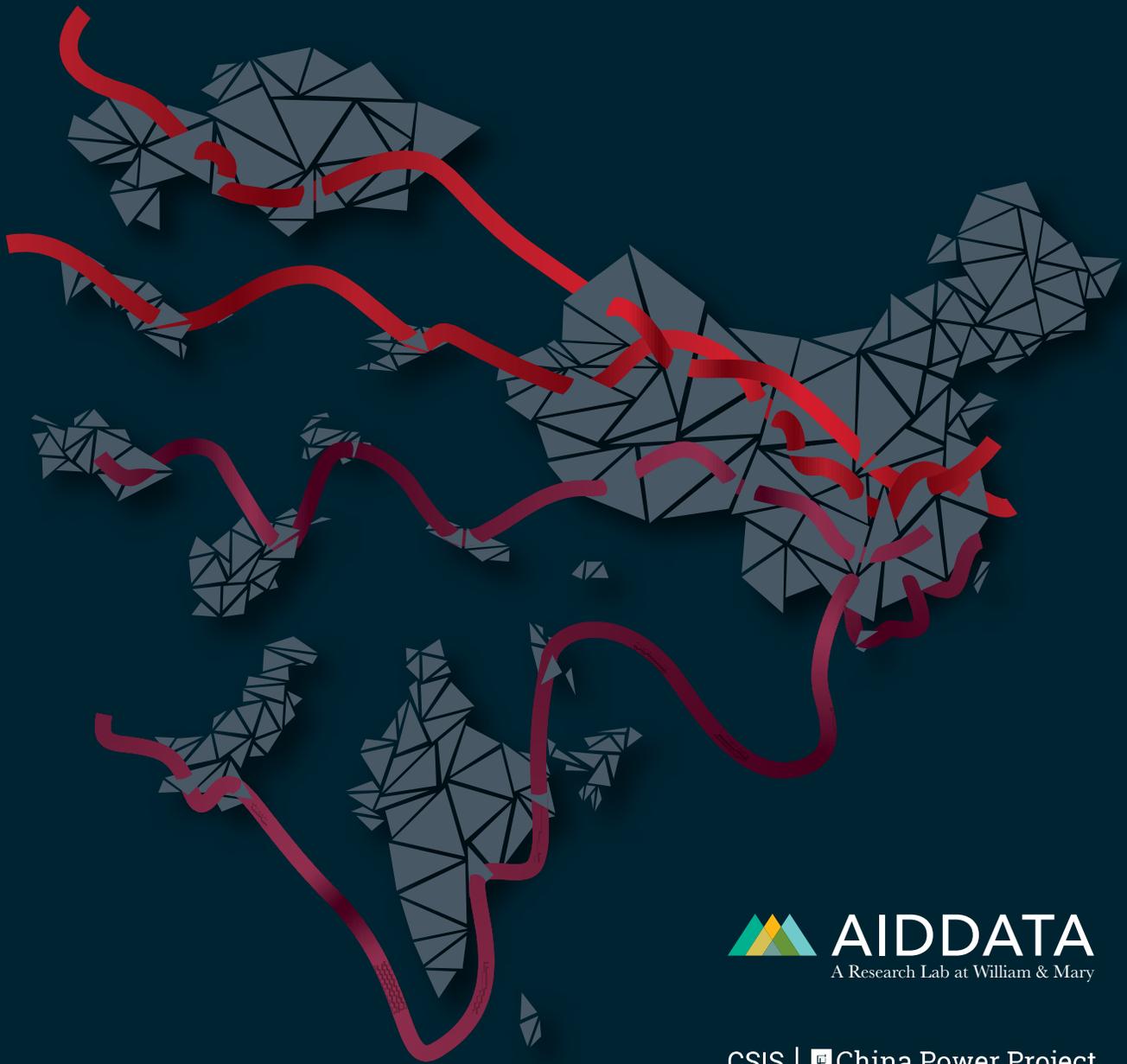


Silk Road Diplomacy:

Deconstructing Beijing's toolkit to influence South and Central Asia

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Appendix

To access the technical appendices for this report, please refer to the electronic version which can be found online at <https://aiddata.org/publications/silk-road-diplomacy>.

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Acronyms

AFSA – Astana Financial Services Authority
AL – Awami League
AMIS – Aid Management Information System
ASEAN – Association of Southeast Asian Nations
ASPI – Asia Society Policy Institute
BIMSTEC – Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRI – Belt and Road Initiative
BNP – Bangladesh Nationalist Party
BSF – Indian Border Security Force
CC – Confucius Classroom
CCP – Chinese Communist Party
CCTV – China Central Television
CCWAEC – China-Central Asia-West Asia Economic Corridor
CGTN – China Global Television Network
CI – Confucius Institute
CNPC – China National Petroleum Corporation
CPEC – China-Pakistan Economic Corridor
CRI – China Radio International
CSIS – Center for Strategic and International Studies
CSRC – China Securities Regulatory Commission
EAP – East Asia and Pacific
FDI – Foreign Direct Investment
GDP – Gross Domestic Product
GWP – Gallup World Poll
ICT – Information and communications technology
IFI – International finance institutions
IMF – International Monetary Fund
MDP – Maldivian Democratic Party
MFA – Ministry of Foreign Affairs
MOE – Ministry of Education
MoF – Ministry of Finance
MOFCOM – Ministry of Commerce
NELB – New Eurasian Land Bridge
OECD – Organization for economic-cooperation and development
PHSC – Protection of Human Subjects Committee
PLA – People’s Liberation Army
PPM – Progressive Party of the Maldives
SAARC – South Asian Association for Regional Cooperation
SCA – South and central Asia
SCO – Shanghai Cooperation Organization
SLFP – Sri Lanka Freedom Party
TUFF – Tracking Under-Reported Finance Flows
TWAS – World Academy of Sciences
UML – Unified Marxist-Leninist
UN – United Nations
UNGA – United Nations General Assembly
XUAR – Xinjiang Uighur Autonomous Region

CHAPTER ONE

Introduction: Quantifying Beijing's public diplomacy overtures and influence in South and Central Asia

Beijing's fixation on projecting an attractive vision of itself to the rest of the world is not unique to China: states have long practiced the art of public diplomacy in a bid to win favor with citizens and officials in other countries and thereby advance their national interests (Helmets, 2016). In this vein, Chinese leaders are mindful of the need to expand the government's public diplomacy capabilities to effectively manage negative reactions to its growing economic and military strength over the past two decades, as well as to win friends and allies to realize its global ambitions (Zhang, 2018; Liu, 2017; Cheng, 2016).

Chinese President Xi Jinping's signature foreign policy projects, most notably the Belt and Road Initiative (BRI), have attracted speculation among those who view this as a strategic pivot away from the cautious "hide and bide philosophy" of his predecessors (Economy, 2019; Yan, 2014; Nie, 2016). However, this obscures the fact that Beijing's interest in managing its global image was equally shared by Xi's predecessor President Hu Jintao since the mid 2000s and enjoys widespread support among government officials and Chinese Communist Party (CCP) members (Fitzgerald, 2018; Shambaugh, 2018).

Beijing's aspirations may be global, but it takes a special interest in cultivating closer relations within China's "greater periphery,"¹ including the 13 countries of South and Central Asia² that are the focus of this particular report (Swaine, 2014; Li and Zheng, 2016). Chinese leaders are keen to avoid instability in neighboring countries that could spill over into unrest at home. Moreover, Beijing wants to project strength in order to check the influence of its regional rivals, India and Russia. Finally, Chinese leaders view many of the countries in the region as suppliers of raw materials China needs to fuel its economy, markets for Chinese goods and investment, as well as transit nodes to access lucrative markets in Europe.

Beijing is not well positioned to achieve these myriad aims through conventional military means and the country's western region is comparatively underdeveloped economically to its populous coastal areas. As Scobell et al. (2014) note, the Chinese government's "defense posture is heavily skewed towards the east" and Beijing instead relies upon an "empty fortress strategy" to project strength with SCA countries in order to "mask serious frailty." In this respect, public diplomacy is a critical ingredient in Beijing's toolkit to neutralize potential threats, overcome internal disadvantages, and outmaneuver regional competitors who could vie with the Chinese government for influence. As international relations

scholar John Arquilla (Nye, 2014) puts it, "in today's global information age, victory may sometimes depend not on whose army wins, but on whose story wins."

In this report, the authors aim to illuminate which tools Beijing deploys, with whom, and to what effects in the South and Central Asia (SCA) region. To this end, AidData—a research lab at William & Mary—in collaboration with the Asia Society Policy Institute (ASPI) and the China Power Project of the Center for Strategic and International Studies (CSIS), collected an unprecedented amount of qualitative and quantitative data on Beijing's public diplomacy in the SCA region from 2000 through 2018. We hypothesize that as the Chinese government increases its public diplomacy overtures with SCA countries, this should be associated with more favorable popular perceptions of Beijing in the region and closer alignment with Beijing in SCA leaders' policy decisions.

In the subsequent chapters, we put this hypothesis to an empirical test—quantifying the volume and composition of Beijing's public diplomacy toolkit in the SCA region (Chapter 2), examining how these overtures are perceived on the ground in six countries (Chapters 3 and 4), assessing how Beijing's public diplomacy inputs are correlated with the outcomes it hopes to achieve (Chapter 5), and capturing lessons learned and implications for the SCA region in future (Chapter 6). In the remainder of this chapter, we provide further detail on how we will conceptualize (Section 1.1) and quantify (Section 1.2) Beijing's public diplomacy overtures.

1.1

How do we define Beijing's public diplomacy toolkit and understand its objectives?

In this study, we are interested in assessing both the upstream inputs of Beijing's public diplomacy activities and the downstream influence of these efforts in SCA countries. To this end, we build upon the conceptual and methodological foundation of previous work conducted by Custer et al. (2018) to systematically analyze China's public diplomacy overtures in the 25 countries of the East Asia and Pacific (EAP) region. Specifically, we extend the authors' original definition, theory of change, and taxonomy of public diplomacy—based upon an exhaustive review of 40 academic studies and interviews with nine recognized public

diplomacy scholars and practitioners—for use in a new region of the world.

Beijing engages in public diplomacy—a collection of instruments used to influence the perceptions, preferences, and actions of citizens and leaders in another country—as a means to win over foreign publics and advance its national interests. In doing so, Chinese leaders draw upon a toolkit comprising five public diplomacy instruments: informational diplomacy, cultural diplomacy, exchange diplomacy, financial diplomacy, and elite-to-elite diplomacy (see Box 1). However, the process of translating public diplomacy activities into measurable gains is neither straightforward nor quick for Beijing or any other power (see Appendix for a Theory of Change).

At best, a foreign power initiating public diplomacy overtures (the sending country) can hope to catalyze a chain reaction whereby citizens and leaders in a second country (the receiving country) move along a continuum of increasing favorability—from growing awareness and attraction to greater alignment and solidarity—such that they are willing to hold opinions and take action in accordance with the sending country's interests. While we argue that the broad contours of how Beijing would theoretically go about converting public diplomacy activities into advancing its interests is region agnostic, we recognize that Chinese leaders likely have specific economic, foreign policy, and reputational aims for their relations with the 13 countries of the SCA region, which we enumerate below.

Economically, Chinese leaders have several goals for the SCA region: productive use of surplus foreign currency reserves, preferential bilateral trade and investment deals, efficient transportation routes for Chinese exports, and access to new sources of energy and raw materials. With regard to foreign policy, Beijing wants to secure support for the “One China principle,” ensure safe passage for China's exports and imports, maintain stability in China's restive western regions, contest the influence of Beijing's strategic competitors, and minimize censure for Beijing's domestic policies. Since Beijing's aspirations are not merely regional but also global, convincing SCA leaders to align with it in international decision-making bodies is also critical for the Chinese government to project strength when it comes to crucial votes on its priority issues.

In addition to cultivating relationships with political elites and business leaders, the Chinese government has strong vested interests in shaping a media and popular narrative that admires, rather than fears, Beijing's rising economic and military might. Chinese leaders want to close the perceived distance with citizens in SCA countries who often feel greater cultural and linguistic affinity with India in South Asia or Russia in Central Asia. This “grassroots image management” (Brazys and Dukalskis, 2019) also involves encouraging SCA citizens to overwrite pre-

existing dislike of Beijing due to past historical events or distrust of its future ambitions.

1.2

How do we quantify Beijing's public diplomacy inputs and outcomes in South and Central Asia?

The authors, along with a team of AidData staff and research assistants, collected primary and secondary data on China's public diplomacy activities during the 2000-2018 period for 13 SCA countries. The team consulted the best available data sources including: the annual Foreign Affairs Yearbooks published by the Chinese government, AidData's Tracking Underreported Financial Flows (TUFF) methodology,³ along with web-scraping innumerable publicly available datasets, government records, and previous studies.

In Chapter 2, we draw upon this novel data to understand how Beijing deploys the instruments in its public diplomacy toolkit over time and in different SCA countries. To facilitate this analysis, we employ proxy measures for each of the five categories of public diplomacy: Confucius Institutes and Classrooms (cultural diplomacy), sister cities (exchange diplomacy), government official visits (elite-to-elite diplomacy), high-level media engagement (informational diplomacy), and Chinese official finance towards infrastructure, budget support, debt relief and humanitarian aid (financial diplomacy). More information on the sources and methods used to construct these proxy measures is available in the Appendix.

We then paired this quantitative data collection effort with field research conducted by AidData, in partnership with ASPI and CSIS, to better understand how Beijing's public diplomacy is perceived in receiving countries. From March to August 2019, the research team conducted semi-structured interviews with 216 individuals from 145 organizations or agencies across six SCA countries: Bangladesh, Kazakhstan, the Maldives, Nepal, Sri Lanka, and Uzbekistan. These individuals comprised government officials, private sector leaders, civil society representatives, journalists, academics, foreign diplomats, and representatives of international organizations who, by virtue of their current or previous position, were able to observe how Beijing wields public diplomacy to achieve its objectives in these countries of interest.

Interviewees shared their views on the extent and drivers of Beijing's public diplomacy activities; perceptions of mainland China among citizens and elites in their country; and the results of Beijing's public diplomacy-related interventions. We synthesize insights from these interviews in a series of case studies from

the vantage point of four South Asian countries and two Central Asian countries in Chapters 3 and 4. The interview guide and breakdown of interviewees by country and stakeholder group is available in the Appendix.

In Chapter 5, we put several hypotheses—about which tools Beijing uses, with whom, and to what end—to an empirical test using a series of econometric models. We first examine whether there are specific attributes of countries that might explain how Beijing allocates its public diplomacy inputs in order to best advance its national interests. Then, we assess whether the exposure of SCA countries to different public diplomacy tools over time appears to be associated with more favorable perceptions of Chinese leadership, closer alignment with China in international decision-making fora, and more favorable trade balances with SCA countries.

To facilitate this analysis, we identified quantifiable proxy measures for our three outcomes of interest. For our barometer of citizen perceptions, we use responses to the Gallup World Poll (GWP)—an annual public opinion survey—for the years 2009-2017 in which respondents from SCA countries (excluding Maldives) answered a question regarding whether they approved

or disapproved of the job performance of Chinese leadership. As our proxy measure for foreign policy alignment with Beijing, we analyze data on voting patterns in the United Nations General Assembly (UNGA). Finally, we use the direction of the trade balance between China and SCA countries across four different product groups—capital goods, consumer goods, intermediate goods, and raw materials—to assess potential economic gains. More information on the sources, methods, and rationale for these proxy measures is available in the Appendix.

In Chapter 6, we conclude with a stock-taking of what we have learned about how Beijing approaches public diplomacy across the region (the supply side) and the extent to which its overtures appear to be associated with the desired response from citizens and leaders in SCA countries (the demand side). We reflect on whether these trends appear to be similar or different to what has been observed about Beijing's public diplomacy efforts in other parts of the world, namely the EAP region. Finally, we assess the implications of these insights on the scope, distribution, and effectiveness of Beijing's public diplomacy operations for its target audiences in SCA countries, its strategic competitors, as well as for Beijing itself.

¹ Li and Zheng (2016) argue that neighboring countries refer to those that are “located east of the Ural Mountains, the Bosphorus Strait and the Suez Canal; south of the Caucasus Mountains; and west of the Bering Sea.” Notably, eight out of the 14 countries bordering China lie within the South and Central Asia region.

² In this report, we refer to South and Central Asia as comprising the following countries: Afghanistan, Bangladesh, Bhutan, Kazakhstan, Kyrgyzstan, India, Maldives, Nepal, Pakistan, Sri Lanka, Uzbekistan, Tajikistan, and Turkmenistan.

³ AidData developed the TUFF methodology in collaboration with experts from Harvard University, Brigham Young University, Heidelberg University, and the University of Cape Town. The data has been used in over 120 working papers and publications.

CHAPTER TWO

How should we quantify Beijing's public diplomacy efforts?

Key findings in this chapter:

- *Beijing has ramped up the volume and sophistication of its public diplomacy overtures in the SCA region over time, reaching its highest levels in 2014 and 2016.*
- *Beijing employs a diverse toolkit across SCA countries, with sub-regional powers such as Kazakhstan, India, and Pakistan among the major recipients.*

Public diplomacy is instrumental to Beijing's efforts to tell its story to the world and project a more attractive image of China on a global stage (Zhao, 2015). Presidents Hu Jintao and Xi Jinping have argued that China should leverage its resources—culture, language, media, people, and money—to win friends and garner influence with foreign countries. This is no unfunded mandate: President Xi doubled the Chinese Ministry of Foreign Affairs' (MFA) budget in six years from 30 to 60 billion renminbi (US\$9.5 billion), including a 15 percent increase in 2018 to bolster the MFA's efforts to project Chinese diplomacy and soft power worldwide (Le Corre, 2018).

In this chapter, we examine how Beijing deploys five types of public diplomacy to garner influence with foreign leaders and publics among 13 South and Central Asian countries during the period 2000-2018. We quantify the range and extent of Beijing's public diplomacy activities in the SCA region (Section 2.1) and assess whether the Chinese government favors certain tools over others, how this has evolved over time, and which countries receive the most and least attention (Section 2.2).

2.1

What instruments are included in

Beijing's public diplomacy toolkit?

Chinese leaders may have global aspirations, but they understand the importance of cultivating positive relations with China's closest neighbors, many of whom fall within the SCA region (Swaine, 2014). Using the definition and taxonomy of public diplomacy in Custer et al. (2018), we identified activities for five types of public diplomacy that are part of Beijing's toolkit: cultural, exchange, elite-to-elite, informational, and

financial diplomacy. Next, we collected the best available information from primary and secondary data sources for the period of 2000-2018 (the date range varies depending upon data availability). Box 1 enumerates the indicators for which we were able to obtain data that are comparable over time and across countries.⁴

2.1.1 Beijing varies its cultural diplomacy by region: it leans on Confucius Institutes and Classrooms in Central Asia, while it places greater emphasis on cultural events and friendship years in South Asia

Presidents Hu and Xi have publicly emphasized cultural promotion in Beijing's bid to cultivate soft power influence abroad (Economist, 2017; Zhou and Luk, 2016). In this study, we examine three tools that Beijing uses to export its culture beyond its borders: (i) Confucius Institutes and Confucius Classrooms; (ii) cultural events; and (iii) friendship years (i.e., designation of years to commemorate friendship, cultural exchanges, or diplomatic relations).

Touted as the "centerpiece" (Hubbert, 2019) and "brightest brand" (Zhou and Luk, 2016) among Beijing's soft power overtures globally, Confucius Institutes (CIs) are Chinese government-funded educational institutions that teach Chinese language, culture, and history in partnership with a host university in a recipient country.⁵ The Hanban, the institution which administers the CI program, operated 548 CIs and close to 1,200 Confucius Classrooms (CCs) in primary and secondary schools globally between 2004 and 2018.⁶ Schools and universities must apply to the Chinese government to receive a CC or a CI, so the presence of these institutes depends as much on demand from and preferences of SCA countries as it does on Beijing's intentions.

Consistent with the global picture, Beijing opened up a growing number of CIs and CCs in the SCA region from 2004 to 2018 (**Map 1**). Nonetheless, there are two important differences in how the Chinese government appears to be operating in this region compared to elsewhere. First, Beijing opened substantially fewer CIs and CCs in the SCA region (58 as of 2016) than the 248 institutions reported by Custer et al. (2018) in the East Asia and Pacific region during the same time period. Beijing may face greater competition from Russia (in Central Asia) and India (in South Asia) when it comes to attracting foreign students to learn Chinese language and culture.

Box 1: Quantifying the tools of Chinese public diplomacy**Cultural diplomacy**

- *Confucius Institutes (CIs) and Confucius Classrooms (CCs)* (2004-2018): The first CI was opened in Seoul in the year 2004, and therefore data spans the period 2004-2018. The first CI in the SCA region was in Uzbekistan in 2005.
- *Cultural events* (2000-2017): Captures (i) cultural organization/performing groups from China visiting SCA countries and (ii) social/cultural events organized by China in SCA countries.
- *Friendship years* (2000-2017): Both governments designating a particular year as cultural exchange year/friendship year/anniversary of establishing diplomatic relations.

Sources: Hanban Annual Reports; Hanban Website; China Foreign Affairs Yearbooks.

Exchange diplomacy

- *Sister cities* (2000-2018): The number of sister or friendship cities formed by signing formal agreements. China set up the first sister city in the SCA region in 1984 in Pakistan. We consider all cities set up between 1984 and 1999 in the year 2000 (as a historical baseline).
- *Students* (2002-2017): Total number of students from SCA countries who studied in China (excluding Hong Kong and Macau). Data up to 2016 has a breakdown into short stays (less than six months) and long stays (more than six months).
- *Scholarships* (2000-2018, though data unavailable for many years): Number of Chinese Government Scholarships (national and local) announced by the Chinese government for students from SCA countries. We also collected data on Confucius Institute Scholarships globally, which started in 2009.

Sources: China International Friendship City Association (CIFCA); China Foreign Affairs Yearbooks; Confucius Institute Annual Development Reports; Embassy websites.

Elite-to-elite diplomacy

- *Government diplomacy* (2000-2017) is a combination of three types of visits:
 - **Political visits:** Meetings or visits by national- and provincial-level political leaders from China to SCA countries (outbound) and from SCA countries to China (inbound). We include visits and meetings that took place in a third location, such as on the sidelines of summits (e.g., President Xi's meeting with Afghan President Karzai during the Sochi Winter Olympics Games). We also consider meetings between leaders of more than two SCA countries at any location (e.g., the first China-Afghanistan-Pakistan tripartite foreign minister dialogue in Beijing).
 - **Party visits:** Visits by SCA delegates to China, as representatives of political parties, and not as political appointees (inbound) and visits by Chinese delegates to SCA countries explicitly as representatives of the Chinese Communist Party, not as political appointees (outbound).
 - **Other government visits:** Participation by a broader cadre of officials from China in summits, roundtables, conferences, inter-governmental dialogues, groundbreaking ceremonies hosted by SCA countries (outbound) or vice versa (inbound) for the purpose of maintaining good relations between the two governments. This category includes meetings that take place in a third location. Usually no individuals are mentioned unless the meetings are for a specific purpose (e.g., gender equality, educational cooperation, tourism, cultural exposition, etc.).
- *Military diplomacy* (2003-2016) by the People's Liberation Army (PLA):
 - **Senior-level meetings:** These include visits or meetings between Chinese PLA leaders and their SCA counterparts.
 - **Joint military exercises:** Bilateral and multilateral exercises or maneuvers in which the PLA interacted with military officials from SCA countries, including both exercises where China did, and did not, have a role in the planning.
 - **Naval port calls:** PLA Navy ships visiting foreign ports or foreign naval vessels hosted by the PLA in China.

Sources: China Foreign Affairs Yearbooks; Allen et al. (2017).

Informational diplomacy

- *Interviews with foreign media (2002-2017)*: Number of interviews of the Chinese President, Vice President, Premier, or Vice Premier with foreign media. Most of these interviews were with print media, and very rarely with TV and radio.
- *Press briefings (2002-2017)*: Number of meetings between Chinese heads of state and the press together with a SCA country's leader.
- *Op-eds published in foreign media (2013-2017)*: Number of op-eds written by the Chinese President and Premier.
- *Journalist visits (2004-2017)*: Number of visits by journalists from SCA countries to China hosted by the Chinese MFA or facilitated by Chinese embassies.
- *Presence of Chinese state-owned traditional media in-country*:
 - Radio: Whether CRI has an FM radio station or broadcasts through medium or short-wave in SCA countries (largest cities only); and the number of languages available.
 - Print: Whether the following six agencies had a bureau or circulated copies in the country: Xinhua, China Daily, People's Daily, China Youth Daily, Global Times, and PLA Daily.
 - Television: Whether CCTV or CGTN channels were broadcast in country.

Sources: China Foreign Affairs Yearbooks; Embassy websites; World Radio Map.

Financial diplomacy

Official financial flows from China include grants, concessional loans, and non-concessional loans from government agencies, policy banks, state-owned commercial banks, or investment funds. This also includes technical assistance and debt forgiveness. In this report, we highlight four categories of Chinese official finance closely associated with its public diplomacy objectives:

- *Infrastructure*: We include both financing for new infrastructure projects, as well as financing for the improvement, upgrade or renovation of projects and the provision of goods.
- *Budget support*: Direct financial support to government budgets to assist a country through a program of policy and institutional reform (OECD Glossary of Statistical Terms, 2007).
- *Debt relief*: Any form of debt reorganization which relieves the overall burden of official external debt for a recipient country (OECD Glossary of Statistical Terms, 2013)
- *Humanitarian assistance*: financial or material assistance "given to meet the immediate needs of victims of disasters or violence (e.g., food, water, medical supplies, tents).

Source: AidData.

Note: The inclusion of financing for existing infrastructure projects is new with this report, as Custer et al. (2018) restricted their analysis to only new infrastructure projects. The financial diplomacy data includes projects that are committed, in implementation, or have been completed. For more details, see the Appendix.

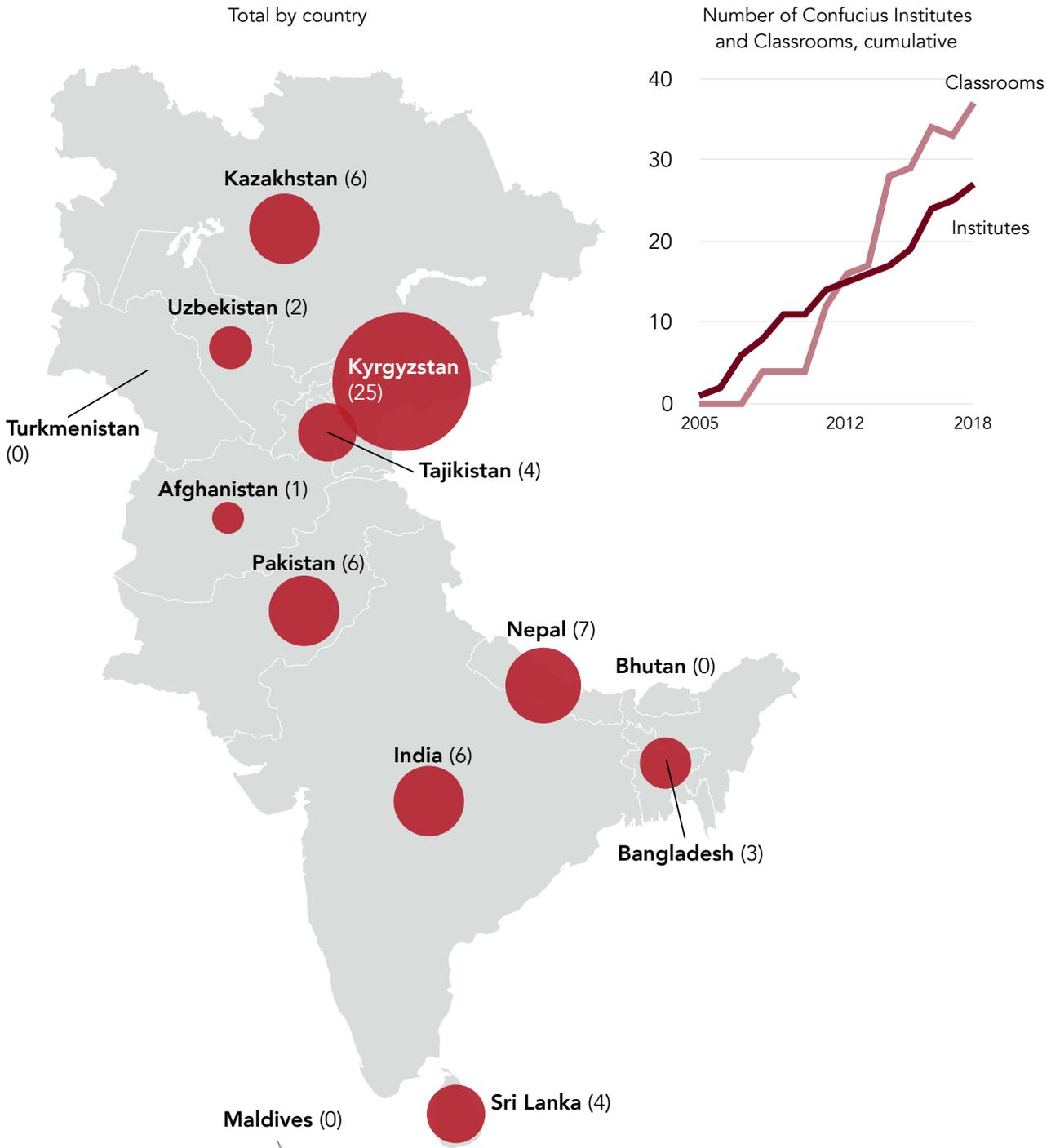
Second, while there has been substantial media attention paid to CIs at the university-level in other countries, 58 percent of Confucius establishments in the SCA region between 2005 and 2018 were CCs at the primary or secondary level. The preponderance of these establishments were targeted towards a single country: Kyrgyzstan, which received 21 of 24 CCs in the subregion. As BRI has opened up employment opportunities in Kyrgyzstan, students are interested in learning Chinese language as a gateway to working for a Chinese company or studying in China (Liu, 2019).

Beijing does not engage in cultural promotion across the region in a monolithic way. It deploys CIs and CCs more readily in Central Asia (58 percent) relative to South Asia (42 percent). In fact, the first CI in the SCA region was in Tashkent, Uzbekistan. China may view Central Asia as a relatively easier market to break into than linguistically diverse South Asia (Kugiel, 2012).⁷ Or

this trend might signal Beijing's growing competition with Russia to curb its traditional "sphere of influence" (Peyrouse, 2016).⁸

In South Asia, Beijing relies more heavily on cultural events and friendship year celebrations. These events may feature visiting cultural delegations from China to SCA countries, as well as socio-cultural events organized by China in the SCA country⁹ to showcase Chinese art, culture, customs or values, thereby increasing awareness of a culture that may otherwise be alien to locals. It is unclear whether Beijing views the promotion of such cultural events and celebrations as an alternative to Confucius establishments or merely a precursor to stoke demand among young people in South Asian countries to learn the Chinese language and find willing local partners to host CIs and CCs in the future.

Map 1: Chinese Confucius Institutes and Classrooms in SCA countries, 2005-2018



Notes: No Confucius Institutes or Classrooms were recorded in Bhutan, the Maldives, or Turkmenistan. We will discuss the Maldives in greater depth in Chapter 4.

Sources: Hanban Annual Reports (2004-2018).

2.1.2 Beijing places a disproportionate emphasis on wooing two countries—Kazakhstan and Kyrgyzstan—with its exchange diplomacy in the form of sister cities and student scholarships

Beijing has traditionally focused less on people-to-people diplomacy than its strategic competitors (Goble, 2018), but this is changing as Chinese leaders are keen to reshape the popular narrative from the “China threat” to its “peaceful rise” (Economist, 2017). In this study, we examine three ways in which Beijing uses exchange diplomacy to strengthen people-to-people ties in the SCA region: (i) sister city agreements; (ii) SCA students studying abroad in China; and (iii) Chinese government scholarships for SCA students to study in China.

Since 1973, Beijing has used sister city agreements which “twin” a Chinese, city, town or province with a foreign counterpart (CIFCA, n.d.; Acuto et al., 2016) to strengthen commercial, cultural, and social ties with municipal officials and business leaders in other countries (Pluijm & Melissen, 2007).¹⁰ Compared to what we observed with Confucius establishments, the Chinese government’s sister city agreements are more evenly distributed between South Asia and Central Asia, though once again Kyrgyzstan received the most attention, closely followed by Kazakhstan (**Map 2**).

The Chinese government launched its first sister city in the SCA region with Pakistan in 1984, but the bulk of new agreements were signed between 2013 and 2016 (**Map 2**). It may be the case that President Xi views sister city agreements as part of a broader package of inducements, along with new trade and investment deals, to encourage countries to sign on to the BRI. Notably, we see an uptick in new sister city agreements beginning in 2013, the year Xi assumed the presidency and announced BRI as his signature foreign policy agenda. Five years later, of the roughly 2,600 sister city and province relations that China has globally, more than 700 cities are in countries involved in the BRI (Li, 2019).¹¹

While Beijing has ramped up its sister city agreements with SCA countries over the last two decades, its overtures lag far behind the attention paid towards other parts of the Asia-Pacific region. In 2018, China had ten times the number of sister city agreements with East Asia and Pacific (EAP) countries (1000) as it did in the SCA region (100). Previous work by Custer et al. (2018) offers one reason why this might be the case: the authors found that Beijing concentrated the bulk of its sister cities in the EAP region within high-income countries, of which the SCA region has none.

