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The Economic Implications of the Belt and Road Initiative through Case Studies of Tajikistan and Italy

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Abstract

The Belt and Road initiative, spearheaded by the People's Republic of China, is one of the largest multilateral infrastructure and cooperation projects in the world, with the potential to alter the global economic and geopolitical climate. This paper investigates the effects of the initiative on the Republic of Tajikistan and the Italian Republic. The study uses dependency theory to contextualize the financial and political impacts of the initiative. Our analysis shows that the initiative is not extractive in itself. However, countries with more autocratic governments, in this case, Tajikistan, are likely to end up with deals that are not mutually beneficial and be part of extractive relationships. The study provides a framework using different geopolitical and economic aspects and indicators that suggest whether cooperation under the Belt and Road Initiative or otherwise is extractive or not. We conclude that participating countries in the BRI lie on a spectrum that goes from extractive to mutually beneficial, and the given factors and nuances can be used to understand the relationship other countries share with China under this initiative.

Introduction

In 2013, Chinese premier Xi Jinping proposed establishing the Belt and Road Initiative to promote connectivity and economic cooperation between China and the rest of the world. China's new trade program attracted many nations, especially members of the global south. To the developing world, Chinese investment translated to economic growth and stimulation. Although the BRI is open to all nations around the globe, projects in Asia, Europe, and Africa are primarily emphasized due to proximity. The paper, therefore, places more emphasis on the Eurasian region by providing case studies of Tajikistan and Italy. Due to their varying economic and political structures, both nations view the BRI differently. Besides the differing conceptions of the program, the different systems also contribute to how the BRI will impact the nation's short and long-term development. Although agreements have been signed between China and participating countries, projects are still in the process of being completed. Additionally, after the culmination of these projects, time must be set aside for their integration into the economy to adequately observe the net results.

Due to the extensive nature of the BRI and its potential implications, it is necessary to examine the program from various angles and perspectives. For a comprehensive analysis of the situation and the dynamic between China and recipient countries, the paper explores several factors that contribute to uncovering the motivations behind the BRI and the main agents who pull the strings. In general terms, the paper will inquire whether the BRI has created a mutually beneficial relationship between Beijing and participating countries or if it is just a catalyst for China's endeavor to make partner countries dependent on the Asian superpower. Based on our findings, the initiative incorporates numerous geographic, political, and economic aspects that add an extra layer of intricacy. As a result, it is inaccurate to assume that China possesses all the strings when it comes to the impact of the BRI. We concluded that the relationship between Beijing and participating countries is complex and depends on numerous elements that have often been overlooked.

Our research also contributes to a theoretical discussion on economic development. This paper encompasses a scholarly examination surrounding dependency theory along with the Productive Capacities Index to analyze the effects of the BRI on Tajikistan and Italy. Dependency theory was a theoretical framework first developed in the late 1950s that defines *dependence* as a historical condition that shapes a particular structure in the world economy. It favors some countries to the detriment of others and limits the development possibilities of subordinate economics (Dos Santos, 1971). It has been historically defined as underdevelopment in countries in the global south due to the allocation of resources to activities beneficial to dominant states rather than areas needed by host countries. In particular, Chinese investments in developing countries such as Tajikistan could increase the subordinate countries' dependence on China, making their economic development more difficult. To further investigate these dependency relations, this paper encompasses the Production Capacities Index (PCI). The PCI is a theoretical framework developed by the United Nations Conference on Trade and Development (UNCTAD) that provides an index to understand the status of the productive capacity of countries or regions. UNCTAD has long defined *productive capacities* as "the productive resources, entrepreneurial capabilities and production linkages, which together determine the capacity of a country to produce goods and services and enable it to grow and develop" (UNCTAD, 2006, p. 61). Productive capacity consists of three major factors: productive resources, entrepreneurial capabilities, and production linkages. Productive resources are the factors of production, including natural resources and different types of capital. Entrepreneurial capabilities include the skills, knowledge, and information that enterprises possess for investment and production. Production linkages refer to the flow of goods and services, knowledge, technology, and information between firms or farms. The UNCTAD suggests that developing productive capacities plays an essential role in setting the long structural transformation processes in motion, which is the backbone of sustainable development. In order to build productive capacities, actions and interventions must be made at the domestic level that are coherent and economy-wide and must be complemented by robust international support. To understand productive capacities, the UNCTAD has developed an index that measures the current state of the productive capacity of economies. The index comprises eight components: information and communication technologies (ICTs), structural change, natural capital, human capital, energy, transport, the private sector, and institutions (UNCTAD, 2020, p. VII). The report suggests that if the initiative brought about sustainable development, it would focus on developing these eight components. However, the PCI was primarily developed with underdeveloped and developing countries in mind, so it is more applicable to Tajikistan's case than Italy's. Based on our findings, we argue that dependency theory is a valuable framework in the context of many cases of international cooperation; despite being conceived with the Organization of Economic Cooperation and Development (OECD) countries as the center and Latin American, African and Asian countries as peripheries. Our study suggests that other metropolitan/satellite relationships can develop with shifting global politics and that dependency relationships can be understood in the contexts of productive capacities and the countries' political inclinations. We argue that bilateral relationships tend to be extractive and closer to what dependency theory describes when it does not improve on the productive capacities for either nation and in cases where either or both of the countries' politics are more autocratic.

Based on these frameworks and several other components, the paper is written in three parts. The first section provides a more in-depth overview of the BRI and its various components and skepticism surrounding the initiative. The following section discusses both the case studies, focusing on the economic and geopolitical aspects and analyzing the impacts of the initiative for both countries in the context of the dependency theory and sustainable development. Finally, the paper will provide a comparison between the two cases and assess the features of the BRI that would make it more or less likely to be mutually beneficial versus extractive in nature. While also contributing a framework to analyze international agreements in economic and geopolitical terms and evaluate their impacts on dependency.

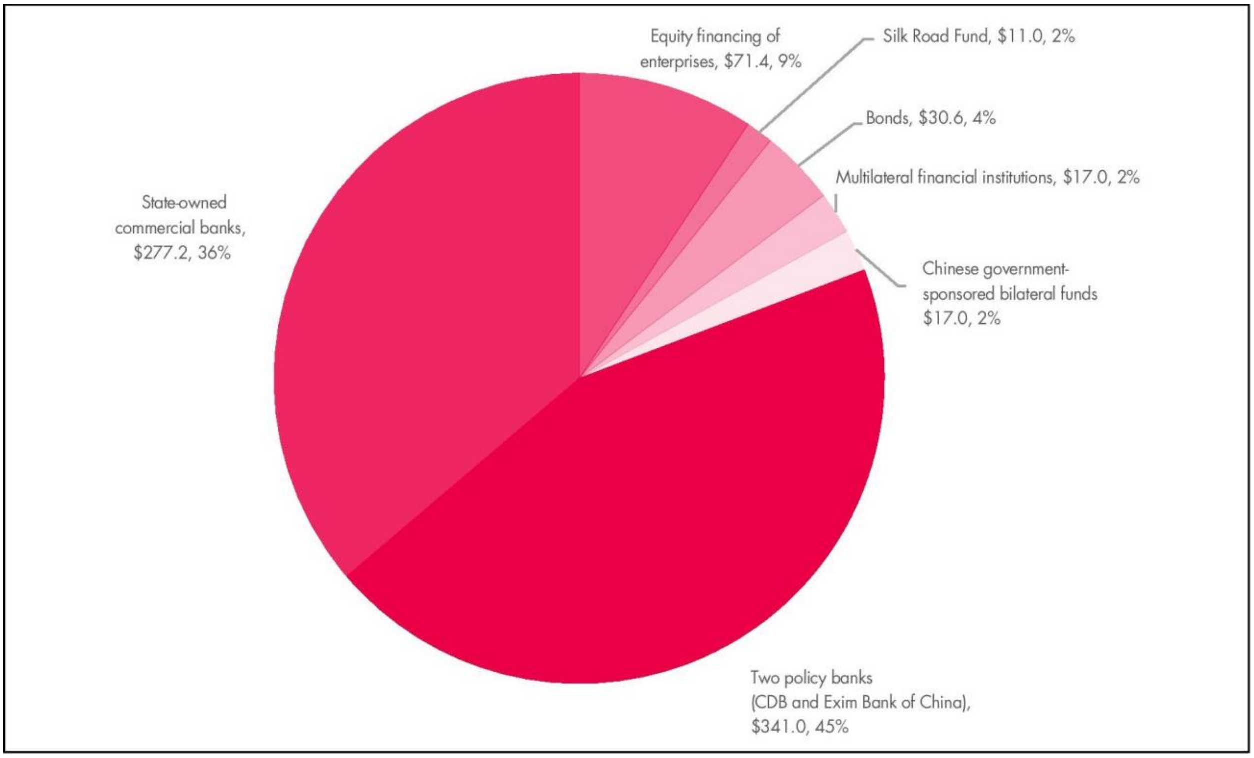
I. BRI Overview

1. What is the Belt and Road Initiative?

The historical Silk Road that connected the western sphere with the east has recently been replicated into a new commercial route known as the Belt and Road Initiative (BRI), with China at the forefront. According to a document issued by the National Development and Reform Commission, Ministry of Foreign, and Ministry of Commerce in China, “the Belt and Road Initiative is a systematic project, which should be jointly built through consultation to meet the interests of all, and efforts should be made to integrate the development strategies of the countries along the Belt and Road.” The “Belt” section of the title implies the sea-based route that the trade network will cover, while the “Road” entails the land-based route. Besides construction projects, China intends to establish free trade zones along the BRI’s commercial routes to enhance economic exchange between participating nations. The initiative aims to utilize between 1 to 8 trillion dollars (Hillman & Sacks, 2021) to fund various infrastructure projects to facilitate connectivity and trade. The commercial network was initially proposed in 2013, but projects headed by China commenced much earlier. These numerous projects revolve around the transport, energy, mining, communications, and IT sectors, estimated to be finished by 2049.

Although the Chinese government operates the program, 87% of financing is derived from various state-owned enterprises (SOEs) as well as state-owned banks and funds such as the China Development Bank, Export-Import Bank of China, Asia Infrastructure Investment Bank, New Development Bank, and the Silk Road Fund (HSBC n.d.). China has strategically placed these SOEs to directly manage these ventures to observe and supervise their foreign investments closely. Figure 1 highlights the different sources of finance for the BRI.

Figure 1: BRI funding by source type at the end of 2018 (US$ billion)

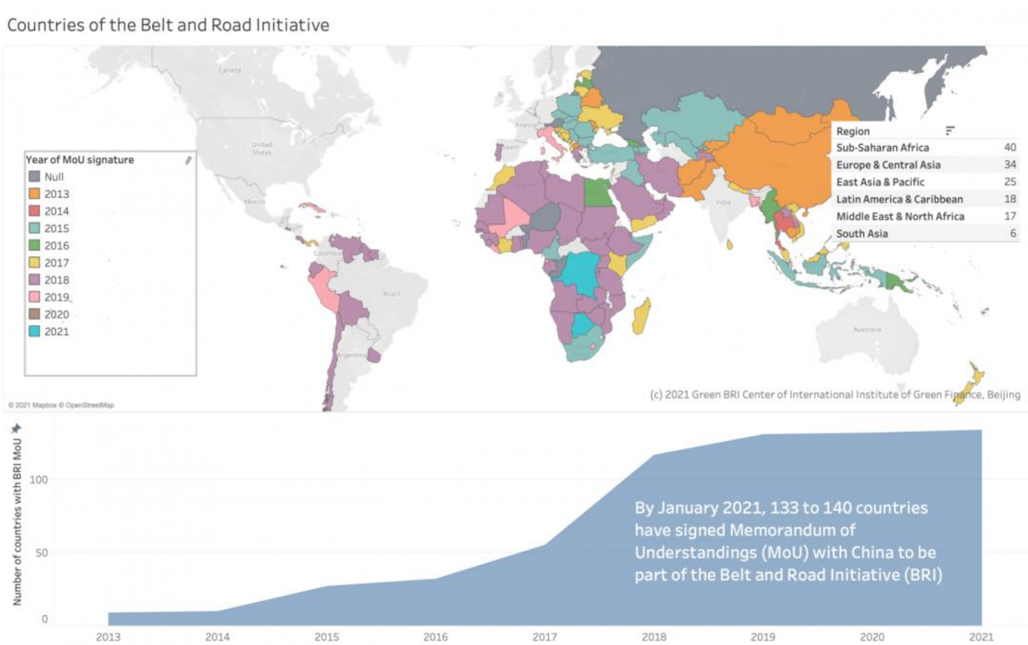


Source: He, 2019

The initiative is funded by five financial resources: pure aid, preferential loans, development finance, commercial loans, and various special funds. Pure aid is essentially in the form of grants that host countries are not required to pay back. The amount of pure aid is currently tiny, amounting to around $7 billion, with about half of it going to countries that are part of the economic corridors. Preferential loans are only available from the Export-Import Bank of China (CEXIM) and are usually given for around 20 years with a negotiation-dependent interest rate of 2 percent. Development finance includes loans given directly towards infrastructure development and has an interest rate of around 3-4 percent with up to 20 years as well. Apart from these sources, China has set up more than 20 special funds, amounting to more than US$1500 billion to finance the BRI. The most notable one is The Silk Road Fund (SRF), established in 2014 that focuses on industrial and financial cooperation along with connectivity. Currently, the most prominent financiers of the BRI are the China Development Bank (CDB) and the CEXIM, accounting for 40.0 and 31.5 percent of total outstanding loans (Liu et al., 2020). However, most large-scale projects are financed by multiple sources, sometimes a mixture of those mentioned above.

