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High-level Infrastructures

Construction site of the Morodok Techo National Stadium in Phnom Penh, Cambodia, completed in 2021. Source: skypixel.com (CC).

High-Profile Infrastructure and China's Global Influence Gamble

Austin STRANGE

Policy makers, pundits, and scholars often assert that China's state-led global infrastructure drive is an important avenue for enhancing its international influence. However, the first decade of the Belt and Road Initiative has demonstrated that links between infrastructure projects and influence are more complex than existing popular and academic accounts suggest. Infrastructure has always created underappreciated economic risks, and China's high-profile overseas infrastructure is not immune to this phenomenon. In this essay, I argue that these projects also inject significant risk into China's pursuit of international influence by providing unique forms of political capital for different actors beyond China's control.

Observers frequently contend that China's international influence is growing in lockstep with its economic rise. This includes the US Department of State, which recently suggested that after four decades of rapid growth, China's 'global reach and international influence have expanded accordingly' (Office of the Secretary of State 2020: 40). While scholars in international relations and other fields have been more cautious, policy and popular debates have shed nuance in favour of a linear narrative that pegs China's influence to its global investments (Goh 2016; Kastner and Pearson 2021).

Within this narrative, grandiose infrastructure projects along the Belt and Road Initiative (BRI)—introduced in 2013 to promote connectivity across an overland 'belt' through Eurasia and a maritime 'road' through the Indo-Pacific—are important sites for Chinese influence generation. In 2018, US vice-president Mike Pence declared that China is 'offering hundreds of billions of dollars in infrastructure loans to governments from Asia to Africa to Europe and even Latin America', of which 'the benefits invariably flow overwhelmingly to Beijing' (Pence 2018). The first part of Pence's statement is accurate. As Figure 1 shows, since 2000, the Chinese Government has committed tens of billions of dollars annually to infrastructure projects in developing countries. More than two-thirds of China's development finance—which includes aid and less-concessional, debt-based financing—has funded transportation, energy, and industrial projects.

But mounting evidence from the first decade of the BRI raises doubts about the second part of Pence's statement, and the extent to which overseas infrastructure projects amplify China's influence. China's policy banks and state-owned enterprises (SOEs) are not the only actors which benefit from BRI infrastructure projects. While these projects produce economic, social, political, and environmental risks, they also deliver

