

Who Gets More Money, Attention and Handshakes? The Interplay among Chinese Foreign Aid and Debt, *Xinhua* Coverage and Diplomatic Visits

Lucie Lu* Miles Williams†

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Abstract

Mounting research shows that China uses its ODA-like overseas development financing to promote soft power and improve its international image. In this study we seek to understand how. We examine the role of Chinese state-sponsored media and diplomacy as complements to Chinese foreign aid. We propose that coverage of aid recipients in *Xinhua* articles targeted at foreign audiences, as well as the number of diplomatic missions from Beijing hosted by a recipient government, increase in proportion to the amount of aid these countries receive from China. In contrast, we propose either the null or reverse relationship in the case of OOF-like flows from China, which tend to be more associated with loans and “debt-trap diplomacy.” To test these hypotheses, we use AidData’s Chinese development finance dataset and its recently released diplomacy dataset, along with meta-data from millions of *Xinhua* news articles between 2002 and 2017. The analysis provides partial support for our argument, but the results deviate from our expectations in interesting ways. First, while aid (ODA) recipients receive more coverage in *Xinhua*, they are not disproportionately more likely to host missions from Beijing. Conversely, while loan (OOF) recipients are not any more likely to receive coverage in *Xinhua*, they are more likely to host diplomatic missions. These results suggest that China likes to publicize its role as donor, but seeks closer ties with its debtors. Future work should assess whether the latter pattern reflects Chinese efforts to grant loans to its “friends” or to extend friendship as a salve for “debt-trap diplomacy.”

*Research was conducted at University of Illinois at Urbana-Champaign; present institution is Columbia University, lucielu.uiuc@gmail.com

†Denison University, williamsmd@denison.edu

1 Introduction

China has been engaging in re-branding its image as a strong and respected great power to the world, where “national image,” “public diplomacy,” and “soft power” have become buzzwords in its foreign policy (Pu 2018). Sending foreign aid and showing generosity to help the world’s poorest countries is arguably the best raw material for rebuilding a national image in the press as a responsive and responsible great power. But how can aid be a soft power tool if Beijing is rarely transparent about how much it spends on overseas development financing or about where this money goes?

By looking at a variety of development and non-development determinants of dyadic aid allocation, scholars have recently shown that Beijing uses foreign aid as a versatile foreign policy tool to increase its international recognition or soft power (Dreher, Fuchs, Brad Parks, et al. 2018; Blair, Marty, and Roessler 2022; Goldsmith, Horiuchi, and Wood 2014). Yet, we know less about how Beijing specifically promotes its foreign aid allocations to foreign audiences to ensure its aid accomplishes the public goals of Chinese officials—to re-build its image as a respected and responsible great power. Surely Beijing’s strategy is not to rely on the Western press, which just recently in the wake of the COVID-19 pandemic labeled China’s overseas pandemic assistance as “mask diplomacy” or “vaccine diplomacy,” often with a negative spin (Urdinez 2023; D. Zhang and Jamali 2022; S. T. Lee 2023). Instead, if Beijing’s objectives with its overseas development financing are indeed rooted in efforts to improve China’s global image and soft power, it should engage in other complementary activities alongside its financing that ensure aid dollars do what officials intend. So, in this study, we move beyond the question of whether China uses aid to improve its soft power by further considering the question of how.

China’s overseas development financing has become a topic of mounting interest and concern to both academics and Western policymakers for good reason. China’s overseas

development financing now surpasses that of the United States, the World Bank, and several other multilateral development and lending institutions combined. Despite being a new donor compared to G-7 Countries, it has become the world's single largest official source of international development finance (B.C. Parks et al. 2023). Despite the mammoth proportions of Beijing's aid (and increasingly loans) that it issues worldwide, the motives behind its overseas activities are not always clear. Some argue China's aid is part of President Xi's grand strategy to reshape the geopolitical order (Fallon 2015; Ferdinand 2016), while others believe Chinese foreign aid is unfolding in a fragmented and loose fashion (Jones and Zeng 2019; Hall and Krolkowski 2022). If China had adopted the best practices of OECD countries, which are keen to promote transparency in aid giving and aid effectiveness (Reinsberg and Swedlund 2023; Ghosh and Kharas 2011; Honig and Weaver 2019), much of the mystery surrounding its giving might be resolved. However, 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*. For this reason, many Western governments assume Beijing deliberately keeps its international development finance a secret (Fuchs and Rudyak 2019).

However, Beijing may use means other than official reporting to ensure foreign audiences and leaders get the message officials want to get across about China's overseas development finance. In this study, we consider two relevant strategies: (1) level of recipient media coverage in Chinese state-sponsored media targeting foreign audiences and (2) official diplomatic visits by Chinese officials to recipients. We hypothesize that, all else equal, the more foreign aid China gives to a recipient, then the more foreign-facing media coverage it will receive and the more diplomatic missions from China it will host. The idea with both of these expectations is that more coverage will draw greater international attention to Chinese benevolence, while diplomatic visits will help cement China's relationships with recipients.

As we consider this argument, we take care to differentiate Chinese overseas development financing based on whether it reflects ODA (official development assistance) or OOF (other financial flows). Scholars using different data sources¹ find that China seems to allocate its ODA² and OOF³ differently. Each kind of flow goes to different recipient countries with different focuses⁴ (Dreher, Fuchs, Bradley Parks, A. M. Strange, et al. 2022; Center 2023). In recent years, there has been back-and-forth in the international community about whether China has engaged in “debt-trap diplomacy” (via OOF) where it lends money to low-income countries in financial distress that are incapable of paying it back. China’s response is that this is a false accusation and likely a result of “not carefully designed” planning and “poor communication” rather than malicious intent, according to former central bank governor Zhou Xiaochuan (A. Lee and Sun 2022).

While the use of the “debt —trap” label is up for debate, the idea put forward in the literature that China uses OOF primarily for economic purposes, while it uses ODA for political ones, has more general consensus (Dreher, Fuchs, Bradley Parks, A. M. Strange, et al. 2022). If this is true, it allows us to further refine our argument. While we expect China to use ODA to promote its global image and soft power, we do not expect this behavior to be as evident in its use of OOF. Instead, Beijing may avoid much media attention cast on the recipients of OOF. Therefore, we predict that while countries that receive greater ODA will receive greater coverage and host more diplomatic missions from Beijing, this relationship should either be the reverse or nonexistent with respect to OOF.

To test our argument, we compiled a time-series panel dataset of Chinese diplomatic

¹AidData from William & Mary University and China’s Overseas Development Finance Database from Boston University

²This meets criteria similar to those outlined by the OECD.

³These are flows with developmental, commercial, or representational intent, including export credit projects that often have a more sizable loan component. “Unofficial” financing such as Joint Ventures, Foreign Direct Investment, military assistance, or corporate aid is not included.

⁴Analysis in the Appendix also supports this conclusion by showing the little overlap between the Top-20 ODA and OOF recipient countries.

visits and English version *Xinhua* coverage of aid recipients from 2002 to 2017. We merged this data with AidData’s Chinese Development Finance database (2021) as well as a set of various control variables at the recipient and dyadic level of analysis. Using a two-way fixed effects design with OLS regressions, in addition to Pseudo-Poisson Maximum Likelihood and mixed effects Zero-inflated Negative Binomial models, we find mixed support for our hypotheses. Consistent with our argument, we find that recipients get more coverage in *Xinhua* in proportion to the ODA they receive from China. However, we fail to find a significant relationship with respect to hosting diplomatic visits. Conversely, we find that recipients host more diplomatic visits from China in proportion to the OOF they receive, while we fail to find a significant relationship with respect to coverage in *Xinhua*.