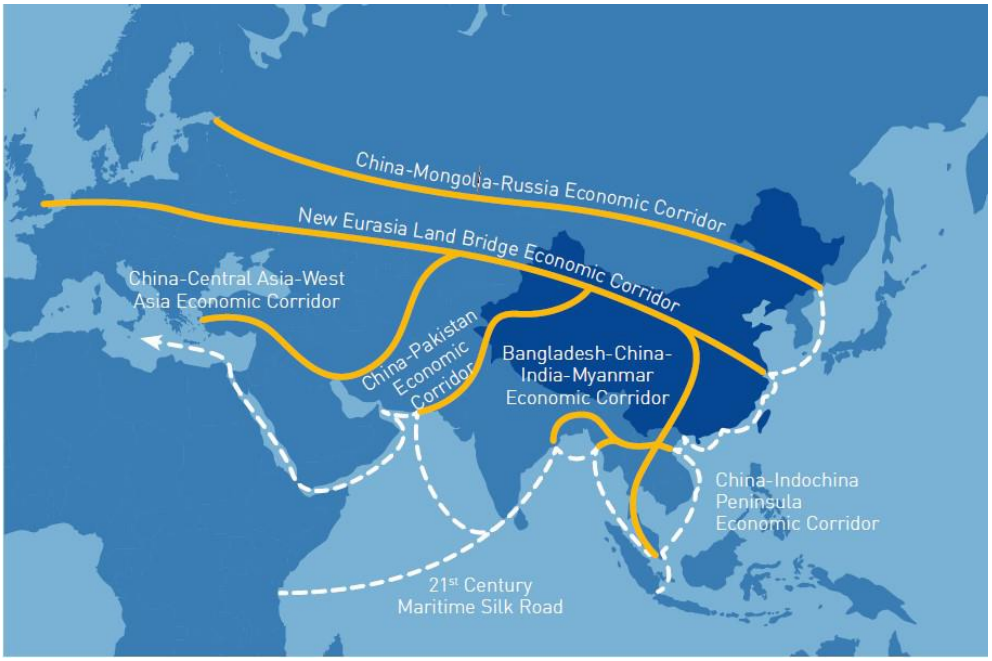
The BRI involves approximately 140 countries (Green BRI Center, n.d.) in 6 different continents, where 64 were part of the historic silk route. However, the initiative also encompasses several other countries that have signed deals with China. Figures 2 and 3 show the participating countries as of January 2021 and the major routes being built over land and sea under the initiative.

Figure 2: Countries that are part of the BRI as of January 2021



Source: Green BRI Center, n.d.

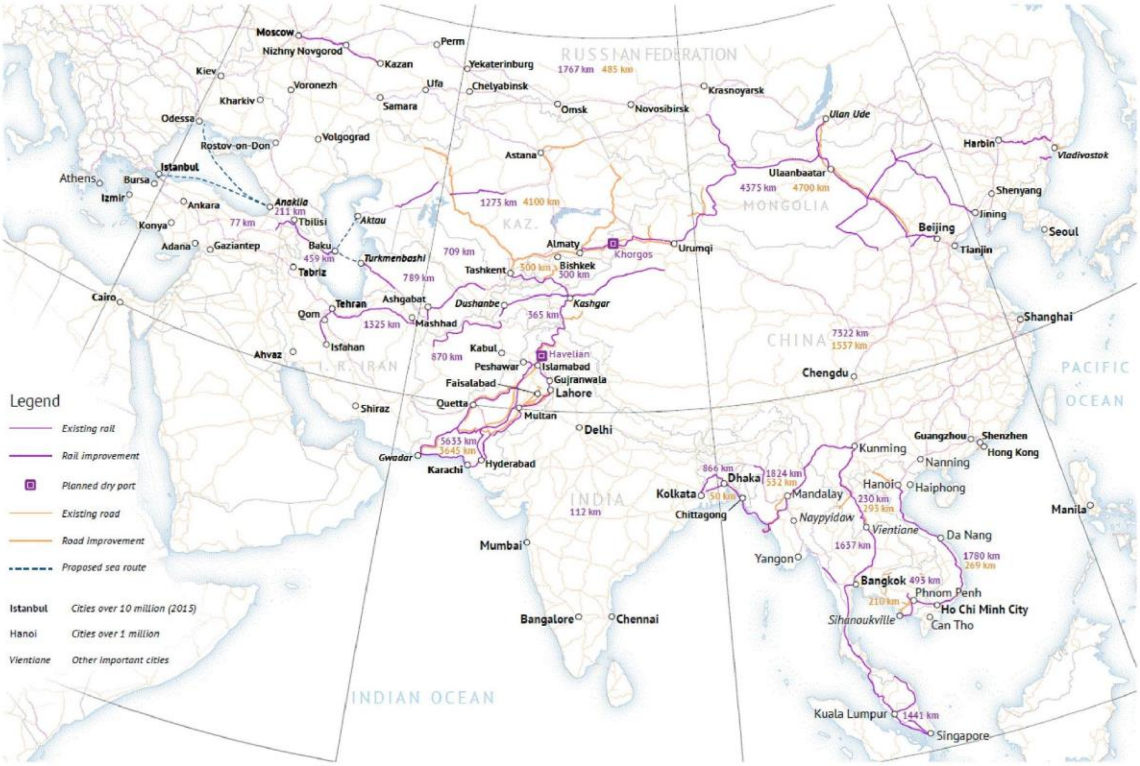
Figure 3: Economic Corridors in the BRI



Source: EURObiz Magazine, 2019

The trade routes shown in Figure 3 consist of six economic corridors that connect countries in Eurasia and Africa to China. There are currently 93 documented projects under these corridors that seek to improve road, rail, and sea connectivity within Eurasia and parts of Africa. These improvements are further divided such that 67 are on the Silk Road Economic Belt and 26 are on the Maritime Silk Road (Reed & Trubetskoy, 2019). Improved corridor management and connectivity is expected to bring down shipping times between 7 and 20 percent and trade costs between 5 and 17 percent (De Soyres et al., 2019). Figure 4 shows the division of the corridors and how the BRI projects will connect countries in the Eurasian region by either improving existing infrastructure or building new roads or railways.

Figure 4: Detailed rail and road structure of the economic corridors



Source: Reed & Trubetskoy, 2019

However, this does not encompass all the projects in the BRI. As seen in Figure 1, numerous other countries have signed a Memorandum of Understanding (MoU) under the initiative with China. Countries in Europe, Africa, and South America that are part of the initiative have agreed to deals including but not limited to infrastructure loans, corporate partnerships, and reduction of trade barriers. The MoU's are mostly bilateral deals between China and the countries shown in Figure 2. Additionally, the BRI has slowly grown to become an umbrella term encompassing almost all the international deals made by China. There is now a digital silk road, space silk road, and health silk road (Mardell, 2020), representing international cooperation in different sectors other than infrastructure. Hence, while the initiative started primarily with infrastructure in mind, it has become a much larger venture that includes more sectors and projects.

In his promotion of the BRI, Xi Jinping revealed that the initiative is intended to unfold in an environmentally friendly manner and utilize green technology that correlates with low-carbon development. He also mentioned that there would be constant maintenance of construction projects during this process to ensure that environmental standards are met. Although the nation's leader has delivered a very green approach, other information outlets provide contrasting responses. Various news sources have accused China of further distancing itself from combating climate change by "exporting coal-fired power plants and building carbon-intensive infrastructure in other countries" (Hillman & Sacks, 2021). Regardless of the statement made by Xi, SOE's responsible for the individual projects will work in their best interest. Some will utilize green technology and environmentally friendly tools for their infrastructures, while others might disregard the environment entirely. In the case of the BRI, the "what" seems to offset the "how," as long as China's promise to establish the roads, ports, and other projects is met, the state-owned firms' approach is trivial to the central government.

China is predicted to gain from this exchange in numerous ways. The expansion and improvement of trade will allow Chinese goods to travel farther and faster and provide more rural and less prosperous regions with an opportunity to develop. Moreover, China hopes participating nations will serve as new sources for its enormous manufacturing capacity and provide “secure cheap inputs for its manufacturing sector and set technical standards in foreign countries” (Hillman & Sacks, 2021). Besides the profits yielded by China, other countries are also capable of profiting immensely from the agreement. Intergovernmental organizations such as the United Nations and World Bank have endorsed China’s proposal. They believe that the initiative has the potential to provide much-needed development to the global south. Lower trade costs and enhanced networks have the ability to reduce poverty and improve the standard of living in many of the BRI countries. However, many of these projects will generate revenue and only benefit their host nations if they work in unison with the other ventures. A report by the World Bank suggests that “interoperability is imperative for efficient and effective trade and transport flows. The railroads and waterways must be connected and utilized efficiently because adequate profits can only be attained in the aggregate. The economic corridors could improve trade routes with other countries, not just China, allowing host countries to have better access to foreign markets for exports as well as imports. The official statement from the Chinese government says that “the Belt and Road Initiative is a way for win--win cooperation that promotes common development and prosperity and a road towards peace and friendship by enhancing mutual understanding and trust, and strengthening all-round exchanges.”[1]

2. Skepticism around the BRI

However, there has been skepticism about the helpfulness of the BRI for the countries accepting the loans, especially with "China's international loans surpassing more than 5 percent of the global GDP". Long-term sustainability goals are in question, especially as many participating nations struggle with debt issues and have been forced to cancel some projects or scale down the size of previously proposed plans. Experts have claimed China has intentionally ambushed these nations in a state of financial obligation by employing "debt-trap diplomacy". China has been accused of providing BRI nations with a surplus of loans hoping that this sum will be difficult or impossible to repay, leaving nations with large quantities of external debt.

[1] Issued by the National Development and Reform Commission, Ministry of Foreign, and Ministry of Commerce in China

Unlike domestic debt, foreign debt is much more complicated and carries extensive ramifications on the economy of the borrowing country. For instance, foreign debt is often denominated in the lender's currency; therefore, if the borrower's currency weakens, it will be much harder to fulfill those debts. Once a country is highly indebted to a foreign source, it will have less money to invest in domestic economic development and are often forced to borrow again or surrender certain economic and political privileges, facilitating a never-ending cycle of dependency. By ensnaring them in this economic trap, critics argue, China gains economic and political leverage over the indebted countries. This has been illustrated and amplified with the case of the Hambantota port in Sri Lanka financed by Chinese firms, who then took control of the port for 99 years because the Sri Lankan government failed to pay off the loans (Braddick, 2021). China's deal with Sri Lanka depicts an agreement that expands beyond economic development and potentially demonstrates China's geopolitical ambitions. Besides financial commitments, many nations have had to alter the deals they made with China due to new regimes and the detrimental economic effects of COVID-19. These elements have incited fear in many of the participating nations, who were beginning to question the initiative's sustainability. To combat the rampant fear, China built the China–IMF Capacity Development Center that collaborates with BRI countries to educate officials about the economic attributes of the proposal (Gerstel, n.d.). Besides the possibility of falling to Chinese debt tactics, many of the SOE's under the supervision of these projects primarily hire Chinese workers while disregarding the local labor force, affecting employment numbers, and concealing any additional benefits that local populations could have obtained through the agreement.

Another primary concern regarding the BRI is economic dependency for the host countries on Chinese loans or trade. While China claims to interfere minimally with other countries' political and economic systems, strategic investments and trade deals could potentially lead some developing countries in the BRI to experiencing extractive relationships with and become economically dependent on China.