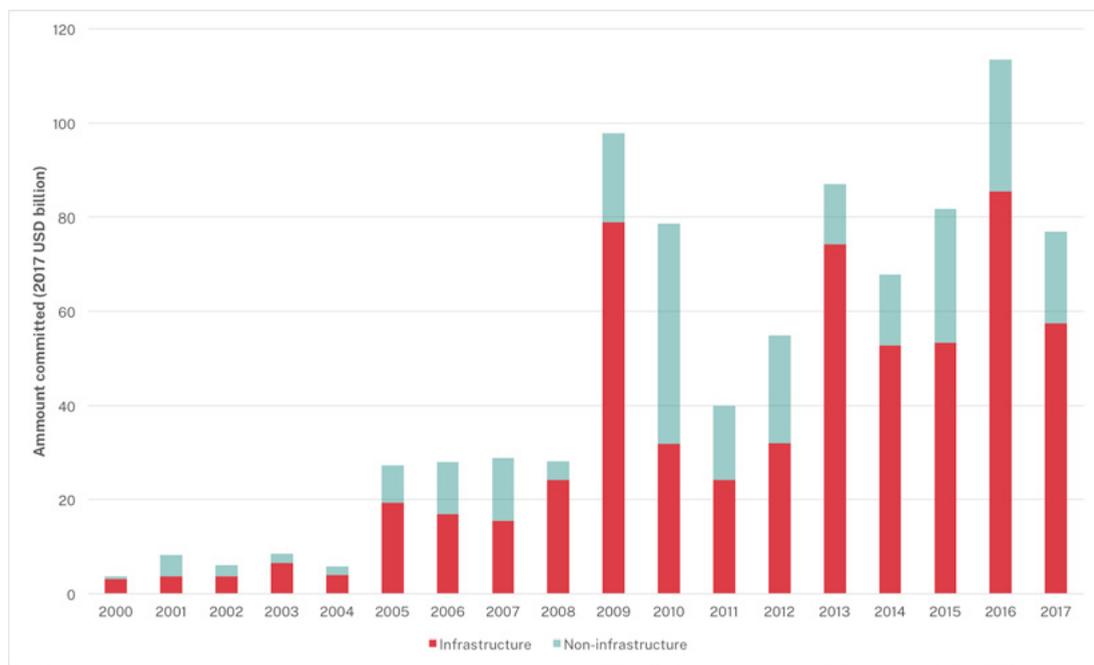


Figure 1: China's Global Development Finance Commitments, 2000–2017

Notes: 'Infrastructure' includes projects in the 'transport and storage', 'industry, mining, construction', and 'energy' sectors. This is a proxy measure for gauging overall infrastructure finance and does not capture certain projects, like government buildings, in other sectors. Source: Data are from Custer et al. (2021) and Dreher et al. (2022).

clear economic benefits to host countries (Dreher et al. 2022). Moreover, though certain individual projects have encountered challenges and attracted the bulk of international publicity (Bräutigam 2019), many of China's overseas infrastructure projects have been successfully implemented on time or even ahead of schedule and have helped relieve infrastructure bottlenecks in host countries (Bluhm et al. 2020; Malik et al. 2021).

Recent evidence along the BRI also raises doubts about whether and how much influence the Chinese Government is gaining from high-profile overseas infrastructure. Influence is often defined in political science as an actor's ability to change another actor's behaviour in ways congruent with the interests of the influence-seeker (see, for instance, Dahl 1984). However, as discussed below, the BRI exposes the limits of narrow definitions of influence that assume straightforward intentions and results but neglect the importance of host-country environments. Mounting evidence from a diverse set of BRI countries—such as Indonesia, Kazakhstan, Malaysia, and Zambia—

demonstrates significant local, national, and even international pushback against Chinese-financed infrastructure that has created real foreign policy consequences for the Chinese Government. Common grievances about Chinese-financed infrastructure include opaque lending terms and debt sustainability risks, environmental degradation, socioeconomic disruption, and unequal benefits across the communities that host projects. Researchers have repeatedly emphasised the role of host agency—the ability of state and nonstate actors in host countries to influence project selection, negotiation, implementation, and reception on completion—in modulating whether projects are successful and whether China can gain influence by financing them (see, for instance, Wong 2021; Wang 2022). In aggregate, at least so far, the BRI does not appear to have significantly boosted China's international position or reputation.

Instead, an uncomfortable outcome for Beijing has emerged. Its high-profile infrastructure projects have complicated rather than enhanced China's global influence and have weakened the ability of the Chinese Government to control its net influence abroad. Large infrastructure has always been economically risky given its ambition, scale, and complexity. The same features that make high-profile infrastructure attractive make its planners prone to miscalculation of economic risk. BRI projects are not immune to this general tendency. But in addition to economic risks, the BRI—as a massive, state-led global infrastructure drive—has demonstrated that overseas infrastructure can also introduce unintended volatility for states' net international influence, even if influence-seeking is not the primary objective.

China's global infrastructure financing over the past two decades is remarkable when viewed in this light. During the same period, China's stability-oriented government has tightened its political control at home and has made substantial public diplomacy investments abroad to shore up its global reputation and 'tell China's story well' (Caixin 2015). Like other rising powers, China's government has sought to translate its growing material capabilities into greater influence at home and abroad. But in financing high-profile overseas infrastructure at scale, it has injected major unpredictability into this broader pursuit.

This essay draws on the author's recently published and forthcoming work and makes three observations about China's global infrastructure-influence nexus. First, national economic priorities have driven contemporary Chinese global infrastructure investments, but these projects are not merely products of the recent 'Going Out' strategy or the BRI. Chinese authorities financed hundreds of infrastructure projects abroad between 1949 and 1999, motivated in part by the overlapping political interests of the Chinese Government and host-country politicians. Second, their political and economic motivations make China and host governments vulnerable to a common infrastructure trap—that is, the tendency to oversimplify and miscalculate the economic risks posed by high-profile projects. China's state-led approach to financing global infrastructure is not immune to this tendency and may even exacerbate it.

