

# BUYING FRIENDSHIP: THE BELT AND ROAD INITIATIVE, FOREIGN AID, AND ATTITUDES TOWARD THE US AND CHINA

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## **ABSTRACT**

*The announcement of China's Belt and Road Initiative (BRI) in 2013 is a recent example of how China is seeking to increase its dominance and global favorability relative to the US. This study utilizes Pew Survey Data from the 2011-2017 Global Attitudes Surveys to analyze how China's BRI and other foreign aid programs influence international public opinion of the US and China. The study finds that the BRI along with factors such as democracy level and level of environmental protection have significant impacts on opinions of the two major world powers. The findings of this study can be used to inform theories about the shifting power dynamic in international relations and the rising power of China relative to the US.*

## **KEYWORDS**

*Belt and Road Initiative, China, US, International Public Opinion, Foreign Aid, Soft Power*

## **1. BACKGROUND**

The roots of the current conflict between the United States and China lie in the fact that the US sees its power threatened by China's economic might and its recent attempts to exert power in the international political and economic sphere through strategic initiatives [11]. After World War II, the US was able to dominate the globe through its use of "soft" power, meaning that it indirectly influenced world politics through its high level of favorability having positioned itself as the moral force for freedom and democracy across the globe [30].

Recently, however, China has demonstrated a desire to play a greater role in international political and economic decision-making and has attempted to promote "soft" power in a Chinese fashion. One of the most significant areas where China is promoting such "soft" power is through the Belt and Road Initiative [8]. The Chinese government launched the Belt and Road Initiative (BRI) in 2013 in a speech by President Xi Jinping, but it had been occurring in practice for many years before President Xi's announcement. The BRI is an international development scheme in which the Chinese government, often through development banks such as the Asian Infrastructure Investment Bank (AIIB), provides grants and loans to countries for infrastructure development projects. Originally, the BRI was intended to create economic connections with countries that are located on the former Silk Road, but it has expanded beyond this area. Currently, there are over 100 different countries located all across the globe that have signed Memorandums of Understanding (MoUs) for the BRI [8].

While China is pursuing such schemes that are designed to increase its favourable perception in the eyes of the world, the US, since the election of President Trump, has been pursuing an

“America First” agenda in world affairs. Through the many manifestations of “America First” Policy, the United States has allowed a vacuum of global soft power and influence to arise, and through policies such as the BRI, China seems to be seeking to fill the vacuum.

In order to study the dynamic of shifting global influence through soft power, I ask the following research question: “What are the factors that influence international public opinion of the United States and China?” In doing so, I primarily seek to determine if the BRI is increasing global favorability towards China and if the US is abandoning the avenues that have historically allowed it to promote a favourable perception in the eyes of the world. If my results demonstrate that these trends are occurring, then this study will have serious implications for the validity of Trump’s “America First” policies and China’s Belt and Road Initiative. It could also provide insight into how international power will shift in the future if current policies are maintained.

## **2. WHAT SHAPES INTERNATIONAL PUBLIC OPINION?**

In studying international public opinion and the impact of the aforementioned “soft power” of the US and China, scholars have focused on different categories of variables that have the potential to be influential. Goldsmith and Horuchi, in a 2005 study on how the US war in Afghanistan influenced international opinion of the US, hypothesized that there are three main categories of variables that influence public opinion of the US: interests, socialization, and influence [17].

The interest category is related to economic connection. In the context of this Goldsmith and Horuchi study, the authors included variables related to GDP level, trade with the United States, and foreign economic aid to measure such connection. The values category is related to the culture and social systems of a country. It can be measured through variables such as the level of democracy because, “It may be expected that democratic states are less likely to see the actions of another democracy as threatening and are more likely to consider them as legitimate [17].” It can also be measured by development level, because countries of different development levels may have different values. The final category in the Goldsmith and Horuchi study, influence, is related to the ability of the US to influence opinion through purposeful strategy. It can be measured any sort of strategic partnership between countries, and in my study, I consider the BRI in this regard. The authors of this study found that shared economic connection had some influence on opinion of the US actions in Afghanistan but concluded that values played the greatest role in shaping international public opinion toward US actions. This study is significant to my research not only because of its findings, but because it sets up a framework to evaluate variables that fall in categories related to economic interest, values, and strategic political relationship. As such, my study includes variables in all of these categories.

### **2.1. Economic Interest**

There are multiple studies besides the Goldsmith and Horuchi paper that suggest economic interest plays a significant role in the formation of international public opinion of the US and China. In a study by Scott and Steele (2011), the authors seek to determine the role that US economic aid has played in the process of democratization in the developing world [34]. By analyzing US aid from 1988-2001, the authors determined that development aid from the US has a significant effect on democratization, finding that countries who received aid were more likely to experience democratization than those who did not [34]. Thus, in the context of my study, it will be important to consider economic aid as a variable that could influence international public opinion of the US and China because some countries who receive USAID implicitly demonstrate their favorable perception of the US by modeling their political institutions according to US design. I am interested to see if BRI aid from China has a similar impact.

