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TRADE DEPENDENCE ON AUTHORITARIAN STATES AND POLITICAL DEVELOPMENT, THE CASE OF POST-SOVIET EURASIA

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Abstract

In this thesis, I explore whether authoritarian states with large economic power, also known as authoritarian superpowers, have an influence on the political freedoms of developing states. To explore this relationship, I specifically look at the influence of trade dependence on Russia and China on the political development of post-Soviet Eurasian states. In doing so, I create multiple time series regressions between states' Global Freedom scores and their annual trade dependence, both collectively and individually, on Russia and China. The results suggest that trade dependence on Russia and China has a significant negative effect on the Global Freedom scores when running a cross-state analysis; however, the effect is not significant when running a within-state analysis, suggesting that trade dependence on Russia and China does not have a significant impact on any state's political development over time.

I. Introduction

The beginning of the 1970s marked a global transition towards democracy, known by many as the "Third Wave of Democratization." The fall of the Soviet Union in 1989 signaled to the world that democracy was winning over autocracy (Brinks & Coppedge, 2006). The largest authoritarian government had just fallen, and the West was beginning to see its liberal ideology spread across the world. The dissolution of the USSR also coincided with an increase in calls for independence and national identity in the regions surrounding Russia (Tudoroiu, 2007). However, the last two decades have been marked by a global backslide in democracy and liberal values (Diamond, 1996), particularly among hybrid regimes and consolidated autocracies.

Despite having similar stories of conception, post-Soviet Eurasian states (including Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan) have varied widely in their transition to independence, their ability to create successful democratic institutions, and the protections provided for the political rights and civil liberties of their citizens (*Freedom in the World)*. As is the case with Russia, many of the post-Soviet states' transitions to democracy were never fully realized, and many began to slide back towards authoritarianism - in some cases, even after adopting more liberal policies and democratic institutions following independence. By 1998, Russia had reversed many of its democratic policies and began obstructing political parties, canceling gubernatorial elections, and adopting tight restrictions on freedom of press and assembly (Belin, 2002). By 2004, Russia had reestablished itself as strongly authoritarian under President Vladamir Putin (Lucan, 2008), and many of the surrounding non-Baltic post-Soviet states followed suit. The coinciding backslide of democracy in Russia and the surrounding states begs the question of if and how Russia may be

impacting the political development of other developing nations, specifically post-Soviet Eurasian states.

Russia, however, is not the only autocratic superpower in the region that may be impacting the political development of new/developing nation-states. According to data from the World Bank and The Observatory of Economic Complexity, since 1989, China's GDP has grown at an average of 9% per year, and their global exports have increase from $330 billion in 2000 to $2.65 trillion in 2020, meaning they have far surpassed Russia in terms of economic power. China is far from a model democracy, having one of the most repressive governments in Asia and providing minimal political rights and civil liberties compared to other states with comparable GDP. Over the past two decades, China has made both explicit power-moves in terms of establishing regional hegemony in Taiwan and Hong Kong, as well as implicit power-moves through financial projects such as their "Belt and Road Initiative", establishing trade networks, and the purchasing of foreign debts. Thus, it is possible that, in addition to Russia, China has played a significant role in the global shift towards autocracy in the last two decades.

Thus, the underlying question driving my research is: How have Autocratic Superpowers contributed to the global backslide of democracy and human rights over the last two decades? As Human Rights literature and International Development literature have proven, states with representative governments, strong institutions, and high levels of personal freedoms tend to have lower numbers of human rights violations (Møller & Skaaning), are less likely to deal with political violence / uprisings (Fein, 1995), and generally provide a greater standard of living for their citizens (Barro, 1996). Therefore, it logically follows that the global backslide of democracy and democratic values have coincided with a global backslide of respect and

protection of individuals' rights. In this paper, I will explore whether dependence on authoritarian super-powers (particularly Russia and China) for trade and economic growth has led to a deterioration of political rights and civil liberties for citizens in developing states. To do so, I will focus specifically on the case of post-Soviet Eurasian states.

II. Setting the Stage: Prior Research on Democratization

There is a large variation in regime type and development of institutions among post-Soviet Eurasian states, such as between Ukraine, which has democratically elected representatives and growing democratic institutions, and Azerbaijan, which remains a consolidated autocracy controlled by wealthy elites. Prior work has identified a number of reasons for the variance in liberalization/democratization of post-Soviet states. In this section, I will review the main arguments and demonstrate that they remain incomplete for our understanding of the democratic development in post-Soviet Eurasia.

A. Democratic Institutions and Experience with Independence

Scholars generally agree that states with strong democratic institutions are more likely to respect and protect individual freedoms, and far less likely to violate human rights (Reif, 2000). This is likely due to the fact that authoritarian leaders often use repression and coercion to maintain control, as opposed to gaining public support through campaigns and elections. Additionally, increased state capacity allows governments, specifically authoritarian and transitioning governments, to more effectively repress political opposition and limit individual freedoms that may lead to the development of robust democratic institutions that undermine a leader's power (Roberti, 2019).

