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Can the Belt and Road Initiative Empower Sustainable Development in Developing Countries?

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ABSTRACT

This article delves into the significant positive impact of the Belt and Road Initiative (BRI) on the sustainable development of developing countries, particularly those with lower levels of industrialization and higher sustainable development performance. The study, utilizing the super-efficiency Slacks-Based Measure (SBM) model, evaluates Green Total Factor Productivity (GTFP) as a sustainable development indicator and employs the Difference in Differences (DID) model to assess the BRI's influence.

Findings indicate that the BRI notably benefits countries with lower industrialization levels, developed financial services, high dependence on foreign investment, and lower energy consumption. The research underscores the importance of understanding the BRI comprehensively for policymakers, investors, and the developing countries themselves.

For policymakers, these insights aid in formulating more targeted policies by understanding the BRI's global influence. Investors gain valuable insights into investment returns and risks along the Belt and Road route. Academically, the study advances theoretical understanding of the interplay between the BRI, international investment, and sustainable development, enriching economic literature on developing countries and suggesting avenues for future research.

Keywords: Super Slacks-Based Measure model, Difference in Differences, Belt and Road Initiative, Sustainable Development

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