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THE IMPACT OF CHINA'S DEVELOPMENT FINANCE AND AID ON THE AFRICAN CONTINENT

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Abstract

The era of Western dominance is coming to an end. With the relative decline of Western power, the hierarchy among states is being shaken up. How this will affect the international order also depends on the distribution of ideas, norms, values and beliefs. The current Western international order, founded on a liberal ideology, is under pressure with the as ascendance of China to the top of the international hierarchy of states. This thesis investigates how development finance and aid is a foreign policy tool for China to undermine the normative foundations of the Western international order. The thesis focuses on the African continent, given its aid dependency but also due to Africa's growing importance on the global (political) arena. A quantitative research is being carried out on the impact of Chinese development finance and aid on the typically Western ideals, norms and values. Results show that these financial transfers have a negative (significant) effect on the ideals, norms and values associated with the Western ideology. The level of democracy, the degree of civil liberties and individual (liberal - political) rights are negatively influenced by Chinese development finance and aid. In addition, the public opinion regarding *undemocratic* forms of governance and stricter government control of companies and media become more positive in recipient countries when it receives more Chinese development finance and aid.

Key words: International (liberal) order, Hegemonic transition, The rise of China, Africa, Development finance and aid, Democracy, Civil liberties, Individual rights.

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List of Abbreviations

ADB	Asian Development Bank
AfDB	African development Bank
AIIB	Asian Infrastructure Investment Bank
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South-Africa.
CARI	China Africa Research Initiative
CCP	Chinese Communist Party
CDB	China Development Bank
CODF	China's Overseas Development Finance database
CPI	Corruption Perception Index
CRS	Creditor Reporting System
CSFM	Community of shared future for mankind
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DV	Dependent variable
EU	European Union
EXIM	Export-Import Bank of China
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development
ICC	Intra-class correlation coefficient
IDA	International Development Association
IMF	International Monetary Fund
IRT	Item-Response Theory
LMICs	Low-income and middle-income countries
MDBs	Multilateral development banks
ML	Maximum Likelihood method

MOFCOM	Chinese Embassy and Ministry of Commerce
NDB	New Development Bank
ODA	Official Development Assistance
ODF	Overseas Development Finance
OECD	Organisation for Economic Co-operation and Development
OF	Official Financing
OLS	Ordinary Least Squares
OOF	Other Official Flows
PCA	Permanent Court of Arbitration
PPP	Purchasing Power Parity
PRC	Peoples Republic of China
R2P	Responsibility to Project
SAIS	School of Advanced International Studies
TUFF	Tracking Underreported Financial Flows
U.N.	United Nations
U.S.	United States
UDHR	Universal Declaration of Human Rights
USSR	Soviet Union
V-Dem	Varieties of Democracy (institute)
WTO	World Trade Organization

“The Past cannot be changed, but the future can be shaped”

(Jinping, 2015)

“Napoleon once said, ‘‘China is a sleeping giant. Let her lie and sleep, for when she awakens she will astonish the world’’. At the turn of the twentieth-first century, the sleeping giant is fully awake. The world is witnessing a shift of the centre of political and economic power from the United States to China’’ (Lee, 2007, p. 1).

Chapter 1: Introduction

Change in the international structure of power among states has fired up debate about the future of the *world order*. At the heart of the debate lies the question: *will change in international division of power trigger a transformation of the ruling global order and subsequently lead to a hegemonic transition?* Immediately after the end of the Cold War this question would probably be seen as redundant or a sign of ignorance. In those days, Communism, the last threat to the prevailing liberal-democratic world order, was about to be eliminated in the face of the imminent collapse of the Soviet Union (USSR). The ascendancy of the liberal democracy after the end of the Cold War was believed in the West to be the final and (soon) the universal form of human government, a conviction that led Francis Fukuyama in 1989 to conclude that this could well be ‘the end of history’. At the time, it was believed in the West that eventually almost every country in the world would turn into a liberal democracy (Mearsheimer, 2019). After the vanquish of Fascism and Communism and the convergence of the superpowers toward a single political and economic model, there seemed to be no viable alternative to the liberal and democratic global political and economical order in the foreseeable future (Menand, 2018). This current world order, characterised as liberal, democratic, Western and U.S.-led, could be spread and institutionalised almost uninhibitedly, especially in the 1990s and in the beginning of the 2000s (Allan, Vucetic, & Hopf, 2018; Mearsheimer, 2019).

1.1. Change in the realm of hegemony and world order

The contemporary (neo)liberal and democratic world order finds its origins in the West directly after the second World War and during the Cold War. Back then, this order was bounded and dominated by the United States. It encompassed a wide range of political and economic institutions such as the

International Monetary Fund (IMF) and the World Bank, which are now part of the global world order. Following the end of the Cold War and the collapse of the USSR, the world had become unipolar with the United States as hegemon and the sole most powerful country. The former bounded order spread across the globe and transformed into a world order, which also entailed that the rules, institutions and ideology of the bounded Western order became globalised (Mearsheimer, 2019). Although the order became global, it was built upon the Western domination and therefore upon Western principles. Meaning that “*the United Nations, ostensibly the world’s most representative international institution, was founded by Western states*” (Novosad & Werker, 2019, p. 28).

“*The era of Western domination of the world is [however] coming to a natural end, as the Western share of global population and power recedes*” (Mahbubani, 2018, p. 88). The rise of China, the resurgence of Russia, the development of India, Brazil and other non-Western countries have restructured and rebalanced the international division of power, which Kishore Mahbubani (2018, p. 6) denotes as the “*new order of things*”. This ‘new order of things’ is referring to a new hierarchy of states based on their international power, in which the West is losing its dominant position. The rise of China concerns the top of this hierarchy of states and have triggered a lively debate in the scholarly literature about hegemony and a possible hegemonic transition between the United States and China.

The world political system is however not only shaped by the distribution of material power, but also as much by the distribution of ideas, identities, norms and ideology among the international community. The fabric of global politics is as much social as it is material (Finnemore, 2009). In line with this social constructivist understanding in IR theory, Kupchan (2014, p. 220) stated that “*understanding and managing international change requires examining not just shifts in material power, but also the associated contest among competing norms of order.*” This is why the focal point of this study lies on the normative implication of the rise of China, the most profound and significant contender of the Western hegemony and international order. As Chinese accumulation of material power and capabilities is already much debated and projected to surpass that of the United States, this thesis

will therefore scrutinise and illuminate the (potential) normative change that comes with China's ascendancy in relation to the contemporary Western-based global order.

1.2. Change in the international development finance and aid regime

This thesis will delve into the domain of development finance and aid to examine and assess Chinese influence and impact with regard the international order, because it is *impossible* to analyse the full Chinese impact on the international order within the limits of this thesis. There are however strong reasons and compelling arguments for delineating the scope of this research on development finance and aid.

First of all, this is a domain where China is actively resisting, opposing and reshaping the norms, rules and institutions of the current international order, making it possible to empirically test and evaluate Chinese impact and influence. “*China is offering an alternative to the Western norms that until now have dominated the global development aid regime*” (Harpaz, 2016, p. 123). There is an unprecedented tumult ongoing in the international development finance regime, representing cracks in the Western supremacy as a result of Chinese proactive engagement. Under the leadership of China, a growing number of non-Western states are contesting or opting out of the existing rules and institutions, which were designed by Western states and based on their relatively homogenous set of preferences, values and ideology (Nielson, Parks, & Tierney, 2017). And although it was not so very long ago that China was a recipient of foreign aid, China is currently matching the U.S. as one of the world's largest donors. The exact figures for Chinese development finance and aid lending are not in the public domain, because a substantial portion of it is unreported or ‘hidden’ as China considers this to be a state secret. It is, however, predicted by some commentators that China is or will soon become the leader in the provision of development finance (Humphrey & Michaelowa, 2019).

It is also argued that Chinese challenge to today's global norms is most noticeable and already impactful in the international development finance and aid regime (Harpaz, 2016). This opens up the

possibility to study and assess the more concrete normative implications and consequences of the rise of China, and potentially also to determine and/or predict the effects on the international order.

The second reason to focus on the development finance and aid regime is because foreign finance and aid is described as a way of Chinese normative opposition to Western influence. According to Allan, Vucetic & Hopf (2018, p. 845) “*the taken-for-granted and common sense beliefs, ideas and rules (of the masses) are a powerful source of legitimacy for the international order.*” Development finance and aid have the potential to diffuse norms, beliefs and ideology, and can therefore also impact and shape the normative and ideological foundation of an international order (Peng & Tok, 2016). International change is as much about shifts in material power as it is about struggles between norms, beliefs and ideology, and the domain of development finance and aid resembles both. So, for these reasons, it is scientifically interesting to study the normative influence and effect of Chinese development finance and aid.

1.3. China in Africa

Furthermore, this thesis will confine its scope to study the effect of Chinese development finance and aid for the African continent. According to Humphrey & Michaelowa (2019, p. 15) “*nowhere is the rise of China’s global influence in development finance more controversial than in Africa.*” Although having lots of valuable natural resources and minerals, the African continent is the poorest region in the world. Hence, Africa is also the most aid-dependent region of the world. For this poverty-stricken region Chinese development finance is of great importance and one of the major sources of finance. Which also means that China has the potential to exert a great deal of influence through their development finance and aid provision, because African countries are very much dependent on this form of finance (Humphrey & Michaelowa, 2019). A second reason to focus on the African continent is that hegemony and an international order rest not only on the consent of the leading states but also of the less powerful (Cox, 1987). A world order, according to Allan, Vucetic, & Hopf (2018, p. 845), “*rests on the consent of “the less powerful” in societies, who nonetheless have to participate in the worldwide system.* In the

light of international change it is therefore also interesting to concentrate on African countries, since they can arguably be considered as the ‘less powerful’ in the international community.

Controversy about China’s rapidly increasing role in African development has been mounting since the turn of the new century. China is regularly accused of using its largesse to gain political favours and secure access to natural resources. “*Chinese yearly finance commitments are now on a par with—and in some years substantially exceeded—finance by the United States, formerly the largest bilateral donor in Africa*” (Humphrey & Michaelowa, 2019, p. 15). The surge in interest in the African continent is however rational from an IR perspective. The African population share of the global population is now 17%, but is projected to grow enormously which will result in the African continent housing 39% of the world's population at the end of this century. This almost equals the estimated Asian share of the global population in 2100 (43%) (United Nations Population Division, 2019). This suggests that Africa may acquire a more important role and voice in international affairs. In addition, the African continent triggers the interest of Great Powers because it is home to an immense amount of natural resources and minerals, important for the development and production of modern technologies (Mahbubani, 2018). As such, Africa is arguably the world’s most interesting region to test the normative effect of Chinese development finance and aid.

1.4. Scientific Puzzle

China is spearheading a challenge to the international development finance and aid regime dominated by the U.S. and its Western allies. Chinese multilateral initiatives to establish the New Development Bank (NDB) in 2014 and the Asian Infrastructure Investment Bank (AIIB) in 2016 add to China’s impressively expanding bilateral overseas finance and aid activities of its government institutions and its policy banks, like the Ex-Im Bank of China and the China Development Bank (Asmus, Fuchs, & Müller, 2017). Not only are those newly established multilateral development banks (MDBs) and growing bilateral activities opposing Western hegemonic practices and institutions (like the World Bank and the IMF), but they also offer and diffuse alternative norms and ideologies that better suit and

fits China and its interest (Harpaz, 2016). Despite China's growing track record as a donor and financier, until recently scholars have focused almost exclusively on foreign aid provided by Western countries, the World Bank and the IMF (Asmus, Fuchs, & Müller, 2017).

Scientific studies on emerging and non-Western donors are relatively scarce, but a better understanding of non-Western development aid and finance is important. Woods (2018, p. 1220) perceives the rise of emerging donors as “*a silent revolution that is taking place in the development assistance regime.*” China is the most substantial and influential of the new aid actors and is changing the development landscape considerably, which is why it is important to enlarge the scientific understanding of China’s development finance and aid activities

1.5. Method

This thesis studies the effect of development finance and aid on norms, beliefs and ideology in recipient countries by using a quantitative research approach. A quantitative research design is chosen in order to be able to derive generalisable inferences about the impact of Chinese development finance and aid on the entire African continent. The random intercept model with a lagged dependent variable is the most appropriate regression analysis to evaluate the data.

