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Influence Nodes: China's High-Profile Global Development Projects

Austin Strange is an Assistant Professor of International Relations at the University of Hong Kong and a 2021–22 Wilson China Fellow[1]

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Abstract

Governments around the world, including that of the United States, have grown increasingly anxious about the nature and impacts of Chinese-financed global development projects. One source of concern is China's pursuit of influence via foreign aid and less concessional, debt-based financing in other countries. But given the scale and complexity of China's overseas development portfolio, expectations that development dollars translate linearly into political influence are unrealistic. This essay argues for instead focusing on the major nodes of China's overseas development program most relevant for questions of influence: High-profile development projects. These projects possess outsized visibility and political salience in host countries. These features enable high-profile projects to serve as unique sources of political capital for host country leaders. China's government can generate influence from this capital, but also faces risks to its international influence created by these projects that are often difficult to manage. Based on original data collection, this essay discusses how high-profile projects can increase or decrease China's elite and popular influence. It provides a nodal rather than linear lens for considering how overseas development projects affect China's net influence. This approach complicates calculations of influence, but suggests that if anything, China has likely yielded lower net influence than often assumed by policymakers and analysts.

Implications and Key Takeaways

- Policymakers and analysts should avoid the temptation to settle for straightforward assumptions about how China gains or loses influence in developing countries. China's global development projects serve Beijing's pursuit of influence, but both "projects" and "influence" require greater conceptual precision to understand links between them. Accounting for such links suggests that calculations of China's influence based on overall financing volumes may be inflated due to neglect of important influence channels.

- Governments concerned with China's use of development finance for influence should also avoid trying to match China's financing dollar-for-dollar or project-for-project. Mobilizing and coordinating public and private capital are serious constraints to competing with China at scale. Moreover, China's government and host country governments often have closely aligned incentives for pursuing high-profile projects. Neither direct competition nor rhetorical criticism are likely to deter China's longstanding approach to providing these projects.

- Initial indications that the United States and its partners plan to provide alternatives to Chinese financing that focus on potential strengths in physical and digital infrastructure are encouraging. Absent the ability to do this at scale, these governments should also invest more in helping host country governments make prudent choices in pursuing and negotiating development projects financed by China and other donors and lenders.

- The United States and its partners can also provide greater support to civil society organizations (CSOs) abroad to help them monitor and shape negotiations over Chinese development projects. This is particularly important in countries where national leaders directly request, negotiate, and plan these projects, often without adequate public disclosure. Greater CSO engagement can increase the likelihood that feasible, desirable projects will be selected and completed with higher baseline levels of buy-in from local societies. This outcome would be beneficial for all actors involved, including China's policy banks and state-owned enterprises that finance and implement projects. This support need not be conflictual: it can also be supported by China's government and international non-governmental organizations (INGOs).

- The United States and other members of the international community should persistently leave the door open for greater coordination with China's government, despite longstanding and current challenges related to information sharing and transparency in international development. They should encourage and reward future improvements in official information disclosure regarding China's overseas development activities.

Introduction

When one thinks of the Belt and Road Initiative (BRI), visions of massive, grandiose infrastructure projects immediately come to mind. This is true almost no matter where one looks along the BRI, a signature strategy of Chinese President Xi Jinping introduced in late 2013 that promotes infrastructure and other forms of connectivity with several dozen countries across and beyond an overland “belt” through Eurasia and maritime “road” through the Indo-Pacific. Consider Kenya, Papua New Guinea, and Sri Lanka, three major host countries for Chinese-financed development projects. According to *AidData’s Global Chinese Development Finance Dataset* (Version 2.0), between 2000 and 2017 China’s government committed over $10 billion (2017 US$) to Kenya.[2] This financing was diverse: it supported 155 aid- and debt-financed projects across the education (28 projects), emergency and disaster relief (19), energy (17), and health (15) sectors. But for most observers at home and abroad, China’s presence in Kenya is symbolized by one or a few well-known projects, such the Standard Gauge Rail (SGR), a megaproject championed by President Uhuru Kenyatta.[3]