Much existing literature focuses on the historical cultural and societal aspects of the Soviet Union and the lasting impacts to explain the lack of democratization in post-Soviet Eurasian states. According to Reisinger et. al (1995), post-Soviet states are lagging in democratization because of a lack of support for democratic institutions (Reisinger, Miller, & Hesli, 1995). They suggest that the core mechanism preventing the formation of necessary institutional support is the lack of social organization, both at the local/communal level and the macro/state level. This concept is supported by Theodor Tudoroiu, who argues that the weakness/lack of civil society prevented successful revolutions in Georgia, Ukraine, and Kyrgyzstan (Tudoroiu, 2007). Several others support this idea that the transition from totalitarian communism has had lasting sociocultural effects on post-Soviet states' ability to democratize (Gill, 2003; Gill, 2006). While these arguments seem entirely reasonable, they fail to address the mechanisms that continue to prevent the formation of functional democratic institutions, such as physical repression of political rights and civil liberties.

When looking towards the Baltic post-Soviet countries, such as Latvia, Estonia, and Lithuania, this theory seems to hold up. All of the countries mentioned had preexisting, independent democratic institutions prior to being absorbed by the Soviet Union during World War II, and all are currently ranked by Freedom House as the most democratic post-Soviet states. However, this theory fails to explain variation of democratization for the rest of the post-Soviet states that had no experience with democracy prior to the formation of the Soviet Union. For example, neither Belarus nor Ukraine had democratic institutions prior to being subsumed by the Soviet Union, and are fairly similar in their geographic exposure to the EU and other Western institutions, yet their paths towards democracy have varied significantly since the fall of the Soviet Union in 1991.

B. Mass Literacy and Education Prior to USSR

Mass Literacy is another prominent explanation for lack of democratization and low levels of political rights in post-Soviet Eurasian states. Keith Darden and Anna Grzymala-Busse explain in their article, "The Great Divide: Literacy, Nationalism, and the Communist Collapse" that there is a direct causal link between "the introduction of mass schooling, subsequent ideas about the nation and its legitimate authority, the rise of anticommunist opposition, and the communist exit." (Darden & Grzymala-Busse, 2006, p.84). They argue that explanations such as geography, culture, exposure to democracy pre-USSR, and strength of Soviet opposition all fall short in providing a complete answer to trends of democracy across post-Soviet states. However, rates of mass literacy in post-Soviet states provide a clear and consistent explanation for varying levels of democratization. This article provides a convincing account for patterns of democratization and formation of national identities leading up to and directly following the collapse of the USSR, but fails to capture ongoing effects preventing democratization.

This is the common theme amongst structure-based theorists: their explanations provide context for how a situation has arisen, but often fail to explain the mechanism that is preventing progress / maintaining the status quo. What is keeping support for democratic institutions low in some post-Soviet states and not others, despite mass literacy rates being universally high following the collapse of the Soviet Union?

C. The Resource Curse

The resource curse theory has been extremely influential on the study of emerging democracies. It states that countries with high natural resource wealth tend to develop democratic institutions slower than countries with poor access to resources (Bulte & Damania, 2008). In order to test for

the effect of a resource curse on post-Soviet states, Doroshenko et al. (2014) split the post-Soviet countries into resource categories: Eurasian countries with rich natural resources, Eurasian countries without natural resources, and new EU member states. They then used these categories to measure "commodity sector influence on macroeconomic indicators, social implication of the commodity sector's development (contribution to the population's quality of life), [and] influence on the index of public institutions development" (Doroshenko et al. 2014, p.84). They used data from the World Data Atlas from 2000 to 2014 to determine commodity exports as a percentage of total exports, percentage gross value added by agriculture and mineral mining, and natural resources per capita for each post-Soviet state.

Their findings suggest that post-Soviet countries with access to financial resources, either through natural resources or access to financial borrowing (from the EU) have better developmental outcomes. However, the article ultimately does not find any significant difference between the political development of post-Soviet states with and without commodity production. It illustrates the limits of the resource curse theory for explaining democratic development in the post-Soviet region.

D. Russian Ethnic Influence

Commonly, high levels of ethnic Russians in post-Soviet states reflects the historical efforts of the Soviet Union to spread Russian influence across their controlled territory. Since the fall of the Soviet Union, every post-Soviet periphery nation has seen a steady decrease in the population of ethnic Russians living within the country, however, some states have retained higher populations of ethnic Russians than others. There are a variety of reasons why this might be, including personal familial ties, economic and social conditions, and political considerations. For the

purpose of this study, it is important to consider specifically how the political climate may impact or be impacted by the level of ethnic Russians in a given state.

According to Alexander Cooley, a major reason for the invasion of Russia into Crimea in 2014 was Putin's desire to incorporate those in the region who spoke Russian and identified as Russian into the state (Cooley, 2017). This stemmed from what became known as the "Putin Doctrine," which states that Russia has a right and obligation to protect Russian ethnics, wherever they may be in the world (Coalson, 2014). Therefore, it is possible that Russia exerts more effort to assert political influence in states with high levels of ethnic Russians. Likewise, it is possible that a large population of ethnic Russians that identify with Russia may be able to exert larger political influence within their state, and/or drive divisions between ethnic groups, as we have seen in Ukraine.

Conversely, states that developed robust economic institutions and strong democratic political institutions may have been able to more effectively retain their Russian ethnic population. Evidence for this theory can be found when looking at post-Soviet Baltic states such as Latvia, Estonia, and Lithuania, all of which have relatively high levels of individuals identifying as ethnically Russian. It follows, intuitively, that ethnic Russians do not automatically support the Russian regime or totalitarian/communist institutions. Likewise, not all states with high ethnic Russian population levels are targets for political force by Russia, especially if those states are heavily backed by western institutions.

