

Xinhua, Diplomacy, and Chinese Foreign Aid

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Abstract

Absent formal avenues of transparency, how do China's efforts at gaining international recognition and promoting good relations with aid recipients play out in Beijing's foreign aid giving? We bring a novel perspective to this issue by considering Chinese media coverage of developing countries intended for foreign audiences and China's bilateral diplomatic activities. These measures capture two distinct but related aspects of China's foreign policy: status/legitimacy in the eyes of a foreign (predominantly Western) audience and south-south diplomacy. To the extent that China's development finance complements these goals, we expect greater coverage of a developing country in a Chinese media outlet directed to foreign readers and greater bilateral diplomatic activity to correlate with greater Chinese foreign aid giving. To test this expectation we merge AidData's Chinese development finance dataset with two newly available datasets: (1) AidData's compiled yearly counts of bilateral official diplomatic visits from China and (2) millions of English edition Xinhua news articles from 2000 to 2014 scraped by the Cline Center for Advanced Social Research. We find that greater media coverage of developing countries targeted at a foreign audience via the English version of Xinhua and the number of diplomatic visits to a developing country predict greater receipt of Chinese aid. Our results support the view that Chinese aid allocation patterns map to China's broader diplomacy and legitimacy seeking objectives on the world stage.

1 Introduction

China neither reports its foreign aid spending to international organizations, as do Development Assistance Committee (DAC) members to the OECD, nor does China publish its aid expenditures in a public database, as does the United States in USAID's *Greenbook*. [Fuchs and Rudyak \(2019\)](#) cite this fact as a reason Western governments assume Beijing deliberately keeps its international development finance a secret.

However, many observe an unmistakable connection between China's version of Official Development Assistance (ODA) and its political and material goals. These ambitions include international recognition and closer diplomatic ties with recipients in what China calls "south-south cooperation." While distinct, these objectives have one thing in common: they are difficult to accomplish *in secret*. They require visibility. So, absent traditional modes of transparency, *how does China's foreign aid relate to Beijing's efforts at public diplomacy and international recognition?*

We tackle this question by considering Chinese media coverage of developing countries intended for foreign audiences and China's bilateral diplomatic activities. These measures capture two distinct but related aspects of China's foreign policy: status/legitimacy in the eyes of a foreign (predominantly Western) audience and south-south diplomacy. To the extent that China's development finance complements these goals, we expect greater coverage of a developing country in a Chinese media outlet directed to foreign readers and greater bilateral diplomatic activity to correlate with greater Chinese foreign aid giving. To test this expectation we merge AidData's Chinese development finance dataset with two newly available datasets: (1) AidData's compiled yearly counts of bilateral official diplomatic visits from China and (2) millions of English edition Xinhua news articles from 2000 to 2014 scraped by the Cline Center for Advanced Social Research. We find that greater media coverage of developing countries targeted at a foreign audience via the English version of Xinhua and the number of diplomatic visits to a developing country predict greater receipt of Chinese aid. Our results support the view that Chinese aid

allocation patterns map to China's broader diplomacy and legitimacy seeking objectives on the world stage.

This work further helps in dispelling the notion that China purposely engages in development finance in secret. Much to the contrary, China complements its aid giving with visible diplomatic envoys and greater external-facing media coverage.

2 Motivations behind Chinese Foreign Aid

China's motivations for giving foreign aid to developing countries mirror, in many ways, the motivations of Western donors. While recipient needs, in part, predicate Chinese assistance, so do Beijing's political and economic interests. Evidence suggests that China targets more finance toward poorer countries and does not systematically favor authoritarian over democratic recipients ([Dreher et al. 2018](#)). At the same time, China seems to give more aid to countries that import more goods from China, while it gives less aid to those that officially recognize Taiwan ([Dreher and Fuchs 2015](#)). Further, China's Official Financing disproportionately goes to countries with more natural resources, greater UN General Assembly voting alignment, and with more capacity to repay loans ([Dreher et al. 2021](#)).

Two waves of surveys conducted by AidData of policymakers in 126 countries demonstrate the diplomatic impact that these investments have had.¹ Compared to a first survey wave in 2014, responses in 2017 showed an increase in evaluations of China's influence with policymakers in developing countries. It would be naive to suppose this is a side-effect, rather than a goal, of China's development finance and other investments.

If its diplomatic motives for giving aid parallel those of other donor governments, visibility is surely a major concern for Beijing. Visual branding of aid has emerged as a growing concern among donors. The United States Agency for International Development (USAID), for example, cited its "new 'brand identity'" as instrumental in promoting the

¹Reported by AidData "[China's Financial Statecraft: Winning Africa one Yuan at a Time?](#)" on March 22, 2018. Accessed March 3, 2022

visibility of 2004-2005 tsunami relief to Indonesia.² A US State Department report from 2004 further claims that better branding contributed to a doubling of favorable attitudes toward the US. Pew Research supports this view, finding that nearly 80% of Indonesians surveyed “said that post-tsunami aid from the US had improved their impression of America.”³

Given the diplomatic uses of foreign aid, the enduring obscurity that surrounds Beijing’s development finance is all the more puzzling. Unlike Western donors, China does not report its financing activities to an international organization or make its activities visible in an online database. To say transparency is out of character for Beijing is an understatement, but foreign aid is one issue area where transparency would arguably serve China’s interests. So why the secrecy?

As [Fuchs and Rudyak \(2019\)](#) point out, the obscurity of China’s development finance creates the perception among Western donors that China purposefully keeps its aid giving a secret. But as several scholars note, lack of transparency may have more to do with capacity and logistics than intention.⁴ For many decades, a complex and fractured bureaucracy has orchestrated Beijing’s development financing. Only in the past few years, as its goals have become ever loftier, did China establish its first true bilateral aid agency—the China International Development Cooperation Agency (CIDCA). However, while established in 2018, much work remains to consolidate the operation and management of China’s bilateral aid.⁵

References

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²See USAID’s resource page on branding: [usaid.gov/branding](https://www.usaid.gov/branding).

³“Does humanitarian aid improve America’s image?” Published by Pew Research March 6, 2012. Accessed March 3, 2022.

⁴See [Fuchs and Rudyak \(2019\)](#) for several related citations.

⁵See this excellent summary entitled “The Logic Behind China’s Foreign Aid Agency” by the Carnegie Endowment for International Peace published May 21, 2019. Accessed March 10, 2022.

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