix) provides a summary of all the variables employed in the quantitative analysis, the related descriptions and the eventual recoding. Since this article looks at democratic quality and its shifts over time, the DV is measured through the aforementioned five indices acquired from the V-Dem dataset. The electoral democracy index measures the responsiveness of rulers to citizens, the fairness of the electoral competition, the size of the suffrage and to what extent elections occur clean and regular. The liberal democracy index emphasizes the importance of protecting individual and minority rights, while the participatory democracy indicator is concerned with the extent to which citizens can participate freely and actively in all political processes. Lastly, the deliberative democracy index focuses on the process by which decisions are made in a polity, while the egalitarian democracy indicator evaluates the extent to which rights and freedoms of individuals are protected. All these indices are measured on a scale of 0-1, and four out of five indices take the level of electoral democracy (first index) into account.

Considering the autocratic linkage with China, four independent variables (IVs) are employed to account for these ties. These four independent indicators, due to the unavailability of additional updated data, relate only to two aspects of the linkage: trade and the geographic proximity. To assess the trade linkage, three proxies are used: import and export partner shares, and the trade volume as a percentage of a country's GDP. The first two proxies are provided as percentages of imports/exports from the region of interest to the region under study out of the total imports/exports of the destination. The third proxy instead represents the total sum of exports and imports of goods and services measured as a share of a country's gross domestic product. As last proxy of the linkage, the geographic proximity is computed as the distance in kilometres between China and the country inquired.

Additionally, within the analysis, three control factors that have been found to influence autocratization tendencies are considered: GDP per capita, GDP growth and political stability (Heston *et al.* 2011). To account for political stability, the indicator 'Political Stability and Absence of Violence/Terrorism' derived from the World Governance Indicators is employed. The latter estimates perceptions of the likelihood of polit-

ical instability and/or politically-motivated violence, including terrorism. Estimates give the country's score on the aggregate indicator and range from approximately -2.5 to 2.5. To ease results' interpretation and account for the autocorrelation between democratic quality previous scores and the next ones, all the independent and control variables considered are standardized and lagged by two years.

3.3. The method

The dependent variables employed in these analyses are interval variables, which traditionally require the usage of the OLS regression model. However, when panel data are considered, regression models can examine group effects, time effects, or even both simultaneously, and thus require a different structure. For this reason, this study runs all the models which might be suitable for longitudinal data: pooled OLS, fixed effects (FE), and random effects (RE) models. To decide between the three modelling structures, firstly the Breusch-Pagan Lagrange Multiplier test (LM) and secondly the Hausman test were conducted. Here the LM test helps choosing between an OLS and a RE model, and turned insignificant, suggesting using a RE model for the type and structure of data employed. The Hausman test also resulted insignificant ($p > 0.1$), indicating that a RE is a better choice vis-à-vis a FE model.

However, after clustering the standard errors (S.E.) by country in the RE models and re-performing the Hausman test, the latter suggests the use of a FE regression instead. This indicates that the individual error terms are correlated with the regressors, therefore a random-effects model would include significant bias. While fixed-effects regressions enable the author to account for external circumstances such as crises and unpredictable events (e.g. 2008 economic crisis, COVID-19, etc.), they do not allow the study to assess the impact of (time-invariant) geographical proximity with China as a proxy for autocratic linkage, thus partially hindering the purpose of the analysis.

In order to still evaluate the effect of time-invariant factors on countries' democratic quality, many scholars have identified valid specifications of the RE model that still yield robust findings, among which standard errors' clustering by id, dependent and/or independent variables' lagging, independent variables' de-trending and many more are found (Bell and Jones

2014; Calzolari and Magazzini 2009). Additionally, academics show that, in respect to time-series cross-sectional (TSCS) data, RE models perform well even when normality assumptions are violated (Beck and Katz 2007). For this reason, here the article employs S.E. clustering by country and lagging of the regressors as measures to account for autocorrelation within dependent variables and between the latter and independent factors. Furthermore, when comparing the results yielded by the FE model without geographical proximity and the RE model including the geographical proxy, the author finds nearly identical coefficients between the two models. Due to the similar results between the two model types and the quasi-robust specifications undertaken to account for autocorrelation, the author can safely favour the RE versus the FE regression model. To compare the results of the two regression types and provide a model accounting for external events, however, the FE regression models for all the selected DVs are provided in Table A.3 (Appendix).