Although China has been accused of improper financing tactics, the developing world does not have many other options. China has been regarded as one of the better funding sources, as Western private loans are deemed too costly, they are usually provided for a shorter period, and negotiating details is often very time-consuming. Additionally, western funding often comes with a democratic agenda, and institutions prefer to finance more social service-oriented projects rather than infrastructure ventures. In the past, organizations like the World Bank allocated nearly 70% of funds towards economic infrastructure, but recently that number has dropped to only 30% (Dollar 2020). As a result, China happens to be the best option for countries to access expedited funding for infrastructure plans. The West has noticed the global shift in funding and has repeatedly stated its disapproval of China's financial motives in the world, especially with the launch of the BRI. To combat Chinese expansion in the commercial sphere, the US, Australia, and Japan established the Blue Dot Network (BDN) as an alternative to the BRI. This network was created "to guarantee that the infrastructure of the future is built in a safe, transparent, and accountable manner" (Basu, 2020). By providing the developing world with an alternative, the founders of the BDN are working to divert attention away from China as well as expose key features in Chinese funding by constantly characterizing the BDN as "transparent", "financially sustainable", and "environmentally friendly". Although the global north has supplied the international community with another funding source, the BDN does not have enough credibility due to its novelty. Additionally, deals with China have already been signed, and projects are underway. Developing countries continue to seek financial assistance from different institutions to boost economic growth. The BDN, World Bank, and BRI are just different alternatives, each coming with a set of pros and cons.

3. Geopolitics of the BRI

Apart from the financial skepticism, many critics fear China has other ambitions as well. The introduction of the BRI aligns with China's one-hundred-year plan that seeks to transform the nation into an economic and technological authority. With the expansion of various trading routes and the restructuring of numerous roads and ports, Xi hopes to divert global commerce away from the global north and towards China. With projects in many parts of the world, China will have access to various types of commercial intelligence that it could utilize to its advantage in the future. Those who disapprove of BRI believe this could come in the form of military power or pressure towards borrowing nations in the political and economic sphere (Hillman & Sacks, 2021). Through heavy investment, China is not only allowing these nations to soak the benefits of global trade but creating a culture of dependency and fear among its BRI partners. While the Chinese government has long advocated for non-interference in other countries' policies and sovereignty, there is empirical and case-study-based evidence that bilateral deals with China are embedded with conditionalities that are less economic and more geopolitical. It is argued that "China's conditionality when it comes to aid is almost entirely political; requiring recipient countries to support China's positions on various global issues." For example, China is known to have asked its trading partners to support the diplomatic isolation of Taiwan (Mattlin and Nojonen, 2011). As a result, nations indebted to China will think twice before questioning Beijing's stance on human rights and domestic policies.

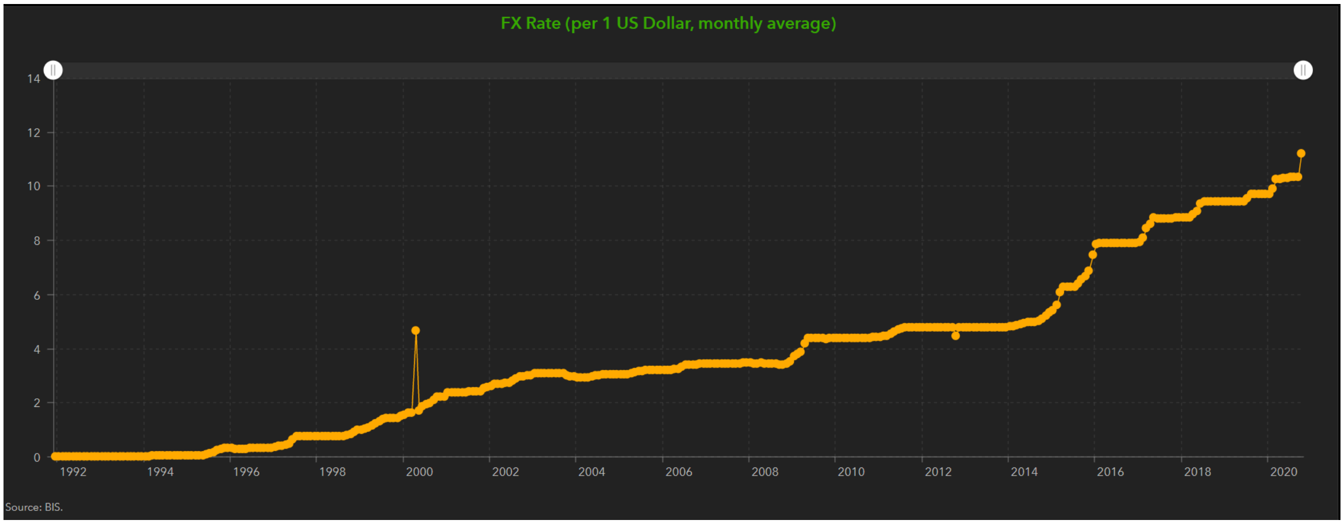
Generally, there is an ongoing debate about whether the Belt and Road Initiative will be helpful for the host countries in an economic and geopolitical sense. In order to respond to this question, this paper focuses on two countries that are part of the BRI, Tajikistan and Italy, that have contrasting characteristics in the financial and political spheres. Specifically, this paper investigates whether the BRI is extractive for the participating nations in the context of the dependency theory. Additionally, the paper aims to understand and illustrate factors that make diplomatic relations mutually beneficial or exploitative. These countries can serve as models for the general effect of the Belt and Road Initiative on other participating nations that have similar positions in the global sphere.

II. Tajikistan Case Study

1. Introduction

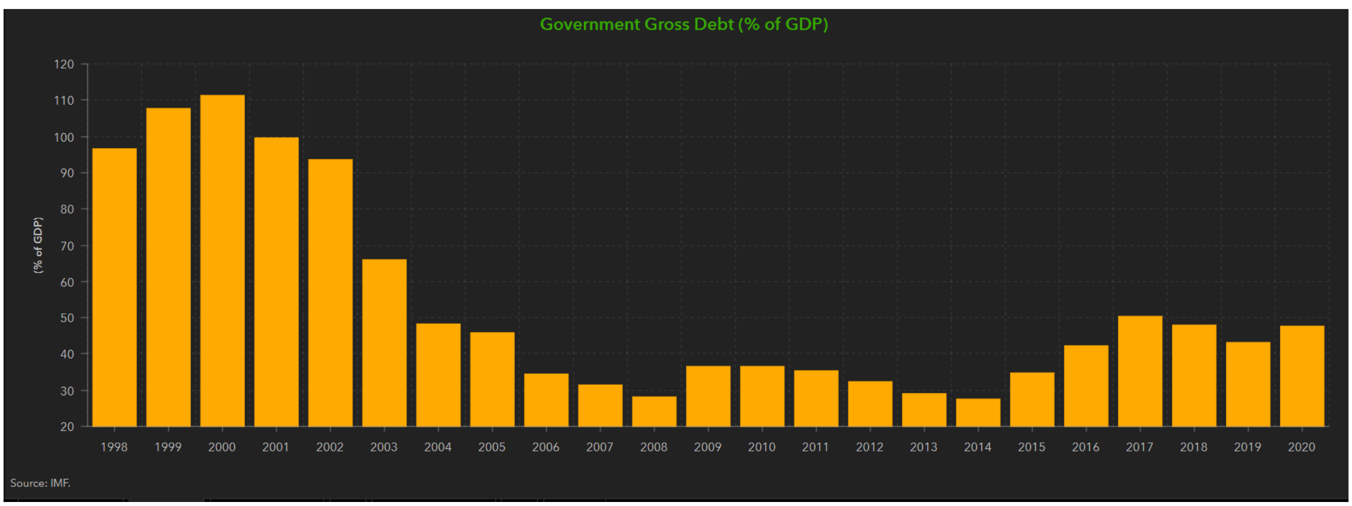
Tajikistan ranks among some of the world's poorest countries with plenty of natural resources but not enough technological capacity or governmental integrity to strengthen the nation's economic state. Poverty is rampant and foreign investment is low. The supply of infrastructure projects proposed by the BRI can potentially fill the needs of Tajikistan's economy. China has bestowed Tajikistan with a formal proposal under a transcontinental agreement that would allow China to invest in diverse sectors of Tajik society while directly linking their commercial routes. The BRI seems like a great opportunity on the exterior, but many experts believe China's goal is to solidify its grasp on the developing world through heavy funding. China has been incriminated as an extractive source that desires to make nations like Tajikistan economically dependent on Beijing once it fails to repay its loans. To further examine the possible outcomes of the BRI, it is imperative to dive deeper into the historical negotiations between the two countries and analyze their economic development. Tajikistan serves as an ideal model of study, as negotiations between the two have been going on for decades, and Tajikistan's proximity happens to be very useful for China's geostrategic agenda. By analyzing the BRI in the context of Tajikistan, we can better understand China's economic endeavors in the developing world.

Figure 5: External Debt as a percentage of GDP - Tajikistan



Source: Arcgis database (from World Bank)

Figure 6: Foreign Exchange rate



Source: Arcgis database (from World Bank)

2. History with China

Although the collapse of the Soviet Union established an independent Tajikistan, stability was only achieved after a bloody civil war. The vacuum of power left by the communist regime took several years to be filled. As an underdeveloped and novel nation, Tajikistan did not have many other alternatives. Many of Central Asia's leaders had little to no knowledge on how markets functioned or how to organize a post-Soviet economy that aligned with the global market. The transition from a command economy to a market economy presented many challenges to the new regimes, as much of the governing and economic activity was managed from Moscow. Simultaneously, their historical dependence on Russian goods and materials made it difficult for Tajikistan to form a self-reliant commercial sector. Much of Tajikistan's economy was based on agriculture, primarily cotton, which it wanted to mechanize to improve efficiency and output. Tajikistan has also wanted to branch out and industrialize numerous other parts of the country and create more developed cities to provide for the growing population and the new labor force left in a state of confusion and fear after the departure of the Soviet Union. The newly instituted government hoped to attract foreign investment through industrialization and privatization to continue this form of economic evolution that would replace Tajikistan's position as a poor communist nation (Library of Congress, 2007, p.6). Many Western countries and international organizations avoided providing any assistance due to Tajikistan's ties to Russia. Additionally, many Islamic nations recognized Tajikistan's communist past and associated it with an anti-Islamic sentiment, therefore abstaining from establishing government relations (Abdullo, 2015). As a result, Russia was a natural economic and political ally, fulfilling the critical role of an international partner. Although under a new name and government system, the

Russian state did not want to permanently lose its previous grip over the former states, so it continued to indirectly serve as an economic guide and contributor.

Besides Moscow, Tajikistan needed other allies and other sources of foreign aid and investment to solidify its new yet unstable autonomous foundation. At the time, China appeared as a geographically and economically ideal candidate to fulfill Tajikistan's needs, so the government stretched out a diplomatic hand to Beijing. Initially, China recognized Tajikistan as a worthy ally, but economic negotiations did not occur until the late 1990s, when China began to experience rapid economic expansion (Karrar & Mostowlansky, 2020). To service this new economic capacity, China searched for new markets and new sources for raw materials. Tajikistan and other Central Asian nations possessed a very appealing feature as many of them were newly established and required much-needed capital for development. As a growing economic source, China possessed the necessary funding while these nations had the necessary resources. At the initial stages, Tajikistan's relationship with Beijing fulfilled mutual economic needs, but it was also another opportunity for China to reconstruct the long-lost Silk Road. For most of the 20th century, China fell behind in regional authority to the USSR. However, the separation of powers within Eurasia has paved a new path to fulfill former geopolitical interests (Walsh, 1993, pp.272-275). After several discussions, Tajikistan and China were able to generate a more formal commercial relationship. Previously closed roads and routes during the communist era were reopened, such as the Kulma highway, to facilitate and demonstrate their openness towards trade (Karrar & Mostowlansky, 2020). China distributed approximately $357 million to reconstruct this highway which connected the center of Tajikistan to China (EurAsian Times Desk, 2019). This initiative catalyzed future negotiations and commercial agreements between the two. Based on the corresponding wants and needs, Tajikistan and China were able to construct stronger economic ties, which would eventually lead to the proposal of the BRI.

