

Friends Get More Money, Attention and Handshakes: Chinese Foreign Aid, Xinhua and Diplomatic Visits

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Puzzle

- ▶ China seems to deliberately keep its foreign aids secret
- ▶ However, aids as part of the "South-South cooperation" improve China's image abroad.
- ▶ Two opposite modes of interactions: foreign aids and media/public diplomacy – secret and open

Research Question and Argument

- ▶ Research Question: How does China's foreign aid relate to Beijing's efforts at public diplomacy and international recognition?
- ▶ Argument: Countries that receive higher media exposure and diplomacy efforts are strategically more important to Beijing, and in turn receive disproportionately larger China's foreign aid.

Argument Continued

Two dimensions of Chinese public diplomacy efforts:

- ▶ state-sponsored *Xinhua* media coverage of developing countries intended for foreign audiences
- ▶ China's bilateral South-South diplomatic activities

Developing countries that receive **higher** media coverage and diplomatic visit are strategically more important than the others. Hence, they get **more** benefits of aids.

Motivations behind Chinese Foreign Aid

Mirror Western donors:

- ▶ Countries in need (Dreher et al. 2018)
- ▶ Countries import more goods from China (Dreher and Fuchs, 2015)
- ▶ Countries with more natural resources, closer voting alignment with Beijing, more capacity to repay loans (Dreher et al., 2021)

Similar to Western donors, the transparency of foreign aid arguably serve China's interests.

Motivations behind Chinese Foreign Aid

The obscurity seems to have more to do with capacity and logistics, rather than intention (Dreher et al. 2018) . We explore the **connections** between China's bilateral development finance and other, visible, activities linked to diplomatic and legitimacy-seeking objectives.

Media: First-level Agenda-setting

- ▶ What's covered in the news signal to the public what is important (McCombs & Shaw, 1972)
- ▶ Media coverage of the countries will lead to the countries as a whole becoming more salient among the public. (Wanta et al., 2004)
- ▶ News editors as gatekeepers: the increased media salience suggests the salience of the foreign countries to the audiences and the **newsworthiness** to the news editors.

Media: Second-level Agenda-setting

- ▶ Media are critical in building states' image to international audiences (Nye, 2008)
- ▶ Media coverage shapes public attitudes – core objective of mediated public diplomacy. (Entman, 2008; Kioussis & Wu, 2008)
- ▶ Xinhua has dual roles: reporting news and building the China image as part of Beijing's "going out" strategy (Shambaugh, 2015)
- ▶ Its primary function is to transmit information. It reports on a variety of global issues with different regional focuses to meet the standard of international news competitors – **editors' choices** of what countries get more coverage

Public Diplomacy

- ▶ Visiting leaders can increase the awareness of themselves and their country among citizens in the host country (Goldsmith & Horiuchi, 2009; Goldsmith et al., 2021)
- ▶ Diplomatic visits usually come with policy agenda between two countries, and the two are expected to cooperate in various domains through their negotiations.
- ▶ Diplomatic visit is a signal of support and proximity of the countries.

Hypotheses

- ▶ Both media exposure and public diplomacy involve limited time and resources, we expect that Beijing will choose on whom to cast the spotlight, and whom to visit, strategically.
- ▶ We expect China to prioritize giving foreign aid to its “friends” – countries where China has developed strong relationships through public diplomacy efforts.

Hypotheses

- ▶ *H1*: When developing countries receive more media exposure in Xinhua, they are more likely to receive more foreign aid from China.
- ▶ *H2*: When developing countries host or visit Chinese high-level diplomatic visits more frequently, they are more likely to receive more foreign aid from China.

Data and Methods

Unique recipient-year observations from 2000 to 2014

- ▶ DV: bilateral aid data (AidData's Chinese development finance dataset)
- ▶ IV: number of diplomatic visits (AidData's compiled yearly counts of bilateral official diplomatic visits from China)
- ▶ IV: counts of country media coverage (Millions of English edition Xinhua news articles scraped by the Cline Center for Advanced Social Research)

Data and Methods

- ▶ Covariates: aid recipient characteristics (GDP, presence of war, disasters, political and civil liberties) and bilateral characteristics between China and aid recipients (economic ties, alliances)
- ▶ Model Specifications: OLS with robust standard errors clustered by recipients; Tobit maximum likelihood estimator; selection and level equations; instrumental variables

Results