Turning to student exchange, Beijing has rolled out substantial financial aid to attract students from Asia and Africa (Li and Yang, 2018).¹² Between 2000 and 2018, the number of international students in China

rose to around 500,000—a ten-fold increase. The number of Chinese government scholarship recipients similarly increased by 12 times during this period, globally. The most popular fields of study for international students in China are medicine, engineering, arts, management, economics, and Chinese language programs (Latief and Lefen, 2018). Two-thirds of international students studying in China hailed from BRI countries and 61 percent of Chinese government scholarships in 2016 were awarded to students from BRI countries (McCarthy, 2018; Li and Yang, 2018).¹³

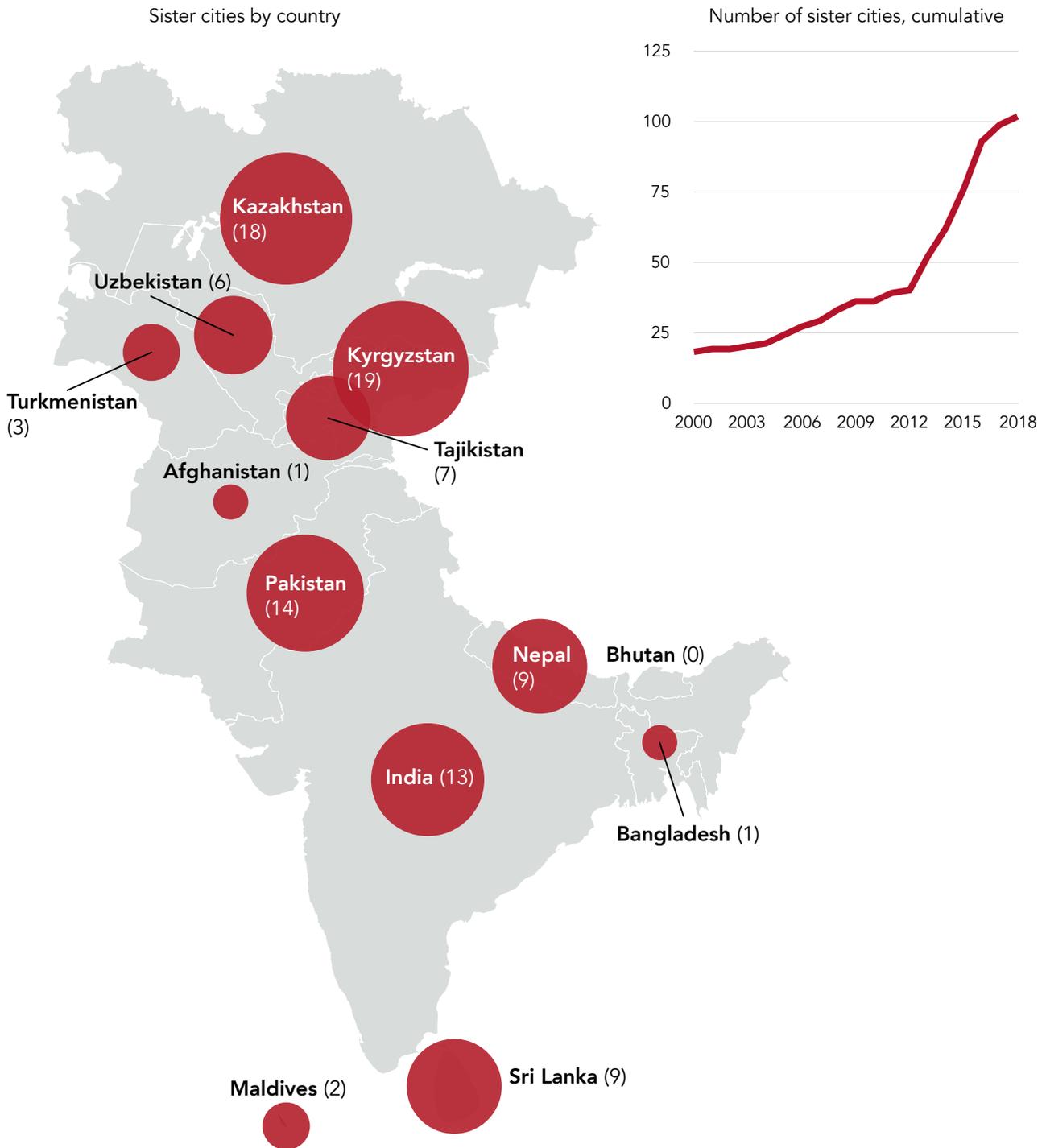
This trend could be partly supply-side driven, as Beijing may view scholarships as a way to quell potential protests against BRI projects, some of which are beset by allegations of corruption, flouted environmental regulations, and deprivation of employment opportunities for locals. However, it is also plausible that the Chinese government’s large-scale infrastructure investments in SCA countries via BRI may be stoking demand for study abroad opportunities, as young people are impressed by China’s economic clout and view studying in China as opening up new economic opportunities both at home and abroad (CCG, 2018).

In this respect, Beijing may be wielding public diplomacy tools in mutually reinforcing ways: financial diplomacy bolsters China’s image as an attractive study abroad destination, while the scholarships it provides may dampen criticism of its BRI infrastructure projects. In Chapters 3 and 4, we explore whether and how this dynamic plays out in six case study countries, including how Beijing strategically directs scholarships to children of elites in certain SCA countries.

In absolute terms, South Asia accounted for 70 percent of all students from SCA countries studying in China in 2017.¹⁴ However, when we adjust for relevant population between the ages of 15-44, a different picture emerges: Central Asia supplied 12 times the number of students per 100,000 as did South Asia.¹⁵ For the eight SCA countries where we have comparable data over time, the number of Chinese government scholarships¹⁶ announced each year more than tripled between 2010 and 2018 (**Figure 1**).¹⁷

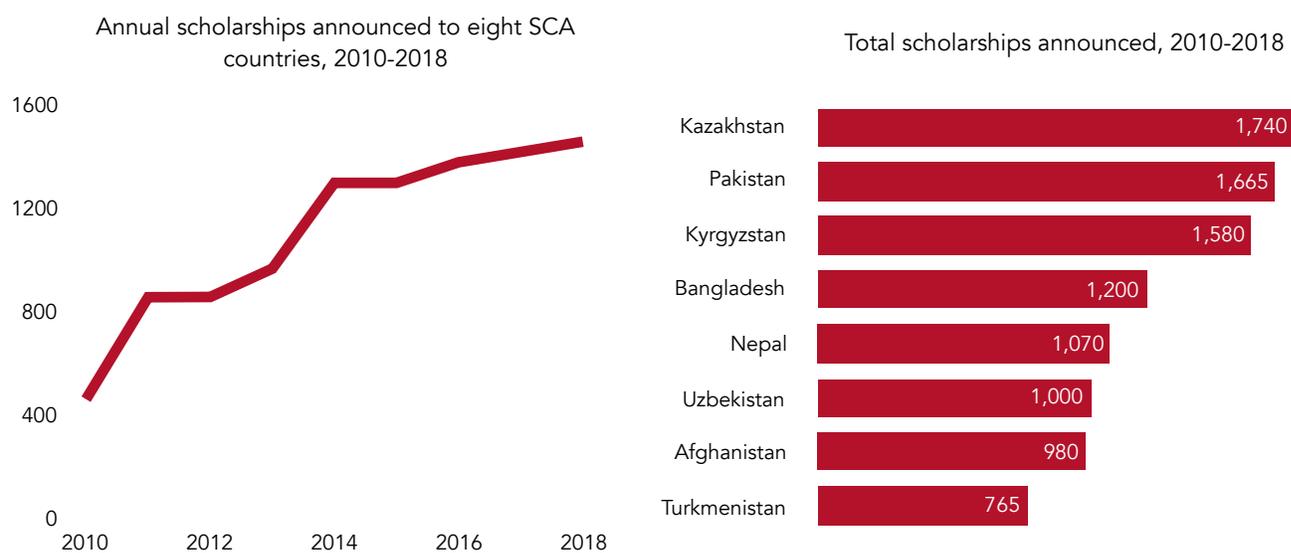
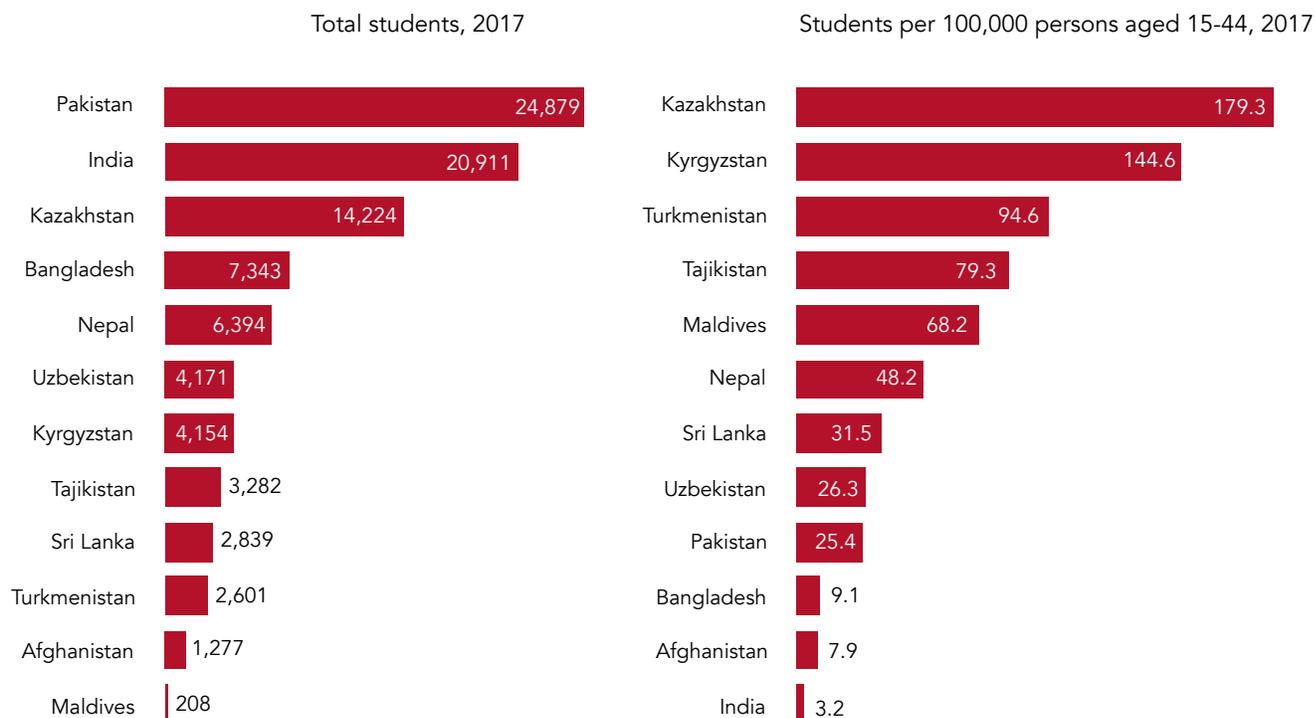
SCA nationals that study in China are exposed to Chinese cultural values, norms, and policy positions, which can benefit Beijing’s interests in two ways. First, returning students can share these experiences with their networks and advocate for “China-friendly” positions and policies (McClory, 2018). This can improve general attitudes and perceptions toward China. Second, today’s students may become tomorrow’s leaders, and therefore sympathy or affinity for China may have a more profound effect in key policy decisions that involve China.

Map 2: Sister city agreements between China and SCA countries, as of 2018



Notes: China set up the first sister city in the region in 1984. We consider all cities set up between 1984 and 1999 in the year 2000.

Source: CIFCA (2000-2018).

Figure 1: SCA students in China and recipients of Chinese scholarships

Notes: The graph on the top left shows the total number of students from SCA countries studying in China. Data for Bhutan is only for the year 2016. We adjust this data by population in the relevant age group in the graph on the top right. This graph shows the number of students from SCA countries in China per 100,000 population in the age group 15-44. Data on scholarships announced was not available at all for Bhutan, India, Maldives, Sri Lanka, and Tajikistan. To account for data gaps, we only present scholarships announced for eight SCA countries in the years 2010-2018.

Sources: China Foreign Affairs Yearbooks (2002-2017); UN Population Division: World Population Prospects (2019); Embassy websites.

Beijing is doubling down on its efforts to strengthen people-to-people ties in Kazakhstan and Kyrgyzstan, two of the three countries bordering China in Central Asia, perhaps recognizing that popular fears of “invasion” by Chinese migrants or land grabs by Chinese businesses could undercut its interests in the region (Laruelle, 2018). These two countries attracted 40 percent of all sister city arrangements,¹⁸ contribute an outsized share of students (relative to their population) to study abroad in China,¹⁹ and account for two of the three largest recipients of Chinese-government scholarships across the region.²⁰ In this respect, Beijing may view sister cities and student exchanges as means to diffuse tensions, reverse negative stereotypes, and stoke more favorable views of China in regions close to its borders (Laruelle, 2018).

2.1.3 Beijing emphasizes cultivating relationships with South Asian elites and demonstrates a preference for hosting leaders on its home turf as opposed to going farther afield

Chinese civilian and military leaders have made fostering strong relationships with their counterparts in other countries a top priority, “bringing in” foreign dignitaries to visit China or “going out” to other countries to sign deals, cooperative agreements, and promoting investment abroad (Panda, 2018). In this study, we assess two types of elite-to-elite diplomacy: (i) government diplomacy (i.e., political visits, party visits, other government visits); and (ii) military diplomacy (i.e., senior military visits, joint military exercises, port calls).

Beijing pays substantially more attention to cultivating government diplomacy in South Asian countries. Between 2000 and 2017, Chinese government officials met with their South Asian counterparts more frequently (1,039) than those from Central Asia (722). This may be explained by the higher number of political elites required to govern South Asia’s population, which is 25 times that of Central Asia. Kazakhstan, which accounted for the second largest number of total government visits after India,²¹ is a notable exception to this predominant focus on South Asia (**Map 3**). Beijing likely recognizes the strategic value of both Kazakhstan and India as dominant regional players, whose leaders set the tone for the foreign policy and diplomatic relations of smaller countries in their respective subregions.

South Asia attracted 85 percent of Beijing’s party-to-party visits,²² where delegates visit foreign countries explicitly as representatives of the Communist Party (not as political appointees). Party-to-party diplomacy may be particularly important for Beijing with South Asian democracies such as Nepal, Bangladesh, and Sri Lanka, who received the greatest number of such visits,²³ as it must cultivate relationships across the political spectrum to maintain friendly relationships with

top leaders regardless of whomever is in power (Bing, 2017).

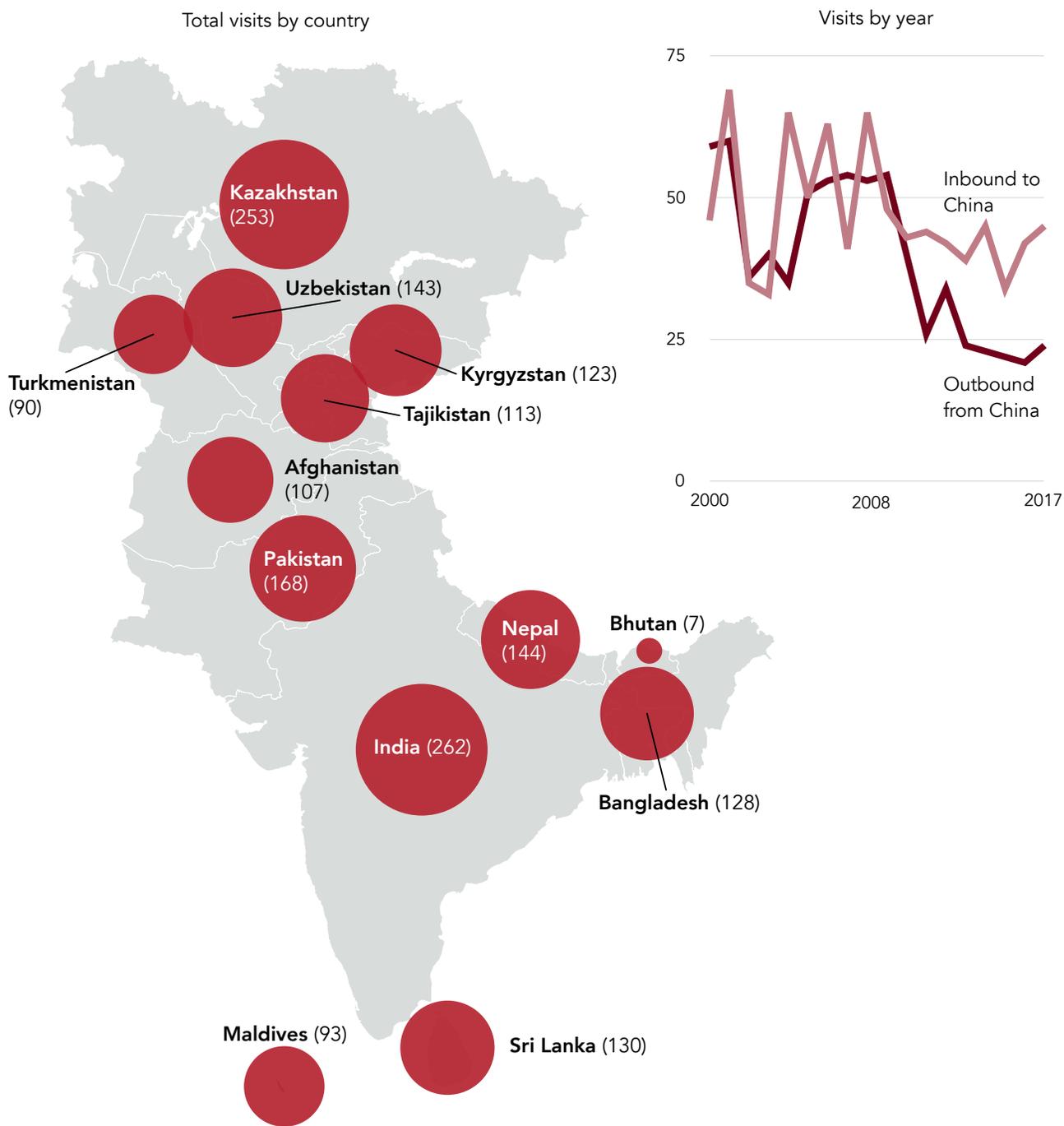
Visits between Chinese and SCA government leaders are largely driven by SCA senior leaders visiting China than vice versa (**Map 3**).²⁴ One explanation for this could be that SCA officials may be trying harder to woo Beijing than the other way around. Alternatively, Beijing may be more willing to foot the bill to host foreign officials to participate in lavish junkets that create favorable impressions of China and its development. This relationship skew is most pronounced in Pakistan, as leaders have become more reliant on Chinese economic, diplomatic, and military support (Pant, 2018).

Military diplomacy is another important part of Beijing’s public diplomacy toolkit (Ebitz, 2019; Allen et al., 2017). Military-to-military relations are often more durable than those of civilian counterparts, who are more easily voted in and out of power. Moreover, Chinese leaders recognize that building relationships between the People’s Liberation Army (PLA) and military leaders from SCA countries will be beneficial to advancing Chinese security objectives. As Allen et al. (2017) note, Beijing has historically oriented much of its military diplomacy towards major powers such as Russia and the US, as well as other Asian countries along China’s periphery.²⁵

Visits between senior PLA leaders and their counterparts accounted for 70 percent of Beijing’s military-to-military overtures with SCA countries between 2003 and 2016 (**Map 4**).²⁶ That said, the PLA increased its military diplomacy activities across the board, particularly under President Xi’s tenure, with joint military exercises as a noteworthy growth area. Nearly a third of these exercises were with Pakistan (e.g., Sino-Pakistani Shaheen exercise series).²⁷ India was among the top five PLA partners globally for such drills (Allen et al, 2017). Meanwhile, Sri Lanka and Pakistan were among the top five global destinations for port calls, where PLA Navy ships visit foreign ports or foreign naval vessels are hosted by the PLA in China.²⁸

Beijing recognizes Russia’s role as the dominant regional security provider in Central Asia and has instead emphasized activities which project its economic soft power (Stronski and NG, 2018). In this respect, it comes as no surprise that South Asia received substantially more of the PLA’s military diplomacy overtures (68 percent) than Central Asia. Nonetheless, Beijing’s attentions are not evenly divided among South Asian countries. Pakistan, a close security ally, accounted for 40 percent of all PLA diplomacy activities during the period.²⁹ As Gady (2017) argues, the growing military relationship with Pakistan reflects Beijing’s desire for regional stability and the countries’ mutual interest in safeguarding the China-Pakistan Economic Corridor (CPEC).³⁰

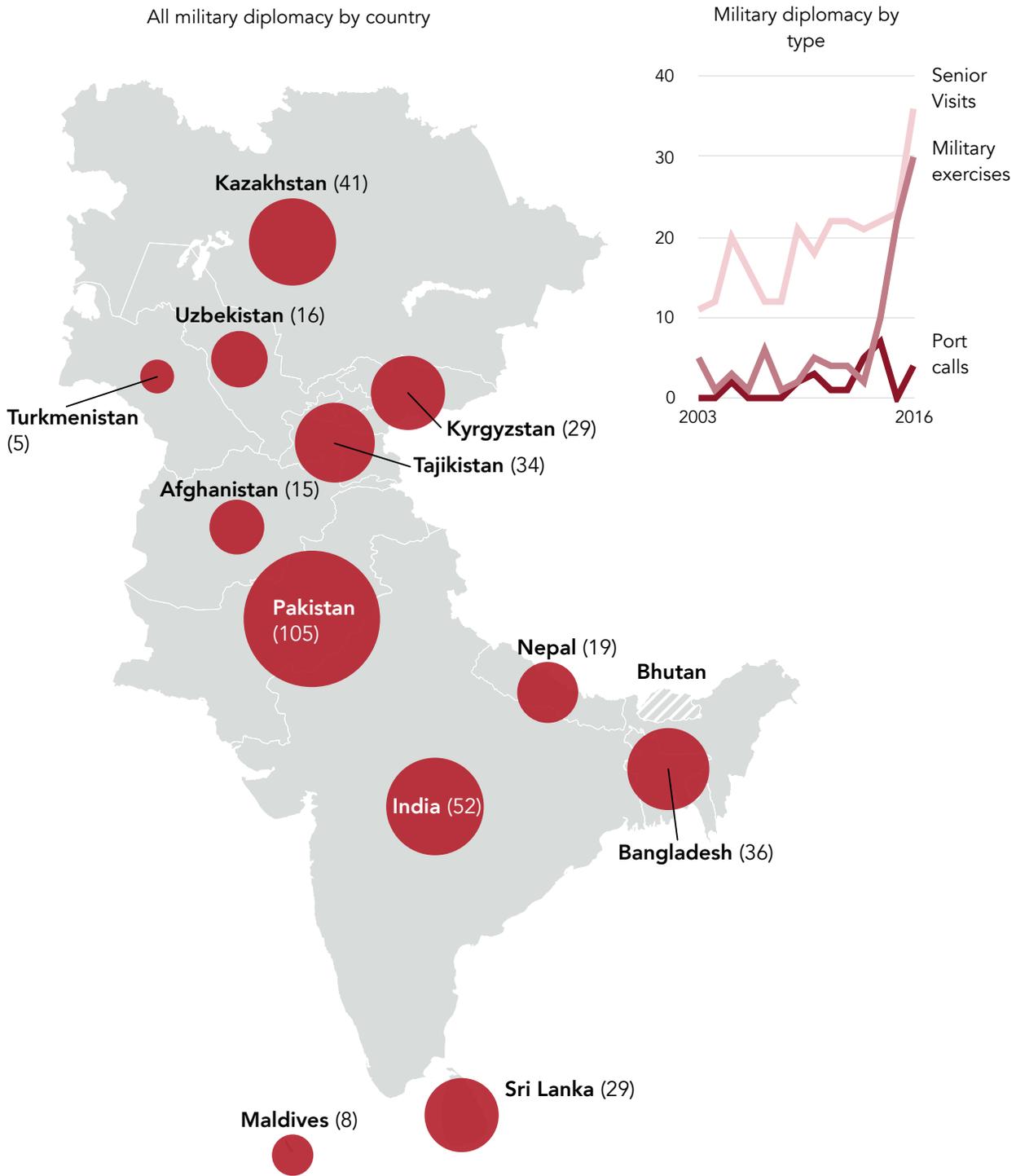
Map 3: Visits between Chinese and SCA government officials, 2000-2017



Notes: The map (above, left) visualizes the combined number of visits by government officials between China and each SCA country, regardless of the direction. This includes political visits at the national or provincial level, party visits, and other government visits. Data for Bhutan is only available for 2000 and 2001. The line graph (above, right) compares the total number of visits from Chinese government officials to all SCA countries (outbound) as well as visits by officials from all SCA countries to China (inbound) between 2000 and 2017.

Sources: China Foreign Affairs Yearbooks (2000-2017).

Map 4: China's military diplomacy with SCA countries, 2003-2016



Notes: The map (above, left) visualizes the combined number of military diplomacy activities between the PLA and the militaries of all SCA countries over time, regardless of the direction. The line graph (above, right) breaks down military diplomacy activities received by SCA countries over the period of 2003 to 2016 by type. Data for Bhutan not available.

Sources: Allen et al. (2017).

2.1.4 Beijing has expanded the reach of its broadcasting and media partnerships with nearly every SCA country, but leaders are most attuned to two players: Kazakhstan and India

Beijing has increased its investments in informational diplomacy, with an eye towards “telling its story well” (Economist 2017). In this study, we examine two strategies the Chinese government employs to shape the media narrative: (i) expanding the international broadcasting operations of Chinese state-owned media; and (ii) cultivating relationships with journalists and media outlets from SCA countries to promote pro-China coverage or suppress negative criticism.

Beijing’s informational diplomacy overtures aim to portray it as a reliable and attractive partner to SCA countries, as well as to enlist support for its policy positions on Tibet, Taiwan, and other issues of national interest (Farah and Mosher, 2010). In the era of BRI, good publicity for Beijing’s high-profile and controversial investments in SCA countries is even more important. Chinese leaders are eager to minimize negative reporting such as allegations of corruption, opacity, and “debt-trap diplomacy” in BRI projects, which undercut its efforts to project itself as a responsible economic power (Shah, 2018; Lindberg and Lahiri, 2018; Hurley et al., 2018). We explore these dynamics in the context of our six case study countries in Chapters 3 and 4.

The Chinese government spent nearly \$9 billion on its international broadcasting and publicity in a single year (2009) with most of this going to China Radio International (CRI), China Central Television (CCTV), the official Xinhua News Agency, and the English language China Daily newspaper (Kalathil 2017, citing Craig Hayden). Xinhua opened nearly 40 new foreign bureaus between 2009 and 2011, at a time when cash-strapped media organizations elsewhere were shutting them down (Economist, 2017).³¹

Almost every SCA country today, with the exception of Tajikistan and Bhutan, host at least one form of Chinese state-owned media, whether radio (CRI), television (CCTV-4, CGTN), or print media (Xinhua, China Daily, and People’s Daily).³² CRI-backed radio stations broadcast in English and local languages, offering a mix of news, music, and cultural programs. News bureaus such as Xinhua, China Daily, and People’s Daily may either have a physical bureau in a country or else broker agreements with local news media to distribute

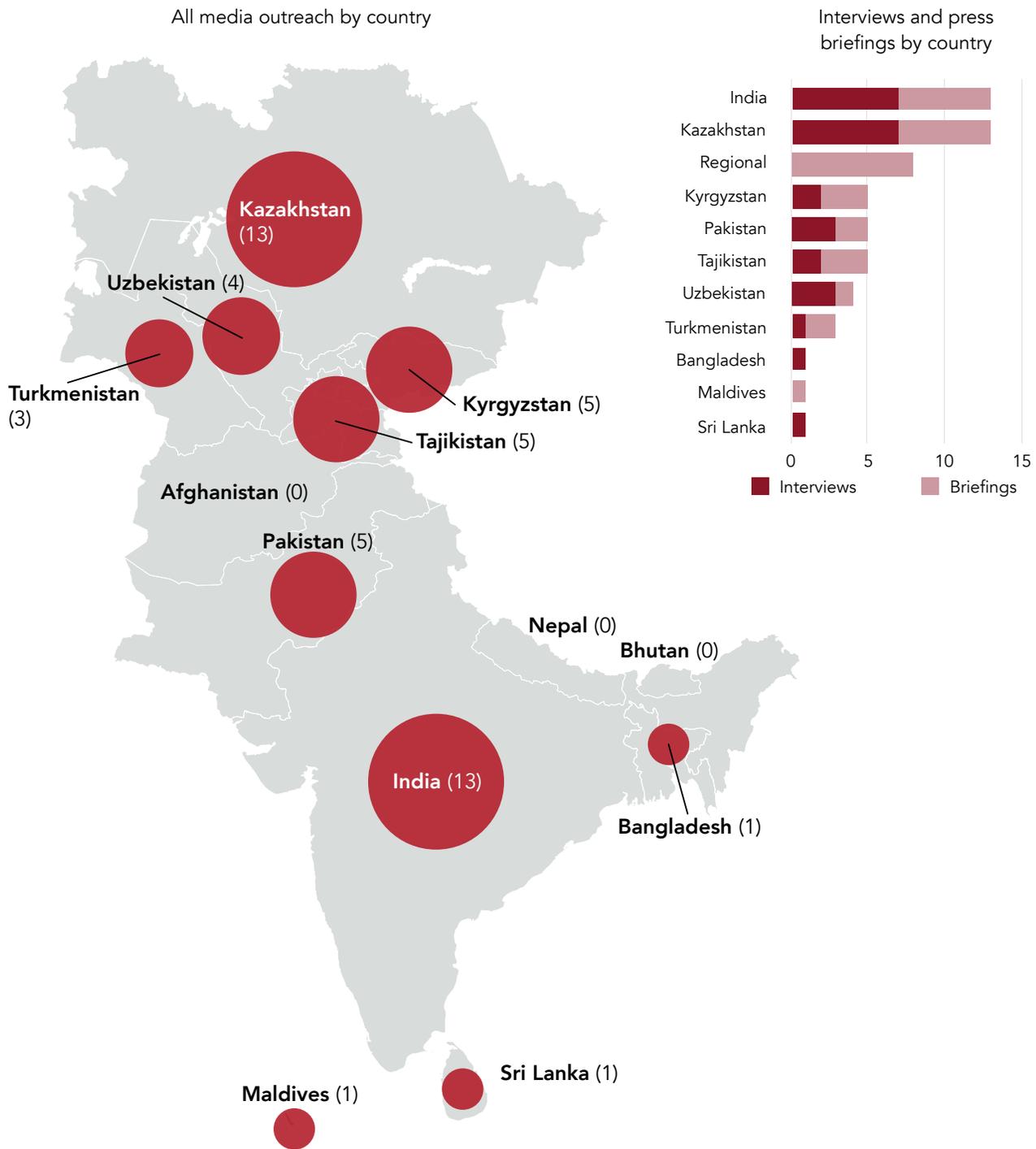
their content, such as four- or eight-page inserts from China Daily called “China Watch” (Lim and Bergin, 2018).³³ In Pakistan, a Chinese TV host joins forces with a Pakistani host for “CPEC Time,” a program on various aspects of the China-Pakistan Economic Corridor and the friendship between China and Pakistan (Ahmed, 2018).

Beijing has also sought to cultivate other communicators, namely journalists and domestic media outlets within SCA countries, to present its version of the story to counter negative publicity in the Western media.³⁴ Between 2004 and 2017, the information department of the MFA and Chinese embassies organized 61 exchange trips for SCA journalists to visit China. As we will discuss in Chapters 3 and 4, these visits are popular with journalists who view them as “holiday trips” as their Chinese hosts roll out the proverbial red carpet, taking them to well-known businesses, media centers, ecological protection parks, and other key project sites.³⁵

China attracted a similar number of these journalist visits from both South and Central Asia, despite considerable differences in the degree of media freedom between the two subregions. South Asia’s media environment is generally less controlled and allows for a greater diversity and range of media organizations, while Central Asia’s landscape is more circumscribed.³⁶ It may be that the Chinese government views these mechanisms as equally valid in either context, or that there is not necessarily a benefit to focusing on countries with more media freedom, as journalists are also less likely to toe the line and may be more inclined to take a critical stance on Beijing.

Senior leaders—including the Chinese President, Premier, Vice President, and Vice Premier—are another important tool in Beijing’s informational diplomacy arsenal. During the period of 2002 to 2017, this group gave 27 interviews to SCA media outlets, while the Chinese President and Premier held an additional 32 press briefings with SCA media, including eight regional briefings alongside Shanghai Cooperation Organization (SCO) leaders.³⁷ Half of this high-level media engagement by Chinese senior leaders was oriented towards just two SCA countries: India and Kazakhstan (**Map 5**). Chinese senior leaders also penned and placed 12 op-eds in major media outlets across the SCA region from 2013 to 2017; however, this represents a mere 16 percent of the 75 such op-eds they published globally.

Map 5: Media outreach by Chinese senior leaders via SCA media outlets, 2002-2017



Notes: This map visualizes the combined number of high-level interviews and/or press briefings given by senior Chinese leaders to domestic media outlets in SCA countries between 2002 and 2017. Interviews include those given by the Chinese President, Premier, Vice-President, and Vice-Premier, while briefings only include those given by the President and Premier. Afghanistan, Bhutan, and Nepal received 0 interviews or briefings. Regional briefings include those conducted alongside Shanghai Cooperation Organization leaders.

Sources: China Foreign Affairs Yearbooks (2002-2017).

2.1.5 Large-scale infrastructure projects are core to Beijing's financial diplomacy, serving as a visible reminder to SCA countries of its assistance—though not without controversy

Fortified by vast foreign currency reserves worth an estimated US\$3.1 trillion as of August 2019 (Reuters, 2019), the Chinese government has substantial means to bankroll regional connectivity and development projects (Doshi, 2019; Wong, 2019) in order to “fortify peripheral diplomacy and strengthen friendly ties” (Swaine, 2014). In this study, we examine four types of Beijing's financial diplomacy in the SCA region from 2000 to 2017: infrastructure investments (US\$120 billion), humanitarian aid (US\$1.4 billion), budget support (US\$2.7 billion), and debt relief (US\$1.9 billion).

Beijing's financial diplomacy—representing an estimated US\$126 billion in committed, implemented or completed projects in the SCA region—dwarfs its other public diplomacy tools in terms of sheer scale and visibility. The Chinese government's funding of development projects in other countries is not new to BRI or the tenure of President Xi Jinping. From initially low levels of support, Beijing's financial diplomacy increased sharply beginning as early as 2008 (Map 6). That said, the volume of investments in the SCA region has increased subsequent to the announcement of BRI, as Chinese leaders made commitments to high-profile connectivity projects soon after.

Two countries captured half of Beijing's financial diplomacy investments in the region: Pakistan (30 percent) and Kazakhstan (26 percent).³⁸ An early country to sign on to BRI, Pakistan received the lion's share of its financial diplomacy from the Chinese government in the form of a single initiative: \$60 billion to build the China-Pakistan Economic Corridor—a network of roads, pipelines, power plants, industrial parks, and a port along the Arabian sea (Toppa, 2018).³⁹ Kazakhstan has also been at the forefront of involvement in Beijing's BRI among Central Asian countries (Laruelle, 2018).