Third, in addition to economic uncertainty, overseas infrastructure projects create a variety of ‘influence externalities’ beyond China’s control that are not well understood by project planners. High-profile infrastructure is uniquely visible and politically salient and these features make it a valuable but risky source of national political capital. One example of an influence externality occurs when state and nonstate actors in host countries or elsewhere craft and distribute their own narratives about infrastructure projects. Another is when host-country actors accidentally or purposefully misattribute credit or blame to the Chinese Government due to the complex set of state, quasi-state, and nonstate Chinese actors involved or located near Chinese-financed infrastructure projects. Either of these related processes can affect China’s foreign policy interests at high or low levels of politics and are largely beyond the control of the Chinese authorities. In short, high-profile infrastructure possesses distinct features that initially make it economically and politically attractive to the Chinese Government and host-country leaders; but these features also inject major political volatility for China’s foreign policy interests.

China’s Tenacious Global Infrastructure Projects

National economic goals have stimulated China’s overseas infrastructure financing since the 1990s. Towards the end of the decade, the government’s Going Out strategy urged Chinese companies to internationalise to achieve several macroeconomic objectives, such as offloading excess capacity and foreign exchange reserves, creating national champion firms in strategic industries, and increasing China’s energy security. It also mandated China’s major policy banks, the Export–Import Bank of China and the China Development Bank, rapidly scale up overseas lending to developing countries. Much of this lending has funded large-scale infrastructure for which Chinese SOEs serve as contractors (Zhang 2020). The BRI, in addition to its diplomatic and political elements, is similarly designed to address these domestic economic objectives by financing large-scale infrastructure that directs Chinese state-led capital abroad (Ye 2020).

However, decades earlier and long before these economic goals were formulated, the Chinese Government had already begun financing and building high-profile infrastructure in Africa and Asia (Bräutigam 2009). My forthcoming research comprehensively analyses China’s global high-profile development projects—a broad class of high-visibility, politically salient infrastructure including transportation projects, other economic ‘megaprojects’, and ‘prestige projects’ such as government buildings, sports stadiums, conference centres, and high-tech projects—since 1949. While these projects differ substantially in their motives and features, they share two qualities that make them uniquely valuable for host-country leaders. First, they are highly visible in terms of their physical presence and degree of publicity. Second, and relatedly, they are politically salient within host countries. Host-country leaders acquire externally

financed infrastructure projects and brand them as national and political achievements, allowing them to claim credit and pursue higher support among domestic audiences by appealing to individuals' sense of national pride or desire for status, particularly during politically important periods.

During the past two years, my research team constructed a dataset of more than 4,000 global development projects committed to developing countries by the Chinese Government between 1949 and 1999 (Strange forthcoming). The dataset complements recent efforts to track China's contemporary global development projects and reveals that the Chinese Government provided several hundred high-profile infrastructure projects worldwide before 2000 (Custer et al. 2021; Dreher et al. 2022). This includes more than 200 transportation infrastructure projects and more than 200 prestige projects such as government buildings, stadiums, conference centres, and entertainment venues. While China's prestige projects have usually been financed using grants or other concessional foreign aid, other high-profile infrastructure—such as big-ticket transportation, energy, and construction projects—has mostly been financed by loans with varying levels of concessionality from Chinese policy or commercial banks.

My research suggests that high-profile infrastructure has served as a unique form of political capital for China's government as well as host-country governments throughout different periods of China's history as a donor and lender. The tenacity of these projects is explained in part by the alignment of host-country and Chinese Government political incentives. For example, developing-country leaders have consistently looked to China to finance and build conference centres, sporting facilities, and other large public venues—often to hold major regional and international events. Cambodia offers an illustration of how this phenomenon has continued to the present day. In the mid 1960s, the Chinese Government financed and built the National Sports Complex in Phnom Penh, which featured a 50,000-seat stadium, during the leadup to the second Games of the New Emerging Forces (GANEF) to be held in 1966. Cambodian ruler Norodom Sihanouk had directly requested the project from China's leaders. In December 2021, more than five decades later, the Chinese Government provided another stadium for Cambodia. Prime Minister Hun Sen—an important regional partner—requested the project in 2014 in anticipation of hosting the 2023 Southeast Asian Games. The Chinese authorities obliged and funded a US\$169-million facility known as Morodok Techo National Stadium, which was built by the China State Construction Engineering Corporation. Both stadiums reflect China's use of high-profile infrastructure to cement high-level ties with the Cambodian Government (Burgos and Ear 2010).