In addition to another economic resource, China's position in Tajikistan's international vision originates from wanting to lessen its reliance on Moscow. By diversifying its connections, Tajikistan strives to create a more globalized name for itself that is not dependent on just one source for economic exchanges. As of now, a sizable portion of Tajikistan's GDP originates from remittances sent back by labor migrants in Russia. Since the dissolution of the Soviet Union, Tajik men have journeyed to Russia in search of decent pay to provide for their families back home. In 2019 alone, $2.5 billion worth of remittances were sent back, making up nearly 28% of the country's GDP (World Bank, 2019). Although this generates substantial revenue, Tajikistan hopes for an improved domestic economy based less on the Russian economy. The Russian government has also noticed the large influx of migrant workers and has imposed new regulations to make it harder for these laborers to find work. These requirements ranged from new examination tests to new biometric passports, which set an additional obstacle for many labor migrants (Sheraliev, 2021). The new policies resulted in annual reductions in the money sent back from $3.4 billion in 2014 to $2.5 billion in 2019; in GDP figures, this was a drop from 37% to 28% (World Bank, 2019). By distancing itself from Russia's economy, Tajikistan hopes to become less vulnerable to the ramifications that may develop from new Russian regulations and other adverse economic effects. Since western sanctions were imposed on Russia, Moscow has suffered numerous economic repercussions, impeding its ability to fulfill its promises to invest in Tajikistan and other Central Asian countries. The recent COVID pandemic was another global development that effectively illustrated Tajikistan's reliance on Russia's labor market, as remittances drastically dropped and the single source of income for many was lost (World Bank, 2019). By searching for new means of capital, Tajikistan aspires to create an economy that is not dependent on its historical partners but collaborates with numerous other countries.

3. BRI Projects

Alienated from most of the commercial world due to the lack of resources, foreign investment often avoids Tajikistan. Based on the meager set of options for economic advancement, China's bid looks very promising. Like many other developing nations, Tajikistan wants to diversify its source of revenue. The Central Asian country possesses "over 137 deposits of industrial gold and 127 nonindustrial gold deposits", which it wants to develop further to stimulate the economy. A Tajik Chinese Joint Mining Company, "Zarafshon" generates nearly 754 million Somoni in taxes and employs nearly 3,000 workers (Shamiev, 2020, p. 83). With China serving as one of Tajikistan's primary buyers, this could be a mutually beneficial exchange due to the many mines that Tajikistan has to offer, as long as the push and push factors are clearly examined from Tajikistan's point of view. Due to the lack of other sources of financing, Tajikistan has found Chinese capital as an attractive gateway. Based on the large capacity of minerals, Tajikistan looks to develop its mining industry further. However, it must follow the correct procedure when signing agreements with China to avoid making the mining sector dependent on Beijing.

To make the proposal even more tempting, China has implemented a policy of double preferential loans to numerous BRI countries. This procedure tends to be more attractive to financial recipients because it comes "with low-interest rates and a lengthy repayment duration" (Yan, 2020, p.53). Other organizations and nations are less lenient regarding credit and often pressure the recipients to pay back promptly with high-interest rates. China's economic expansion gives them an advantage as the country does not need an immediate return on its investment, as it has other sources of revenue. Beijing's loan policy creates a mutually beneficial agreement with Tajikistan, as it has a much harder time repaying its debt, and China can still loan out money as it is not constrained by time.

China and Tajikistan have signed several infrastructure projects in the energy, transportation, and agriculture sectors. Although China has been investing diversely in Tajikistan, capital to improve and construct road and railroads are especially prevalent. Due to Tajikistan's mountainous terrain and dangerous land conditions, many regions in the nation lack proper transport infrastructure or have decayed roads from previous inadequate construction. Many of these road and rail projects began before the formal proposal made by China's leader, but they are being categorized as part of the BRI (Aminjonov et al., 2019, p.2). For instance, the reconstruction of the Dushanbe - Chanak highway was initiated in 2006 and was completed in 2013. There are numerous other examples of Chinese-led initiatives signed between the two that were implemented prior to the establishment of BRI that have set a precedent for future construction projects in Tajikistan.

One of the most notable road projects has been the Vahdat-Yovon railway which was finished in 2016. The construction cost surpassed $72 million, but it was seen as a valuable investment as the railway connected central Tajikistan to various provinces in Khatlon, improving transportation and flow of trade (Mahalingam, 2020). Many of the road and transport infrastructure takes place in Western Tajikistan to regions and provinces closer to China meant to directly link Tajikistan to the Asian superpower. Besides uniting China with Tajikistan, the proximity of projects allows for further management and operating power from the SOE's.

Rehabilitation and expansion of the road system in Tajikistan is a necessity, as much of the current infrastructure is inadequate. Mountains cover approximately 92% of Tajikistan;

therefore, roads are challenging to construct and manage. Road renovation is essential not only for economical transportation but also for the general movement of people from different parts of the country. Many of the roads in major cities are worn out and are practically impossible to travel on during the winter due to the mountainous terrain, weather, and poor previous construction methods. Besides general traveling, inadequate transport conditions have inhibited the exploration and production of minerals within Tajikistan (Karrar & Mostowlansky, 2020). Additionally, much of the roads and other types of infrastructure were destroyed due to the civil war, which could be another explanation for Tajikistan's motivation to accept Chinese-led infrastructure projects.

Although many of the projects executed in Tajikistan lean more towards road infrastructure, China has also allocated money to improving the nation's inadequate energy system. Nearly 50% of BRI's energy investments are meant for electricity generation projects, while 7% is meant for electric power transmission and distribution (OECD, 2019). Projects like the construction of the Dushanbe power plant and the rehabilitation of the Nurek Dam are representations of initiatives that were recently completed and were able to fulfill much of the country's energy needs (Aminjonov et al., 2019). China's focus on the energy sector correlates with Tajikistan's demands and is meant to improve the quality of life.

Another infrastructure program that China has been heavily involved in is constructing industrial parks, which "function primarily as an information platform for Chinese companies to kick-start their businesses". Employees at these centers provide Chinese firms with expertise and suggestions to ease legal matters. Additionally, these industrial parks experience many perks as they can avoid various foreign sanctions and benefit from lower operating costs. As of now, there are two locations that are meant to host these facilities. Plans mention a $500 million nonferrous metal industrial park located in Istiklol and another agricultural textile park valued at $283 million located in Khatlon (Yan, 2020, p.56-57). These parks are another representation of Beijing's diverse investment patterns.

China's strong interest in the Central Asian region, particularly Tajikistan, stems from numerous reasons. One eye-catching factor is that the nation is home to numerous types of rare earth metals that China utilizes to "produce high-technology items such as solar panels or rechargeable batteries" (Sim & Aminjonov, 2020, p. 22). This depicts why China is so keen to invest in Tajikistan as it can supply China with the raw materials to produce higher value-added goods. Tajikistan happens to be a "gold mine" for China as the developing nation carries the needed resources China desperately needs and wants. The proximity makes agreements easier to fulfill and allows China to execute more projects around the mining sector and the improvement of transport routes to make it easier for these goods to exit the country efficiently.

Tajikistan's location serves a very imperative role for the success of the BRI and other geopolitical ventures headed by China. Tajikistan happens to be at the intersection of three economic corridors; therefore, its geographic position is vital for Beijing (Reynolds, 2018). Besides the main economic passageways heavily advertised by the BRI, Tajikistan happens to be one of the countries meant to host the gas pipeline discussed between Turkmenistan and China. Chinese foreign direct investment has reached nearly $3 billion to finance Line D of the Central Asia-China gas pipeline, depicting their strong interest in fully executing this project (Hurley et al., 2018, p. 18). If the gas pipeline project succeeds with Turkmenistan, Tajikistan will serve as a crucial hallway that allows the natural resource to run through its land to China. In the past couple of decades, China has depicted its tremendous growth and has developed into a large consumer of energy. The pipeline will feed their growing economy and serve as an easy source of energy that China wants and needs.

Another reason Tajikistan possesses an ideal location for China's BRI endeavor is that it serves as a border for China in combating potential extremism and other military threats poised at the Chinese state. Due to Tajikistan's membership in the Shanghai Cooperation Organization, Tajikistan has a geographic role in supporting China's fight against the "three evils of terrorism, separatism, and religious extremism." (Rehorst & Kuijl, 2021). Tajikistan's geopolitical location near Afghanistan's Wakhan corridor has allowed China to set up a military base in the Gorno-Badakhshan Autonomous Province to monitor any extremism coming from the Southern part of Central Asia. Besides Afghanistan, Tajikistan's proximity to the Xinjiang province has made it another helpful resource. Beijing wants to have security on both sides of Xinjiang to protect its growing economic interests (Rehorst & Kuijl, 2021). As a result, China has been ruthless in its counter-terrorism strategy by oppressing the Uighur people to incite fear and avoid extremist behavior. In addition to military methods, China has been pumping money into the Gorno-Badakhshan Autonomous Province to improve the local economy to improve the quality of life and discourage the population from turning to extremism (EurAsian Times Desk, 2019). Tajikistan is the connector of many of China's trading hubs and projects; therefore, the region needs to be militarily stable to prevent any attacks that might damage the reputation of the BRI. Due to its extensive geopolitical capacity, Tajikistan's location presents them with the opportunity to arrange some parts of the agreement that benefits them more than others or negotiate the financial attributes of the BRI that make it more sustainable. With proper negotiations, China can execute its geopolitical agenda, reduce its dependence on sea routes, and have an alternative path towards Africa and Europe (Sim & Aminjonov, 2020, p.21). While

China utilizes Tajikistan's ideal proximity, Tajikistan can use this advantage to fulfill national development goals and negotiate more feasible deals for a nation of the global south.

4. Comprehensive Assessment of BRI

a. China's Debt Trap

China recently surpassed Russia as Tajikistan's largest source of foreign investment (Reynolds, 2018). Although this suggests a healthy development for Tajikistan, reality says otherwise. Around 45% of Tajikistan's imports are from China, but China also holds 53% of Tajikistan's debt, in exact figures approximately $1.2 billion of the $2.9 billion of foreign debt is owed to China (Karrar & Mostowlansky 2020). The Export-Import Bank of China sits at the top of this debt pyramid, being the largest source with loans surpassing $1.2 billion (Aminjonov & Kholmatov, p.99, 2019). This form of dependency began to grow after the civil war and has trickled into contemporary times. Prior to 2007, Russia, Uzbekistan, and the World Bank were the nation's primary creditors. However, once loans from the Export-Import Bank of China began to pour in, they surpassed every other nation and organization. Unlike the World Bank, the Chinese bank seems more appealing as it does not have reforms associated with its loans. Often, the World Bank demands higher energy prices so loans could be paid back in a timely manner by the government, but this could create more obstacles for civilians who cannot afford the requested increase. On the other hand, Chinese loans do not advocate for any specific reforms but instead call for the use of their own labor force in the execution of projects (CABAR, 2021). Due to the lack of any immediate effects, Chinese creditors are seen as a better alternative.

Although China seems like the better option, compared to other funding sources, Tajikistan is at a high risk of "debt distress"; therefore, funding from China must be examined closely. Debt has increased from 28% of GDP in 2014 to 50% by 2017, driven by higher fiscal deficits and a significant depreciation of the somoni (World Bank, 2020). The falling exchange rate has generated several issues for the national economy as it has made imports more expensive and has raised the value of the amount owed to creditors. Based on macroeconomic factors and dependency on China, Tajikistan's long-term plans are difficult to digest. Tajikistan is not necessarily forced to continue its financial relationship with China; however, the Central Asian nation is so far in the extraction process that the most optimal way to develop would be to continue moving forward but with caution.

Additionally, many critics argue that China is intentionally shaping these negotiations and projects to their own liking and attempting to "lock-in" these countries while ensuring that other options are "locked out." In the past decade, China has been a dominant actor in the economic sphere and served as a reliable source of financing. Although the developing world sees China as an attractive economic partner, they fail to recognize Beijing's attempt at "conditioning its beneficiaries who desperately need funding for infrastructure projects" (Abdoubaetova & Wolters, 2020, p.7). China has efficiently gathered enough intel on the developing world to know where to invest and how to implement strategic financing that places China at an advantage. Many argue that when negotiating with other countries, China is the main decider when choosing types of projects to execute, implying that Beijing is only spending money on projects that will result in its best interest (Aminjonov & Kholmatov, 2019, p.98). Tajikistan is blindly accepting Chinese investment, assuming newer infrastructure automatically translates to development, overlooking the long-term effects of the financing. Due to this flawed way of thinking, Tajikistan has fallen into China's "debt trap", and now it must find a way to maneuver its way out of this snare. Due to the complexity of the issue, Tajikistan does not have very many doors to go through. In fact, with the growth of Chinese-led projects and debt, Tajikistan has altered its National Development Strategy for 2030 to align with the BRI (OECD, 2019). Tajikistan's financial ties to Beijing are so extensive that they are starting to develop direct links; as a result, the government has modified its long-term economic goals to complement China's economic growth.