Our contributions are threefold. First, these findings provide a more nuanced understanding of the existing picture of Beijing’s different motives behind its ODA (primarily political) and OOF (primarily economic). It seems that *Xinhua* dedicates considerably significant media attention and resources to Beijing’s ODA recipients, which may help to promote China’s role and effort in the developmental trajectories of these countries and bolster its long-term image through aid’s visual branding. At the same time, official bilateral diplomacy is a low priority for China with respect to its ODA recipients. Instead, China appears to be more interested in building closer bilateral cooperation with its OOF recipients (that is, its debtors). Beyond monetary lending, China actively cultivates and strengthens friendships with these nations through regular bilateral diplomatic visits, facilitating the signing of more agreements and the refinement of developmental projects. This implies that China’s utilization of OOF is driven by more than just commercial interests. Lastly, these findings suggest that entangling countries in a debt trap may not be aligned with China’s long-term economic and policy interests (depending on *why* it concentrates its diplomatic activities in its debtors).

Second, our study sheds light on how the state-run media promotes its aid-giving efforts. Previous studies have explored how the Chinese government employs state-run media to

advance the Belt and Road Initiative (BRI), often using positive rhetorical frames to depict BRI's motivations, such as a development-focused approach, China as an international collaborator, an emerging global economic power, and a responsible actor, emphasizing that "China is a Partner, not a Colonialist" (Gao 2020; L. Zhang and Wu 2017). These portrayals in state-run media generally encompass abstract and broad concepts related to the BRI. However, our approach takes a different perspective by concentrating on aid-recipient countries and examining how state-run media communicates China's development aid efforts and projects, which involve substantial financial investments on the ground. Notably, an examination of the articles in our data shows that *Xinhua* seldom explicitly promotes the specific details of China's development projects in these countries. This observation is intriguing, considering that such details could serve as valuable materials for propaganda and enhancing China's image among international audiences. Instead, we generally find that *Xinhua* offers a comprehensive portrayal of the economic conditions in these recipient countries, possibly emphasizing their genuine need for assistance. This means China may prioritize efforts to legitimize its aid giving over efforts to demonstrate effectiveness.

Lastly, we engage in the recent debate about China's practice of "debt-trap diplomacy." The finding that loans (OOF) correspond with diplomatic missions has special relevance in light of Beijing's Belt and Road Initiative (BRI). A 2018 BRI foreign policy assessment report from Washington (Hurley, Morris, and Portelance 2019) argues that lending reflects Beijing's economic interests and strategic dominance—e.g., China tends to lend to vulnerable states with debt distress in exchange for unfair deals and strategic concessions. Conversely, some experts, including Brautigam (2020), Dreher and his coauthors (2022), Gelpert and his team (2021), Singh (2021), and others, argue that the notion of Chinese "debt—trap diplomacy" is more of a fear-based meme than a substantiated empirical claim. For instance, Russia, one of China's closest partners, receives the highest amount of loans on average among 142 countries but no aid at all between 2002 and 2017. Concerns about Chinese debt nonetheless

raise a natural question related to the function of diplomacy in debtor countries. Does debt serve as a tool of diplomacy, or does Beijing wield diplomacy to mitigate perceptions of “debt—trap” sins? While this study offers insights, further research is required to fully address this unfolding issue.

2 Motivations behind Chinese Overseas Financing

2.1 Why secrecy?

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, Fuchs, Brad Parks, et al. 2018). At the same time, China gives 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; Dreher, Fuchs, Brad Parks, et al. 2018). Further, China’s aid disproportionately goes to countries with more natural resources, greater UN General Assembly voting alignment with Beijing, and with more capacity to repay loans (Dreher, Fuchs, Bradley Parks, A. Strange, et al. 2021).

Two waves of surveys of policymakers in 126 countries demonstrate the diplomatic impact that these investments have had.⁵ Compared to the first survey wave in 2014, responses in 2017 showed an increase in evaluations of China’s influence on 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. Like major Western powers, China may hope that its aid demonstrates a dedication to helping the needy, thus improving perceptions of

⁵Reported by AidData, “China’s Financial Statecraft: Winning Africa one Yuan at a Time?” (<https://www.aiddata.org/blog/chinas-financial-statecraft-winning-africa-one-yuan-at-a-time>) on March 22, 2018. Accessed March 3, 2022.

its role as donor (Goldsmith, Horiuchi, and Wood 2014; Ferry and O'Brien-Udry 2021).

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 (Goldsmith, Horiuchi, and Wood 2014). The United States Agency for International Development (USAID), for example, cited its “new ’brand identity’” as instrumental in promoting the visibility of 2004-2005 tsunami relief to Indonesia.⁶ 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.”⁷

Given the diplomatic uses of foreign aid, the 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. However, lack of transparency may have more to do with capacity and logistics than intention. 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

⁶See USAID’s resource page on branding: <https://www.usaid.gov/branding>.

⁷“Does humanitarian aid improve America’s image?” (<https://www.pewresearch.org/global/2012/03/06/does-humanitarian-aid-improve-americas-image/>) Published by Pew Research March 6, 2012. Accessed March 3, 2022.

consolidate the operation and management of China’s bilateral aid.⁸

Absent transparency in formal reporting, there are other tools at Beijing’s disposal that may complement the diplomatic objectives behind its foreign aid. In this study, we explore the connections between China’s bilateral development finance and other visible activities linked to diplomatic and legitimacy-seeking objectives. We focus in particular on two: (1) coverage of developing countries in external-facing media—that is, media coverage intended for foreign, rather than domestic, audiences—and (2) elite-level diplomatic visits from China to developing countries.

2.2 Developmental aid versus loan

We summarize the rationales of these factors in greater detail in the following sections, but before considering them, it is necessary to first summarize the current landscape of China’s overseas financing. In particular, it is important to draw a distinction between Beijing’s ODA-like expenditures and its other official flows (OOF). The former we may call aid (or development assistance), and the latter we may call debt (or loans). As Dreher and his team (2022) note in their comprehensive book on Chinese aid and loans, Beijing uses aid and debt to accomplish different goals, and it further does not finance them in equal proportion, both in terms of total spending and in terms of how it targets funds across developing countries. Dreher and his team (2022) argue that aid tends to be more associated with China’s foreign policy objectives, while debt tends to correspond to its market interests. What do these differences imply for Beijing’s bilateral diplomacy efforts and state-sponsored foreign media’s reporting strategy?

On the one hand, since aid is supposed to have more direct links to China’s foreign policy goals, it follows that China will complement its aid-giving with visible acts of diplomacy and

⁸See this excellent summary entitled “The Logic Behind China’s Foreign Aid Agency” (<https://carnegieendowment.org/2019/05/21/logic-behind-china-s-foreign-aid-agency-pub-79154>) by the Carnegie Endowment for International Peace published May 21, 2019. Accessed March 10, 2022.

efforts to increase the salience of aid recipients in foreign audiences. On the other hand, while aid and loans may have distinct goals, such a tidy distinction may be too simplistic. Perhaps more importantly, some of the market-oriented objectives that drive China's global debt may not benefit from public displays of diplomacy. On this front, recent research suggests that Beijing uses its debt to ensure access to natural resources that China lacks domestically. As noted above, critics find that Beijing targets more of its loans in resource-rich developing countries (Fielding 2015).⁹ When Beijing's policy banks provide these loans, developing country governments often collateralize their oil or rare minerals, all but assuring access to these resources for Beijing since many of these countries are unable to directly repay the loans.

What this implies in the aggregate is that aid from China tends to be most strongly determined by both development and political factors, while loans are most strongly determined by market-based factors. This suggests that Chinese ODA-like expenditures should be strong predictors of complementary and visible foreign policy activities. Meanwhile, given the more market-oriented (and by extension more controversial) application of debt, we should expect a much weaker association to exist between OOF and public diplomacy efforts. While visibility may be a virtue for aid, the opposite may be true for debt, if the two indeed serve separate goals. The next section summarizes these outcomes and their relevance as measures of foreign policy-related activities in the context of China's overseas financing.