4. Results

For what concerns the descriptive statistics, Table A.2 (Appendix) displays the summary statistics of all the variables employed in the analysis. Here, we find that the number of observations per variable differs, specifically for the independent and control variables. This is so since not all variables cover the same and full amount of time (T) periods (2000-2020), hinting at the presence of missing cases for some specific countries in specific years. Moreover, with the lagging of all the regressors by two years, information on the first two years of the analysis (2000 and 2001) are lost. Figures A.1-A.5 additionally provide trends per country across years of the dependent variables democracy indices. Here, we observe that most countries in these regions provide a downward trend of democratic quality over time, except for five state actors (Bulgaria, Croatia, Czech Republic and Greece) which display, to some extent, upward trends.

Table 1 presents the results of the random-effects regression models for all the 15 countries together with S.E. clustered by country³. Each

³ The progressive RE models, where each independent variable of autocratic linkage is inserted at different times in the regression equation, are available upon request.

model assesses the Chinese autocratic linkage effects on a different democracy indicator, whether electoral, liberal, participatory, deliberative or egalitarian. The R^2 for all the models ranges from 0.174 to 0.262, indicating that overall the models explain a sufficient but not very large proportion of the variation in the countries' democratic quality. Among all the democracy indicators, this model seems to best explain shifts in the egalitarian aspect of democracy.

The regression models seem to show support for H1, although the significance level is low for three out of five democracy indicators. Here, the proxy export partner share, which indicates the amount of country's exports to China as the share of the total amount of exports conducted by the country, registers a negative and significant relationship for most democracy indicators, except for the participatory democracy index, where it is insignificant. This suggests that for a given South-Eastern, Central or Eastern European country, as export share with China increases across time by one unit, the democratic quality decreases by slightly more than 2,1% ($p < 0.05$). The electoral democracy index presents the biggest decrease in democratic quality caused by an increase in export partner share. Results for the total trade volume of a country follow the same trend: with one unit increase across time in the amount of trade conducted by a country, democratic quality decreases by nearly 5%, with the sharpest decrease for deliberative democratic quality ($p < 0.001$). In contrast to export partner share and trade volume, import partner share does not yield any significant result, providing at times negative and at times positive effects.

Table 1 • Random effects regression of democratic quality

	<i>Dependent variable</i>				
	Electoral democracy (index)	Liberal democracy index	Participatory democracy index	Deliberative democracy index	Egalitarian democracy index
	(1)	(2)	(3)	(4)	(5)
Import Partner Share	0.004 (0.011)	-0.005 (0.013)	-0.001 (0.011)	-0.005 (0.014)	-0.003 (0.010)
Export Partner Share	-0.024** (0.010)	-0.021* (0.011)	-0.012 (0.007)	-0.026*** (0.008)	-0.021** (0.008)
Trade (% of GDP)	-0.048*** (0.014)	-0.058*** (0.016)	-0.044*** (0.014)	-0.061*** (0.017)	-0.050*** (0.012)
Autocratic Distance (km)	0.077** (0.039)	0.083* (0.043)	0.067* (0.036)	0.076* (0.042)	0.052* (0.031)
GDP per capita	0.018 (0.017)	0.026 (0.020)	0.019 (0.019)	0.026 (0.019)	0.025 (0.016)
GDP growth	-0.005 (0.006)	-0.005 (0.007)	-0.006 (0.005)	-0.006 (0.008)	-0.006 (0.005)
Political stability	0.021 (0.017)	0.020 (0.021)	0.017 (0.016)	0.001 (0.022)	0.025 (0.019)
Constant	0.671*** (0.033)	0.553*** (0.039)	0.464*** (0.031)	0.507*** (0.040)	0.550*** (0.032)
Observations (n x T)	238	238	238	238	238
No. Clusters (n)	15	15	15	15	15
Events (T)	14-16	14-16	14-16	14-16	14-16
R ²	0.195	0.209	0.174	0.181	0.262
F Statistic	56.152***	61.575***	49.056***	51.154***	83.462***

*Note: Entries are random-effects regression coefficients with robust standard errors clustered by country in parentheses. All the independent and control variables are standardized and lagged by two years. Significance levels are * $p < 0.10$, ** $p < 0.05$ and *** $p < 0.01$.*

Among the significant findings derived from these regression models, the geographical proximity seems to be the one factor increasing democratic quality by the largest amount. Namely, the bigger the geographical distance between a country and China, and the higher the democratic quality of a country gets (coeff. = 7%, $p < 0.10$). However, the significance of its coefficients is considerably smaller than the one provided for export partner share and trade volume.

When looking at the control variables, we find no statistically significant effect, meaning that the total country's GDP per capita and growth along with its political stability do not play a major role in determining a state's quality of democracy.

5. Discussion

Overall, the findings indicate that autocratic linkage in its trade and geographical aspects significantly influences variation in the democratic quality of a country over time. Thus, the hypothesis H1 does find support.