One of the most seminal studies on international public opinion of China also suggests that economic interest plays a significant role in influencing international public opinion. Xie and Page sought to determine which factors are most influential in shaping attitudes toward China. The authors used data from Pew Research Center's 2013 Global Attitudes Survey on country opinion of China (i.e. what percentage of the country views China favorably) and focused on four different variables that they hypothesized would affect international opinion of China. The study found that development level was the most important variable in influencing international opinion of China, and that less developed countries have a more favorable view of China than developed countries [43]. This is likely the case because less developed countries are not as concerned with the values that China promotes and are more concerned with utilizing China as a source of economic aid to spur their growth.

Another study that analyzes the effect of economic interest on perceptions of China is a 2019 study from Herrero, Alicia, and Xu that analyzes the factors that affect countries' views of China's BRI. The study looks at a global database of news articles (The Global Database of Events, Language, and Tone or GDELT) to determine the topics that are most often associated with the BRI. The study determined that articles in the newspapers that mentioned development along with the BRI tended to use a positive tone in describing China's policy while the articles that mentioned trade along with the BRI tended to have a negative tone towards China's actions [14]. This most likely occurs because developing countries see the BRI as a beneficial opportunity to receive economic aid, while countries concerned with trade balances see the BRI as a Chinese attempt to impose trading terms that are more favorable to China than to their partners. This is an important finding because it demonstrates that different variables related to economic interest can have varied effects on a country's view of a global power. In the context of my research, the findings from the Herrero, Alicia, and Xu study are important because they demonstrate that more nuanced economic variables besides just development level and FDI have important impacts on attitudes toward China.

## 2.2. Values

In addition to the importance of shared economic interest, existing literature suggests that culture and values play a significant role in shaping opinion about political powers.

Ronald Inglehart's seminal study on cultural values in industrial societies suggests that development level, a variable often used in an economic sense, could also be influential in shaping values. Inglehart finds that economic needs are considered paramount in less-developed areas because such places don't have the "luxury" to think about what they value on a metaphysical sense. More industrial and wealthy societies, however, are less concerned with economic necessity. Instead, they are concerned about values in a manner that Inglehart states only occur when a society reaches "post-materialism [22]." This is very interesting to my study because less-developed countries may have increased favorability to China due to their dependence on China for economic aid. More developed countries, however, may be less concerned with financial aid and more concerned with the values that the Chinese government promotes. Thus, I hope to determine if development level has a significant impact on favorability toward China.

Region is also an important proxy for values. A 1999 study examined the factors that affect East Asian (i.e. a specific region's) view of the United States. Amidst other factors, the study determined that East Asian countries tend to view the US more positively in eras of financial crisis, specifically during the Asian crisis in the late 1990s [18]. This is important to consider because it demonstrates that certain policy decisions or political events can be impactful in influencing opinion in a specific region. Recently, China's Belt and Road Initiative (BRI) has

sought to sway regional opinion, and as such it is important to consider how the BRI might be impactful in relation to region. Prakash's 2020 study examines the regional impact of the US' and China's foreign aid programs and demonstrates the importance of measuring the impact of the BRI in analysis of different regions [32.] I imagine that regions that receive lots of BRI funds will have increased favorability toward China.

### **2.3. Strategic Political Relationship**

In addition to values and economic interests, opinion of a global power like the US or China can also be influenced by actions taken by that power to sway perceptions. In the context of China, such calculated action has been happening for some time and one of its most recent expressions is the Belt and Road Initiative. A 2003 Study by Wang analyzed the types of images that China tries to project and compared those intended images to the international perceptions of China. The author found that, in the modern era, China has sought to put forth the image of being an international cooperator, a major power, and a proponent of peace. Despite this conscious attempt at manipulating perception, the author also found that China is sometimes perceived as a violent power trying to increase its role in the world [41]. This paper demonstrates that China has been seeking to control its international image for some time, and I am seeking to determine how the BRI has affected this international image.

Other studies, since the BRI was announced in 2013, have demonstrated how China is using this international development scheme to reshape international relations. In the era of Trump, the US has neglected the importance of soft power and instead assumes it has a guaranteed position as a leader and can hence do as it desires. China, however, may appear to act out of tact [3] while, in reality, the BRI does not have a clear theoretical purpose [26]. Whether purposeful or not, this study seeks to determine if the BRI has a positive or negative effect on China's favorability.

## **3. HYPOTHESIS**

All of these studies led my overall hypothesis to focus on the primary variables of interest in this study: the BRI and US aid. I expect that participation in the Belt and Road Initiative will lead to increased favorability of China, and I expect that participation in US aid programs will lead to increased favorability of the United States.

## **4. DATA & METHODS**

In order to quantitatively analyze this question, this study utilizes a model with a regression for China and a regression for the United States, with favorability of the world power of interest as the dependent variable in each regression. It includes the same variables in the regression for each country in order to determine how each factor independently affects favorability of the US and China. The independent variables for each regression are as follows: Aid from the US & China, favorability of the other power, development level, environmental protection level, democracy level, trade flows, FDI, and region.

The variables for AID fall into the category of strategic political relationship [41]. The variables for development level, environmental protection, democracy level, and region fall into the values category [22]. Additionally, the variables for Trade and FDI fall into the category of economic interest [43].