E. Economic Development

GDP is often used as one of the main indicators for economic development,as well as the quality of life experienced by citizens of a state, however this is not as black and white as it may seem. Because many of the highest GDP countries are also some of the most free and most

"successful" economically, many insist that a high GDP is universally beneficial for the citizens. However, when looking at Russia and China, it is clear that high GDP does not always indicate a respect for rights and liberties, and even possibly enables further control by the state. While quality of life may improve within a state, these improvements may allow an oppressive regime to appease the concerns of citizens, essentially buying loyalty, and allowing them to continue to remain in power despite violating citizens' political rights and civil liberties. Additionally, if the economy of a country with high GDP is controlled almost entirely by the state, it is possible that economic prosperity allows the state to more effectively exert influence and control over the citizenry through propaganda, surveillance, military, etc.

III. Trade Dependence and Democracy: A Theory

As the literature review in the previous section suggests, the existing explanations are not fully able to account for the variance in the democratic development within post-Soviet Eurasia. This suggests that additional theorizing is needed. In this thesis, I explore whether the degree of political rights and civil liberties experienced by citizens in post-Soviet Eurasian states is affected by the level of dependence the state has on authoritarian super-powers such as Russia and China for access to beneficial trade agreements. Additionally, I will untangle this relationship, and explain the possible mechanisms through which trade dependence on authoritarian superpowers impacts political development of other states.

To begin, I draw inspiration from Angus Deaton's book, "The Great Escape." Deaton (2013) explains how large financial bodies, such as NGOs, development banks, foreign investors, etc. may create a situation in which a ruling party/regime can rely on exterior financial support for legitimacy, allowing them to more effectively ignore the demands of its citizens. I expect a

similar dynamic to emerge from a state's financial dependence on foreign powers, particularly if these powers are authoritarian. Note that this general rationale is also inspired by the resource curse literature, except instead of dependence on natural resources, it is the financial dependence on the authoritarian superpowers that enables developing states to effectively maintain legitimacy without the support of their citizens (Leonard, 2002; Viola & Richter, 2016). Lastly, and possibly most importantly, access to beneficial trade agreements through Russia and China allows Eurasian states to grow economically without having to conform to sanctions or human rights legislation imposed by Western economic powers.

In what follows, I will elaborate on this argument and the causal chain linking financial dependence on authoritarian superpowers to low political freedoms at home. To illustrate the argument, I will focus specifically on the authoritarian superpowers of Russia and China, both of which hold substantial economic and political power in the international arena, and have cultivated dependencies in the region, thereby potentially affecting domestic political trends throughout Eurasia. In doing so, I assert that a state need be an economic "superpower" to have substantial influence on the political development of other states.

The starting assumption of my argument is that authoritarian superpowers have an incentive to increase their economic power and global political influence, and are more likely to gain influence in geographically neighboring states. This is not a heroic assumption, and both Russia and China demonstrate actions that imply these ambitions. Russia has specifically expressed the desire to regain the loyalty of the old Soviet states in Russia's periphery. Putin identified this region as the "near abroad" and made clear his intention to unite states in this region with Russia, whether it be through multilateral policy agreements, or brute force (as we have seen in Georgia in 2008, and in Ukraine in 2014 and 2022) (Toal, 2017). China, too, is

determined to expand its global dominance with a focus on Eurasia, the Middle East, Africa, Southeast Asia, Eastern Europe, and parts of South America (Guo et al., 2019; Sacks, 2021). In fact, because of China's geographic location, Eurasia serves as a bridge between China and many of its strategic economic partners.

Authoritarian superpowers can use several mechanisms in order to achieve such influence. Among them, fostering financial dependence is one of the most prominent tools. Such dependence can easily be formed by trade agreements and by making direct financial and other types of investments. Again, Russia's and China's actions in the region help illustrate this dynamic. Since the fall of the Soviet Union in 1991, Russia has made several attempts through regional multilateral and bilateral agreements to maintain its sphere of influence, particularly in Eurasia. Russia's first attempt to create a multilateral regional agreement with itself at the center was the Commonwealth of Independent States (CIS), which lasted throughout the early 2000s (Kubicek, 2009). In 2001, Russia established the Eurasian Economic Community (EurAsEC) as a response to the failures of CIS. EurAsEC has essentially served as a tool for Russia to ensure that it remains relevant in the economic affairs of the region. According to Stephen Aris' paper on *Russia's Approach to Multilateral Cooperation in the post-Soviet Space*, Russia used the organization to help members recover after the global financial crisis, which in turn provided greater incentive for countries to join and sell their loyalty to Russia. Finally, EurAsEC also operated a customs union, which was formalized into the Eurasian Economic Union (EEU) and which binds the "post-Soviet economies in a Moscow-centered economic zone" (Aris, 2010, p.3).

China, in turn, has established the "Belt and Road Initiative," i.e., "a comprehensive three-dimensional transport network interconnection across the Eurasian continent, consisting of

railway, highway, air, maritime transport, oil and gas pipelines, transmission lines and communication networks" (Guo et al. 2019, p.79). This initiative helps China access global markets, influence regional affairs, and form spheres of influence (Almeida, 2018; Auerback, 2018; Tiezzi, 2014). In addition to infrastructure, China's Belt and Road Initiative also includes the creation of several free trade agreements with the countries in the region, providing them access to rapidly growing Chinese markets.