1.6. Social & Scientific Relevance

The ascendancy of China as a major economic and geopolitical power is one of the seminal developments of the contemporary era. The rapid pace with which China development finance and aid have grown in size and scope have also attracted numerous commentators and have created considerable controversy (Humphrey & Michaelowa, 2019). The rise of China has drawn significant public attention in the West, because it is often depicted as an enemy or rival. This is however nothing new. One hundred years ago, Western politicians also warned for the ‘yellow peril’ – a fear that Asians, in particular the Chinese, would threaten the Western dominant position and be disruptive for Western values. People were, and nowadays are, concerned about the loss of their own dominant position (van Huët, 2021). An

accurate understanding of the contemporary rise of China, its purposes, activities and effects is important, because it is undeniable that China will play a more important and prominent role in world affairs in the 21st century. In addition, a better understanding of China will also help to determine in which direction the world could head. This will make it possible to foresee possible changes and anticipate a possible new future world order.

As explained in previous sections, diving into the realm of aid and development finance is scientifically relevant, because it reflects not only the changes of the material capabilities and power in the international order but it will also illuminate (some of the) normative implications that come with the rise of China. The ascendancy of China is arguably most tangible in the development and aid regime. Focussing on this regime could therefore possibly reveal the consequences of a more prominent and leading role of China in world affairs, as changes in this area may foreshadow changes in a wider spectrum of the international order.

Aid and development finance are foreign policy instruments used to pursue the national interest and advance the influence of the donor country, and also have the potential to diffuse norms and values across recipient countries (Dreher & Fuchs, 2015; Tiboris, 2019). As a consequence, China's growing international footprint in the development finance and aid regime has the potential to affect the normative foundation of the global political system. Given that international change has as much to do with shifts in global power as with changes in international dominant ideas, norms, and ideology, it is interesting to assess the normative impact of China's aid and development activities (Kupchan, 2014). As a result, this research on the normative impact of Chinese aid and development finance fits within the broader debate of hegemonic transition and international change.

Studying the effects of Chinese development and aid practices is of great importance considering that both China's amount of development finance is expected to increase as well as its influence on international aid policy is likely to expand. Especially as China now equals the U.S. as the largest bilateral donor in Africa and since China has established two major multilateral development banks

(MDBs) in the 2010s, it has become crucial to enlarge the scientific understanding on China's development and aid practices and their effect. *Until very recently, however, there has been a lack of systematic empirical evidence on the effects of, and principles guiding, Chinese development assistance* (Isaksson & Kotsadam, 2018, p. 147). This study will therefore enrich the existing literature on the effects of non-Western donors as it will focus on the effect of China's aid flows and development finance.

Almost all academic research has been devoted to Western donors and international institutions, primarily the IMF and the World Bank. Most Western donors are members of the Development Assistance Committee (DAC), which is an international forum that sets development co-operation standards and monitors development assistance, but also tracks and reports their activities. Many so-called 'non-traditional' or 'emerging' donors, including China, are not member states of the DAC and therefore do not comply with the reporting regime set up to track aid flows and development activities (Dreher A. , Fuchs, Parks, Strange, & Tierney, 2018). As such, most non-DAC donors' aid and development activities are much more opaque. This, according to Asmus, Fuchs and Müller (2017, p. 2) "[is] preventing researchers from conducting thorough empirical analyses." The Chinese leadership even "considers its international development finance program to be a state secret" (Dreher A. , Fuchs, Parks, Strange, & Tierney, 2017, p. 3). Due to this lack of transparency and the absence of a comprehensive and well-structured database, academic research on China and other non-Western donors outside the DAC is scarce and literature on the development effects of these donors remains largely anecdotal (Asmus, Fuchs, & Müller, 2017). However, researchers have composed a new comprehensive dataset on Chinese foreign development and lending activities in 2017, and since then more institutions and researchers have created datasets on Chinese development and foreign lending activities (Hatton, 2017). As a result, systematic and quantitative research on Chinese development finance and aid has now become possible. This finally allows for testing and assessing the expectations and predictions that have been made by scholars, pundits, public intellectuals, journalist and policymakers over the last decades regarding Chinese development activities and its consequences. The fact that the datasets are relatively new also makes this research novel and unique.

Chapter 2: Theory & Hypotheses

This chapter provides a comprehensive overview of the growing literature on the effects of the rise of China in the development finance and aid regime. For the purposes of this study, there will be a focus on the impact of Chinese bilateral development activities in Africa. The Chinese challenge in the development finance and aid regime is however part of a more wide-ranging and global development. Therefore, before discussing the effect of Chinese bilateral development assistance, a more precise elaboration will be made concerning the rise of China and its relationship with the world order. This will place Chinese impact in the field of development finance and aid in a broader perspective of hegemonic transition and change of world order.

2.1. World Order & Hegemony

Hegemony and the global (or international) order are two concepts that are very much interconnected in academic literature of International Relations (Clark, 2011; Cox, 1987; Finnemore, 2009; Ruggie, 1982). Cox (1987) defines hegemony as more than the dominance of a single world power. *“It [hegemony] means dominance of a particular kind where the dominant state(s) create(s) an order based ideologically on a broad measure of consent”* (Cox, 1987, p. 7). In contrast, a thin conception reduces hegemony to the predominance of a state on material power and capabilities alone. As the definition of the Cox (1987) makes clear, the ability to create an ideologically-grounded order is fundamental for the thick conception of hegemony. *“An international order is backed by an ideology that secures a measure of consent from other states and publics* (Allan, Vucetic, & Hopf, 2018, p. 840). This consent is based on the beliefs that structure and guide the normative understandings of what is good and desirable in (everyday) political and social life (Allan et al., 2018).

An international order can be defined as *“a regular, lasting pattern of state behaviours, and are constituted by an underlying structure of institutions, rules, norms, and discourses that structure, guide and shape state practices. That underlying structure is carried and reproduced by all associations (states, organizations, civil-society groups, corporations) whose actions shape state behaviours”* (Allan,

Vucetic, & Hopf, 2018, p. 845). An international order helps to govern the interactions among (member) state and non-state actors. The rules and institutions of an order dictates acceptable forms of behaviour and proscribe unacceptable kinds of conduct (Mearsheimer, 2019). Guided by deeply held beliefs, a hegemonic power wants to shape and bend the world order to its will. The international order concerns the arrangement and structure of world affairs in the absence of a world government and who has the greatest influence over it (De Wijk, 2019).

De Wijk (2019) asserts that in international relations ‘the law of the jungle’ prevails. The most powerful state(s), the hegemon, will determine the world order and infuse it with their values (De Wijk, 2019). Put it bluntly, power dictates. According to De Wijk (2019) power and values are two sides of the same coin: without might, it is impossible to incorporate ideological objectives in foreign policy. However, as Breslin (2020, p. 175) concludes, ‘*China’s structural power does not translate easily into shaping the rules of international conduct.*’ Because the fabric of global politics is as much social as it is material, the structure of world politics is therefore equally determined by the material distribution of power as by social factors (Finnemore, 2009). Also according to Clark (2011, p. 18) the world political system is ‘*shaped as much by ideas as by power, and by norms and values, not simply ‘mechanical factors*¹.’ The ‘great game of international politics’ is defined by the moral and normative understanding that underlie the behaviour of the participants in the international community (Clark, 2011). This normative dimension defines what is perceived as ‘good and desirable’ in the international community. Hence, an international order is not only determined by the strongest but also based on a normative and ideological consent in the international community (Allan, Vucetic, & Hopf, 2018). The strength and future of international orders is therefore not only determined by economic, military and political dominance of the hegemonic state(s), but also by the distribution of ideas, identities, norms, values and ideology across the international community. When the reigning ideology of the international order is supported by the distribution of ideas, identities, norms and values across the international community,

¹ Mechanical factors are ‘hard power’ in the international community, which refers to material capabilities like economic and military power.

then “*the international order is likely to remain stable even though the leading state(s) are declining*” (Allan, Vucetic, & Hopf, 2018, p. 840).

The rise of China concerns and possibly affects both the hegemonic position and the international order, because as a rising great power China's interests are expanding outwards. Historically, the rise of great powers comes with contestation of the international order. China's ascendancy is expected to be no different. Chinese rising capabilities will therefore lead it to contest and shape the rules and institutions of the global order according to its interest (Ikenberry & Lim, 2017).

The current international order is often being defined by the terms ‘Western’ and ‘liberal’. The foundations of the Western liberal world order were laid in the course of World War II, which only began to acquire truly global proportions after the collapse of the USSR. Under the leadership of the United States, the new hegemonic power, and its Western allies, a global edifice of institutions and international law was rapidly being created during the Cold War. The collapse of the communist USSR was seen at the time as the ‘victory’ of the Western vision of the world order. The ideological bedrock of this order is the liberal political-social thought and (neo-)liberal economic thinking. This materializes in the preference of democratic forms of government, promotion of individual freedoms, protection of citizens and favouring free market economy. The present international order consists of international institutions, regimes, agreements and rights, such as the United Nations (U.N.), World Trade Organization (WTO), World Bank, IMF, Responsibility to Protect (R2P) and the Universal Declaration of Human Rights (UDHR) (De Wijk, 2019).

Due to geopolitical changes and shift in the material balance of power, the liberal world order is under pressure. After all, the international order is man-made and not a God-given fact. And as the most powerful and influential states have a strong hand in its design, it is only natural that this order will be challenged by emerging and rising powers. Although the current international liberal order is not solely designed to advance democracy and human rights, it also serves the interests of sovereign states, whether democracies or autocracies. But it is undeniable that the actual order was a deliberate

American(-British) choice, underpinned by typical Western values. Other main actors/protagonists on the world stage will mean other fundamentals. If (historical) developments reveal anything about the future, the international order of the future will be the outcome of a struggle between the U.S. and China according to De Wijk (2019). And assuming that the liberal world order was indeed designed on the basis of Western beliefs and preferences, the obvious assumption is that China will want to (re)define it for itself once it becomes (one of) the most powerful. An international order with Chinese characteristics is then likely to emerge (De Wijk, 2019).

2.2. The rise of great powers

China's rapid rise over the past four decades, especially since it entered the WTO in 2001, to a major global power is referred to as 'the rise of China'. In those decades China's capabilities and power rose exponentially. Propelled by nearly three decades of double-digit economic growth rates, China has become an economic powerhouse and is projected to surpass the U.S. as the largest economy before the end of this century. It is now the second largest economy of the world, but also the most statist. With extensive government involvement, state-owned enterprises, subsidies, and protection, the Chinese political economy is the opposite of the Western ideal. Alongside economic prowess, China has expanded its military might, which is now clearly second in the world and increasingly assertive in disputes with its neighbours (Dollar & Hass, 2021).

China's rise is, however, not unique and the shift in global division of power did not come out of the blue. For millennia, superpowers have risen and fallen. Such transitions of power are a gradual process, which often goes unrecognised by the declining power for quite a long time. Consistent with a pattern seen for centuries in international relations, the foreign interests of emerging powers are increasing, which is followed by increasing international assertiveness (De Wijk, 2019). Emerging superpowers inevitably find themselves with growing interest in the way the world is organised, and they will therefore seek to reform and shape that global environment. With China's growing material capabilities has come international power and influence to have an impact on the world system. Since

China has not only a different political economy but is also ideologically an antithesis of the West, the rise of China is perceived as a challenge to Western and liberal international order. “*Today’s emerging powers will not embrace the existing international order erected during the West’s watch* (Kupchan, 2014).

China has growing (international) stakes, capabilities and power that lead it to look for ways to (re)shape the rules and institutions of the global order to suit its purposes. “*[China] is following in the footsteps of rising great powers of the past. Great powers rise up and contest the terms of international order*” (Ikenberry & Lim, 2017, p. 4). Emerging great powers are inherently more assertive because their rise gives them global stakes and interests. Especially for a country like China, with a large population and a long and proud history, it is inconceivable that it will *not* behave more assertively as its economy becomes the largest of the world and its middle class expands. This growing assertiveness is apparent, for example, in China’s desire to adjust borders (e.g. in the South China Sea), change institutional structures of international institutions, and set (new) international standards. Rejection of the order is only natural for an emerging superpower that will not let itself be dictated to (De Wijk, 2019).