⁹Notably, China's attraction to resource-rich countries is no different from many other Western donors (Chen, Dollar, and Tang 2018; Dreher, Fuchs, Brad Parks, et al. 2018).

3 Public Diplomacy Tools for Aid Promotion

3.1 Media Coverage is a Critical Signal of Importance

Agenda-setting refers to the ability of media to signal to the public what is important, and what is not. Media coverage of a foreign country shows how important a country is to its reporting country, in particular, to the public. That is, the public learns the importance of the country based on the amount of coverage it receives. Agenda-setting theory suggests that mass media serve as one of the key sources for public perception of important issues (McCombs and Shaw 1972). Over decades of rich research in agenda-setting, empirical patterns support Cohen (1963) 's remark that the media is “stunningly successful in telling its readers what to think about” (p. 13; *emphasis added*), a vivid illustration of the salience of news media reports transfers to the perception of issue salience to the public (McCombs and Shaw 1972). Extensive media coverage provides news consumers with salience cues regarding the importance of political figures or issues, and in turn, shapes individuals' perceptions of their relative importance and salience.

Media salience, in particular, can determine the significance of foreign countries named in the media. Wanta et al. (2004) show coverage of foreign nations in the news relates to the perception of the importance of the countries: the more coverage a state receives, the more likely respondents think the state is vitally important to their country's foreign policy.

Also, previous findings show the strategic consideration of news editors in considering what international news gets media cover. Not all countries in the world receive equal coverage. In fact, only a small portion of international events can get through the media gatekeepers and get media coverage. While most powerful core states consistently receive higher amounts of coverage from newscasts, small peripheral states remain largely uncovered. Golan and Wanta's (2003) study examines how 138 elections held between 1998 and 2000 were covered by the U.S. network television newscasts (ABC, CBS, NBC and CNN). They

found that elections in Europe, Asia or the Middle East received substantial coverage than those in Latin America and Africa. Some key predictors of international news coverage are geographic locations, cultural proximity, and geopolitical position in the world system as (Sheafer, Shenhav, et al. 2014). Hence, if foreign countries receive more media coverage, the increased media salience suggests the salience of the foreign countries to the audiences and the newsworthiness to the news editors. Put simply, when a country is important, the media spotlight often turns to it.

In addition to swaying people’s attention, media agenda-setting is also critical in building states’ image to international audiences. Nye (2008) suggests that the first and the most immediate dimension of investing in public diplomacy is through daily communications, intending to improve the country’s “soft power.” Government officials devote a great deal of attention to what and how to tell the press, both the domestic press and the foreign press. In this vein, China has expanded its *Xinhua* News Agency to reach global audiences during the past decade to showcase the power of an emerging international press.

3.2 Reconceptualize the Role of *Xinhua* as News Agency

As a state-sponsored media platform, *Xinhua* News Agency is often considered more than a news media agency. *Xinhua* is firmly under the control of the CCP’s Central Propaganda Department. In 2013, President Xi Jinping exhorted the Propaganda Department to “tell Chinese stories well,” and the *Xinhua* news agency is at the forefront (Xinhua 2013). It has had a dual role: reporting news and building China’s image as part of Beijing’s “going out” strategy (Shambaugh 2015). It has an increasingly global reach and has produced millions of articles in the past decade with hundreds of bureaus worldwide.

Yet, *Xinhua*’s news reports should not be dismissed as mere propaganda or empty slogans. *Xinhua* presents itself as a balanced and fact-based news agency, not a government mouthpiece (Brazys and Dukalskis 2020). It has opened over 170 bureaus across the globe

and competes head-to-head with the main Western newswires. The agency targets developing countries, where the Western press has contracted in recent years due to the decline of advertisement revenues. It is an international news agency that tries to alter its stilted and propagandistic flavor and package its content in a more reader-friendly format. This outward-facing Chinese official media, whose mission as a key conductor of the Party's narrative to foreign audiences, may inform us of the PRC government's initiatives of presenting Chinese perspectives of real-time events to global audiences. Governments use media to tell their stories to the world and improve its public relations with other countries. As such, we focus on Chinese public diplomacy efforts through *Xinhua*. That is, to study how government-sponsored international broadcasting contributes to influencing the public or elite opinion among foreign countries (Entman 2008; Manheim 1994; Sheafer and Gabay 2009).

Xinhua is global, but also serves as the main domestic media outlet. International and domestic audiences are two separate audiences, as *Xinhua* will produce its news contents in English, French, Spanish, Korean and Japanese, as well as Chinese. Brazys and Dukalaskis (2020) analyze how different countries are talked about in *Xinhua*'s articles in Chinese and languages other than Chinese. They find that domestic-facing articles about other countries or regions are neither negative nor neutral, while articles about China are slightly positive. In contrast, *Xinhua*'s outward-facing articles use overall positive tones to report other countries and regions, including the United States. When characterizing China to foreign audiences, the tone is much more positive than the tone it uses for Chinese readers, or stories about any other country to both audiences.

We focus on *Xinhua*'s outward-facing English branch whose audiences are primarily English-speaking readers. Simply providing more information will not improve their image in the Western world. Attracting audiences depends on credibility, a state-sponsored-image-construction news outlet would typically lack. As Druckman (2001) presents, one conditional factor in influencing public opinion (especially foreign audiences'), is an informa-

tion sender's "credibility." On the one hand, governments attempt to positively shape the global narratives regarding their leaders and foreign policies using their own newsgathering and broadcasting operations. On the other hand, *Xinhua* needs to maintain a low political bias and higher professional standards to assert its brand and increase its international competitiveness.

Hence, while *Xinhua* plays a major role in defining, shaping and projecting China's image, 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. However, while trying to maintain an air of impartiality, there is still room for Chinese officials to control what issues and actors receive more or less coverage. Taking into account the limited space of *Xinhua* to report global affairs, editors' choices likely reflect high officials' vision of which countries are more important than others. In this way, variation in *Xinhua* coverage is a clear policy lever that elites can pull to influence the perceptions of foreign audiences.

3.3 Diplomatic Visits

Previous sections illustrate media agenda setting as an essential step in a country's public diplomacy process to influence the public's opinion in a second country. For example, building international media outreach to have a space in the global marketplace of ideas is one of the Chinese government's crucial steps to "speak to [foreign] people – and listen to them" (Delaney 1968, p. 4). In fact, all public diplomacy programs have a primary responsibility to explain and defend government policies to foreign audiences (Deibel and Roberts 1976, p. 15).

An image that fits into a traditional mental image of public diplomacy is "diplomats engaged in traditional negotiations under the glare of publicity" (Deibel and Roberts 1976, p. 13). In addition to negotiations behind closed doors, records of visits are symbolic evidence to show the bilateral relationships between countries. Elite-level diplomacy (government-to-

government diplomatic visits) is the focus in this section.

Government-to-government visits are an indicator of the importance the Chinese government places on developing relations with a country as leaders' resources are scarce (Kastner and Saunders 2012). These visits have both symbolic and functional roles. Diplomatic visits often mark further development in bilateral relations, especially in furthering the visiting and host countries' bilateral trade relationships (Nitsch 2005). In fact, studies show that diplomatic visits of Chinese leaders lead to stronger commercial ties and a surge of investment (Stone, Wang, and Yu 2022/ed). For example, Chinese President Xi Jinping promised over 10 billion of investment during a state visit to South Africa. In a news conference hosted by President Cyril Ramaphosa, he demonstrated that "We have agreed that we must work as partners (with China) to improve the lives of our peoples by elevating our business, commercial and trade ties" (Reuter 2018). The high-profile leader visits are also used as a proxy to predict Chinese favor-giving and lobbying for votes in the UN Security Council (Wang 2022). Leader visits also have implications on the host leaders' security in office (Malis and Smith 2021) and the states' security issues (McManus 2018). In all, diplomatic visits send an important positive signal that the visiting and hosting countries support each other and have close long-term relationships.