In Papua New Guinea, similarly, China has committed $6.1 billion worth of projects over the same period, including 33 and 18 projects in the health and education sectors. But domestic and international audiences are most familiar with structures such as the $25.6 million convention center built in Port Moresby used to host an Asia-Pacific Economic Cooperation (APEC) meeting in 2018. Finally, government committed $12 billion for 150 aid- and debt-financed projects in Sri Lanka during the same period. But one notorious project typically serves as an oversized reference point for China’s controversial role there: Hambantota Port, a distressed infrastructure project pursued by former Prime Minister Mahinda Rajapaksa that has helped inspire the popular but flawed “Debt Trap Diplomacy” narrative.[4]

As these examples show, a pattern has emerged during the first decade of the BRI. Within most host countries, one or few projects often dominate local, national, and even global narratives about China’s development finance. Most consumers of these narratives never actually interact directly with the projects in question. In contrast, most projects that China and other donors provide overseas are local and lack the scale, visibility, and political salience to serve as major topics of conversation. Existing approaches to studying foreign aid, including China's development finance, do not capture this basic variation that distinguishes high-profile projects. But when considering how donors and creditors amass or lose influence abroad, it makes sense to spotlight high-profile projects that punch above their weight in dollars and serve as potentially outsized nodes for influence seeking.

The role of high-profile development projects within Beijing's broader pursuit of global influence is an important policy question. Amidst deepening U.S.-China tensions, China's re-emergence as a prominent donor and transformation into the world's largest bilateral creditor have set off alarm bells in the U.S. policy community. There is no shortage of opinions about the motives and effects of Chinese government financing. Beijing's provision of development "hardware" such as transportation infrastructure is often criticized for its lack of economic, environmental, and social safeguards, yet praised for its scale and speed. Beyond China, donor and lender competition for influence appears to be intensifying across the board. One recent study shows that nearly half of the world's sovereign states have now established foreign aid programs, even though many of these governments are themselves major aid recipients. This suggests that states increasingly value the strategic benefits of providing development finance.[5]

Of particular concern to the United States is whether and how China's government can translate infrastructure projects financed abroad into political influence. In considering this question, analysts often implicitly assume a neat, linear relationship between development dollars and influence. But as recent, open-source data collection efforts clearly show, China's government provides a diverse set of aid- and debt-financed projects across agriculture, energy, health, public and social infrastructure, telecommunications, transportation, and many other sectors. Some of these projects are mostly irrelevant for generating political influence. Others are essential for understanding China's influence bottom line in developing countries. Earlier analyses have inferred China's influence based on overall financing volumes. But it is likely more productive to identify the development activities within China's portfolio that are most relevant for its accrual or loss of international influence.

In thinking more carefully about development projects, analysts would also benefit from more conceptual precision regarding how projects connect to different influence processes. Earlier research has often neglected basic clarifications of what "influence" means. For example, are Chinese-financed development projects primarily intended to buy policy concessions from politicians in other countries? Are they instead meant to sway foreign public opinion in China's favor? Or are they designed achieve both elite- and popular-level influence objectives? Different development projects almost certainly vary in their importance for the pursuit of different kinds of influence goals.

To help clarify these dynamics, this essay discusses a well-known but poorly conceptualized class of Chinese overseas development activities: high-profile development projects. As the above examples of Kenya, Papua New Guinea, and Sri Lanka suggest, this broad class of projects includes many of the most notorious projects along the BRI. It includes both large-scale transportation infrastructure and other economic "megaprojects," as well as "prestige projects" like sports stadiums and conference centers.[6] While each individual development project has distinct features and exists in a unique context, most high-profile projects share two basic traits that differentiate them from other development activities: high visibility and political salience within developing countries.

This essay then considers how China's most visible development projects impact its pursuit of influence in other countries. First and foremost, high-profile projects can afford China elite-level policy influence by serving as unique forms of political capital for host country leaders at home. They can also improve China's image at scale among foreign publics when projects successfully engage national symbols and narratives in host countries. However, these projects can produce major blowback when they create negative externalities. These include material costs such as environmental damage and corruption, but also involve damaging narratives generated and promulgated by local, national, or international actors. China's government is often limited in its ability to manage the public profiles of its most well-known development projects. Instead, a plurality of actors such as host governments, media outlets, publics, and civil society actors collectively modulate the effects of these projects on China's image among elites and the general public. In short, high-profile projects can serve as political capital for host country politicians and this enables China's government to generate "routine" policy influence. But the same projects can also create "incidental" influence when negative externalities threaten China's interests abroad.