The results for autocratic linkage are consistent with the literature and the theoretical framework provided. As economic ties with China become closer, the democratic quality of the engaged country decreases significantly. Scholars reached similar inferences with their analyses, concluding that China is in part responsible for regional declines in democratic governance (Hess and Aidoo 2019; Sharshenova and Crawford 2017), but that its influence is more indirect (Sharshenova and Crawford 2017, 467). When considering Chinese autocratic linkage under each dimension, the present literature shows that trade in the form of exports (Bader 2015) and trade volume (Tansey *et al.* 2017) account for the most influencing dimension of autocratic linkage on democratic quality. A second-to-importance dimension of this relationship is also found, in this paper as well as in the present literature (Tansey *et al.* 2017, 16), as a significant determinant of autocratization tendencies in many countries. Yet, few scholars have challenged these results with their analyses, retrieving an insignificant (Hackenesch 2015) or significantly positive impact (Melnikovska *et al.* 2012) of Chinese engagement on democratization.

By contrast, the control variables' effects are mainly insignificant. Many scholars have found that, against common logic, measures of eco-

conomic development such as GDP per capita and GDP growth do not encourage improvements in democratic governance substantively (Bader 2015; Hess and Aidoo 2019, 19).

Nevertheless, due to the lack of other relevant autocratic dimensions and controls, such as arms trade, aid projects, diplomatic exchanges and oil and gas production, this article's findings must be taken with a pinch of salt and ultimate inferences are not allowed. Yet, since this research aimed at being exploratory and not at providing final conclusive estimates, it still represents the most updated model that we can achieve with the presently available data.

6. Conclusion

This paper explored the research question “What is the effect of Chinese linkage on the quality of democracy of countries from South-Eastern, Central and Eastern Europe?”. It has done so by analysing one main hypothesis, according to which the higher the autocratic linkage to China, the lower the democratic quality of a country becomes. This hypothesis was tested by analysing data from different sources, among which the V-Dem dataset, World Bank data, WITS timeseries data and CEPII GeoDist dataset were used. This study conducted a random-effects regression model with standard errors' clustering by country with all regressors and controls lagged by two years to account for autocorrelation, and it compared these results with the fixed-effects regression model's findings.

This paper has found that the trade dimension of Chinese autocratic linkage has the most significant effect on South-Eastern, Central and Eastern Europe's democratization, followed for importance by the geographical proximity with China. By contrast, measures of economic development of a country, such as GDP per capita and GDP growth, do not appear to significantly encourage improvements in democratic governance.

However, due to unavailability of data for recent years (2013-) concerning arms trade, diplomatic ties and jointly undertaken aid projects, these findings must be taken with a grain of salt and treat these generalizations with cautions. It might be that, by controlling for these characteristics in the regression model, the current indicators for economic ties lose significance.

Certainly, the significant but low regression coefficients (regression coefficients amount at a maximum of 5% in decrease of democratic quality) suggest that Chinese linkage effects are less extensive than the alarmist debate on China would make us believe, and that bold inferences on the influence of Chinese linkage with these countries cannot be yet made. These findings furtherly hint at a less dramatic effect of the Chinese rise for both, hybrid regimes and defective democracies, and prevent scholars to fully equate Chinese engagement with the initiation of autocratization tendencies in these countries. Only future research will be able to establish more accurately the size of this Chinese linkage.

Whilst this article has provided substantial findings to advance the debate on the topic, it also presents considerable shortcomings. The first drawback refers to the absence of indicators assessing democratic linkages. Since it has been established throughout this study that a country's regime type is the result of an interaction between domestic conditions, external democratic linkages, and external autocratic linkages, it is pivotal evaluating the impact of all these factors jointly. Yet, the lack of updated data on relationships with other democratic countries along with the space limits for this article did not allow for providing a systematic joint analysis. Future research will need to account for these democratic linkages, perhaps looking at the relationship between the EU and the country inquired.

A second shortcoming relates to the case selection: this work included EU-member states and non-EU countries in the South-Eastern, Central and Eastern European regions indistinctively. This is so since the article's preliminary regression analysis displayed no major differences between the aggregate results of EU member states and those of non-EU countries. Yet, a more systematic assessment is needed: future scholars will need to conduct a more consistent comparative study where different sub-groups of the South-Eastern, Central and Eastern European regions will be analysed side by side based on the criterion of EU membership.

The methodology employed also presents some defects. The no-perfect RE regression model structure available for time-invariant variables along with the recent attempts of scholars to find solutions for autocorrelation issues and the violation of normality assumptions have forced the author to consider the RE model with some adjustments, where robust standard errors by country and variables' lagging have been ad-

vanced. Yet, the selected method is far from perfect, as it manages to account for time-invariant factors but simultaneously displays an error term bias. Incoming studies will need to further investigate the suitability of additional regression models for the current task.

