

Trade Dependence

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Policymakers are increasingly concerned with issues of political influence in international relations, particularly with regard to China's influence over strategically vulnerable states.

Are states able to exploit trade imbalances to influence other states' policy choices?

Literature review

The link between dependence and political influence has long been chewed over. Broadly, the literature has debated whether increasing economic dependence on a state increases the likelihood that the partner will accommodate the reporter's interests, *ceteris paribus*.

Previous research has relied on gross measures of trade dependence, including total trade and trade as a proportion of a country's total gross domestic product or gross national income. This is despite the fact that we rarely see imposers of trade disruptions attempt to disrupt all trade with a partner. Rather, they strategically select specific products or sectors to target (Gholz and Hughes 2021).

Several researchers have found evidence that increased trade with China has led to increased convergence on their position on global issues (Flores-Macías and Kreps 2013; Strüver 2014; Kastner 2016). Kastner finds stronger support for the claim that increased trade leads to increased convergence with China on economic issues. Specifically, he finds a strong relationship between increased trade and support for China's position on its status as a market economy.

Others have found evidence to the contrary, including Medeiros et al. (2008) and Ross (2006).

Theory

China's influence

Following Kastner, I define China's influence as "the degree to which countries adopt policies toward China, on issues China cares about, that are consistent with Chinese preferences" (Kastner 2016 pg. 985)

Empirics

Measuring influence

We first need an appropriate measure of political influence. It is difficult to operationalize political influence across countries and time (Kastner 2016).

Both Flores-Macias and Kreps (2013) and Struver (2014) measure the distance between a country's and China's voting pattern in the United Nations General Assembly. Kastner (2016) examines countries' positions on issues pertaining to issues over which China cares deeply: Taiwan and Tibet, and its status as a market economy.

Measuring trade dependence

As discussed above, the broad measure of trade dependence common in international relations literature suffers from limited applicability to real-world threats.

Flores-Macias and Kreps (Flores-Macias and Kreps 2013) examine trade flows with China and their trade as a percentage of total output. They find that increases in both are strongly associated with convergence with China on human rights issues in the UNGA.

Both Struver (2014) and Kastner (2016) find stronger support for import dependence translating into political influence than export dependence.

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