

## Financial Inclusion in Host Countries: A Pre- and Post-BRI Analysis

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### Abstract

This study examines the impact of China's Belt and Road Initiative (BRI) on financial inclusion in 135 partner countries from 2007 to 2021, using OLS-ITSA with a staggered adoption approach. Results show BRI participation significantly increases ATM availability, especially in middle- and low-income countries, but has no clear effect on bank branches, borrowing, or deposit accounts; suggesting an infrastructure-driven rather than credit-driven influence. Life insurance penetration declines post-BRI, likely reflecting shifting financial priorities. The study also highlights the role of macroeconomic factors like GDP per capita, inflation, and trade openness in shaping financial inclusion. While GDP per capita boosts financial access, inflation and trade openness show mixed effects. Additionally, rising internet usage signals a shift towards digital financial services. This research offers insights for policymakers by showing how large-scale infrastructure projects like the BRI interact with financial ecosystems. It emphasizes the need for complementary financial reforms and digital innovation to foster inclusive growth. Keywords: Belt and Road Initiative, financial inclusion, infrastructure development, macroeconomic factors, digital financial services, OLS-ITSA, global economic integration.

