Measuring the Influence of China’s Belt and Road Initiative

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The prevailing narrative among observers in academic, policy, and intelligence circles is that China’s effort to expand its international influence through aggressive outward foreign direct investment, including under the Belt and Road Initiative (BRI), will diminish U.S. global diplomatic power. By measuring China’s geopolitical influence longitudinally—through alignment in United Nations General Assembly voting and affinity expressed in foreign public opinion polling over time—this study finds that China’s relative influence appears to be in decline. This raises the possibility that the IC may overestimate the importance of China’s foreign direct investment initiatives, including the BRI.
What Is the Belt and Road Initiative?

China’s Belt and Road Initiative (BRI) is an expansive foreign and economic policy of the Chinese Communist Party that includes several massive, government-directed foreign investment programs. The initiative is designed to strengthen the Chinese economy by fostering trade and securing access to raw materials, while enhancing China’s international image and diplomatic influence abroad. Since BRI kicked off in 2013, the government has invested more than $200 billion in BRI projects across some 70 countries. Investments made under BRI now account for roughly half of China’s annual outbound foreign direct investment (OFDI) expenditures (see Figure 1).

The U.S. intelligence and policymaking communities have monitored BRI’s progress warily, fearing that Beijing’s aggressive OFDI activity challenges U.S. interests globally. Critical to understanding the magnitude of this challenge is the measurement of how BRI investments correlate with changes in China’s influence abroad. This first look reveals that, despite large increases in China-origin OFDI, there was an overall decline in support for Chinese positions at the United Nations General Assembly and in international public opinion from 2005 to 2018 (the most recent data available).

BRI’s Geopolitical Aims and Measuring Achievement

Although BRI is largely focused on fueling China’s strategic economic growth—three of its five major goals (“facilities connectivity, unimpeded trade, [and] financial integration”) are economic in nature (see box)—the official plan also cites two explicitly geopolitical aims: “policy coordination… and people-to-people bonds.” Policy coordination is inherently political in nature because it requires intergovernmental negotiation—an activity performed by politicians and driven by motivations other than market forces. Improving people-to-people bonds is also a political goal because cultural ties and affinities are not considered in the calculation of pure economic utility. One might argue, however, that considering these factors is bound to create economic inefficiency. Several anecdotal cases illustrate this point, including BRI-funded projects that are designed to support the policy’s geopolitical goals: construction of clearly unprofitable oil pipelines (e.g., the proposed Gwadar, Pakistan–Xinjiang, China oil pipeline) or investment in port facilities with murky economic but strategic security benefits (e.g., the Hambantota port in Sri Lanka). Indeed, some scholars argue that the principal purposes of BRI are cultural diffusion and increasing affinity for China, rather than investment return.
Measuring the Geopolitical Success...

“Policy coordination” occurs when governments agree to align their respective national policies to achieve mutual benefit. Measuring these agreements directly is challenging because each bilateral agreement is unique in scope and scale; simply counting the number of agreements between countries would be misleading. The United Nations General Assembly (UNGA) is a near-universal and annual forum in which countries express policy preferences through voting on UNGA resolutions. Because these votes are comparable in kind and the enduring nature of the UNGA means there is consistent data over time, UNGA resolution voting results provide a reasonable mechanism for measuring political affinity and policy coordination between China and other countries.

“People-to-people” bonds are straightforward theoretically, if more challenging practically, to measure. Bonds, or shared emotions or feelings, are observed by analyzing the sentiments of a host population about China. Practically speaking, polling the opinions of a representative sample of people in a host country, preferably over time, can measure the growth or decline in their affinity for China. Because the Pew Research Center’s “Global Trends and Attitudes” survey has conducted polling about attitudes toward China across 34 countries for the last 17 years, and reflects the most complete publicly available topline favorability dataset, these survey results have been used in this study.16, 17 The 34 countries from which the Pew Global Trends and Attitudes data are collected are not necessarily a representative sample of all countries. On average these countries skew wealthier and freer than a global average, which presents an important limitation to our analysis, as the target countries for BRI skew poorer and less free than a global average. Nonetheless, this dataset provides the best data available to the authors in so far as it contains the largest sample of countries, applies uniform and rigorous sampling techniques, and is available across the time period under examination.