The underlying research supporting this essay systematically examines thousands of Chinese-financed development projects between 1949 and 2020 in order to shed light on how high-profile projects have affected China's net influence in developing countries.[7] Understanding how China and other states use high-profile projects to pursue influence can help practitioners and citizens in developing countries, as well as observers in the United States and elsewhere, more effectively understand China's aims and craft their own approaches accordingly. As recent BRI backlash around the world suggests, and as this essay argues below, increases in overseas development finance do not automatically generate commensurate increases in donor and lender governments' net influence in other countries.

The remainder of this essay proceeds as follows. The next section surveys mounting concerns over China's use of development finance for influence seeking. I then briefly discuss the state of knowledge on the links between development projects and influence outcomes. The essay then conceptualizes high-profile development projects and discusses some of the ways in which they can impact China's net influence abroad. The conclusion discusses some policy-relevant takeaways from the research.

Concerns over China's Development-Influence Nexus

The rise of "new" and "emerging" donors and creditors has revitalized narratives of competition for influence in developing countries.[8] In particular, China's growing clout as a donor and lender has alarmed the United States and its partners. Beijing is now the world's largest bilateral lender and has evolved into the "lender of first resort" for dozens of developing countries.[9] Concerns surrounding China's rise as a donor and (especially) creditor have accelerated since the launch of the BRI. Anxieties stem from the sheer volume of China's financing, the prospect of host countries falling into Beijing's orbit, the "weaponization" of the BRI to pursue Chinese strategic interests, [10] the opaqueness of Chinese policy bank-issued loans and the potential for massive sums of "hidden debt,"[11] and a complex set of risks including debt sustainability, environmental degradation, and socioeconomic disruption that might threaten the welfare and stability of borrower economies and societies.[12]

The ability to respond to these concerns depends on an accurate diagnosis of them. Over the past decade, U.S. leaders have repeatedly and publicly criticized China's development finance, linking it to a variety of strategic influence outcomes. Implicit in these critiques is an assumption of Beijing's ability to provide large financial amounts in exchange for proportionate economic and political influence. For example, in 2015 President Barack Obama asserted that China has "been able to funnel an awful lot of money into Africa" in exchange for natural resources and political favors.[13] In 2018, Vice President Mike Pence contended that "China uses so-called 'debt diplomacy' to expand its influence," and that for China's development finance to developing countries, "the benefits invariably flow overwhelmingly to Beijing."[14] A 2020 publication by the Department of State noted that "China generally delivers higher levels of development assistance to countries voting with it in the UN General Assembly."[15]

Recent bilateral and multilateral policy responses suggest that the United States is gearing up to compete with China for influence in the Global South. In 2018, Congress passed the Better Utilization of Investment Leading to Development (BUILD) Act, which led to a new development finance agency designed to finance infrastructure and compete with China.[16] The same year, the United States Agency for International Development (USAID) announced a "Clear Choice Framework" that contrasted American and Chinese "models" for global development.[17] In September 2019, Congress voted unanimously to create a special fund for "Countering Chinese Influence" in global development.

More recent initiatives emphasize coordination with like-minded partners. Since November 2019, the Department of State and counterpart agencies in Australia and Japan have promoted the "Blue Dot Network," an initiative designed to monitor and certify quality infrastructure projects–including BRI projects funded and built by Chinese policy banks and state-owned enterprises. Throughout early 2021, several new multilateral initiatives, such as the "Clean Green Initiative," have been referenced as BRI alternatives that can wean developing countries off Chinese infrastructure lending.[18] Most notably, the Biden Administration announced the "Build Back Better World" (B3W) initiative in concert with other G7 members in June 2021. The White House describes B3W as a catalytic initiative wherein the U.S. and like-minded governments will provide public investments to stimulate private sector financing at scale. B3W is envisioned as a "values-driven, high-standard, and transparent infrastructure partnership led by major democracies to help narrow the $40+ trillion infrastructure need in the developing world."[19]

Underneath these criticisms and initiatives, there is limited supporting evidence on how Beijing's overseas development projects actually promote China's international influence. Analysts instead appear to take for granted Beijing's ability to provide large dollar amounts in exchange for comparable political influence. While there is potentially merit in some of the above assertions, narratives of Chinese influence are mostly built on cherry-picked anecdotes and intuitions rather than carefully collected evidence.[20] Policymakers would be better positioned to craft effective responses if equipped with a more sophisticated toolkit for understanding which types of Chinese development behaviors generate more or less influence for China, which projects challenge U.S. interests, and which might be conducive to greater coordination or even cooperation. The next sections thus turn to linking Chinese-financed development projects with influence generation processes.