In the sections below, I have provided details about each variable in the regression and my reason(s) for including each variable [Appendix 2.1]

#### **4.1. Dependent Variable: Favorability of the US or China**

To measure the dependent variables, this study utilizes the annual “Global Attitudes Survey” conducted by Pew, which measures the favorability in certain countries toward different world powers. The number of countries varies from year to year, but a total of 51 countries were included in my analysis [Appendix 1]. This study includes survey results from 2011-2017 in an effort to increase sample size. I started with the year 2011 because that was 2 years before the BRI was officially announced and most BRI countries received loans and aid at that time.

Unfortunately, the same countries are not always included in each year the survey is conducted, and as a result of this, I had missing data for certain countries in certain years. I used a common data imputation technique to solve this problem [Appendix 2.2].

#### **4.2. Variable Category I: Strategic Political Relationship-Foreign AID**

##### **4.2.1 Independent Variable 1: US aid**

For the first category of variables, I included variables related to international aid from the US and China, considering that this is the main variable of interest in the study. For the US, I gathered data on bilateral aid from the USAID website. The data measures the total amount of aid that the US sent in a given year to each country in the dataset. This variable was included for two reasons: (1) It follows from Scott and Steele’s explanation of how aid from US can lead to democratization and hence favorable views of the US [34] and (2) because this is a comparable variable to the Chinese variable for BRI aid.

In my dataset, I created two variables related to aid from the US. One of these included the total amount of aid received from the United States. The other variable was a dummy variable that identified each country that had received any aid from the US regardless of amount. I tested both variables and decided to use the dummy variable because it was most equivalent to the variable for Chinese BRI aid (listed below).

I hypothesize that countries receiving aid from the United States would have favorable views of the United States based on the Scott and Steele study and other studies (such as Xie and Page) that support the idea that economic aid can increase favorability of a larger power.

##### **4.2.2 Independent Variable 2: BRI Aid from China**

I had originally hoped to include a variable that encompassed all of Chinese aid, but such data was difficult to find. AidData has resources for this but the dataset wasn’t formatted in a manner that was amenable to my analysis as aid was categorized by investment project rather than by country. In place of raw data on total aid, I found a website that listed all countries that had signed memorandums of understanding for the Belt and Road Initiative (and hence received BRI aid). It also included the year in which each country signed the BRI MoU (BRI).

I created two dummy variables in my dataset to account for BRI aid. One of these identified a country as being a BRI recipient only in the year they signed the MoU and afterward. However, based on the Dadush analysis about the structure of BRI aid and policy [8], I decided to include another variable that denoted a country as a BRI country for all years in the data set if they had ever signed a BRI MoU. This is because, in many cases, the BRI is only codified in an official MoU after a country has been receiving funds for some time. Additionally, Xi Jinping’s announcement of the BRI was simply a formal recognition of a program that had been in place for some time [8]. I decided to use the dummy variables for both all years BRI funds were received and only the years after an MoU was signed. I adopted this technique because I was

interested to see if the actual signing of the MoU (which often includes very strict terms for what will happen if a country defaults on their loans) had a different effect on favorability of China than simply receiving funds from China.

Based on China's efforts and past research (Herrero pp. 1), I hypothesize that countries who receive BRI funds will have more favorable views of China. I also hypothesize that the signing of the MoU could also lead countries to still have a favorable view of China, but there is a chance that it could potentially lead to negative views of China if countries feel that the terms of the MoU are a threat to their sovereignty.

### **4.3. Variable Category II: Values**

#### **4.3.1 Independent Variable 3: Favorability of the Other Power**

The first independent variable in each the values category is the favorability of the "other" power. In the regression measuring favorability of the US, this variable is favorability of China. In the regression measuring favorability of China, this variable is represented by favorability of the US. The data for this variable is also drawn from the Pew Survey and follows the same format as the dependent variable.

This variable is included for the purpose of determining if the United States and China are engaged in competition with each other for global favorability.

My hypothesis is that there is a negative relationship associated with this variable due to the fact that the China and the US have pitted themselves against each other as rivals in recent years.

#### **4.3.2 Independent Variable 4: Democracy Index Score**

In the category of values-based variables, I also included Democracy Index Scores from Freedom House. Freedom House ranks countries as free, partly free, and not free. I created a dummy variable for Democracy Score to account for these rankings. I also considered using the raw index score of 1-100, but I found more significant results with the dummy variable I created. I hypothesize that the US will have increased favorability in democratic countries because the US shares values with such countries. I also expect that democratic countries will have decreased favorability toward China due to the lack of shared values between these states.

#### **4.3.3 Independent Variable 5: Environmental Protection Index**

I included a variable for Environmental Performance because of the fact that the BRI has been heavily criticized for its failure to include environmental protection requirements in its projects [37].

The Environmental Protection Index (EPI) encompasses measurements of air quality, water and sanitation, biodiversity, forest and fishery protection, emissions, air pollution, and more. It uses these measures to create a comprehensive index score of 1-100 (with 100 signifying the best possible environmental protection and 1 signifying the worst) [Appendix 2.3].

Because US investments (due to their environmental standards) are most likely not as harmful to the environment as those from China's BRI, I hypothesize that countries with high levels of environmental protection will have increased favorability toward the US and decreased favorability toward China.

#### **4.3.4 Independent Variable 6: Development Level**

Another independent variable that falls in the values category (and also the economic category) is development level measured in terms of GDP-per-capita. This data was acquired from the World Bank.