Visiting leaders can also increase the awareness of themselves and their country among citizens in the host country. Goldsmith and Horiuchi (2009) find that the impact of high-level government visits on foreign public's opinions is contextual. U.S. visits had large and positive impacts in host countries until the international media reported the negative aspects of the "war on terror" in Iraq. Hence, credibility of a country's leadership is the key to conditioning the effects of high-level visits on the foreign public's perception of the country's policy. A most recent finding shows that high level diplomatic visits across the board can improve the public approval of the visiting leader's job performance (Goldsmith, Horiuchi, and Matush 2021). The positive messages are especially contingent on how the

public-diplomacy activities are mentioned in the news in the host countries (Goldsmith, Horiuchi, and Matush 2021). In most cases, the host country's government has the leverage to influence how a government-to-government visit is covered.

In short, diplomatic visits usually come with a policy agenda between two countries, and the two are expected to cooperate in various domains through their negotiations. From the perspective of communication, a diplomatic visit is a signal of long-term support and the political alignment of the countries. In addition, from the perspectives of public diplomacy, the public outreach of diplomatic visits also has profound implications: elites usually improve the image of their country to foreign audiences during these visits.

4 Hypotheses

We have made the case that both foreign state-sponsored media and diplomatic visits can be used to sway foreign public opinion. Media coverage is one way that countries can generate attention and promote a positive spin on their activities to foreign audiences. As Nye (2008) notes, daily communications that reach both domestic and foreign populations are a way to improve a country's soft power. Perhaps in recognition of the potential of media as public outreach, Beijing has expanded its outward-facing state-sponsored media activities and news reporting over the past two decades, in part through the English version of *Xinhua*, China's top state-sponsored news agency. By covering developing countries that receive Chinese development financing, *Xinhua* editors can paint a positive picture of the necessity of Beijing's financing and, in so doing, take steps to promote China's international image.

In addition to expanding the reach and scope of its externally facing news media, China engages in more conventional forms of bilateral diplomacy via government-to-government diplomatic missions. Efforts to document Beijing's public diplomacy have revealed an ex-

pansive set of activities in which Beijing engages. These efforts range from the financial to the cultural, and from elite-to-elite meetings to informational exchanges. By sending regular diplomatic missions to developing countries, Beijing can strengthen its bilateral relationships with countries in the Global South, helping to cement the close bilateral ties the offer of development assistance is, in part, indented to promote.

Since both approaches feature scarce time and resources, we expect that Beijing will choose on whom to cast the spotlight and whom to visit strategically. Most importantly for China's overseas development financing, media coverage and diplomatic visits are visible signals of Beijing's priorities. For this reason, Beijing may use both as a way to complement related political objectives it seeks to promote via its financing activities.

To test this logic, we examine the extent to which recipients of Chinese overseas development financing also receive disproportionate coverage in *Xinhua* and host a disproportionate number of diplomatic missions from Beijing. We further leverage data both on Chinese ODA (aid) and Chinese OOF (loans) in testing these relationships. As noted earlier, while aid is thought to correspond with Beijing's foreign policy goals, loan is supposedly linked to its commercial goals. The idea is that aid lets Beijing buy influence, whereas loans helps enrich Chinese firms and propel economic growth for China. We therefore expect *Xinhua* coverage and diplomatic visits to be closely linked with Chinese aid, while these outcomes should be relatively independent of Chinese loans.

In particular, to the extent that aid supports Beijing's foreign policy goals, we should expect that aid recipients will be both targets of greater foreign-facing media coverage in *Xinhua* and hosts of a greater number of diplomatic missions from Beijing. Conversely, to the extent that loans function in service of market-based objectives rather than political ones, countries that owe greater debt to Beijing also will not necessarily be more likely targets of greater foreign-facing media coverage in *Xinhua* nor more likely hosts of a greater number of diplomatic missions from Beijing.

H1: Aid-receiving countries have more media coverage in *Xinhua*, but loan-receiving countries host no more or less such media coverage.

H2: Aid-receiving countries host more diplomatic visits from China, but loan-receiving countries host no more or less diplomatic missions from China.

These hypotheses are consistent with the conventional view that China’s aid-giving activities are more compatible with its political goals whereas loan-giving activities are compatible with its commercial interests. The next section describes our data and research design for testing these hypotheses.

5 Data, Design and Stylized Facts

5.1 Data and Design

Each of the outcomes of interest—the number of *Xinhua* news article mentions and the number of bilateral diplomatic visits from Beijing—are discrete count variables. Therefore, to test our hypotheses, we rely on a few alternative approaches for modeling count data. Specifically, we use linear models estimated via ordinary least squares (OLS), zero-inflated negative binomial (ZNB) models, and pseudo-Poisson maximum likelihood (PPML). Each of these approaches has some advantages and disadvantages for studying count data, so we opt for all three to ensure the robustness of our findings.

We estimate the following two models to test whether changes in the amount of aid or debt received correspond to shifts in coverage and visits:

$$\text{coverage}_{it} = f\{\alpha + \beta_1 \text{asinh}(\text{ODA}_{it-1}) + \beta_2 \text{asinh}(\text{OOF}_{it-1}) + X_{it}^\top \delta + \text{Year}_t + \text{Recipient}_i\}; \quad (1)$$

$$\text{visits}_{it} = f\{\eta + \beta_3 \text{asinh}(\text{ODA}_{it-1}) + \beta_4 \text{asinh}(\text{OOF}_{it-1}) + X_{it}^\top \gamma + \text{Year}_t + \text{Recipient}_i\}. \quad (2)$$

Hypotheses 1-2 are tested via the direction and statistical significance of β parameters 1-4. H_1 (that aid recipients receive more outward facing coverage in *Xinhua*, but that loan-receipts do not) will be supported if $\beta_1 > 0$ and $\beta_2 = 0$ and H_2 (that aid recipients host more diplomatic missions from Beijing, but that loan-recipients do not) will be supported if $\beta_3 > 0$ and $\beta_4 = 0$.

Depending on the estimator used, specifications 1 and 2 also include year and recipient intercepts to adjust for observed time-varying and constant or slow moving recipient specific factors. The vector X_{it} denotes a set of control variables to improve precision and to adjust for possible confounders for Chinese bilateral financing, *Xinhua* coverage, and diplomatic visits. A summary of these variables (four main variables and nine confounders), definitions, and their sources are given in Table 1. The data cover the years 2002 to 2017.

Table 1: Variables

Variable	Definition	Source
<i>Xinhua</i> News Articles related to Economy (IV 1)	Keywords search ^a from <i>Xinhua</i> news headlines to identify relevant news articles and do yearly counts by country.	Global News Archive (Cline Center for Advanced Social Research 2022)
Diplomatic visits (IV 2)	Total number of high-level and provincial-level visits by government officials between China and the receiving country each year.	China’s Global Public Diplomacy Dataset (Custer et al. 2021)
Chinese ODA (DV 1)	Sum of total amounts in dollars of Chinese Official Development Assistance (ODA) to receiving country each year.	Chinese Development Finance Dataset (AidData 2021)
Chinese OOF (DV 2)	Sum of total amounts in dollars of Chinese Other Official Flows (OOF) to receiving country each year.	Chinese Development Finance Dataset (AidData 2021)
UN Vote Distance	Aggregated distance of ideal points of UN General Assembly Voting by year.	UN General Assembly Voting Data (Voeten, Strezhnev, and Bailey 2009)
Recipient GDP	PPP GDP of recipient countries is gross domestic product converted to international dollars using purchasing power parity rates (constant 2017 international \$).	World Bank (World Bank 2022)
Recipient Population	Total population of recipient countries is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship.	World Bank
Disaster Deaths	Deaths as a result of natural disasters in recipient countries by year.	Burden of Disease Study ((IHME) 2019)
Civil Wars	State-based violent conflicts count of the recipient countries by year.	PRIO Conflict Recurrence Database ((UCDP) 2020)
Bilateral Distance	Bilateral country distances between recipient countries and China in km.	CEPII (Mayer and Zignago 2011)
Exports and Imports	Annual trade statistics between recipient countries and China.	Open Trade Statistics (Vargas 2022)
FDI	Foreign direct investment to the recipient countries, net (BoP, current US\$) by year.	World Bank
Democracy	Aggregated polyarchy index based on the extent to which the electoral principle of democracy is achieved.	V-Dem (Coppedge et al. 2020)