Cambodia is a non-democratic regional partner, but my research shows that China's high-profile infrastructure does not favour any type of political regime or geographic region. Instead, host-country governments around the world have often shaped the allocation of these projects. For instance, I find that governments of smaller, less-developed states who are otherwise unable to finance high-profile infrastructure at scale are more likely to request prestige projects from China (Strange 2022).

**Exporting
Solidarity**

Tanzania–Zambia
Railway station in
Dar es Salaam. The
TAZARA railway
was a landmark
Chinese aid project
in the 1970s. Source:
David Brossard
(CC), Flickr.com.

Donor governments also benefit from these projects, at least in the short run. China has consistently used high-profile infrastructure to cultivate and strengthen ties with foreign governments. Compared with other aid, prestige projects send relatively clear signals of political support to recipient governments and generate higher expectations of reciprocity because individuals perceive these projects as supporting the interests of host-country governments (Strange 2022). China has provided hundreds of prestige projects since 2000 to reap high-level influence outcomes such as support in the United Nations General Assembly (Dreher et al. 2018). These projects are also frequently deployed as part of larger assistance packages committed to governments following their announcements of breaking diplomatic ties with Taiwan. But again, prestige and other high-profile infrastructure are not new fixtures in China's foreign aid, and the Chinese Government has consistently recognised their potential to generate influence. Its most famous historical aid project, the Tanzania–Zambia Railway (TAZARA), was endorsed by premier Zhou Enlai, who believed the project would generate substantially greater influence than would using the money to build small and medium-sized projects in other



countries (Editorial Board 2008: 322; Monson 2021). Though TAZARA—and many other high-profile, Chinese-financed projects—was also heavily motivated by other economic and political objectives, the Chinese Government perceived the project as important for China's pursuit of international influence.

Political synergy between China and host-country governments is part of a broader discussion about the politics of infrastructure. Scholars have long demonstrated that roads, railways, dams, stadiums, and other high-visibility infrastructure create unique forms of political capital. Governments deploy infrastructure for a variety of strategic goals such as consolidating power over territory, forging national identity, and winning popular support among constituents (see, for instance, Herbst 2000: 42; van der Westhuizen 2007). For governments unable to finance high-profile infrastructure internally, capital from foreign donors and creditors offers an alternative. Earlier political science research shows how recipient politicians utilise aid, especially visible projects, to pursue higher levels of political support (Cruz and Schneider 2017; Dietrich et al. 2018). Beyond China, the Soviet Union, Israel, Japan, and the United Kingdom all financed high-profile infrastructure projects during the twentieth century and India, Saudi Arabia, and Qatar have begun to do so across the Middle East in recent years (Strange 2022).

The Influence Risks of Overseas Infrastructure

While high-profile infrastructure offers unique sources of short-term political capital, it introduces substantial political risk over time. Some of China's most visible global infrastructure projects have encountered stiff local, national, and international criticism in recent years. On the one hand, 'BRI backlash' is likely related to features of China's development finance approach such as opaque lending terms, inadequate pre-project evaluations and safeguards, and direct negotiations with national-level host politicians that can sideline critical voices and foster corruption or other negative externalities. Political science research suggests that politicians in developing countries often have incentives to manipulate foreign aid and other 'unearned income' to their political advantage (Smith 2008). China's longstanding non-interference principle prescribes a generally hands-off approach that enables host-country leaders to request, allocate, and brand projects to their own political advantage, implicitly compromising the ability of other local actors to scrutinise projects and hold leaders accountable (Dreher et al. 2022).

On the other hand, all large-scale infrastructure—Chinese or otherwise—possesses distinct features that make it appealing initially but introduce major economic, social, and political risks over time. Indeed, for scholars of infrastructure, critical reactions to China's global infrastructure projects could hardly have been surprising. In their study of 'megaprojects'—defined as multibillion-dollar infrastructure projects—Flyvbjerg et al. (2003: 5) note that 'project promoters often avoid and violate established practices

of good governance, transparency and participation in political and administrative decision making'. Zealous project promoters denounce the 'cost-benefit analyses, financial analyses, and environmental and social impact statements' usually carried out before bankrolling projects and exclude outside voices that would make implementers more accountable. As a result, large-scale infrastructure projects around the world have repeatedly encountered long delays, over-budget expenses, widespread corruption, and highly uncertain popular reactions. Viewed in this broader context, BRI infrastructure projects are hardly exceptional. Neither the commercial nor the political motives behind China's global infrastructure projects suggest their planners should be better at avoiding these classic traps. If anything, the opaqueness that often characterises Chinese project negotiations and implementation may intensify the above tendencies.