Infrastructure projects account for 95 percent of Beijing's financial diplomacy, with a mere 5 percent going to the other categories of general budget support, humanitarian assistance,⁴⁰ and debt relief.⁴¹ Breaking down Beijing's infrastructure investments in the SCA region, it places the greatest emphasis (85 percent of the infrastructure category) on new construction projects.⁴² Beijing also financed the improvement, extension, or renovation of existing

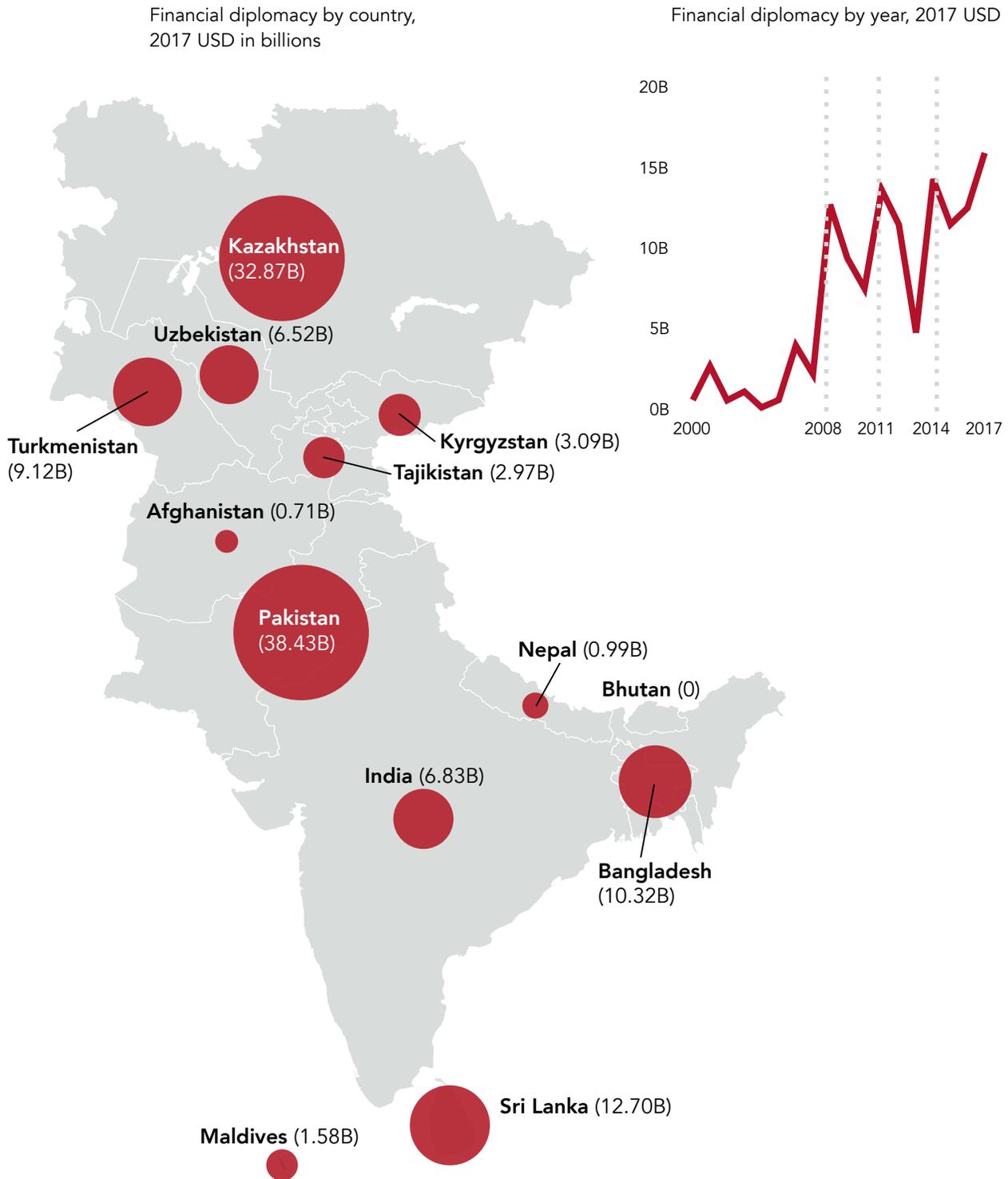
infrastructure (e.g., upgrading telephone networks, power transmission lines, hospitals). Thirty-seven percent of its infrastructure projects involve the provision of goods or equipment (e.g., tractors, agricultural or medical machinery, medicines).

Chinese government-bankrolled infrastructure projects are not without controversy. Beijing has backed projects that other donors or commercial markets would not, due to the borrower's capacity to sustainably manage debt—inviting criticism that it entices countries to borrow beyond what they can repay (Ruta, 2018; Hurley et al., 2018; Horn et al., 2019).⁴³ While Beijing may be willing to lend to countries that have a higher risk of default, they often do so with more stringent terms (e.g., higher interest rates, collateral-backed loans, commercial risk premiums) than other donors which tend to give grants and loans on less stringent terms (Horn et al., 2019).

Beijing's “circular lending” (Horn et al., 2019)—tying its funding to the use of Chinese firms and labor—may help Beijing mitigate risk, but has also attracted criticism from some within SCA countries who are not seeing benefits to the local economy (see Chapters 3 and 4). One estimate puts the share of Chinese state-owned enterprises implementing BRI projects at 89 percent (Hurley et al., 2018). In fairness, this practice of “tied aid” is not unique to Beijing, but limited transparency in the procurement for BRI projects⁴⁴ (Custer and Tierney, 2019) and Beijing's policy of granting its state-owned enterprises access to low-interest financing has enabled Chinese firms to outbid their competitors (China Power Team, 2017; Wuthnow, 2019).⁴⁵

In the absence of transparency, there is greater opportunity for political capture and corruption, which breeds distrust (Dreher et al., 2016; Isakson et al., 2018; Brazys et al., 2017).⁴⁶ Opposition politicians in Sri Lanka and the Maldives have won elections on anti-corruption platforms and a wave of public antagonism towards opaque Chinese government-backed investments (see Chapter 3). SCA countries have begun to exercise greater restraint in agreeing to new BRI projects, as well as canceling or renegotiating existing deals (Kratz et al., 2019)⁴⁷ in the face of cautionary tales of debt default (e.g., Sri Lanka) and underutilized white elephant projects (e.g., Kyrgyzstan).⁴⁸ For example, the Pakistani government canceled a US\$14 billion agreement with Beijing for a dam project, stating that the financing conditions were “not doable and against [their] interests” (Zhen, 2017).

Map 6: China's financial diplomacy with SCA countries, 2000-2017



Notes: The map (above, left) visualizes China's total financial diplomacy to all SCA countries from 2000 to 2017, including commitments for infrastructure, budget support, debt relief, and humanitarian assistance. The line graph (above, right) presents Chinese financial diplomacy by year from 2000 to 2017.

Source: AidData (2019).

2.2

Which public diplomacy instruments does Beijing favor and with whom?

Building upon the previous overview, in this section we quantify Beijing's public diplomacy efforts over time and space, paying particular attention to which tools it appears to favor and whether this varies by geographic context within the SCA region. In other words, is Beijing's approach uniformly consistent, or is there a variation in how it deploys its public diplomacy tools to respond to conditions in different countries?

To this end, we identified a quantifiable proxy measure for each type of public diplomacy previously discussed: Confucius Institutes and Classrooms (cultural diplomacy), sister cities (exchange diplomacy), government official visits (elite-to-elite diplomacy), high-level media engagement (informational diplomacy) and Chinese official finance towards infrastructure, budget support, debt relief and humanitarian aid. We selected these proxy measures based upon two criteria: (a) data availability for maximum years and countries from 2000 to 2017; and (b) a broader impact on citizens and elites than tools that involve or target specific individuals.

These five proxy measures are a rough barometer of Beijing's public diplomacy activities over time and in different countries (Table 1). Since they involve different units of analysis (e.g., number of sister cities, dollars allocated), we normalized these disparate values using a common scale⁴⁹ and then assessed the volume of Beijing's public diplomacy received by a given country (engagement) and the composition of those activities (diversity) during the period from 2002 to 2017.⁵⁰

2.2.1 Beijing has ramped up the volume and sophistication of its public diplomacy overtures in the SCA region over time, reaching its highest levels in 2014 and 2016

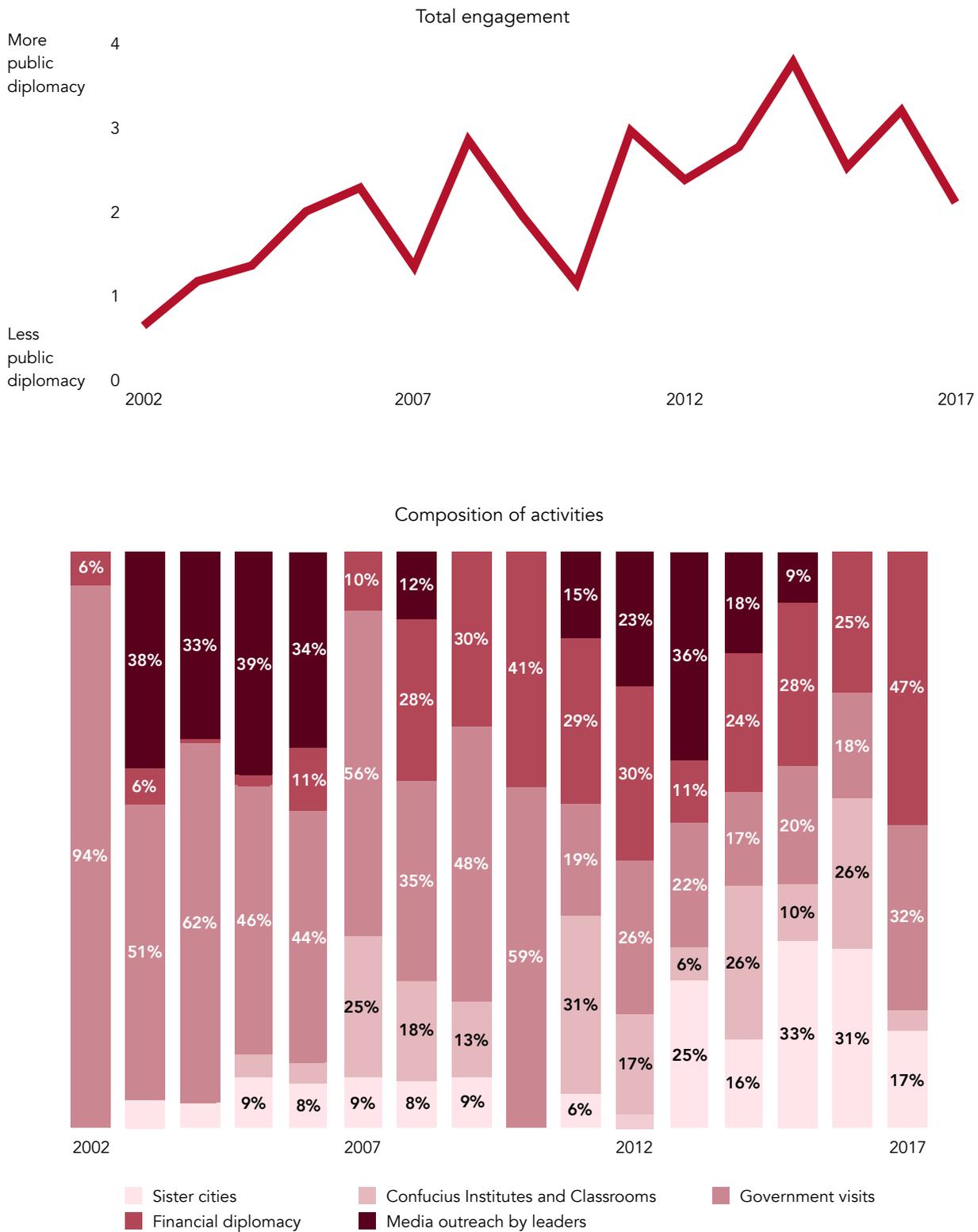
Beijing's total public diplomacy effort in the SCA region (across our five proxy indicators) generally rose across the period, reaching its highest levels in 2014 and 2016 (Figure 2, top). In the early years, Beijing's public diplomacy was more heavily weighted towards activities over which it had more control—the communications of its senior leaders via interviews and briefings, as well as visits and meetings between Chinese government or CCP officials and their counterparts in SCA countries. The lead-up to President Hu's 2007 enshrinement of soft power into national policy and the 2008 Beijing Olympics, which some consider a turning point in Beijing's "image building" efforts (Le Corre, 2018), coincides with the start of Beijing's greater experimentation with a broader set of tools. President Xi continued and expanded upon this diversified approach at scale since 2013 (Figure 2, bottom).

The largest sources of variability year-to-year in Beijing's public diplomacy toolkit are its use of informational and cultural diplomacy, which may perhaps be more responsive to external developments. For instance, Beijing may open more CIs following a demand from universities in certain years or increase high-level media engagement to counter episodes of negative publicity.

Table 1: Proxy measures for quantitative analysis of China's public diplomacy, 2002-2017

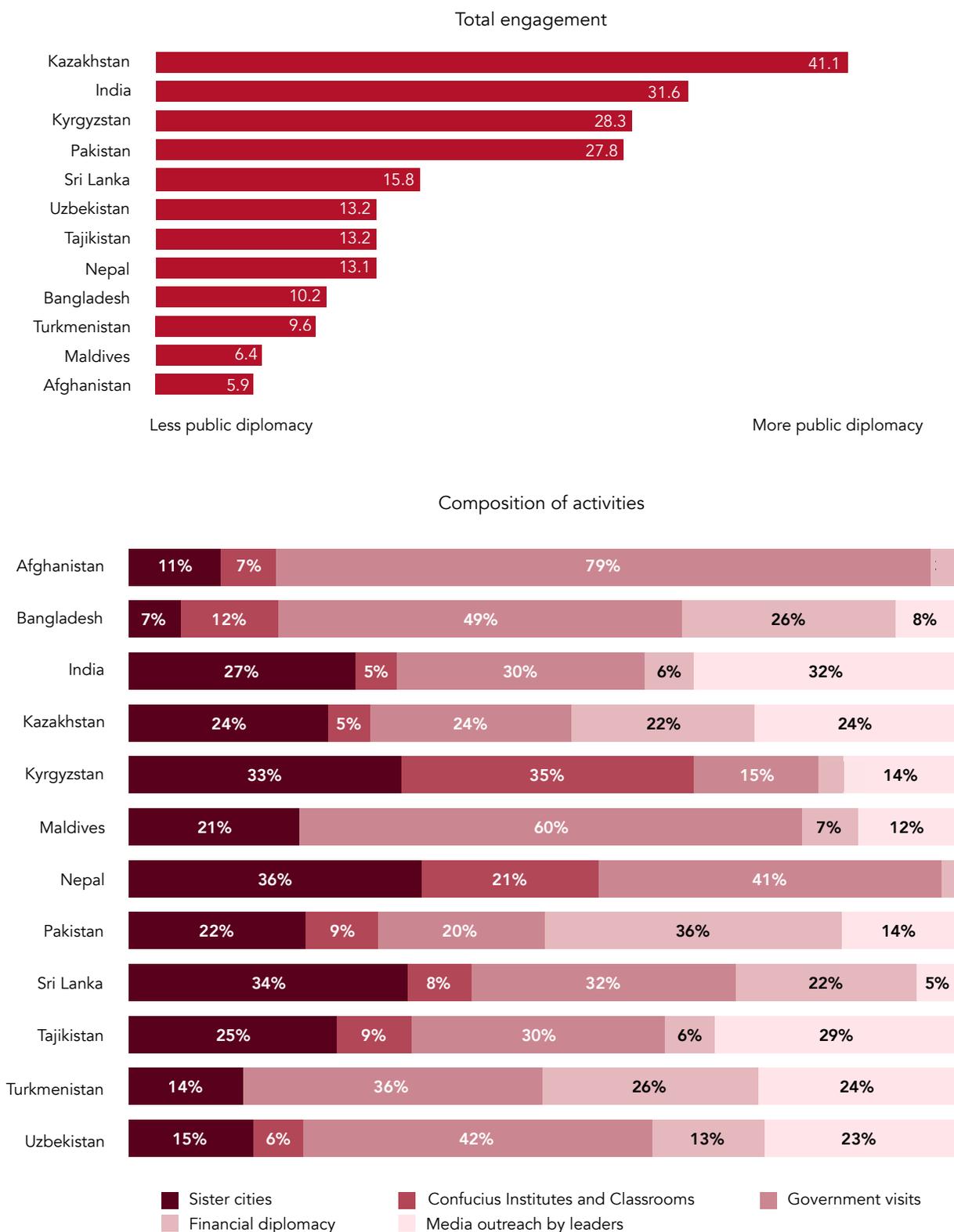
Informational diplomacy	Sum of interviews by Chinese senior leaders in SCA-based media outlets and press briefings by Chinese heads of state with the SCA country leader and media
Cultural diplomacy	Number of established CIs and CCs present in a SCA country
Exchange diplomacy	Number of sister city agreements between cities or provinces in an SCA country and China
Financial diplomacy	Total amount of official finance dollars committed by Beijing in assistance to a SCA country to provide budget support, humanitarian assistance, infrastructure investments (new and improvements), and/or debt relief
Elite-to-elite diplomacy	Number of government official visits between the Chinese government and a given SCA country (includes political visits by government officials at national or provincial levels, party visits and other government visits)

Figure 2: Volume and composition of China’s public diplomacy by year, 2002-2017



Notes: The line graph (above) visualizes a constructed measure of total engagement of Chinese public diplomacy activities across all SCA countries from 2002 to 2017. This total engagement score encapsulates five measures of public diplomacy (sister cities, Confucius Institutes and Classrooms, government visits, financial diplomacy, and senior leader press briefings and interviews). We normalize each PD-type using the highest value across all years. The Y-axis shows the sum of these five values for each year. The stacked bar chart (below) visualizes the shifting composition of Chinese public diplomacy activities over time.

Figure 3: Volume and composition of China’s public diplomacy by country, 2002-2017



Notes: Figure 3 visualizes the normalized values for the volume and composition of Chinese public diplomacy activities for each SCA country for the period of 2002-2017 for all five types of public diplomacy activities (e.g., sister cities, CIs and CCs, government visits, financial diplomacy, senior leader press briefings and interviews). The X-axis shows the sum of these five values for each country.

2.2.2 Beijing employs a diverse toolkit across SCA countries, with sub-regional powers such as Kazakhstan, India, and Pakistan among the major recipients

What determines Beijing's allocation of diplomacy efforts among SCA countries and among various tools? One hypothesis is that the Chinese government focuses on high-priority countries where it has economic or security interests, as well as those that may be able to influence other countries in their subregion.⁵¹ In fact, three of the four largest recipients of Beijing's public diplomacy—Kazakhstan, India, Pakistan—are not only the wealthiest in the region in terms of overall GDP, but hold considerable sway within their respective subregions. Kyrgyzstan presents an intriguing exception: it attracts an outsized amount of Beijing's public diplomacy (ranking third overall) compared to what we would expect to see on the basis of economic importance or regional dominance (**Figure 3, top**).⁵² The Chinese government may weigh additional factors as it determines where to focus its efforts, which we revisit in Chapter 5.

The overall volume of public diplomacy a country receives may be guided largely by Beijing's interests, but we would expect it to adjust the composition of those overtures in response to local realities. For example, Beijing may emphasize elite diplomacy in autocratic regimes where decision-making is concentrated, and leaders rarely change, while it may use a broader set of tools in democratic countries where citizens have a greater voice in decisions by virtue of the ballot box and freedom of expression. Interestingly, the data runs counter to expectations. Of the two countries that received the most diverse composition of public diplomacy activities from Beijing, one is classified as an autocracy (Kazakhstan) and one a democracy (Pakistan)(**Figure 3, bottom**).

The case of Kazakhstan illustrates why Beijing may stand to benefit from developing people-to-people ties even in an autocracy. Kazakhstan shares a long border with China's restive Xinjiang region and is home to 75 percent of Uighurs living in Central Asia.⁵³ The combination of strong Sinophobia among elites and the prominent presence of Uighurs in Kazakhstan may explain why political leaders tolerate the operations of Uighur organizations, despite agreements signed with Beijing to help it contain separatist movements (Goble, 2018; Niquet, 2006). If Beijing is to maintain stability at home through security partnerships abroad, it will likely need to not only convince political elites but the Kazakh public, who may be predisposed to support the interests of their Uighur brothers in Xinjiang.

2.3

Concluding thoughts

In this chapter, we gained a greater understanding of the instruments in Beijing's public diplomacy toolkit, as well as how and when it wields them to advance its objectives in the South and Central Asia region. We have seen that the Chinese government does not have a one-size-fits-all strategy, but rather appears to vary the scope and composition of how it engages with SCA countries based on its objectives. In Chapters 3 and 4, we turn from this macro-level analysis of Beijing's public diplomacy inputs across the region to examine how these overtures are playing out in four South Asian countries (Sri Lanka, the Maldives, Bangladesh, Nepal) and two Central Asian countries (Kazakhstan and Uzbekistan) based upon interviews with 216 public, private, and civil society leaders. We corroborate and contextualize the insights from these interviews with additional literature and the quantitative data we collected on Beijing's public diplomacy in each country to ground our discussion from the vantage point of those it seeks to influence.

⁴ While Beijing may attach different levels of importance to the indicators listed in Box 1, we do not make any a priori assumptions regarding this. Based on our descriptive analysis in this chapter and insights gleaned from interviews, we present some hypotheses in Chapter 5 regarding economic or foreign policy gains that may be associated with specific kinds of Chinese public diplomacy.

⁵ The stated mission of CIs is to promote better understanding of China across the world, improve pluralism, and support the formation of a harmonious society (Nogayeva, 2015). CIs operate in co-operation with colleges and universities, and financing is shared between Hanban and the host institutions. The related Confucius Classroom program partners with local secondary schools or school districts to provide teachers and instructional materials (CGTN, 2018).

⁶ Hartig (2015) draws upon the literature to describe three ways that CIs have been conceptualized so far: (1) as an instrument of China's soft power, (2) as an instrument of China's public and/or cultural diplomacy, and (3) as a "propaganda project" of the Chinese leadership.

⁷ As Kugiel (2012) also notes, India shares "common cultural...linguistic heritage...religious and ethnic links with many South Asian countries" which may represent tougher competition for China to break in with an alternative language offering.

⁸ Russian remains the most spoken international language in the Central Asia region. As Peyrouse (2016) indicates, Russia may still be a strong soft power force for Beijing to reckon with in Central Asia, as seasonal labor migration from Central Asia to Russia in the last ten years has allowed Russia to regain some of its diminished cultural and linguistic influence.

⁹ For instance, an event co-organized by China's and Kyrgyzstan's Ministries of Culture featured artists from China National Radio's Music Orchestra, Kyrgyz folk music, and a Chinese porcelain painting exhibition.

¹⁰ A relationship is officially recognized after the highest elected or appointed official from both communities signs off (SCI website).

¹¹ According to the mayor of Beijing, the capital has 21 sister cities overseas that are capitals of BRI countries (Jing, 2019).

¹² As of 2017, foreign students that obtained a master's degree or above from either a Chinese or a foreign institution of higher education within one year can be granted a work permit for up to five years in China (CCG, 2018).

¹³ Eight of ten countries with the most Chinese government scholarship recipients in 2016 were BRI partners (Li and Yang, 2018).

¹⁴ We look at both short-stay (less than six months) and long-stay students (more than six months). More than 85 percent of students in China from any given SCA country are long-stay students.

¹⁵ Per 100,000 persons aged 15-44, South Asia sent around seven students to China, while Central Asia supplied nearly 85 students.

¹⁶ These include scholarships offered by Chinese national and local governments.

¹⁷ No data on scholarships were available for any years from 2000 to 2018 for Bhutan, India, Maldives, Sri Lanka, and Tajikistan.

¹⁸ If this view is restricted to Central Asia alone, Kazakhstan and Kyrgyzstan received 77 percent of sister cities between 2000 and 2018.

¹⁹ Kazakhstan is the only Central Asian country among the top ten countries of origin for international students going to China in 2016 (China MOE, 2017).

²⁰ One-third of the 10,000 Chinese government scholarships announced for students from eight SCA countries between 2010 and 2018 went to Kazakhstan and Kyrgyzstan.

²¹ South Asia also received 78 percent of other government visits for the SCA region as a whole, in which political representatives attend summits, roundtables and important ceremonies. Except for one example (where the Vice President of Nepal was involved in such a visit), these visits do not include heads of state. India received the largest share of these visits.

²² For a helpful categorization of the CCP's party-based diplomacy, see Bing (2017). Our data is from the China Foreign Affairs Yearbooks, and based on a more extensive search, we know that these numbers are a lower bound. However, we have no reason to believe that there is a systematic bias in this under-reporting of party visits for Central Asia and South Asia, so the patterns are still likely to hold.

²³ Total government visits between China and SCA countries do not seem to be concentrated to a particular regime type. The three countries with the highest number of government visits are: India (flawed democracy), Kazakhstan (authoritarian), and Pakistan (hybrid regime). However, when we look at party visits alone, the four largest countries are either flawed democracies (Sri Lanka and India) or hybrid regimes (Nepal and Bangladesh). Authoritarian regimes may have limited opposition parties and, therefore, not offer similar opportunities to engage with a broad set of political parties. Regime types are based on a country's democracy index value according to the Economist Intelligence Unit (2016).

²⁴ Since 2010, visits by SCA leaders to China have consistently exceeded outbound visits by Chinese leaders.

²⁵ Asia accounts for 41 percent of China's military diplomacy activities globally. Southeast Asia and South Asia are higher priority subregions than Northeast Asia and Central Asia (Allen et al., 2017).

²⁶ In each year from 2003 to 2016, the number of visits inbound to China exceeded overseas visits by top PLA leaders. This may be because of relatively high opportunity costs associated with overseas travel by senior PLA officers. Moreover, PLA regulations typically limit travel to one international trip per year (Allen et al. 2017).

²⁷ Beginning in 2011, the Shaheen series are joint air exercises between the Pakistani air force and the PLA air force. Six such events have been organized so far.

²⁸ This includes multilateral initiatives, such as the Pakistan-organized Peace-13 (和平-13) multinational maritime exercise in March 2013, which involved vessels from 14 countries and special operations from seven countries, including China's ETF-14. Landlocked countries and Central Asian countries that touch the Caspian Sea—an inland body of water—receive no port calls.

- ²⁹ Interestingly, a large part of this is visits by senior Pakistani military officials to China: during 2003-16, there were 53 visits to China, as opposed to a mere 14 visits by top PLA leaders to Pakistan.
- ³⁰ Conceived in 2013 and launched in 2015, CPEC is designed to anchor bilateral economic cooperation on a 2,700-kilometer (km) path starting in the port of Gwadar (on the Arabian Sea) and ending in Kashgar in western China (IRI, 2019).
- ³¹ China's target is to set up 200 Xinhua bureaus outside China by 2020 (Economist, 2017).
- ³² For print media, we looked at two measures: (1) whether the SCA country had a physical bureau and (2) whether Chinese print media outlets circulated printed media in that country. For CRI, we only consider FM stations; however, if we consider medium- and short-wave transmission, then Turkmenistan remains the only SCA country to not have any Chinese state-owned media.
- ³³ For example, Xinhua News Agency and the Tajik National News Agency in 2006 signed an agreement to share content (Chinese Embassy, 2006).
- ³⁴ Kalathil (2017) also points out that China seeks to foster "constructive journalism," in which "journalism should seek to emphasize solutions and de-emphasize bad news about national governments—and China."
- ³⁵ The quantitative data does not definitively say if the 61 documented exchange trips were "all-expenses-paid tours;" however, interviews with journalists who either participated in, or had visibility of, such trips repeatedly mentioned that the Chinese hosts footed the entire bill (or at least heavily subsidized the costs).
- ³⁶ The 2017 World Press Freedom Index ranked 180 countries; four out of five Central Asian states ranked lower than all South Asian countries. For details on the methodology, see <https://rsf.org/en/detailed-methodology>.
- ³⁷ To put this in perspective, the corresponding number of interviews and press briefings was 385 globally. Local media here refers to print, TV, and radio, though a majority was print outlets.
- ³⁸ South Asia received 57 percent of China's financial diplomacy investments, and the rest went to Central Asia.
- ³⁹ The CPEC portal, which lists all projects under the initiative, including details on progress and financing, was jointly developed by the Pakistan-China Institute and CRI (Hurley et al., 2018).
- ⁴⁰ Humanitarian assistance makes up only 1 percent of financial diplomacy in overall dollars, but 21 percent by number of projects.
- ⁴¹ There is a class of projects which do not strictly belong to our definition of financial diplomacy but have the potential to increase visibility of China and influence perceptions. Examples of these projects include rendering assistance to develop social insurance systems and pension reform or strengthening cooperation on water resources management.
- ⁴² While we recognize that new infrastructure in an existing, developed area might have different impacts compared to new infrastructure in an underdeveloped region, our data does not allow us to distinguish between these cases.
- ⁴³ As Horn et al. (2019) describe, some scholars compare the current debt exposure of low-income BRI countries to the 1970s, when cash-strapped, resource-rich countries borrowed heavily when commodity prices were high and subsequently defaulted when prices crashed. The fact that several of the largest recipients of Chinese loans globally were previous beneficiaries of debt forgiveness under the Heavily Indebted Poor Countries (HIPC) initiative increases the risk that Beijing may inadvertently trigger yet another wave of excessive borrowing that leads to default or renegotiation of terms.
- ⁴⁴ Compared with other donors who participate in international reporting regimes, like the International Aid Transparency Initiative or the Organization for Economic Cooperation and Development's Creditor Reporting System, China is relatively opaque regarding its lending practices. This situation is exacerbated by the fact that Beijing's partner countries often do not publicly disclose even the basic terms of Chinese official finance investments, from the size and payment period to interest rate and procurement rules.
- ⁴⁵ China has facilitated cheap financing to Chinese companies (primarily SOEs) working on BRI projects (China Power Team, 2017) and Chinese factories have built up significant overcapacity of construction materials such as steel and aluminum (Wuthnow, 2019).
- ⁴⁶ In Africa, for example, Dreher et al. (2016) found that Chinese projects were disproportionately located in the home regions of presidents and prime ministers, while Brazys et al. (2017) found that citizens who live near active projects reported experiencing higher levels of corruption.

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- ⁴⁷ For example, the Rhodium Group has identified 40 known instances of Chinese external loan renegotiation including several in the SCA region such as: Kazakhstan (in 2018), Maldives (in 2019), Sri Lanka (in 2012, 2016-18, and 2019), and Tajikistan (2011). The Rhodium Group's dataset looks at cases of renegotiation at the loan, not project level. See Kratz et al. (2019).
- ⁴⁸ For example, the Kara-Balta oil refinery in Kyrgyzstan is reported to be running at only six percent capacity (China Power Team, 2017).
- ⁴⁹ Starting with the total number of sister cities, CIs and CCs, government visits, media interviews and briefings, and financial diplomacy dollars in each year for the entire SCA region, we normalized each public diplomacy (PD) activity type according to the highest value in that PD type. For example, if 3 sister cities were set up in the year 2010, and the maximum number of sister cities in any year from 2002 to 2017 is 20, the normalized value for the year 2010 is 3/20. We did this for each of the five PD types and then added the values across all five PD types in any given year in **Figure 2**. The process for **Figure 3** followed the same steps, except that we also took into account the maximum value of a certain PD category in any country. We applied equal weights to all five PD types in this analysis. Note that normalization does not imply taking into account a country's GDP or population.
- ⁵⁰ We chose the time period 2002 to 2017 to facilitate comparability, as we have data on all the proxy measures for this time period.
- ⁵¹ For example, Li and Zheng (2016) provide a pecking order of sorts with which to categorize China's neighbors into four groups in descending order of strategic importance: (i) sub-regional great powers in China's immediate neighborhood (India and Kazakhstan); (ii) sub-regional secondary great powers (Pakistan and Uzbekistan); (iii) sub-regional small and middle powers with close relations with China (Turkmenistan and Bangladesh); and (iv) other sub-regional small and middle powers (Afghanistan, Maldives, Tajikistan, Kyrgyzstan, Bhutan, Sri Lanka, and Nepal).
- ⁵² Though not as stark as Kyrgyzstan, Sri Lanka also shows up as an outlier, in terms of the volume of Chinese public diplomacy it receives relative to its position within the hierarchy according to Li and Zheng (2016). Though Sri Lanka might be a relatively small power within the region, it has the second highest per capita GDP of all SCA countries (and fifth on overall GDP) and is strategically important due to its location. Chapter 3 discusses this aspect in more detail.
- ⁵³ 400,000 Uighurs have settled in Central Asia, over 300,000 of whom are in Kazakhstan.

CHAPTER THREE

How do South Asian countries perceive Beijing's public diplomacy overtures and its influence?

Key findings in this chapter:

- *Sri Lankan elites warmed to Beijing's infrastructure financing, but the public is largely unaware of its people-to-people overtures.*
- *Maldivians associate Beijing with bringing infrastructure to their country but are uncertain regarding whether it was worth the cost.*
- *Bangladeshi political elites value close cooperation with Beijing until a better deal comes along, while the public's ambivalence may be an incremental win for its overtures.*
- *Nepalis' recent impressions of New Delhi are largely shaped by the pain of India's economic blockade, while Beijing has managed to position itself as a benefactor with minimal effort.*

The fastest growing region economically (World Bank, 2019), South Asia is an attractive destination for Beijing to put excess foreign currency reserves and construction capacity to productive use, as well as develop export markets for Chinese goods. The region is critical to realizing President Xi's aspiration to promote economic cooperation along the Silk Road Economic Belt and the Maritime Silk Road. However, Beijing's engagement with South Asia is as much about safeguarding its security interests—ensuring safe passage for its raw material imports, curbing Tibetan activism, projecting strength in the Indian Ocean, and

countering the perceived threat of terrorism—as it is about economics (Stratfor, 2013; Scobell et al., 2014).