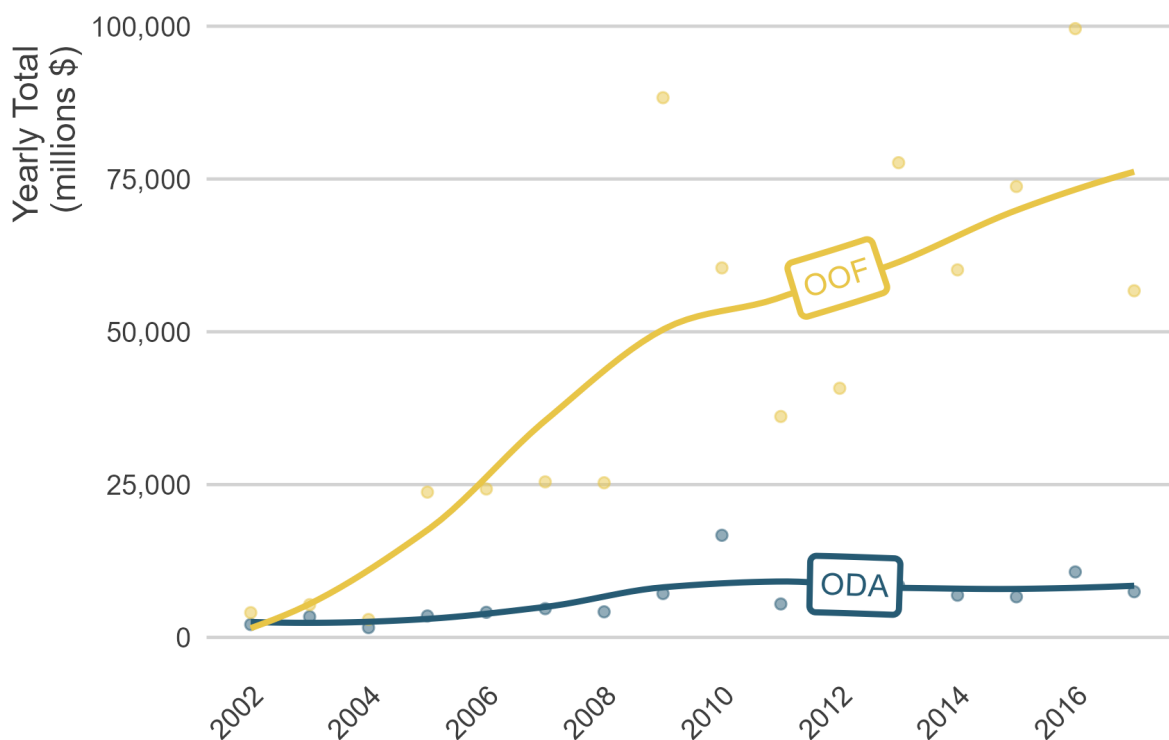
^aSelecting news articles’ headlines that mention one or more of the variations of these keywords: aid, donor, lend, development, investment, growth, support, business, help, construction, education, funds, projects, donate, assist

5.2 Trends in Aid and Loan Giving

Before discussing the main statistical results, it may be helpful to summarize some trends of Chinese aid and loans and to consider the top recipients in terms of their financial portfolios on average. These stylized facts provide some helpful context and intuition for the data.

Figure 1 shows total ODA (aid) and OOF (debt) disbursed by Beijing per year from 2002 to 2017. Values are shown in millions of 2017 USD. Blue shows values for ODA and yellow shows values for OOF. The difference in China’s application of ODA relative to OOF is stark, and the gap only expands over time. This explosion in loans relative to aid aligns with a shift in Beijing’s strategy going into the twenty-first century. Burdened with vast foreign currency reserves due to years-long trade surpluses, confronted with excess domestic production of industrial goods, and in need of access to resources to support its continued economic growth, Beijing tasked its so-called policy banks to help Chinese firms gain access to foreign markets (Dreher, Fuchs, Bradley Parks, A. M. Strange, et al. 2022). This focus spurred a radical change in China’s development finance portfolio. As Dreher et al. (2022) put it, “Beijing began to behave less like a benefactor and more like a banker” (p. 5). Figure 1 shows this transformation from donor to lender in the starkest of terms.

Figure 1: China's Development Finance, 2002-2017

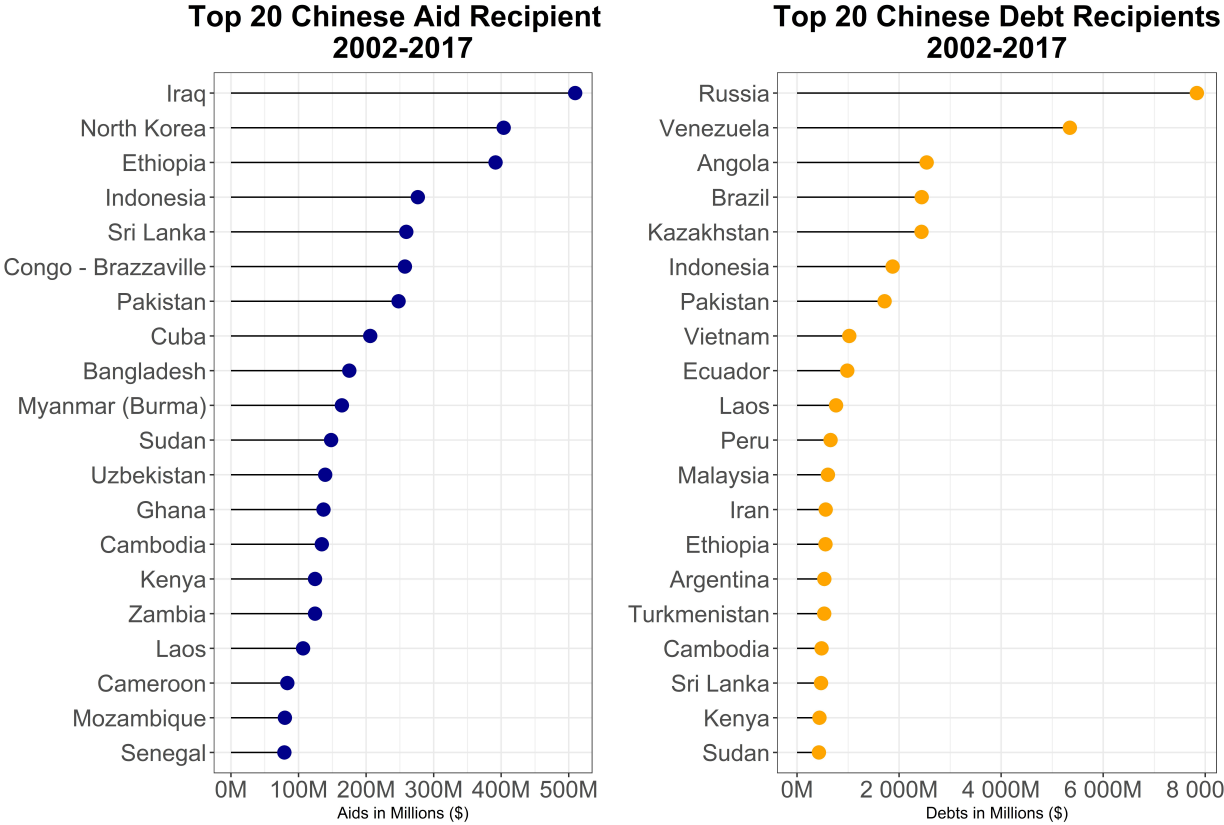


However, despite an expansion in the number of debtors over time and the now mammoth scope of total lending, most of these loans are concentrated in a smaller set of countries relative to aid. Even at its lowest dip in 2013, the number of developing countries that exclusively are beneficiaries of Chinese aid remained greater than the number of developing countries that exclusively were recipients of loans and the number of countries that were recipients of both loans and aid. This suggests that as Beijing has shifted its strategy for development finance, its approach has been to cast a wider net with its aid while it takes a more targeted approach with loans.