The temporary employment that Tajik workers could have obtained from the BRI projects has also been withheld by the Chinese firms. The SOEs responsible for construction primarily hire Chinese workers because Tajikistan lacks any laws requiring foreign firms to hire domestic workers. As of 2014, there have been more than 82,000 Chinese workers in the country, and most of them get paid much higher than Tajik workers (Reynolds, 2018). Tajik sociologist Rustam Haidarov believes this is a small part of "China's strategy to resettle its people in different countries" (Pannier, 2011). Due to the lack of collateral, Tajik officials are lenient when exercising policies against China due to the enormous debt owed. Working and living conditions are already meager; with the addition of China's labor migrants, Tajikistan's civilians face more job shortages and are forced to find work abroad. Even though Tajikistan wants to minimize its remittance dependency, it indirectly continues to rely on the foreign labor market rather than improve the conditions of the domestic market.

China retains an infamous status when it comes to combating climate change. In the past decade, the government has been attempting to decrease emissions within the country. Although it is trying to improve the country's environment, it is solely focusing on domestic progress. Beijing has been known to implement "a policy of transferring industries that adversely affect the environment from its territory to neighboring countries" (Aminjonov & Kholmatov, 2019, p.102). By externalizing environmental harm, China expects to get rid of the mounting pressure that has come with its excessive emissions. Beijing has become the world's largest exporter of coal power equipment and continues to do so to outsource coal production for Chinese benefits while leaving importers to deal with the environmental result (Sherwin, 2016). For instance, China has facilitated the construction of several cement and coal plants that have shifted Tajikistan's position from an importer of cement to a net exporter. The increase in coal production has also persuaded industries to change their fuel intake from hydropower to coal. Although this seems like advancement from an economic point of view, this is only a short-term phenomenon as long-term environmental issues will offset any temporary benefits. The environmental bill that will come with this new switch is meant to equal more than $40 million a year (Aminjonov & Kholmatov, 2019, p.102). Tajikistan's desire to develop has blinded them from considering the environment; therefore, the nation is not thoroughly examining China's coal projects. The Central Asian state's central focus on rapid economic growth has forced it to overlook long-term economic effects that will be vastly impacted by environmental harm transported from China.

China's role in Tajikistan possibly expands beyond infrastructure projects. Many residents believe that China's grand strategy revolves around the surveillance and manipulation of Tajik society. They are worried that China is targeting sectors like the "telecom market so as to make it fully dependent on Chinese products and services". This concern comes as a result of the entire telecommunications system in Tajikistan utilizing equipment produced by ZTE and Huawei (Aminjonov & Kholmatov, p.101, 2019). Although this provides the developing nation with technology that can help with security and communication, the resources provided by the Chinese state may have ulterior motives. China's digital expansion in Central Asia is not a novel development but a process that has been transpiring for the last several years. Huawei and ZTE have provided Central Asian countries with an opportunity to develop "Safe Cities", by supplying them with technology to monitor their people. Although Tajikistan and other Central Asian countries are keen to accept Chinese electronics, they fail to see China's motives to gain "a monopoly over the global data supply chain" (Jardine, 2019).

Political alliances may also be disturbed as a consequence of working with China. Through collaboration with Chinese ventures and furthering itself from Russia, Tajikistan might face an opportunity cost of joining the Eurasian Economic Union (EAEU) and possibly fall short of any advantages this organization offers. The EAEU, in many ways, is meant to mirror Russia's previous grasp on Soviet states. It is Moscow's approach to gaining back the economic and political allegiance that was lost after the collapse of communism in the USSR. The EAEU strives to outline a geographic area comprising former Soviet states and promote free trade around this region (Indeo, 2020, pp.8-14). The only issue is that some nations like Tajikistan have not joined the partnership and have been very hesitant with their responses. Tajikistan's reluctance has generated various obstacles for the nation as civilians from non-EAEU countries were forced to undergo more procedures when traveling to Russia in search of work. Russia's labor migration policies went into action in 2016, but Tajikistan has still not budged even though the new rules have drastically decreased remittances, negatively translating into the domestic economy (Madiyev, 2021). Based on this approach, Tajikistan hopes that the long-term agreements with China will outway the short-term loss from Russia.

The EAEU was initially established to improve economic integration and hinder China's expansion into Central Asia. Since then, it has evolved to cater to the new global economic arrangement that displays China's commercial economic strength. Russia and China have agreed to synchronize the BRI and EAEU to generate mutual benefits for both parties but have not formalized this agreement as participating nations (Indeo, 2020, pp.8-14). Even with these new developments, Tajikistan has been very reluctant to join Russia's economic association. Although not officially stated, Tajikistan could be vulnerable to financial pressure from Beijing due to its evident position as Tajikistan's leading source of investment. China might be playing both sides of the political game by playing "friendly" with Russia, agreeing to cooperate and split Tajikistan's economic contribution while controlling Tajikistan's strings behind the scene. China wants to appear as an accepting ally and partner to Russia while gaining benefits from both sides. Due to its tremendous position in the economic sphere, China can influence various deals and push certain nations to satisfy their interests. Beijing's economic and political authority is undeniable, which makes negotiations tricky. Unless Tajik officials thoroughly examine the commercial deals presented to them, they might be left with the short side of the stick in both scenarios.

b. Blame Goes Two Ways

Although China has been accused of lending money with the hopes of entrapping nations in a fiscal dilemma, some observers claim that states such as Tajikistan were already facing excessive debt. They argue that China entered and presented these nations with infrastructure projects at a serendipitous moment, but Beijing is not the architect of their economic downfall. Blame should be divided among the "creditors and recipients" rather than placing China as the scapegoat behind Tajikistan and several other nations' inadequacy of capital (Rehorst & Kuijl, 2021). As of now, much of the narrative has been presented by Western media that traditionally has had a very anti-Chinese outlook, so their content has villainized Chinese investment abroad (Carminati, 2019). These outlets solely focus on the aspects of agreements that illustrate China as an economic criminal that sets up the developing world for failure through heavy funding rather than a commercial partner. The media has been a leading instrument in how people perceive the BRI, shaping the world's image of China and its economic endeavors.

In many ways, officials who govern the country have contributed to Tajikistan's debt status. Government leaders are in complete agreement with the goals of the BRI as they see the projects as an ideal opportunity to advance their own self-interest. The initiative reinforces the power held by the Tajik elite and facilitates patrimony and kleptocracy within the country. Chinese investment in infrastructure strengthens the position of the officials and helps them extract wealth from the governed. Corruption is prevalent, especially within the president's family, who possess many powerful positions within the state (Karrar & Mostowlansky, 2020). Those who govern the country set aside a large portion of the funds that come from the Chinese for their own spending. As a result, the capital presented by China ends up staying at the top of the political hierarchy instead of being distributed to the people of the nation.

To further lower their capacity in the agreement, Tajikistan has not been paying back loans in standard fashion but rather signing away land and mining rights to China. In 2011, Tajikistan gave away 1100 square km of land near the Afghan border and gave away 2,000 hectares of land to till for Chinese farmers, which occurred in exchange for millions of dollars in debt relief (Reynolds, 2018). Unlike other Central Asian countries, Tajikistan does not have much suitable land for cultivation, yet nearly 72% of the population derives its income from agriculture (Aminjonov & Kholmatov, 2019, p.98). By giving away land as if it was not a scarce resource, the government jeopardizes their own civilians' welfare and source of livelihood. Another case of giving away Tajik property can be examined when Chinese firm Tebian Electric Apparatus built two thermal power plants in the capital. As payment, the president granted them control over the Eastern Duboa and Upper Kumarg gold-bearing mines until they make enough profit to offset the $332 million investment. Long-term rent of land by Chinese companies has caused massive resentment among the public, but civilians do not have very many other options to turn to (Qoraboyev & Moldashev, 2017, p.115 -130). Tajikistan has overlooked the long-term consequences, and if it continues down this path, it will lose "control over much of its natural resources if it keeps borrowing and swapping natural resources for infrastructure money" (Shamiev, 2020, p. 83). Besides improper payment methods, the Tajik government has also provided Chinese firms that invest in the domestic economy with tax benefits. Based on this exchange, it appears China is relying on its own investment to extract more profits hindering long-term growth for Tajikistan.

Another way Tajikistan is contributing to its own exploitation is that investments are being poured into "white elephant ventures" like constructing expensive parliament buildings and museums that divert crucial financing away from infrastructure that benefits the public (Reynolds, 2018). Officials are utilizing Chinese funds to create the illusion of development for the outside world and the people of Tajikistan. By producing an image of beauty and luxury, the government has forgotten to address the more crucial needs of Tajikistan. The nation is falling prey to debt-trap diplomacy, and the officials who run the country are facilitating this exploitation with useless infrastructure projects.

Although China plays an integral part in the execution and maintenance of the various infrastructure projects, Tajikistan needs to evaluate the numerous other aspects of the deal to ensure the best outcome. To fully reap the benefits that the BRI has to offer, Tajikistan can not only host the commercial corridors it must also exercise proper diplomacy with neighboring countries and those who have a role in the initiative. The initiative is interdependent and needs all countries to work in unison, or there might be no benefit. Without proper coordination and cooperation, the agreement will be a meaningless investment (World Bank, 2020). In order to reap the benefits that the BRI has to offer, "each state must first defend itself at the economic level, act with full transparency with local citizens, and not commit to projects it cannot pay for, thereby risking its sovereignty" (Yellinek, 2020). Besides the needed diplomatic communication, border delays and tariff rates must also be addressed, establishing a new set of trade facilitation reforms. Infrastructure projects will be costly, and unless these roads and other structures are employed efficiently, there will be practically no welfare gains (World Bank, 2020).

c. Benefits

Xi Jinping stated that the BRI is a "golden opportunity" for nations to gain crucial investment and improve connectivity with participating economies (Yellinek, 2020). The United Nations agrees, claiming that the BRI is meant to be a mutually beneficial agreement as Tajikistan will experience increased living standards and foster economic development. At the same time, China will secure access to more foreign markets and diversify its supply chains (Reynolds, 2018). The World Bank has provided a similar assertion, estimating that the BRI could potentially improve economic integration and better quality roads would lower shipment time by 4%, causing an increase in Tajik exports by 4-8% and GDP by 5-31%. Based on these predictions, Tajikistan is expected to experience a much larger economic benefit than the 70 other participating nations (World Bank, 2020). Additionally, proximity to the world's fastest-growing economic power can prove to be advantageous to Central Asian economies, as they have an easier and faster route to Chinese goods. In Tajikistan's case, the expedited shipment time that will result from improved roads will cause a big difference as it will allow for a quicker exit of products from Tajikistan and a faster route for Chinese goods to enter the Tajik market.

Although China has been depicted as a neo-colonizer by many critics, there is evidence that some Chinese investment has generated the stated benefits. Foreign Direct Investment has increased from $80 million to more than $300 million, coming from Chinese state-owned enterprises and private companies investing immensely in the cities of Istiklol and Danghara. Chinese firms have effectively utilized the Free Economic Zones (FEZs) in Danghara and Istiklol and poured lots of money into constructing numerous infrastructure projects (World Bank, 2020). In Danghara, specifically, a Chinese oil production and refining company and a processing plant for packing dried fruits are in the midst of development (Embassy of the Republic of Tajikistan in the federal republic of Germany, 2020). Cotton, in addition to other products, makes up a large portion of Tajikistan's exports. Although these products are an enormous economic contributor, many farmers have relatively low yields because they lack the proper tools and equipment to boost production. Bad road conditions also make perishable items difficult to transport. Chinese companies like the Zhongtai group from Xinjiang, Jing Yin Yin Hai, and Huang Fan are utilizing contract farming with local farmers in the Khatlon region, providing them with fertilizer and other tools to improve the production of cotton, wheat, and various other product (World Bank, 2020). Although China's long-term version has not been fully revealed, it can be observed that they have allocated a decent amount of funding towards helping locals and improving rural infrastructure that will undoubtedly improve the standard of life around these regions.

5. Conclusion

Based on the present data, the dynamic between Tajikistan and China is very complex and has various other agents that impact the overall outcome. Much of the research published has currently illustrated China as an economic parasite that has latched itself to developing nations like Tajikistan to extract profits. China has been represented as a source of funding that aspires to manipulate Tajik society through the illusion of financial assistance and slowly pushing Tajikistan into its realm of authority. Although assumptions about China's ambitions in Central Asia might be accurate, they are being facilitated by corrupt government officials in Tajikistan. Tajik leaders are openly accepting Chinese financing with the label that these funds will be used to improve domestic infrastructure while transferring large portions of these loans towards their own bank accounts. Their lack of integrity has jeopardized the whole nation's economy, as it has made various sectors dependent on or managed by China. Beijing has absorbed these developments in Tajikistan and has taken advantage of the country's unstable state and ample supply of resources. Although Tajikistan is close to being controlled by China economically, it still has some options due to its geographical location. Tajikistan is at the epicenter of many of China's economic initiatives; without proper cooperation, Beijing will yield no benefits on its investments in Central Asia. Tajikistan is already very dependent on China, but it still has some alternatives to make the relationship less extractive and more beneficial to Tajik society. As long as Tajikistan properly examines the financing and mechanics of upcoming projects and effectively utilizes its geography, the nation can initiate actual development in the region.