Development Projects and Influence

Researchers have long studied whether and how China's growing economic power translates into influence. Existing research suggests that trade, investment, aid, and other forms of economic engagement are important conduits for Chinese influence seeking.[21] Other research has examined different conceptual pathways through which China can seek influence in developing regions as well as the role of host societies and governments in conditioning such influence.[22] One article shows that China provides more foreign aid to governments that vote with Beijing in the United Nations General Assembly (UNGA).[23] Other research finds that while Chinese-financed projects do not increase local popular support for China in the Global South, they may do so at the national-level.[24] In general, however, few studies have rigorously considered the net influence consequences of China's development finance.[25]

To connect China's development projects more clearly with Beijing's overseas influence, this essay decomposes both of these concepts. First, political scientists and economists have shown that development projects with high degrees of visibility are more likely to be known by elites and members of the general public in developing countries, and are thus more relevant for host country politics than other localized or less visible projects.[26] Despite China's reputation for financing grandiose, flagship infrastructure projects along the BRI, existing research has not systematically considered the role of these high-profile development activities in shaping Chinese influence abroad. Most studies to date are instead based on one or a few cases.

Second, the notion of "influence" can also be conceptualized and measured more precisely. A massive literature in political economy shows how states use economic tools such as investment, trade, and aid to pursue political influence in developing countries.[27] And a large literature on the political economy of aid demonstrates that donor governments indeed supply foreign aid to pursue influence. This research suggests that donors invest in at least two types of influence-seeking. First, they pursue "elite influence," or state-level outcomes such as host government policy concessions that support the donor's national interests.[28] Aid is also used in pursuit of "popular influence" that enables donors to accumulate "soft power" and win "hearts and minds" among foreign audiences.[29]

These two influence types are qualitatively different, but their distinction is often neglected in analyses of Chinese development finance. Analysts instead often treat influence as a uniform commodity that states linearly accumulate as their material capabilities grow. Researchers rarely specify the actual conduits through which influence is won or lost; they tend to sideline the reactions of agents in developing countries in focusing on the aims and behavior of China; and they are excessively focused on high-level, state-to-state influence processes rather than popular influence. But recent research shows that popular attitudes in developing countries also impact powerful states' net influence abroad,[30] and that governments thus care deeply about "winning hearts and minds" in developing countries.[31]

As such, this essay distinguishes development projects based on their visibility and salience. It also separates elite and popular influence processes and considers how Chinese projects may impact either of these influence outcomes. Finally, following recent research, it also treats influence as a net concept, meaning it can be gained or lost depending on the aggregate reactions and behaviors of target audiences.[32]

In short, understanding links between China's development projects and influence requires breaking down both concepts. The next section argues that high-profile development projects are most illustrative for understanding these links and for gauging how China's development finance advances or damages its pursuit of influence abroad.

High-profile Development Projects and China's International Influence

High-profile development projects refer to a broad class of development activities including transportation infrastructure and other "megaprojects," as well as "prestige projects" like sports stadiums. conference centers, and high-tech development activities provided by a donor government to developing countries. These projects often vary substantially in their basic features and underlying motives. However, they share two important features. First, compared to other projects, they possess a high degree of visibility, both in terms of physical and digital presence. Second, and relatedly, they are politically salient within host societies, and host country leaders strategically brand these projects as components of national political narratives. High visibility and salience often render high-profile development projects as the most visible symbols of Beijing's presence in developing countries. Beyond their physical impacts, these projects may disproportionately shape attitudes toward China's government, even among citizens that never actually interact directly with them. These projects' uniquely high levels of visibility and political salience enables them to punch above their weight in shaping China's popular influence–for better or worse.

