

Corridors of Power:

How Beijing uses economic, social, and network ties to exert influence along the Silk Road

Samantha Custer, Justin Schon, Ana Horigoshi,
Divya Mathew, Bryan Burgess, Vera Choo,
Amber Hutchinson, Austin Baehr, and Kelsey Marshall

Executive Summary



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Beijing's bid for primacy in South and Central Asia (SCA) often generates heated rhetoric, rather than enlightened discussion, about how the People's Republic of China (PRC) exerts influence, with whom, and to what ends. In this report, we analyze the PRC's efforts to cultivate economic, social, and network ties with 13 countries over two decades. These ties foster interdependence with the PRC that have the potential to both empower and constrain SCA countries, while threatening to displace or diminish the influence of regional rivals such as Russia, India, and the United States. We look deeper than national boundaries to examine which communities receive the lion's share of Beijing's attention. Finally, we consider how the PRC has navigated the conversion dilemma of translating economic and soft power investments into favorability with SCA leaders and publics—as an end in itself and an instrument to advance other goals.

Four takeaways about how Beijing builds **economic ties** in the region

In this report, we examine how the PRC has deployed US\$127 billion in financial diplomacy across the SCA region to sway popular opinion and leader behavior in SCA countries over an 18-year period. This state-directed financing includes both aid (i.e., grants and concessional loans) and debt (i.e., non-concessional loans approaching market rates) in four categories of assistance visible to foreign publics (infrastructure financing, humanitarian aid) and prized by foreign leaders (budget support, debt relief). If we look beyond national boundaries, the PRC clearly views some communities as more strategically important to advancing its interests than others. Specifically, we identify four takeaways about how Beijing deploys its financial diplomacy between and within countries across the region:

- Beijing employs three distinct subnational public diplomacy strategies—"extract," "nudge," and "avoid"—varying its engagement to best advance economic, security, and geopolitical goals.
- Its financial diplomacy is highly concentrated: it focuses the lion's share of its state-directed financing to just 25 provinces (62 percent of financing) and 25 districts (41 percent of financing) in the region.
- More populous districts and those with natural gas pipelines are the most likely recipients of Chinese financial diplomacy dollars.
- Pakistan's shipping corridors and pipelines attract nearly one-third of the PRC's financial diplomacy across SCA countries, fostering economic ties with local, national, and regional implications.

Four takeaways about how Beijing builds **social ties** in the region

Although the PRC is best known for the power of its purse, Beijing's economic and soft power tools may be most formidable in exerting influence with SCA countries when they are employed in concert. As SCA countries become economically integrated and connected with the PRC, the more open they may become to embracing Chinese language, culture, and norms. The more that SCA publics and elites build closer people-to-people ties with counterparts in China, the more they may turn to these social networks when it comes to sourcing goods, services, capital, and other economic partnerships. In the report, we examine how Beijing employs education, language, and city diplomacy to socialize SCA professionals to Chinese norms, technologies, and systems to create future markets for PRC goods, services, and capital. Looking across these data points, we identify four takeaways about how Beijing builds social ties:

- Beijing's education assistance projects have increasingly emphasized scholarships, technical assistance, and training as a pipeline to feed into its higher education institutions.
- The PRC offers less burdensome requirements, numerous scholarships, English language curricula, and new training modalities to become a premier study abroad destination.
- Russia, India, and the US have a longer-standing presence, but the PRC now accounts for 30 percent of language and cultural institutions in the SCA region, only surpassed by the US.
- Beijing has cultivated 193 central-to-local or local-to-local ties with 174 cities across the SCA region, but over half of all ties (52 percent) were focused on just 16 priority cities.

Four takeaways about how Beijing builds **network ties** in the region

Although banned in China, PRC leaders have harnessed tools such as Twitter abroad to amplify narratives they prefer and contest those which run counter to their interest. However, this strategy relies on access to SCA elites—either directly or indirectly, via those with whom they are connected. In the report, we assess the PRC's ability to reach SCA elites on Twitter that: (i) can directly make decisions of consequence for

Beijing or (ii) by virtue of their organizational position, national prominence, or professional reputation can indirectly influence their peers and leaders. We analyze connections between 2,273 Twitter accounts from 12 SCA countries that meet our inclusion criteria and 115 PRC-affiliated accounts associated with: embassies, consulates, or diplomatic staff in SCA countries; state-run media outlets; state-owned enterprises working in SCA countries; and other PRC government agencies with an external-facing presence. We highlight four take-aways about Beijing's efforts to build network ties with SCA elites in the region:

- PRC engagement on Twitter is heavily centralized, with a small number of brokers serving as access nodes to reach broader networks of SCA elites and vice versa.
- PRC accounts engage most actively with Pakistani accounts, suggesting that China is pairing offline engagement through CPEC with online engagement.
- State-owned media are the PRC's frontline representatives pushing out information to SCA elites; diplomatic accounts are gatekeepers and amplifiers.
- PRC-affiliated accounts might be more frequently followed, but Indian accounts are more frequently mentioned by other Twitter users.

Four takeaways about citizen and leader **perceptions** of Beijing

In the report, we examine what a nationally representative citizen survey—the Gallup World Poll (2006-2020)—can tell us about perceptions of the PRC over time and relative to its three strategic competitors in the region: India, Russia, and the US. Using a set of statistical models, we test whether and how Beijing's public diplomacy tools may translate into improved popular perceptions in SCA countries. Finally, we leverage a 2021 AidData snap poll survey of SCA elites to assess the degree to which their views converge or diverge with the public, as well as how they view the public diplomacy efforts of four great powers active in the region. Triangulating these data points yields four takeaways about how citizens and leaders view Beijing:

- SCA citizens fall into three groups in their views of the PRC: consistently favorable (Pakistan and Tajikistan), consistently unfavorable (India), and middle-of-the-road (everyone else).
- Beijing's financial diplomacy is associated with lower approval of Russia, higher approval of the US, and mixed views of China. It is positively associated with approval of the PRC only in those countries which

receive more financing relative to other forms of public diplomacy.

- In general, SCA citizens were more favorable towards Russia and the PRC, while their leaders were more favorable towards India and the US.
- Economic opportunity drives how SCA leaders view the PRC and the US; they suggest increased financial diplomacy and people-to-people ties to boost standing in future.

Three cross-cutting insights about Beijing's **influence** playbook

In this report, we assess the PRC's use of economic statecraft, people-to-people diplomacy, and digital diplomacy in concert, rather than in isolation, to understand how they add up to more than the sum of their parts. It is clear that Beijing has doubled down on its efforts to cultivate economic, social, and network ties with SCA countries over the last two decades. Nevertheless, Beijing's ability to translate these inputs into realized influence that advances its national interests is not inevitable. It must navigate some fierce headwinds at home, with anti-China skeptics within SCA countries, and from its strategic competitors such as Russia, India, and the US who are keen to avoid seeing their influence in the region displaced by a PRC bid for primacy. Taking the long view, there are three cross-cutting insights about Beijing's influence playbook over the last two decades worth highlighting:

- Beijing's ability to synchronize multiple economic and soft power tools in its playbook is a comparative advantage in its bid for regional influence.
- Beijing's public diplomacy overtures cultivate narrow but deep corridors of power, focusing attention on a small subset of strategically important communities.
- Economic opportunity and people-to-people ties may go together, but Beijing's ability to convert public diplomacy inputs into realized influence is easier said than done.