Another assumption of my argument is that most authoritarian leaders will seek to increase their hold on power in whatever way possible. Again, this is not, I hope, a farfetched assumption based on the course of human history. Authoritarian leaders typically use various forms of repression, both on political rights and civil liberties, in order to limit the influence that its citizens have on the decisions made by the state. In order to operate properly and enact these forms of repression effectively, the state must have a source for collecting funds, which is typically taxation of its citizens. Because the state must collect taxes from its citizens, the citizens are provided a semblance of power and legitimacy that the state must respect in order to maintain the state capacity. However, if the state can depend on some outside source for its economic power, this effectively eliminates any claim to power/representation that citizens may have.

In line with this reasoning, prior research suggests that Russia is able to influence member states' foreign and domestic policy in order to align with its own interests (Dragneva & Wolczuk, 2017). For example, it is argued that Belarus' President, Aleksandr Lukashenko, has ceded much of his country's sovereignty to Russia due to its reliance on Russia for resources and financial investments (Hancock, 2006), with Armenia and other some states potentially experiencing a similar dynamic (Delcour, 2014). This is possibly due to Lukashenko's fear of

losing power as the legitimacy of his nearly 26 year rule continues to decline. Access to Russian trade, specifically as it relates to energy, is critical for Belarus' economy to stay afloat, and as the economic situation worsens for Belarus, so does Lukashenko's grip on power (Jonavičius, 2013).

Specific evidence of China asserting direct political influence over post-Soviet Eurasian states is less obvious; however, when looking toward other countries in which China has made heavy financial investments, one can see how there is potential for China to leverage its position as a global economic superpower to do so. For example, in 2018, Sri Lanka was forced to hand over control of its newly built port to China after failing to provide the funding agreed upon in its loan agreement with China. Many speculate and accuse China of using its financial power to give out loans, such as the one provided to Sri Lanka, in order to gain strategic positioning and influence within developing nations (Huang, 2016).

As it relates directly to trade dependence, as mentioned, China's astonishing economic growth, both in terms of GDP and manufacturing/export production, has made it a beacon for access to trade and economic growth for surrounding nations. Since 2003, every post-Soviet Eurasian country has increased their trade (imports and exports combined) on China, likely as a byproduct of China's newfound economic power (The Observatory of Economic Complexity). Likewise, some speculate that newly independent/developing states that had established authoritarian regimes began to look towards China for access to trade and economic growth in order to avoid the "liberalizing" restraints of trading with Western nations and receiving investments from organizations such as the International Monetary Fund (IMF) (Kahandawaarachchi, 2015). As opposed to western institutions/countries, China may actually support the consolidation of power into the hands of autocratic leaders that can more effectively control the policies and values than a democratically elected leader.

This last point is likely the strongest link in the relationship between trade dependence on authoritarian superpowers and low political freedoms within a state. Because Western organizations focused on global development (such as the International Monetary Fund and the World Bank) often mandate liberalizing reforms alongside their international aid, they are seen by many in the East as a form of 21st century Western imperialism (Duménil and Lévy, 2004). As mentioned, China and Russia's growing economic prowess has put them in a position to offer developing nations an alternative to western monetary aid that does not require the state to impose any liberalizing reforms to their economic structure, and more importantly, to their human rights abuses.

To summarize, I argue that authoritarian superpowers may affect the political freedoms and civil liberties of developing states in two distinct, but interrelated ways. One of the ways in which authoritarian superpowers achieve such influence is by fostering other countries' financial dependence on them. By providing an alternative to Western financial aid that does not require liberalizing reforms or constraints on rights abuses, such dependence allows authoritarian regimes in developing post-Soviet Eurasian states to ignore democratic demands. Likewise, trade dependence on authoritarian superpowers may provide a greater opportunity to directly influence the policies of economically dependent, developing states. The second way that trade dependence on authoritarian states may affect political freedoms and civil liberties in developing states is by providing the economic power to effectively repress its citizens. Applying this argument to the post-Soviet region and the authoritarian super-power of Russia and China, I expect that those post-Soviet countries that are more financially dependent on these authoritarian states are likely to have lower levels of political freedoms and civil liberties. This serves as the central hypothesis that I test empirically in the remainder of the thesis.

IV. Research Design and Methodology

A. Data Collection

In order to estimate the effect of trade dependence with Russia and China on post-Soviet Eurasian states' repression of their citizens, I ran several multivariate time-series regressions between the states' levels of political rights and civil liberties to their independent and combined calculated trade dependence on Russia and China. As mentioned, the states I looked at include Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The post-Soviet Baltic states are specifically left out because of their proximity to the EU and access to European institutions. According to Cameron and Orenstein (2013), a major reason for the difference in the establishment of democracy and personal political/civil freedoms we observe between the Baltic (Estonia, Latvia, and Lithuania) and non-Baltic post-Soviet states, is their proximity to the EU. Following the collapse of the Soviet Union, these countries bordering EU nations had much easier access to capital and investments from the West and the EU, allowing them to develop robust economies and strong democratic institutions (Melnikas, 2008).

B. Dependent Variable - Political Rights and Civil Liberties

In order to determine a state's level of political rights and civil liberties, I used scores provided by Freedom House's *Freedom in the World* Index from 2003-2020. According to Freedom House, a state's "Freedom in the World" is scored out of 100. The score is based on 10 political rights-focused questions, and 15 civil liberties-focused questions, with each question receiving a score of 0-4: 0 indicating the lowest level of freedoms, and 4 indicating the highest. Each year, more than 100 analysts and nearly 50 advisors work together to determine a score for each state based on local reporting, news articles, academic analyses, reports from nongovernmental

organizations, individual professional contacts, and on-the-ground research. For the purpose of my research, I refer to this score out of 100 as a *Global Freedom score*.