History has shown that as a great power rises, it will as a matter of course try to push outward the norms that create order within its own polities to its expanding spheres of influence (Kupchan, 2014). This dynamic to (re)define and change the rules and institutions of the international order may be driven by a desire to (1) gain greater political influence, (2) acquire a bigger share of global wealth and/or (3) to enhance authority in the system of global governance (Ikenberry & Lim, 2017). “*A rising power may seek to change the architecture and rules of international governance institutions, and/or fundamentally alter the underlying principles and norms these institutions enshrine to reflect their own national values or ideology*” (Ikenberry & Lim, 2017, p. 4). China, like other emerging powers, will be no exception and will attempt to fashion an alternative order based upon to its own socioeconomic, ideological and cultural trajectory (Kupchan, 2014).

2.3. The Chinese Challenge

How does the rise of China relate to the current and future international order? According to De Wijk (2019) there can be no doubt that a global shift in power toward the East [China] will have profound effects on the world. Never before has a rising power been a non-Western state in modern history. That major changes are imminent is mainly because China's social, political and economic system is fundamentally at odds with that of the West. While the West favours the individual good, freedom, democracy, human rights and a free market economy, China is an authoritarian and state capitalist country emphasising the collective good (De Wijk, 2019).

Allan, Vucetic and Hopf (2018) have concluded that, although the U.S. is facing a relative decline of material capabilities and power, the Western hegemonic order is likely to prevail in the near future based on its ideological strength and normative appeal across the globe. The strong international support for the democratic and (neo)liberal values present, according to Allan, Vucetic and Hopf (2018), a system-level barrier to Chinese hegemonic succession. China is therefore *“unlikely to be able to attract powerful followers in order to create a counterhegemonic challenge to the Western hegemonic order”* (Allan, Vucetic, & Hopf, 2018, p. 841). This conclusion is however not a complete depiction and interpretation of dynamics of contemporary world politics in the academic literature. While China has been broadly supportive of the current international order in the past, this has not prevented China from (subtle) revisionism to challenge and reconfigure the international order according to its own preferences and interest (Clark, 2011). Paradise (2019, p. 471) even observed that China has abandoned the period of Deng Xiaoping's foreign policy philosophy of ‘hiding one's strength and biding one's time’ and *“is now acting in a more norm-making and agenda setting role in which it is seeking largely incremental change.”* China is attempting to produce a new global governance system for the twenty-first century, and is thereby posing a serious threat to the (normative) basis of the Western-led democratic and neoliberal world order (Paradise, 2019). Beijing opposes the universality of the democratic and liberal norms and counterbalances the dominance of the Western and liberal-based international order. This results in promoting authoritarianism and undermining democratic practices and liberal initiatives (Morton, 2020). *“At the very least, we can argue that China is engaged in an*

attempt to block the dominance of Western discourses and thinking by taking the lead in providing a discourse on international affairs, as an alternative to a 'Western' discourse." (Breslin, 2020, p. 142)

As a consequence, China is pushing for multi-polarization and the 'democratisation' of international relations. To democratise international affairs means for China that it is boosting greater political and cultural diversity and equality in international affairs, which effectively implies countering the dominance of liberal norms (Morton, 2020). Concrete recent challenges to the prevailing international order are reflected in *"China's recently launched efforts to coordinate emerging powers through the BRICS summits and G-20 meetings and to spearhead the creation of two new international financial institutions of their own: the NDB and AIIB"* (Nielson et al., 2017, p. 161).

It is evident that China has evolved from a passive to an active player in the international arena, one that contests, shapes and reforms the international order according to *"its interests as well as its ideas and values"* (Dian & Menegazzi, 2018, p. 120). Since Xi Jinping ascended to power in 2012, Beijing has embraced a new and proactive foreign policy anchoring the mantra of 'striving for achievement'. This, however, does not imply that China's intentions are to dismantle and tear down everything of the Western order, and build a completely new international order. As stated by Dian and Menegazzi (2018), the best definition of China's current strategy is 'selective contestation' of the international order. This strategy effectively entails being both a norm taker and norm shaper and implies a process of contestation, adaptation and renegotiation (Dian & Menegazzi, 2018). China benefited greatly from the current international order, and by virtue of that order the rise of China has been possible. *"China's ambivalence and discomfort with the liberal world order, constructed largely by the West over the past eight decades, remains apparent"* (Shambaugh, 2020, p. 361). It is therefore expected that China wants to maintain what it perceives as 'good' in the old international order, but gradually carves out a new Chinese-led order based on its own interests, norms and ideology (Paradise, 2019).

China's firm determination and deep-rooted aspiration to shape the system of global governance according to its own vision and priorities, to defend Chinese interest and project Chinese values and preferred ideas on a global scale, have become apparent in a series of initiatives launched in recent years

during Xi Jinping's tenure (De Wijk, 2019; Morton, 2020; Paradise, 2019; Shambaugh 2020). *“Xi has steered Chinese foreign policy away from Deng Xiaoping’s low-profile diplomacy toward (...) one that puts expanding China’s global reach as a linchpin to achieve the so-called China dream of the great rejuvenation of the Chinese nation”* (Zhao, 2020, p. 90). Xi also envisioned an idealistic and moralistic vision of the (future) world with the notion of building a ‘community of shared future for mankind’ (CSFM). This phrase captures in a nutshell the long-term vision and strategic intentions of Beijing to transform the international environment so that it is compatible with China’s model of governance and its ascendance as global leader. *“A prerequisite or pathway for building the community, he [Xi] noted, is the establishment of a ‘new type of international relations’ that supports, rather than threatens, China’s national rejuvenation”* (Tobin, 2018, p. 155). To establish the CSFM and to create a new type of international relations, underpinned by new universal norms, China will according to Xi (2017) *“play its part as a major and responsible country, take an active part in reforming and developing the global governance system, and keep contributing Chinese wisdom and strength to global governance”* (as cited by Morton, 2020, p. 156). China's ambitions do not remain mere words, but are also reflected in its behaviour. China consequently embraces institutions that serve its interests, like the WTO and the UN Security Council, and ignores organisations that harm its interests, such as the Permanent Court of Arbitration (PCA) in The Hague. At the same time, China is also constructing its own institutions and organisations as an alternative to those established by the West (De Wijk, 2019). Spearheaded by China, the NDB and the AIIB are parallel structures to the World Bank and the Asian Development Bank (ADB) (Naughton, 2020). Additionally, China’s enormous economic size and growth give it ‘clout’ which Beijing seeks to extend and capitalize both for political advantage and to exercise more influence in many areas of international relations. This is reflected, inter alia, in China’s increased foreign lending, aid and investment and its ‘credit diplomacy’. But Xi’s most ambitious and important project is the Belt and Road Initiative (BRI), which is essentially an economic infrastructure project that links China to the rest of the world. The core philosophy underlying the BRI is, according to Naughton (2020, p. 125) *“one of exercising greater international influence by providing benefits to a broad range of (developing) economies and tying them more closely to China.”* The geopolitical ramifications of the BRI project are potentially enormous. These institutions and initiatives, (co-)founded by China, strengthen their

influence internationally, operate in parallel to and even compete with the existing Western-constructed global system.

Xi Jinping aims to complete and achieve ‘the great rejuvenation (or revival)’ of the Chinese nation, to restore its ‘rightful’ place as the absolute (regional) hegemon and to regain the status of global superpower. This image of the ‘rightful’ hegemon is based on a long history in which China was the centre of the regional order in Asia and a great power in international relations. Chinese international ambition and behaviour is considerably shaped and influenced by its historical awareness. *In China’s case, it is often argued that the past carries even more of weight than elsewhere ... The sharp centrality of history to China may therefore as easily be seen as an ideological construct in itself rather than something given by chronology or continuity* (Westad, 2020, p. 25).

China’s national rejuvenation is seen as a response to the century of humiliation and Xi aims to restore China’s historically dominant position. During this so-called century of humiliation (1839-1949), a distinct period in Chinese history, the Chinese Empire had been defeated by and subjugated to the United States, European powers, Russia and Japan. During that time, China was inferior to other great powers, which is perceived as a national humiliation (Stevens, 2020). Due to China’s self-conscious character, the century of humiliation fuels anti-Western, anti-imperialist and nationalistic feelings. However, China is now in the position to once again become the world’s number one, to restore its supremacy and to dictate the world order. In the words of Xi Jinping (2017, as cited in Dian & Menegazzi, 2018, p. 26):

“China is qualified to be a leader. The glorious history of the Chinese nation for five thousand years, the struggle of the Chinese Communist Party in the past ninety-five years, the miracle of the thirty-eight years of reforms and opening-up, have been declared to the world as undeniable facts. We are qualified to be able to become the leaders of a new international order ...”

Based on Xi’s words, China should lead in shaping the ‘new world order’ (Huang, 2017). *“China’s current vision of the global order has been presented by its rise, coupled with a relative consciousness*

about a certain decline of the West (Dian & Menegazzi, 2018, p. 28). Taken as such, this global shift in power is precisely what generates greater opportunities for change, along with more potential for Chinese interests and objectives to expand. Although China will not seek to overthrow the entire international order, its willing to reform and go beyond a Western-dominated international system. The reform of global governance is according to Xi Jinping an “*irresistible trend*” and is about “*laying down rules for the international order and international mechanisms*” and “*determining in what direction the world will evolve*” (Xinhua, 2015). Without incorporating a Chinese perspective, previous ideas, perspectives and norms of international politics lost their credibility because of China’s increased presence and importance in world affairs (Dian & Menegazzi, 2018). The West needs to prepare for an international order in which “*its principles no longer serve as the primary ideational and normative anchor*” (Kupchan, 2014, p. 257).

2.4. An international order with Chinese characteristics

According to De Wijk (2019) the future of the international order depends heavily on how China thinks about the outside world. China’s vision on ‘which direction the world should head’ is very much related to its own ideological narratives legitimizing major initiatives within domestic, regional and global governance. In fact, international behaviour is a reflection of material interest as well as the ideas and beliefs of the actors (Marchetti, 2017). Ideas, ideological narratives and normative components shape China’s foreign policy and behaviour. The origin and normative content of Chinese regional and global initiatives and interests are strongly connected with its own ideational pillars (Dian & Menegazzi, 2018). In the case of China, its present (world)views are strongly determined by its past and old beliefs. Hence, in order to examine and envision the normative change that comes with the Chinese-led reform of the international order, it is essential to understand China’s history and its current ideational pillars.

The Chinese Communist Party (CCP), China’s leadership, is based on Marxist–Leninist ideology, and its vision on global politics are ideologically grounded on post-colonial nationalism, neo-Confucianism and economic pragmatism. China keeps referring and adhering to the ‘Five Principles of

Peaceful Co-existence’, which is China’s fundamental and decades-old guiding mantra for its international behaviour and foreign policy. Essentially, adhering to ‘Five Principles of Peaceful Co-existence’ denotes the enduring (neo-)Confucian and post-colonial identity of China (Dian & Menegazzi, 2018). Those principles emphasize mutual (1) respect for sovereignty and territorial integrity, (2) non-aggression, (3) non-interference in internal affairs, (4) equality and mutual benefit and (5) peaceful co-existence (China Internet Information Center, n.d.). *“China overcame colonialism and imperialism, and emerged from the Century of Humiliation with the need to protect its independence, sovereignty and self-determination as a main priority”* (Dian & Menegazzi, 2018, p. 29). Over the past five decades, the Chinese international practices have been anchored in what has been evocatively called the ‘hyper-sovereignty values’ (Feigenbaum, 2001). China emphasizes the principle absolute sovereignty and accuses the West of capitalizing on a concept of relative sovereignty to intervene in domestic affairs of other countries (De Wijk, 2019). China, as a state that suffered from colonialism, is willing to uphold sovereignty, territorial integrity, national security and intends to foster South-South relations in global governance as opposed to the once Western-dominated order (Dian & Menegazzi, 2018). For China, the promotion of sovereignty and non-interference also has pragmatic reasons, which is *“a desire to ward off international condemnation, sanctions, and intervention related to its human rights abuses and harsh policies toward dissidents and minorities”* (Eisenman & HeginBotham, 2020, p. 294).