In my research, I first tested these assumptions about the visibility and salience of high-profile projects from the perspective of observers in host countries. In a series of surveys conducted in 2021, I asked respondents from Kenya and Papua New Guinea to assess the visibility of different projects that China might finance there. I also asked members of the Chinese public to make similar assessments to gauge how citizens in a donor country viewed these overseas projects. Figure 1 summarizes the main results of these surveys. In general, respondents who were provided with descriptions of "prestige" and other high-profile projects such as stadiums, government buildings, theatres, and bridges, perceived such projects as significantly more visible than other development projects, such as water quality initiatives and agricultural programs. Respondents also viewed high-profile projects as being more closely linked to the pursuit of national pride and regional or international status. Respondents in the donor country, China, viewed high-profile projects as stronger signals of political support and as more likely to generate expectations that the host country should reciprocate by doing something for China. In addition to survey evidence, in forthcoming research I develop and utilize original, project-level data to track the evolution of China's provision of high-profile development projects between 1949–020.[33]

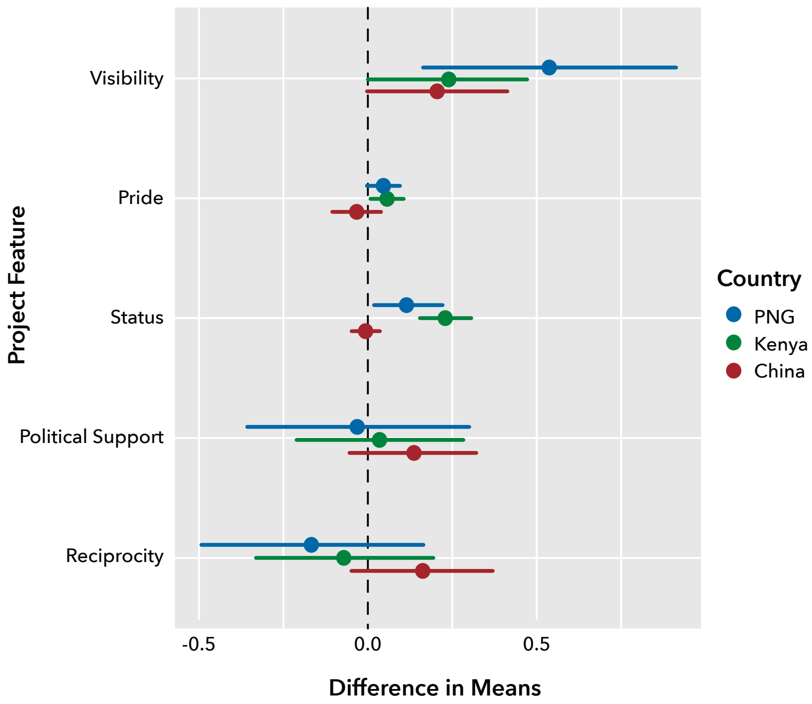
In the remainder of this policy essay, I discuss two of the ways in which these projects can impact China's net influence in developing countries: "routine," elite policy influence and unintended, "incidental" influence that operates via both elite and popular channels.

Routine Influence

The combination of high visibility and political salience makes high-profile development projects important, otherwise unavailable sources of political capital for host country politicians. Knowing this, China's government can provide these projects in exchange for direct political influence, such as policy concessions by recipient governments. I term this "routine influence" because it is conceptually closest to the longstanding notion that states provide aid projects in exchange for policy concessions or other high-level political outcomes.

The use of high-profile projects for routine influence is a well-established phenomenon. For example, in March 2009 Costa Rica's government held a groundbreaking ceremony for a new, 35,000-seat national stadium. It cost over $100 million and was completed in March 2011 after China's government financed and built the project. For Costa Rica's government, the arena was an important source of political capital. It enabled them to deliver a national-level landmark that would be highly visible to domestic and international audiences. Costa Rican president Óscar Arias requested for China's government to provide the stadium while in Beijing for a state visit during October 2007. After the project was initiated, Costa Rica's government utilized key moments to brand the stadium as a central achievement of both

FIGURE 1: Public Perceptions of High-profile Development Projects in Selected Countries



Source: Austin Strange. 2021. "Who Pursues Prestige Projects, and Why? Evidence from Chinese Development Finance." Working paper.

the country and the government. According to available sources, branding worked: the stadium generated positive reactions among the public with relatively minimal opposition.[34]

In granting the request, China's government recognized a familiar opportunity for routine influence. The national stadium was the "crown jewel" of a larger package given to Costa Rica in exchange for abandoning diplomatic relations with Taiwan. Beijing had agreed to provide the financing a few months after Costa Rica severed diplomatic ties with Taipei in June 2007. The stadium is emblematic of China's longstanding approach of using high-profile development projects to establish or bolster political allegiances.[35] Though China has financed more expensive projects in Costa Rica more recently, for both governments, the stadium's political importance has punched above its weight.