I decided to include this variable because of the Inglehart study that suggests different development levels lead to differences in values [22]. I also included it because the Xie and Page Study on international opinion of China demonstrated that development level has an effect on opinion of China [43].

I expect that developed countries have higher favorability toward the US and that less developed countries have higher favorability toward China. This hypothesis is based on the Xie and Page study that found increased favorability toward China in less developed countries.

#### **4.4. Variable Category III: Economic Interest**

##### **4.4.1 Independent Variable 7 & 8: Bilateral Trade Balance with the US and China**

To measure the effect of bilateral trade on favorability of the US and China, I included two variables, one for bilateral trade with the US and the other for bilateral trade with China. This data came from the World Bank's World Integrated Trade Solution (WITS) dataset and is measured in real U.S. dollars.

I hypothesize that a higher level of trade with the US or China will lead to decreased favorability for the respective power due to concerns about trade deficits.

##### **4.4.2 Independent Variable 9 &10: Bilateral FDI with the US and China**

Because I suspect that investment from the US and/or China could have an effect on favorability of either power, I included variables to measure total bilateral FDI between the US and China and each country in the data set. The data for the US FDI variable measures net FDI between the US and each country in the data set. It comes from the US Bureau of Economic Analysis.

The data for China FDI does not measure net FDI but only measures total bilateral FDI from China into each country in the dataset [Appendix 2.4]. This data is from UNCTAD.

My hypothesis for the FDI variable is that increased FDI from a country will increase favorability of the US/China due to increased economic connectivity.

#### **4.5. Variable Category IV: Region**

##### **4.5.1 Independent Variable 7: Region**

The last variable I included was a dummy variable for region, and this variable technically falls into the values category because region is a proxy for the values held in a given region. In my multivariate regressions, I included dummy variables for five world regions (Europe, Asia, Africa, Middle East, Latin America). I also conducted individual regressions for each region.

The most important hypothesis here is that I expect the results from Africa and Asia to be most important in explaining the effects of the BRI since these regions are major benefactors of BRI

loans. There are limits to the statistical significance of these regional regressions, though, due to a small sample size (<100) in each region. My final model is provided below:

**China:**

%favorability of China=B0 + USAID + BRI AID (for all years aid/loans were received) + BRI AID (after an MOU was signed) + %favorability of the US + Development Level + Environmental Protection Level + Democracy Level + Bilateral Trade US + Bilateral Trade China + Bilateral FDI US + Bilateral FDI China + Regional Dummy Variables

**US:**

%favorability of US=B0 + USAID + BRI AID (for all years aid/loans were received) + BRI AID (after an MOU was signed) + %favorability of China + Development Level + Environmental Protection Level + Democracy Level + Bilateral Trade US + Bilateral Trade China + Bilateral FDI US + Bilateral FDI China + Regional Dummy Variables

## **5. ANALYSIS AND RESULTS**

In conducting the regression analysis to analyze the impact of the variables in the above model, I followed a progression with three steps. First, I conducted an initial bivariate analysis of each variable with the dependent variables of favorability toward the US and favorability toward China. For my second step I conducted multivariate regressions with the dependent variables of favorability of the US and favorability of China. After conducting the multivariate analysis, I conducted a regression for each region that included the variables that were demonstrated to be most statistically significant and theoretically important in the original multivariate regression. This regional analysis represented the third and final step of my regression analysis.

### **5.1. Bivariate Analysis: US**

The bivariate analysis yielded results that are summarized in Table I (see appendix).

In all of my regressions, I define statistical significance with a p value of 0.1. The variables for Environmental Protection and Democracy Level demonstrate some potentially interesting relationships with favorability of the US. A coefficient of -.505 on the environmental protection variable demonstrates that countries with high levels of environmental protection tend to have more negative views of the US and that countries with low levels of environmental protection tend to have more positive views of the US. Additionally, the coefficient of 2.22 on the democracy index variable demonstrates that more democratic countries tend to have higher opinions of the US than countries with lower democracy index scores [Appendix 2.5]. This was expected based on the Scott and Steele study [34].

### **5.2. Bivariate Analysis: China**

In the bivariate regressions for China, more variables displayed statistical significance than in the US regressions. The variable for US aid has a coefficient of 9.99, and the variable for BRI aid has a coefficient of 4.11. This means that countries who receive aid from the US and aid from China tend to have more positive views of China.

The coefficients for environmental protection and democracy level are both significant as well. The environmental protection coefficient (-.492) demonstrates that countries with higher levels of



environmental protection have more negative views of China. The democracy level coefficient of -8.29 aligns with Xie and Page's 2013 analysis and demonstrates that countries with high levels of democracy have more unfavorable views of China [Appendix 2.6] [43].

### **5.3. Multivariate Analysis: Overview**

Table II in the appendix shows the results of the multivariate regressions for the US and China. The variables with statistical and analytical significance are bolded.

First off, it is important to note the sample size of 327 observations for each regression. This is a relatively large sample size for country-level data. Additionally, the R<sup>2</sup> values of 0.4158 for the US and 0.4015 demonstrate that this model has a high level of explanatory power.

#### **5.3.1 Multivariate Analysis: US**

In the multivariate regression for the US, the variables for favorability toward China, trade balance with China, bilateral FDI with the US, democracy level, development level, and environmental protection level are all significant [Appendix 2.7].