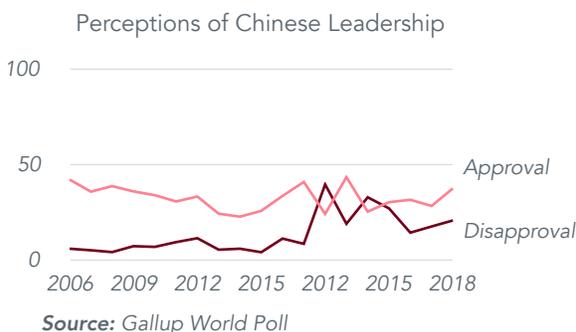
Beijing has a vested geostrategic interest in cultivating relationships with South Asian countries wary of India's influence in their domestic politics and status as a regional hegemon. India's fraught relations with these countries afford Beijing an opportunity to win over foreign publics and elites as a counterbalance to New Delhi's influence (Wagner, 2016; Mourdoukoutas, 2019). Nonetheless, Beijing's bid to woo South Asian countries is not without its challenges in a region where India has the advantage of closer linguistic, cultural, and historical ties (Paradise, 2017, citing Jain, 2017). Chinese leaders also aim to sway smaller countries who hold voting power in international fora and whose unwillingness to criticize Beijing legitimize its policies on Taiwan, Tibet, and Xinjiang.

This chapter draws upon interviews with 152 government officials, private sector leaders, civil society representatives, journalists, academics, and foreign diplomats from 104 organizations/agencies in four countries to understand how Beijing wields public diplomacy to advance its objectives within South Asia.⁵⁴ Interviewees shared their insights on: the extent and perceived results of Beijing's public diplomacy activities, as well as perceptions of mainland China in their country. We synthesize these impressions in a series of four country case studies: Sri Lanka (Section 3.1), the Maldives (Section 3.2), Bangladesh (Section 3.3), and Nepal (Section 3.4).

By the numbers: South Asia



3.1 The regional bellwether: Beijing tries to position itself as a go-to economic partner while navigating political backlash in Sri Lanka



\$12.70B Financial Diplomacy	130 Government Visits
4 Confucius Institutes & Classrooms	1 Interview
29 Military Visits, Exercises, & Port Calls	9 Sister City Agreements

Sri Lanka’s location makes it a valuable strategic partner for Beijing, as a friendly government in Colombo allows Beijing to counter Indian influence through “dual use” ports which provide its navy with stopover points to respond to maritime challenges in the Indian Ocean (Lo, 2018; Turton, 2019; Ford and Hill, 2019). In the era of BRI, Sri Lanka is also an important economic node for Beijing’s Maritime Silk Road, exemplified by the Chinese government’s bankrolling of infrastructure projects such as the Hambantota port, which has become a cautionary tale of Beijing’s “debt trap diplomacy” (Hurley et al., 2018; Abi-Habib, 2018; Safi and Perera, 2018). Nonetheless, some studies have shown that the port’s forfeiture came about as a result of Colombo’s overall debt burden, rather than its specific inability to repay the Chinese government (Weerakoon and Jayasuriya, 2019; Brautigam, 2019). Regardless, Beijing’s engagement in Sri Lanka has reverberated far beyond its borders.

3.1.1 Beijing positioned itself as an economic partner to Sri Lanka following its civil war, which made a lasting impression on political elites

The Chinese government has maintained amicable relations with Sri Lanka since the 1950s, but Beijing’s ascendance as a key strategic partner to Colombo is fairly recent. For much of its early history, Sri Lanka’s close linguistic and cultural ties with India⁵⁵ and shared democratic ideals with the West put Chinese leaders at a relative disadvantage in building an affinity and level of comfort with their Sri Lankan counterparts. However, according to interviewees, the relationship between Colombo and Beijing reached new heights during President Mahinda Rajapaksa’s tenure (2005-2015), with the end of the Sri Lankan civil war (2007-2009) as an inflection point.

Toward the end of the civil war, Beijing supplied millions of dollars’ worth of weapons and military equipment to the Sri Lankan government, increased its financial aid to US\$1 billion by 2008 (Smith, 2016; Popham, 2010). The Chinese government also provided Colombo with diplomatic cover in the face of international censure for human rights abuses (UN, 2011).⁵⁶ Interviewees pointed to Beijing’s increased support during this difficult time—in contrast to Sri Lanka’s traditional partners who reduced their military and financial support in light of the Rajapaksa government’s human rights abuses— as the catalyst for the partnership that exists today. As the administration pivoted from the war effort to focus on economic development, President Rajapaksa “launched a massive infrastructure drive to bridge the urban-rural divide and support reconstruction” (Institute for Policy Studies Sri Lanka, 2010). According to interviewees, Beijing’s ability to direct the investments of its state-owned enterprises gave it a comparative advantage to deliver on its investment pledges at a speed that other countries could not match.⁵⁷

Rajapaksa’s defeat in the 2015 presidential election was another critical juncture. The Sri Lanka Freedom Party (SLFP) led by Maithripala Sirisena was voted into power in a surprise win. On the campaign trail, Sirisena criticized Rajapaksa’s ties to Beijing, alleging that Chinese-bankrolled infrastructure projects provided little benefit while bankrupting the country (Sullivan, 2015).⁵⁸ Sri Lanka’s debt was estimated to have increased threefold to \$44.8 billion during Rajapaksa’s time in office, representing nearly six percent of the country’s GDP in 2015 (Abi-Habib, 2018). Moreover, interviewees reported that there was a growing realization among the public and the political opposition that some Chinese government-funded projects were not commercially viable. Caught off guard, Chinese government entities reportedly funneled money into the Rajapaksa campaign (Abi-Habib, 2018).⁵⁹

3.1.2 The 2015 election upset was a crucial test of Beijing's ability to navigate the negative political and public backlash from its backing of white elephant infrastructure investments

The 2015 election was a wakeup call for Chinese leaders, who subsequently devoted significant diplomatic and financial capital to appease the new Sri Lankan government. Following the election, according to interviewees, Beijing assured President Sirisena that its financial support would continue and that it was willing to revisit and renegotiate problematic projects. Chinese leaders agreed to build a hospital in Polonnaruwa, where Sirisena is from, as a gift to Sri Lanka (Daily FT, 2017). Interviewees also noted an uptick in engagement by Chinese officials with the Sri Lankan press and academia to counter negative public perceptions about Beijing's financial dealings.

While interviewees largely held the Rajapaksa administration responsible for these white elephant projects, they indicated that Beijing was tarnished by association and its loans were seen by Sri Lankans as requiring greater vigilance. The new Sirisena government initially placed several Chinese government-funded projects on hold, including the Colombo Port City Project, and tried to renegotiate its debts (Kynge and Wildau, 2015; Chowdhury, 2015). Following some review and renegotiations, the Sirisena/Wickremesinghe government restarted all major Chinese government-financed projects, including the Colombo Port City (Annez, 2016).⁶⁰

Attempts by the new government to navigate Sri Lanka's crippling external debt burden ended in the infamous deal that gave China a 99-year lease on Hambantota Port (Lim and Mukherjee, 2018; Kratz et al., 2019). This episode fueled growing speculation that the Chinese government had intentionally sought this outcome in order to secure a strategic port in the Indian Ocean at the expense of Sri Lanka's sovereignty (Chellaney, 2017; Schultz, 2017).

As described by interviewees and corroborated by Kratz et al. (2019), Beijing allowed Sri Lanka to renegotiate and refinance some of its debt burden between 2016 and 2018 and again in 2019.⁶¹ Some interviewees indicated that this process assuaged public angst about Chinese government-financed projects; however, it is equally likely that the Sirisena government found that it had few alternatives with which to finance Sri Lanka's development (Annez, 2016; Lim and Mukherjee, 2018).⁶²

3.1.3 Infrastructure financing and courting elites are Beijing's go-to strategies in Sri Lanka, but it is also experimenting with ways to promote people-to-people ties at a smaller scale

Bankrolling public infrastructure projects has been a major component of Beijing's overtures towards Sri Lanka. Between 2000 and 2017, China committed

US\$12.7 billion across four categories of financial diplomacy,⁶³ but the lion's share (94 percent) was related to new or existing infrastructure projects. An estimated 70 percent of Sri Lanka's infrastructure projects—highways, the country's largest water reservoir, a coal-fired power plant, among others—were funded and constructed by Beijing between 2005 and 2015 (Smith, 2016).⁶⁴ In addition to the Hambantota Port, interviewees cited projects such as the Colombo Port City project, the Nelum Pokuna Mahinda Rajapaksa Theatre in Colombo, the Lotus Tower (set to be Sri Lanka's tallest building), and the development of the Colombo South Container Terminal.⁶⁵

These projects have not been without controversy. Completed at an accelerated pace to coincide with President Rajapaksa's birthday in 2010, China built a cricket stadium, an airport, and a highway, along with the Hambantota port, as part of the ambitious project in his hometown. By 2012, interviewees said the port and related projects were minimally used and unprofitable, while the government struggled to repay its debts and ultimately handed over 269 hectares of land over to Beijing on a 99-year lease (Chowdhury, 2015; Daily FT, 2019). Graft has also been a concern in light of the opacity of loan terms and awarding of contracts, which hinders oversight. At the September 2019 grand opening of the Lotus Tower, for example, President Sirisena alleged that a Chinese firm contracted to implement the project had disappeared with US\$11 million in state funds and is now being investigated by the Sri Lankan parliament (Annez, 2019; AsiaNews.it, 2019).

Beyond financing, Chinese leaders have emphasized cultivating personal relationships with Sri Lankan officials. Chinese President Xi hosted Sri Lankan President Rajapaksa for a state visit in 2013, visited Sri Lanka in September 2014, and leveraged multilateral gatherings to engage President Sirisena. Between 2000 and 2017, there were 102 such political visits between national- and provincial-level Chinese and Sri Lankan government leaders. One interviewee recounted that Beijing offered "cell phones and tours" to members of parliament and promised development projects to local and regional leaders to curry favor.

Beijing has also engaged in outreach to opposition parties and to younger up-and-coming leaders, as well as inviting Sri Lankan officials to visit China. Several interviewees spoke well of these visits, saying that the Chinese government treated their Sri Lankan guests with respect and attention befitting a valued partner.

Beijing frequently invites Sri Lankan researchers to attend conferences, sends Chinese scholars to visit Sri Lanka, and seeks out opportunities to broker partnerships with local think tanks to host programming related to China-Sri Lanka relations.⁶⁶ Through its civilizational diplomacy, Beijing emphasizes shared heritage (i.e., commercial, cultural, and educational ties) between China and other Asian civilizations, such

as its hosting of the Conference on the Dialogue of Asian Civilizations in May 2019. In addition to visits for academics and civil society groups, Beijing arranges complimentary tours for Sri Lankan journalists to visit China.

Interviewees noted that Beijing elevated its engagement with the public after the 2015 election, reflecting its willingness to adapt and broaden its public diplomacy approach in response to local political realities. For example, the Chinese government made its officials more available to the local press and expanded its international broadcasting. Sri Lankans can now access China Radio International in English and Sinhala, as well as CGTN. Xinhua, Asia Pacific Daily, and China Times are all present in Sri Lanka and produce content geared for the Sri Lankan public with a pro-China bent (LankaNewsPapers.com, 2018). While the audience for such overtures is modest, according to interviewees, these channels enabled Beijing to reach more of the Sri Lankan public than they would be able to otherwise.

Beijing has also expanded offerings for Sri Lankans to learn the Mandarin language and study abroad in China on government scholarships.⁶⁷ It has set up two Confucius Institutes and two Confucius Classrooms to raise awareness about China's language, culture, and history (Hanban Annual Reports, 2004-2017). Interviewees reported that young people were more open to studying in China, particularly for medical degrees, due to its growing economic clout in recent years. While the overall numbers are still quite small—just under 3,000 Sri Lankan students studied abroad in China in 2017—they have reliably increased over time, since 2002 (China Foreign Affairs Yearbooks, 2002-2017).⁶⁸

The Chinese embassy and Chinese Cultural Center in Colombo also organize cultural exhibitions and sporting events to build public awareness of China. Since 2017, the embassy has organized an annual “Chinese Cultural Fair” to celebrate and share Chinese traditions (Colombo Gazette, 2019). Between 2000 and 2017, the Chinese government hosted 29 cultural events in Sri Lanka (China Foreign Affairs Yearbooks, 2000-2017). In line with interviewee observations that Beijing's interest in engaging the public has increased in recent years, we find that 22 of these events were held in a three-year period beginning in 2015 (China Foreign Affairs Yearbooks, 2000-2017). Nevertheless, some interviewees indicated that other countries still had stronger and longer records of such public programming.

Sri Lanka and China share a long-standing Buddhist tradition, which Beijing has leveraged as part of its broader public diplomacy overtures. This includes constructing the Lotus Tower (named for the Lotus Sutra from Buddhism) and facilitating exchanges for Buddhist monks. Interviewees noted that China's silence—as compared to vocal criticism by India and

Western powers—of Sri Lanka on issues of human rights, reconciliation, and political autonomy for minority communities has positioned China well with the Sinhala majority. However, civil society representatives we interviewed did not view Beijing's silence on these issues as positively.

3.1.4 Sri Lankan elites warmed to Beijing's infrastructure financing, but the public is largely unaware of its people-to-people overtures

Overall, interviewees described Beijing positively, pointing to its financial contributions and support during the civil war and post-war reconstruction period. They were more likely to blame their own government for problematic infrastructure projects or opaque financing deals than Beijing. This dichotomy may partly explain why the proportion of Sri Lankans who said that they approved of China's top leadership, according to the Gallup World Poll Survey (2006-2018), increased after 2015, while Sri Lankans' approval of their own government's job performance declined.⁶⁹ Meanwhile, some interviewees argued that Sri Lanka's debt burden had been exaggerated by the international media and that the debt owed to Beijing, while substantial, was not dissimilar to debt commitments Sri Lanka owed to other donors (Sautman, 2019).

Nevertheless, interviewees refuted the idea that Sri Lankan policymakers support Beijing's global objectives or have adopted its values, norms, and viewpoints as their own. Moreover, Sri Lankan officials maintained that they are pursuing an independent foreign policy that is not beholden to any particular external power. Interviewees argued that the government maintains strong ties with all major powers to preserve their freedom of maneuverability. The fact that the Sirisena government consists of a President that publicly chastised the Chinese government on the campaign trail and a Prime Minister often seen as being more aligned with the West and India gives further credence to this view (Sullivan, 2015).

Notwithstanding Beijing's public diplomacy overtures, there remains a lack of cultural affinity and understanding among the Sri Lankan public vis-à-vis China. Interviewees thought it unlikely that many Sri Lankans had taken advantage of Chinese government-funded scholarships, tours, cultural performances, and language classes. Moreover, they argued that Sri Lankans were still fairly ignorant about, and disinterested in, Chinese culture. Several interviewees also reported that there had been some public discontent regarding the use of Chinese labor for infrastructure projects in Sri Lanka and the manner in which Chinese tourists and laborers conduct themselves. It may be that Beijing is still in the early days of experimentation and that it will take time for its overtures to the Sri Lankan public to bear fruit.

3.2

Bankrolling paradise: Beijing sets its sights on the Maldives as a gateway to the Indian Ocean



China’s growth depends on access to raw materials which transit through busy shipping lanes between India and the Maldives (Lee, 2018; Patel et al, 2018). Cultivating friendly relations with the Maldives increases Beijing’s ability to not only secure its maritime trade but also project influence in India’s backyard (Brewster, 2018). The Maldives has not yet yielded to Beijing’s interest in establishing a port or military base, but some argue that its willingness to lease islands to Beijing gives it a tacit security presence to extend its Indian Ocean “string of pearls” (Agence France Presse, 2018; Parashar, 2018). Meanwhile, the Maldives’ interest in Chinese government-bankrolled public infrastructure projects allows Beijing to advance its economic interests and buy political allies (Miglani and Junayd, 2018; Mundy and Hille, 2019).

3.2.1 Beijing’s influence with Maldivian political elites benefited from two inflection points: the 2004 tsunami and President Yameen’s vision for infrastructure-led growth

The Maldives has a long-standing history with China that traces back to the 1970s. Interviewees described China-Maldives relations as “cordial but constrained” during the administration of President Maumoon Abdul Gayoom due to his preference for “controlled development” and desire to keep the Maldives “closed to external influence.” The 2004 tsunami created a window of opportunity for Beijing, as interviewees recounted that President Gayoom “opened up the country by necessity” as he sought partners to help rebuild the devastated economy (China MFA, 2005;

Pettifer, 2005; BBC, 2005). In fact, we recorded the first confirmed instances of Chinese government official financing to the Maldives in 2005 in the form of grants to assist with post-tsunami relief and reconstruction.⁷⁰

In 2008, President Mohamed Nasheed won the Maldives’ first democratic elections, promising to improve affordable housing in Malé, basic services for the country’s 200 inhabited islands, and connective transportation links. Struggling to raise money from traditional donors in the wake of the global financial crisis, interviewees said that President Nasheed turned to Beijing to help him fulfill the campaign promises of his Maldivian Democratic Party (MDP), most notably public housing projects.⁷¹ Nonetheless, Beijing’s influence was checked during this time by Nasheed’s desire to balance ties with other foreign powers, particularly India. Political turmoil in 2012 reset this playing field, with President Nasheed stepping down in February of that year (Al Jazeera, 2012).⁷²

The 2013 election victory of Abdulla Yameen Abdul Gayoom’s Progressive Party of the Maldives (PPM) came with a vision to modernize the Maldives. President Yameen sought to develop satellite atolls close to the congested capital to create a “Greater Malé region” to kickstart the economy and ease overcrowding (Mundy and Hille, 2018; AAGLA, 2018). The international community was critical of the Yameen administration, and several donors reduced their financial support to the Maldives. For example, the IMF (2017) curbed the Maldives’ access to concessional financing due to unsustainable borrowing practices, while the US and the EU considered sanctions for human rights violations (AP, 2018; Reuters, 2018b; McKenzie, 2019).

Yameen found in Beijing an ally with deep pockets to bankroll signature projects: the Sinamalé bridge, a second runway for Malé International Airport, and an apartment complex on reclaimed Hulhumale island (Maldives Independent, 2019; PSM, 2019).⁷³ Some interviewees characterized Yameen as “pro-China and anti-everyone else,” but others argued that he pragmatically viewed Beijing as his chance to fulfill campaign promises. Regardless, as the administration borrowed more heavily from Beijing, President Yameen grew vulnerable to pressure from Beijing to fast-track deals that were not in the Maldives’ interest and to allegations of overpriced projects to conceal corruption by senior Maldivian officials (Avas, 2018; Mundy and Hille, 2019).

Yameen completed the Sinamalé bridge in time for the 2018 election in the hope that this would convince the Maldivian public that he was delivering on his campaign promises. However, the opposition candidate Ibrahim Mohamed Solih⁷⁴ prevailed with a campaign that promised to root out grand corruption, constrain runaway debts, and restore balance to the

country's foreign relations by reengaging with India and the West (Gupta, 2019; Rasheed, 2018; Ives, 2019).

3.2.2 With President Solih, Beijing is not back to square one, but it must now share the stage as the Maldives courts a broader cast of development partners keen to curb its influence

The popular discontent that cost Yameen the 2018 election was primarily focused on the administration's corruption (Rasheed, 2018), but interviewees acknowledged that Beijing's reputation became tarnished by association. During the elections, the MDP characterized the Chinese government as an enabler of Yameen's misuse of public funds (Junayd, 2019; Ives, 2019; Mitra, 2019). Meanwhile, there was widespread confusion over how much debt the Maldives owed to Beijing, due to the Yameen administration's lack of transparency over the terms of Chinese government-backed financing (Mundy and Hille, 2019; Panda, 2019).⁷⁵ The MDP's antagonism towards Beijing—which some interviewees viewed as “political theater”—is underscored by a Twitter spat between Chinese Ambassador Zhang Lizhong and former President Nasheed (now Speaker of the House) about the Maldives' indebtedness to Beijing (Kuo 2019; Zhou, 2019).⁷⁶

Since assuming office, President Solih and his administration have sought to rebuild relations with India and the West, while reassuring Beijing that it would remain an important friend and partner to the Maldives (News in Asia, 2018). Some interviewees were concerned that Solih's “India First” foreign policy (Malsa, 2019) would tip too far in favor of New Delhi, but others argued the administration was mostly interested in returning to “neutral” ground. Most individuals we spoke with, regardless of party allegiance, strongly believed that it was in the Maldives' best interest to have balanced relations with all the major powers.

Solih administration officials described their Chinese counterparts as fearful of a replay of Sri Lanka and Malaysia, where several Chinese government-financed projects were slowed, stopped or cancelled following a change in leadership. The Chinese government sought assurances that the new Maldives government would honor the previous administration's agreements. Other interviewees noted that Beijing was motivated to evolve in order to protect its interests, suggesting that it would likely now emphasize closer people-to-people ties and social development projects for the outer islands to show “they aren't just the [big] infrastructure people.”

The Solih administration has yet to cancel any Chinese government-financed projects, though officials said that they “reserve the right to review” them to remedy any instances of corruption. Meanwhile, interviewees reported that Chinese leaders have signed new agreements to renovate the foreign ministry building

(Zalif, 2018), which was previously built with Chinese government financing and is now falling apart, and to undertake an electricity generation project. Yet, numerous interviewees alleged that the Sinamalé bridge and airport projects should have cost substantially less than they did and expressed concern that the government was doing business as usual with Beijing.⁷⁷

3.2.3 Beijing has doubled-down on financing big-ticket public infrastructure projects, especially during the Yameen era, while its people-to-people diplomacy efforts lag far behind

Beijing's willingness to bankroll US\$1.58 billion in projects between 2005 and 2017, 99 percent of which are infrastructure investments, is by far its most visible public diplomacy tool in the Maldives.⁷⁸ Interviewees argued that Beijing came into the fore with the Yameen administration's desire in 2013 to mobilize funding for infrastructure projects at a scale and speed that few other donors could match.⁷⁹ Beijing provided modest assistance during the Gayoom and Nasheed administrations, but 82 percent of its financial diplomacy to the Maldives came between 2013 and 2017, which coincided with Yameen's tenure.⁸⁰ Beijing is known for the bridge, airport, and hospital but has financed smaller-scale projects: desalination plants, solar energy, medical and eye clinics in Hulhumale, police vehicles, and trash cans with China Aid logos.⁸¹

Nearly all interviewees described government elites as Beijing's most important target audience. Former Presidents Gayoom, Nasheed, and Yameen all made state visits to China, though Solih has yet to do so. President Xi was the first Chinese leader to visit the Maldives in 2014. Interviewees reported speculation, but no conclusive evidence, that Beijing and New Delhi had financed political campaigns of the PPM and MDP, respectively. Several interviewees argued, however, that Chinese leaders “don't care who is in power, as long as relations [between the two countries] are nurtured.”

Beijing facilitates exchanges, visits, and training programs in order to familiarize Maldivian political elites with China and build relationships with their Chinese counterparts. Between 2000 and 2017, we identified 77 political visits between Chinese and Maldivian officials, with an uptick in the years of President Yameen's tenure (China Foreign Affairs Yearbooks, 2000-2017). For example, interviewees most often cited Maldivian civil servants participating in anti-corruption training in China, as well as in conferences on BRI, climate change, and construction.

Chinese broadcasting is negligible in the Maldives, though interviewees reported that Beijing has sought to cultivate relations with domestic media, such as hosting annual exchange trips and a ten-month journalism training program in China for Maldivian journalists.⁸² The Chinese embassy also hosted events on topics such as BRI, and invited local media to

attend. Interviewees reported that the Chinese Ambassador was visibly active on social media and in placing op-eds in Maldivian news outlets to dispute debt-trap diplomacy allegations by the MDP. We identified 12 recorded instances of Chinese ambassador op-eds in local media between 2014 and 2017 alone (China Foreign Affairs Yearbooks, 2002-2017).

While we found no evidence of content-sharing partnerships or sponsored content between Chinese and Maldivian media, this is not necessarily due to lack of effort on Beijing's part. One news editor confirmed being approached by two Chinese media companies who offered to "co-create and share content" and "promote our travel segment in return." Another journalist said that the Chinese embassy shared information on Sri Lanka's debt situation to inform their reporting. Although some journalists acknowledged that the Chinese embassy would reach out to them about their coverage of China, they asserted that the Indian embassy did this more often.

Interviewees perceived Beijing as only minimally engaged with the average Maldivian, with some noting that the Chinese embassy had "outsourced" their cultural diplomacy work to the China-Maldives Cultural Association, a local civil society organization. Chinese leaders have had to work around the hurdle that Confucius Institutes and Confucius Classrooms are not feasible in the Maldives due to cultural and religious sensitivities. Instead, Beijing established a Mandarin Language Learning Center in Malé, placed volunteer Chinese teachers in the Maldives National University, and hosted a Chinese Cultural Festival and other events at the embassy.⁸³

Beijing provides government-sponsored scholarships for ten Maldivian students each year and Chinese universities provide many more, according to one Solih administration official.⁸⁴ Of the 200 students that the Maldives sends to study in China each year, an estimated 70 percent receive scholarships from a Chinese institution. However, many interviewees felt that these scholarship opportunities were underutilized due to Beijing's limited efforts to advertise them. Medical programs are most prevalent among those who do study abroad, as China offers fast-track certification.

3.2.4 Maldivians most strongly associate Beijing with bringing infrastructure to their country, but uncertainty remains as to whether it was worth the cost

According to interviewees, Beijing's financial diplomacy appeals to the Maldives' political elites, who value its ability to supply money and expertise to complete public infrastructure projects quickly in line with the administration's priorities and without governance conditionalities.⁸⁵ By contrast, interviewees cited delays with projects implemented by Indian or Saudi Arabian

companies and cost as reasons why Chinese firms were often selected for contracts. Private sector leaders, however, often saw "no trickle down to the local economy," saying that Chinese government-backed infrastructure projects used materials and labor imported from China and Chinese companies seldom pursued joint ventures with Maldivian companies.⁸⁶

While Maldivian companies can bid on public infrastructure projects, business leaders pointed to several practical hurdles: allegations that Chinese firms "give sweeteners under the table to civil servants," loopholes allowing the government to eschew open bidding if the tender involves a Maldivian state-owned enterprise, the inclusion of criteria that make local firms less competitive, and the absence of requirements that foreign firms use local partners. Some interviewees argued that the government had given Chinese companies a "foothold" to compete with local businesses for commercial ventures in the resort industry.

Most Maldivians associate Beijing with the "China bridge" and the "China flats," which it reinforces with posters of Chinese workers, flags, and China Aid logos near construction sites. The outer islands are familiar with Beijing's construction of local power stations, though some communities had raised concerns regarding environmental issues and land rights. Interviewees reported some concerns about quality: rusting on the bridge that is barely a year old and inadequate elevator capacity for the apartments. Nevertheless, most interviewees felt it unlikely that this would create much of a backlash for Beijing as "even the critics are using the bridge."⁸⁷

There has been political noise about the Maldives' growing indebtedness to Beijing, but most interviewees said that the debt issue is not on the radar of the average Maldivian, though it is discussed more widely among elites and young people on social media. When debates on the country's debt sustainability do arise, they are highly politicized along party lines. Other interviewees argued that the issue is not necessarily about Beijing, but about helping the Maldives reduce its reliance on financing from all foreign governments. One way to achieve this, they asserted, would be to pursue commercial lending opportunities by building upon the country's success in floating a sovereign bond with a B+ rating (Maldives MoF, 2018).

Interviewees were frustrated by uncertainty about how much the Maldives had borrowed from Beijing, what it owes, what funds administration officials diverted for their own use, and whether the country can repay its debts (Mundy and Hille, 2019; Panda, 2019). They do not singularly blame Beijing for this state of affairs and more often attribute blame to the Yameen administration for its unwillingness to publicly disclose the details of loan agreements. Several interviewees also argued that the lack of investigative journalism in

the Maldives was an impediment to thoughtful public discussion.

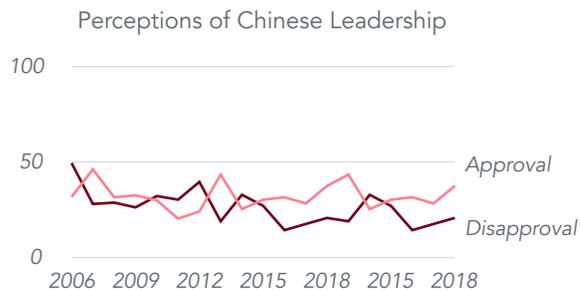
Interviewees argued that Maldivians know little of China and have greater cultural and linguistic affinity towards India. Mandarin is now a foreign language offered in many Malé schools; however, demand is not widespread and limited to those working in the tourism and hospitality industry. More students are pursuing higher education opportunities in China, but the numbers lag far behind Malaysia and India. Interviewees attributed this primarily to cultural and linguistic barriers. China has now surpassed India and Europe as the top source of foreign tourists in the Maldives, but some interviewees said that Maldivians do not always get along with Chinese visitors, though others asserted that the average person's exposure to tourists was minimal. Regardless, Beijing's ability to direct where its citizens travel gives it implicit leverage with the Maldives' government, in that "it can turn the [tourism] valve on or off."

At the end of the day, what does Beijing get for its overtures to the Maldives? The 2017 Free Trade Agreement with China was frequently cited by interviewees as an example of Beijing's economic leverage. Interviewees criticized Yameen for steam-rolling the agreement through parliament without adequate consultation, arguing that the negotiations were "one-way," the period of review insufficient, and the result not beneficial to the Maldives. Several interviewees also argued that Maldives' small size makes it easy for Beijing to buy support or silence, as needed. As one Solih administration official reflected, "given the financial hold China has on us, we would be reluctant to issue statements of direct condemnation of Beijing."

Beijing has a tougher road ahead to achieve its security aims. The Maldives' constitution does not permit foreign military bases in the Maldives, though some interviewees speculated that Yameen's leasing of two islands to Beijing could tacitly allow it to establish a security presence. Others argue that such views are mostly based on media and political hype. While the Maldives could plausibly entertain economic partnerships with China and India, interviewees felt India was its only viable partner on security cooperation.

3.3

The balancing act: Bangladesh welcomes Beijing as an infrastructure partner and counter to New Delhi



Source: Gallup World Poll



Chinese leaders recognize the benefits of cultivating strong ties with Bangladesh to access deep-water ports in the Bay of Bengal, a cheap workforce for China's manufacturing operations (Quadir, 2018),⁸⁸ and an attractive export market for its consumer electronics sector.⁸⁹ Beijing is keen to gain control of a deep-water port, such as Chittagong,⁹⁰ to lower shipping costs for its goods, hedge against disruption to its oil and gas imports, and provide it with a base from which to project military strength in the Indian Ocean. Meanwhile, many Chinese companies have relocated their manufacturing operations to Bangladesh over the last two decades due to rising labor costs in China. Maintaining good relations with Bangladeshi leaders is also critical for China to protect its investments in Bangladesh and along the Maritime Silk Road (Ahmed, 2019; Tiezzi, 2014).

3.3.1 Bangladeshi leaders are pragmatic, regarding their relationship with Beijing as a means to deliver economic growth and protect their sovereignty from New Delhi's ambitions

Sino-Bangladeshi relations have come a long way from their strained early days, when Beijing opposed Bangladesh's independence, blocked its entrance into the United Nations, and delayed recognition of its sovereignty until 1975. Beijing has become the primary supplier of equipment and training for the Bangladeshi military (SIPRI, 2017) on terms that interviewees reported were generally favorable to Bangladesh. Meanwhile, for civilian leaders focused on Bangladesh graduating from least developed country status by 2024 (Khatun, 2018) and enhancing their bargaining power in South Asia, Beijing is seen to deliver on both counts by channeling money for infrastructure projects and serving an effective counterbalance to New Delhi.

The frustration of Bangladeshi citizens and elites with India has arguably opened the door for Beijing. Interviewees characterized the relationship between Bangladesh and India as "big brother" versus "little brother," with Bangladeshis resenting India for interfering excessively in the country's internal affairs and playing hydro-politics by holding back water from rivers flowing through its territories before reaching Bangladesh. Religious sensitivities further inflame anti-India sentiment, such as when Hindu border guards from the Indian Border Security Force (BSF) shot Muslim Bangladeshi civilians (Uddin, 2017).

That said, Bangladeshi policymakers are mindful of the need to moderate their engagement with Beijing to avoid antagonizing New Delhi, which interviewees described as extremely sensitive to Beijing's increased collaboration with Bangladesh as a move aimed to isolate it.⁹¹ The Bangladesh government's decision to decline Chinese government-backed proposals for the Chittagong and Sonadia port projects,⁹² while accepting a Japanese proposal for the Matabari port project, is a good example of this balancing act in practice (Shepard, 2016).

Beijing's relationship with Bangladesh's leading political parties has been in flux in recent years. Despite being pro-China for much of its existence, the Bangladesh Nationalist Party (BNP)-led government allowed Taiwan to open a trade liaison office in 2004 to distribute visa forms in Dhaka. In response, Beijing threatened "unimaginable consequences" for Bangladesh's disregard for its "One China" principle (Tusher and Chowdhury, 2016). The previously close relationship between the BNP and Beijing was fractured, opening the door for the historically pro-India Awami League (AL) to opportunistically cement its own close relationship with Beijing.

Since Sheikh Hasina's second term as Prime Minister (2009-2014), the AL government has tried to balance the level of influence China and India have in

Bangladesh. As of 2019, the incumbent AL-led government views the Chinese government as a means to deliver on its electoral promises of strong economic growth and leverage in bilateral relations with India. To this end, Bangladesh has cooperated with Beijing on numerous development projects.

According to several interviewees, Beijing's inroads with Dhaka are aided by what Bangladeshi political elites perceive to be the inattention of other foreign powers to their most pressing national priorities—infrastructure projects and balancing regional powers. While Bangladesh's political elites have been disappointed in Beijing's unwillingness to cajole Myanmar to resolve the Rohingya crisis,⁹³ this disappointment is unlikely to dissuade them from partnering with Beijing to advance the country's economic and geopolitical interests, even as it may negatively influence perceptions of Beijing among the average Bangladeshi. In fact, one interviewee reported that the parliament comprised a larger share of pro-China politicians following the 2018 election and that the AL and the BNP had reached an agreement during the May 2019 Bangladesh BRI Forum that promoting cooperation with Beijing was a priority of both parties.