High-profile projects have long been part of China's development finance toolkit. My analysis of several hundred prestige projects financed by China since the 1950s shows that the use of high-profile projects to seek routine influence extends beyond isolating Taiwan, and is not conditional on a host country's political institutions. More often, these projects are used to cultivate and strengthen ties with foreign political leaders. Politicians friendly toward China's government have long looked to China for securing conference centers, sports facilities, or other large venues, often in order to hold major regional international events. Consider the case of Cambodia. In the mid-1960s, China's government provided a National Sports Complex in Phnom Penh, including a 50,000-seat stadium, before the 2nd Games of the New Emerging Forces (GANEFO). The project was requested by Cambodian monarch Norodom Sihanouk, who enjoyed positive relations with China's leaders. Over six decades later, China provided Cambodia with another stadium. Morodok Techo National Stadium, a US$169-million high-profile Chinese development project, was completed in December 2021 after four years of construction. Prime Minister Hun Sen, a close partner of China's government, requested the project in 2014 in anticipation of hosting the National Stadium 2023 Southeast Asian Games. This is one of several high-profile projects that has helped China's government maintain influence over a wide range of Cambodian foreign policies.

Incidental Influence

Beyond routine influence, high-profile development projects can activate other less straightforward but consequential influence pathways. One such pathway is what I term "incidental" influence," or changes in China's overall influence level due to unintended changes in states' policies or in foreign public opinion towards China. These changes result from "influence externalities" caused by Chinese state, quasi-state, or non-state actors abroad, or by non-Chinese actors in countries that host Chinese projects.[36] Intuitively, though visibility and salience make high-profile projects politically valuable for host country leaders, these features also create unintentional influence consequences beyond the control of China's government.

Research in political science demonstrates how certain forms of influence are unintended, and scholars have applied these concepts to Chinese foreign policy.[37] One well-known source of incidental influence occurs when China's government delegates responsibilities to quasi- or non-state agents that behave based on their own interests.[38] For example, thousands of Chinese state-owned and private companies act as contractors and stakeholders for many of China's overseas high-profile development projects. These actors often possess different interests than those of the Chinese state.[39] When these actors behave in ways that stray from China's officially stated interests, and when their actions create local reactions in other countries, such processes can impact China's overall influence through various channels. In addition, influence externalities can arise from elite or popular foreign audiences through a myriad of processes. They can occur when host country actors misattribute or misrepresent the behavior or identities of quasi- or non-state Chinese actors such as firms, employees, or students to China's government, and when misattribution causes changes in other states behavior vis-à-vis China. For example, Peruvians often view both private and state-owned Chinese mining companies operating in their country as being tied to China's government regardless of a company's actual identity.[40]

High-profile development projects are important sites for incidental influence generation, and serve as a reminder that influence is a net concept; it can be gained or lost. Many recent examples along the BRI suggest that influence externalities can often be negative. Host country public reactions to Chinese development activities can produce bottom-up pressures that jeopardize project completion or China's broader strategic interests in a given country or region. Alternatively, opposition politicians in host countries can seize on distressed projects as unique sources of political capital, but not in ways that help China's influence bottom line. Indeed, across the BRI, Chinese-financed projects have occasionally been suspended, mothballed, or cancelled in the face of pressure on host country governments applied by local residents, civil society organizations, and local and national politicians.

On the one hand, high-profile development projects can generate strong, bottom-up reactions at scale. Kenya's Lamu Coal Power Plant, now suspended, offers illustration. The Chinese-financed plant was proposed by several high-ranking Kenyan cabinet officials as a strategic national project.[41] However, local CSOs actively campaigned against the project out of concern for the environment for several years. They successfully thwarted the project's advancement in 2019.[42] In Zambia, both workers and CSOs have also found success in shaping their country's foreign relations with China from the bottom-up, by carefully framing their objections related to high-visibility Chinese projects as national grievances.[43] In Malaysia, negative public sentiment also detracted from China's interests when Malaysia's Prime Minister, Mahathir Mohamad, canceled over $20 billion in projects previously signed by his predecessor, Najib Razak. This occurred after the financing became embroiled in highly public corruption scandals and amid mounting debt to China. Here again, a few high-profile projects–rather than China's overall development footprint in Malaysia–tended to dominate both public and elite discussions on engagement with the BRI. Such projects include the East Coast Rail Link that connects less developed Malaysian states with the relatively prosperous Selangor, as well as Bandar Malaysia, a mixed development housing project in Kuala Lumpur.[44] In short, bottom-up reactions to high-profile projects can generate unexpected influence consequences for China's government.