Lastly, the present work failed to consider other key factors accounting for different aspects of the linkage (e.g. arms trade, diplomatic ties and jointly undertaken aid projects) along with other Chinese foreign policy strategies, such as soft power and the establishment of infrastructural projects. The lack of quantitative data assessing these elements prevented the author to include proxies of these variables into the regression models as well as to analyse whether these countries' linkages with China are additionally fulfilling other foreign policy strategies laid out by Chinese authorities. Are these linkages with China complemented by other foreign policy goals such as soft power and the establishment of infrastructural projects? Here, since qualitative methodologies seem more suitable to measure these concepts accurately, future research might elaborate further inferences and reflections based on a mixed methodology, the quantitative approach focusing on democracy deterioration while the qualitative method revolving on Chinese autocracy promotion.

Whilst only tentative conclusions can be drawn from the study, this exploratory paper provides a systematic quantitative assessment of the Chinese linkage on Central and Eastern European regimes while offering an up-to-date picture of the Chinese role on autocratization. Despite the aforementioned caveats, this study constitutes a fruitful starting point for future quantitative inquiries on China's authoritarian support and regime change.

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Appendix

Table A.1 • Descriptions and recoding (if applicable) of the dependent, independent and control variables used in the analysis. All data are country-level data

Variables	Questions and answer categories	Data source
<i>Dependent variables</i>		
Electoral democracy index	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 organizations 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. Scale: interval, from low to high (0-1).	V-Dem dataset
Liberal democracy index	The liberal principle of democracy emphasizes the importance of protecting individual and minority rights against the tyranny of the state and the tyranny of the majority. The index also takes the level of electoral democracy into account. Scale: interval, from low to high (0-1).	V-Dem dataset
Participatory democracy index	The participatory principle of democracy emphasizes active participation by citizens in all political processes, electoral and non-electoral. The index also takes the level of electoral democracy into account. Scale: interval, from low to high (0-1).	V-Dem dataset
Deliberative democracy index	The deliberative principle of democracy focuses on the process by which decisions are reached in a polity. A deliberative process is one in which public reasoning focused on the common good motivates political decisions—as contrasted with emotional appeals, solidary attachments, parochial interests, or coercion. The index also takes the level of electoral democracy into account. Scale: interval, from low to high (0-1).	V-Dem dataset
Egalitarian democracy index	The egalitarian principle of democracy holds that material and immaterial inequalities inhibit the exercise of formal rights and liberties, and diminish the ability of citizens from all social groups to participate. The index also takes the level of electoral democracy into account. Scale: interval, from low to high (0-1).	V-Dem dataset

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Independent variables

Import Partner Share [lagged]	The percentage of imports from the region of interest (China) to the region under study (country from Central, South-Eastern or Eastern Europe) in the total imports of the destination. Scale: interval. The variable was standardized and lagged by two years.	WITS data-set
Export Partner Share [lagged]	The percentage of exports going to a partner (China) to total exports of a country/region (from Central, South-Eastern or Eastern Europe). It is expressed as a percentage share of the dollar value of exports of country/region from these regions to China. Scale: interval. The variable was standardized and lagged by two years.	WITS data-set
Trade (as % of GDP) [lagged]	The sum of exports and imports of goods and services measured as a share of the gross domestic product (GDP) of a country (from Central, South-Eastern or Eastern Europe). Scale: interval. The variable was standardized and lagged by two years.	World Bank data
Geographical proximity [lagged]	The bilateral distance between China and any country situated in either of the three regions measured in kilometres (km). Scale: interval. The variable was standardized and lagged by two years.	GeoDist dataset (CEPII)