3.3.2 Beijing's penchant for financing large-scale infrastructure projects and "five-star junkets" sits well with Bangladeshi elites, but overshadows smaller-scale overtures to the general public

Ninety-nine percent of Beijing's financial diplomacy overtures in Bangladesh between 2000 and 2017 have been infrastructure projects worth US\$10.2 billion in, and around, the capital city of Dhaka.⁹⁴ Interviewees most frequently cited examples such as the Padma bridge project, the Bangabandhu International Conference Center (formerly the China-Bangladesh Convention Center), and numerous Friendship Bridges.⁹⁵ According to interviewees, Chinese money is attractive to Bangladeshi officials for a variety of reasons: price point, construction expertise, and the absence of governance conditionalities typically favored by other donors.

Interviewees also described Beijing as proactive in maintaining relationships with the two major political parties in Bangladesh. The Chinese government has a several decades long relationship with BNP leadership (Drong, 2015), but Beijing's overtures to the AL began in earnest in 2008, when Sheikh Hasina became Prime Minister.⁹⁶ Notably, Prime Minister Hasina's first official overseas visit was to Beijing. In 2016, Chinese President Xi Jinping visited Dhaka and elevated the relationship with Bangladesh to a strategic partnership, paving the way for a rapid rise in Chinese investment. Between 2000 and 2017, there were 104 recorded political visits between Chinese and Bangladeshi leaders (China Foreign Affairs Yearbooks, 2000-2017).

Beijing purportedly targets influencers across political party lines and at various levels of seniority with "five-

star junkets” to China to build relationships and impress these special guests with China’s development story. Business leaders are another target audience for these trips, as Beijing aims to cultivate friendly relations with those in positions to facilitate Bangladesh-China trade and investment opportunities. Chinese leaders also utilized “study tours” to invite Bangladeshi journalists, academics, and government officials to visit China. Interviewees described such tours as carefully planned experiences designed to highlight China’s national achievements and demonstrate the “best and grandest of Asian hospitality.”

Interviewees pointed to Beijing’s journalist exchange programs as one of its most potent tools to shape the media narrative in Bangladesh. According to interviewees, journalists who participate in such exchange programs frequently return to Bangladesh with positive perceptions of Beijing. This can produce a pro-China bias in their reporting, such as one-sided articles on the benefits of BRI or reluctance to cover stories that would be damaging to Bangladeshi perceptions of China (e.g., Muslim Uighurs in Xinjiang or Sri Lanka’s Hambantota port). The passage of a Digital Security Act, reportedly used to target the government’s critics (Mahmud, 2018a), has further incentivized self-censorship and muted criticism of Beijing among Bangladeshi journalists (Mahmud, 2018b; Amnesty International, 2018).

Linguistic and cultural gaps make it difficult for Beijing to make meaningful inroads into the everyday lives of Bangladeshis. The Chinese government relies on cultural events organized by the embassy in Dhaka⁹⁷ and Confucius Institutes at North-South University and Dhaka University, opened in 2006 and 2016 respectively, to familiarize Bangladeshis with Chinese culture and language. Interviewees reported that CIs have been met with enthusiasm by Bangladeshi students, who see learning Mandarin as a path to employment with Chinese companies in Bangladesh.

CIs serve a role in promoting study abroad opportunities in China, as they provide information on scholarships, the rankings of Chinese higher education institutions, and letters of recommendation for Bangladeshi students. This outreach may have helped stoke demand: there was a thirty-five-fold increase in Bangladeshi students studying in China, from 209 in 2006 (when the first CI was opened) to 7,343 in 2017.⁹⁸ While Bangladeshi students are still electing to study in North America or Europe at higher levels than China, according to interviewees, it is safe to say that Beijing’s public diplomacy overtures have put China on the radar of students as an attractive education destination to a much higher degree than before.

Interest in Chinese study abroad opportunities is also driven by the perceived cost difference of financing education in China versus the alternatives. Interviewees reported that the Chinese government offers numerous scholarships to Bangladeshi students—Beijing

announced 1200 such scholarships between 2010 and 2018 alone (website of Chinese Embassy in Bangladesh). Tuition at Chinese universities is also cheaper than in many other study abroad destinations (e.g., Europe, Japan, Australia, and the US), which increases affordability even for those who do not receive scholarships. In addition, China’s close geographic proximity to Bangladesh makes it “not too far away from home” for Bangladeshi students looking for an international education.

3.3.3 Bangladeshi political elites see the value of cooperation with Beijing until a better deal comes along, while the public’s ambivalence may be a win for its overtures

Interviewees described the Bangladeshi government as being well attuned to the importance of Beijing as a partner to help the country achieve its economic objectives through investments in primary infrastructure, as well as a counterbalance to New Delhi. However, interviewees underscored that the incumbent AL government continues to tread slowly and cautiously, lest its friendship with Beijing provoke a negative response from New Delhi. Moreover, Bangladeshi leaders are pragmatic: Beijing could well be replaced by another partner if Bangladeshi leaders saw that a better deal from another actor was on the table.

Nonetheless, interviewees frequently noted that there is little transparency around Chinese government-backed projects in Bangladesh, which creates perverse incentives for officials in a country that is already grappling with endemic corruption (Transparency International, 2018). The tender process for these large infrastructure contracts is a particular source of discontent (Tan, 2019; Bernanke and Olson, 2016; Financial Times, 2019), with interviewees calling these bidding processes “a show” and accusing the officials involved of corruption. That said, these accusations are not unique to Chinese government-bankrolled projects and have also been raised with regard to Indian and Western firms operating in the country. In this respect, Beijing does not take a unique hit to its popular perceptions for its opaque financial dealings, as other countries are seen as doing the same.

The Bangladeshi public, on the other hand, “does not think much about China,” according to some interviewees,⁹⁹ though one individual pointed to examples of growing interest in China among Bangladeshi businessmen partnering with Chinese firms and the growing number of Bangladeshi tourists visiting China. Meanwhile, the percentage of Bangladeshi respondents to the Gallup World Poll survey who disapproved of Beijing’s leadership decreased from 50 in 2006 to 18 in 2017, perhaps indicating some incremental progress from Beijing’s public diplomacy overtures in the country.

3.4 “Yam between two boulders”: Nepal welcomes Beijing's overtures as an alternative to being “India-locked”



\$0.99B Financial Diplomacy	144 Government Visits
7 Confucius Institutes & Classrooms	0 Briefings & Interviews
19 Military Visits, Exercises, & Port Calls	9 Sister City Agreements
	1,070 Scholarships

Beijing considers Nepal a linchpin to contain Tibetan activism, expand trade with northern India, and eschew encirclement by the West. Nepal shares a short but consequential border to the northeast with Tibet and Beijing seeks Kathmandu's support to mitigate the risk of instability as a launching pad for unrest in Lhasa (HRW, 2014; Ghimire, 2019; Ganguly, 2019).¹⁰⁰ Financing transportation infrastructure is a small price for Chinese leaders to pay to leverage Nepal as a dry port for trade with India's landlocked interior provinces (IFA, 2013; Rana and Karmacharya, 2014). Moreover, as a rising power with global ambitions, Beijing wants friendly neighbors like Nepal to support its interests in international fora and counter the influence of India in its backyard (Starr, 2018; Sharma and Schultz, 2019; Samaranayake, 2019).

3.4.1 Beijing's penchant for timely symbolic gestures and its embarrassment over the 2008 Lhasa riots catapulted relations forward with Nepali leaders and citizens dissatisfied with India

Beijing has funded roads, factories, and scholarships in Nepal since the 1950s, but its preferred mode of collaboration was initially that of a “silent partner [to Nepal's ruling monarch],” according to interviewees. The abolition of the monarchy and riots in Lhasa ahead of the 2008 Beijing Olympics prompted Beijing to change course. Interviewees described Chinese leaders as seeking to lessen public sympathy for Tibetan refugees and wary of Nepal's transition from a constitutional monarchy if it meant the country would lose a long-time anchor of stability and invite greater Indian influence. But it was a series of events in 2015 that created a window of opportunity for Beijing to present itself as a means to help Nepal reduce India's leverage.

In April 2015, Nepal was devastated by a 7.8 magnitude earthquake which killed about 9000 people, destroyed basic infrastructure, and displaced tens of thousands in districts near the Kathmandu Valley (Lindborg, 2015; World Vision, 2015). Beijing sent search and rescue teams to assist with the earthquake response and pledged US\$483 million in financing to support reconstruction efforts (Rauhala, 2015; Tiezzi, 2015; Nepal AIMS, 2015).¹⁰¹ Interviewees said that India was “prompt,” but Chinese leaders were “strategic” and “clever” in positioning post-earthquake assistance for visibility. Beijing sent tents and medical supplies, as well as prioritizing reconstruction projects such as schools, roads, temples, and the palace complex.¹⁰²

The Nepali parliament ratified a new constitution in September 2015; however, it was not universally well-received and sparked protests in the south (Pant, 2018; Plesch, 2015; Pokharel, 2015). Indian leaders responded by closing India's open border with Nepal, triggering fuel and goods shortages.¹⁰³ This economic blockade produced a rift as Nepalis were indignant at India's interference in their domestic affairs and the disruption to their own lives. Beijing made a symbolic gesture of support by sending fuel from the north, positioning itself in the eyes of interviewees as a partner that could be counted on to respect Nepal's sovereignty, provide timely assistance, and reduce dependence on India.¹⁰⁴

These events set the stage for the Communist Party of Nepal (Unified Marxist-Leninist, UML) to emerge victorious in the 2017 elections over Nepali Congress party (Nepali Times, 2017; Dahal, 2017; Bhattarai, 2017), seen as historically more closely associated with India's struggle for independence, major politicians, and parties in power since the 1950s. Interviewees saw the UML victory as a boost to Nepal's relationship with

Beijing and cited the Nepali-China Trade and Transit Treaty between the two countries as a case in point (The Himalayan Times, 2018; Mohan, 2018; Nayak, 2018).¹⁰⁵ Nonetheless, Nepali leaders remain committed to balancing the relationship with India and interviewees described the government as hoping to “latch on” to both Beijing and New Delhi as economic powerhouses to propel the country to middle-income status.

3.4.2 Beijing is still most comfortable and prolific in cultivating relationships with political elites; however, it is becoming more sophisticated in efforts to win over the broader Nepali public

Remedying a chronic infrastructure deficit is a high priority for Nepal’s political elites. Chinese leaders have responded by delivering financing and technical know-how to assist Nepal with big ticket projects such as the upgrade and widening of the Kathmandu Ring Road, the construction of the Pokhara Regional International Airport, and hydropower investments throughout the country.¹⁰⁶ Beijing has also invested in smaller-scale projects closer to rural communities such as clinics and schools. Nepal’s current parliament building was originally constructed by Beijing as an international convention center and then donated to the Nepali government (Starr, 2018). Altogether, Beijing bankrolled US\$985 million worth of financial diplomacy investments in Nepal between 2000 and 2017, 92 percent of which were infrastructure projects.¹⁰⁷

Nepalis view Beijing’s diplomacy as leader-focused, rather than people-centric. There were 114 recorded political visits between Chinese and Nepali leaders and 15 party-to-party visits, the most of any SCA country, in the 2000 to 2017 period (China Foreign Affairs Yearbooks, 2000-2017). Several interviewees credited Beijing with nudging the Maoist-UML merger, which set the stage for their victory in the 2017 elections (People’s Voice, 2017), and China has hosted almost all of the top nine leaders in Nepal’s communist party hierarchy. Some interviewees shared anecdotal reports that Beijing has provided financial support to the election campaigns of Nepali politicians and Chinese officials have accompanied them to visit their home constituencies. However, interviewees said that this was not unique to China.¹⁰⁸

Beijing is not exclusively focused on the UML and interviewees noted that its approach has evolved from an initial focus on leftist party leaders to a branching out to building relationships with parties across Nepal’s political spectrum. The Chinese government began to host representatives from the Nepali Congress and pursued cooperative agreements with various parties beginning in the late 1990s. During his October 2019 state visit, President Xi met with the opposition leader to acknowledge his party’s role in deepening ties with China when Nepali Congress was in power (Xinhua, 2019). Beijing has also actively courted provincial leaders and hosted them for visits— particularly

important in light of Nepal’s transition to federalism—and has established nine sister city agreements across the country as of 2018 (CIFCA, 2000-2018), including one twinning Pokhara City with Kunming (InKunming, 2012).

Samaranayake (2019) argues that military-to-military relations between China and Nepal are the least well developed within the South Asia region. Nonetheless, the two countries have signed “several intelligence sharing agreements since 2008” (HRW, 2014) and there were 19 recorded military-to-military diplomacy activities (e.g., military exercises, visits between military leaders) between 2003 and 2016 (INSS, n.d.). Interviewees argued that Beijing focuses most of its overtures towards the Nepal Armed Police responsible for border security, as opposed to Nepal’s military which is seen as having closer ties historically to the US, the UK, and India.¹⁰⁹

Motivated to enlist Nepal’s support to curb Tibetan activism (HRW, 2014), Beijing has gifted surveillance equipment (e.g., CCTV cameras) and vehicles to the Nepali Armed Police to facilitate monitoring of Tibetans living in Nepal and refugees seeking asylum.¹¹⁰ Moreover, Beijing constructed a state-of-the-art training academy for the Nepali Armed Police and also trained senior officials.¹¹¹ Numerous interviewees said these overtures have been well-received in Nepal and positioned Beijing favorably compared to New Delhi, which had not followed through on earlier promises to construct a similar training academy for Nepal’s regular police force in 2000.

While Beijing people-to-people diplomacy still pales in comparison to its overtures with political elites, interviewees did note that these efforts have “intensified” in the last five years. Nepali youth are reportedly going to China for Buddhist religious pilgrimages in higher numbers. There has been a proliferation of programs to build closer ties between Nepal and Chinese young people. Beijing has hosted numerous junkets for young people and professionals to visit China for two to three weeks in order to showcase its development story. These exchange opportunities are not one-way, as interviewees reported an uptick in Chinese youth coming to Nepal on school visits, exchange programs, and even volunteering in rural Nepali villages.

Nepali university students are increasingly electing to pursue higher education opportunities in China—from 813 students in 2002 to 6,394 in 2017 (China Foreign Affairs Yearbooks, 2002-2017)—with medical programs in the highest demand.¹¹² The Chinese government has announced 1,070 scholarships to Nepali youth between 2010 and 2018 (website of Chinese Embassy in Nepal), with interviewees reporting that Beijing targets the preponderance of this assistance toward the children of important political, military, and business families in Nepal.

Providing government backed-scholarships allows Beijing to cultivate relationships with the next generation of societal influencers and reinforces its elite-to-elite diplomacy, as the parents owe a debt of thanks to Beijing for bankrolling the education of their children. Interviewees also observed that Beijing has ramped up its people-to-people engagement across the board to quell resistance among local communities that are the recipients of major hydropower or infrastructure investments. Beijing has reportedly targeted scholarship and exchange opportunities towards such communities strategically to mitigate conflict and present a positive, people-friendly face of China.

The growing interest in Chinese study abroad programs may correspond with the prevalence of Mandarin language learning opportunities via the Confucius Institute at Kathmandu University, free classes offered by the Chinese embassy, as well as a burgeoning number of K-12 private schools who host volunteer Mandarin language teachers, including six Confucius Classrooms (Hanban, 2000-2018).¹¹³ Tour guides, restaurant staff, and hotel employees are learning Mandarin language to communicate with Chinese tourists. Meanwhile, Nepali businesses are encouraging their agents to become proficient in Mandarin. During President Xi's October 2019 state visit to Nepal, the Chinese and Nepali governments announced that a new Confucius Institute would be opened at Nepal's oldest and largest university, Tribhuvan.

Beijing supports other channels of cultural promotion—from television programs highlighting Nepali-Chinese cultural ties,¹¹⁴ to cultural centers, Nepal-China Foundations, and Friendship Organizations which have opened in Nepal. The Chinese embassy is at the epicenter of many of these overtures, inviting Nepali people to events featuring Chinese orchestras and dance groups, as well as facilitating an annual Chinese film festival. Between 2000 and 2017, there were 22 such events organized by the Chinese government in Nepal (China Foreign Affairs Yearbooks, 2000-2017). Numerous interviewees cited the savviness of the embassy in demonstrating respect for Nepali language and culture. The current Chinese ambassador is said to have excellent Nepali language skills, dances to Nepali music, and sings Nepali songs. Many consular staff also speak Nepali and show awareness of Nepali culture.

Nepali journalists are invited by the Chinese embassy or China Daily to participate in all-expenses-paid trips to China, with four such trips recorded between 2004 and 2017 (China Foreign Affairs Yearbooks, 2004-2017). Interviewees gave Beijing high marks for “first-class treatment” but saw these trips as “guided tours” of what Chinese leaders wanted them to see. Beijing previously partnered with local media to distribute China Daily,¹¹⁵ run sponsored content on Tibet, and publish op-eds from the Chinese ambassador or other leaders. Beijing has hired Nepali experts to generate programming for the Nepalese market and bought a

local FM radio channel to distribute local language content. Meanwhile, TikTok, a Chinese media company that posts short videos on social media, and CGTN are increasingly popular with Nepalis.

3.4.3 Nepalis' recent impressions of New Delhi are largely shaped by the pain of the economic blockade, while Beijing has positioned itself for greater influence with minimal effort

Nepalis view closer engagement with Beijing as helping to kickstart Nepal's sluggish economy through more tourists¹¹⁶, investment, jobs, and cheap electronics. Several interviewees pointed to these trends as fueling interest among Nepalis to learn Mandarin language and visit or study in China. There is less awareness of China among Nepalis living in rural areas, unless they have directly benefited from Chinese assistance (e.g., roads, solar panels, tents, medical supplies). Interviewees reported that Beijing's public diplomacy overtures have expanded geographically from Kathmandu and the northern hill region close to the Nepal-China border to engaging communities closer to the southern border with India.

Popular perceptions of China are also shaped by events Nepalis view as missteps by India, namely three economic blockades (1977, 1988, 2015) and India's interference in domestic politics (Pant, 2018). Younger Nepalis were reportedly particularly antagonistic towards India due to their memories of the blockades, despite their country's long, porous border to the south and shared cultural ties. Most interviewees said that the dissatisfaction is not with the Indian people or India's soft power (e.g., cinema, music, or sport), but rather the policy choices of Indian politicians and bureaucrats seen as behaving heavy-handedly with smaller neighbors.

Beijing has positioned itself as bringing the “gift of development to Nepal,” according to interviewees, and there are high expectations for Chinese involvement in remedying Nepal's public infrastructure deficit (Dixit and Chalise, 2019; Al Jazeera, 2019; Vater and Siegel, 2019). Political elites generally welcomed Beijing as a partner to jumpstart the economy and viewed greater connectivity with China as being in Nepal's strategic interests, not least because of their desire to counterbalance India. According to several journalists interviewed, government officials were reportedly keen to avoid public criticism of Beijing, seeing it as critical to Nepal's aims to boost its economy and diversify its partners.¹¹⁷ Meanwhile, Chinese companies have cultivated a largely positive reputation in Nepal in the eyes of interviewees for delivering on time, with high quality, and without a political agenda.

However, Beijing's financial diplomacy has hit some roadblocks in the lead up to and aftermath of Nepal's signing on as a BRI country in 2017.¹¹⁸ Interviewees described Chinese officials as being frustrated by

Kathmandu's lack of focus—a laundry list of ideas and yet a lack of shovel-ready BRI projects—which, along with delays in bringing in Chinese laborers (Lin, 2018), has contributed to a slower than anticipated rollout of new projects.¹¹⁹ There have been rumors of Chinese contractors inflating project costs at Nepal's expense. As a case in point, interviewees cited the case of Pokhara International Airport, financed by China Exim Bank, where a Chinese contractor inflated the cost of the building and allegedly colluded with Nepali government officials to share the proceeds (Lin, 2018; Anurup, 2018; Adhikari, 2019). Even so, Nepalis are more likely to blame their own government than Beijing for delays, cost overruns, or corruption.¹²⁰

Beijing's unwillingness to give in to Nepal's expectations that it give grants rather than loans could negatively impact public attitudes towards China in the future. Nepali officials have pushed back against Beijing's insistence on financing new projects—such as the proposed Kathmandu-Pokhara-Lumbini and Kerug-Kathmandu-Pokhara railway projects—with loans rather than grants (Nepali Times, 2019; Giri, 2019; Jha, 2019). Beijing clearly stands to gain from the construction of a railway that will help it more easily transport goods and tourists to Nepal and other lucrative markets like India. But many interviewees were skeptical about whether the railway projects would be worth the cost, arguing that Nepal's capacity to repay was inhibited by the fact that it imports far more than it exports from China.

Nonetheless, interviewees described the general public attitude as more concerned about infrastructure getting built, rather than who funds it or how it gets done. Nepal has relatively newer, smaller, and fewer investments from China compared to other countries in South Asia, which may partly explain why the BRI is not publicly discussed or debated to the same degree.¹²¹ That said, civil society, academic, and media observers would like to see greater transparency of these financial deals and more open competition for public infrastructure projects as a means to mitigate the risk of corruption and ensure accountability.

From a domestic policy perspective, interviewees cited changes in Nepal's handling of Tibet—refugees sent back across the border, regular roundups of activists, difficulties for Tibetans to get resident permits—due to a “golden handshake” between Nepali political and security elites and their Chinese counterparts (HRW, 2014; Ghimire, 2019; Ganguly, 2019). Journalists reported pressure (e.g., threats to advertising revenue, calls to the editor, withholding of press passes) from the Chinese embassy and Nepali officials to mute criticism of China. Interviewees also expressed concern that media legislation being debated in parliament was inspired by legislation originally from the Chinese government (Budhatkoki, 2019; Kathmandu Post, 2019; myRepublika, 2019).

From a foreign policy perspective, Nepali officials were described as reluctant to take positions that would raise

the ire of Chinese counterparts. Interviewees cited examples such as Nepal's affirmation of the One China principle, support for Beijing's bid for full member status in South Asian Association for Regional Cooperation (SAARC) (Brookings, 2014; Ahmar, 2017),¹²² and the decision to drop out of a training exercise with BIMSTEC—the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bhattarai, 2019). Nepali officials have also maintained their distance from the US Indo-Pacific Strategy—Foreign Minister Pradeep Gyawali refuted Nepal's inclusion in December 2018 (Giri, 2018) and Ruling Party Co-Chair Pushpa Kamal Dahal underscored Nepal's commitment to non-alignment during the September 2019 visit of Chinese State Councilor and Foreign Minister Wang Yi, in remarks later disclosed via the Chinese embassy (Giri, 2019; Kathmandu Post, 2019).

3.5

Concluding thoughts

In this chapter, we examined how Beijing deploys its public diplomacy toolkit in the context of four South Asian countries, and the ways in which public, private, and civil society leaders perceive these overtures. The views on the ground in Sri Lanka, the Maldives, Bangladesh, and Nepal give rise to several cross-cutting insights about how Beijing's public diplomacy overtures are perceived by those it seeks to influence.

Beijing is a partner of convenience for South Asian countries, with deep pockets to bankroll priority infrastructure projects and growing economic clout to offset their dependence on India (Samaranayake, 2019; Pant, 2018; Marlow, 2019). However, Beijing's preference for negotiating backroom deals, Chinese companies' collusion with local politicians for private gain, and cautionary tales of debt distress have stoked public debate and, in some cases, regime change.

At the end of the day, South Asian countries appear to be more willing to pursue economic, rather than security, ties with Beijing, given the sensitivities of being in India's backyard. Beijing has made inroads among leaders eager to “play the China card” as a counterweight to overreach by New Delhi in their internal affairs; however, its aspirations are hindered by the fact that these countries depend disproportionately on India economically and as their main security partner. Moreover, the willingness of countries to accept money and five-star junkets does not necessarily translate into leaders siding with China on contentious regional issues.

Beijing's inroads with ordinary citizens in South Asia is superficial at best, largely shaped by and perceived economic prospects and dissatisfaction with India's foreign policy, as opposed to deeper appreciation for Chinese culture and language. Beijing's people-to-people diplomacy often takes a backseat to its elite-

focused efforts, and its cultural diplomacy has encountered barriers in majority Muslim countries. Beijing's greatest strategic asset in its bid to cultivate soft power is the popular perception that learning Mandarin language and studying abroad in China is a gateway for people to improve their economic prospects.

With a greater understanding of the view on the ground in several South Asian countries, we turn in the next chapter to Central Asia to assess what is similar and different about Beijing's overtures to the countries on its Western frontier.

⁵⁴ These interviews were conducted by faculty and staff from AidData at William & Mary (all countries) and the Asia Society Policy Institute (Sri Lanka). This includes interviews 49 individuals from 28 organizations/agencies in Bangladesh, 34 individuals from 23 organizations/agencies in the Maldives, 48 individuals from 35 organizations/agencies in Nepal, and 21 individuals from 18 organizations/agencies in Sri Lanka. The Appendix provides an overview of how the countries and interviewees were selected, the full interview guide, and a breakdown of interviewees by stakeholder group and country. This research is approved by the Protection of Human Subjects Committee (PHSC) of William & Mary under protocol PHSC-2019-03-06-13489-sjcluster titled Study on Chinese Public Diplomacy in South and Central Asia.

⁵⁵ Sri Lanka's two major ethnic groups (the Sinhalese and Tamils) and two major religions (Buddhism and Hinduism) all originate from the Indian subcontinent. The Tamil minority in Sri Lanka has deep ethno-linguistic ties with Tamils in the Indian state of Tamil Nadu.

⁵⁶ On multiple occasions, Beijing stepped in to prevent the UN Security Council from investigating the humanitarian crisis.

⁵⁷ Even when funds were available and the donors willing, interviewees noted that few countries could deliver loans or investments as quickly as the Chinese government, given their due diligence standards and bureaucratic processes.

⁵⁸ The projects, seen as expensive and unnecessary, became a symbol of government corruption and cast Beijing in a negative light.

⁵⁹ Abi-Habib (2018) reported that "large payments from the Chinese port construction fund flowed directly to campaign aides and activities for Mr. Rajapaksa..." and "at least \$7.6 million was dispensed from China Harbor's account" to his campaign affiliates.

⁶⁰ In that particular case, the Sri Lankan government also removed language that gave Beijing some land on a freehold basis, converting the land rights to a time-bound lease instead.

⁶¹ In their global review of Chinese government-backed loan renegotiations for the Rhodium Group, Kratz et al. (2019) found evidence of some combination of debt write-off and refinancing, in addition to the seizure of Hambantota port, for Sri Lanka in the period from 2016 to 2018 worth at least US\$1.1 billion and then further refinancing worth an additional US\$1 billion.

⁶² FDI from other nations still lags behind what the Chinese government is willing to offer: China and Hong Kong contributed US\$924 in Foreign Direct Investment in Sri Lanka in 2017 alone, more than double the inflows from the US, UK, India, and Japan combined (Kamardeen and Panditaratne, 2019). Data presented in Kamardeen and Panditaratne's report was originally sourced from Board of Investment, Sri Lanka.

⁶³ The breakdown of Beijing's financial diplomacy in Sri Lanka in this 2000 to 2017 period across our four categories of financial diplomacy includes: infrastructure (98 percent), humanitarian aid (2 percent), budget support (0 percent), and debt relief (0 percent). This data was collected by AidData staff and research assistants using the TUFF methodology.

⁶⁴ Most of these projects are completed by Chinese firms that employ primarily Chinese labor.

⁶⁵ AidData staff and research assistants confirmed commitment of Chinese financing for these projects using the TUFF methodology.

⁶⁶ For instance, the Pathfinder Foundation, a local Sri Lankan think tank, partners with the Chinese People's Association for Peace and Disarmament to arrange delegations and tours between the two countries. See Pathfinder Foundation (2012).

⁶⁷ Unfortunately, due to limited data availability, we were unable to corroborate how many Chinese-government backed scholarships were announced during this period for Sri Lankans.

- ⁶⁸ In 2002, 117 Sri Lankan students were studying in China, compared to 2,829 in 2017 (Hanban Annual Reports and China Foreign Affairs Yearbooks, 2002-2017).
- ⁶⁹ Similarly, the proportion of Sri Lankan respondents who disapproved of Chinese leadership decreased after 2015. Taken together, the increase in perceived favorability (higher approval, lower disapproval) towards China came after reaching a nadir in the years prior (2012-2015). Of course, it should be noted that this trend does not appear to be unique to China. Russia and the United States also saw their approval numbers increase during the same period. Survey respondents in the Gallup World Poll were asked “do you approve or disapprove of the job performance of the leadership of [insert country]”? For more information on this data source, please see the Appendix.
- ⁷⁰ For example, in 2005, China committed US\$1.375 million to the UN Food and Agriculture Organization, \$100,000 to the UN Population Fund, and over US\$670,000 to the World Health Organization for post-tsunami related programs in the Maldives. AidData staff and research assistants confirmed Chinese financing for these projects using the TUFF methodology.
- ⁷¹ For example, China issued US\$86 million in concessional lending to the Maldives in 2010 for a 1,000-unit housing development in Hulhumale, and another US\$158 million in 2012 to support an additional 1,500 units. AidData staff and research assistants confirmed the commitment of Chinese financing for these projects using the TUFF methodology.
- ⁷² The opposition mobilized discontent related to rising food prices, the arrest of the country’s chief justice, and the award of a contract to an Indian company (Grandh Mallikarjuna Rao, GMR) to expand Malé International Airport. President Nasheed stepped down following mass protests and a police mutiny, and the vice president cancelled the contract (Al Jazeera, 2012; Robinson, 2012).
- ⁷³ AidData staff and research assistants confirmed that the Chinese government committed US\$362.5 million for the airport expansion, US\$65.7 million for the bridge project, and US\$612.3 million for the Hulhumale apartment construction.
- ⁷⁴ Solih’s presidential campaign was backed by a coalition of former President Nasheed’s MDP party, the Adhaalath Party (Islamists), the Jumhooree Party (led by business tycoon Gasim Ibrahim), and former President Maumoon Abdul Gayoom.
- ⁷⁵ In addition to poor information on public sector debt to China, the government also had to assess the extent of private sector debt that the Maldives would be responsible for due to sovereign credit guarantees. One Solih administration official explained that the government had initially sought a line of credit from India as a preventative measure, but now felt the debt situation was manageable and the country was not at risk of default (Miglani, 2018; Maldives Times, 2018). Moreover, the official deemed it unlikely that the government would use a line of credit from India to repay loans to China (News in Asia, 2018; Avas, 2018).
- ⁷⁶ Some interviewees noted that Nasheed’s public antagonism towards Beijing followed the 2012 coup and was rooted in a sense of obligation to India who sheltered him and a desire to distance himself politically from the Yameen administration.
- ⁷⁷ Interviewees were disappointed that newer deals were no more transparent than those under Yameen and that Solih had been slow to push for changes to a public finance law that would curb the ability to take external loans without parliamentary approval.
- ⁷⁸ The breakdown of China’s financial diplomacy in the Maldives in this 2005 to 2017 period across four categories includes: infrastructure (99.6 percent), humanitarian aid (less than 1 percent), budget support (0 percent), and debt relief (0 percent). This data was collected by AidData staff and research assistants using the TUFF methodology.
- ⁷⁹ Japan, India, the World Bank, the Asian Development Bank, and various UN agencies played prominent roles prior to 2013 and are now beginning to re-engage. Several interviewees argued that Saudi Arabia has more influence than China due to a shared religion of Islam. They cited examples of the Maldives government cutting ties with Qatar and supporting Saudi Arabia after the murder of Jamal Khashoggi, as well as the Saudis’ decision to pledge aid via the Saudi Fund for Development (along with the Abu Dhabi Fund) during the Yameen administration’s 2018 state of emergency (Riedel, 2018; Saber, 2018).
- ⁸⁰ This data was collected by AidData staff and research assistants using the TUFF methodology.
- ⁸¹ These examples were cited by interviewees and validated by AidData staff and research assistants using the TUFF methodology.
- ⁸² While these exchanges were confirmed by interviewees, we were unable to verify the number of journalist visits to China.
- ⁸³ We identified four cultural events and one friendship year organized by the Chinese government between 2000 and 2017.
- ⁸⁴ We were unable to verify the number of Chinese government scholarships due to limited publicly available data.

- ⁸⁵ Interviewees said Beijing was “more relaxed” and “nimble” than traditional donors who were slower to disburse funds.
- ⁸⁶ Private sector leaders acknowledged that Chinese officials were good at cultivating ties with Maldivian business leaders, such as through offering easy visa terms, subsidizing their participation in trade fairs, and keeping in touch via WhatsApp.
- ⁸⁷ That is not to say that these projects are universally appreciated. One interviewee questioned the necessity of such projects, saying, “we swapped a 15 minute ferry boat ride for a 20 minute drive via the bridge, while the [outer islands] are still in dire need of hospitals.”
- ⁸⁸ Manufacturing in Bangladesh also provides Chinese companies with easier access to large markets like India and ASEAN countries via the Bay of Bengal.
- ⁸⁹ With over 160 million consumers, Bangladesh is an attractive market for Chinese consumer electronics. While some segments of society are skeptical of the quality of Chinese consumer products, the price point is competitive enough to overcome these doubts.
- ⁹⁰ The proposed Chinese-funded expansion of the port at Chittagong to accommodate larger cargo ships would facilitate more efficient flow of Chinese exports from western China directly to the Indian Ocean (Shepard, 2016).
- ⁹¹ India has refused to sign up for BRI because certain proposed China-Pakistan Economic Corridor (CPEC) projects lie in disputed territory (Kashmir).
- ⁹² According to interviewees, the Awami League government took this approach to the development of its port facilities out of fear that allowing China to construct and manage a deep-water port would provoke India.
- ⁹³ As a Muslim-majority country, Bangladesh takes the abuse of a Muslim minority ethnic group by the government of a non-Muslim country seriously. The Rohingya have faced decades of repression and discrimination, and since August 2017, Myanmar’s security forces have carried out a campaign of ethnic cleansing against Rohingya Muslims in Rakhine State.
- ⁹⁴ The breakdown of China’s financial diplomacy in Bangladesh in the 2000 to 2017 period across four categories includes: infrastructure (99 percent), humanitarian aid (less than 1 percent), budget support (0 percent), and debt relief (less than 1 percent). This data was collected by AidData staff and research assistants using the TUFF methodology.
- ⁹⁵ These examples were cited by interviewees and Chinese financing was confirmed by AidData staff and research assistants using the TUFF methodology.
- ⁹⁶ Interviewees pointed to congratulatory gifts given by the Chinese Ambassador to AL leaders following election victories.
- ⁹⁷ We identified 17 Chinese government-organized cultural events in Bangladesh (China Foreign Affairs Yearbooks, 2000-2017).
- ⁹⁸ A total of 24,868 Bangladeshi students studied in China between 2002 and 2017 (China Foreign Affairs Yearbooks, 2002-2017).
- ⁹⁹ One exception that interviewees noted is that Bangladeshi consumers think well of China (or at least Chinese companies) for bringing consumer electronics to Bangladesh at a price point that even the lower and lower-middle class Bangladeshis can afford.
- ¹⁰⁰ In their investigative report, “Under China’s Shadow,” HRW (2014) argues that Beijing has three primary objectives for Nepal with regard to Tibet: (i) “ending clandestine border-crossings by Tibetan asylum seekers and migrants;” (ii) “enforcing a de-facto ban on pro-Tibetan political mobilization in Nepal” (e.g., demonstrations, activities linked to the Dalai Lama); and (iii) “infiltrating Tibetan communities living in Nepal to provide intelligence for China.” The report alludes to the fact that Beijing views cultural and religious activities, which reinforce Tibetan identity, as political activism and something to be curbed. In 2019, Chinese and Nepali leaders discussed a possible extradition treaty, provoking concerns about implications for Tibetan refugees (Ghimire, 2019; Ganguly, 2019).
- ¹⁰¹ Using the TUFF methodology, AidData confirmed multiple instances of China’s deployment of search and rescue personnel to aid with Nepal’s earthquake response. Media articles reported conflicting financial amounts, but the Nepal Ministry of Finance Aid Management Information System (AMIS) platform reported that China committed a total amount of US\$483,137,602 for earthquake relief under two memorandums signed between the Chinese and Nepali governments in June 2015, with financing to be distributed across several projects over a long period of time, including schools, hospitals, and resettlement houses in different locations. However, as of September 2018, only two disbursements had been made, totaling an approximate amount of US\$12.7 million.

