

Effect of infrastructure investment on diplomatic relations & peaceful dispute resolution

InfraInfrastructure investments, such as those under the Belt and Road Initiative (B&R), show a moderate effect on improving diplomatic relations and supporting peaceful dispute resolution.

Geographic region: Global

Effect: Moderate effect ($g=0.153$)

Confidence in study findings: Low (1 study with 1 effect size)

Short summary

Infrastructure investments through initiatives like China's Belt and Road (B&R) demonstrate a moderate effect in fostering diplomatic relations and supporting peaceful dispute resolution. By improving transport connectivity, facilitating trade, creating economic opportunities, and promoting regional interdependence, these projects enhance conflict governance rankings globally. Developed countries benefit more due to institutional stability, while governance challenges in developing nations highlight the importance of careful, context-sensitive implementation. The cell has low confidence due to inclusion of only one study.

Long summary

The intervention

Intervention involves investments in transport infrastructure connectivity (TIC), including roads, railways, ports, and air transport facilities. Projects under the B&R Initiative focus on reducing trade costs, improving mobility, and enhancing regional integration across Asia, Africa, Europe, and beyond. These investments aim to generate economic opportunities, facilitate cross-border trade, and strengthen China's diplomatic influence through global connectivity projects.

How the intervention is expected to affect this outcome

Infrastructure investments are expected to improve diplomatic relations and peaceful dispute resolution by enhancing mobility, promoting shared economic interests, and reducing the likelihood of conflict. In conflict-affected regions, better transport infrastructure can create jobs, reduce poverty, and increase regional interdependence, encouraging cooperation over hostility. Conversely, poorly implemented projects may heighten vulnerabilities by enabling access for militant groups or worsening economic inequalities.

The evidence base

The cell includes 1 impact evaluation study. This study utilized a global data set and leveraged on the variation in the timing and location of B&R-related infrastructure projects to create a natural experiment.

Evidence findings

Infrastructure investments under B&R significantly improve a country's ability to resolve conflicts and enhance diplomatic relations, increasing global conflict governance rankings by 6–13 positions on average. The effect is stronger in developed countries with stable governance. Key mechanisms include trade facilitation, income growth, and gender-balanced employment. In developing nations, weak governance and financial risks can limit the effectiveness of these interventions.

Included studies

Luo et. al (2022) explores the impact of Transport Infrastructure Connectivity (TIC) on conflict resolution, leveraging data from 192 countries between 2010 and 2017. A key focus is the Belt and Road Initiative (B&R), which serves as a natural experiment for examining TIC's influence on global conflict resolution. The study employs a Difference-in-Differences (DID) approach and dual machine learning (DML) techniques to address endogeneity and heterogeneity. Key data sources include the Global Justice Index, World Bank indicators, and UCDP conflict databases. Subsample analyses differentiate between developed and developing countries, considering varying impacts of TIC. The findings reveal that TIC improves conflict governance rankings (an average of 6-13 ranking positions), with greater benefits observed in developed countries due to their higher marginal utility for peace. Mechanisms include enhanced trade facilitation, increased female labor participation, and income growth. However, results highlight context-dependent effects and emphasize the importance of balancing TIC with security measures to prevent unintended consequences like easier militant access. The study is rated as medium since it is a non-experimental study.

Confidence Assessment

Overall confidence is low, as the cell includes only one study.

Other outcomes in the study:

None