In order to determine a score for a state's political rights, the following categories/questions are analyzed, and each is given a score out of four, with a zero indicating few political rights, and a four indicating high levels of political rights:

> ***A. Electoral Process:*** *Was the current head of government or other chief national authority elected through free and fair elections? Were the current national legislative representatives elected through free and fair elections? Are the electoral laws and framework fair, and are they implemented impartially by the relevant election management bodies?*
>
> ***B. Political Pluralism and Participation:*** *Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system free of undue obstacles to the rise and fall of these competing parties or groupings? Is there a realistic opportunity for the opposition to increase its support or gain power through elections? Are the people's political choices free from domination by forces that are external to the political sphere, or by political forces that employ extrapolitical means? Do various segments of the population (including ethnic, racial, religious, gender, LGBT+, and other relevant groups) have full political rights and electoral opportunities?*
>
> ***C. Functioning of Government:*** *Do the freely elected head of government and national legislative representatives determine the policies of the government? Are safeguards against official corruption strong and effective? Does the government operate with openness and transparency?*

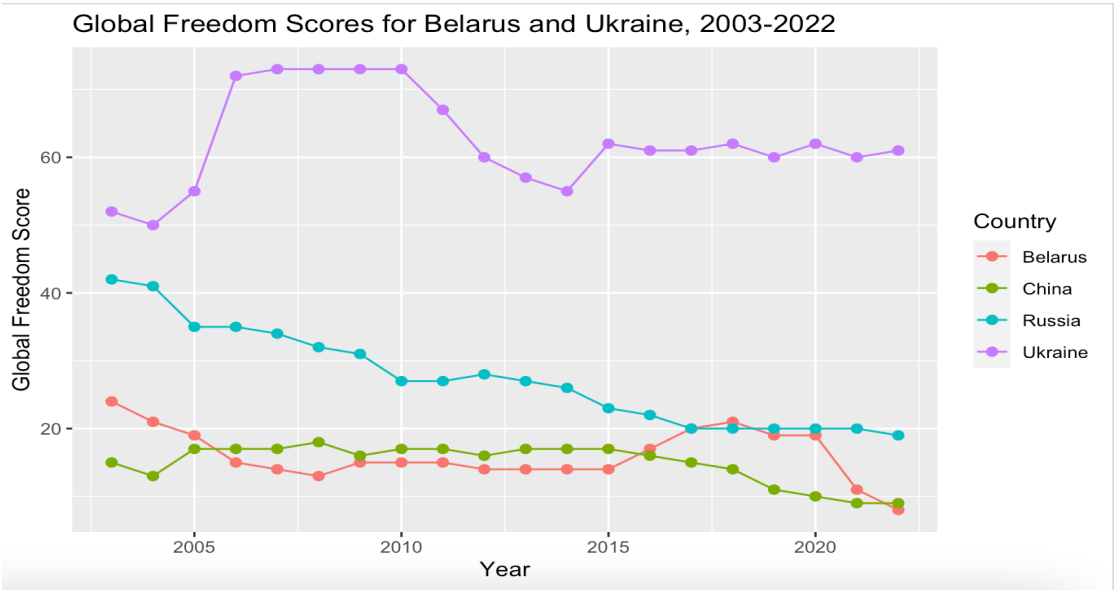
Likewise, a score for civil liberties is based on experts' interpretations of the following categories, with each question receiving a score zero to four:

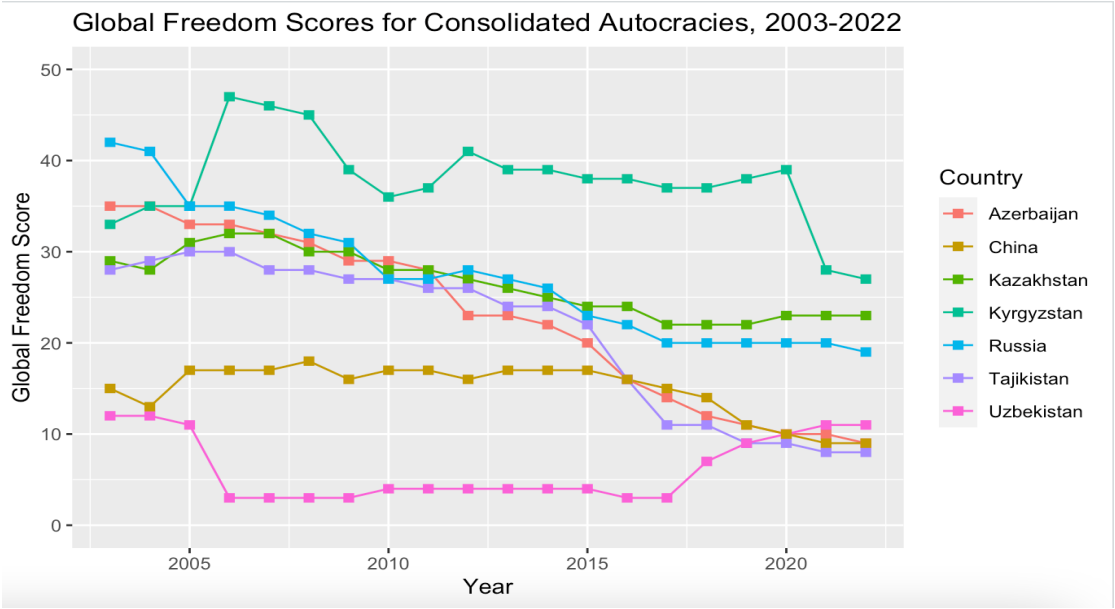
> ***D. Freedom of Expression and Belief:*** *Are there free and independent media? Are individuals free to practice and express their religious faith or nonbelief in public and private? Is there academic freedom, and is the educational system free from extensive political indoctrination? Are individuals free to express their personal views on political or other sensitive topics without fear of surveillance or retribution?*
>
> ***E. Associational and Organizational Rights:*** *Is there freedom of assembly? Is there freedom for nongovernmental organizations, particularly those that are engaged in human rights– and governance-related work? Is there freedom for trade unions and similar professional or labor organizations?*