Figure 2 shows the top 20 Chinese aid and loans recipient countries on average between 2002 and 2017. Notably, on average, Iraq received 500 million in aid but borrows 0 dollars in loans from China. In contrast, Russia borrowed almost 8 billion dollars from China but

received no aid at all. There is little overlap between the top recipient countries that receive both aid and debt from China, which stark variation in terms of the amount China lends. Russia and Venezuela were the only countries that borrowed more than 5 billion dollars in debt on average, the sum of which accounted for about 30% of the total lending amounts of the top 20 debt recipients. Only eight countries appear in both the left and right panel: Indonesia, Pakistan, Laos, Ethiopia, Cambodia, Sri Lanka, Kenya, and Sudan. These eight countries receive both high amounts of Chinese aid and loans. Geographically, five are in South or East Asia, whereas three are in Africa.

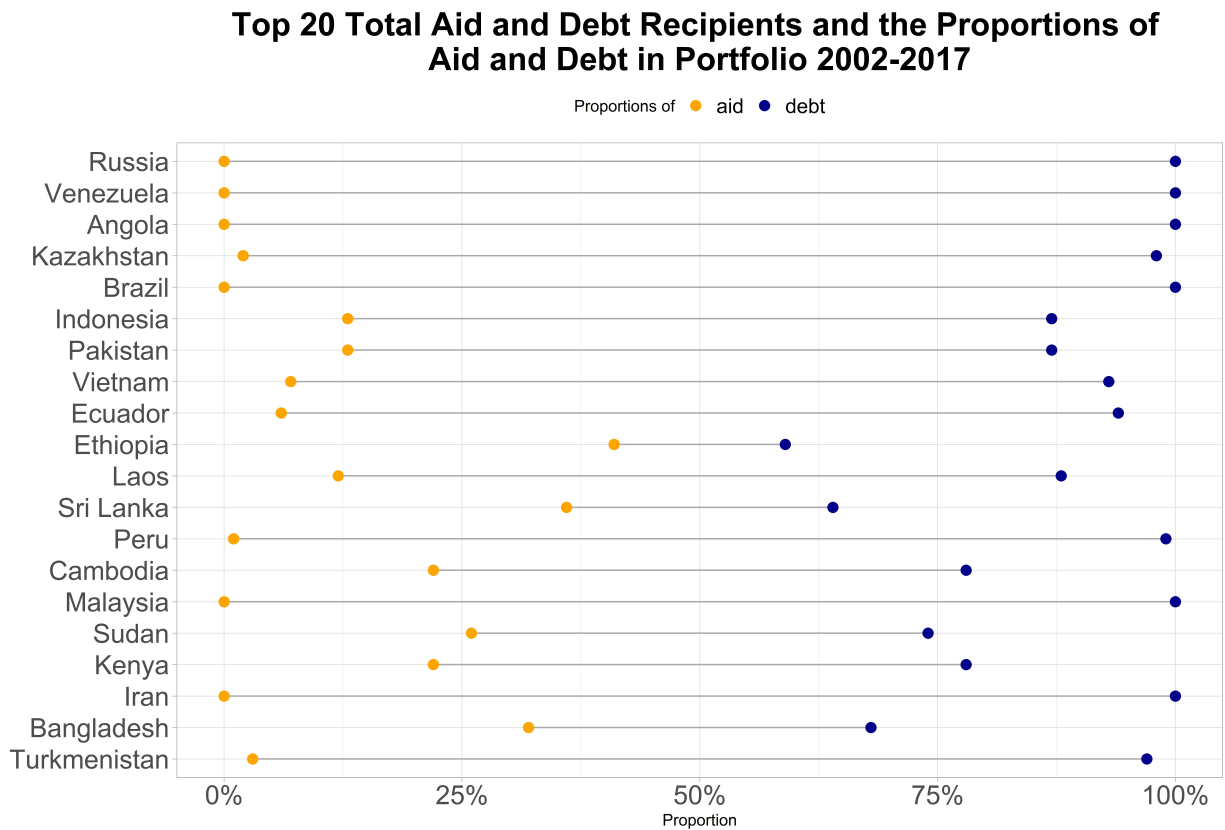
Figure 2: Top ODA (aid) vs. OOF (debt) Recipients, 2002-2017



In terms of the composition of portfolios for the top 20 beneficiaries of the total amount of both aid and debt, Figure 3 shows that over 80% of the total financing is loans received in 14 out of 20 countries. The top 5 recipients—Russia, Venezuela, Angola, Kazakhstan

and Brazil—received support from China almost purely in the form of loans (0 % in aid). Kazakhstan is the only exception among the five beneficiaries with aid comprising 2% of its portfolio. Down the list (top 5-10 recipients), the financial portfolios of Indonesia, Pakistan and Ethiopia are more balanced than the top 5 total financing recipients. Clearly, we can infer that Beijing gives more generously in its loans relative to aid in terms of amount. China also takes a targeted approach to loan giving.

Figure 3: Top ODA and OOF Recipients’ Share of Financial Flows, 2002-2017

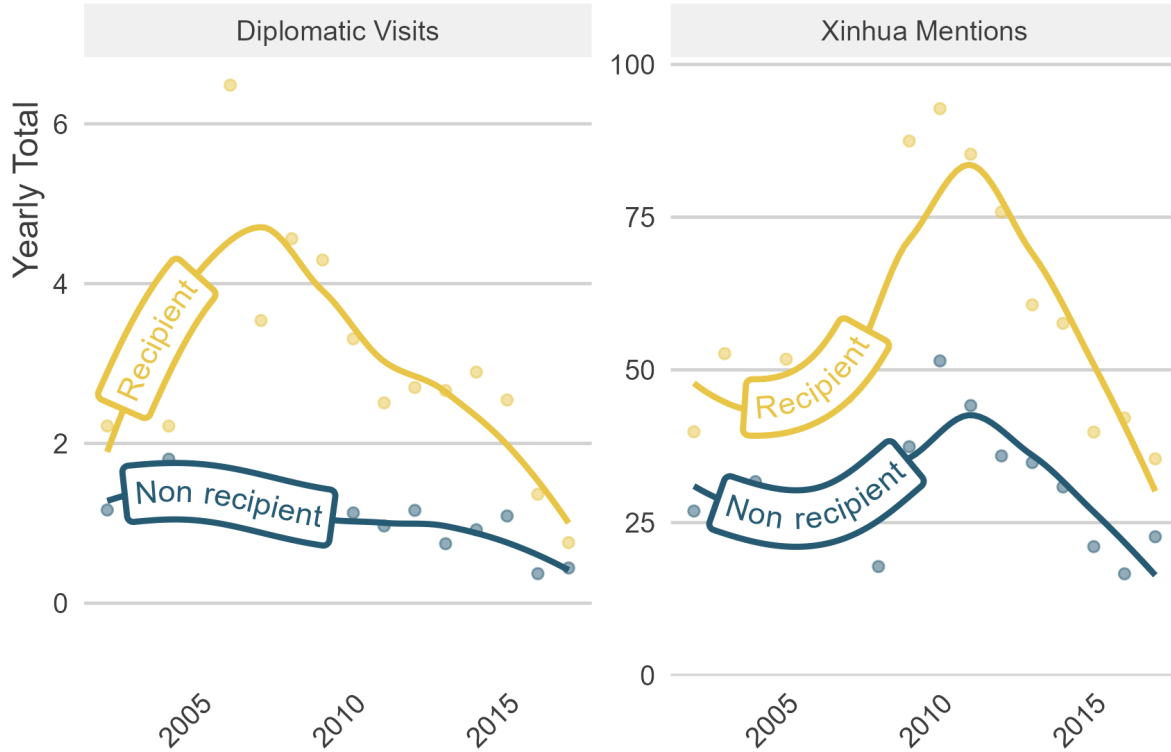


Finally, Figure 4 shows descriptively the trends in the number yearly *Xinhua* mentions of developing countries in the sample and the number of yearly diplomatic visits these countries host. The left frame of the panel shows the total number of diplomatic visits per developing country per year, and the right frame shows the yearly total news articles *Xinhua* mentions the recipient countries. The sample is divided by status as a Chinese loan recipient (yellow)