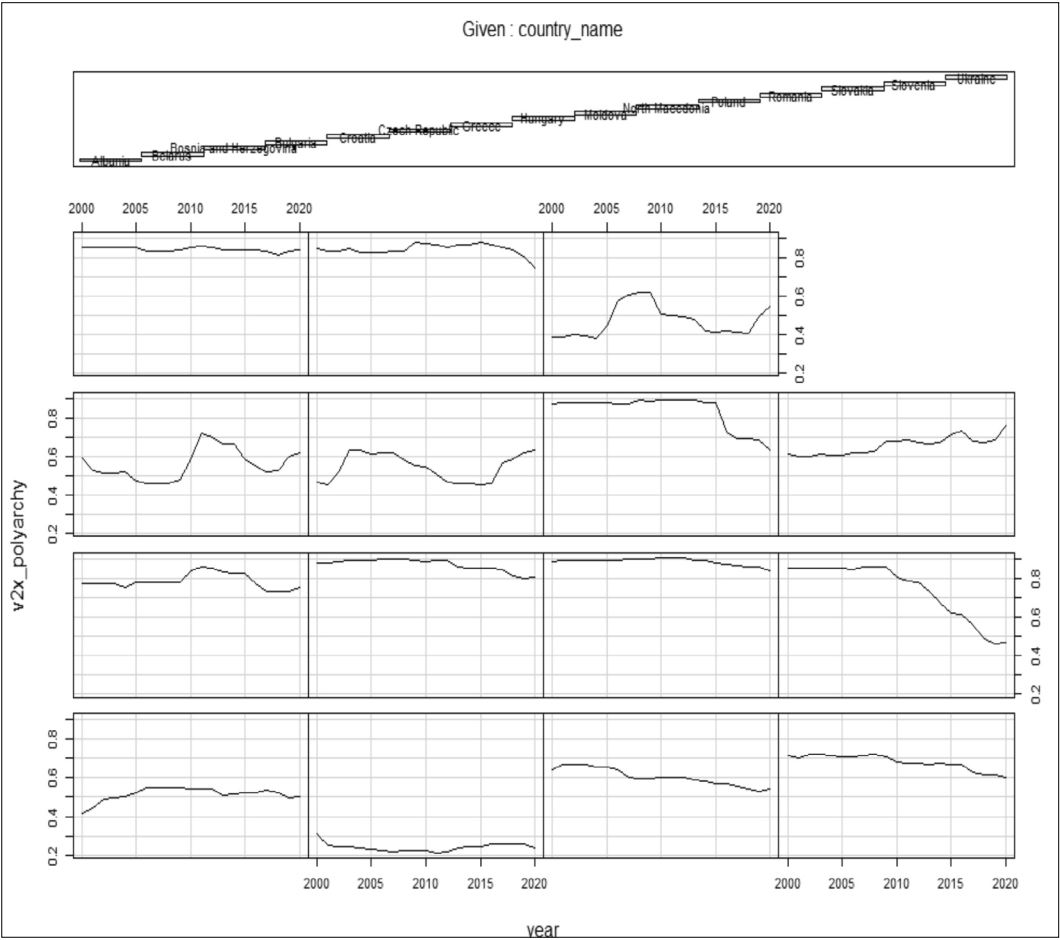
Control variables

GDP per capita [lagged]	The gross domestic product divided by midyear population for a country. Data are in current U.S. dollars. Scale: interval. The variable was standardized and lagged by two years.	World Bank data
GDP growth [lagged]	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are then based on constant 2015 prices, expressed in U.S. dollars. Scale: interval. The variable was standardized and lagged by two years.	World Bank data
Political stability and Absence of Violence/Terrorism index [lagged]	It measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism. Estimate gives the country's score on the aggregate indicator, in units of a standard normal distribution, i.e. ranging from approximately -2.5 to 2.5. The variable was standardized and lagged by two years.	World Governance Indicators (World Bank)

**Table A.2 • Descriptive statistics of all the variables
used in the analysis**

<i>Variables</i>	<i>Obsv.</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>
<i>Dependent variables</i>					
Electoral democracy index	315	0,672	0,188	0,213	0,906
Liberal democracy index	315	0,553	0,212	0,076	0,833
Participatory democracy index	315	0,463	0,166	0,083	0,768
Deliberative democracy index	315	0,510	0,207	0,075	0,846
Egalitarian democracy index	315	0,552	0,178	0,264	0,826
<i>Independent variables</i>					
Import Partner Share [lagged]	282	-0,035	0,978	-1,735	2,984
Export Partner Share [lagged]	281	-0,012	1,011	-1,025	4,501
Trade (as % of GDP) [lagged]	285	-0,023	0,997	-1,743	2,585
Geographical proximity [lagged]	285	0,000	1,000	-1,949	1,072
<i>Control variables</i>					
GDP per capita [lagged]	285	-0,042	0,994	-1,290	3,100
GDP growth [lagged]	285	0,095	0,941	-4,543	2,523
Political stability and Absence of Violence/Terrorism index [lagged]	270	0,011	1,004	-3,615	1,819

Figure A.1 • Trends of the electoral democracy index
over time and across countries