***F. Rule of Law**: Is there an independent judiciary? Does due process prevail in civil and criminal matters? Is there protection from the illegitimate use of physical force and freedom from war and insurgencies? Do laws, policies, and practices guarantee equal treatment of various segments of the population?*

***G. Personal Autonomy and Individual Rights:** Do individuals enjoy freedom of movement, including the ability to change their place of residence, employment, or education? Are individuals able to exercise the right to own property and establish private businesses without undue interference from state or non-state actors? Do individuals enjoy personal social freedoms, including choice of marriage partner and size of family, protection from domestic violence, and control over appearance? Do individuals enjoy equality of opportunity and freedom from economic exploitation?*

Figure 1: Global Freedom Scores, 2003-2022





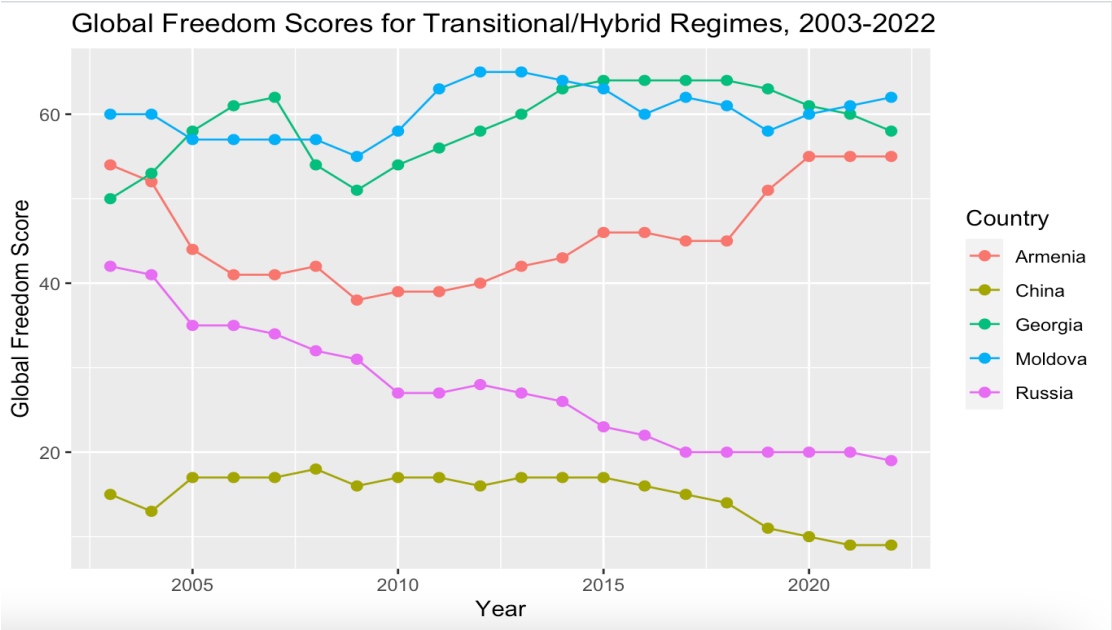


Figure 1 displays the *Global Freedom scores* and trajectories for each country from 2003-2022. As one can see, several Eurasian states have followed Russia and China in a path towards autocracy since 1990, specifically those states that formed consolidated autocracies directly following the collapse of the Soviet Union. However, we cannot claim just from the observed parallel decline in political rights and civil liberties between Russia/China and these states that the cause of their decline is the presence of Russian or Chinese influence. Similarly, we cannot simply claim that a lack of decline in political rights and civil liberties in other states is because of an absence of Russian or Chinese influence. In order to gain a deeper understanding of the effect of Russia and China's trade relations on the political rights and civil liberties experienced in Eurasian states, I created an index of "trade dependence" on Russia and China.

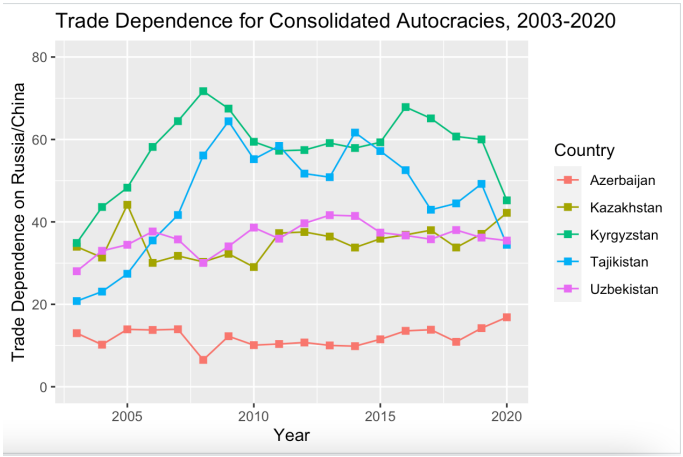
C. Independent Variable - Trade Dependence on Russia and China