The variables for environmental protection, democracy level, favorability to the other power, and region, however, are most important for analysis. The coefficient of -.505 on the environmental protection variable demonstrates that countries with higher levels of environmental protection have lower favorability towards the United States and countries with low levels of environmental protection have high levels of favorability toward the United States. The coefficient on the democracy variable also displays important and significant results. With a coefficient of 2.22, it is obvious that more democratic countries tend to have increased favorability of the United States, as Goldsmith and Horiuchi's study predicts [17]. This confirms my hypothesis that countries who are democracies likely share many values with the US and hence view it favorably.

Further, the coefficient of -.081 for favorability towards China demonstrates that, overall, countries see the US and China as global competitors and feel they must choose one power to be closer to than the other. This relationship will be explored further in the regional analysis section. The regional dummy variables also display significant results and demonstrate that most regions have similar levels of favorability toward the US. However, the Middle East variable demonstrates that countries in this region do not favor the US, most likely because of a history of unpopular US actions in the region. This leaves a geopolitical opportunity for China to embrace the Middle East as Blaydes and Paik (2020) discuss [5].

#### **5.3.2 Multivariate Regression: China**

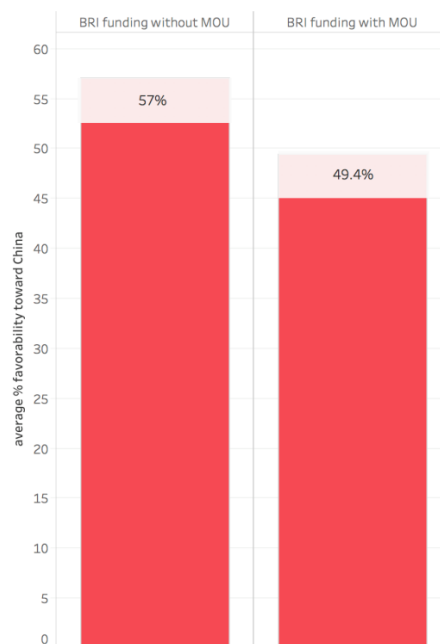
Moving on to the results from the China multivariate regression, I find that the variables related to strategic political relationship, and aid, favorability toward the US, and environmental protection and democracy have significant impacts on favorability toward China [Appendix 2.8].

The coefficients on the BRI aid variables are very important and have relevant implications for the role of strategic aid and soft power through international financial support in influencing opinion of China. The coefficient of 4.835 on BRI aid demonstrates that countries who receive aid and/or loans for long periods of time from the BRI are more likely to have more favorable views of China. However, the coefficient of -1.617 for the BRI after signing of the MoU variable, despite its insignificance, suggests that countries may have more negative perceptions of China after signing an MoU. Before the regional control variables were added into the regression, this value was significant. However, when I added the regional controls into the regression, this

variable became insignificant. In order to see why this was occurring, I added each regional dummy variable into the regression on its own, and after most regions were added, the MoU signing variable remained significant. It was only when the Africa regional variable was added that insignificance occurred. This is likely due to the fact that Africa is the region where the MoU's are most adamantly opposed by individuals (see Regional Analysis finding II below). This finding adds nuance to the outcome of the 2019 Herrero and Xu paper which suggested that the BRI may be less popular when it is associated with development and debt [14].

In order to further explore the relationship between favorability of China and the signing of a MoU for the BRI, I analyzed how a signing affects the overall percentage of people in the world who view China favorably. I found that the signing of the MoU decreases favorability of China by 8 percentage points, as demonstrated in the graph below.

Figure 1



This decrease in favorability is likely due to the fact that the MoU's have very harsh terms that are strongly in the interest of China and not the country receiving funds. In many cases, countries who default on loans are required to allow China to build military bases in their country. After this act, the beneficiary country realizes that China is acting in its own interest and has a more negative perception of China. The significance of this finding is discussed further in the policy implication section of this paper.

It is also important to note that the coefficient of -8.916 on the US AID variable demonstrates that countries who receive aid from the US have decreased favorability toward China. The implications of this finding are further discussed in the policy implication section as well.

Further, the coefficients for environmental protection and democracy level confirm my hypothesis about how these factors influence opinion of China. The negative coefficient of -.303 for environmental protection demonstrates that countries who protect their environment well have decreased favorability of China. This aligns with the research of Maliszewska which finds that a modest increase in global greenhouse gas emissions is likely to occur as a result of the investment projects supported through the aid from the Belt and Road Initiative [27]. Furthermore, the

negative coefficient of -3.923 for democracy level indicates that democratic countries have decreased favorability of China, confirming the bivariate relationship discussed above.

Additionally, the coefficient on the variable for favorability to the US of -.057 confirms the finding in the US regression that the US and China are perceived to be rivals engaged in a “zero sum game” competition for global leadership and power.

Finally, the regional controls that show significance in the China multivariate regression demonstrate that Africa & Europe display similar levels of favorability toward China. The levels of favorability also demonstrate that, for every region except for the Middle East, countries tend to favor the US more than they do China. In the Middle East there is low political involvement with the BRI despite the fact that China has an opportunity to replace the US as the dominant power in the region [12].