... of 15 Years of Growing Chinese OFDI

In pursuit of these goals, BRI increased OFDI by state-controlled and private Chinese enterprises by 45 percent between 2013 and late 2015, compared to the 13-year period before BRI was introduced18—and the program’s value is likely to reach more than a trillion dollars by 2027.19 Because BRI is

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**MEETING CHINA’S GOALS FOR STRATEGIC ECONOMIC GROWTH**

The main economic aims of BRI are:

- To improve transportation infrastructure to decrease the cost of getting Chinese goods to existing markets (efficiency-seeking).
- To build new transportation infrastructure to allow access for Chinese goods to enter new markets (market-seeking).
- To gain access for Chinese companies to new sources of raw materials and human resources (resource-seeking and strategic asset-seeking).8

These aims are shaped by external needs (“pull factors”) and domestic constraints (“push factors”). The most pressing of China’s external needs is to secure access to a growing share of the world’s energy reserves in order to sustain overall economic growth at predictable costs.9 New transportation networks, built under the auspices of BRI, provide diversified means to access energy over terrestrial and maritime routes, but these networks also provide a means for China to expand the circulation of its currency, the renminbi, which is also important for Chinese economic power.10, 11, 12, 13 From the perspective of domestic push factors, China’s principal drivers of growth during the past 20 years—manufacturing and domestic construction—are diminishing.14 Chinese labor has become more expensive, driving up the cost of production. Ultimately, China needs access to new markets to sustain growth.15
relatively new, however, the available data on the policy’s results are still meager. To mitigate the limited availability of longitudinal data, this study broadens the period examined from 2005 to 2018, including the seven years prior to, and five years since, the announcement of BRI. The American Enterprise Institute’s Chinese Global Investment Tracker (CGIT) provides the most comprehensive, objective, and publicly available compilation of Chinese OFDI. Consisting of more than 1,500 cases (investment projects) from 2005 to spring 2019, the CGIT harvests data from corporate sources—typically, the parties involved in these OFDI transactions. It also annotates those cases announced under BRI. According to the CGIT curator, this practice makes the data more transparent than those provided by China’s Ministry of Finance and Commerce, which publishes topline monthly investment outflows but without case-level data to support them. The values of both BRI and non-BRI OFDI investments are included in our analysis. Although this combination complicates our ability to attribute these findings to the BRI policy specifically, rather than OFDI in totality, our findings have direct implications on the feasibility of BRI.

**Impact of Economic Inducements on “Policy Coordination and People-to-People Bonds”**

Using Chinese OFDI data from the CGIT, UNGA voting records, and foreign public opinion polling to measure how OFDI spending is influencing foreign government behavior and public sentiment toward China leads to three key findings. First, foreign countries’ willingness to vote with China in the UNGA declined overall from 2005 to 2018 (see Figure 2). This decline was

consistent across countries that received high and low amounts of Chinese OFDI (relative to GDP). Although countries with high Chinese OFDI were more likely to take the same position as China in UNGA voting overall, their willingness to do so declined at roughly the same rate as countries that received little or no Chinese OFDI (see Figure 3). For example, in 2005 the average voting coincidence rate (percent of the time a country voted with China) among countries with high Chinese OFDI was 80.9 percent, compared to 70.6 percent among low or no Chinese OFDI countries. By 2018 the average voting coincidence rate had dropped to 72.9 percent and 64.9 percent, respectively.

Second, the significant increase in Chinese OFDI—rising from $19.1 billion/year in 2005 to $198 billion/year in 2018, at which time about $122 billion was in BRI\textsuperscript{25}—did not improve public opinion of China among recipient countries. Indeed, a pattern of decline in foreign public opinion of China over time appears across countries receiving high or low amounts of Chinese OFDI. Like the UNGA voting patterns discussed above, countries receiving large amounts of Chinese OFDI generally had higher initial opinions of China compared to those countries receiving little Chinese OFDI. However, both groups experienced a similar decline in pro-China sentiment.

For example, among countries receiving high levels of Chinese OFDI, public opinion of China declined from 61.5 percent in 2005 to 52.4 percent in 2018 (see Figure 3). For those countries receiving low to no Chinese OFDI, public opinion fell from 55.1 percent to 44.1 percent.

This study considered the possibility that changes to China’s political influence resulting from OFDI may take some time to manifest. A test of the relationship between OFDI and both measures of influence, lagged at annual intervals from one to six years, yielded no consistent and meaningful evidence of association. This suggests there are no delayed onset positive effects for China.
Third, countries that support China at the UNGA have, in general, a more favorable public opinion toward China, suggesting some level of congruence between popular opinions about China and foreign government policy preferences (see Figure 4). There are some notable exceptions to this trend, such as in Japan where average favorability toward China hovers around 20 percent but voting coincidence in the UNGA hovers around 60 percent. Similarly, in the United States and Israel, public opinion toward China is more neutral (roughly 40 and 50 percent), but at the UNGA both countries take the same voting position as China only about 20 percent of the time. The disconnect between popular and elite affinity in these cases suggests other omitted variables (e.g., historical grievances, alliances and rivalries, strategic calculations, etc.) may be at play. (For more on this study’s findings regarding UNGA voting coincidence and popular affinity for China as a result of economic inducements, please see the Appendix.)