**Figure A.2 • Trends of the liberal democracy index
over time and across countries**

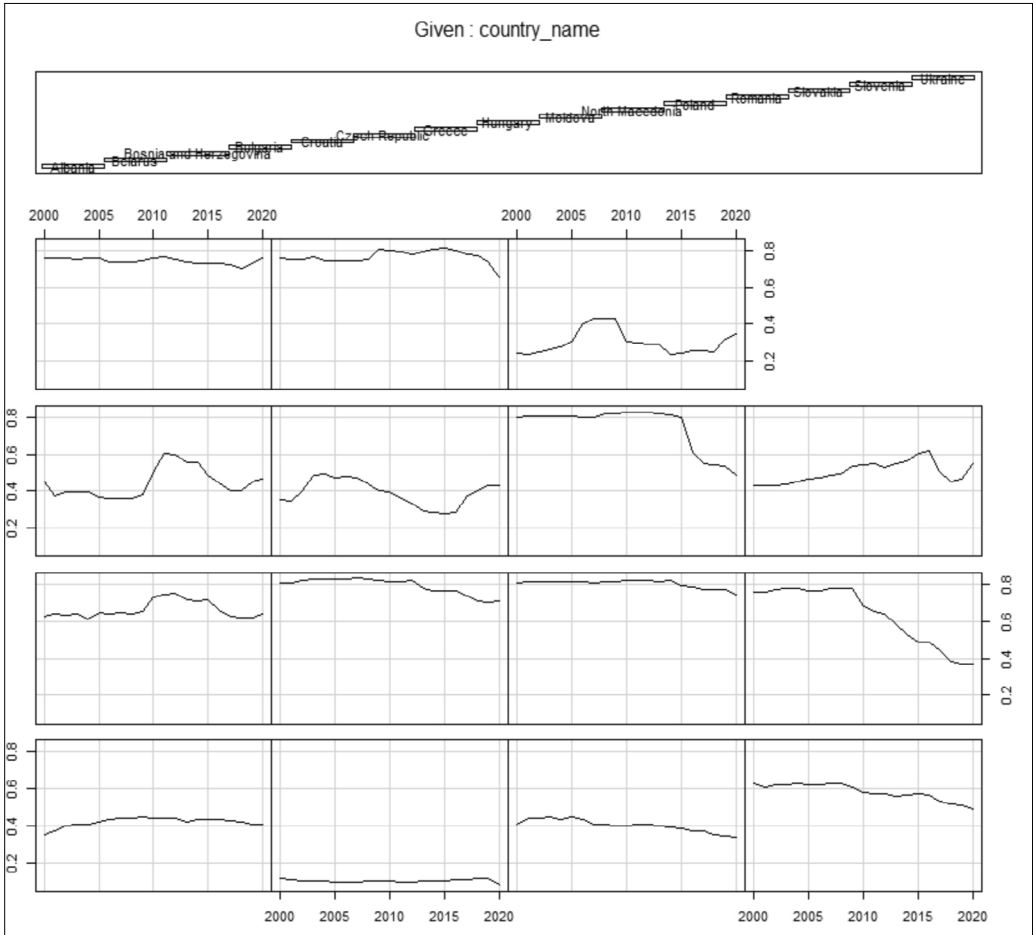


Figure A.3 • Trends of the participatory democracy index over time and across countries