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- ¹⁰² For example, using the TUFF methodology, AidData staff and research assistants confirmed the provision of numerous installments of tents, emergency medical supplies, food, generators from China to support Nepal's earthquake response. We also confirmed Chinese financing committed for reconstruction projects such as: (i) Balawi Middle School, Ratna Middle School, and Durbar High School (in implementation); (ii) the Sindhupalchok hospital (in the pipeline); and (iii) Basantapur Tower in Kathmandu Durbar Square (in implementation).
- ¹⁰³ Nepal's economy is heavily dependent upon imported goods, particularly oil. An estimated 90 percent of Nepal's imported goods transit via India overland or via the port at Kolkata and 60 percent of Nepal's overall trade is with India.
- ¹⁰⁴ Using the TUFF methodology, AidData staff and research assistants confirmed several instances of China providing petroleum to alleviate Nepal's energy shortage: US\$1.8 million in emergency petroleum in August 2016, 1.2 million liters of petroleum in October 2015, and an additional 1.4 million liters in December 2015. Many interviewees acknowledged that China's contribution of a few tankers of gas was a drop in the bucket, given the scale of disruption experienced during the blockade, but its overture was welcomed as moral support and solidarity during a difficult time.
- ¹⁰⁵ While the 2016 agreement provides Nepal an alternative means of importing goods via China, interviewees argued that this is "more symbolic than useful."
- ¹⁰⁶ Using the TUFF methodology, AidData staff and research assistants confirmed the disbursement of Chinese financing to support: the upgrade and widening of the 27-kilometer Kathmandu Ring Road (US\$35.2 million) to eight lanes, the construction of the Pokhara airport (US\$206.8 million), and the Upper Trishuli 3A Hydroelectric Power Project (US\$137.4 million), among others.
- ¹⁰⁷ The breakdown of China's financial diplomacy in Nepal in the 2000 to 2017 period across four categories includes: infrastructure (92 percent), humanitarian aid (6 percent), budget support (2 percent), and debt relief (0 percent). This data was collected by AidData staff and research assistants using the TUFF methodology.
- ¹⁰⁸ Nepali law does not preclude political parties or individual politicians from taking money from foreign sources. In the case of China, the change in regulation to allow Chinese NGOs to operate in Nepal has reportedly enabled Beijing to channel financing via these organizations to counterpart NGOs associated with or supporting Nepali political leaders.
- ¹⁰⁹ For example, Samaranyake (2019) reports that an estimated 40,000 Nepali citizens serve in the Indian army and 3,600 in the British army, a point underscored by several interviewees.
- ¹¹⁰ Using the TUFF methodology, AidData staff and research assistants confirmed that China disbursed security equipment worth US\$4.2 million to Nepal in 2013 to strengthen monitoring of the Tibetan community in Nepal and along the borders with the Tibet Autonomous Region.
- ¹¹¹ Using the TUFF methodology, AidData staff and research assistants confirmed that China agreed to provide 200 million RMB in grant assistance to Nepal in 2013 for the construction of the National Armed Police Force Academy, which was completed in 2017.
- ¹¹² According to the Nepal Medical Council, "a statutory body responsible for the regulation of medical education and registration of doctors in Nepal," there is a 71 percent failure rate on the mandatory licensing examination to practice medicine in Nepal among students who received their medical training from outside the country, particularly from popular study abroad destinations such as China, Bangladesh, India, the Philippines, and Russia (Satyal, 2018). According to the Himalaya Times, the failure rate for students who obtained their medical training from China specifically fluctuated between 61 and 70 percent across a three-year period (2016-2018). It is unclear whether this failure rate speaks to the quality of the education in the study abroad programs or the attributes of the students who choose to study in such programs. Regardless, this may prompt a rethink for students in future.
- ¹¹³ At the primary and secondary school-level, Mandarin language lessons are interspersed with Chinese dances, songs, and kung fu.
- ¹¹⁴ Some examples include the marriage of a famous Nepali princess (Bhrikuti) with the Tibetan King Songsten Gampo during the Tang dynasty, as well as the story of Arniko, a Nepalese architect, who traveled to China during the 13th century to help build the White Stupa at the Miaoying Temple in Beijing.
- ¹¹⁵ The Chinese cancelled the arrangement with Nepali Times two years ago, so they no longer reprint China Daily.

- ¹¹⁶ China sends the second largest number of foreign tourists to Nepal after India. Interviewees point to the Thamel district of Kathmandu, which has become something of a Chinatown, to underscore that Chinese tourists were big business. While Nepalis like the tourism dollars, there were some tensions regarding the use of WeChat and Alipay for payment, which was seen as short circuiting the local economy. In 2019, Nepal's central bank (Nepal Rastra Bank) banned the use of WeChat Pay and Alipay, stating that the government was losing out on income (e.g., licensing and payment transaction fees, foreign exchange fees, VAT, income tax) from these unlicensed platforms, as the money never enters into the Nepali economy (Sharma, 2019; Himalayan Times, 2019).
- ¹¹⁷ Some journalists reported that while there was no overt censorship in Nepal, self-censorship was a problem as their colleagues felt some pressure from the government to not be critical of China for fear of offending Beijing.
- ¹¹⁸ Nepal's leadership was uncertain regarding BRI and took seven months to make the decision. Nonetheless, it would have been hard for Nepal to not sign on. As one former official put it: "as a small country, we need to consider what peers are doing."
- ¹¹⁹ Several projects in hydropower, irrigation, and connective infrastructure predated BRI but have been grandfathered in.
- ¹²⁰ Completion of the Kathmandu Ring Road, for example, was delayed, but media coverage appeared to blame the Nepali government for moving too slowly, as much as it did China (Kathmandu Today, 2018; Pokharel, 2019).
- ¹²¹ Interviewees partly attributed this to hesitation to not wanting to "go against the government's pro-China line." Coverage of BRI in Nepal has therefore been limited to "dueling op-eds" from the American and Chinese ambassadors in the English-language press.
- ¹²² China already has observer status in SAARC, also gained with Nepal's support (Bhattacharya, 2005; Dawn, 2007), but has not yet won full member status from the regional body.

CHAPTER FOUR

How do Central Asian countries perceive Beijing's public diplomacy overtures and its influence?

Key findings in this chapter:

- *Kazakh leaders view Beijing as an economic partner to provide political leverage vis-à-vis Moscow; however, Beijing is unlikely to displace Moscow as Kazakhstan's main security partner.*
- *In Uzbekistan, the transition from Karimov's "smile diplomacy" to Mirziyoyev's economic liberalization has opened the door to foreign investment, and Beijing is positioning itself to get a seat at the table.*

A combination of geographic positioning, historical political alliances, and an abundance of natural resources make Central Asia important in Beijing's "westward march" to create a vast economic zone across Eurasia. Beijing wants to "establish a safe, low-budget, and convenient transit route to China's main trading partners in Europe, South Asia, and the Middle East" (Chen, 2015, citing Clarke, 2014; Linn, 2013). Meanwhile, Chinese leaders hope to secure access to Central Asia's natural resources to fuel China's growth (Chen, 2015, citing O'Neill, 2014; Shambaugh & Yahuda, 2008; Syroezhkin, 2009) and transition China toward self-sufficiency in energy, particularly oil and gas (Scobell et al., 2014; Stratfor, 2013).

Central Asia is also important to China's internal security, as these countries border "its westernmost regions [which] are poorly defended and vulnerable to internal dissent and external threats (Scobell et al., 2014)." Beijing wants to ensure stability at home by countering Uighur separatism in Xinjiang (Niquet, 2006), minimize the potential for terrorism from Afghanistan to spill across its borders, and project influence without antagonizing Moscow (Chen, 2015). To this end, Chinese leaders aim to create common cause with Central Asian states via the Shanghai Cooperation Organization (SCO) such that "common economic and political interests trump the terrorist-separatist challenge" and check the influence of outside powers (Scobell et al., 2014).¹²³

In this chapter, we examine how Beijing deploys its public diplomacy toolkit and the response from foreign leaders and publics in two Central Asian countries: Kazakhstan and Uzbekistan. Through two case studies, we synthesize the impressions of 64 government officials, private sector leaders, journalists, civil society representatives, academics, and foreign diplomats from 41 organizations and agencies in Kazakhstan and Uzbekistan.¹²⁴

By the numbers: Central Asia

\$54.56B

Financial Diplomacy

722

Government Visits

37

Confucius Institutes & Classrooms

30

Briefings & Interviews

53

Sister City Agreements

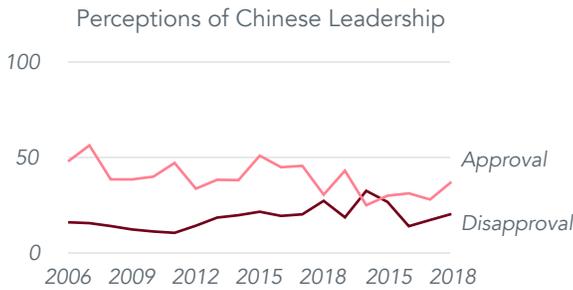
125

Military Visits, Exercises, & Port Calls

5,085

Scholarships

4.1 Securing the buckle: Winning friends in Kazakhstan is critical to Beijing’s westward march



Source: Gallup World Poll

\$32.87B Financial Diplomacy	253 Government Visits
6 Confucius Institutes & Classrooms	13 Briefings & Interviews
41 Military Visits, Exercises, & Port Calls	18 Sister City Agreements
	1,740 Scholarships

Access to trade routes, energy resources, and a stable partner for developing Beijing restive western region are top-of-mind when Beijing engages Kazakhstan. The “buckle” in Beijing’s ambitions to connect east and west, two of six proposed BRI economic corridors pass through Kazakhstan’s borders (ETHZurich, 2019).¹²⁵ Endowed with sizeable uranium, natural gas, and oil reserves (Sawe, 2019), Kazakhstan is an attractive trading partner for China, the world’s largest energy consumer (IER, 2015). Beijing also views Kazakhstan as vital to develop China’s western region¹²⁶ and curb terrorism, separatism, and religious extremism by virtue of a shared border and long-standing trade ties.¹²⁷ At a geostrategic level, Beijing also recognizes the advantage of courting Central Asia’s de-facto regional leader¹²⁸ as a means to break Russian dominance.

4.1.1 Uncertainty regarding Beijing’s motives in Kazakhstan perpetuates distrust, particularly among older Kazakhs, but the younger generation is more open

The Kazakh public is generally skeptical of Beijing, driven by a mix of fears—from the abstract threat of economic domination and annexation to proximate concerns regarding a potential influx of Chinese migrants or loss of arable land—as opposed to any singular issue. As one interviewee explained, Kazakh people see two faces of Beijing in Kazakhstan: the aggressive *dragon* deeply ingrained in the Kazakh psyche from the time of the Sino-Soviet split of the 1950s and the friendly *panda* synonymous with China’s “Going Out” policy since the early 2000s.

While China is only the fourth largest investor in terms of FDI in Kazakhstan (Altynsarina, 2019), it is still viewed among the public as an expanding power, according to one interviewee. Since 2015, Beijing has “funded and implemented 15 FDI projects worth \$3.9 billion... approximately 6 percent of the total FDI projects implemented in the country since 2010” with a particular emphasis on engineering, chemicals, alternative energy, and agribusiness (Zhussopova, 2019).

Older Kazakhs reportedly have a “Cold War era mentality,” deeply treasure strong cultural and linguistic ties with Russia, and are heavily influenced by Russian propaganda, according to interviewees. Younger generations, who came of age after Kazakhstan’s independence in 1991, have a more neutral view of Beijing. While this group is pragmatic and receptive to the economic opportunities China offers, they, too, tread cautiously. Kazakhs’ lack of certainty regarding Beijing’s true intentions is likely exacerbated by their lack of familiarity with Chinese culture and historical distrust of Chinese investors and migrants, as well as dissatisfaction with Beijing’s treatment of ethnic Kazakhs, Uighurs, and other Muslim minorities (Sadovskaya, 2015).

Kazakhs have raised concerns regarding Chinese investors buying up large tracts of arable land in the country. As a case in point, protests arose in 2016 when the Kazakh government proposed an amendment to increase the lease on agricultural land to foreigners from 10 to 25 years (Pannier, 2017; BBC, 2016).¹²⁹ A second round of protests was triggered in 2019 following the government’s decision to allow Beijing to open 35 factories in Kazakhstan (Reuters, 2019; Goble, 2019). Interviewees reported that physical fights between Chinese and Kazakh workers on construction sites, along with Beijing’s “re-education camps” in the Xinjiang autonomous region, have negatively influenced people’s perceptions of China.¹³⁰

Nonetheless, interviewees described attitudes towards Beijing as changing for the better. Kazakhstan is “hungry for investments” and many Kazakhs recognize that a symbiotic partnership with China will be a boon to the country’s construction, financial, and consumer electronics sectors. Chinese electronics manufacturers (e.g., Huawei, Hukvision, Xiaomi) and retail banks (e.g., Altyn) are offering Kazakh consumers quality goods and services that are increasingly popular and debunk previous negative connotations associated with Chinese brands. For some Kazakhs, particularly those who have studied in China, Chinese firms are seen as providing lucrative employment prospects. One interviewee argued that regions bordering China may think more positively of Beijing due to higher levels of bilateral trade.

4.1.2 Kazakh leaders view Beijing as an economic partner to provide political leverage but it is unlikely to displace Moscow as Kazakhstan’s main security partner

Historically, Russia has been the most influential foreign player in Kazakhstan. The two countries share deep linguistic, cultural, and political ties, along with being founding members of the Eurasian Economic Union. However, Kazakhstan is protective of its sovereignty and, following its independence from the USSR, President Nursultan Nazarbayev sought to grow relations with the United States, the European Union, and Beijing as a counterbalance to Russian hegemony. The former president coined the term “multi-vector foreign policy” to describe Kazakhstan’s approach to balancing relationships with China, Russia, and others (Clarke, 2015). He also issued a strong rebuke of Russian President Vladimir Putin’s comments at a 2014 meeting which were seen as dismissive of Kazakhstan’s sovereignty and provoked a public outcry (Najibullah, 2014).

Beijing has seized the opportunity afforded by Kazakhstan’s fraught relationship with Russia to insert itself as a desirable economic partner to help Kazakh leaders gain political leverage with Moscow. Notably, Chinese President Xi Jinping publicly announced BRI for the first time in Kazakhstan (China MoFA, 2013). These overtures have been well received, according to interviewees, as Kazakh political leaders are keen to cash in on Beijing’s economic largesse to develop Kazakhstan’s domestic infrastructure, diversify dependence on oil exports through investments in alternative energy (e.g., wind, hydropower, hydrocarbons), and position the country as a Central Asian trade and transit hub.

Beijing’s inroads with Kazakh leaders may give it a seat at the table but will not necessarily displace Russia from it. As one interviewee explained, “Russia is the gun, China is the bank.” Beijing may become Kazakhstan’s preferred economic partner, but Russia will likely remain the dominant provider of security for the Central Asia region. Sino-Kazakh relations have benefited from a

strong champion in former President Nazarbayev and his successor, President Kassym-Jomart Tokayev, has vowed to continue Kazakhstan’s multi-vector foreign policy (Astana Times, 2019)¹³¹ and stated his ambition to pursue cooperation with China in the ICT and agriculture sectors during his September 2019 state visit to Beijing (Shayakhmetova, 2019).

4.1.3 Investments in energy and strong ties with Kazakh political elites form the backbone of Beijing’s public diplomacy overtures in Kazakhstan.

Kazakhstan receives the greatest volume and diversity of Beijing’s public diplomacy activities out of the 12 SCA countries we examined (see Chapter 2). Yet, it is China’s financial diplomacy that looms largest in the minds of Kazakhs on the ground. Worth an estimated US\$32.9 billion between 2000 and 2017 (26.1 percent of the overall flows to the SCA region), Beijing’s financial diplomacy to Kazakhstan was exclusively in infrastructure.¹³² Many of these investments take the form of joint development projects, such as the Port of Lianyungang, the dry port of Khorgos at the Kazakhstan-China border, the Aktau port on the Caspian Sea, and a railway line that is part of the Ashgabat Agreement. In addition, the two countries agreed in 2018 to jointly develop 51 new industrial projects worth almost US\$28 billion across the oil and gas, energy, chemicals, mining, metallurgy, agriculture, and machine-building sectors.

Interviewees explained that Kazakhs welcome Chinese investments as a means to diversify away from dependence on Russia and benefit from Chinese technical expertise in alternative energy. Indeed, Kazakhstan is in a strong negotiating position to maximize the benefits of this collaboration. In contrast to other BRI countries, Kazakhstan’s rapid economic growth post-independence, fueled by crude oil exploration, means that the country has more investable domestic resources at its disposal. As such, the primary form of economic engagement with Beijing are projects that are jointly developed, rather than solely funded by the Chinese government.

Beijing’s overtures to cultivate good relations with Kazakh political elites—through high-level state visits and memorandums of understanding—were perceived by interviewees to be largely successful. There were 238 recorded political visits between Chinese and Kazakh leaders between 2000 and 2017 (China Foreign Affairs Yearbooks, 2000-2017) and 41 instances of military-to-military diplomacy through 2016, including 15 military exercises and 26 visits between senior military leaders (INSS, n.d.). Interviewees emphasized that the Kazakh government views promoting close economic ties with Beijing as a means to realize Kazakhstan’s ambitions of becoming a Eurasian transport and logistics hub. Soon after BRI was announced, the Kazakh government sought to coordinate Nurlı Zhol, a domestic infrastructure

development program which emphasizes connectivity between east and west Kazakhstan, with the BRI.

Kazakhstan has attracted a greater share of Beijing's public diplomacy overtures oriented towards the general public than one might anticipate in light of the country's constraints on citizen voice and participation in decision-making. Why does Beijing expend such effort to win over the Kazakh people? It is because their support is critical to the stability of China's western region and the desire of Chinese leaders to curb Uighur separatism.

Confucius Institutes are an important cornerstone of Beijing's public diplomacy in Kazakhstan, and the country hosts five CIs opened between 2007 and 2017, the largest number in Central Asia.¹³³ These CIs provide language courses, organize cultural galas, facilitate study abroad opportunities in China, and arrange campus visits to Chinese universities which project a positive image of China for Kazakhs of all ages. CIs in Kazakhstan were well-regarded by interviewees, who mentioned that they had positioned China as an increasingly attractive study abroad destination.

China is now second only to Russia as an international educational destination for students from Kazakhstan (Farchy, 2016), having grown exponentially from 200 students in 2002 to over 14,000 in 2017 (China Foreign Affairs Yearbooks, 2002 to 2017). The popularity of Chinese study abroad opportunities has been further aided by the fact that Kazakh students are able to take advantage of student loans from the Chinese government to finance their education and that Chinese diplomas are increasingly being seen as superior to local diplomas in the Kazakh job market (Kaukenova, 2017).¹³⁴ Meanwhile, the Chinese government also announced 1,740 scholarships for Kazakh students between 2010 and 2018 to further subsidize their pursuit of education opportunities (website of Chinese Embassy in Kazakhstan).

Beijing's informational diplomacy in Kazakhstan has limited reach, according to interviewees, on account of deep linguistic, cultural, and ideological divides between China and Kazakhstan.¹³⁵ Xinhua and CCTV set up operations in Kazakhstan in 2013, but interviewees mentioned that consumption of programming from these outlets has been low as they are viewed as channels of Chinese state messaging, which makes them unattractive to the public writ large. Beijing has cultivated relationships with Kazakh media in an effort to further amplify its messages. For example, Beijing facilitated 15 journalist exchange visits (2004-17), including 9 for journalists from the Central Asia region as a whole. The Chinese Ambassador published 17 op-eds with local news outlets (2011-2017), and senior officials gave a combined 13 interviews and briefings for local media (2002-2017).

The Kazakh public's disregard for official Chinese state media organs should not be taken as disinterest in Chinese mass media personalities more generally. For example, Chinese television shows and film stars like Jackie Chan have been widely and favorably covered by Kazakh media. Many interviewees noted that Kazakh singer Dimash Kudaibergen's success in Chinese TV musical programs such as Hunan TV's *I Am A Singer* and the *One Belt One Road Concert* has put a helpful human face on BRI in Kazakhstan. Hunan TV subsequently named Kudaibergen "a bridge for Kazakh-Chinese cultural communication" and Jackie Chan's meeting with President Nazarbayev in Beijing in early 2019 was covered widely by Kazakh media along with the presidential press service (TellerReport, 2019).

Nonetheless, the general perception of most interviewees was that Beijing's people-to-people diplomacy in Kazakhstan pales in comparison to the effort it expends to cultivate favorable relations with political elites. Interviewees frequently talked about Kazakh influencers being invited by CIs or the Chinese embassy to visit China, including visits to national landmarks, history museums, and presentations on the Chinese model of economic development. The success of these tours in changing perceptions of China is unclear, and likely limited to moderately favorable articles written upon their return to Kazakhstan. Strikingly, interviewees felt that the visa and duty free shopping center in Khorgos, jointly developed by China and Kazakhstan, was a much more effective way to "unite people" from the two countries.¹³⁶

4.1.4 Beijing's public diplomacy has succeeded in shoring up support among political elites but has fallen short of winning the hearts and minds of the average Kazakh

Buoyed by high levels of support from within Kazakhstan's political leadership, Beijing's investments in key strategic sectors¹³⁷ have surged in recent years, particularly in energy and transportation. For example, Chinese firms control nearly a quarter of Kazakhstan's oil production (Wilson, 2016). Such a departure from economic nationalism would have been unheard of in the post-Soviet state just two decades ago. Moreover, China has now leapfrogged Russia as Kazakhstan's preferred trading partner and accounts for 16 percent of total trade (Vakulchuk and Overland, 2019).

This softening towards China among political elites has affected their behavior in other ways beyond pure economics. Kazakh authorities—in response to anti-China social media campaigns by sinophobic nationalist groups, which were used to galvanize protests against amendments to land tenure legislation in 2016—set up an information ministry to control the spread of disinformation, particularly that which is related to Beijing. Interviewees also used the example of the Kazakh leadership's unwillingness to take a

strong stand on issues in Xinjiang as another indication of the government’s accommodating stance on China.

The Kazakh people have been less receptive than their leaders to Beijing’s overtures. The public welcomes Beijing’s economic engagement in their country, in principle, and President Xi’s popularity in Kazakhstan reportedly soared after he announced BRI in Astana in 2013. But interviewees noted that limited transparency, slow implementation, and constrained local participation were several points of friction for Kazakhs when it comes to Chinese investment projects. Other interviewees raised popular concerns regarding intermarriage between Chinese migrant workers and local Kazakh women.

Beijing’s public diplomacy has succeeded in shoring up the support of Kazakhstan’s political elites but has fallen short of its aspirations to strengthen ties with the average Kazakh. Interviewees attributed this disconnect to “a fundamental misunderstanding of Kazakhstan in China,” arguing that Beijing fails to anticipate and respond when decisions taken by political elites are seen by the public as benefiting Beijing at the expense of Kazakh people. The land tenure protests of 2016 are a poignant example of this political miscalculation. Several interviewees also noted that many Kazakhs have flawed impressions of Beijing simply due to the absence of better information and felt that local studies on China and its geostrategic ambitions were underdeveloped.

4.2

Maintaining the “golden middle”: Tashkent carefully balances Beijing with other foreign powers



Source: Gallup World Poll

\$6.52B Financial Diplomacy	143 Government Visits	
2 Confucius Institutes & Classrooms	4 Briefings & Interviews	6 Sister City Agreements
16 Military Visits, Exercises, & Port Calls	1,000 Scholarships	

Uzbekistan is geopolitically central to Beijing’s bid to reach Europe via Central Asia, as well as its efforts to counter terrorism, separatism, and religious extremism that threaten its domestic stability (Chinese MoFA, 2013). Beijing views promoting regional connectivity as paving the way for an alternative rail route for Chinese goods to reach lucrative European markets without relying on Russia (Wilson, 2019).¹³⁸ Home to the region’s largest military, Uzbekistan is an important ally for Beijing to protect its BRI investments from spillover instability in Afghanistan and curb the spread of radical Islam that may incite further unrest in Xinjiang (Stein, 2012; CSS, 2018).¹³⁹ Moreover, President Shavkat Mirziyoyev’s economic liberalization policies (Lemon, 2018; Voices on Central Asia, 2017; Bhutia, 2019) have created a window of opportunity for Beijing to reduce its dependence on Russian energy supplies and put its foreign currency reserves to productive use. However, to exploit these opportunities, Beijing must overcome the public relations challenge of lingering Sinophobia (Peyrouse, 2016; Stronski, 2018).

4.2.1 The transition from Karimov's distant "smile diplomacy" to Mirziyoyev's economic liberalization has opened the door to foreign investment and Beijing is positioning itself to get a seat at the table

With its foreign relations dictated by, and routed through, Russia for decades, Uzbekistan emerged from Soviet occupation in 1991 intent on safeguarding its independence. President Islam Karimov wanted to increase Central Asia's collective bargaining power while holding foreign powers at a distance, and Beijing was no exception (Wilson, 2019).¹⁴⁰ Karimov's Uzbekistan was characterized by interviewees as "isolationist" and skeptical of alliances that would diminish its "strategic assets:" it was the last Central Asian country to join the SCO¹⁴¹ and left the Russia-led Collective Security Treaty Organization to limit its risk of being "at the bidding of Moscow" (Stratfor, 2012).¹⁴²

Beijing began expanding its investments in Uzbekistan after 2009 (Paramonov, 2014), just as many Western countries were turning inward in response to the 2008 global financial crisis. By 2014, China had become Uzbekistan's number one trading partner, surpassing Russia and Kazakhstan (Madiyev, 2017). Nonetheless, Karimov reportedly prevented Chinese businesses from entering into Uzbekistan's sensitive sectors and took a neutral position on BRI—he saw the benefits of being able to transport goods and people more quickly and cheaply but wanted to avoid dependence on Beijing. A former administration official described the former president's practice of "smile diplomacy" as Karimov's attempt to not commit to concrete cooperation,¹⁴³ though both governments practiced reciprocal non-interference in each other's affairs.

The 2016 election of President Shavkat Mirziyoyev kickstarted a new era in Beijing's relations with Uzbekistan. Credited with ushering in reforms to reduce inflation, increase liberalization,¹⁴⁴ and hasten privatization,¹⁴⁵ the Mirziyoyev government opened the doors to investment from both its immediate neighbors and more distant foreign powers (Lemon, 2018; Voices on Central Asia, 2017; Bhutia, 2019). Beijing has capitalized on this opportunity to become Uzbekistan's largest bilateral creditor.¹⁴⁶ Meanwhile, President Mirziyoyev signed agreements worth US\$20 billion with President Xi during his 2017 state visit to China (Pannier, 2017).

Tashkent's willingness to offer seven-day visa free travel for Chinese citizens to visit Uzbekistan beginning in 2020 is a further sign of warming relations (Tashkent Times, 2019). Beijing and Tashkent also see largely eye to eye on their mutual interest in bolstering regional connectivity and integration across Central Asia (Wilson, 2019). Mirziyoyev has increasingly positioned Uzbekistan to take a regional leadership role with an emphasis on connectivity.¹⁴⁷ This positions Tashkent as a natural ally for Beijing to advance its BRI ambitions

(Hashimova, 2019; Wilson, 2019; Embassy of Uzbekistan in New Delhi, 2018).¹⁴⁸

Nonetheless, the Mirziyoyev government was described by interviewees as maintaining a "balanced" and "diversified" portfolio of partners where China is "one of many stakeholders."¹⁴⁹ Summing up their strategy, one administration official said: "[Uzbekistan is creating] a level playing field for investment and if China is better, faster, and cheaper [than the alternatives] all the better for them."¹⁵⁰

Uzbek officials have good reason to feel confident in negotiating with their Chinese counterparts. Uzbekistan's total external debt was a modest 33.7 percent of GDP, as of 2018, of which 19.8 percent is external public debt (GlobalCapital.com, 2019). International finance institutions (IFIs) have been ready suppliers of concessional lending with low-interest rates.¹⁵¹ As one official noted, Uzbekistan's sale of US\$1 billion in Eurobonds (Wilson, 2019) "was strategic because it gives [us] leverage by diversifying sources of funding. We didn't do it because we needed the money, but we wanted better terms."

4.2.2 Uzbeks respect China's "economic miracle" but are wary of Beijing's geopolitical designs

China is a black box for the average Uzbek, according to most interviewees. There is no traditional Uighur diaspora community in Uzbekistan, as there is in Tajikistan and Kyrgyzstan, and Chinese businesspeople and workers are recent arrivals. Interviewees described older Uzbeks as more skeptical and still influenced by Cold War memories of clashes between Chinese and Soviet forces, such as territorial disputes over Damansky (or Zhenbao) Island and the Amur River (Stratfor, 2016), as well as Beijing's support for the Mujahidin during the Soviet-Afghan war. Younger Uzbeks are reportedly more open to Beijing, who they view as bringing investment to Uzbekistan and providing "modern education opportunities" for Uzbek students.

Uzbeks appreciate that Beijing has never tried to "colonize" Uzbekistan as Russia did, but there is lingering distrust over its policies towards the Uighurs¹⁵² and wariness of its geopolitical aspirations for regional influence in Central Asia. One interviewee argued that Uzbeks' suspicions of Beijing's geopolitical agenda began with Beijing's advocating for the formation of the SCO and were confirmed with the advent of the "more ambitious" BRI. Several interviewees further surmised that BRI appeared to be a workaround for Beijing to fulfill its aspirations that had been roadblocked in the SCO context by Russia. One interviewee summarized the SCO and BRI as elements of the same global strategy—"a chain of strategic evolution."

Most Uzbeks form their impressions of China through exposure to consumer goods: as Chinese products in

Uzbekistan have increased in quality over the years, so too have attitudes become more favorable. Uzbeks were unimpressed with Beijing treatment of Uzbekistan as “a dumping ground” for “cheap, poor-quality products” immediately following its independence from the Soviet Union. Absent deeper people-to-people ties,¹⁵³ the average Uzbek thought of China as a backward country in the recent past. Interviewees noted that perceived improvements in the quality of consumer goods available in Uzbekistan, along with the Chinese government’s decision to grant visas to Uzbeks which allowed them to observe the “Chinese economic miracle” firsthand, have influenced popular attitudes for the better.

Despite growing economic and diplomatic engagement between the two countries, interviewees characterized the average Uzbek’s view of China as decidedly “other,” “an exotic country we are only starting to get to know,” and “an economic powerhouse...that is culturally impenetrable.” This perceived cultural distance may not matter much, as interviewees observed that the Uzbek public’s relationship with China is “practical” and not sentimental: “it is about economic opportunities for regular people...who are just trying to get by and get more money.”

4.2.3 Beijing emphasizes economic ties and eyes Uzbek youth as critical to its long-term influence

Interviewees broadly agreed on Beijing’s objectives vis-à-vis Uzbekistan, but sharply diverged on whether and how Chinese leaders deployed a systematic public diplomacy strategy. Some interviewees argued that there were only ad hoc grand gestures that lacked follow-through. Other interviewees countered that Beijing conducted low-profile overtures to avoid triggering anti-China sentiment, reassure the public about its motives, and avoid antagonizing Russia. Finally, a third group asserted that Beijing prioritized cultivating key demographics such as Uzbek youth with Mandarin language learning and scholarship opportunities in the hope that these individuals would become “intermediaries between China and Uzbekistan.”

Beijing does indeed view Uzbek youth as an important target audience. Several interviewees cited billboard advertisements and TV commercials encouraging Uzbek youth to study in China. The number of Uzbek students in China increased from 74 in 2002 to more than 4,000 by 2017 (China Foreign Affairs Yearbooks, 2002-2017). A growing number of Uzbek students also received Chinese government-backed scholarships to subsidize their studies.¹⁵⁴ For example, the Chinese government announced 1000 such scholarships for Uzbek youth in the 2010 to 2018 period alone (website of Chinese Embassy in Uzbekistan). However, interviewees noted that even non-scholarship students may still choose to study in China in order to study in

English at an affordable price, get a recognized degree internationally, and later work for a Chinese company.

The Chinese government, think tanks, and universities have brokered other forms of collaboration with their Uzbek counterparts. For example, Uzbek scholars and university administrators reported that Beijing funds their colleagues to attend conferences in China, produce co-authored publications, and attend training and certification courses. Beijing also sends representatives to attend conferences held by Uzbek think tanks and universities. Moreover, Chinese companies like Huawei and ZTE have supported conferences and training programs, as well as ICT training labs for Uzbek students. These activities serve as advertisements for the sponsoring country in that they build positive bilateral relations but also serve as a demand-creation mechanism for Chinese technology. Beijing also sponsors a few Chinese students to study the Uzbek or Russian language at universities in Uzbekistan.