In addition to bottom-up pressures, the unique political capital created by high-profile projects can be a double-edged sword for host country politicians, with potential consequences for Chinese influence. Leaders may initially seize upon and craft high-profile project narratives, but elites can also later capitalize on negative public sentiment towards existing Chinese development activities. In some cases, this can jeopardize China's influence, particularly if it enables other governments to achieve bargaining advantages that diminish China's position. In Indonesia, debates over high-profile Chinese-financed projects, including the Jakarta–Bandung High Speed Rail, have permeated popular and elite political discourse. Indonesian politicians have successfully wielded general anti-China sentiment in recent years–stemming part from social media coverage of labor issues related to Chinese-involved projects such as the Indonesia Morowali Industrial Park–to increase their bargaining power vis-à-vis China in negotiations for future projects.[45] In other contexts, however, such dynamics appear weaker and less threatening to Beijing's influence. In Kazakhstan and several other Central Asian countries, sentiment toward

Chinese-financed development projects has soured in recent years, but this does not appear to have significantly hurt China's influence bottom line there. This may be partly explained by the fact that China has successfully co-opted local and national politicians in these countries.[46]

The ability for both high- and low-level political actors in host countries to brand narratives around high-profile projects is a challenge for China. Once these narratives gain a foothold, they are difficult, if not impossible, for Beijing to control or contain. In some cases unintended influence consequences of China's high-profile projects are contained locally or regionally within other countries. Other times, these consequences are amplified and can spill into other policy issues or even into China's negotiations with other countries. Narratives surrounding high-profile projects can emerge and proliferate, and in doing so, amplify the influence consequences of China's high-profile projects. To the extent that project narratives are crafted, distributed, and repackaged by official and unofficial actors within and beyond host countries, China's government has limited ability to control these narratives. High-profile projects are particularly vulnerable to these processes given their distinct features. In recent years, individual project anecdotes have provided the primary content for the creation of broader claims about Chinese development finance. The aforementioned case of Hambantota Port and its role in the rise of the "debt-trap diplomacy" meme is perhaps the best-known example.[47] Narratives extrapolated from high-profile projects amplify project visibility and salience even further and can affect China's popular or even policy influence via any of the aforementioned channels.

Conclusion

For the first two decades of China's re-emergence as a prominent global development actor, policymakers and analysts have lacked precision when assessing how China's development projects connect to its pursuit of international influence. In lieu of clear links between development projects and influence, analyses have relied on implicit assumptions that China's growing portfolio of development grants and loans will lead to corresponding increases in its international influence over countries that host its projects. Neither current policy debates nor scholarly research on development finance has paid sufficient attention to projects' visibility and political salience when it comes to their potential influence. Nor have analysts considered the different ways in which China's most visible and politically valuable projects affect China's influence on the ground in other countries. This is perhaps one reason why even in "most likely" cases for observing China's influence, such as the China-Pakistan Economic Corridor (CPEC)—one of the most important conduits of the BRI–China's ability to convert growing economic and military capability into influence has been limited.[48]

Focusing on high-profile development projects as key conductors of Chinese net influence suggests that reality is far more complex. High-visibility, high-salience projects offer outsized potential for gaining influence by reaching larger audiences in developing countries. But they also generate significant risks of negative influence that can intensify if projects are met with bottom-up or top-down backlash in host countries. Individual high-profile projects differ considerably in their motivations and basic features. For example, many of China's largest infrastructure projects are financed with debt and are designed to earn a return on investment.[49] In contrast, high-profile projects financed with grants, interest-free loans, or other concessional foreign aid may be designed to purchase political concessions, but China allows host country politicians select and place projects within their territory, and to craft and control narratives related to these projects.[50] But their visibility and salience makes these projects oversized nodes for China's net influence. Once these projects are conceived, China's government often struggles to control project narratives abroad.

As the United States and other observers craft responses to China's growing role in international development, they should think about China's experience with high-profile projects. They should also envision influence generation as a non-linear, nodal process. This contrasts with a longstanding focus on routine influence via trade, investment, aid, diplomacy, and other economic activities targeted at governments' policies.[51] Research on "economic statecraft" similarly tends to limit the focus of Chinese influence in developing countries to state-level behavior.[52] While routine, state-level modes of influence are certainly important, they are only part of the puzzle. Conceptualizing and measuring high-profile projects can help further sharpen our understanding of China's development-influence nexus.