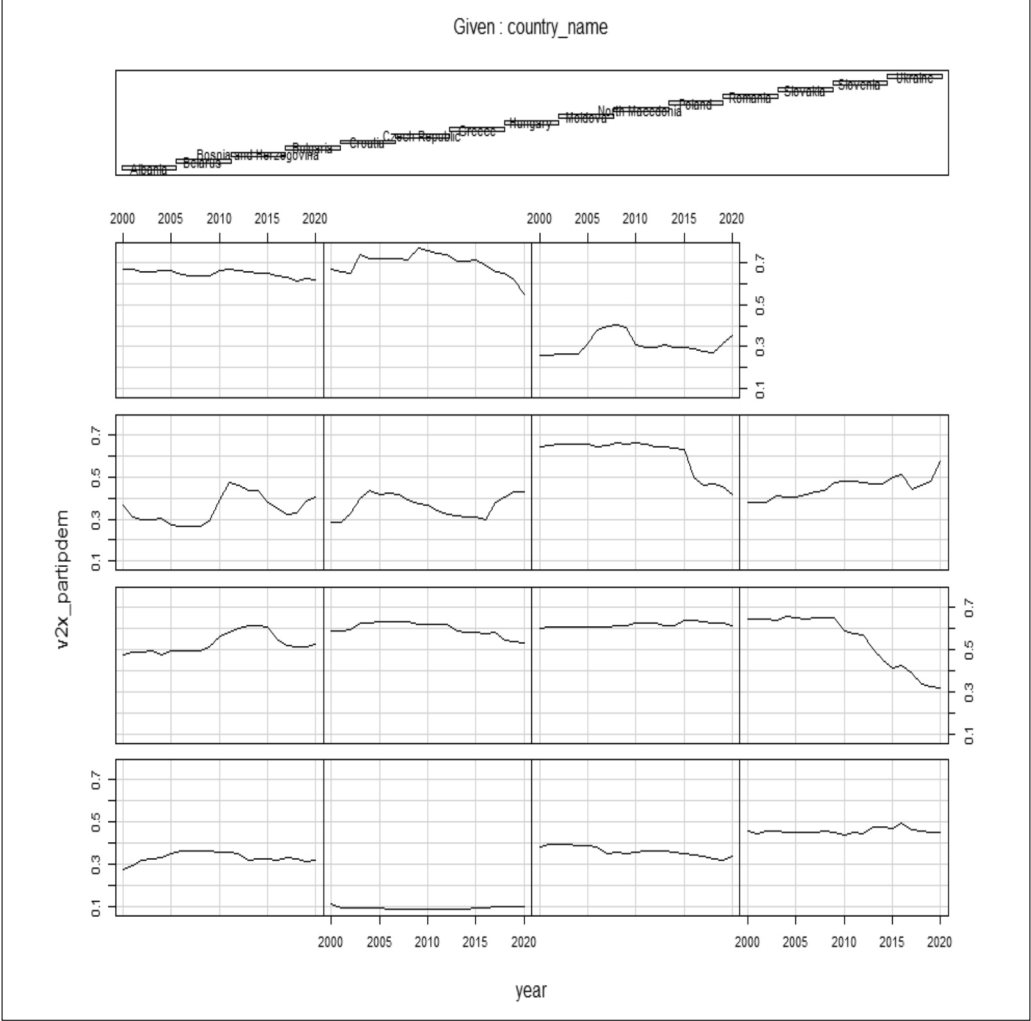


Figure A.4 • Trends of the deliberative democracy index over time and across countries

Given : country_name

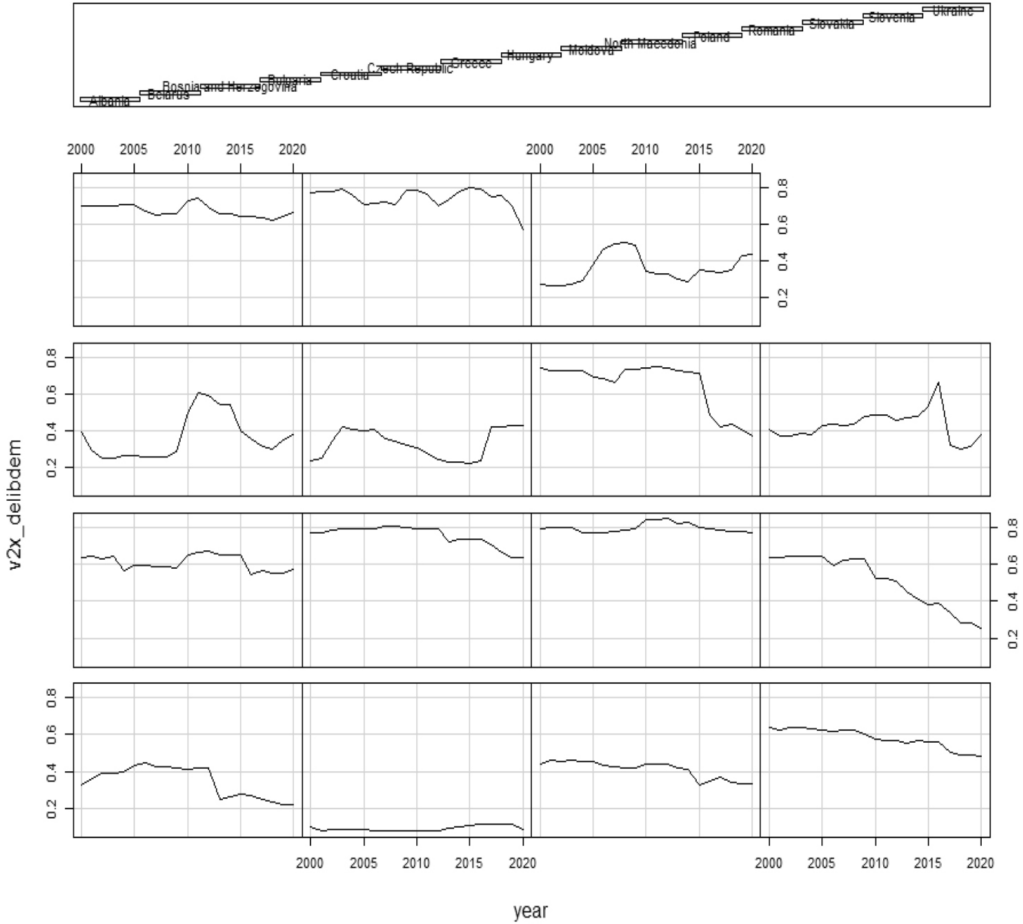


Figure A.5 • Trends of the egalitarian democracy index
over time and across countries