or not (blue). From the longitudinal presentations of the data, there seem to be large observable differences in country coverage in *Xinhua* and diplomatic visits depending on recipient status. Loan recipients get more media spotlight and host appreciably more visits than non-recipients. The peak differences for the visits get narrow after 2008, but for *Xinhua* mentions, the peak difference between loan recipients and non-recipients is around early 2010. Both wind down in the rest of the sample period. It seems like debtor status is associated with more frequent yearly mentions in *Xinhua* and a greater number of hosted missions from Beijing.

These patterns remain only suggestive, but enough to give us a second thought about a possible positive relationship between policy goals and China giving loans. Many factors jointly determine Beijing's financing, *Xinhua* coverage, and diplomatic visits that likely confound straightforward identification of the relationships among these variables. The next section summarizes the results from more rigorous statistical tests of our hypotheses outlined earlier in the "Data and Design" section.

Figure 4: China’s Activities in OOF and non-OOF Recipients, 2002-2017



6 Results

This section summarizes the results from the main statistical analysis. The sample used to estimate models outlined in the “Data and Design” section included 2,480 country-year observations consisting of 142 unique countries with observations from 2002 to 2017. The Appendix includes summary statistics along with full regression tables. To save space, we limit our presentation of the results to the main predictors of interest.

Table 2 reports regression model estimates. Cell entries are coefficients with standard errors in parentheses. Statistical significance is based on two-sided tests with the conventional $p < 0.05$ threshold. The first two columns report PPML estimates, the middle two OLS estimates, and the last two ZNB estimates. For each estimation approach, results where

Table 2: Regression Estimates

	PPML		OLS		ZNB	
	Coverage	Visits	Coverage	Visits	Coverage	Visits
ODA	0.01* (0.005)	0.013 (0.013)	0.009** (0.003)	0.002* (0.001)	0.009*** (0.002)	0.000 (0.004)
OOF	0.001 (0.004)	0.026** (0.01)	-0.001 (0.002)	0.002 (0.002)	0 (0.002)	0.007*** (0.003)
Controls	✓	✓	✓	✓	✓	✓
Recipient REs	✓	✓
Recipient FEs	.	.	✓	✓	.	.
Year FEs	✓	✓	✓	✓	✓	✓
N obs.	2,480	2,480	2,480	2,480	2,480	2,480

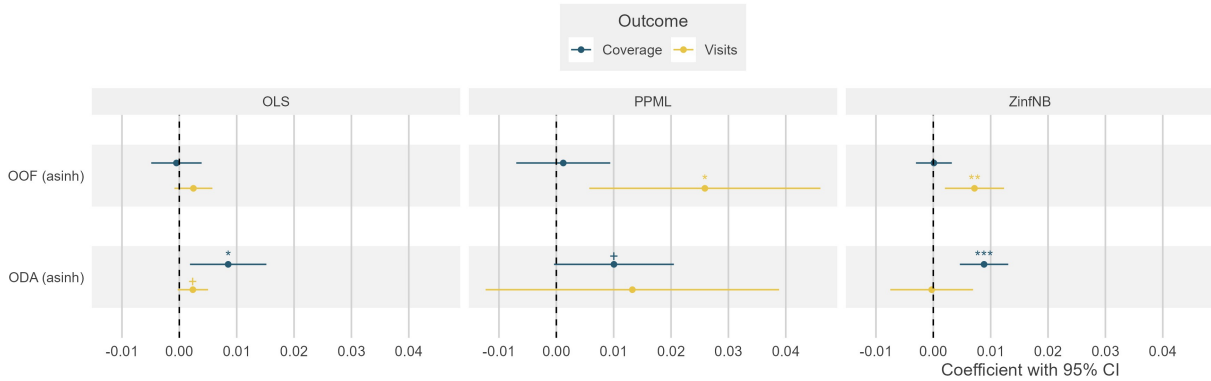
*** $p < 0.01$; ** $p < 0.05$; * $p < 0.01$

Xinhua coverage was the response variable are shown first, followed by results where diplomatic visits was the response variable. All models were estimated with year fixed effects and a suite of control variables to adjust for confounding and improve precision. The linear model estimated via OLS also included recipient fixed effects, while the ZNB model included recipient random effects. Standard errors for PPML and OLS estimates are robust and clustered by recipient. Since heterogeneity by recipient is modeled explicitly in the ZNB model, no *ex post* adjustment is made to the standard errors.

For visually inclined readers, Figure 5 is a coefficient plot that reports the coefficients on Chinese ODA and OOF, along with 95% confidence intervals (CIs). The results provide mixed support for our hypotheses. While we predicted that bilateral ODA from China would be a positive predictor of *Xinhua* coverage and diplomatic visits, we predicted no such relationship would exist between bilateral OOF and each of the outcomes. This argument only finds support with the linear model estimated via OLS. PPML and ZNB models tell a different story.

Across the models, ODA is a positive correlate of greater *Xinhua* coverage. With rounding, the coefficient across models is the same (0.01) and is statistically significant in two out of three models and marginally significant in the remaining model ($p < 0.001$ for the ZNB

Figure 5: Regression estimates for ODA and OOF based on results in Table 2



model, $p < 0.05$ for the linear model estimated with OLS, and $p < 0.1$ for the PPML model). Meanwhile, OOF is a positive correlate of diplomatic visits. While estimates across models are all positive, there is more variation in their values than in the case of ODA (coefficient is 0.026 in the PPML model, 0.002 in the linear model estimated with OLS, and 0.007 in the ZNB model). Further, while the estimate is statistically significant in two out of three of the models, the estimate in the third falls short even of marginal levels of significance ($p < 0.05$ for the PPML model, $p > 0.1$ for the linear model estimated with OLS, and $p < 0.01$ for the ZNB model).

The positive correlation between aid-receiving countries and media mentions is as expected. However, the discovery of a positive correlation between loan-receiving countries and diplomatic visits in two out of three models is unexpected. This pattern implies that Beijing’s economic and diplomatic objectives are not entirely divorced. High-ranking officials appear to view diplomatic visits to loan-recipient countries as a priority, perhaps seeing opportunities to sign agreements, engage in negotiations, meet with government and business officials, deliver speeches, gain media exposure, and partake in cultural exchanges, among other activities. In short, Beijing’s officials seem to go beyond mere business transactions with these loan-recipient countries; they actively cultivate friendships and diplomatic rela-

tionships.

7 Conclusion

In crafting its foreign policy strategies, Beijing has historically concentrated on its immediate neighbors for both security and geostrategic reasons. Nevertheless, there is an evident shift towards a more global outlook in China's approach (Nathan and Scobell 2012). Similarly, when it comes to allocating its financial resources and exerting economic influence, certain countries hold greater significance than others. However, Beijing's leaders hold these reasons close to the vest.