III. Italy Case Study

1. Introduction

Italy is a Western European country and one of the founding members of the EU and NATO. In contrast to Tajikistan, Italy is one of the most developed countries in the world and is also part of the G7. However, the nation has faced an economic crisis that started with the global financial crisis of 2008-09 and has needed external sources of finance to cope with the effects of the economic slowdown. Most of these funds were provided by the EU, making Italy more dependent on the Union. The BRI and China thus provided Italy with an alternate source of finance to boost its economy, which led to Rome joining the initiative in 2019. However, it has been just over two years since the MoU was signed, which is much more novel than Tajikistan. As a result, most of the deals have not been completed, especially since the COVID-19 pandemic slowed down international trade. Additionally, a government change in 2021, coupled with a high volume of lobbying from the US, UK, France, and Germany, has put the Italian stance on the BRI under pressure, leading to a reduction in the extent of ties as well as the cancellation of some of the projects. As a result, Italy's position in the BRI is still very new, and, therefore, the analysis presented here is necessarily speculative. There is not much information about the impacts of the initiative yet, because not enough deals have been completed. This section thus aims to present the possible scenarios and their impacts on the Italian economy as well as the global geopolitical dynamic; and analyze the consequences of each, albeit speculatively.

2. History of Italian International Relations

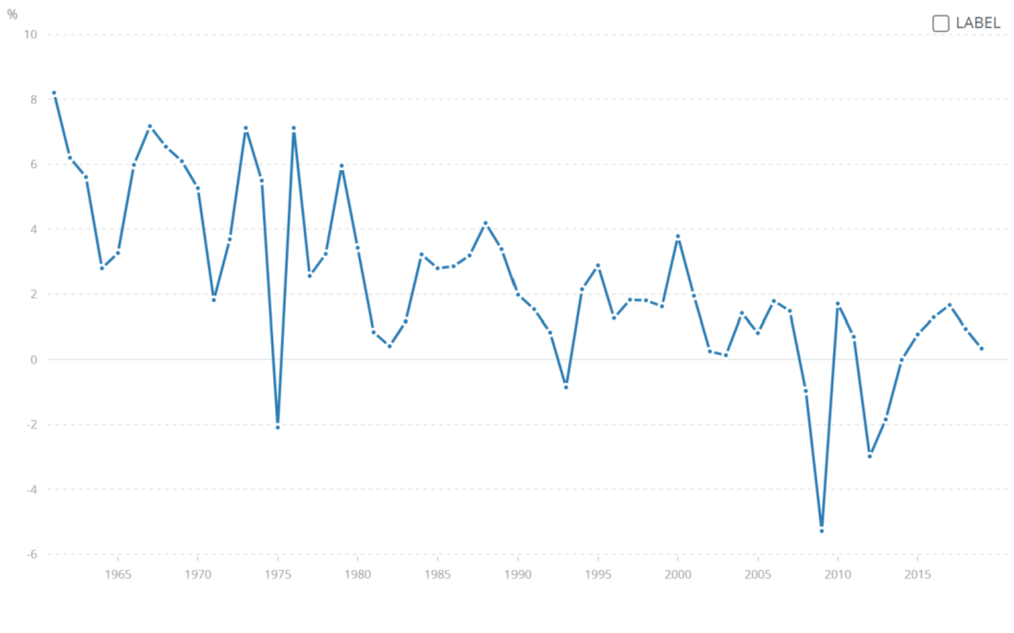
Until 1943, Italy was an enemy for the US, UK, and France, with Mussolini’s fascist regime siding with Germany in World War II. After the collapse of the fascist government, Italy’s politics started inclining more towards the West, establishing a democracy in 1946. It then became a founding member of the European Economic Community (EEC) in 1957, aimed at reducing conflicts in the region and avoiding wars, signaling Italy’s commitment to a democratic ideology and the western powers. However, given Italy’s strategic geographic location at the center of the Mediterranean sea and acts as a natural hub connecting mainland Europe, North Africa, and West Asia, it has historically been a bridge between the East and the West. Before the collapse of the Soviet Union, Italy pursued open dialogue and economic partnerships with both the United States and the Soviet Union (Bindi, 2019). After the collapse of the Berlin Wall in 1989, Italy found itself deprived of a role and attention in the global political sphere and has struggled to define itself ever since. Regardless, Italy has a sizable economic presence in central and eastern Europe, North Africa, and central Asia, partly because of its colonial history. Italy is also part of the North Atlantic Treaty Organization (NATO) and is a G7 nation, which maintains diplomatic ties with China.

Italy became the first country in the G7 and the largest country in terms of GDP in the EU to participate in the BRI. Its cooperation led to some diplomatic backlash from the United States as well as the EU. The US warned Italy against China's "infrastructure vanity project" or risk damaging its global reputation (Giuffrida, 2019). The start of trade between Italy and China dates back to 1866 when the Kingdom of Italy sent a delegation to China to secure a cure for a disease affecting Italy's silkworm population. However, changes in leadership and conflicts during the early to mid-1900s worsened Sino-Italian ties until 1969, when Italy officially recognized the People's Republic of China with a declaration by the Minister of Foreign Affairs (Strangio, 2020). Since then, the two countries have had a dynamic relationship, influenced by the varying global political scenario. Recent years have seen an increase in Sino-Italian cooperation. Trade between the two countries has increased fivefold from 2001 to 2019, from \$9.6 billion to \$49.9 billion (Zeneli and Capriati, 2020).

3. Why would Italy want to join the BRI?

Italy and China could appear to be unlikely partners under the BRI for political and economic reasons. As a member of NATO, EU, and G7, Italy is an integral part of the US-centred western alliance, and as a result, Italian support for the Chinese trade initiative seems questionable, especially at a time when US-China relations are rapidly worsening (Dossi, 2020). However, for the past quarter-century, Italy's economy has been nearly stagnant (University of Maryland, 2021). Since the global financial crisis of 2008, Italy's GDP growth has been close to zero or negative, and the economy has been struggling. The COVID-19 crisis made it worse, with lower income from tourism coupled with the effects of the economic lockdown. This trend is also visible in Figure 7, which shows Italy's GDP growth rate across the last 50 years denominated in US dollars.

Figure 7: GDP growth rate - Italy (1961-2019)

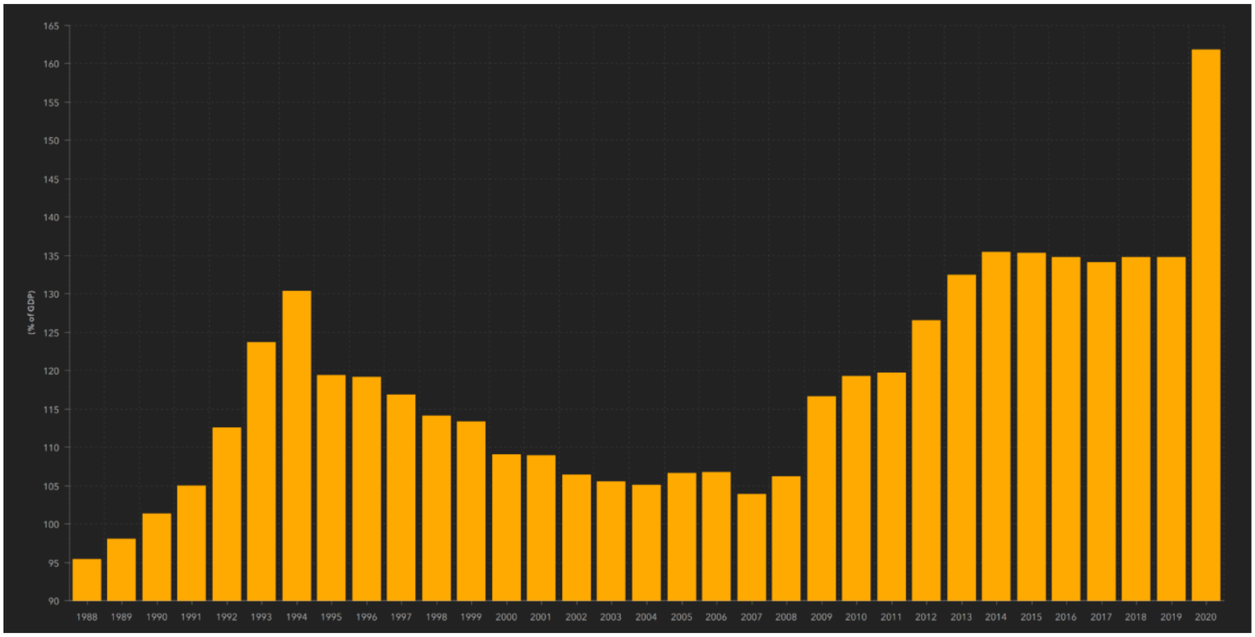


Source: World Bank

The global financial crisis of 2008-2009 has impacted Italy and deteriorated the economy after twenty years of political instability and economic decline (Di Quirico, 2010). The economy entered a recessionary period in the last quarter of 2018 and has been experiencing a decline in real GDP ever since[2]. The collapse of a motorway in Genoa in August 2018 also raised concerns about Italy's infrastructure and its reliability. Investments made by China are structured primarily around infrastructure projects and would provide Italy with funding to combat these concerns. Italy also faces rising external debt, as shown in Figure 8. As of 2020, it has had the second-highest external debt to GDP ratio in the EU, only after Greece (Guarascio, 2020).

[2] Based on data from CEIC: https://www.ceicdata.com/en/indicator/italy/real-gdp-growth

Figure 8: External Debt as a percentage of nominal GDP - Italy



Source: Arcgis database (from World Bank)

If Italy does not deal with its external debt promptly, it could fall into a crisis like Greece and risk being bailed out by the EU. Rome is still trying to implement policies like having a flat tax and providing fixed incomes for the poor, which will lead to it experiencing even higher levels of debt. Brussels has also warned Italy and asked it to justify its current policies to combat the fiscal deficit it faces (Smith-Meyer, 2019). On a macroeconomic level, Italy's financial crisis coupled with the effects of the COVID-19 pandemic makes Italy, a very suitable candidate for the Chinese Belt and Road Initiative. However, it is more than an international economic bailout. Italy and China have growing interests in central and eastern Europe, North Africa, and Central Asia, and the BRI could create the conditions for fruitful cooperation in other countries. In addition to that, heavy investments by Chinese companies in the port of Piraeus in Greece have shifted trade in the Mediterranean region, with Piraeus experiencing 15 percent of Mediterranean traffic in 2015, up from just 2 percent in 2008. This incentivized Italian ports to try and attract investments as well.

In addition to that, increasing Sino-Italian ties could also provide Italian firms with raw materials and parts at low costs for producing higher-end goods in Italy. This includes luxury clothing, cars, and appliances. The trend is already visible in some sectors; for example, in 2018, 16.86% of textile imports in Italy were from China, the highest of any other country, most of which were unfinished and then made into finished products in Italy (Harvard, n.d.). Since Italy is in the Eurozone, it cannot individually impose or reduce trade barriers on other countries. However, it can reduce or remove tariffs for particular goods, which would allow Italy to strategically reduce barriers for certain goods that would bolster production domestically. However, it is essential to note that Italy faces a trade deficit with China of approximately 22 billion as of 2020. Hence, in navigating trade with China, Rome needs to ensure that the negotiations under the BRI also involve increasing exports to China.

4. Why would China want to invest in Italy?

Since Italy is part of the EU, Sino-Italian relations are significantly impacted and affect China-EU trade and political relations. Over the past few years, China has been clear about its objectives in the EU: (1) free access to the European Single Market; (2) a secure home for its investments and, in particular, a willing partner for China’s fast-growing acquisition of overseas assets; and (3) a meaningful diplomatic alternative to its increasingly fractious relationship with the US (Yu, 2018, p.12). As a result, Italy’s involvement in the BRI would most likely be negotiated to try and achieve these agendas.