#### **5.4. Regional Analysis**

Tables III & IV in the Appendix demonstrate the results from regional regressions for the US and China.

For the final aspect of my regression analysis, I conducted regressions for the US and China in five different regions in order to determine if certain variables have different impacts in varying regions. For these regressions, I left out variables related to FDI and Trade because the multivariate regressions demonstrated that these did not have significant impacts on opinion of the US and China.

##### **5.4.1. Regional Analysis Result I: Favorability of the “Other Power”**

The variables for % favorability of the other power in the regressions for China and the US demonstrate that there is a negative relationship between favorability toward the US and favorability toward China in Europe and Asia but not in other regions. For the US regression in Europe, there is a coefficient of -.78 for favorability toward China, and for the US regression in Asia, there is a coefficient of -.17 for favorability toward China. For the China regression in Europe, there is a coefficient of -.202 for favorability toward the US, and for the China regression in Asia, there is a coefficient of -.63 for favorability toward the US.

It makes sense that these two areas are where China and the US are in a struggle for power because these are regions where the US and China have pitted themselves as rivals. In Asia, the US and China are engaged in a tit-for-tat trade war where they constantly degrade each other through rhetoric. Since Mike Pence made a speech in the fall of 2018, the two countries have utilized rhetoric reminiscent of the Cold War in their quest for dominance in Asia, and at the 2018 APEC Summit in Papua New Guinea, Mr. Pence and President Xi addressed each other with quite hostile tones, imploring the leaders in the Asia Pacific region to choose their country’s leadership over that of the other [3]. Similarly, in the EU, the US has carried out actions that have harmed its image and increased that of China. By placing tariffs on steel and aluminum, threatening tariffs on automobiles, and imploring European nations to resist utilizing Huawei’s 5G network, the US has tarnished its image [39]. Meanwhile, while Europeans dislike many of China’s trade practices, they are forced to maintain friendly relationships with China because of their fear that the US will continue to place tariffs on many EU goods. Thus, they want to have China as a viable option for trade.

While it seems odd that other regions, such as Africa, where the US and China have pitted themselves as rivals do not display a similar sense of perceiving a “zero-sum game” between the

US and China, there is likely an explanation that is related to levels of development. In Africa, if a positive correlation between favorability of China and favorability of the United States did exist, it could suggest that less-developed areas that are looking for economic support and leadership are willing to support both powers in hopes that they will receive benefits from both. This finding aligns with Inglehart's analysis that more-developed countries make choices based on values while less-developed countries make decisions based on economic interest [22].

#### **5.4.2. Regional Analysis Result II: MOUs & Regional Favorability**

The next important variable to analyze in the regional regressions is the BRI aid variable. In the regression for China, there are very interesting results in relation to the variable for the BRI after the MoU is signed. In Africa, countries who sign such MoUs have extremely decreased perceptions of China. After the signing of a MoU in an African country, a country is likely to drop in their favorability toward China by 14 percentage points. It makes sense that African countries dislike China more after they sign BRI MoUs because they realize that the funds they had been receiving for some time now come with "strings attached." Because of the precarious financial situations in many of these countries, it is likely that China will have an increased military influence in their country and hence be seen as acting in its own interest and not the interest of global development [32].

## **6. CONCLUSIONS**

The results from the regressions above demonstrate the following findings:

- (1) Countries with high levels of environmental protection have decreased favorability toward the United States and China. This is likely due to the failure of both of these powers to demonstrate leadership on environmental issues in recent years.
- (2) Countries with high levels of democracy have increased favorability toward the United States and decreased favorability toward China. This is likely due to the fact that democratic countries share values with the United States and do not share such values with China.
- (3) Countries that receive BRI aid/loans have increased favorability toward China until the MoU is signed. Once an MoU is signed, countries significantly decrease in their favorability toward China.
- (4) In Europe and Asia, the US and China are seen (at least somewhat) in recent years as powers who cannot work together, and individuals in these countries may feel to some extent that they need to "choose" between one or the other.
- (5) The receipt of BRI funds without an MoUs in Asia leads to extreme increased favorability of China. The announcement of BRI MoUs in Africa leads to extreme decreased favorability of China because such countries are likely to default on their loans and have China build military ports in their countries.

## **7. POLICY IMPLICATIONS**

These results demonstrate important implications for the international policies that the US and China are currently pursuing through the Trump "America First" agenda and the Chinese policy of increased engagement in world affairs through the BRI and other programs and policies.

First, the US policy of “America First” is not a wise scheme for increasing US power relative to China. The regression results from the main multivariate regression demonstrate that countries who receive BRI funds without signing an MoU are more likely to have higher opinions of China. This seems to demonstrate that countries have higher favorability towards powers who offer aid and/or loans out of a genuine interest in international development. Thus, the US should not cut off development aid as Trump has threatened but should rather offer such aid without the threat of taking military posts if recipients cannot repay loans. It can be reasonably ascertained through these results that many developing countries who receive BRI funds and sign MoUs are wary of China taking military posts (especially in Africa). Thus, the US should offer alternative aid packages to such countries to increase their favorability. Indeed, if the US wants to decrease favorability toward China, the regression results demonstrate that supplying US AID is an effective method for pursuing such a goal.