Chinese (traditional) values guiding its international outlook and behaviour are strongly connected to (neo-)Confucian ideas of pursuing harmony, mutual benefit, inclusiveness, peace, coexistence and merit. *“Culturally, East Asia is a region infused with the core values of Confucianism”* (Shin & Tusalem, 2009, p. 403). China, as being the birthplace of Confucianism, constitutes the core state of this thinking. The interest of the community is paramount in Confucian thinking, as is the importance of internal cohesion and respect for leadership (Dian & Menegazzi, 2018). A society functions best when it is led by a well-trained elite and in which everyone knows and respects their role (van Huët, 2021). Confucianism places the interest, peace and prosperity of the community above the individual rights and freedom of the people. Cultural values of conformism, collectivism and hierarchy are central in Confucian, but collide with Western liberal and democratic values (Shin & Tusalem, 2009).

China's historical awareness is a major determinant of how it views and relates with the rest of the world. A Sinocentric view of the world is a legacy from the last Chinese empire era, and its relationship with other states must be seen in the context of 'the tribute system' (De Wijk, 2019). The tribute system – a Western terminology - refers to the total sum of multiple and highly ritualised relationships and complex structures of diplomacy, trade and cultural exchanges that constituted a hierarchical Chinese order. Its ideas are rooted in Confucianism and assume hierarchy and China's cultural superiority. The Westphalian premises of state equality and sovereignty were absent. Although other countries and communities were effectively autonomous, they had to regard China as their superior. China was at the centre of the world and surrounded by 'barbarians' (Kim, 2008). *While not an exact replica, there are indeed multiple signs that this is exactly what China is attempting to recreate. This is not a system built on either invasion or occupation. Rather it revolves around economic dependence, China's cultural centrality and other's obeisance, overwhelming military prowess, and a de facto "veto power" that Beijing wields over all other countries in the region (so that they would not dare to take an action that ran counter to Beijing's interests)* (Shambaugh, 2020, pp. 357-358).

China's perspective on global governance is at odds with Western liberal values and norms, which is the reason why the West regards China as a normative threat. The 'Chinese threat' is based on the conviction that China will not democratise and liberalise in combination with the resurgence of its historical strength. In that context, former President of the U.S., Barack Obama, referred to "*China as an adversary*" (Thies & Nieman, 2017, p. 125). Also the European Commission depicted China as "*a systemic rival promoting alternative models of governance*" (European Commission, 2019). This Western fear for Chinese normative influence is -partially- justified, because China ideologically rejects (what it calls) the Western liberal 'experiment' of exporting and promoting liberalism and democracy across the globe. China challenges the dominance of the liberal and democratic model, which is reflected in "*promoting authoritarian governance while also undermining democratic practices in countries near and far*" (Brands, 2018). Also, the Chinese leadership realises that it will be more secure in a world with a greater political diversity and where authoritarianism is more prevalent. Like the U.S. has long

strived to make the world safer for democracies, China now desires a world safe for authoritarianism (Brands, 2018).

Based on post-colonialism and (neo-)Confucianism, the Xi Jinping administration envisioned a Sino-centric and hierarchical view of a new world order which embraces a Westphalian orientation and pluralist principles of sovereignty, self-determination and non-intervention. Beijing rejects the universalization of the Western liberal international agenda and approach to global governance, but instead believes that the context matters and therefore advances the idea that each state has the right to preserve its own political regime and is sovereign in its own territory. Pluralism would be accepted, and perhaps even encouraged, in a China-led global order (Dian & Menegazzi, 2018; Kupchan, 2014). China also aims to achieve a ‘greater democracy’ in international relations by promoting the acceptance of ideological differences among states and respect for civilization diversity. This will mean that sovereign states are equal regardless of their regime type (Tobin, 2018). China would, according to Kupchan (2014, p. 255) *“likely welcome a more variegated global order, with different regions guided by their own cultural, social, and political norms.”* The ideal type of international is inherently pluralistic in nature, as it enshrines *“respect for state sovereignty and non-interference, promotes the ‘democratization of international relations’, and rejects the imposition of political and economic conditions by global governance institutions* (Cooley, 2015, p. 52).

China also asserts to build an order that better upholds the rights and interests of all countries involved, especially those of developing countries, rather than primarily the interests of the West. China has consistently identified itself as a developing and post-colonial nation, and now casts itself as the protector and advocate of this group of states, primarily in the global South. It therefore claims to give developing countries a stronger voice and a more prominent role in international relations. Beijing also claims to establish harmonious and cooperative relations based upon mutual benefit and positive sum games.

Taken together, this is China's interpretation of the 'new type of international relations' and a 'new type of international institutions' that it is pursuing. And as increasing numbers of countries are critical of the dominance and imposition of Western norms and standards, this Confucian rhetoric has a positive reception in other parts of the world. Together with realizing a 'greater democracy', these international initiatives channel the gravity of international relations away from the West. To counter the dominance of the democratic and liberal norms, China seeks to foster ideological variety and diverse political and socioeconomic systems.

The PRC has strong incentives and drivers to reshape and develop world affairs in ways that safeguard and advance its interests, although there is no consensus (yet) in the academic debate as to what the exact and complete Chinese aspirations are regarding its (re)programming of the international order. One prominent school of thought, particularly in Western academia, uses the Sinocentric tributary system 'prism' to predict that elements of the ancient tribute system will serve as building blocks for an international order with Chinese characteristics. This reasoning espouses the notion of respect and *"loyalty to a hierarchy of authority with China (or a duopoly—"G2"—of China and the United States) at its apex"* (Freeman Jr., 2020, p. 42). Another prominent line of thought bases itself on the 'Five Principles of Peaceful Coexistence', which constitutes the key foreign policy guidelines of China. This Chinese code of international conduct harks back to the Westphalian system, and stresses the sovereignty, equality of all states and inherent non-interference as to assure self-determination. Either way, an international order with Chinese characteristics will be different in many respects from the Western-dominated liberal order.

In an international order with Chinese characteristics, liberal (socio-)political values, democracy and universal human rights will fade into obscurity and international affairs will tend to be more pragmatic, transactional, and less ideologically charged instead. Humanitarian and democratic goals, based on Western and liberal values, will no longer dominate the international agenda. Whereas, an absolute notion of sovereignty will become more prominent, making the non-intervention the leading principle in international affairs. And although China, unlike the West, has no desire to impose its own

economic and political system on other states, it nevertheless regards its society, system, culture and development path as superior. While Chinese rhetoric emphasises pluralism, harmony and respect for political and socioeconomic diversity, other states must abide by China's superiority and centrality. China claims to offer a new and superior path, compared to the West, “ *to peace, prosperity, and modernity that other countries can follow*” (Tobin, 2018, p. 157). In order not to break with its conception of sovereignty and non-intervention, China wants to entice other states to follow its path or adopts its ‘model’ via soft power and (cultural) attraction. China promotes, and is willing to export, its own blueprint for governance based on a modern Leninist political system of authoritarian rule, in which the monopoly of political power is centralised along with a strong guidance of the state in the economy (De Wijk, 2019; Dian & Menegazzi, 2018; Shambaugh, 2020; Tobin, 2018).

To sum up, China is an authoritarian governed and state capitalist country, with a strong Confucian tradition, emphasising sovereignty, territorial integrity and non-interference. It will be the world’s leading economy at the end of this decade, but does not adhere to, and even oppose, the dominant political norms and values that are associated with the Western-led democratic and liberal order. Although the ‘ideological distance’ between the Western world and Beijing has narrowed as the CCP has partially embraced a market economy and is more concerned about legitimacy and accountability, “*China and the U.S. remain miles apart on fundamental norms*” (Kupchan, 2014, p. 255). There are fundamental differences in the understanding of what constitutes a legitimate form of governance. The ideological gap also exists on the universalization of liberal norms and rights, like the existence of universal human rights. In essence, China is opposed to the universal character of the political norms and sociocultural elements which are embedded in the Western-dominated liberal international order and vows to uphold cultural particularism instead. Beijing aims to shift global influence away from the U.S. and its Western allies toward China and other like-minded states (Kupchan, 2014; Tobin, 2018).

2.5. Global trends: democratic backlash & decline of liberalism

The rise of China is not the only challenge to the normative foundation of the Western order, but rather part of a contemporary era in which liberalism and democracy are facing a global backlash and decline. There is a larger international movement of opposition against liberal democracy that has grown and gained momentum (Cooley, 2015). Lührmann and Lindberg (2019) found evidence that the current decline of democracies across the globe amount to the third wave of autocratization. An ‘autocratization wave’ is defined by Lührmann and Lindberg (2019, p. 1102) as *“the time period during which the number of countries undergoing democratization declines while at the same time autocratization affects more and more countries.”* The third wave of autocratization adds to Samuel P. Huntington (1991) theory that modern history is characterized by three major waves of democratisation and two, so-called, reverse waves. This contemporary autocratization wave, or ‘reverse wave’, already started in 1993 and followed upon the last wave of democratisation. *“By 2017, the third wave of autocratization dominated with the reversals outnumbering the countries making [democratic] progress. This had not occurred since 1940* (Lührmann & Lindberg, 2019, p. 1103).

Liberalism as a political ideology is also losing its global authority and influence. Following the collapse of the USSR, liberalism rose to prominence as the dominant global ideology, and subsequently imbued the international order to such an extent that the post-Cold War era became known as the liberal order. However, since the start of the 21st century, liberalism is faltering in the face of growing international challenges that erode its dominance (Xuetong, 2018). The liberal order was, according to Mearsheimer (2019), doomed to fail as it contains fundamental problems and could only exist in a clearly unipolar world. The tendency in the liberal order to *“spread liberal democracies ... privilege international institutions over domestic considerations, as well as its deep commitment to porous, if not open borders, has had toxic political effects”* (Mearsheimer, 2019, p. 8). This has evoked powerful resistance of nationalism, which, as claimed by Mearsheimer (2019, p. 34), is *“the most powerful political ideology on the planet.”* The universalistic character and transnational perspective embedded in the liberal order is at odds with the profound particularism of nationalism, that is based on the view that the world is divided into distinct nations, each with its own culture. At a time when nationalism is

becoming a more important political ideology, it clashes with liberal aspect of the international order as nations increasingly emphasize state sovereignty, self-determination, security and national identity (Mearsheimer, 2019). However, not only the upsurge of nationalism marks the decline of liberalism but also the resurgence of populism in the U.S. and Europe, the former leading liberal states, signals dissatisfaction with (neo)liberalism and the functioning of democracy (in their countries). In particular, the terrorist attacks since the beginning of the 21st century, the global financial crisis of 2008, the refugee crises in Europe and negative effects of globalization have fuelled nationalistic sentiments and anti-neoliberal populism in the West. Growing nationalism, populism and also protectionist rhetoric and souverainism have made liberalism ideologically less dominant and prevalent in the Western states, who have historically been the leading proponents of liberal thought around the world. This puts a strain on multilateralism and the rule based order, which undermines the functioning of supranational liberal organizations and institutions (Allan, Vucetic, & Hopf, 2018; Cooley, 2015; De Wijk, 2019; Xuetong, 2018). This anti-multilateralism flow makes it also increasingly difficult for the West to collectively stand up to China, which threatens the liberal order from the ‘outside’.

Liberalism is also under pressure in non-Western countries, but the root causes of its decline differ from those in the West. The appeal of liberalism in non-Western countries has waned due to slowing economic growth in the liberal West compared to the high growth rates of non-Western economies. “*The way in which China has attained this economic growth and power in ways that don’t conform to neoliberal prescriptions and expectations is also considered to be attractive*” (Breslin, 2020, p. 152). The West has also been criticized when it comes to value issues, by non-Western commentators, of being hypocritical and applying double standards (Cooley, 2015; Xuetong, 2018). The West is increasingly seen, according to Cooley (2015, p. 49) as “*a problematic proponent of democratic norms.*” Contemporary global millennials have a higher opinion on the Chinese communist government when it comes to improving living standards and providing economic prosperity than Western liberal governments (Xuetong, 2018). “*At the same time, people in developing countries admire China’s policy of setting clear national priorities that invest greatly in the future, and as a consequence are more open to non-democratic forms of government*” (Xuetong, 2018, p. 5).

It can be concluded that the pressure on the foundations of the Western world order and the rise of anti-Western sentiments are part of a broader trend. The desire to set one's own agenda, without Western interference, is growing all over the world. Cooperation with Western states is under pressure and is shifting towards new alliances, such as the BRICS (De Wijk, 2019). Moreover, autocratic and non-liberal Western values seem to be gaining territory. There is still global support for democracy, but Pew Research Center (2017) has found that large sections of the population are receptive to alternatives and open to nondemocratic forms of governance. “*Large numbers in many nations would entertain political systems that are inconsistent with liberal democracy*” (Pew Research Center, 2017, p. 4).