As mentioned previously, Italy’s strategic location at the center of the Mediterranean sea allows it to act as an entry point to Europe while being connected to North Africa and Central

Asia. In addition to that, economic ties with Italy would open European markets to Chinese goods, especially if they have access to ports like Trieste and Genoa. Also, in alignment with "Made in China 2025", an initiative launched by Beijing in 2015 that emphasizes upgrading Chinese industries to shift China from being a low-end to a high-end manufacturer of goods. The plan also asks Chinese firms to ramp up their efforts to invest abroad by becoming familiar with overseas markets (Kennedy, 2015). This reflects the investments made by Chinese firms in Italy, where they either buy stakes in Italian companies or form partnerships for projects. The "Made in China 2025" initiative targets several sectors like railway, ocean engineering, and aerospace equipment (Cyrill, 2018). Italian automobile and engineering sector firms are thus suitable candidates for trade partnerships that would provide the necessary parts and encourage high-end manufacturing in China. Additionally, in the short term, this could also be beneficial to low-end Chinese producers if trade with Italy increases. There are many Italian firms that specialize in making high-end products, including textiles and luxury cars. If Sino-Italian ties are strengthened as a result of the BRI, more intermediate goods can be imported to Italy from China at lower costs which could then be used in manufacturing high-end Italian products. Additionally, investing in Italian firms would mean that part of the profits also goes towards Chinese companies. In Anglo-American countries, Asia, and especially China, the label *Made in Italy* has immediate connotations of beauty and chic (Lees-Maffei and Fallan, 2014). According to the EU rules of origin, a set of laws that determine where a product is from, goods shall be deemed to originate in the country or territory where they underwent their last, substantial, economically justified processing or working (EU, n.d.). Hence, the products would still have a *Made in Italy* tag even if the intermediate goods originate in China. In comparison to the *Made in China* tag, products made in Italy are associated with high-end luxury goods and, as a result, would likely generate more profits. Additionally, since Italy is part of the Eurozone, trade between Italy and other European markets is accessible and barrier-free. Hence, in the short run, increasing trade with Italy and investing in Italian companies will allow China to have access to a lot more markets globally without as many trade restrictions.

Chinese investments are not purely infrastructural, especially in Europe, where they invest in the stock market and make monetary transactions with central banks. In October 2013, the PBOC and the ECB signed a bilateral currency swap for 45 billion euros, the largest ever signed by Beijing outside of China. The UK also raised 3 billion yuan via offshore sovereign yuan bonds and proceeded to keep them in yuans instead of converting them to dollars. Financial transactions like this ensure that the renminbi becomes recognized more in the global currency market, boosts market confidence in Beijing's reform commitment, and increases the chances of the renminbi being included in the IMF's Special Drawing Rights (Casarini, p. 7, 2015). Investing in Italian banks along with the ECB under the BRI could work towards this goal and bolster the renminbi's standing in the international market.

5. **Geopolitical impacts**

As mentioned previously, one of Beijing's major goals in pursuing EU-China ties is developing a meaningful diplomatic alternative to its increasingly fractious relationship with the US. China and the EU signed a comprehensive strategic partnership almost 18 years back; however, given the constantly changing geopolitical landscape, the nature of these relations has been changing as well. It started the China-Central and Eastern Europe Trade and Investment Forum in 2011, within the 16+1 framework; named so because it includes 16 Central and Eastern European countries along with China. This framework contested the EU's plans for a shared vision and a standard international policy and incited fears that China was engaging in a "divide and rule" political scheme (Le Corre, 2017). While no evidence could support or deny the claim at the moment, the EU's reluctance to engage in multilateral talk with China about the BRI as a bloc results in individual countries pursuing bilateral deals, like Greece and Italy. Western European powers like Germany and France have been skeptical of the initiative, and Italy's pivot towards a pro-Chinese sentiment raised concerns in the US and other EU powers (Follain and Mathieson, 2018).

Geopolitically, the BRI has the potential to be beneficial to both China and Italy. Since Italy is a G7 nation, it would provide China with a solid western power as an ally, helping advance their geostrategic vision and counterbalance a strong US-centric power dynamic. As for Italy, a partnership with China can provide alternative alliances and allow for a diplomatic and economic ally to fall back on that is not the US or another Western power. On a large scale, the BRI has the potential to provide an alternative idea on how to organize the space of international politics, reconciling sovereignty and globalization through policy coordination (Gabusi, 2019), and Italy could be a centerpiece in this shifting global dynamic.

However, there is some skepticism about the geopolitical advantages of the initiative for Italy. Firstly, there has already been considerable backlash from Italy's traditional allies like the US, France, and Germany as Italy adopted a pro-Chinese view and signed the MoU in 2019. Hence, increased economic or political relations with China could place Italy in the middle of a balance of power and possibly weaken its alliances on either side. This seems increasingly likely if the US-China trade war escalates. Another geostrategic concern would be conflicting views on matters like the South China Sea and the sovereignty of places like Hong Kong and Taiwan. The EU has raised concerns about Taiwan and Hong Kong regions, and Italy's participation in the BRI could conflict with the shared stance on those issues. Not adhering to the "One-China" policy could also lead to conflicts with China and, as a result, would be tricky to navigate for Italy. Additionally, anecdotal evidence from Greece suggests that Italy might not benefit entirely from the BRI. In 2017, a Greek veto prevented Brussels from criticizing Beijing at the United Nations human rights council (McLaughlin, 2018) and also resisted an EU commission proposal to establish a European agency screening foreign investment in the EU (Horowitz and Alderman, 2017). While Italy has not used its diplomatic influence for any similar cause, evidence from Greece suggests that Rome might have to align some of its geostrategic visions with China's plans for greater influence. This could prove costly, especially if the US or EU react adversely, a possibility not too unlikely given Italy's role in the G7 and the increasing friction between the US and China. Italy's involvement in the BRI could vastly alter the structure of the global political sphere. It could potentially be beneficial, but only if there is a significant multilateral dialogue on Italy's part to ensure that it balances the interests of the East and the West.

6. BRI Projects in Italy

As stated above, the BRI has slowly become a term that encompasses most if not all of China's transactions with other countries and investment in foreign companies or stock markets. Hence, investments made by China before signing an MoU with Italy also impact Italy's current trade with China and the geopolitical aspect of the deals. In 2014-15, the People's Bank of China (PBOC) invested more than 3.5 billion euros in Italy through its investment arm, the State Administration of Foreign Exchange (SAFE), and gained stakes of about 2 percent in ten of Italy's most prominent companies (Casarini, 2015). This made the PBOC the tenth largest investor in the Italian stock exchange. Additionally, SAFE and ChemChina acquired the Italian tire-maker Pirelli for $7.86 billion, while the Chinese firm Suning bought a 69% stake in the

Italian soccer team Inter Milan. Between 2008 and 2019, Chinese firms and SOE's have invested more than 26 billion dollars in Italian companies and infrastructure projects in a variety of sectors[3]. However, most investments were made in the automobile and IT firms, a trend that could be reflected as Italy's role in the BRI develops.

Italy and China started bilateral talks in 2017 about joining the BRI before finally signing a Memorandum of Understanding of 23 March 2019. The MoU listed six areas to promote bilateral cooperation: policy dialogue; transport, logistics, and infrastructure; unimpeded trade and investment; financial cooperation; people-to-people connectivity and green development cooperation[4]. In addition to this, the two countries signed a total of 29 deals amounting to approximately $2.8 billion (BBC, 2019).

These deals included allowing Italy's state lender, Cassa Depositi e Prestiti (CDP), to sell "Panda" bonds worth $744.5, close to 5 billion renminbi. "Panda" bonds are renminbi-denominated bonds sold by a non-Chinese issuer, the CDP in this case, within mainland China. They allow foreign companies, particularly those with subsidiaries in China, to tap into an investor base and find the capital they need at attractive rates (Simmons-Simmons, 2021). It also included a collaboration between the China Communications Construction Company (CCCC) and the port of Trieste; there were talks of similar deals with Genoa's port. The Italian metal company Danieli also signed a deal to build part of a steel plant in China that would then be transferred to Azerbaijan (Reuters, 2019).

[3] Based on the China Global Investment Tracker, Data compiled by The American Institute and the Heritage Foundation.
[4] Based on a document issued by the government of the Italian Republic and the government of the People's Republic of China.

7. The influence of politics on Italy's position in the BRI

When Italy signed the MoU with China, the prime minister was Giuseppe Conte, who was in power from June 2018 to February 2021. He is affiliated with the Five Star Movement (5SM), a political party that believes in populist and anti-establishment movements. However, it is important to note that the Five Star Movement is eurosceptic, lacking citizens' trust, interest, and involvement in Europe (Kirk, 2001). Joining the BRI would provide Italy with alternate funding sources and reduce their financial dependence on the European Central Bank (ECB) and the EU. Italy has been given financial support in the past, once in 2012 after the global recession and once in 2020 due to the pandemic by the European troika, composed of the EU, ECB, and the IMF. However, Italy and the EU still have fiscal disputes (Guarascio, 2019). Since the ECB controls interest rates in the Eurozone, the government does not have control of its monetary policy and, as a result, cannot use it to attract foreign investments. If Italy gains investments from China, it would be consistent with the 5SM's eurosceptic view since it makes Italy's economy less reliant on the ECB and EU. Conte's government from 2019 to 2021 was hence pro-BRI and encouraged Sino-Italian trade. The deputy prime minister then, Luigi Di Maio, was also a major proponent of the BRI and trade with China.

However, in February 2021, Italy elected a new president, Mario Draghi, who ran independent of a political party but did not share the views of Conte. Draghi served as the president of the ECB from 2011 to 2019 and, as a result, was more of a europhile rather than a eurosceptic. In his first few months in power, Draghi has already expressed concerns about the Chinese communist regime and suggested that Italy was carefully reevaluating China's investments in the country. He also mentioned that the government would thoroughly evaluate the agreement made under the BRI back in March 2019 (Nation World News, 2021). Moreover, Draghi's government used the "golden power"; a law introduced in 2012 that allowed the Italian government to limit or stop foreign direct investments or corporate transactions if they involved strategic assets (Mazza et al., 2021) in order to block some Chinese investments. In particular, Draghi barred the Italian telecommunications company Fastweb from acquiring 5G equipment from ZTE (Bechis and Lanzavecchia, 2021). While the Conte government also implemented a similar law in 2020 to halt a deal between Huawei and Fastweb (Lanzavecchia, 2020), the new prime minister has adopted a more sino-skeptical approach. The new government also prevented the Chinese company Shenzhen Investment Holdings Co. from buying a 70% stake in LPE, a firm that produces semiconductor equipment (Fonte, 2021). In addition to this, Italy is also facing pressure from the US and the EU to ensure that the geopolitical balance does not tilt China. The US has been lobbying against using 5G equipment from China by European companies, citing privacy and security concerns, which resulted in Italy blocking the trade deals (Amante, 2020). Moreover, the collaboration between the CCCC and the port of Trieste has also been annulled, handing the management of the port of Trieste to a German company HHLA (50.1 percent), Francesco Parisi S.p.A (about 23 percent) ICOP (22 percent) and Interporto di Bologna (Ghiretti, 2020). This came after the concern of increasing Chinese influence among people and pressure from the EU and the US to reduce the extent of Sino-Italian ties.

8. The BRI in Italy - Analysis

Summing it up, the BRI could provide Italy with multiple economic and geopolitical advantages if the initiative is navigated adeptly. It could provide Italy with a source of finance for infrastructure, allow Italian firms to garner resources for production at lower costs, and allow them to invest in China to widen their scope and customer pool. It is necessary to note the differences in the nature of investments and trade agreements between Italy and China versus other EU countries' roles in the BRI. In 2018, the ambassadors within the 16+1 framework (does not include Italy and Hungary did not sign on it) sent a letter to the European Commission criticizing Chinese investments and the BRI. The letter stated that the BRI is far from a win-win project and has granted the bulk of business opportunities to Chinese companies (Gabusi, 2019). Despite Xi Jinping stressing that the BRI is helpful to other countries and not just self-serving, there is not much information about which non-Chinese firms benefited from the initiative (Heide et al., 2018). However, the Italian case is different since there are some agreements in the MoU where Italian firms invest in China. This suggests that it is more likely that the BRI will be mutually beneficial for both the countries in Italy's case compared to other EU countries and Tajikistan. Additionally, reduced dependence on the EU and the US economically and geopolitically might serve Italy's interests and allow it more fiscal and diplomatic independence. It would also align with Italy's historical foreign policy, where it has always retained some freedom of action in dealing with strategic competitors or enemies of the EU and NATO (Cristiani, 2019). While Italian policy has become more inclined towards Western powers in recent times, the BRI could re-establish a better balance. Maneuvering through relations with either side such that neither side retaliates would be difficult but would allow Italy several geopolitical and economic advantages.