Second, the results demonstrate that China should think critically about the route they want to pursue with the BRI. If China is seeking to increase its soft power and “global likeability” through the BRI (which president Xi’s tone in his speeches seems to indicate) then they should not use the BRI as a way to increase their military power around the globe by building ports in countries who default on their loans. Instead, they should just use the BRI as a means to increase trade with other countries and global development in general. However, if China is not trying to be “liked” but rather just increase their global military presence, then building military posts in defaulting countries may be a good option. Yet, in many ways, soft power is more impactful than hard power, and China would be ill-advised to tarnish their reputation by blatantly demonstrating that they are acting out of self-interest in offering funds from the BRI.

## 8. LIMITATIONS

The main limitation of this study involved the lack of continuity in countries that were included in the Pew Global Attitudes Survey. There is a need for continuity in the collection of such data as it would facilitate time-series analyses such as this one, and there is also a need for a collection of data from more countries (not just those that are most developed). This paper operates under the assumption that the countries included in Pew’s most recent surveys are representative of all developing countries in specific regions. This assumption could potentially create bias in the results (see Appendix 2.2).

### Regression Tables

Table 1. Bivariate Analysis: Theoretical Perspectives on International Opinion Toward the US and China

<b>Table I: Bivariate Results</b>	<b>US</b>	<b>China</b>
<b>Foreign Aid</b>		
US AID	-7.616	9.99**
BRI AID (all years aid received)	4.419*	<b>4.11**</b>
BRI AID (after MoU was signed)	1.984	-4.22
<b>Values-Based Variables</b>		
% favorable to US	<b>-.081*</b>	0.689
Development Level (GDP per-capita)	.0003**	-.0004**
Environmental Protection	<b>-.505**</b>	<b>-.492**</b>
Democracy Level (F/PF/NF)	<b>2.22*</b>	<b>-8.29**</b>

<b>Economic Variables</b>		
Trade Balance w/ China	-1.04 x 10 <sup>-7*</sup>	-6.39 x 10 <sup>-8**</sup>
Trade Balance w/ US	4.8 x 10 <sup>-8</sup>	-3.9 x 10 <sup>-8*</sup>
Bilateral FDI w/ China	2.29 x 10 <sup>-6</sup>	-5.19 x 10 <sup>-6**</sup>
Bilateral FDI w/ US	-0.0004**	-0.00019*

Source: 2011-2017 Pew Global Favorability Survey. N=327. P<.1\*, P<.05\*\*, Bold terms are theoretically important.

Table 2. Multivariate Analysis: Theoretical Perspectives on International Opinion Toward the US and China

<b>Table II: Multivariate Results</b>	<b>US</b>	<b>China</b>
<b>Foreign Aid</b>		
US AID	-7.616	<b>-8.916**</b>
BRI AID (all years aid received)	4.419*	<b>4.835**</b>
BRI AID (after MoU was signed)	1.984	<b>-1.617</b>
<b>Values-based Variables</b>		
Development Level (GDP per-capita)	.0003**	-.0002**
Environmental Protection	<b>-.505**</b>	<b>-.303**</b>
Democracy Level (F/PF/NF)	<b>2.22*</b>	<b>-3.923**</b>
% favorable to other power	<b>-.081*</b>	<b>-.057*</b>
<b>Economic Variables</b>		
Trade Balance w/ China	-1.04 x 10 <sup>-7*</sup>	-2.77 x 10 <sup>-7**</sup>
Trade Balance w/ US	4.8 x 10 <sup>-8</sup>	-7.10 x 10 <sup>-9</sup>
Bilateral FDI w/ China	2.29 x 10 <sup>-6</sup>	-7.06 x 10 <sup>-6**</sup>
Bilateral FDI w/ US	-0.0004**	.0004**
<b>Regional Variables</b>		
Europe	6.66	7.39*
Asia	21.904**	-.523
Africa	22.535**	11.06**
Latin America	16.249**	2.291
Middle East	-16.101*	-5.44*
CONS	76.503**	91.262**
Adj R <sup>2</sup>	R <sup>2</sup> =0.4128	R <sup>2</sup> =0.4055

Source: 2011-2017 Pew Global Favorability Survey. N=327. P<.1\*, P<.05. Bold terms are theoretically important.

Table 3. US Regional Regressions: Theoretical Perspectives on International Opinion Toward the US

<b>Table III: US Regional Results</b>	<b>Europe</b>	<b>Asia</b>	<b>Africa</b>	<b>Latin America</b>	<b>Middle East</b>
<b>Foreign Aid</b>					
US AID	4.85 x 10 <sup>-8**</sup>	3.22 x 10 <sup>-8</sup>	2.39 x 10 <sup>-9</sup>	-1.00 x 10 <sup>-8</sup>	-5.02 x 10 <sup>-9*</sup>
BRI AID (all years aid received)	4.77	9.79	6.23**	13.12**	-4.69
BRI AID (after MoU was signed)	-9.28	-8.51	1.62	0	-2.63
<b>Values-based Variables</b>					
% favorable to China	<b>-.78**</b>	<b>-.17**</b>	.185	.249	.529*
Development Level (GDP per-capita)	-.0003**	.0004**	-.009**	-.002**	.002**
Environmental Protection	-.11	-.99	-.575**	.09	0.39*
Democracy Level (F/PF/NF)	6.72	-5.17*	.69	-1.8	1.54
Adj R <sup>2</sup> & Sample Size	n=84 R <sup>2</sup> =.3290	n=70 R <sup>2</sup> =.2247	n=67 R <sup>2</sup> =.7355	n=62 R <sup>2</sup> =.5155	n=42 R <sup>2</sup> =.8837

Source: 2011-2017 Pew Global Favorability Survey. N=varies based on region. P<.1\*, P<.05\*\*  
Bold terms are theoretically important.