Social scientists have made important progress in recent years tracking China's global development projects, and the open-source data resulting from these efforts supports more nuanced analysis of China's development-influence nexus. Research organizations like AidData, Johns Hopkins SAIS China Africa Research Initiative, and Boston University's Global Development Policy Center have carefully compiled data on thousands of Chinese-financed projects. More recent initiatives such as the People's Map of Global China conduct deep dives into individual high-profile projects that benefit from fieldwork and careful qualitative analysis. Policy analysts now have rich and diverse informational resources to understand the nature and details of many of China's most high-profile development projects.

The empirical record, on balance, makes it clear that China's high-profile projects are its most important influence nodes in international development.[53] In contrast, many of the development dollars China provides likely have little relevance for questions of influence seeking. This basic reality challenges assumptions that influence accrues linearly with development projects and prescribes a more targeted approach to responding to China's global development finance. Future research should continue to make use of these rich data repositories to sharpen our conceptual and empirical understanding of the influence-related and other consequences of China's most impactful development initiatives.

Recent policy initiatives by the United States and its partners are somewhat encouraging in this regard, as they suggest that the United States is not capable of or interested in trying to match the BRI project-for-project. Though still in its infancy, the B3W is primarily focused on development "software" such as projects related to climate, health, digital infrastructure, and gender equality. This suggests the Biden Administration understands that "The United States cannot and should not respond to BRI symmetrically, attempting to match China dollar for dollar or project for project."[54] Unlike the BRI, B3W is not wholly or even primarily state-financed, and instead will rely on large-scale mobilization of private sector investment. This approach raises questions about the initiative's ability to scale given recent globalization backlash and populist movements in several G7 countries. It is also unclear how B3W will achieve success in mobilizing private investment, particularly in least developed countries (LDCs), to a greater degree than existing global initiatives focused on catalyzing private investments, such as the World Bank's "Billions to trillions" vision issued in 2015 for closing the Sustainable Development Goals (SDGs) financing gap.

To the extent that the B3W or similar initiatives do ramp up investment in major, high-profile development activities, China's experience may be educational. On the one hand, compared to Western donors and lenders, China's approach to development finance contains worrisome elements that might jeopardize Beijing's influence by exacerbating local or national grievances as discussed above. For example, China's government typically does not subject its aid- or loan-financed overseas development projects to rigorous pre-project economic, social, or environmental assessments in the way that other major financiers such as the World Bank do.[55] Moreover, development projects are often negotiated directly with high-level politicians in host countries, making it more likely that local or national political interests could bias the project selection and allocation processes.[56]

On the other hand, overwhelmingly negative rhetoric toward the BRI makes it seem like Chinese-financed infrastructure projects are inherently problematic simply because they are Chinese. But of course, all "megaprojects" and other infrastructure projects are notoriously difficult to implement. They are likely to run into delays, costs increases, and corruption opportunities given their sheer scale and complexity.[57] If other countries step in to counter China and help fill infrastructure gaps in developing regions, the infrastructure projects they finance will not be immune to potential negative externalities inherent in infrastructure projects. Nor will they be immune to influence externalities that arise from highly visible, highly salient projects that generate a complex set of influence processes on the ground. U.S. policymakers should thus avoid any illusion that non-Chinese infrastructure projects will somehow not face challenges during implementation. Moreover, despite heavy criticism of the BRI's aims and impacts, if B3W attempts to provide infrastructure alternatives to the BRI at scale, the United States and its partners may implicitly provide validation for China's initiative. Indeed, China's government has already started claiming as much.[58]

Besides direct competition, the United States and other concerned governments can provide support to local civil society organizations to actively participate in monitoring and shaping Chinese-financed high-profile projects.

This need not be a confrontational exercise from the perspective of the United States or China. It can increase the likelihood that high-quality projects can be selected and completed with higher levels of buy-in from local societies. This outcome would be beneficial for all actors involved, and this can also be supported by China's government, Chinese NGOs, and INGOs engaging with the BRI.

The views expressed are the author's alone, and do not represent the views of the U.S. Government or the Wilson Center.

Notes

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