2.6. Chinese challenge in the development finance and aid regime

The Chinese promotion of an alternative to the Western-dominated order is very well evident in the area of international development finance and aid. China is actively carving out its own norms and values in the once Western-led development finance and aid regime (Paradise, 2019). Since Chinese development finance and aid has risen tremendously in size and scope over the last two decades, China is now equalling the U.S. as the largest global development finance and aid provider. On the African continent China is even surpassing the U.S. as the largest bilateral donor (Humphrey & Michaelowa, 2019). The rise of China and of other non-Western countries have changed the international context in which development is provided considerably. Also, the alternative that China is offering with its development finance and aid program, compared to the Western donors, has substantially diversified the development landscape. Below, in the following paragraphs, an elaboration is given of how the Western development regime relates to the Chinese counterpart.

The norms and values underpinning the Western-led international development architecture have been shaped by the World Bank and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). Both international bodies were established by Western countries in the early 1960's. The principles prescribed by those institutions were based on an neo-liberal ideal of economic development, which later became known as the Washington Consensus.

This Western-based model for economic development included structural reforms and the adoption of free-market policy conditions by recipient countries in exchange for financial support provided by DAC donors, the World Bank or the IMF (Gereffi, 2014). This initially entailed minimizing governmental intervention in the economy, deregulation, privatization and trade liberalization, or in other words “*espousing free-market capitalism as its core tenet*” (Babaci-Wilhite, Geo-JaJa, & Shizhou, 2013). But later, the focus evolved from exclusively economic governance to a more inclusive aim for ‘good governance’. In the Western-dominated development regime, good governance meant “*accountability, transparency, predictability and participation*” (Kjøllestad & Welle-Strand, 2010, p. 4). Western donors increasingly provided development finance and aid with the purpose of “*promoting democracy, human rights, and accountable institutions*” (Bader & Faust, 2014, pp. 575-576). The conditionality, or the imposition of political and macroeconomic reforms, within the Western development regime has been highly controversial, especially since conditionality included areas like human rights, rule of law and environmental standards (Harpaz, 2016).

The Chinese development model and its development finance and aid provision are considerably different from the standards of the Western-dominated development regime. Rather than the imposition of political conditions and economic reforms by the Western donor community, China’s development aid is known for its ‘no-strings attached’ approach (Eisenman & HeginBotham, 2020). Beijing’s development model, policies and assistance are based on a distinct and different philosophy. China is not a member of the OECD, let alone of the DAC, and therefore does not abide to Western aid principles. As a result, China has the freedom to pursue their own interest in their development activities (Asmus, Fuchs, & Müller, 2017). In line with its adherence to the (neo-)Confucian ideology and post-colonial thinking, China’s development finance and aid provision are based on the principle of non-interference. Although there are conditions set when China provides development finance and aid, these conditions, however, have a fundamentally different nature. In essence, the ‘no strings attached approach’, arising from the principle of non-interference, means that China's development assistance is not tied to any political requirements and economic reform. Contrary to Western standards, the premise of non-interference behind the provision of development assistance implies that China’s aid is *not* made

conditional on ‘good governance’, human rights or environmental standards. This, however, does not exclude Chinese development assistance being linked to economic privileges (e.g. exclusive mining rights), (long-term) ownership of strategic and vital real estate and infrastructure (e.g. ports). *“The Chinese government has established a coherent set of principles and values, norms, rules, and operational standards for its foreign aid lending; it is rooted in the government’s long-established ‘Eight Principles’, and portrayed as being distinct from the norms and principles of the World Bank, IMF, and the OECD”* (Chin, 2010, p. 95). The Eight Principles emphasise respect for sovereignty and prescribe the norm to never attach conditions to aid. This is inline with the ‘Five Principles of Peaceful Coexistence’, the fundamental principles guiding China’s international relations in general. As China is not playing by the same principles and rules, its *“development aid philosophy and policies are coming into direct conflict with Western norms”* (Harpaz, 2016, p. 141). The Chinese approach is appealing to many small, developing and authoritarian states, that warily guard their autonomy (Eisenman & HeginBotham, 2020).

2.7. The role of development finance and aid

As an authoritarian and state capitalist country, China is able to effectively use its economic power for geostrategic and political ends. According to Shambaugh (2020, p. 355) *“money is the most important tool in China’s foreign policy toolbox, and it is being utilized to an unprecedented extent.”* This also includes development finance and aid. *China provided substantial economic assistance to developing states during the Mao era (1949–1976) but cut its foreign aid expenditures between 1978 and 2000. Since then, foreign aid has re-emerged as an important policy tool* (Eisenman & HeginBotham, 2020, p. 300).

For Beijing, development finance and aid are increasingly becoming an outspoken instrument for pursuing their national interest (Kjøllesdal & Welle-Strand, 2010). *China has been practicing new forms of economic statecraft, using its newly accumulated state resources and capital as economic tools for its foreign policy, and recently has elevated its use of foreign aid as a means to advance its influence*

and interests (Chin, 2010, p. 92). This is however not specific for Chinese development assistance. Western donors, too, have often geared their allocation of aid by political reasons rather than development goals (Dreher & Fuchs, 2015). The allocation of foreign finance and aid have always been (partially) determined and influenced by the strategic geopolitical and economic considerations of donor countries (Tiboris, 2019). As part of a ‘carrot-and-stick mechanism’ between states, development aid is a tool to economically reward or punish others. To achieve its foreign policy goals, foreign aid and finance will be deployed to “*reward allies, punish enemies, build coalitions, and influence public opinion in recipient countries*” (Dreher et al., 2018, p. 184). Also according to Isaksson and Kotsadam (2018), donors can, especially via development projects, influence social norms in recipient countries. All of this implies that aid and development finance can be used as a means to diffuse norms and influence other countries. So also for China, where “*foreign aid programs have been the major vehicle of China’s normative diffusion*” (Peng & Tok, 2016, p. 740).

2.8. General effect of development finance and aid.

Before turning to the effect of Chinese development finance and aid, a concise literature review on the effect of development aid will be given. In general, there are concerns that foreign aid is conducive to authoritarianism and stabilises illiberal structures in developing states. However, the empirical evidence in the literature on the effects of foreign aid on the political regimes is ambiguous, mixed, sometimes contradictory and has created much debate (Bader & Faust, 2014). There are basically three different theories in the literature about the effect of foreign aid;

- (1) it can make political institutions more democratic *if* conditioned or targeted (by donors) to strengthen democratic structures, improve education and/or income;
- (2) leads to weaker democracy or more dictatorship in recipient countries; or
- (3) stabilises and/or even amplifies the recipients’ existing political system (Dutta, Leeson, & Williamson, 2013).

Since China does not target or condition its aid to advance democratisation in recipient countries, it is rational to follow and concentrate on the second and third theory for the purpose of this study.

Foreign aid is a ‘fungible resource’ and can be used by governments and regimes, in discretionary fashion, to secure their own political survival (Bader & Faust, 2014). *Fungibility occurs when aid is not used for the purpose that is intended by donors. ... targeted aid is fungible if it is transformed into a pure revenue- or income-augmenting resource that can be spent in any manner in which a recipient government chooses* (Van de Sijpe, 2012, p. 322). As a result of receiving aid, recipient governments have a higher (discretionary) budget to create or buy support, build collations and also to suppress (political) opponents. The basic mechanism, in the literature, linking aid to increased authoritarianism is the ‘political resource curse’, in which non-tax revenues (such as oil and foreign aid) offer malevolent incumbents resources that they can discretionary use to their advantage. There are important parallels between the presence of valuable natural resources and receiving foreign aid. Like natural resource rents, foreign aid has been linked to the deterioration of democratic structures, the weakening of accountability and more corruption. *These resources simply give political regimes more money with which to pursue their various strategies for staying in power* (Morrison, 2012, p. 56). Revenues from natural resources and foreign aid ‘*will only alleviate the need for democratisation*’ (Morrison, 2007, p. 384). Although Western countries hoped to enhance democratisation through the effect of economic modernization by providing development finance and aid, studies, however, did identify negative effects of aid on features that are conducive to democratisation, like the rule of law and corruption control. ‘*The negative effects of aid have been attributed to the unintended effects of aid fungibility*’ (Bader & Faust, 2014, p. 580). Also, the imposition of conditions by Western donors, to overcome the problem of fungibility, appear to have also ambivalent and limited effects on the promotion of democracy and good governance (Bader & Faust, 2014).

The most plausible theory, according to Bader and Faust (2014), is that foreign aid tends to stabilise and consolidate the prevailing political regime of the recipient country. ‘*Foreign aid stabilises autocratic structures in autocracies while helping to consolidate democratic governance in democracies*’ (Bader & Faust, 2014, p. 581). Foreign aid can be politically captured, e.g. through patronage and clientelism, but this is only likely to occur in authoritarian regimes. Morrison (2012) also claims that foreign aid is neither pro- or anti-democratic, but the effect of aid is most likely to be

contingent on the institutional environment of the recipient country and it will stabilise whatever political regime it enters. Dutta, Leeson and Williamson (2013, p. 211) take the (institutionally) stabilising effects of aid a step further and argue that foreign aid has an ‘amplification effect’, meaning that it “*makes dictatorships more dictatorial and democracies more democratic.*” The principal mechanism of this branch of theory - the stabilising and amplification effect of aid - is that the effect of aid results from an interaction with the existing regime (institutions). Overall, this would imply that foreign aid does not alter the domestic regime configuration, but rather that the existing domestic regime type already determines in which direction foreign aid will consolidate or even strengthen and amplify the regime on a spectrum ranging from strongly autocratic to strongly democratic.

2.9. The effects of Chinese development finance and aid

China’s growing footprint in the development finance and aid regime together with its distinct character generated controversy and criticism from the West. The predominant tone of much Western academic and popular writing on China’s rapid rise as provider of development finance and aid has been pessimistic. Mainstream Western analyses of China’s provision of development finance and aid to African states suggest that China’s engagement has ‘negative’ political and social impact (Humphrey & Michaelowa, 2019). Labelling the potential effects of Chinese development engagement as ‘negative’ demonstrates a Western conception, and implies that the effects run in the opposite direction to Western ideals of promoting democracy, good governance and human rights.

The main observations in the academic and popular writing on the effect of China’s engagement with African states suggest that China’s finance and aid practices support dictatorial and authoritarian regimes, fuel corruption, fail to sanction poor governance, and weaken local labour rights, social protection and environmental standards. Western pundits, policy-makers and journalists accuse China, and other non-Western donors, of disregarding the principles of good governance, ignoring human rights and environmental sustainability, creating new cycles of debt, depleting natural resources and propping up authoritarian and corrupt regimes (Dreher et al., 2018; Power, Mohan, & Tan-Mullins, 2012). Moisés

Naím (2007, p. 95), one of the first and often cited critics, labelled Chinese development activities as ‘*rogue aid*’, because its unconditional development assistance is nondemocratic in origin, non-transparent in practice, and disregards the development attempts of the West to promote democracy and good governance. ‘*If they continue to succeed in pushing their alternative development model, they will succeed in under-writing a world that is more corrupt, chaotic, and authoritarian. That is in no one’s interests, except the rogues*’ (Naím, 2007, p. 96). Taken together, China’s engagement with many African countries will undermine democratic accountability, erode liberal structures and entrench authoritarianism.

These mainstream - predominant Western - assessments of Chinese development finance and aid activities, in conjunction with China’s opposition to the dominance of Western-liberal discourse, thinking and international order, leads to the following hypothesis, which is based on the assumption that the more a country is receiving China’s development finance and aid, the stronger the autocratization process in the recipient country will be:

[H.1.] Receiving China’s development finance and aid has a negative effect on the level of democracy in the recipient country.