Table 4. China Regional Regressions: Theoretical Perspectives on International Opinion Toward China

<b>Table IV: China Regional Results</b>	<b>Europe</b>	<b>Asia</b>	<b>Africa</b>	<b>Latin America</b>	<b>Middle East</b>
<b>Foreign Aid</b>					
US AID	-3.46 x 10 <sup>-9</sup>	-5.23 x 10 <sup>-8</sup>	-6.08 x 10 <sup>-9</sup>	-3.56 x 10 <sup>-8</sup>	1.05 x 10 <sup>-8**</sup>
BRI AID (all years aid received)	-1.36	<b>21.97*</b>	.07	6.23*	16.36**
BRI AID (after MoU was signed)	-5.21	-7.27	<b>-14.31*</b>	0	-4.51
<b>Values-based Variables</b>					
% favorable to US	<b>-.202**</b>	<b>-.63</b>	.19	.04	.67**
Development Level (GDP per-capita)	-.0002*	-.0002	.0002	-.0004	-.002**
Environmental Protection	-.24	-.527	-.142	0.11	-.88**
Democracy Level (F/PF/NF)	-8.09**	-7.66	-5.09**	-3.62**	.82
Adj R <sup>2</sup> & Sample Size	n=84 R <sup>2</sup> =.6325	n=70 R <sup>2</sup> =.2829	n=67 R <sup>2</sup> =.3701	n=62 R <sup>2</sup> =.1588	n=42 R <sup>2</sup> =.4416

Source: 2011-2017 Pew Global Favorability Survey. N=varies based on region. P<.1\*, P<.05\*\*  
Bold terms are theoretically important.

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## **Appendix I**

The Pew Global Attitudes Survey includes 51 total countries in the years 2011-2017. For the questions about favorability toward the US and China, it takes the total percentage of individuals who favor a country and make that percentage the country's value. Thus, it represents country-level data, and measures the favorability toward the US and/or China in a given country. The countries included in the survey are as follows: US, Canada, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Spain, Sweden, UK, Russia, Ukraine, Australia, China, India, Indonesia, Japan, Philippines, South Korea, Vietnam, Israel, Jordan, Lebanon, Tunisia, Turkey, Ghana, Kenya, Nigeria, Senegal, South Africa, Tanzania, Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela, Malaysia, Pakistan, Palestine, Burkina Faso, Ethiopia, Egypt, Bangladesh, Thailand, El Salvador, Nicaragua, Uganda.

## **Appendix 2**

### **2.1**

It is also important to note that the dataset utilized for this study contained data for the years 2011-2017, and as such this model is represented as a time fixed effects regression, which controls for any major events that may have occurred during those years that could lead to variation in the data). In future studies, researchers may be interested in utilizing dummy variables for years in lieu of the fixed effects model.

### **2.2**

I copied the data from the year closest to the missing year and placed it in the year with missing data starting with 2017 and working backward. This process, known as imputation, allowed me to project the values for countries in years where data was missing. This process could bias results but is necessary to deal with missing data.

### **2.3**

The EPI only comes out with new measurements every two years, so I imputed data for missing years, taking the data from the year prior for years with missing data (e.g. I used data from 2016 for 2017). This was necessary to account for missing data and to maintain a large enough sample size.

### **2.4**

I had hoped to find data that measured net FDI, but it is not readily accessible. The data on total FDI from China is from UNCTAD Dataset and was made accessible by the Center for Strategic and International Studies China Power website which tracks China's economic and political data (CSIS).

### **2.5**

% favorable to China, the trade and aid variables, and the development variable are all insignificant in this regression. The FDI variables have miniscule coefficients, so they can reasonably be disregarded as well.

## 2.6

% favorable to the US and the MOU signing variable are both insignificant here. Trade, FDI, and development level can be disregarded due to miniscule coefficients.

## 2.7

The coefficients for trade balance with China, bilateral FDI with the US, and development level are so small that they can reasonably be considered as showing no important relationship.

## 2.8

The variables for bilateral FDI with the US and with China, trade balance with China, and development level are also statistically significant, but their coefficients are so small that they do not demonstrate any important relationships.

## AUTHOR

**Davis Cousar** focuses his research in international political economy. He has previously researched the impact of industrial overcapacity on China's trade relations with the EU and US, the impact of China's Made in 2025 policy on EU industrial policy, the Greek Debt Crisis. Outside of his research, he has represented the United States as a representative at the Asia Pacific Economic Cooperation and has worked for the United States Trade Representatives and Bruegel, Europe's premier economic policy think tank. He is a Summa Cum Laude graduate of Furman University where he was inducted into both Phi Beta Kappa and Omicron Delta Kappa. He currently performs research at American Institutes for Research in Washington, D.C.