But while its economic risks may not be distinctive, the sheer scale of China's state-led global infrastructure drive has uniquely demonstrated that beyond *economic* uncertainty, high-profile infrastructure also injects *political* risks, particularly regarding China's pursuit of international influence. Earlier analyses of China's influence along the BRI often fail to appreciate the unique visibility and political salience of high-profile infrastructure that make these projects attractive but risky ventures. In an insightful article, Ho (2020) argues that Chinese overseas infrastructure generates both structural power—positional power over other states because of asymmetric advantages—and discursive power, or power generated using discourse to constitute identities and interests. In general, however, scholars have conceptualised China's infrastructure influence in direct, simplistic terms in which China, the influence-seeker, exercises different forms of influence over host countries.

My research instead moves beyond deliberate influence and argues that high-profile infrastructure creates outsized 'influence externalities' for China, which I define as changes to a state's international influence that occur unintentionally and independently of the state's objectives due to changes in behaviour or perceptions by foreign state or nonstate actors (Strange forthcoming). Political scientists have long suggested that certain kinds of power and influence are unintentional rather than deliberate (see, for instance, Lukes 2005; Barnett and Duvall 2005). In examining China's global infrastructure projects, I illustrate two channels through which high-profile infrastructure can generate unintended influence consequences for the Chinese Government.

First, high visibility and political salience make China's overseas infrastructure projects unique sites for narrative building at scale and beyond the control of the Chinese Government. Narratives shape actors' choices and affect outcomes. They 'limit what political actors inside and outside the halls of power can publicly justify' (Krebs 2015: 3). When deployed effectively, narratives can create consequences for China's foreign policy interests. For example, in Zambia, both workers and civil society organisations have found success in shaping their country's foreign relations with China from the bottom up by carefully framing their objections to high-visibility Chinese projects as national grievances (Leslie 2016).

Alternatively, while host-country leaders can initially craft and propagate high-profile infrastructure narratives, opposition politicians or other elites can later capitalise on negative public sentiment towards Chinese infrastructure. In some cases, this can jeopardise China's influence, particularly if it enables other governments to achieve bargaining advantages that diminish China's position. For instance, in Indonesia, debates over Chinese-financed infrastructure projects, including the Jakarta–Bandung High-Speed Rail (Wijaya 2021), have permeated popular and elite political discourse. Indonesian politicians have successfully wielded general anti-China sentiment in recent years—stemming in part from social media coverage of labour issues related to Chinese-involved projects such as the Indonesia Morowali Industrial Park (Ginting and Moore 2021)—to increase their bargaining leverage in negotiations for future Chinese-financed projects (Tritto 2020; Camba 2020). In Malaysia, negative public sentiment has also destabilised China's foreign economic policy interests. In 2018, Malaysian prime minister Mahathir Mohamad cancelled projects worth more than US\$20 billion signed by his predecessor, Najib Razak. This occurred as the projects became entangled in highly public corruption allegations and as Malaysia's public debt owed to China was increasing. High-profile infrastructure—such as the East Coast Rail Link and Bandar Malaysia, a mixed-development housing project in Kuala Lumpur—featured prominently in both public and elite discussions about engagement with the BRI (Liu and Lim 2019).

The ability of political actors in host countries to create, contest, modify, and disseminate narratives around high-profile projects through both bottom-up and top-down channels is a challenge for China. Once narratives gain a foothold, they are difficult for Beijing to control. Sometimes infrastructure narratives are contained locally or regionally. Sometimes they instead spread far and wide, amplifying the influence consequences for China regarding a specific issue or even spilling into other policy domains that affect China's international interests. During the first decade of the BRI, the Chinese Government found neither it nor host-country governments could exercise a monopoly over popular narratives about high-profile infrastructure (Bräutigam 2020). China's state-centric approach to financing and building infrastructure is clearly not immune to popular or elite contestation beyond its borders.