**Figure 4.** China: Comparing UNGA Voting Coincidence and Popular Affinity, 2005-18

![Figure 4](image-url)


**Implications**

Among U.S. policymakers, analysts, and academics there is a common concern about the rise of China and its implications for U.S. foreign policy. A key argument in this debate is that China’s growing economic clout and its willingness to pursue renminbi-diplomacy through OFDI will draw countries out of the American sphere of influence and reduce U.S. diplomatic and political power in international affairs. The results of this study challenge the notion that Chinese OFDI, and the BRI specifically, are enhancing China’s reputation abroad or improving China’s success in achieving its aims at the UN. To the contrary, this study finds a relatively steady decline in foreign public opinion of China, as well as an overall decline in other countries’ willingness to vote with China in the UNGA—even as Chinese outflows of capital
have skyrocketed—and these trends are consistent regardless of the quantity of Chinese investment a country receives. These findings cast doubt on the utility of using instruments of economic power alone to generate political influence.

Although the data presented here ends in 2018, the negative trend in foreign opinions of China appears to have accelerated during the COVID-19 pandemic. A Pew Research Center report released in October 2020 found that unfavorable views of China had risen by an average of 12 percent since 2019. The report indicates that Beijing’s handling of the coronavirus outbreak has fueled widespread criticism and a sharp decline in public affinity, particularly in the Indo-Pacific countries of Japan, South Korea, and Australia. Among the countries surveyed, the level of negative opinions of China had “reached their highest points since the [Pew Research] Center began polling on this topic more than a decade ago.”

Finally, it is important to note that while Beijing may not be succeeding in changing opinions at the national level, it may be achieving more localized behavior and opinion change around specific investment sites. Further research should focus on developing a more granular understanding of sentiment toward China at the provincial and municipality levels, particularly in areas surrounding major China-funded construction projects. Additionally, as more data become available, researchers should monitor the current downtrend to see if it holds into the coming decade.

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Appendix

Economic Inducements

China’s expanding OFDI under BRI appears from this study to be falling short in meeting the geopolitical goals of enhancing China’s international image and diplomatic influence abroad, as well as IC and policymaker concerns about challenging U.S. interests globally.

UNGA Voting Coincidence

This study’s results differ from previous investigations that have focused largely on the impact of trade flows on political outcomes, measured in various ways including overall UNGA voting convergence and voting on specific high visibility issues, such as Taiwanese sovereignty. In general, the findings of these earlier studies, such as an examination of China’s commercial relations with Africa and Latin America spanning 1992 to 2006,29,30 have supported the theoretical proposition that economic power translates into political influence, particularly as smaller states recalculate their interests to align with the larger trading partner.31 This study’s finding—that China’s ability to convert economic power into geopolitical influence is limited—most likely rests on factors beyond economics and politics.32 A principal confounding factor for China in gaining geopolitical influence is the deeply held concern among foreign leaders, particularly in the Indo-Pacific region, about China as a security threat.33 The degree to which suspicion of Beijing spreads globally—and becomes reflected in declining influence over UNGA voting patterns—may well depend upon China’s conduct in the course of implementing BRI at the local level and the impact this has on declining popular affinity.34,35

Popular Affinity

Several assumptions underpinning prevailing theory about public opinion of foreign governments are that “citizen opinions are ‘rational,’ in the sense that they are relatively stable, coherent, and plausibly related to world events”36 and that people will be generally pleased by the prospect of OFDI entering their country; however, a priori attitudes about the donor country may influence perceptions about foreign aid.37 Some forms of economic activity are found to improve an investor country’s image more than others, such as support to public health programs or aid administered by third parties, which is viewed less suspiciously.38,39 Opinions also can vary within countries along socio-economic and political cleavages,40,41 with some evidence pointing to education as a critical factor influencing perceptions of Chinese aid.42
Endnotes


10 Shambaugh, *China Goes Global*, 162.

11 Shambaugh, *China Goes Global*, 164.


15 Eisenman, “Contextualizing China’s Belt and Road Initiative.”

22 Scissors, “Chinese Investment Dataset—China Global Investment Tracker (CGIT).”
25 Scissors, “Chinese Investment Dataset—China Global Investment Tracker (CGIT).”
28 Silver, Devlin, and Huang, “Unfavorable Views of China Reach Historic Highs in Many Countries.”
34 Flores-Macias and Kreps, “The Foreign Policy Consequences of Trade,” 359–60.