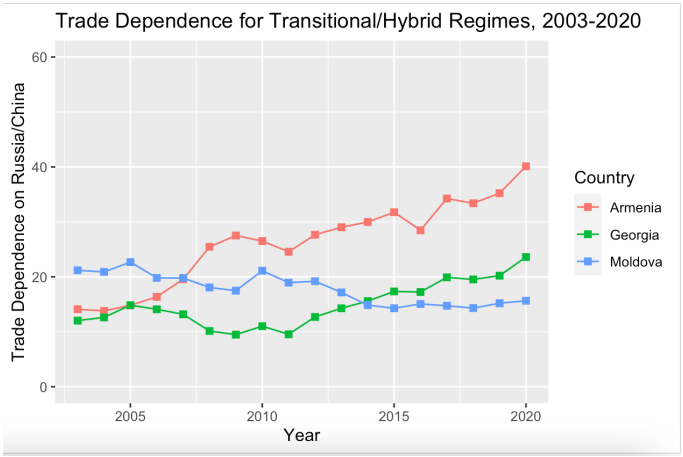
To calculate trade dependence, I collected data from The Observatory of Economic Complexity on trade between Russia, China, and every post-Soviet Eurasian state between 2003 and 2020. I then created an index for trade dependence by adding the sum of the imports/exports to Russia and China for each year and dividing by the total trade for the Eurasian state for each year. The formula for trade dependence on Russia and China for a state in a given year is as follows:

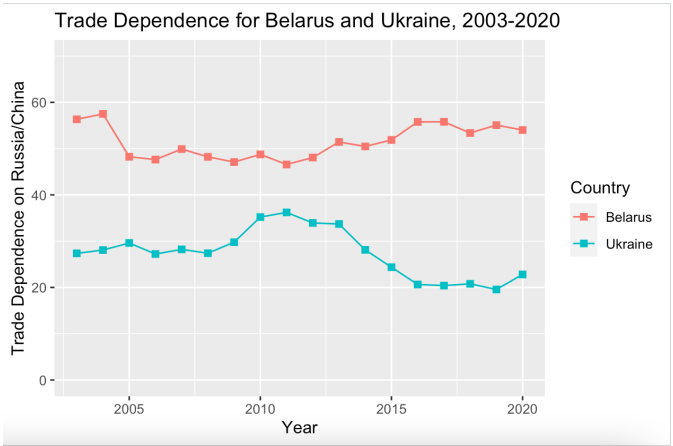
$$\text{Trade Dependence} = ((I_C + E_C) + (I_R + E_R)) / (I_T + E_T)$$

I_c = Imports from China; E_c = Exports to China; I_R = Imports from Russia; E_R = Exports to Russia; I_T = Total Imports; E_T = Total Exports

Figure 2: Trade Dependence on Russia and China, 2003-2020







With the available data, I ran several regressions with *Global Freedom score* as the dependent variable and trade dependence as the independent variable, while considering different confounding factors and focusing on specific states in order to determine a relationship on a comparative level, as well as on a state-by-state basis. For the comparative study, I combined all of the data to check for a macro-trend across nations – particularly whether states that have higher trade dependence on Russia and China are more likely to repress their citizens' freedoms than states that rely on the West or have diverse trade relations.

D. Control Variables

In order to account for some possible confounding factors, such as those listed in section II, I created a series of control variables. The first factor I account for is whether the state is affected by a *resource curse*. To keep the analysis consistent, I consider a state to be afflicted by potential resource curse if its exports consist of over 40% raw resource material. Therefore, according to my analysis, the countries with resource curses in Eurasia include Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan. Additionally, I include control variables for the size of the state's GDP and the percentage of ethnic Russians in each country.

E. Results / Discussion

With the available data, I ran several regressions with *Global freedom score* as the dependent variable and *Trade dependence* as the independent variable, while accounting for different confounding factors and year-fixed effects. This allows me to observe whether states that have higher trade dependence on Russia and China are more likely to repress their citizen's freedoms than states that rely on the West or have diverse trade relations.

Table 1: Effects of Trade Dependence on Global Freedom Scores, post-Soviet Eurasia, 2003-2020

	Model 1	*Model 2*	*Model 3*
Trade Dependence Total	-.67***		
	(0.08)		
Trade Dependence Russia		-.995***	
		(0.16)	
Trade Dependence China			-0.333*
			(0.13)
Resource Curse	-14.75***	-22.11***	-12.39***
	(2.69)	(2.78)	(3.28)
State GDP	-0.0002***	-0.00005***	-.0001*
	(0.00)	(0.00)	(0.00)
Ethnic Russians	1.44***	1.03***	.92**
	(0.26)	(0.24)	(.30)
Observation	180	180	180
Adjusted R^2	0.32	0.34	0.076

Note: Entries are estimates on the effect of trade dependence with Russia and China (IV) on Global freedom score across 10 post-Soviet Eurasian states controlling for year-fixed effects. Model 1 accounts for combined trade dependence on Russia and China, Model 2 accounts for trade dependence on Russia independently, and Model 3 accounts for trade dependence on China independently (standard errors in parentheses). *p<0.05, **p<0.01, ***p<0.001

Table 1 displays the regression results for the effect of combined *Trade dependence* on Russia and China on *Global Freedom scores* for all Eurasian states from 2003-2020, controlling for major confounders and year fixed effects. The overall model does not show a great overall fit, with an adjusted R^2 of .32. However, the coefficient on the theoretical variable of interest – *trade dependence* – is negative, as expected, and highly statistically significant. The model determines that for each percentage of increased dependence on Russia and China for trade, a state's *Global Freedom score* decreases by .6. This corresponds to the theoretical expectation and suggests that states that have higher *trade dependence* on Russia and China are more likely to have repressive governments than states with a low *trade dependence* on Russia and China.