The secrecy surrounding China's international development financing is puzzling. But vis-à-vis this limited transparency, the painstaking work of researchers to document and analyze trends in China's development financing has illuminated a great deal about Beijing's distinctive approach to giving and lending. In one of the most comprehensive efforts to document trends in Chinese development finance, Dreher and his team (2022) find that China is far from the stereotype of a rogue donor seeking to promote authoritarianism globally, as many fear. Instead, China's ODA-like expenditures follow patterns similar to those of OECD-DAC donors. Much like these traditional donors, China's foreign aid is a versatile foreign policy tool through which Beijing seeks to accomplish important objectives in international politics. These goals, we contend, encompass securing international recognition of China as a great power and fostering closer diplomatic ties with developing countries in what China calls "South-South" cooperation.

The goals of facilitating cooperation and winning international recognition as a rising global power are difficult to accomplish covertly. Hence, we consider the role of outward-facing state-sponsored news coverage and bilateral diplomatic missions from Beijing as valuable complements to the foreign policy goals that underlie China's giving and lending. While

public diplomacy and outward-facing state-sponsored media are not solely used to bolster China’s overseas development financing, they undeniably share common objectives. In particular, diplomacy and news coverage are both highly visible activities, capable of supplementing the frequently opaque nature of Beijing’s development finance efforts.

Therefore, in this study we proposed that if China’s development finance primarily aims at bolstering its image and building alliances, then countries receiving China’s overseas development assistance should attract disproportionate media coverage in *Xinhua* and host more diplomatic missions from Beijing. This would serve to enhance China’s international image and promote its development efforts, as well as help cement bilateral cooperation.

In our empirical analysis, we discover partial support for our hypotheses, and identify some additional patterns that run afoul of our expectations. Consistent with our argument, we observe that countries receiving greater ODA-like financing from China garner increased media attention in foreign-facing articles of *Xinhua* (these often are articles concerning these countries’ economic development). Simultaneously, OOF or loan-recipient countries host diplomatic visits from Beijing disproportionately more than other countries (all else equal). This suggests that loans, rather than ODA, are tied to Beijing’s efforts to promote closer bilateral cooperation.

Our findings shed new light on two aspects of Chinese overseas development financing projects. First, the foreign-facing version of *Xinhua* does not function primarily as a propaganda tool for China. While *Xinhua* occasionally mentions the “Belt and Road” initiative in broad terms, it rarely delves into the specific details of on-the-ground aid projects. If we were to rely solely on *Xinhua*’s news reports, we would have little insight into the extent of China’s contributions to a wide array of developing countries in need. Most of the project specifics are revealed within Chinese embassy websites and other news sources, requiring diligent research efforts to uncover this information through institutions like AidData (B.C. Parks et al. 2023).

Returning to the puzzle driving this research project—why China refrains from publicizing its aid projects at the institutional level—we were puzzled to discover that *Xinhua* does not extensively cover project details. Instead, aid-recipient countries receive greater media attention regarding their economic development needs. These news articles, based on events and factual information, may be intended to legitimize China’s provision of Official Development Assistance (ODA) as a gesture of benevolence rather than to emphasize aid effectiveness. In short, the disproportionate coverage of aid recipients is about signalling China’s generosity rather than performance. Future research should delve deeper into understanding why *Xinhua* refrains from reporting the extent of China’s direct involvement in the local economies of recipient countries or whether and to what extent China influences local media outlets in these recipient countries to report on its aid projects.

Second, we observe that countries receiving loans often experience a higher frequency of high-level official visits from China compared to those that do not receive such loans. It is hard to conceive that China’s intention is simply to trap these countries and take advantage of this relationship. This evidence could refute the “debt-trap diplomacy.” Instead, we posit that in addition to conducting business transactions, China takes into account policy objectives and diplomatic bonds with countries receiving loans (it is worth noting that we do not observe such relationships with countries receiving aid). China allocates significant resources to nurture enduring partnerships with these states that hold promising economic potential. Rather than desiring to see them burdened by debt and economic distress, China seeks their prosperity and mutual benefits.

Moreover, our research underscores the importance of distinguishing between Official Development Assistance (ODA) and Other Official Flows (OOF) from China. Not only do the primary recipients of aid and loans exhibit minimal overlap, but China’s overseas development financing is disproportionately comprised of loans. Furthermore, we emphasize that countries receiving loans tend to maintain strong and amicable ties with China. The

flow of loans can also serve as an indicator of their diplomatic proximity to China. Future studies may delve deeper into exploring how the interplay of economic and political interests unfold in aid- and loan-recipient countries differently.

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8 Appendix

Table A.1: Summary Statistics

	Mean	St. Dev.	Min	Max
ODA	40,395,771	215,303,107	0	8,097,842,141
OOF	284,140,117	1,544,401,775	0	36,037,021,678
<i>Xinhua</i> Mentions	38.105	65.470	0	643
Diplomatic Visits	1.453	3.520	0	29
total_visits	1.632	3.929	0	30
V-Dem	0.666	0.198	0.134	0.965
GDP	222,546,605,712	618,242,335,753	45,183,544	8,276,934,253,114
Population	29,565,627	103,636,221	9,827	1,338,676,779
Disaster	338.449	6,483.236	0	222,658.300
Civil War	0.133	0.340	0	1
Distance (km)	9,518.719	3,948.601	809.538	19,297.470
Imports	2,459,284,265	7,219,886,819	0	62,136,639,680
Exports	2,870,717,062	7,621,027,719	0	71,617,248,156
ATOP Alliance	0.142	0.349	0	1
UN Distance	0.548	0.519	01	3.348
FDI	-1,612.817	5,331.112	-90,485.120	35,050.840

Table A.2: Regression Estimates (Full Table)

	PPML		OLS		ZNB	
	Coverage	Visits	Coverage	Visits	Coverage	Visits
Chinese Development Financing:						
ODA	0.01. (0.005)	0.013 (0.013)	0.009* (0.003)	0.002. (0.001)	0.009*** (0.002)	0 (0.004)
OOF	0.001 (0.004)	0.026* (0.01)	-0.001 (0.002)	0.002 (0.002)	0 (0.002)	0.007** (0.003)
Controls:						
Income	0.191. (0.101)	-0.007 (0.186)	-0.011 (0.072)	-0.017 (0.042)	-0.028 (0.066)	0.306* (0.137)
Population	0.475*** (0.081)	-0.127 (0.138)	-0.191 (0.144)	0.035 (0.045)	0.284*** (0.073)	-0.11 (0.288)
Disaster	0.005 (0.028)	0.1* (0.039)	0.024* (0.012)	-0.001 (0.006)	0.017* (0.008)	-0.022. (0.012)
Civil War	0.257 (0.163)	0.451* (0.19)	0.095 (0.088)	0.023 (0.061)	0.144** (0.045)	0 (0.083)
Distance	-0.132 (0.126)	-1.414*** (0.214)			-0.587* (0.264)	-8.332*** (1.431)
Democracy	0.077 (0.31)	0.095 (0.645)	-0.63 (0.402)	0.038 (0.233)	-0.452* (0.184)	0.054 (0.23)
Imports	-0.057* (0.028)	-0.112** (0.038)	-0.004 (0.014)	-0.005 (0.004)	-0.033** (0.01)	-0.008 (0.015)
Exports	0.063 (0.071)	0.262** (0.088)	-0.045 (0.044)	0.007 (0.026)	-0.096*** (0.028)	0.144** (0.049)
UN Ideal Distance	0.151 (0.252)	-0.564. (0.289)	-0.05 (0.109)	0.041 (0.063)	0 (0.054)	0.017 (0.094)
FDI	0.012*** (0.003)	-0.004 (0.007)	0 (0.002)	-0.004* (0.002)	0.001 (0.001)	-0.004 (0.003)
Recipient REs	✓	✓
Recipient FEs	.	.	✓	✓	.	.
Year FEs	✓	✓	✓	✓	✓	✓
N obs.	2,480	2,480	2,480	2,480	2,480	2,480

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; . $p < 0.1$