Uzbekistan is home to two Confucius Institutes, Beijing’s signature collaboration with academia around the world. The CI at Tashkent State Institute of Oriental Studies was the first in Central Asia and Beijing opened a second CI in 2011 at Samarkand State University of Foreign Languages. The popularity of Uzbekistan’s CIs does not appear to be limited to university students. For example, in 2018, there were more than 800 participants in the Tashkent State CI learning Mandarin and ranging in age from 7 to 70 years old (Hanban, 2018). Interviewees said that there was demand among other Uzbek universities to host CIs in light of growing student interest to learn Mandarin; however, the Uzbek and Chinese governments have restricted the number to two.¹⁵⁵

Nonetheless, Beijing has supplied financial or material support (e.g., textbooks, furniture, equipment, volunteer teachers) for other universities to open up Chinese language faculties and cultural centers.¹⁵⁶ The Chinese embassy has also placed volunteer teachers in Uzbek primary and secondary schools to help satiate a learning Chinese boom. One interviewee observed that such “grand gestures” were not limited to Mandarin language instruction, as the Chinese government has historically donated computer equipment to local schools and universities. For example, we confirmed that China Exim Bank loaned Uzbekistan US\$19 million to purchase computer class equipment for 1900 basic educational schools in 2007, China Development Bank loaned another US\$10 million to help Uzbek schools join an e-education network in 2012, and the Chinese embassy donated computer equipment to the University of World Economy and Diplomacy in 2016.¹⁵⁷

To further project a positive image of China with the Uzbek public, the Chinese embassy hosts concerts, dance exhibitions, competitions, and other cultural events. Between 2000 and 2017, there were 11 such cultural events recorded, along with four friendship

years (China Foreign Affairs Yearbooks, 2000-2017). Beijing subsidizes translation of Chinese movies and documentaries for an Uzbek audience and the SCO opened a public diplomacy center in Tashkent at the request of President Mirziyoyev. The Chinese Academy of Sciences has partnered with Uzbek museums to trace historical Chinese influence and cultural ties with Uzbekistan. Meanwhile, Beijing has also showcased interest in Uzbek culture and language: two Chinese universities have created Uzbek language learning groups and China participated in one of the largest music festivals in Central Asia organized by the Samarkand government.

In the realm of informational diplomacy, Uzbek journalists reported that China's Ministry of Foreign Affairs and the Chinese embassy in Tashkent, among other institutions, had organized media tours for their colleagues to visit China. There were 13 such journalist exchanges recorded between 2004 and 2017, including 9 for journalists from the Central Asia region as a whole (China Foreign Affairs Yearbooks, 2004-2017). Journalists reported that they were treated warmly during these media tours, returned home viewing Beijing more positively, and received no pressure from their hosts to write on certain topics. However, interviewees noted that language barriers with their Chinese counterparts inhibited their ability to interview local people or read news reports and that relations between Russian and Uzbek media were stronger by default. Interviewees also noted that media tours were mostly in the Eastern region of China, and there were few opportunities to visit Xinjiang.

Beijing also fosters media partnerships, including one between China's Shandong Journalist Association and its counterpart in Uzbekistan's Fergana Valley. Chinese and Uzbek media have jointly produced content such as documentary films on Uzbek handicrafts, Uzbek horses, and the Confucius Institutes. One interviewee reported that his local association plans to organize media trainings for journalists in China. There is a Chinese broadcasting presence in Uzbekistan—Xinhua, People's Daily, and Economic Daily all have representation in the country and CCTV is planning to open a representative office in Tashkent. However, interviewees reported that they were not well known among the Uzbek public. Chinese leaders' engagement with local Uzbek media has been relatively modest, with only three interviews, one briefing, and five op-eds recorded between 2002 and 2017 (China Foreign Affairs Yearbooks, 2002-2017).

For most Uzbeks, China is synonymous with economic power: cheap goods, tourism flows, commercial ties, and financial investments. Beijing committed US\$6.52 billion in financial diplomacy to Uzbekistan between 2000 and 2017—almost the entirety of those investments were in infrastructure (99.9 percent).¹⁵⁸ The most publicly visible of these investments, in the eyes of interviewees, were the construction of the Qamchiq (or Kamchik) tunnel in the Angren Pap railway

completed in 2016¹⁵⁹ and the Uzbekistan section (Line C) of the Central Asia-China gas pipeline in 2011. However, Beijing has also invested heavily in the energy sector (e.g., hydropower, gas, oil, thermal), which may be less readily visible to the public.

Chinese firms were said to have been quite successful in winning government procurement bids and squeezing out foreign competitors, especially as they were bankrolled by Chinese banks and came with money in hand. Interviewees also highlighted Beijing's involvement in "smart city initiatives" in Tashkent, Samarkand, and Giza. The Chinese government is not the only foreign investor, but some interviewees were concerned about the involvement of Chinese firms, due to the dual use nature of surveillance and facial recognition technology that can just as easily be used to surveil Uzbeks as to make cities safer.

Beijing has bolstered economic ties with Uzbekistan in several other ways. Uzbek businesspeople visit China, participate in trade fairs, and use apps to connect to Alibaba's Taobao online platforms to source and ship goods to Uzbekistan. Chinese entrepreneurs are increasingly common in Uzbekistan as the country's investment climate has improved as a result of President Mirziyoyev's liberalization policies. An estimated 73 Chinese firms have established representative offices in Uzbekistan and there were 786 China-Uzbek joint ventures as of 2017 (MFA, 2019).

Even as they experiment with various ways to reach the Uzbek public, Chinese leaders recognize that Uzbekistan's foreign policy is highly centralized, with many decisions made by directly by the President or his senior officials.¹⁶⁰ As such, Chinese leaders have invested in cultivating close personal relationships with their Uzbek counterparts. Interviewees noted an uptick in reciprocal state visits—from once every five years to two to three times a year. Between 2000 and 2017, there were 136 political visits and 14 military visits recorded (China Foreign Affairs Yearbooks, 2000-2017). However, Beijing's overtures are not limited to senior officials and also include line ministry bureaucrats. The Chinese government also provides scholarships for civil servants for master's programs or short-term courses at Chinese universities, as well as hosting exchanges for officials to visit China.¹⁶¹

4.2.4 Beijing may be best positioned to reap influence gains if Moscow's soft power wanes

Russia and Uzbekistan have long-standing historical, cultural, and economic ties which bind their populations together. As one interviewee observed, "70 years of Soviet rule doesn't just disappear [overnight]".¹⁶² There are ample people-to-people ties even today: Russia is the number one destination for Uzbek students to pursue higher education; Uzbek migrant workers benefit from Russia's relaxed visa regime to send remittances that benefit an estimated 3.4 million families; and Russian is the most common

second language for Uzbeks.¹⁶³ Nonetheless, some interviewees argued that Russia was primarily focused on maintaining “the status quo” as opposed to investing heavily in new public diplomacy overtures.¹⁶⁴

Older people are likely to speak both Uzbek and Russian, but the younger generation is interested in learning Mandarin or English.¹⁶⁵ In response to this demand, an estimated 20 kindergartens in Tashkent teach Mandarin, while 16 private schools offer Chinese studies. A university administrator recognized that this will impact study abroad patterns, as “language is an important element of how you choose your education.” Other interviewees argued that China will surpass Russia as a preferred study abroad destination in future because young people see it as opening the door to more economic opportunities. While Beijing’s treatment of the Uighur minority has not helped perceptions of China, this has not seemed to deter prospective Uzbek students from seeking out study abroad opportunities in China.

Uzbeks were enthusiastic about Beijing’s contribution to the local economy, such as the prospect of jobs for a growing youth labor force and support in transitioning from state-led to market-based development. Chinese government involvement in large-scale construction projects has not been without controversy, however, and some interviewees cited concerns such as mass evictions in Tashkent’s Eski Shahar (Old City) to make way for the new Tashkent City development (Lillis, 2017) and the bulldozing of large swaths of the UNESCO heritage city of Shahrisabz (Synovitz, 2017). However, these cases may have less to do with the Chinese government than with corruption among municipal officials (Bennetts, 2019) and the drawbacks of a centralized vision to modernize Uzbekistan.

Uzbek officials view Chinese firms as quick, cheap, and technologically advanced, though not always environmentally friendly.¹⁶⁶ IFIs may give better lending terms, but officials acknowledged that working with the Chinese government has a major upside: Beijing can commit comparatively larger dollar amounts and without the typical governance conditionalities favored by multilaterals. Beijing also gained favor with political elites for the efficient completion of the Qamchiq railway tunnel financed by China Exim Bank,¹⁶⁷ willingness to use local labor, and compensating villagers affected by the construction. That said, interviewees credited the Uzbek government for restricting the discretion of Chinese firms in the number and quality of foreign nationals they could hire.

Observers, meanwhile, noted that Uzbek officials have demonstrated a quiet admiration for the “China model of development” and that Tashkent’s modernization drive draws inspiration from “China’s playbook from the

1990s.” Several interviewees also credited Beijing with bringing the region’s leaders together to complete the Chinese government-financed Central Asia gas pipeline efficiently and quickly—a feat that would not have been possible without Beijing’s involvement. Nonetheless, Uzbek political and academic elites are wary of becoming indebted to Beijing and seek to avoid the negative ramifications of ill-conceived BRI projects that overwhelmed the economies of Turkmenistan and Kyrgyzstan and triggered protests in Kazakhstan.

At the end of the day, the view from Uzbekistan appears to be one of wait and watch: citizens and leaders alike want to harness as much of China’s economic firepower as possible to fuel the local economy and advance Uzbekistan’s interests. In return for this capital infusion, Uzbekistan is willing to publicly support the One China policy, constrain media criticism of Beijing’s handling of the Uighur minority in Xinjiang, and act as a regional ally for Chinese leaders to achieve their goals related to regional connectivity and promoting stability in Central Asia.

4.3

Concluding thoughts

In this chapter, we examined how Beijing deploys its public diplomacy toolkit in the context of two Central Asian countries, and the ways in which public, private, and civil society leaders perceive these overtures. The views on the ground in Kazakhstan and Uzbekistan give rise to several cross-cutting insights about how Beijing determines which public diplomacy tools to use and at what level in different countries.

Beijing’s “charm offensive” (Kurlantzick, 2007) has had relatively more success with Central Asian leaders than the general public in Kazakhstan and Uzbekistan. Leaders in Kazakhstan and Uzbekistan view partnering with Beijing as a means to help them gain space politically and financially to counterbalance Russia’s historical dominance over their foreign and domestic policies. However, similar to what we observed in South Asia, Beijing’s inroads with ordinary citizens in Central Asia are superficial at best.

Now that we have heard from the perceptions of leaders and citizens on the ground across four South Asian countries (Chapter 3) and two Central Asian countries (Chapter 4), we put some of these insights about Beijing’s public diplomacy efforts to an empirical test in the next chapter. We use a series of econometric models to isolate the drivers of Beijing’s public diplomacy allocations, as well as the relationship between these overtures and proxy measures for its desired ends: reputational gains, foreign policy concessions, and economic advantages.

¹²³ China worked with Central Asian states and Russia as part of the Shanghai Five Group to resolve border questions in the late 1990s following the collapse of the Soviet Union. The Shanghai Five Group was created in 1996 with China, Tajikistan, Kyrgyzstan, Kazakhstan and Russia. In 2001, when Uzbekistan joined, the group was renamed the Shanghai Cooperation Organization (SCO), and it now operates as a multilateral organization to facilitate economic and security cooperation in Central Asia that “aims to curtail the development of the so-called three evils: ethnic separatism, religious extremism, and terrorism” (Chen, 2014; Boland, 2011). One interviewee observed that it is equally important for Central Asian states to participate in the SCO as part of their own efforts to balance relations with Russia and China.

¹²⁴ These interviews were conducted by faculty and staff from AidData at William & Mary. These include interviews with 35 individuals from 18 organizations and agencies in Kazakhstan and 29 individuals from 23 organizations and agencies in Uzbekistan. The Appendix provides an overview of how the countries and interviewees were selected, the full interview guide, and a breakdown of interviewees by stakeholder group and country. This research is approved by the Protection of Human Subjects Committee (PHSC) of William & Mary under protocol PHSC-2019-03-06-13489-sjcuster titled Study on Chinese Public Diplomacy in South and Central Asia.

¹²⁵ The two corridors are the New Eurasian Land Bridge (NELB) and the China-Central Asia-West Asia Economic Corridor (CCWAEC).

¹²⁶ Over-reliant on primary industries, the western region has lower living standards compared to eastern China, and there exists a general feeling of being “left out” of the eastern region’s success story. Over the last two decades, this extreme inequality has manifested in protests, the rise of separatist groups, high crime rates, and frequent demands for social and political rights.

¹²⁷ Most of western China’s exports flow through its Central Asian neighbors. Particularly noteworthy here is that Xinjiang, China’s largest administrative unit, relies on its Central Asian neighbors for over half of its foreign trade.

¹²⁸ Kazakhstan leads in Central Asia with the highest regional rank in the World Bank’s Doing Business index, 60 percent of the regional GDP, and a landmass that is bigger than the other four Central Asian states put together (Yergaliyeva, 2019).

¹²⁹ These protests were unique for a few reasons. Kazakhstan is a country where dissent is not tolerated, especially in regard to state policies. Furthermore, even though the proposed amendments to land tenure were not meant to benefit Chinese investors exclusively, the public made an implicit connection to Beijing, contributing to a worsening of China’s image.

¹³⁰ There is broad public dissatisfaction among Kazakh society that their government has not taken a stronger position to curb China’s targeted oppression of Kazakh co-ethnics.

¹³¹ President Tokayev only assumed office in March 2019 and interviewees indicated that he appears to be highly deferential to the former president’s vision for the country, stating publicly that he will “follow the path charted by Nazarbayev.” Nazarbayev handpicked Tokayev as his successor and is expected to continue to have major behind-the-scenes influence, given his chairmanship of the ruling Nur Otan party and lifetime status as Chief of the Security Council.

¹³² This data was collected by AidData staff and research assistants using the TUFF methodology.

¹³³ The first CI was established at the Al-Farabi Kazakh National University in 2007 and there are four others in Astana, Almaty, Karaganda, and Aktobe (Hanban, 2018).

¹³⁴ The share of Kazakhs who study using student loans from the Chinese government was 32.7 percent, whereas the share of those receiving student loans from the government of Kazakhstan was only 2.7 percent (Kaukenova, 2017).

¹³⁵ This refers in part to the Sino-Soviet split caused by doctrinal divergences that arose from different interpretations and applications of Marxism–Leninism during the Cold War.

¹³⁶ The five shopping plazas at Khorgos are particularly popular with residents of Almaty and China’s Xinjiang Uighur Autonomous Region (XUAR), who head there to purchase goods produced by either side, often at prices far below city market rates. Some in the region call it the new Dubai. However, it is unclear whether the motivation for building the shopping centers at Khorgos was the desire to foster people to people linkages or simply to create a hub for cross border trade (see Uatkhonov, 2017).

¹³⁷ In 2013, Kazakhstan’s state energy company, KazMunaiGas, agreed to sell an 8.33 percentage stake in the giant Kashagan oil field (the world’s largest oil discovery in five decades) to China National Petroleum Corporation (CNPC). The acquisition was valued at US\$5 billion.

¹³⁸ China is exploring a transport route through Kyrgyzstan, Uzbekistan, and Turkmenistan to Turkey to reduce its reliance on Russia.

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- ¹³⁹ Uzbekistan hosts the Shanghai Cooperation Organization's Regional Anti-Terrorist Structure (CSS, 2018) and China wants to mitigate threats that could impact the China-Pakistan Economic Corridor.
- ¹⁴⁰ Interviewees said that while Karimov was closer to Russia than other foreign powers, he did not want to be used by the Russians and instead tried to balance Russia's interests with those of the other big foreign powers (e.g., China, the US).
- ¹⁴¹ A former Karimov administration official reported that the Uzbeks had requested clauses to be included in the SCO's charter: (i) limiting the SCO's mandate to economic cooperation; (ii) offering membership to the US; and (iii) not committing to the SCO having a single, unified foreign policy position. Russia and China vetoed these demands, but Uzbekistan ultimately joined the SCO regardless.
- ¹⁴² Uzbekistan left the Russia-led security alliance, Collective Security Treaty Organization in 2006 and again permanently in 2012.
- ¹⁴³ Some interviewees observed that Karimov had tried to cultivate closer ties with China early in his tenure—offering a direct flight from Tashkent to Urumqi and an opportunity to pursue a joint venture to manufacture TV sets—but these overtures fell flat.
- ¹⁴⁴ According to one interviewee, the Uzbek government has eliminated 90 percent of unnecessary checks in its bid to streamline private sector regulation and create a friendly investment environment.
- ¹⁴⁵ President Mirziyoyev wants Uzbekistan to reorient from heavy state control of the economy to market-based development, though administration officials reported that some sensitive sectors will likely remain under government control.
- ¹⁴⁶ According to administration officials, only an estimated 21 percent of Uzbekistan's overall public debt is from bilateral creditors and the majority of this is from China (almost half). Most of the bilateral debt to China is related to two infrastructure projects—the Angren Pap railway tunnel and the construction of a gas pipeline—as well as concessional lending to state-owned enterprises.
- ¹⁴⁷ Initiatives include launching a “Zero Problems with Neighbors” policy, reinstating border talks with Kyrgyzstan, allowing visa-free travel with Tajikistan, and advocating for infrastructure projects to reduce the costs of trade for Central Asia to reach other markets.
- ¹⁴⁸ President Mirziyoyev argued in his first address to the Uzbek parliament that “it is necessary to increase the potential of (Uzbekistan) in the field of transport and communication infrastructure within the framework of the One Belt, One Road” (Embassy of Uzbekistan in New Delhi, 2018). The easing of tensions between Kyrgyzstan and Uzbekistan, facilitated by gestures of goodwill from the new Uzbek president, has risen hopes that the three sides will finally reach an agreement on a trans-regional railway.
- ¹⁴⁹ While interviewees largely agreed that the government intended to balance its relations with foreign powers, some were more skeptical about how well this was working in practice. One interviewee lamented “we're doing things too fast with foreign investors...the government should have laws on private investment to ensure that this financing is sustainable and predictable.”
- ¹⁵⁰ Some interviewees said that the government was soft-pedaling Chinese investments, while proactively seeking out investments with other powers to maintain balance. However, administration officials flatly denied this: “we don't have a policy to force or entice China to invest—we leave it to the feasibility studies for people to decide...[but] one thing in favor of China is that they are cheap.”
- ¹⁵¹ Comparatively, the Uzbek government traditionally borrows more from IFIs, such as the Asian Development Bank, the World Bank, and the European Bank of Reconstruction and Development, than it does from bilateral creditors.
- ¹⁵² Interviewees diverged on the extent to which China's treatment of the Uighur people was on the radar of Uzbeks. There has been little discussion of Xinjiang in the local news media. Interviewees floated two explanations for this: the domestic focus of local Uzbek news media and the persistence of self-censorship among Uzbek media wary of agitating the Uzbek government.
- ¹⁵³ During the Soviet era, Uzbekistan was closed to Chinese movies and few Uzbeks were able to visit China.
- ¹⁵⁴ Chinese scholarships often cover not only tuition, but also free accommodation, transport, and a monthly stipend.
- ¹⁵⁵ Interviewees reported that additional Uzbek universities would like to open a Confucius Institute but have been denied.
- ¹⁵⁶ Interviewees cited examples such as: the Chinese Language and Culture Center at the University of World Economics and Diplomacy, and the Chinese Studies Faculty at Tashkent State Institute, Samarkand State University, and Samarkand University for World Languages, among others.
- ¹⁵⁷ More recently, one interviewee reported that the Uzbek Ministry of Education had received US\$30 million from Beijing to purchase computers; however, we were unable to independently verify this.

¹⁵⁸ In addition to these infrastructure investments, Beijing gave Uzbekistan just over US\$1.1 million in humanitarian assistance. This data was collected by AidData staff and research assistants using the TUFF methodology.

¹⁵⁹ Interviewees described the Angren-Pap railway line as being critical to connect Fergana Valley, Uzbekistan's most populous region, with the rest of the country, while eliminating the need for Uzbek trains to transit through Tajikistan before reaching Fergana Valley. AidData staff and research assistants confirmed that the China Exim Bank and the National Bank of Uzbekistan signed an agreement in 2013 worth US\$350 million for construction of the Kamchiq railway tunnel. The Uzbek government funded the remaining cost of the Angren-Pap railway, and the project was completed in 2016.

¹⁶⁰ Several development partner representatives reported that the Uzbek government has a "top-down approach" to development planning. For example, there is no standing donor coordination or working group. Instead, Uzbek senior leaders decide when and if donor meetings happen. The State Investment Committee will send out aid requests to each donor agency separately.

¹⁶¹ One interviewee reportedly visited China as part of a delegation of legal professionals and officials from the Ministry of Justice hosted by Shanghai University of Law and Public Diplomacy.

¹⁶² Uzbekistan is also home to the second largest Russian diaspora among Commonwealth of Independent States (CIS) countries.

¹⁶³ Most major newspapers are available in both Uzbek and Russian. Interviewees confirmed that Russian news media was popular but saw this as more of a spillover effect of a common language as opposed to Russia targeting content to the Uzbek population.

¹⁶⁴ One interviewee explained that Russia is dealing with many other problems at present that are competing for leaders' attention and Uzbekistan is not Moscow's number one priority. That said, Russia does want to maintain a minimum level of influence.

¹⁶⁵ Interviewees reported that the Uzbek government has encouraged students to learn English as a "buffer" to Russian influence.

¹⁶⁶ Uzbekistan plans to join the United Nations Economic Commission for Europe's Espoo Convention on Environmental Impact Assessment, though no assessments have been conducted yet on BRI projects.

¹⁶⁷ The 19.2-kilometer tunnel was constructed over three years and completed three months ahead of schedule (SASAC, 2018).

CHAPTER FIVE

Are Beijing's public diplomacy efforts associated with the outcomes it wishes to achieve in SCA countries?

Beijing engages in public diplomacy as a means to three broad ends: reputational gains, foreign policy concessions, and economic advantages (see Chapter 1). Chinese leaders such as Hu Jintao and Xi Jinping have publicly stated their aspirations to win the hearts and minds of foreign publics, and this practice of “grassroots image management” (Brazys & Dukalskis, 2019) is even more important in the era of BRI, as Chinese government-bankrolled investments have become a flashpoint for controversy. This is not mere political rhetoric, as Beijing has expanded the volume and sophistication of its public diplomacy overtures with the 13 countries of South and Central Asia (see Chapter 2) over the last two decades.

Nonetheless, Beijing’s ability to ensure that its public diplomacy investments advance its objectives is vulnerable to any number of domestic socio-economic and political dynamics that mediate its influence. In this chapter, we put several hypotheses about which tools Beijing uses, with whom, and to what ends to an empirical test. We first examine which factors might explain how Beijing determines its public diplomacy allocations for SCA countries (Section 5.1). Next, we assess whether the exposure of SCA countries to these public diplomacy investments is associated with: (i) more favorable perceptions of Chinese government leadership (Section 5.2); (ii) closer alignment with Beijing's voting in the United Nations General Assembly (Section 5.3); and (iii) desirable trade balances with these countries (Section 5.4).¹⁶⁸

Key findings in this chapter:

Drivers of Chinese public diplomacy

- *Beijing's financial diplomacy in SCA countries is associated with a higher number of Chinese migrants and new Chinese firms.*
- *A higher Chinese migrant population in SCA countries is associated with fewer sister city agreements and Confucius establishments.*

Relationship between Chinese public diplomacy and China's desired outcomes

- *Interviews, press briefings, and op-eds featuring senior officials and Confucius establishments are associated with favorable perceptions of Chinese government leadership.*
- *SCA citizens appear to be polarized regarding Beijing's financial diplomacy efforts and elite visits: these tools of public diplomacy are associated with*

both lower approval and disapproval of Chinese government leadership

- *None of the public diplomacy tools we tested seem to be associated with a closer UNGA voting alignment with Beijing.*
- *China's Confucius Institutes are associated with lower net exports of China's capital goods, consumer goods, intermediate goods and raw materials to SCA.*

5.1

What motivates how Beijing wields its public diplomacy tools with other countries?

In Chapter 2, we discovered that Beijing varies the volume and composition of its public diplomacy efforts across countries in the SCA region. Interviewees across our six case studies in Chapters 3 and 4 largely affirmed this view and offered their own explanations of what drives Beijing’s public diplomacy efforts. Building upon these earlier discussions, in this section we assess two sets of possible drivers of the amount and type of public diplomacy Beijing directs towards SCA countries: (1) economic opportunities (the perceived value of an SCA country as a market for Chinese investments and business); and (2) openness to influence (likelihood of success based upon enabling conditions in an SCA country).¹⁶⁹ **Table 2** details several hypotheses for how we would expect Beijing to take each of these factors into account in deploying its public diplomacy toolkit in SCA countries.¹⁷⁰

For each hypothesis, we identified proxy measures for these factors and constructed panel regression models to assess the extent to which these factors may explain how Beijing allocates its public diplomacy tools in different countries. For our dependent variables, we use the same indicators of public diplomacy from Chapter 2: Confucius Institutes and Classrooms (cultural diplomacy), sister cities (exchange diplomacy), official visits (elite-to-elite diplomacy), and official finance with diplomatic intent (financial diplomacy).¹⁷¹ The only exception to our approach is the case of informational diplomacy, for which we use a composite measure that combines: (1) interviews, op-eds and press briefings by Chinese government leaders; (2) op-eds by Chinese Ambassadors; and (3) journalist visits from SCA countries to China each year. Further information on

the variables, assumptions, and methods is available in the Appendix. In this section, we only present a few findings that are interesting in light of the case studies, but **Table 3** shows the results for all the variables in **Table 2**.

5.1.1 Beijing's financial diplomacy in SCA countries is associated with a higher number of Chinese migrants and new Chinese firms¹⁷²

When offers of financing are tied to the use of Chinese firms, as was often true in our case study countries, it may be more attractive for Beijing to channel money towards countries where more Chinese firms are already well-established. Chinese firms are a known commodity to work with and allow Beijing to mitigate its risk of default through the practice of "circular lending," whereby money need not ever leave China, so to speak, as it flows from a Chinese development bank to a Chinese firm implementing the project (Horn et al, 2019). In this respect, it is perhaps unsurprising that, as new Chinese firms and Chinese migrants in SCA countries increase, the amount of Beijing's financial diplomacy to these countries also increases.

It is also plausible that Chinese firms themselves may be a catalyst to attract more financing from Beijing to an SCA country. As a case in point: interviewees in some case study countries suggested that Chinese firms would often identify prospective projects for which they would be well positioned to bid, and then convince the recipient country government to propose these as BRI projects to Beijing. Relatedly, we also find that SCA countries that have a higher number of Chinese migrants are associated with more financial diplomacy. This suggests that Chinese migrants might be an asset to Beijing in the same way as firms, in that there is a ready pool of labor available to be deployed on large infrastructure projects.

Another point of interest is that higher internet access is associated with fewer official visits and lower financial diplomacy investments from Beijing. This may indicate that Beijing places less of an emphasis on courting elites via money and visits in countries where the general public is more digitally connected and, therefore, has a larger megaphone to express their views. Alternatively, this could be a risk mitigation strategy for Beijing, if it feels that financial and elite-to-elite diplomacy is more likely to trigger negative publicity in contexts where citizens are more able to use the internet to magnify their collective voice.

5.1.2 A higher Chinese migrant population in SCA countries is associated with fewer sister city agreements and Confucius establishments

Past research has suggested that Beijing tries to work through the Chinese migrant population in a foreign country as a gateway or bridge to influence mainstream popular opinion (Brady, 2017). Indeed, Custer et al.

(2018) found evidence to support that view, as the presence of a larger Chinese diaspora was associated with countries in the East Asia and Pacific region receiving more sister cities and Confucius Institutes. Interestingly, we see the complete opposite in the case of countries in South and Central Asia: larger numbers of Chinese migrants were actually associated with fewer sister cities and CIs.

One possible explanation for this finding is that Beijing may feel that it can outsource more of its people-to-people diplomacy in countries where there is a large Chinese diaspora that can play a bridging role on its behalf. For example, if Chinese migrant communities are heavily integrated within the mainstream population in SCA countries, they could conceivably serve as people-to-people ambassadors in raising awareness among the general population about Chinese culture and values. Nonetheless, if this is indeed Beijing's strategy, then it is likely to experience a major stumbling block, in the form of prevailing biases and negative attitudes towards Chinese migrants and tourists raised by interviewees from SCA countries in Chapters 3 and 4.

Alternatively, it is possible that Beijing is aware of these negative perceptions and anticipates potential difficulties in winning over the general public where there is a large Chinese diaspora, such that it deprioritizes such SCA countries as less conducive for broad-based Chinese diplomacy investments. A more conclusive explanation would require a deeper understanding of Chinese migrants' demographic profiles and their visibility and integration within society, which is beyond the scope of this particular research project but worth considering in future research.

Table 2: Analyzing the determinants of Beijing's public diplomacy allocations

Factor	Hypothesis for testing	Proxy measures used
Economic opportunities	Beijing targets a higher volume and diversity of public diplomacy activities to SCA countries it deems to be high-value, rather than low-value, markets for Chinese goods, services, and investments.	The value of a market for China is measured by: <ul style="list-style-type: none"> • Size of the economy (GDP) • Total natural resource rents (percentage of GDP) • Volume of imports by China from SCA country • New Chinese firm entries per year
Openness to influence	Beijing is opportunistic in targeting a higher volume and diversity of public diplomacy activities to SCA countries it deems open to Chinese influence than those that are more closed.	Openness to Beijing's influence is measured by: <ul style="list-style-type: none"> • Electoral democracy • Perceptions of corruption • Major episodes of political violence • Number of Chinese migrants • Internet access, percentage of population • Domestic coalition turnover

Note: We include all the variables in this Table as controls in each of the five models corresponding to the five types of public diplomacy. Please see the Appendix for more information on the variables and model specifications

Table 3: Drivers of Beijing's public diplomacy in SCA, 2001-2017

	Informational Diplomacy	Financial Diplomacy	Exchange Diplomacy (Sister cities)	Cultural Diplomacy (CIs/CCs)	Elite Diplomacy (Government visits)
GDP	-	-	+	+	+
Internet access (percent of population)	+	-	-	-	-
Natural resource rents (percent of GDP)	+	+	-	-	+
Corruption index	-	+	-	+	+
Number of Chinese migrants	-	+	-	-	+
Episodes of political violence	+	+	+	+	-
Electoral Democracy	+	-	+	+	+
New Chinese firm entries	-	+	+	+	+
China's imports from SCA country	-	-	-	+	+
Domestic coalition turnover	+	+	+	+	+

Note: All variables were lagged by one year; Cells in green indicate that the association between the variable and type of diplomacy is significant at alpha level 0.05 or below.

Table 4: Analyzing public perceptions of favorability and Beijing’s public diplomacy

Factor	Hypothesis for testing	Proxy measures used
Volume of Chinese public diplomacy	People who live in countries with a higher volume of Beijing’s public diplomacy efforts will view Chinese government leaders more positively than those who live in countries that have fewer of these activities.	The volume of Beijing’s public diplomacy activities in a given SCA country is measured by: <ul style="list-style-type: none"> • Presence of Confucius Institutes and Classrooms • Chinese official finance dollars committed towards infrastructure, debt relief, general budget support, and humanitarian assistance • Number of government visits between China and a given SCA country • Number of Chinese leader press briefings, interviews and op-eds by Chinese ambassadors; SCA journalist visits to China
Individual-level socio-economic characteristics (controls)	Some people are predisposed to be more or less favorable to Beijing because of their own life experiences.	We include several control variables to assess whether people’s perceptions of China’s favorability varies on the basis of their specific individual attributes: <ul style="list-style-type: none"> • Gender • Age • Education level • Income • Employment status • Residence in urban or rural areas
Attributes of the countries in which an individual lives (controls)	Some people are predisposed to be more or less favorable to Beijing because of the unique characteristics of the countries in which they live.	We include several control variables to assess whether people’s perceptions of Beijing’s favorability varies with the unique characteristics of countries in which they live: <ul style="list-style-type: none"> • GDP • Electoral democracy • Corruption • Domestic coalition turnover • New Chinese firm entries

Note: We had to exclude sister cities from these models due to high correlation with Confucius establishments. Please see the Appendix for more information on the variables and model specifications.

Table 5. Beijing’s public diplomacy and public perceptions, foreign policy alignment, and net exports

	Approval of Chinese leadership	Disapproval of Chinese leadership	Alignment in UNGA Voting	Net Exports (Capital Goods)	Net Exports (Consumer Goods)	Net Exports (Intermediate Goods)	Net Exports (Raw Materials)
Informational Diplomacy	+	-	-	+	-	-	-
Financial Diplomacy	-	-	+	+	-	-	-
Cultural Diplomacy (CIs/CCs)	+	-	+	-	-	-	-
Elite Diplomacy (Government visits)	-	-	-	+	+	+	

Note: Cells in green indicate that the association between the variable and type of diplomacy is significant at the alpha level 0.1 or below. These results are from models that include the four public diplomacy types and control variables. The model for approval/disapproval of Chinese leadership is for the years 2009-2017. The UNGA model and the model for China’s net exports are for the years 2005-2017. We removed Sister Cities from this analysis to avoid introducing multicollinearity to the model—it highly correlates with Confucius Institutes/Classrooms. See Appendix for more details.

5.2

Why do some people and countries perceive Beijing more favorably than others?

One of Beijing's objectives for its public diplomacy overtures is to sway popular opinion in SCA countries to be more favorable towards Beijing (see Chapter 1). Many interviewees across our case study countries welcomed Beijing's investments in their economies, but cautionary tales of debt distress, allegations of corrupt practices, and the overall opacity of backroom deals have stoked public debate and, in some cases, contributed to regime change. Meanwhile, a recurring theme was that Beijing's overtures towards foreign publics is complicated by perceived cultural and linguistic distance from China for many SCA publics. Nonetheless, some interviewees and scholars have argued that Beijing has improved its reputation in the region with soft-power diplomacy—from scholarships to CIs and beyond (Peyrouse, 2016; Scobell et al., 2014).