In order to determine whether Russia or China was having an outsized influence in relation to the other, I also ran the regressions based on calculated trade dependence on Russia and China independently. The data suggest that there is a more significant relationship between diminished political rights and civil liberties, and trade dependence on Russia than trade dependence on China. The results of these regressions can also be seen in Table 1. With each percentage increase in *trade dependence* with Russia there is a corresponding nearly one point decrease in *Global Freedom score*. This is compared to a percentage increase in *trade dependence* with China corresponding to a .33 decrease in *Global Freedom* score.

All of the control variables listed had a significant effect on the regression, including whether a state faced a resource curse, the level of ethnic Russians in the state, and the state's GDP. As seen in Table 1, and consistent with the literature, states identified as having a resource curse were likely to have a smaller *Global Freedom score* by nearly 15 points. State GDP also had a significant negative effect on *Global Freedom score*, which may be consistent with the view that post-Soviet Eurasian states with higher GDP / state capacity are more likely/able to repress their citizen's rights. Lastly, the percentage of ethnic Russians living within the state's borders had a significant positive effect on the state's *Global Freedom score.*

While these regressions give us a decent comparative view of the impact of trade dependence on Russia and China on the liberalization of Eurasian states, as I have mentioned, this relationship seems to be overdetermined by a multitude of factors. That is, while we may be able to loosely claim that trade relations with Russia and China have an impact on the level of political rights and civil liberties experienced by citizens of post-Soviet Eurasian states, it is hard to claim that it is the main factor contributing to the continued failure of these states to increase their *Global Freedom* scores. Just as it is possible that states with high trade dependence on

China and Russia are able to more effectively repress their citizens' political rights and civil liberties, it is also likely that the relationship runs the other way – states that repress their citizens' political rights and civil liberties are more likely to be offered / sign onto major trade deals with Russia and China. This also may be the reason we see the slight variation in the relationship between trade dependence on Russia, China, and both combined. This lack of causal identification is potentially a major limitation of this cross-national regression analysis.

Table 2: Within-State Effects of Trade Dependence on Global Freedom Scores, post-Soviet Eurasia, 2003-2020

	Model 1	*Model 2*	*Model 3*
Trade Dependence Total	0.06		
	(0.06)		
Trade Dependence Russia		0.19	
		(0.11)	
Trade Dependence China			-0.02
			(0.07)
Observation	180	180	180
Adjusted R^2	0.92	0.92	0.93

Global freedom score within 10 post-Soviet Eurasian states over time. Model 1 accounts for combined trade dependence on Russia and China, Model 2 accounts for trade dependence on Russia independently, and Model 3 accounts for trade dependence on China independently (standard errors in parentheses). *p<0.05, **p<0.01, ***p<0.001

In an attempt to explore if/how trade dependence has affected the political rights and civil liberties of each individual state over time, I ran this same regression. The results can be viewed in Table 2. When controlling for each state, we can see that trade dependence no longer has a significant effect on state's *Global Freedom scores.* These results suggest that, while trade dependence on Russia and China may be able to explain the variance in *Global Freedom score* across countries, it does not provide an explanation for variation of *Global Freedom score* within a country over time. This does not rule out entirely that Russia and China have allowed post-Soviet Eurasian states to remain repressive through their dependence on Russia and China,

despite annual shifts in trade dependence not directly correlating with annual *Global Freedom score* shifts.

V. Conclusion

The aim of this research is to determine whether dependence on authoritarian economic powers negatively impacts the political development of newly independent and transitioning states. To do so, I explore the case of Russia and China's potential impact on *Global freedom scores* of ten post-Soviet Eurasian states. The results suggest that trade dependence on Russia and China have a significant negative effect on the *Global Freedom scores* when running a cross-state analysis; however, the effect is not significant when running a within-state analysis, suggesting that trade dependence on Russia and China does not have a significant impact on any state's political development over time.

There is still much work that can be done to analyze the influence of Russia and China's trade relations on the political rights and civil liberties of Eurasian states. First, I believe my research would benefit from a lagged dependent variable, as it is unlikely that shifts in *trade dependence* will have an immediate effect on the *Global Freedom score* of a given state. This may be able to account for the lack of significance when looking at the impact of *trade dependence* within a state over time. Second, I believe that using a regression discontinuity design for each state participating in multilateral trade agreements with Russia and China would help better causally identify the effect of trade with authoritarian superpowers on freedom. In general, though, causal identification remains a challenge because of a lack of "control" states and the multitude of confounding factors. Third, this research could be extended by analyzing the effect of foreign direct investments (FDI) from Russia and China on the *Global freedom scores*.

Trade is far from the only economic tool to leverage for political influence, and China specifically has done a lot with FDIs in the region over the last decade. The limitation for my research is the lack of FDI data available between specific countries.

Lastly, I believe that the relationship between trade with authoritarian countries and domestic freedoms will become more clear with time. Being that the collapse of the Soviet Union occurred relatively recently after sustaining itself for nearly 70 years, there are many confounding factors influencing the development of the newly independent post-Soviet states. With time, we will be able to more accurately determine how those countries that have aligned themselves economically with Russia and China compare to those that have aligned themselves with the West, or have more diverse trade agreements.

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