High-profile infrastructure can also generate unintended influence consequences through a second, related process. Most infrastructure projects are financially and operationally complex, and observers in host countries often possess highly imperfect information about the identities and interests of different project stakeholders, the details of project financing and contractual arrangements, and the facts of project implementation on the ground. Host-country actors—from ordinary citizens to high-level officials—can accidentally or purposefully misunderstand the nature of China's behaviour or misattribute credit or blame to the Chinese Government when learning of project successes or failures (Baldwin and Winters 2020; Bräutigam et al. 2022). These informational problems are not unique but may be particularly acute for China's

state-led global infrastructure projects given the integration of China's domestic and international development strategies and the increasingly complex set of Chinese state, quasi-state, and nonstate commercial actors operating in developing countries around the world. In financing infrastructure and other development projects, the Chinese Government delegates responsibility to quasi-state or nonstate agents that behave in part in their own interests (see, for instance, Norris 2016). In many cases, local observers may be unable to distinguish which actors, preferences, and behaviours belong to the Chinese Government. For example, one recent survey-based study finds that Peruvians often perceive both private and state-owned Chinese mining companies operating in Peru as being linked to China's Government regardless of the company's actual identity (Ratigan 2021). Beijing's lack of transparency and disclosure regarding its overseas development finance projects may further exacerbate this issue. As with infrastructure project narratives, the Chinese Government appears to have limited capacity for demystifying the complexity of its global infrastructure financing to diverse audiences in other countries. Misattribution or other informational deficiencies that arise from this dynamic can feed into the local or national narratives about China's global infrastructure projects discussed above.

Infrastructure and Influence in Global Development

High-profile infrastructure breeds economic and political risks that its ambitious planners often fail to appreciate. China's state-driven approach to financing overseas infrastructure, which follows an 'encompassing accumulation' logic aimed at commercial and political objectives, could amplify these uncertainties (Lee 2017: 31–32). This does not mean China's overseas infrastructure projects will categorically reduce its aggregate global influence; more time is needed to assess their economic and political results. But financing high-profile infrastructure at scale creates 'influence externalities' that significantly limit the Chinese Government's ability to control its net influence outcomes abroad.

While such dynamics are not unique to Chinese-financed projects, the sheer scale of China's global infrastructure push makes it distinct within the contemporary global development landscape. Western development agencies have drastically curtailed infrastructure investments in recent decades in hopes that the private sector will fill the infrastructure financing gap and because of concerns about corruption (Dollar 2008). While recent multilateral responses to the BRI such as Build Back Better World (B3W) suggest 'traditional' donors and creditors may re-join the infrastructure game, such initiatives face serious questions about scale and coordination (Lu and Myxter-lino 2021).

The tenacity of China's overseas infrastructure provision is also noteworthy. Strong political synergy between China and host-country governments has made high-profile infrastructure resilient to changes in China's approach and to outside criticism. Earlier high-profile infrastructure financed by China faced both elite and popular contestation in developing countries (for example, Monson 2009: 148). In 2018, following international criticism that China was building 'white elephant' infrastructure projects in developing countries, President Xi Jinping stated that China's development cooperation with African countries needed to avoid 'vanity projects' (Reuters Staff 2018)—presumably, referring to many prestige projects discussed above with questionable benefits for host-country populations. More recently, the Chinese Government has advocated for 'high-quality development' (高质量发展) projects along the BRI (Xinhua 2021). Yet, their underlying political and economic incentives suggest China's high-profile infrastructure projects are here to stay for the foreseeable future, even as China recalibrates the focus of the BRI.

More generally, volatile reactions to China's high-profile infrastructure along the BRI warrant a more inclusive approach to studying influence conceptually and empirically (Fung et al. forthcoming). In international relations, it is well established that bilateral donors and lenders use development finance to purchase elite influence such as policy concessions. They also deploy development projects to enhance their public image overseas. The Chinese Government similarly aims to generate elite and popular influence by financing infrastructure in other countries (Wellner et al. 2022). But these projects' distinct features create unintended consequences beyond China's control, which existing theories do not adequately explain but which nonetheless affect China's overall level of international influence. ●

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