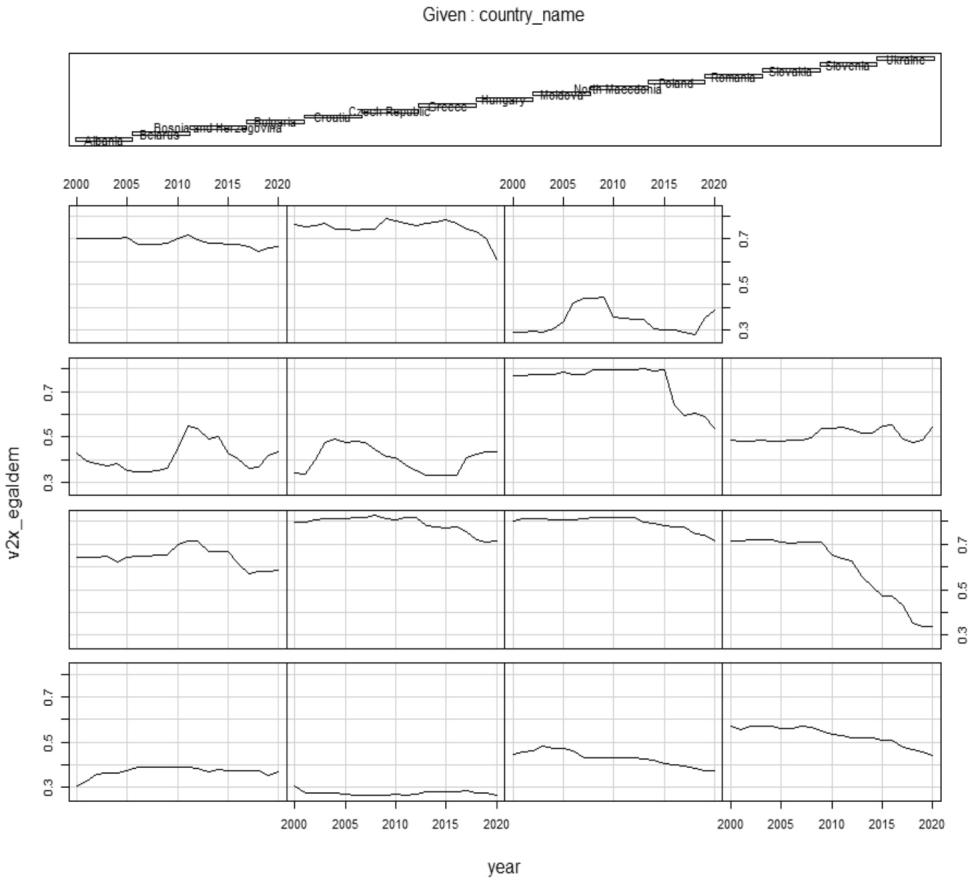


Table A.3 • Fixed effects regression of democratic quality

	<i>Dependent variable</i>				
	Electoral democracy (index)	Liberal democracy index	Participatory democracy index	Deliberative democracy index	Egalitarian democracy index
	(1)	(2)	(3)	(4)	(5)
Import Partner share	0.005 (0.011)	-0.004 (0.013)	-0.0002 (0.011)	-0.002 (0.014)	-0.001 (0.010)
Export Partner Share	-0.023** (0.011)	-0.020* (0.012)	-0.011 (0.007)	-0.025*** (0.008)	-0.020** (0.010)
Trade (% of GDP)	-0.049*** (0.014)	-0.059*** (0.016)	-0.045*** (0.015)	-0.062*** (0.018)	-0.052*** (0.012)
GDP per capita	0.013 (0.017)	0.021 (0.020)	0.015 (0.019)	0.015 (0.019)	0.011 (0.015)
GDP growth	-0.005 (0.006)	-0.005 (0.006)	-0.005 (0.005)	-0.005 (0.008)	-0.005 (0.005)
Political stability	0.018 (0.016)	0.015 (0.020)	0.014 (0.015)	-0.006 (0.019)	0.017 (0.016)
Observations	268	268	268	268	268
No. Clusters (n)	15	15	15	15	15
Events (T)	16-18	16-18	16-18	16-18	16-18
R ²	0.263	0.267	0.213	0.226	0.317
F Statistic (df = 6; 247)	14.679***	15.033***	11.171***	12.043***	19.137***

*Note: Entries are fixed-effects regression coefficients with robust standard errors clustered by country in parentheses. All the independent and control variables are standardized and lagged by two years. Significance levels are *p < 0.10, **p < 0.05 and ***p < 0.01.*