Economically, the BRI works mainly in Italy's favor by providing it with finance for some infrastructure, along with higher foreign direct investment and a chance to expand Italian firms' outreach internationally. The economic crisis and the need to be bailed out by the EU has shown that the Italian economy is heavily dependent on the ECB and having no control over its monetary policy worsens the same. One drawback could be that Italy already faces a deficit with

China, and the BRI could escalate that. However, being a somewhat developed nation, Italy has higher negotiating power in the agreements and could procure deals to increase Italian investments in China and reduce the deficit.

On the other hand, Italy might face much geopolitical backlash, especially because it is a member of the EU, NATO, and G7. The US and EU have labeled China as a strategic (Tengjun, 2021) and systemic rival, respectively, and have also condemned Italy in the past for aligning too closely with the BRI (Von Der Burchard, 2019). Hence, increased Italian involvement in the initiative or close Sino-Italian economic or political ties is likely to receive diplomatic retaliation from Washington and Brussels. This could also have economic impacts if the backlash is in the form of sanctions.

However, it is important to note that since the election of Mario Draghi as the Italian prime minister, Italy's ties with China have weakened. While the MoU is non-binding (Cristiani, 2019), China could potentially retaliate with diplomatic or trade sanctions if Italy withdrew from the deal. Italian withdrawal is also likely, especially after the recently held 47th G7 summit concluded in the launch of the Build Back Better World (B3W) initiative that has been framed as an alternative, democratic infrastructure initiative to China's BRI (Mardell, 2021). While there are still potholes in the way, and the B3W is only months old compared to the BRI, it indicates a shift in the Italian view on Chinese trade relations. This shift suggests that Italy is currently adopting a more Sino-sceptic standpoint, changing its position in the BRI. Hence, the effects of the BRI on Italy are still developing and could change with new governments or evolving international sentiments and agendas.

IV. Differences Between Tajikistan and Italy's BRI relationship

China's BRI could have similar intentions for all participating states, but the extent of China's objective will vary by economic status. While the official statements provided by Beijing suggest that the BRI is multilaterally beneficial and promotes development in all participating countries, this paper argues that countries will interact with the BRI differently. The developing world will have a contrasting perspective from the developed countries. Tajikistan and Italy are meant to mirror both sides of the spectrum to illustrate how China's initiative aligns with their stated ambitions. The paper aims to depict the economic implications of collaborating with China and demonstrate whether the relationship is extractive or mutually beneficial for Tajikistan and Italy. Although the primary factor is based on the development stage of each nation, numerous other elements influence economic standing, like political structure, partnerships, and the length of cooperation with China.

As mentioned before, economic stability plays a large role in how the BRI will unfold in participating nations. Tajikistan is a developing country with a low GDP, a comparatively low Human Development Index (HDI), and a high trade deficit, coupled with low food and energy security[5]. On the other hand, Italy is part of the G7 and is considered to be one of the highest developed economies in the world, and has an HDI of 0.892 (UNDP, 2020). While Italy faces a trade deficit with China, it has an overall trade surplus with higher food and energy security. Tajikistan's exports are more raw materials and minerals, in comparison to Italy, which exports higher value-added goods. Due to their varying economic conditions and structures, their needs and interactions with China will differ. As a developing nation, Tajikistan requires funding

[5] Determined by the nature of goods imported by Tajikistan. There was a high amount of imports of food (close to 16% of total imports) and energy (close to 12% of total imports). Data from the Harvard Atlas of Economic Complexity, 2018.

primarily in the infrastructure sector; therefore, road and rail projects are emphasized. In contrast, Italy pursues fewer construction-based loans and seeks capital associated with firms and stocks. Tajikistan's needs from the BRI are more urgent as they entail projects necessary to improve the standard of life that the current infrastructure cannot meet. China can detect the extent of each nation's need and can utilize this intel to its advantage. Due to Tajikistan's lack of capital and other sources of financing, its demand for foreign investment is crucial; therefore, China has been quick to supply the nation with loans. Conveniently for Beijing, these funds have come with a price tag that exceeds the original repayment amount. Tajikistan's proximity and membership in the global south have also made it vulnerable to China's ambitions to externalize environmental harm. Although Chinese investments meet a large portion of Tajikistan's energy needs, Beijing has efficiently masked its exportation of environmentally harmful industries under the label of economic assistance. China's perception of Tajikistan as a developing nation incapable of fully repaying its loans has allowed Beijing to alter agreements that benefit China more. For Tajikistan, this seems very beneficial at face value. It must prioritize rapid economic growth, but this will present various environmental obstacles in the future that will hinder real advancement. Besides economic expansion, the nation will be left to deal with the consequences alone as the harm was done on Tajik soil. China realizes Tajikistan's economic condition forces them to have limited options; therefore, it is taking advantage and presenting Tajikistan with projects that seem attractive even though they might carry long-term implications that are currently overlooked. In the case of Italy, this type of exploitation is less likely to occur because the European nation has a resilient economy and that does not require the same level of assistance as Tajikistan. Hence, it is evident that both the countries are very different in terms of their macroeconomic indicators, which heavily influence their relationship with China and other countries.

Tajikistan is a recently established republic with roots connecting to the Soviet Union, while Italy is western power associated with the European Union. Tajikistan's communist past has translated into a modern-day relationship with Russia. As a result, Tajikistan has not had strong diplomatic ties with members of the global north like the US and EU, which currently dictate a large part of global politics and the workings of several international organizations. Being a post-Soviet nation, Tajikistan has been associated mostly with the Commonwealth of Independent States (CIS) and the EAEU, further distancing it from the US and countries of the EU. On the other hand, Italy is one of the founding members of the EU and has had strong historical ties with the US and other European nations. The partnership that Tajikistan and Italy hold massively impacts how they perceive the BRI. While Russia contested Tajik participation in the BRI, Italy was being questioned by the US. As Russia possesses a smaller influence in the global political sphere than the US, Italy has more to lose in its relationship with the North American power than Tajikistan does with Russia. This impacts the extent and quantity of projects that will be signed with China, as there is a considerable opportunity cost tied to agreeing to work with Beijing for Italy. In Tajikistan's case, the opportunity cost does not outweigh the promises of the BRI because the nation believes that the benefits will outweigh the initial cost of losing assistance from their historical partners.

The governance of Tajikistan and Italy vary immensely as they both have undergone different histories. Tajikistan has been under the same leadership since 1994, i.e., for 27 years, establishing a stronghold in the country for the president and his family, giving them the power to heavily control and influence the politics and economy. On the other hand, Italy changes prime ministers much more often, and the average term over the past 75 years has been 14 months (The Local, 2021). The rapidly shifting political ideology and geopolitical inclinations allow for an evolving economy that avoids consistent policies. Tajikistan's president has had control of the nation for several decades and thoroughly understands how the economy operates, so he has been able to pass policies that cater to his interests. This mentality heavily impacts how loans are requested and accepted from global organizations. For instance, borrowing from the IMF or World Bank usually comes with conditionalities like agreeing to adjust the country's economic policies to overcome the problems that led it to seek financial aid in the first place (IMF, 2021). In comparison, Chinese lending follows an expedited process and has fewer economic guidelines attached. A long-term head of state like in Tajikistan would thus be attracted to appeal to Chinese credit as it allows for a larger window for corruption, whereas Italy's changing political situation results in changes in the foreign policy towards China and other countries. The corruption that has occurred in the Central Asian country has come at the expense of Tajik land. Tajikistan has resorted to paying China back with land and mining rights. Contrastingly, Italy has paid off any loans through traditional means. Italy has the necessary financial and political resources to remain economically stable and negotiate with others. Tajikistan's economy is sensitive, and the lack of a robust support system often leads the nations to accept foreign investment immediately without examining the long-term repercussions of specific contracts. Tajikistan fits the developing model adequately, as it prioritizes a vast flow of capital without thoroughly examining if repayment is feasible.

Length of relations also contributes to the BRI's outcome in each country as there might already be certain economic and political expectations in place. As mentioned before, because Tajikistan's relationship with China is older than Italy's ties with Beijing, the Central Asian nation has already had numerous projects completed. Many projects were completed before the BRI went into full effect but are categorized under the BRI label. China has played a massive role in Tajikistan's foreign investment sphere since the dissolution of the Soviet Union and has served as a consistent source of funding towards various infrastructure projects. While Tajikistan has experienced a formal relationship with Beijing for almost three decades, Italy's ties with the Asian superpower are novel; therefore, it is still examining the technical aspects of the BRI. Italy has not had a long relationship with China to establish a solid economic relationship, so it is hesitant to finalize agreements under the BRI. There are discussions to fulfill various projects in Italy, but unlike Tajikistan, it has yet to be started. More extended economic ties often translate to a stronger interaction, yet the case of Tajikistan is different. Tajikistan's lack of capital and proper financial management has caused the nation to increasingly become more indebted to China. Ever since negotiations with Beijing began, Tajikistan has been increasingly growing dependent on China. Due to the lack of other reliable sources of investment, Tajikistan has often turned to China for funding, simultaneously entrapping itself in a cycle of debt. Italy's ties with China are relatively new and have yet to develop to the same stage as Tajikistan, and the European nation has numerous other sources of alliances. As a member of the EU, Italy has access to various economic advantages and sources of credit. Italy's political alliance with Western powers allow it to diversify its flow of capital without becoming dependent on one supplier.

Tajikistan and Italy's dynamic with China will differ immensely as they are in different spots on the development spectrum. Additionally, their historical ties with China, government leadership, and political ties will influence whether the BRI carries exploitative motives or seeks to create an equally fruitful relationship. China's motives only make up a portion of the BRI results in these nations; how the state accepts and divides the capital will also influence the outcomes. Italy's economic and geopolitical position gives it more leverage than Tajikistan, allowing it to freely negotiate without pressure as it has fewer demands than Tajikistan and is not in a state of rampant poverty. Tajikistan has less negotiating power as it needs money to foster domestic development. Although it is not forced to undertake Chinese funds, it does not have great alternatives like its counterpart. Beijing might have similar intentions for both Tajikistan and Italy in their economic agenda, but the way these objectives are fulfilled vary. China has taken both nations' structures under consideration and has maneuvered differently to meet their goals. Tajikistan's desperate need for infrastructure money has allowed China to alter some parts of the deal and make it more extractive. On the other hand, Italy is very vigilant when considering Chinese investments and has been accepting money conservatively.

Conclusion

The BRI is one of the most extensive economic agreements headed by one source and holds the potential to alter the global political landscape drastically. China is at the forefront of these commercial projects and wants to feed its sizeable economic capacity. Therefore it is imperative to examine whether China's economic endeavors are deceitful and meant to take rather than give. Our study has found that the BRI has been more exploitative for the partner countries due to China's eagerness to provide any nation with capital without guaranteeing that these loans will be repaid. Although the Chinese government has a clear extractive agenda, the final outcome is based on how participating nations negotiate and utilize Chinese capital.

We found that the outcome of BRI is determined by several historical, political, and economic factors that spread blame along between China and collaborating nations. The BRI is a simple proposal with sophisticated elements that dictate whether these contracts are beneficial or extractive. The data we have collected has aligned with the conclusion that developing countries like Tajikistan are far from being the victims of this agreement. Officials in the country enforce the exploitative nature of the BRI by accepting excessive loans and producing the illusion of development when in reality, large portions of investments make it to their personal bank accounts. In the case of Italy, the results are less transparent as many of the projects have yet to be signed or completed. As a result, it is more difficult to assess Italy's situation, yet this depicts that the developed world is more resilient when working with China. The countries that comprise the global north have more options and do not need to jump at the first sight of foreign direct investment. Italy, unlike Tajikistan's government, does not need lots of foreign capital to stimulate the economy. Italy has stable domestic commerce and can continue down this path without Chinese interference. On the other hand, Tajikistan needs foreign capital to encourage the economy, but how extractive the funds are depends on the nation.

Based on these dissimilarities, countries will engage differently with the BRI. Italy and Tajikistan vary in numerous ways, economically, politically, and their historical ties to China; as a result, their individual cooperation with Beijing will differ. Projects and agreements will not yield similar outcomes worldwide and hence cannot be characterized under one conclusion. The dynamic and history play a significant role in how these agreements will unfold and several other factors that create further complexity. Chinese intentions seem extractive, but the actual outcome depends on Beijing and the participating nation. China could enter with venal motives, but how BRI states accept and maneuver around China's deceitfulness will greatly impact the overall situation.

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