In this section, we assess whether citizens in SCA countries that received a greater volume of Chinese public diplomacy efforts in fact have more favorable views of Beijing. Specifically, we examine how citizen perceptions of Chinese government leadership (as a proxy for favorability towards Beijing) correlate with the volume of public diplomacy activities a given SCA country received from China.¹⁷³ For citizen perceptions of China we use responses to the Gallup World Poll (GWP)—an annual public opinion survey—for the years 2009 to 2017, in which respondents from SCA countries (excluding Maldives) answered a question regarding whether they approved or disapproved of the job performance of Chinese senior government leadership.¹⁷⁴

If Beijing's public diplomacy efforts are yielding the reputational dividend it hopes for, we would expect to see higher approval (and lower disapproval) ratings of Chinese government leadership among citizens from countries that received a higher volume of public diplomacy overtures and vice versa.¹⁷⁵ Data limitations preclude us from saying that these perceptions were explicitly caused by the volume of Beijing's public diplomacy toward a given country; instead, we report on whether these two appear to be associated with each other and how. Moreover, we also control for a respondent's socio-economic circumstances and the attributes of the countries in which they live, which may also affect their perceptions of Chinese government leaders. **Table 4** details these hypotheses and the proxy measures used to test these relationships empirically and **Table 5** summarizes the results.

5.2.1 Interviews, press briefings, and op-eds featuring senior officials and Confucius establishments are both associated with more favorable perceptions of Chinese leadership

Beijing's media engagement globally has attracted criticism globally, but its informational diplomacy overtures are associated with a higher approval (and also lower disapproval) of Chinese government leadership. These overtures—largely comprised of high-visibility appearances of senior officials through interviews, press briefings, and op-eds featured in the domestic media outlets of SCA countries—may give Chinese government leaders a bigger megaphone that reaches a wider audience, via channels that have greater credibility locally than Beijing's own international broadcasting efforts.¹⁷⁶ Of course, it is equally plausible that Beijing may assign greater priority to interviews, press briefings, and op-eds in places and at times when public opinion is more favorable towards Chinese government leaders.

Similarly, while CIs have attracted some negative publicity in recent years as propaganda tools of the Chinese government, we find that citizens in SCA countries with a higher number of Confucius establishments approved more of Chinese government leadership. One possibility is that Beijing directs its cultural diplomacy to SCA countries with a more favorable opinion of China to begin with. This is highly likely because setting up CIs requires partners willing to host these, and this willingness may be higher in countries with more favorable attitudes towards Chinese leadership. A second possibility is that Confucius establishments in SCA countries may be building greater interest and positive views about Beijing through language and cultural events.

5.2.2 SCA citizens appear to be polarized regarding Beijing's financial diplomacy efforts and elite visits: these tools are associated with both lower approval and disapproval of Chinese government leadership

Chinese government-funded infrastructure projects were top-of-mind for most interviewees as a barometer of Beijing's public diplomacy overtures in-country. However, the six country case studies underscored that this visibility could cut both ways: high-profile financial diplomacy could either serve as a signpost of Chinese beneficence or a cautionary tale of profligate spending. In East Asian and Pacific countries, by contrast, Custer et al. (2018) found that financial diplomacy was associated with more positive views of China.¹⁷⁷

It appears that citizens in SCA countries hold more polarized views when it comes to Beijing's financial diplomacy: these efforts are associated with both lower approval and disapproval of Chinese government leadership. Evidence from several causally-identified

studies suggests that Beijing allocates more financial diplomacy efforts to jurisdictions where public opinion about China is more favorable at baseline (Blair et al., 2019; Brazys and Dukalskis, 2019). If this is the case, then financial diplomacy efforts may be diminishing and even reversing some of these favorable attitudes over time. Interviewees' responses point to some reasons why that might be the case: namely, the lack of transparency regarding the terms of Beijing's deals, a propensity to tie financing to use of Chinese firms and labor, as well as growing public debates in some countries over the dangers of indebtedness.

Several studies find that Chinese government-backed infrastructure and development projects do not always improve, and in some settings actually undermine, public opinion towards Beijing in other regions. For example, in Latin America, Eichenauer et al. (2018) find that the provision of Chinese development finance has no effect on public attitudes towards Beijing, yet the provision of US development finance results in more favorable public sentiment towards the US. In Africa, Blair et al. (2019) find that the implementation of Chinese development projects actually undermines public opinion of Beijing. Meanwhile, in a randomized control trial in Uganda, Findley et al. (2017) find that the general public trusts and favors donors like the World Bank and the African Development Bank, who make it easy to monitor their projects; the opposite is true for Beijing.

Similar to financial diplomacy, visits between Chinese and SCA government officials are associated with both lower approval and lower disapproval of Chinese government leadership. It could be that these elite visits generate greater familiarity with Beijing, which moves people out of ambivalence and into more intense attitudes of favor or disfavor regarding Chinese government leaders. Alternatively, these mixed results could speak more to the profile of the recipient country than the public diplomacy tool in question, if the countries that see more elite visits had more polarized attitudes towards Chinese government leadership to begin with.

5.3

Are Beijing's public diplomacy overtures associated with foreign policy positions that are more favorable towards it?

Beijing is not only interested in swaying popular perceptions but also in influencing the behavior of leaders to align with its preferred policy positions (see Chapter 1). Interviewees across the six country studies highlighted a range of specific foreign policy motives for Beijing's engagement in their countries: marshalling

support for the One China principle, ensuring safe passage for Chinese exports and imports, shoring up stability in its restive Western regions (e.g., Tibet, Xinjiang), contesting the hegemony of strategic competitors (e.g., India, Russia), and minimizing censure for its domestic policies.

Moreover, several interviewees also highlighted that Beijing seemed to target its public diplomacy efforts towards elites compared to the general public. As such, we expect to see an association between these overtures and foreign policy decisions taken by SCA leaders. Since Beijing's aspirations are not merely regional but also global, convincing SCA leaders to align with Beijing in international decision-making bodies is also critical for it to project strength in numbers when it comes to crucial votes on issues the Chinese government cares about.¹⁷⁸

Given the breadth and diversity of Beijing's interests, there are various possible measures one could use to assess the degree of foreign policy alignment between the Chinese government and a given SCA country, including, but not limited to, diplomatic missions and visits, visa restrictions, military bases, decision-making in regional associations (e.g., SAARC, SCO, BIMSTEC), and text or sentiment analysis of government statements. In this study, we chose to use data on voting patterns in the United Nations General Assembly (UNGA) as our proxy measure for foreign policy alignment with Beijing.

There were several reasons for this choice. The UNGA voting data is available for all countries over time, and it tends to have a higher level of variance than other foreign policy decisions. Since many of the UNGA resolutions are symbolic in nature, they contain more information on a nation's foreign policy interests on a range of security, humanitarian, and political issues. Finally, there is a broad base of academic literature that has affirmed the value of using UNGA voting in studying foreign policy change and similarity (e.g., Strüver, 2012; Bailey et al., 2017; Dreher et al. 2018).

We estimated a set of panel regression models to examine whether there is a relationship between Beijing's public diplomacy activities and the extent to which SCA countries vote together with Beijing in UNGA.¹⁷⁹ Building upon past work by Bailey et al. (2017), we calculate the absolute difference between the UNGA voting ideal points of Beijing and a given SCA country during the period from 2000 to 2017 as our dependent variable of foreign policy alignment with the Chinese government. Recognizing that a country's domestic political and economic environment, as well as its historical foreign policy alignment, may also influence the extent to which leaders stand behind Beijing in UNGA, we also include control variables to assess these relationships. **Table 6** details several hypotheses for the relationships we would expect to

Box 2: Alignment in UNGA voting: Ideal points similarity

Bailey et al. (2017) use a model that produces data based on voting agreement, disagreement, or abstention between countries in the United Nations General Assembly (UNGA).¹⁸⁰ The model does not count raw, pairwise votes. Instead, it utilizes a mathematical formula to control for the UNGA agenda. To provide a hypothetical example for the necessity to control for the UN agenda, in one session all UNGA members may vote on ten completely different topic issues. Country A and B may agree with each other on nine out of ten items.

This indicates a high level of agreement between these two countries. However, the UN agenda for the next session may vote ten times on the single issue that these two countries disagreed on in the previous session. On the surface, the high level of disagreement in the second session would indicate that these countries do not align with each other. However, this perception is simply an artifact of the UN agenda—they actually *do* highly agree.

Bailey et al.'s model includes a mathematical formula to control for changes in the agenda to reveal a more accurate picture of alignment between countries. The formula produces a

variable that measures distance among UN countries that places each country on a latent scale that varies over time. This allows researchers to compare one country to another on a common scale. We note that these ideal points reflect how aligned countries are on *global* issues and do not necessarily reflect a sudden bilateral crisis. For instance, Pakistan and India generally have high alignment because they vote more similar on **global** issues like nuclear weapons and material, arms control and disarmament, the Palestinian conflict, etc. If a crisis temporarily heightens tensions between the two South Asian countries, then UNGA voting is not likely to suddenly change.

Table 6: Analyzing UNGA voting patterns and Beijing's public diplomacy

Factor	Hypothesis for testing	Proxy measures used
Volume of Chinese public diplomacy	Countries with a higher volume of Beijing's public diplomacy efforts will be more willing to align their voting with it in the UN General Assembly.	The volume of Beijing's public diplomacy activities in a given SCA country is measured by: <ul style="list-style-type: none"> • Presence of Confucius Institutes and Classrooms • Chinese official finance dollars committed towards infrastructure, debt relief, general budget support, and humanitarian assistance • Number of government visits between China and a given SCA country • Number of Chinese leader press briefings, interviews and op-eds; op-eds by Chinese ambassadors; SCA journalist visits to China
Political climate in SCA countries	Some countries are predisposed to align their UNGA voting more or less closely with Beijing due to their political choices and environment.	We test whether SCA countries' voting patterns with Beijing in the United Nations General Assembly (UNGA) systematically vary on the basis of several domestic political factors: <ul style="list-style-type: none"> • Electoral democracy • Major episodes of political violence • Domestic coalition turnover
Economic climate in SCA countries	Some countries are predisposed to align their UNGA voting more or less closely with Beijing due to their economic choices and environment.	We include the following controls: <ul style="list-style-type: none"> • GDP • New Chinese firm entries • Perceptions of corruption
Foreign policy conditions in SCA countries	The inertia of past foreign policy choices means that countries that were previously aligned are more likely to vote with Beijing in the present than those that were historically less aligned.	We include control variables to assess whether previous foreign policy alignment might affect current UNGA voting. We include a measure for how aligned a country's UNGA votes were with Beijing in the previous year, as we would expect close alignment in one year would predict close alignment in the next year.

Note: We excluded sister cities from these models due to high correlation with Confucius establishments. Please see the Appendix for more information on the variables and model specifications.

5.3.1 None of the public diplomacy tools we tested seem to be associated with a closer UNGA voting alignment on the part of SCA countries

Contrary to what Beijing might expect to see, we do not see any clear evidence of a systematic association between Beijing's public diplomacy tools and the willingness of SCA leaders to back China at UNGA. Interestingly, this raises questions regarding the efficacy of Beijing's purported use of "debt-trap diplomacy" to "extract strategic concessions – such as over territorial disputes in the South China Sea or silence on human rights violations" (Kuo and Kommenda, 2018). This may give further credence to the arguments of interviewees across SCA countries who said that their leaders sought to maintain an "independent foreign policy" and not be beholden to any particular external power.

Of course, it is important to put this apparent non-finding in context. While UNGA voting similarity is a widely used measure to capture foreign policy alignment between countries, it may not be the most relevant measure in the SCA region. Regional associations such as the SCO, SAARC, and BIMSTEC may be relatively more important decision-making fora for China to affect policies in its greater periphery (Alimov, 2018). That said, numerous interviewees across case study countries expressed skepticism about the actual decision-making weight of these regional multilaterals and suggested that Beijing places far greater emphasis on bilateral channels to secure its interests.

5.4 Are Beijing's public diplomacy efforts associated with more favorable trade balances with SCA countries?

As previously discussed, Chinese leaders have several specific economic aims in the SCA region: finding a productive use for surplus foreign currency reserves, brokering preferential bilateral trade and investment deals, extending trade routes to strengthen access to the world markets, and tapping into Central Asia's energy reserves to reduce its dependence on Russia. In this study, we chose to use the direction of the trade balance between China and SCA countries as our proxy measure to assess the relationship between Beijing's public diplomacy overtures and its trade balances with

SCA countries across four different product groups: capital goods, consumer goods, intermediate goods, and raw materials.¹⁸¹

While it is desirable from the Chinese government's perspective to have an overall positive balance of trade (i.e., greater value of exports than imports), China has needs in each of the product groups that its economy cannot fully meet. We expect these needs to be greatest for raw materials and intermediate goods,¹⁸² given China's current dependence on natural resources to sustain its large population and support its economic growth. This may especially be true for fuels, mineral resources, and agricultural products. On the other hand, China can readily produce large volumes of capital and consumer goods driving trade surpluses for those product groups.

The authors constructed a set of regression models, inclusive of country and year fixed effects and a set of control variables, to analyze the relationship between exposure to Beijing's public diplomacy tools and the balance of trade with SCA countries.¹⁸³ **Table 7** details two hypotheses for the relationships we would expect to see between Beijing's use of public diplomacy tools and the direction of its trade balance with SCA countries along the four product groups and **Table 5** summarizes the results.

5.4.1 Beijing's Confucius Institutes are associated with lower net exports of China's capital goods, consumer goods, intermediate goods and raw materials

If Beijing's long-term economic goal is to move away from exporting consumer goods towards higher-value capital goods,¹⁸⁴ then none of its diplomacy efforts seem to be associated with higher net exports in this category. In fact, we find that a higher number of Confucius establishments are associated with lower net exports for China across the board for all product categories we investigated.

Confucius Institutes provide cultural and language training, which may be seen as an enabler for businesses in SCA countries to trade with China. Individuals in SCA countries learning from these institutes may have better Chinese language skills and understanding of Chinese culture which would enable them to better negotiate and implement trade deals to their advantage. The overall result would be less favorable trade from the Chinese government's perspective, which would reduce net exports.

Table 7: Analyzing China's trade balances with SCA and public diplomacy

Factor	Hypothesis for testing	Proxy measures used
Volume of Chinese public diplomacy	As an outcome of its public diplomacy efforts, we expect trade to be more favorable to Beijing's interests. In other words, China will export more capital and consumer goods, which will lead to a positive trade balance. At the same time, China will import more intermediate goods and raw materials needed for its economic growth.	The volume of Beijing's public diplomacy activities in a given SCA country is measured by: <ul style="list-style-type: none"> • Presence of established Confucius Institutes and classrooms • Chinese official finance dollars committed towards infrastructure, debt relief, general budget support and humanitarian assistance • Number of government visits between China and a given SCA country • Number of Chinese leader press briefings, interviews and op-eds; op-eds by Chinese Ambassadors; journalist visits to China
Economic climate in SCA countries	The economic climate in a country affects the amount and types of trade between China and that country.	Economic climate is measured by: <ul style="list-style-type: none"> • New firm entries per year • Unemployment (as a percentage of labor force) • Size of natural resource endowments (as a percentage of GDP)
Openness to influence	Countries with access to information from China are open to Chinese influence on trade.	Openness to Chinese influence is measured by: <ul style="list-style-type: none"> • Share of population with access to the Internet

Note: We had to exclude sister cities from these models due to high correlation with Confucius establishments. Please see the Appendix for more information on the variables and model specifications.

5.5

Concluding thoughts

In this chapter, we examined the drivers of Beijing's public diplomacy allocations, as well as the relationship between public diplomacy activities, public perceptions, and desired long-term economic and foreign policy outcomes. Constructing a series of econometric models, we tested several hypotheses that emerged from our six country studies about what motivates Beijing's public diplomacy allocations and how this might influence public perceptions and leader behavior in SCA countries.

Sometimes, the quantitative data aligned well with people's observations on the ground. Conversely, we saw numerous instances where the statistical models returned surprising findings or even non-

findings that were dissonant with what we, and others, expected to see. This underscores the importance of taking a holistic perspective that uses qualitative evidence to shed light on how SCA countries receive and perceive Beijing's overtures, but then to validate and ground these insights in systematic, quantitative analysis of the drivers of Beijing's public diplomacy and relationships with its desired outcomes of interest over space and time.

In Chapter 6, we take a step back from the individual models, interviews, and data points to look at Beijing's public diplomacy holistically and in light of the key questions raised in Chapter 1. The authors will reflect on what we think we have learned from opening the black box of Beijing's public diplomacy activities and what this means for SCA countries at the receiving end of these overtures, as well as for Beijing's strategic competitors who seek to shore up their own influence.

¹⁶⁸ We only look at the relationship or association between Chinese public diplomacy inputs and several possible outcomes and do not claim that this relationship is causal. We have attempted to control for a wide array of potentially confounding factors, but we cannot rule out the possibility that our results are affected by omitted variable bias, reverse causality, selection bias or measurement error.

¹⁶⁹ In Custer et al. (2018), we also included security concerns, proxied by militarized disputes with China, presence or absence of a military pact with the US, and voting with China in the UNGA. We did not use these variables here, as the data for SCA was too sparse with little variation.

¹⁷⁰ Previous studies have identified a set of respondent-level and country-level factors that influence public opinion about China and other foreign powers. We drew upon this literature to select our control variables.

¹⁷¹ In Chapter 2, we used the number of sister cities and CIs/CCs that China signed or opened each year. In this chapter, we use the *cumulative* number, as we want to understand the impact of these establishments and arrangements over time. Unlike one-off elite visits, press briefings, and media interviews, sister cities and CIs/CCs arguably are likely to continue to have an effect long after they have been established. We lag all our independent variables by one year.

¹⁷² The data from the Chinese Ministry of Commerce (MOFCOM) is on Chinese firms investing abroad, and includes companies entering SCA countries either through greenfield operations or through owning more than 10 percent in a domestic company. However, MOFCOM does not provide information on the size of financial investments or on the actual status of individual investment projects beyond the point at which investments were initially registered. Research by Shen (2015) suggests that, in some countries, actual levels of Chinese OFDI may in fact be three times higher than official MOFCOM data suggest.

¹⁷³ Due to high correlation between cumulative CIs/CCs and sister cities, we decided to drop sister cities from our models. As a result, we look at the association between the four public diplomacy tools listed in **Table 4** and citizen perceptions.

¹⁷⁴ Respondents could also select “don’t know/not sure.” The GWP asked the same question with respect to other foreign powers such as the US and Russia. We control for individual socio-economic characteristics and the attributes of the countries where respondents live; however, we do not interpret the effects of these control variables. We focus instead on our main variables of interest—the four types of Chinese public diplomacy.

¹⁷⁵ As Kugiel (2012) notes, while public opinion polls are the best tools to measure a country’s soft power, “one needs to note a possible discrepancy in opinions expressed by civil society and the ruling elites. This problem may be especially important in undemocratic states, where official policies may not reflect the wishes of the governed.” We recognize that this may be an important point with respect to Central Asian states in particular; however, the GWP offers an unparalleled source of public opinion data in terms of temporal and country coverage.

¹⁷⁶ Our measure also includes op-eds by Chinese ambassadors and journalist visits hosted by the Chinese Ministry of Foreign Affairs.

¹⁷⁷ Custer et al. (2018) use a different barometer for public perceptions, in the form of responses to three Asian Barometer survey questions: (1) whether China was the most influential country in Asia; (2) whether China generally had a positive influence on their country; and (3) whether China should be a model for their country’s development. The authors found that Chinese financial diplomacy was associated with respondents viewing China as having the best development model and as a positive force in their countries. In comparison to the Asian Barometer, the Gallup World Poll has a much better temporal coverage and data on nearly all the countries in the SCA region.

¹⁷⁸ As an example, Laruelle (2018) notes that Beijing expects Central Asian countries to “be loyal to the “One China” principle, which includes refusal to support the Uighur cause, collaborating in the “hunt for dissidents” within the framework of the Regional Anti-Terrorist Structure of the SCO), limited relations with Taiwan, silence on the Tibetan issue, and (in some cases) alignment with China at the UN Security Council.”

¹⁷⁹ Due to high correlation between cumulative CIs/CCs and sister cities, we decided to drop sister cities from our models. As a result, we look at the association between four public diplomacy tools and UNGA voting alignment.

¹⁸⁰ We drop country’s absences.

¹⁸¹ In terms of overall trends in Beijing’s trading relationships with SCA countries, China was a net exporter of capital and consumer goods but a net importer of raw materials. A positive trade balance implies China is exporting more to the SCA country than importing from the country, while a negative trade balance implies China is importing more from the SCA country than exporting to the country. China wants a positive overall trade balance, but for intermediate goods and raw materials may want a negative trade balance to ensure the resources needed for its growth are available.

¹⁸² These two categories include products such as minerals (e.g., sandstone, gypsum), fruits and vegetables, petroleum oils, and electrical energy.

¹⁸³ Due to high correlation between cumulative CIs/CCs and sister cities, we decided to drop sister cities from our models. Instead, we look at the association between four public diplomacy tools and China’s net exports. The fixed effects models control for country and year fixed effects.

¹⁸⁴ Chinese exports of medium-level technology (e.g., vehicles and their parts, electrical machinery) have rapidly increased, indicative of China’s move up the value chain in more sophisticated capital goods rather than consumer products (Hancock, 2018).

CHAPTER SIX

What does the future hold for Beijing's public diplomacy with leaders and citizens of South and Central Asia?

We have presented evidence in this study that Beijing has doubled down on its efforts to win favor with citizens and leaders in the South and Central Asia region over the last two decades. Though focused on one region, this report sheds light on the means and possible responses to China's public diplomacy overtures on a global stage. In this concluding chapter, we reflect on what all of this means for two audiences. First, we synthesize key insights about the composition, reach, and influence of China's overtures with SCA countries (Section 6.1). Second, we present recommendations for leaders in countries on the receiving end of Beijing's overtures (Section 6.2). Third, we offer recommendations for Beijing's strategic competitors as they seek to contest or curb China's growing influence (Section 6.3).

6.1

Key insights on Beijing's public diplomacy overtures with SCA countries

Chinese leaders have invested substantial amounts of senior-level attention, as well as financial and human resources, to carry out public diplomacy activities at scale in the SCA region. However, Beijing's activities may not be equally well suited to realize the gains it hopes for with foreign publics and leaders. Reflecting on the evidence presented in this report, we pose three key insights on the composition, reach, and influence of China's public diplomacy toolkit.

6.1.1 Beijing has an uneven toolkit, and its most recognized tool—financial diplomacy—can incur a public backlash

Leaders and citizens have largely welcomed Beijing's "checkbook diplomacy" (Marlow, 2019), worth an estimated US\$126 billion across the SCA region between 2000 and 2017, as a means to remedy chronic infrastructure deficits and unlock new economic opportunities. However, Beijing's preference for negotiating backroom deals, Chinese companies' collusion with local politicians for private gain, and cautionary tales of debt distress and white elephant projects have stoked public debate and, in some cases, precipitated changes in government.

At the end of the day, SCA citizens appear to be somewhat polarized regarding Beijing's financial diplomacy overtures in their countries: these activities

were associated with both lower approval and disapproval of Chinese government leadership. Some of these mixed feelings within countries regarding Beijing's role as an economic partner may stem from the fact that the Chinese government often ties its offers of financing to the use of Chinese firms, labor, and supplies, with limited trickle-down to the local economy. As a case in point, Beijing tended to allocate a greater share of its financial diplomacy between 2000 and 2017 to countries with a higher number of new Chinese firms and Chinese migrants. Moreover, in several case study countries, there were concerns regarding the utility and equity of Chinese government-backed infrastructure projects.

6.1.2 Beijing has brokered close relationships with leaders seeking regional balance and economic growth, but the overall influence of these overtures is limited

Beijing has made inroads among SCA leaders eager to play the China card as an alternative or counterweight to heavy-handed treatment by foreign powers in their internal affairs. Despite setbacks when pro-China allies are voted out of office, Chinese leaders have been quick to adjust to maintain access to elites amid political transition and have broadened their outreach from incumbents to party members across the political spectrum in several countries.

Nonetheless, Beijing's aspirations may be hindered by the fact that these countries still depend disproportionately on India (in South Asia) and Russia (in Central Asia) as their main security partners. SCA leaders also want to maintain amicable relations with other major powers, such as the US and various European countries. In this respect, it is perhaps unsurprising that the willingness of SCA countries to accept money and five-star junkets from the Chinese government does not necessarily translate into leaders' siding with Beijing on contentious regional or global issues. For example, we did not find evidence that any of Beijing's public diplomacy tools were associated with SCA countries aligning more closely with China in the UN General Assembly.

While interviewees recounted specific instances of economic or foreign policy concessions in the six case study countries, which they attributed to China's public diplomacy overtures, we did not find any conclusive evidence that Beijing is systematically netting economic or security gains for its efforts across the region thus far. None of its public diplomacy tools were associated with higher net exports to SCA countries, our measure of economic influence. Nor did we find any relationship

between Chinese public diplomacy and alignment with China in UNGA. It remains to be seen as to whether these trends change in the future as Beijing's public diplomacy evolves.

6.1.3 Beijing's people-to-people diplomacy takes a backseat to its elite-focused efforts; its economic clout appears to be its greatest asset in winning the hearts and minds of foreign publics

Chinese leaders face far greater challenges in breaking through to the public in SCA countries, which have closer cultural and linguistic affinity toward Russia (Central Asia) and India (South Asia), as well as historical relationships with Western democracies in Europe and the US. Interviewees often described Beijing's engagement with the general public as minimal and said that people in their country primarily thought of China in the context of large-scale infrastructure projects like roads, railways, ports, and power plants.

Beijing's strongest asset with the general public appears to be its economic clout, rather than the intrinsic appeal of its culture, language, or values, *per se*. Citizens in SCA countries increasingly view China as offering the means to help them improve their livelihoods through jobs, education, or access to better infrastructure. These dynamics appear to have stoked demand for Mandarin language training and study abroad opportunities, particularly among younger people who are reportedly more open to China, which allows Beijing to cultivate relationships and influence with the next generation of leaders, influencers, and thinkers in SCA countries. In fact, we found that countries with a higher number of Confucius Institutes and engagement by senior leaders with local media outlets (e.g., interviews, briefings, op-eds) had more favorable perceptions of Chinese leadership.

6.2

Implications for countries on the receiving end of Beijing's overtures

Beijing's public diplomacy overtures—the use of money, information, culture, exchange, and relationships with elites—have grown in scale and become more sophisticated over time. While these activities can promote mutual understanding, these mechanisms could easily be used for multiple purposes, both benign and malign. Reflecting on the evidence presented in this report, we pose two recommendations for countries on the receiving end of Beijing's overtures.

6.2.1 Recipient countries need to strengthen their capacity to negotiate better terms, assess risk, and manage large-scale infrastructure financing transparently and efficiently

In the absence of transparency in deal-making with Beijing, there is greater opportunity for political capture and corruption, which breeds distrust. Interviewees repeatedly pointed to the Chinese government's preference for back-room diplomacy, dislike of open procurement processes, and unwillingness to disclose the terms of investments and loans. This lack of transparency creates opportunities for corrupt politicians and bureaucrats who choose personal gain over the public interest. A related point of public dissatisfaction has been that Beijing privileges Chinese firms and labor in the bidding and execution of BRI projects.

There are four things that SCA countries on the receiving end of foreign commercial or development overtures can do to ensure that they are managing foreign investment and assistance responsibly, whether from the Chinese government or any other source. First, they can ensure that procurement processes to select and award contracts for public projects are fair and open with transparent bids and selection criteria. Second, they can require that foreign donors and investors make the financing amounts, terms, and progress of their investments publicly accessible to facilitate monitoring by the government, the international community, as well as watchdogs across civil society, media, and academia.

Third, SCA countries can invest in more robust planning processes to weigh the total costs and benefits across the full life cycle of new infrastructure projects and ensure sufficient revenues to offset any external borrowing, particularly in the case of loans approaching market rates or with commitments of collateral that may be forfeited in the case of defaults. Fourth, one of the best things that countries can do to increase their negotiating leverage with Beijing and other donors is to attract additional sources of financing, such as through reforms to the regulatory environment that reduce barriers to foreign investment and pursuing sovereign credit ratings.

6.2.2 Recipient countries need to find ways to protect their interests and independence of action to prevent Beijing from translating its economic clout into political leverage

Even among leaders who are generally enthusiastic about partnering with Beijing to improve infrastructure and catalyze economic growth in their countries, there is a growing refrain that they want to avoid overdependence on any one financial partner. There are four drivers for this hedging behavior. First, SCA countries want to protect their independence and autonomy of action from the pressure to fall in line behind whatever Beijing wants them to do. Second,

given the resurgence of great power politics and competition among aid donors, SCA leaders are reluctant to take action to please Beijing if it means vexing other foreign powers. Third, SCA countries have a stronger negotiating hand when they can obtain financing from multiple sources. Fourth, as activists and opposition leaders grow more vocal against Chinese investments, SCA governments face mounting pressure to demonstrate that they are getting the best possible deals for their country.

Savvy leaders in borrowing countries can use competition as leverage to renegotiate the terms of previously agreed-upon projects and induce Beijing to offer better terms for new project investments. While Beijing does not advertise this fact, the Chinese government has a track record of renegotiating the terms of its investments in response to a request by a recipient government (Rhodium Group, 2019). This is not only an indication of Beijing's willingness to reconsider the terms of their deals but also creates a precedent for SCA countries to push for more favorable outcomes. Moreover, in the lead-up to the 2019 BRI Summit, President Xi unveiled several initiatives to address external criticisms regarding the sustainability, concessionality, and transparency of Beijing's lending to low- and middle-income countries.

However, renegotiating existing deals or spurning new offers of Chinese government financing may be difficult for countries with few capital alternatives. The countries likely to get the best outcomes when (re)negotiating deals with Beijing fall into three groups: (i) creditworthy countries that can access alternative sources of financing; (ii) countries that have experienced a recent leadership turnover in the ruling party or leader which provides the new government a clear political mandate to renegotiate; and (iii) countries where Beijing has determined that the costs of writing off bad debts are outweighed by other considerations, whether this is in the form of gaining access to strategic assets (e.g., ports, land) or winning policy concessions. SCA countries can, therefore, increase their negotiation leverage by actively courting additional bilateral and multilateral creditors, as well as increasing the visibility of the terms that the Chinese government seeks for such projects to create public relations pressure.

6.3

Considerations for Beijing's strategic competitors in view of its growing influence

Beijing has three formidable advantages in its bid to win over foreign publics and leaders. First, it has substantial excess financial and construction capacity that Chinese leaders want to use overseas in line with China's national interests. Second, Beijing has highly

centralized control over an extensive apparatus of state-owned or state-influenced media outlets, firms, civil society, quasi-government agencies, as well as CCP organs to amplify its messages to other countries. Third, the relative stability of China's ruling party means that its leaders can play the long game—consistently making public diplomacy investments that may take time to bear fruit—in contrast to other countries where decisions and priorities are highly influenced by electoral cycles.

Beijing's strategic competitors (e.g., Russia, India, the US, Europe) are cognizant that Beijing's influence with foreign publics could eclipse their own in the future. Reflecting on the evidence in this report, we put forth two recommendations for China's strategic competitors as they consider how best to respond to Beijing's public diplomacy overtures.

6.3.1 Help other countries decrease their vulnerability to corruption and co-optation through strengthening their capacity to attract, design, vet, and manage external financing responsibly

Beijing's influence is strongest in cases where SCA countries lack negotiation leverage in the face of China's growing importance to their economies. Such countries incrementally become vulnerable to pressure to take short-term actions that may not be in their national interests. Therefore, China's strategic competitors can protect their own influence by helping SCA countries manage external financing responsibly and access alternative sources that are aligned with their national priorities to avoid over-reliance upon any one creditor.

Specifically, foreign powers can help SCA countries build resilience to undue influence in four ways. First, they can help countries design public financial management and procurement processes to mitigate the risks of waste, corruption, and debt distress. Second, they can assist countries in developing robust planning processes to assess new projects in light of social, economic, and environmental costs and benefits. Third, they can model transparency in disclosing the terms and amounts of their own foreign assistance or investment, while pressuring other donors to do the same. Fourth, they can advise countries as they undertake reforms to improve the investment climate for private sector investment and mobilize non-governmental actors to curb corruption, monitor progress, and hold the government and donors responsible for results.

6.3.2 Invest in public diplomacy activities that enable countries to create space for debate, discussion, and dialogue about their engagement with foreign powers on their own terms

As we have seen in this study, Beijing has invested substantially in various non-financial aspects of public diplomacy—facilitating study abroad programs,

exchanges for journalists and officials, cultural events, and outreach to local media. The majority of these activities are oriented to help Beijing promote its preferred media narrative about its role in the world, as well as build awareness and sympathy for its culture, people, and policy positions. Juxtaposed with Beijing's doubling down on its public diplomacy investments, some of China's strategic competitors have comparatively reduced their emphasis and resourcing for such overtures in recent years (e.g., the US, Europe), while others rely heavily on historic cultural and linguistic ties (e.g., India, Russia).

One area that could be critically important to how SCA countries engage not only with China but also other foreign powers in the future is the degree to which they create space for educated debate and discussion about how to manage cooperation with foreign actors to advance their national interests. In this respect, Beijing's strategic competitors should retool their public diplomacy overtures to help SCA countries to spark constructive, evidence-based dialogue about how to engage externally in ways that are most beneficial to them. For example, this could involve investing in activities that expand the traditional scope of public diplomacy—such as efforts to promote investigative journalism, citizen-monitoring initiatives, civil society strengthening, or data science for think tanks and

academics—with an emphasis on ensuring that SCA countries are getting the most from their engagement with foreign powers.

6.4

Concluding thoughts

In this report, we sought to understand better which public diplomacy tools Beijing has used, with which countries, and to what effects in the South and Central Asia region. We collected the best available data with which to approximate the volume and distribution of China's overtures within 13 SCA countries between 2000 and 2018. We then grounded this quantitative analysis with deep-dive explorations of how Chinese public diplomacy is received and perceived in six case study countries, including Bangladesh, Kazakhstan, Maldives, Nepal, Sri Lanka, and Uzbekistan. Finally, we analyzed the extent to which Beijing's public diplomacy activities were systematically associated with the reputational, foreign policy, and economic gains China hopes for in the SCA region. We hope that future studies build upon this work to increase the availability of data and analysis on China's efforts to use public diplomacy to win friends and allies, as well as the implications for countries on the receiving end of these overtures.

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AidData is a research lab at William & Mary's Global Research Institute. We equip policymakers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. We use rigorous methods, cutting-edge tools and granular data to answer the question: who is doing what, where, for whom, and to what effect?

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