Autocratization is, according to Lührmann and Lindberg (2019, p. 1099) ‘*the opposite of democratisation, thus describing “any move away from [full] democracy.”*’ Democracy literally means ‘rule by the people’. However, beyond this minimalist definition of democracy there appears to be no consensus. Democracy is a protean and multifaceted concept, and has become a catchword for many different political systems (Coppedge & Gerring, 2011). This thesis follows Dahl’s (1982) procedural conceptualization of modern democracy (as *polyarchy*). For Dahl the minimal procedural requirements for being a democracy are (1) elected executive officials chosen in (2) frequently, fairly and freely conducted elections, (3) inclusive suffrage, (4) right to run for office for practically all adults, citizens have the right to (5) freedom of expression (6) freedom of association and (7) alternative sources of information (Schmitter & Karl, 1991). Defining democracy in this procedural way and emphasising the

features of contestation and participation, brings this account close to Coppedge and Gerring (2011) conception of *electoral democracy*.

Before formulating more precise and other hypotheses, it will first be explained which mechanism causes Chinese development finance and aid to have the hypothesized impact on recipient countries. This study distinguishes four possible different but interrelated contributing causes, meaning that each mechanism is not isolated:

- (1) the unconditionality of China's engagement;
- (2) the undermining effect of Chinese development finance and aid activities; and
- (3) the appeal of the donor.

First, the unconditional character of Chinese engagement with recipient countries. China places its development cooperation, finance practices and aid delivery in a “*distinctive relation (often in opposition) to Western aid logics and practices*” (Power, Mohan, & Tan-Mullins, 2012, p. 132). In contrast to traditional Western donors, China does not condition its development assistance and requires no auditing. The predictable result, according to Eisenman and HeginBotham (2020, p. 300) is that “*Chinese aid is easier for (corrupt) foreign leaders to capture.*” Implying that recipient regimes could exploit the Chinese aid for their own political benefit. The ‘no (political) strings attached approach’ of Chinese development activities makes its finance and aid more prone to the effects of fungibility as discussed in paragraph 2.8.. Hence, the mere reason that Chinese development aid is unconditional, makes it likely to have negative effects on democracy and good governance as a result of the inherent fungible character of aid. Several mechanisms could materialize these effects. For instance, aid can be used by governments to (1) feed patron–client networks, (2) lower taxation for influential support groups, (3) bolster its repression and security apparatus, (4) to co-opt or demobilize interest groups and/or (5) to provide actual development and to improve living standards of the people which can legitimate (more) authoritarianism (Bader & Faust, 2014). All of these mechanisms, linked to receiving aid, can erode (Western) standards of good governance and democratic traits in recipient countries and therefore support hypothesis 1.

In addition, the Chinese alternative reduces external pressure for countries, dependent on development assistance, to implement Western political ideals. China's increasing presence as a source of development finance and aid poses a major challenge to the authority of Western donors, the World Bank and IMF. China's sheer presence as an alternative to the West, together with its distinct 'no strings attached' and unconditional approach, undermines the direct leverage and diminishes the systemic influence of Western donors to induce good governance reforms (Chin, 2010; Kjøllesdal & Welle-Strand, 2010). Xiaojun Li (2017) found that in Sub-Saharan Africa the democratizing effects of the OECD-DAC donors and institutions have diminished with the upsurge of Chinese aid. The causal argument underpinning this observation is: *"the availability of Chinese aid would encourage African recipients to resist pressure from Western donors to improve democratic governance"* (Li, 2017, p. 207). China, as a 'rogue donor', undercuts Western attempts to promote good governance, democracy, universal human rights, and environmental protection (Bader, 2015). *"Recipient countries might turn to emerging donors like China to circumvent conditions linked to their institutional setup and human rights record"* (Asmus, Fuchs, & Müller, 2017, p. 20). Peng and Tok (2016, p. 747) also claim that China's foreign aid program *"creates new options for dictators who were previously dependent on those (donors) who insisted on principles of 'good governance' and human rights progress."*

Although countries could have other motivations for engaging with China, like receiving (more) finance and aid on better (economic) terms, it is very likely that regimes do not subscribe to the Western political ideals when they deliberately circumvent Western political conditions and standards of good governance by turning towards China as a financier or donor. The 'no political conditions attached' approach of China's development activities enables recipient countries to reject Western conditions and to follow their preferred path of development. Thus, opting for the 'unconditional' Chinese development finance and aid, except for its generosity or more favourable terms compared to Western donors, could signal a rejection of the Western political structures and values. This reasoning supports hypothesis 1, and suggests that the ideological support for democracy and liberal values in recipient countries is weak/weakening.

The third main mechanism identified is linked to the appeal of the Chinese model. Once, the U.S. was the beacon for large parts of the world, but according to De Wijk (2019), many national leaders believe that today's 'stars' are increasingly non-democratic and non-Western, with China as a shining example. Leaders around the world are likely to conform to and align themselves with the new winners (De Wijk, 2019). As a result, the Washington consensus is increasingly being supplanted by the Beijing consensus. Furthermore, the norm of 'good' governance is shifting from democratic to functional. This shift implies that 'functional' results, like improving the living standards, rather than the democratic form are the benchmark of good governance (Mahbubani, 2018).

China provides an attractive development model to African countries. Harpaz (2016, p. 746) found proof that *"China's understanding of foreign aid and good governance is acquiring more support in the African region."* As the counterpart of the Washington Consensus, the Chinese model of (economic) development, often referred to as the 'Beijing Consensus', urges a state-led development strategy and economic growth before political, civil and human rights. China promotes and exports its own model of *"state-directed capitalism and authoritarian political control"* (Brands, 2018). This model emphasizes respect of sovereignty and self-determination, denies political rights and civil liberties to citizens, ignores principles Western good governance, undermines democratic accountability and serves to entrench authoritarianism (Power, Mohan, & Tan-Mullins, 2012). The successful and rapid development of China without the implementation of Western neoliberal prescriptions and reforms, has given credibility and appeal to the Chinese 'growth formula' as a successful alternative to the prevailing Western development model (Breslin, 2020). *"China has been making the case that liberal democracy is not an essential element for modernization"* (Dian & Menegazzi, 2018, p. 131). Given its massive success, coupled with Chinese emphasis on self-determination and respect for sovereignty, African countries are more willing to adopt the Chinese way of state governance ((Eisenman & HeginBotham, 2020; Peng & Tok, 2016). African leaders are eager to consider the Chinese model as it does not include any imposition of normative standards of governance (Power, Mohan, & Tan-Mullins, 2012). *"There is certainly sympathy for China's sovereignty agenda throughout many parts of the South"* (Clark, 2011, p. 26). In general, China enjoys a very positive reputation in the 'Global South'. China's soft power is

however limited on a global scale, yet its values, norms and ‘China model’ have an appeal to developing, authoritarian and/or post-colonial countries, which are characteristics of many African countries. As Westad (2020, p. 33) reports, “*China is genuinely admired by many in Asia and Africa.*” Both the political elite and the masses in African countries have a positive perception of the Chinese development model and policies (Peng & Tok, 2016). In terms of trade and development cooperation, African countries have moved towards China. “*African countries have been turning towards the Chinese and other emerging economies such as India, Brazil and South Africa, which may be resulting in a new set of international norms and coalitions that pose a challenge to the established global order*” (Power, Mohan, & Tan-Mullins, 2012, p. 262). This could possibly indicate that Africa is ideologically drifting away from the liberal West towards China.

As the Chinese development model and philosophy positively resonates in the African region, it will be very likely that African countries will not only adopt certain institutional characteristics but also beliefs. “*It might be rather cynical to suggest that a [political] culture is more attractive when it is accompanied by money—but maybe not totally incorrect. Nevertheless, it is important to recognize that there has been at least some success in getting the message across*” (Breslin, 2020, p. 151). Hence, this line of argument presumes a link between receiving development finance and aid and having a positive perception of the ‘Chinese model’, leading to a new set of hypotheses:

[H.2.] The more a country is receiving China’s development finance and aid, the more positive perception of the ‘Chinese model’ will exist in the recipient country.

More specific, a more positive perception of the Chinese model means:

Receiving China’s development finance and aid has a positive effect on ...

[H.2.a] the perception of undemocratic modes of government;

[H.2.b] the perception of state capitalism; and

[H.2.c] the acceptance of the restriction on political and civil liberties.

Proceeding with the account of the aforementioned argument, it is likely that African countries turning to Chinese development aid and finance will mirror (some parts of) the Chinese development model and Chinese thinking. Imitating the Chinese model by African countries could potentially mean:

- adopting a less democratic and more authoritarian (institutional) form of state governance;
- increasing state interference and regulation in the economy; and
- breaking down the individual (liberal) rights, civil liberties and social protection at the expense of economic development.

Adopting Chinese thinking will likely lead to an embrace of a pluralist order and adherence to Westphalian principles of sovereignty, self-determination and non-intervention in the African region.

Apart from supporting hypothesis 1, this line of argument also give rise to the following hypothesis:

[H.3.] The more a country is receiving China's development finance and aid, the more civil liberties and individual (liberal) rights are curtailed in the recipient country.

[H.4.] The more a country is receiving China's development finance and aid, the more the recipient government intervenes and regulates in the economy (and adopts state capitalism).

Finally, there is an assumed relationship between the behaviour of the donor and the social norms in the recipient country. This also links back to the third mechanism, 'the appeal of the donor'. Isaksson and Kotsadam (2018) claim that Chinese presence influences (social) norms that contribute to more widespread local corruption around Chinese aid project sites. *Corruption is a social phenomenon, where beliefs and perceptions play a key role* (Agerberg, 2021, p. 3). If others are assumed to be corrupt, an actor's rational response might be to engage in corruption as well. Hence, actors' decision over corrupt acts are strongly interdependent (Agerberg, 2021). As China's own behaviour creates an environment in which corruption is not delegitimised and stigmatised, it could change and impact norms of recipient countries. Although aid projects have the potential to transmit norms conducive to corruption reduction, it could also work in the other direction. *'statements such as 'I was corrupt but so was everybody else' reveal that a corrupt environment can serve as a justification for one's own corrupt behaviour. Hence, the presence of a donor itself engaging in corrupt practices could potentially change descriptive norms on corruption'* (Isaksson & Kotsadam, 2018, p. 148). Isaksson and Kotsadam (2018) even claim that

(social) norms are more easily changed for the ‘worse’ than for the ‘better’. An important remark, however, is that some studies suggest that Chinese development aid is also more likely to flow to corrupt regimes, but empirical results are ambivalent (Bader & Faust, 2014; Dreher et al., 2018). Nonetheless, different studies have shown that Chinese aid activities exacerbated corruption within countries. (Asmus, Fuchs, & Müller, 2017; Isaksson & Kotsadam, 2018). This lead to the last hypothesis:

[H.5.] Receiving China’s development finance and aid has a positive effect on social norms conducive to corruption.

2.10. China’s rational

The hypothesised effects of Chinese development finance and aid (in paragraph 2.9.) are consistent with its motives. Experts claim that authoritarian donor countries, like China and Russia, are interested in stabilising authoritarian orders (Bader & Faust, 2014). Bader (2015, p. 23) even argued that China, as an autocratic major power, has a *“theoretical interest in supporting authoritarianism elsewhere to prevent democratic dominos.”* The Chinese leadership understand, according to Brands (2018), *“that they will be safer in a world in which authoritarianism is more widespread, and their policies are working toward just that end.”* Promoting autocracies and undermining democracies and liberal practices have become a larger part of Chinese foreign policy. Chinese aid and development finance programs are used to further their pro-autocratic and anti-liberal (interventionist) agenda. By providing development finance and aid to other states, China is shielding other (authoritarian) states from democratic demands and liberal interventions. As a proponent of sovereignty and non-interference, China provides protection against the Western dominated international order that favours democratic diffusion and liberal-interventionism. Besides, in a globalised world, the Chinese leadership feels also vulnerable to the diffusion of democratic demands and liberal interventionism. Ensuring the persistence of a block of states that are opposed to the liberal and democratic norms of the West is critical to prevent their own regime against (future) democratisation and liberalisation pressure from the international community. Promoting and supporting autocracies across the globe is a way for Beijing to make their own regime *“‘diffusion proof’ against democratization and liberalisation pressures”* (Bader, 2015, p.

24). This cultivation of autocracies by China is also anchored in China's opposition to the international order.

Chapter 3: Methods

3.1. Research Approach

The main objective of this thesis is to expand the knowledge on the impact and role of Chinese development finance and aid. More specifically, the thesis aims to enlighten the relationship between aid and development finance from China and the socio-political norms/values underpinning the normative foundation of Western liberal international order. In other words, how does receiving Chinese development finance and aid affect the norms and values that are central to the Western liberal order in Africa. In order to provide a generalisable and comprehensive evaluation of the impact of Chinese development finance and aid, this thesis uses a quantitative research approach (with a large N). The goal is to test the hypothesised pattern across the African continent by using regression analysis. This analytical method is suitable for testing the hypothesised *association* (covariance) between the independent variable (X) and different dependent variables (Y), while controlling for possible confounding factors. The modelling identifies the best statistical relationship that describes what is going on in all cases combined and therefore allows for a stringent test of the causal hypotheses in Chapter 2.

3.2. Case selection

The guiding premises for the case selection was to incorporate as many African states as possible in the analyses to increase the statistical power. As set out in Chapter 1, this research focuses on the African continent because of its (1) aid dependency, (2) natural resources and its (3) growing importance and voice in world affairs. There are 54 state African states recognised by the U.N (United Nations, n.d.). In the dataset compiled for this thesis, Western Sahara is not included as an observation, because it has not been recognised by the U.N. as an independent state but is classified as ‘non-self-governing territory’, although Morocco is claiming authority (United Nations, n.d.). Also British and French overseas territory² in Africa are not seen as independent ‘African states’, and therefore not included in

² *Reunion* and *Mayotte* are French overseas territory, and *Saint Helena, Ascension and Tristan da Cunha* and the *British Indian Ocean Territory* are considered to be overseas territory of the U.K (United Nations, n.d.).

the dataset (United Nations, n.d.). However, due to a lack of data in the existing datasets used to compile the dataset for the purpose of this thesis, not all 54 African countries could be included in the analyses.

The timeframe applied to this research and in the statistical analyses starts in 2000. The substantive reason for including data from 2000 onwards is based on the observation of Joshua Eisenman and Eric Heginbotham (2020, p. 300) that “*since then, foreign aid has re-emerged as an important policy tool.*” This observation has been supported by Humphrey and Michaelowa (2019), who also started their period of analyses from 2000 onwards. “*It is only since the new millennium that Chinese development finance has increased so dramatically*” (Humphrey & Michaelowa, 2019, p. 18). This was not accidental as the Chinese government in Beijing adopted the ‘going-out’ strategy in 1999, which deliberately and dramatically changed the magnitude, scope, and composition of its overseas development finance program (Malik, et al., 2021). As a consequence of including lagged dependent variables (DV) (discussed in paragraph 3.5.), the dataset also consists of variables measuring the year 1999.

3.3. Data Approach

The new dataset compiled for the purposes of this thesis is based on existing datasets from other sources. This section introduces and outlines the most important datasets used for collecting the independent and dependent variable. The datasets that served as input for the control variables are explained succinctly in the operationalization of these variables.

3.3.1. AidData

AidData’s second version of the *Global Chinese Development Finance Dataset* is an extensive dataset on China’s (bilateral) overseas development finance, as it records the known universe of financial flows and projects from official Chinese agencies from 2000-2017 (Custer, et al., 2021). The term Overseas Development Finance refers to the total sum of Official Development Assistance (ODA) and Other Official Flows (OOF), which are categorization standards set by the Development Assistance

Committee (DAC) of the OECD (Malik, et al., 2021). AidData is a global research institute at the William & Mary research university, and is dedicated to realising data, tools and research in the field of development and foreign aid (AidData, n.d.).

As of 2013, a team of over 135 faculty staff, professionals and research associates around the world have made a far-reaching effort to illuminate the official financial transfers from China that had been shrouded in obscurity for a long time (Malik, et al., 2021). China, like other emerging creditors and donors, does not comply with existing international reporting regimes, notably the Creditor Reporting System (CRS) of the OECD and the International Aid Transparency Initiative (Custer, et al., 2021). To tackle this problem, AidData has developed the Tracking Underreported Financial Flows (TUFF) methodology in cooperation with an international network of researchers from various universities. See Appendix I for a detailed account of the TUFF methodology and what information is gathered and compiled. As a result, the AidData dataset consists of financial flows and in-kind transfers from a variety of official Chinese agencies (government and state-owned institutions) and provides compressive and detailed insight into the composition and magnitude of China's overseas development finance (Custer, et al., 2021; Malik, et al., 2021).

The dataset covers every region in the world, and has information on 165 countries. Compared to the total of 54 official African states, only Burkina Faso and Eswatini (formerly Swaziland) are not in AidData's dataset (Custer, et al., 2021). While other datasets capturing financial ties between China and other states are also available, in the context of this research, AidData's dataset is considered to be superior. Comparing to three other datasets:

- The Boston University Global Development Centre's *China's Overseas Development Finance (CODF)* database only measures the loans provided by the Export-Import Bank of China (EXIM) and China Development Bank (CDB), and is therefore not as complete as AidData.
- The *Chinese Loans to Africa Database* of the China Africa Research Initiative (CARI) and Boston University Global Development Centre focusses exclusively on loans, and provides

no information on the development intent or grant element of those loans. This dataset was formerly managed by CARI and the Johns Hopkins School of Advanced International Studies (SAIS), together know as SAIS-CARI.

- The *China's Overseas Lending - loan-level dataset and country debt stock estimates* database compiled by Sebastian Horn, Carmen Reinhart and Christoph Trebesch (2021) does captures China's loans and grants to (developing) countries, although it does not specify the grant element and (development) intent (of the financial flow). This database provides an estimate of the outstanding external (public and private) debt to official Chinese creditors but does not give any insight into individual financial transfers. The measure of outstanding external (public and private) debt to official Chinese creditors is however included in the dataset, and is used to (double-)check the effect of Chinese development finance. This will be explained in paragraph 3.4., and results are included in the Appendix.

3.3.2. V-Dem

The Varieties of Democracy (V-Dem) Research Project has compiled a comprehensive dataset measuring the different conceptions of democracy and its diverse components. The time frame in V-Dem's dataset ranges from 1789 through 2021, making it possible to collect the information needed for this study. The dataset is based on aggregating the judgements of experts. Although expert-coded aggregates allow for the estimation of difficult-to-observe and ambiguous concepts, this approach, however, raises inherent methodological concerns (Maxwell, Marquardt, & Lührmann, 2018). Before discussing V-Dem's methodological approach, it will first be discussed how the V-Dem database is most appropriate for this study compared to other databases. Appendix I outlines the rationale for V-Dem's multidimensional approach to the concept of democracy.

The collection of primary data at (multiple) disaggregated levels makes the V-Dem's approach unique compared to other databases (like Freedom House and the Polity Project). The mid- and low-level indices are defined and operationalized by a diverse body of institutional experts in a particular field. The low- and mid-level indices are used to construct the high-level conceptions of democracy

(Coppedge M. , et al., 2022b). This way, it is clear to all why a country received a certain score in a certain year. Another advantage of measuring at a lower level of abstraction, is the enhanced degree of precision compared to holistic measures. *“The conceptions, components, and indicators of a disaggregated dataset are comparatively [more] specific and precise”* (Coppedge & Gerring, 2011, p. 259). Finally, V-Dem measures on a continuous scale, which is required for this research.

Data has been collected via online surveys by an international network of over 3.500 country and institutional experts (Coppedge M. , et al., 2022b). Experts are usually professionals or academics with specialised and proven knowledge in (one of) the indicators/indices. For every country, twenty-five or more experts are coding, according to strict guidelines and detailed questions for each indicator and concept. Enlisting multiple country experts enables inter-coder reliability testing. Furthermore, a Bayesian Item-Response Theory (IRT) estimation strategy has been applied to measure unobserved latent traits and to correct for potential biases among experts (Maxwell, Marquardt, & Lührmann, 2018). *These models also correct for the possibility that experts have different thresholds for their ratings ... a concept known as Differential Item Functioning* (Maxwell, Marquardt, & Lührmann, 2018, p. 2). And to ensure preciseness and cross-country comparability, V-Dem has applied different coding procedures and techniques. All of this to tackle the concerns and issues that are related to expert-coded data (Maxwell, Marquardt, & Lührmann, 2018).

3.3.2. Afrobarometer

The Afrobarometer conducts cross-national surveys in more than 30 different African countries, in which it aims to capture the political, social, and economic ‘environment’ in Africa by measuring public attitudes. Defining and characteristic topics in the Afrobarometer survey are democracy and governance, but the questionnaires also include many other issues concerning the society, economy, corruption, gender equality and many more. Results of all the countries are compiled in one dataset per survey cycle. The round 7, released in 2019, is the most recent merged dataset, and includes multiple countries surveyed between 2016 and 2019 (Afrobarometer, n.d.). Appendix I presents more information about the different survey waves used in this study and provides an overview of the

countries per survey wave. The Afrobarometer datasets offer the most comprehensive insight into public opinion in Africa, as it includes more African countries and topics than the World Value Survey. Hence, it provides the most complete reflection of the African values, views and preferences on governance, economy, society and democracy.

In all countries, the surveys are conducted face-to-face among a nationally representative sample of randomly selected citizens of voting age. The personal interviews are carried out by local organizations (Afrobarometer, n.d.). Those partners operate according to strict protocols and methods, which are instructed by the Afrobarometer organisation during training sessions. The questionnaires are translated to the local language(s) of the respondents, ensuring that all respondents are capable of being interviewed. Dispatching teams across the country to personally interview in the respondent's chosen language yields usually a high survey response rate and should ensure a representative national sample of 1.200 or 2.400 adults (depending on the national budget). By aggregating the individual survey responses, it is possible to make inferences regarding the public attitudes of the voting age population. Cross-country and cross-time comparisons can be made, because the questions are standardised. This is a necessary feature for the purpose of this thesis, as the public opinion needs to be compared across countries and over time (Afrobarometer, 2019).

The Afrobarometer surveys are based on a “*clustered, stratified, multi-stage, probability sample design*” (Afrobarometer, 2019, p. 29). This sampling design gives every adult a known and equal probability of being included in the sample, and has the objective to provide an unbiased and representative estimate of the public opinion of the national population at voting age. To reach this purpose, Afrobarometer (2019, p. 29) strictly applies “*random selection methods at every stage of sampling and by applying sampling with probability proportionate to population size*”. The precision and representativeness of the Afrobarometer estimates have been assured by stratifying the sample according to key social and demographic attributes in the population, such as gender, sub-national area (province or region), residential locality (urban or rural location) and ethnicity. The sample proportion

assigned to each stratum should be the equal to its national proportion, as measured by the most actualized census figures available (Afrobarometer, 2019).

Although the Afrobarometer labels itself as an independent research network, it is sponsored by many Western agencies. Furthermore, it is committed, among other things, to contribute to the promotion of democracy in Africa (Afrobarometer, n.d.). While these facts may question the institute's independence, it does *not* provide an immediate reason to consider the data collected as biased. The credibility of the dataset is supported with Afrobarometer measures being used as inputs to other dataset's indices (such as the World Bank's World Governance Indicators), and as source for research publications, (political) briefings and country (risk) analysis (Afrobarometer, n.d.).

3.4. Operationalization

3.4.1. Independent variable: Chinese development finance and aid

The independent variable in this study is the amount of Chinese development finance and aid received. *“China has provided record amounts of international development finance and established itself as a financier of first resort for many low-income and middle-income countries (LMICs); however, its grant-giving and lending activities remain shrouded in secrecy”* (Malik, et al., 2021). Due to the lack of transparency on and complete overview of Chinese development finance and aid, this research relies on AidData's collection (as explained in paragraph 3.3.1). This comprehensive dataset maps out the known universe of Chinese financial transfers, flows and projects to 165 countries, of which 52 African, over a 18-year period (2000-2017) (AidData, n.d.). While AidData does not profess to have captured the entirety of Chinese development finance and aid, this thesis considers AidData's dataset to be the most adequate reflection and best proxy (available) of the totality of Chinese bilateral development finance and aid provision to African states.

The AidData dataset contains detailed information about each individual financial transfer. The information required for this study were:

- the official commitment date (year);
- monetary value (in constant 2017 U.S. dollars);
- categorization as Official Development Assistance (ODA) or Other Official Flows (OOF) according to OECD-DAC categorization criteria; *and*
- development intent (Military, Commercial, Development, Representational or Mixed) (Custer, et al., 2021).

The hypotheses require a test of Chinese development finance and aid on different dependent variables. Given the character of hypothesis and the nature of the dependent variables, which are measured on a yearly basis, the independent variable must represent the total sum of Chinese development finance and aid received by each African state. This was done by aggregating each individual financial transfer and project with an development intent per *year* per *country* in constant 2017 U.S. dollars.³ Development intent is defined, in line with the definition of the OECD-DAC, by Custer, et al. (2021, p. 14) as *“the promotion of economic development and welfare in the recipient country.”* OECD-DAC guidelines to identify a financial transfer or project as Official Development Assistance ODA are more strict, as those activities should be provided with a grant element of minimum 25 percent. Activities provided with a lower or no grant element (less concessional terms) or without development intent are defined by the OECD-DAC as Other Official Flows (OOF) (Custer, et al., 2021). *“ODA projects are widely considered to be “development aid” in the strict sense of the term. The sum of ODA and OOF is sometimes referred to as Official Financing (OF) or Overseas Development Finance (ODF)”* (Custer, et al., 2021, p. 14). In this study, there is a slight deviation from the OECD-DAC guidelines, and defines development finance as any financial transfer and project with a development intent. Therefore, each financial flow with development intent is considered, within the framework of this thesis, as development finance and aid, and is the sum of ODA and OOF. Deviation

³ Individual financial transfers are only aggregated if they were marked by AidData as ‘Recommended For Aggregates’.

from the OECD-DAC framework is justified, as these working definitions are (only) Western constructs based on Western interpretations of development aid/finance and are not followed by China and other emerging donors.

Aggregating all the individual financial transfers and projects with a development intent from China per year for each country gives the total amount of development finance provided by China per year. The year is based on the year of the official commitment, which is the year when a Chinese official institution and one or more entities from the recipient state signed a formal agreement (Custer, et al., 2021). Although this does not specify when (and in which instalments) the money was or will be transferred, this is the only consistent variable providing a reference point. But from an empirical perspective, this results in a distorted and skewed impression of Chinese development finance and aid. Because a country can secure a large amount of commitments in one year, but non in the following years. This causes peaks in the dataset, while in reality financial flows are supposed to be more evenly distributed. This is supported by the findings of Horn, Reinhart and Trebesch (2019). They concluded that:

“To learn about the time lag between commitment and disbursement of Chinese loans, we evaluated micro-level data for around 200 Chinese projects. We found that most projects are implemented within 3 to 4 years and that, by the end of year 5, more than 85% of projects had been completed. One can thus assume that the average delay between commitment and full loan disbursement is also between 3 to 4 years.” (Horn, Reinhart, & Trebesch, 2019, p. 19)

This study also assumes that the effect of development finance and aid does not occur (only) in the commitment year, but also occurs and becomes evident in the following years. Together with the assumptions that there is a three to four years time lag between commitment and disbursement, the total development finance and aid per commitment year is distributed over the commitment year and the following three years. In order to compare the amount of development finance and aid received with

other countries, the total development finance and aid per year is measured against GDP. Taken all of this together, the independent variable ‘Chinese development finance and aid’:

- contains all individual financial transfer with a development intent;
- is aggregated per commitment year;
- is equally spread over 4 years (including the commitment year); and
- is divided by GDP and multiplied with 100.

This gives the amount of development finance and aid per year as a percentage of the recipient’s GDP. Because the amount of development aid is spread over four years, the time frame of this variable is from 2000 to 2020.

3.4.2. Independent variable: Chinese development finance and aid total aggregate

In addition to the aforementioned effect of Chinese development finance and aid *per year*, this thesis also assumes that the total development aid received up to a certain year has an effect on the dependent variables. This variable therefore measures the total amount of development aid received up to a certain year, and is basically the sum of the development finance and aid of the previous years (including the current year). This variable is also measured as a percentage of GDP, in order to make a meaningful comparison between countries.

3.4.3. Dependent variable: level of democracy [H.1.]

Hypothesis 1 requires a measure of the level of democracy per year. This research project incorporates the following high-level democracy indices from V-Dem to measure the level of democracy:

- Electoral democracy index (v2x_polyarchy); *and*
- Liberal democracy index (v2x_libdem).

Those conceptions of democracy are most appropriate for this thesis. The electoral democracy index is in line with the definition of democracy, outlined in paragraph 2.9, as a procedural conceptualization of modern democracy (*polyarchy*). The liberal democracy index measures ‘*to what extent is the ideal of liberal democracy achieved*’ (Coppedge M. , et al., 2022a, p. 44). This liberal conception of democracy

emphasises the importance of transparency, individual rights, rule of law, civil liberties, minority rights, (horizontal) accountability and a limited government (Coppedge & Gerring, 2011). The liberal is appropriate and interesting in the context of this study, as it is in accordance with the liberal thinking underpinning the Western international order. Both indices have an interval scale (0-1), ranging from low to high.

3.4.4. Dependent variable: perception of the ‘Chinese model’ [H.2.]

The following dependent variables, from the Afrobarometer, are used as measures for the different (sub-)hypothesis regarding the perception of the ‘Chinese model’ of governance:

- Support one-party rule [H.2.a.]
- Support one-man rule [H.2.a.]
- Support undemocratic modes of governance [H.2.a.]
- Support for government controlling organisations [H.2.b.]
- Support for government controlling the media [H.2.c.]

Respondents of the Afrobarometer could answer the question regarding the support for *one-party* rule and *one-man* rule on a five-point likert scale, ranging from strongly disagree (1) to strongly agree (5) (Afrobarometer, 2020). The specific questions asked in the Afrobarometer survey are included in Appendix II, and fit very well with the (sub-)hypotheses 2.a (see section 2.9.). For every survey wave, the mean per country has been calculated. This represents the average support for one of these undemocratic modes of governance in a given year. Additionally, the average *undemocratic support* has been computed. This is not an original Afrobarometer variable, but is based on the Afrobarometer variables measuring support for each undemocratic modes of governance: (1) one-party rule, (2) one-man rule and (3) military rule⁴. The support for undemocratic modes of governance is based on the mean score per respondent on these three variables. The support for military rule is not separately incorporated

⁴ In Appendix II. the question concerning support for military rule is included. All of these modes of governance are undemocratic.

into the analysis, because there is no hypothesised relationship with Chinese development finance and aid, whereas the one-man rule and one-party rule are associated with the Chinese model of governance.

The dependent variables support for ‘*government controlling organisations*’ and ‘*government controlling the media*’ are also the average scores per country. Respondents were asked to choose for the statement closest to their view, where one statement in favour of government control and one against government control (or in other words in favour of liberal views) (Afrobarometer, 2020). Both questions and statements are included in Appendix II. The average score per country on both questions are interpreted as the public opinion (in a country) on ‘the government controlling organisations’ (H.2.b.) and ‘the government controlling the media’ (H.2.c). The public opinion on both variables are assumed to be the best proxies for the public perception of state capitalism (H.2.b.) and the acceptance of the restriction on political and civil liberties (H.2.c) in a country.

3.4.5. Dependent variable: civil liberties and individual (liberal) rights [H.3.]

The V-dem database contains multiple mid- and low level indices (variables) that quantify the civil liberties and individual (liberal) rights in a country per year. The following mid- and low level indices have been used as the dependent variable to test hypothesis 3:

- Freedom of Expression and Alternative Sources of Information index
- Civil society participation index
- Civil liberties index
- Political liberties index
- Government censorship effort - Media

Together, these individual variables are assumed to provide an adequate reflection of the degree of civil liberties and individual (liberal) rights in a country. In Appendix III a more detailed description of these variables is included. Each variable is tested individually at the disaggregated level, allowing for a more sophisticated and precise test of the hypothesis 3.

The ‘Freedom of Expression and Alternative Sources of Information index’, ‘Civil society participation index’, ‘Civil liberties index’ and ‘Political liberties index’ are all interval variables, ranging from 0-1 (low to high). The variable ‘Government censorship effort — Media’ was originally measured at an ordinal scale⁵, but has been converted to an interval scale by based on the Bayesian Item-Response Theory (IRT) (Coppedge M. , et al., 2022a). *While an IRT model takes ordinal values as input, its output is an interval-level estimate of the given latent trait [in this case government censorship effort]’* (Coppedge M. , et al., 2021). This IRT estimation strategy has been developed by Pemstein and Marquardt (2018).

3.4.6. Dependent variable: state ownership of the economy [H.4.]

V-Dem’s (low-level) indicator ‘State ownership of economy’ aligns (almost) seamlessly with hypothesis 4, in which the inferences has been made that receiving Chinese development finance and aid has a positive effect on state interference and regulation in the economy. In other words, Chinese development finance and aid would affect the level of state capitalism in the recipient country. To assess the level of state ownership of the economy, the following question has been posed to V-Dem’s network of experts: “*does the state own or directly control important sectors of the economy?*” (Coppedge M. , et al., 2022a, p. 187). It gauges the extent of state ownership and/or regulation of capital (including land), industries, agriculture and services (Coppedge M. , et al., 2022a). See Appendix IV for a full description of the question and its response options. This variable was originally estimated on an ordinal scale, but has been converted to an interval scale using V-Dem’s IRT model (Coppedge M. , et al., 2021).

3.4.7. Dependent variable: corruption [H.5.]

The inference has been made that Chinese development finance and aid would effect the social norms conducive to corruption. As laid out in paragraph 2.9, corruption is a social construct where perceptions and beliefs and play an important role. In particular, one’s perception regarding trust in others and/or the suspicion of corrupt behaviour by others, influences an actor’s threshold to behave in

⁵ The original ordinal response scale is given in Appendix III.

a corrupt manner (Agerberg, 2021). In this regard, the Afrobarometer could offer insight in the public opinion measuring the perception of corruption and trust in a country (Afrobarometer, 2019). However, indices concerning trust in each other are measured in an inconsistent fashion, which makes it difficult to compare results over time and to use them in an overall analysis. This thesis therefore makes the assumption that the *Corruption Perception Index* (CPI), established by Transparency International (an international non-governmental organisation), provides the best measure for hypothesis 5. ‘*The CPI focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain*’ (Coppedge M. , et al., 2022a, p. 358). Although the CPI does not actually measure the public's perception of corruption, the index relates to the degree of corruption as experienced and seen by the general public (Coppedge M. , et al., 2022a). It is therefore assumed that the CPI is a good proxy and an adequate dependent variable for the social norms conducive to corruption. The most important disadvantage, however, is that CPI is measured from 2012. Therefore, the V-Dem variable ‘political corruption index’ is added to the dataset to (double-)check the effect.

The CPI has been calculated on the basis of 13 different external data sources, including data from the African development Bank (AfDB), World Bank and V-Dem (Transparency International, 2021b). Transparency International structures, standardises and integrates into all this information into an interval variable, with a scale ranging from 0 (highly corrupt) to 100 (free of corruption). This aggregated score enables comparison across time (years) and space (countries). To ensure the validity and reliability, Transparency International have set strict criteria for the selection of data sources, validates the scores by comparing them with other empirical measures (such as the reported experience of citizens with bribery across different countries) and the CPI is routinely audited by individual experts. These evaluations have always proved that the CPI is both conceptually and statistically coherent (Transparency International, 2021a). Appendix I contains more information about the CPI.

3.4.7. Control variables

In the statistical analysis conducted for this research (explained in Chapter 4), it is important to control for confounding variables. ‘*Confounding variables ... are often defined as the variables*

correlate (positively or negatively) with both the dependent variable and the independent variable'' (Pourhoseingholi, Baghestani, & Vahedi, 2012, p. 79). The presence of a confounding variable influences the (statistical) result in such a way that it does not represent the actual relationship. Including confounding variables as control variables in the statistical model, can eliminate this cause for biased estimations (Field, 2018). Two control variables have been included, namely, Western Aid and GDP per Capita.

3.4.7.1. Western Aid

Some mechanisms that apply to the hypothesised effects of Chinese development finance and aid, will also apply - in the opposite direction - to the effect of its Western counterpart. Moreover, the amount of Western development finance and aid will also influence the received amount from China. Western development finance and aid is therefore included as a control variable to better simulate reality in the statistical model.

This variable is based on the loan-level and country debt stock dataset from Horn, Reinhart and Trebesch (2021). Horn, Reinhart and Trebesch (2021) have included different variables quantifying the outstanding debt to creditor regimes, including the outstanding debt to debt to all members of the Paris Club, the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA) and the IMF. All these regimes are Western oriented. The outstanding debt to all these Western oriented countries have been aggregated into one variable, and this variable is considered to be the best indication for the Western development finance and aid received by countries.

3.4.7.2. GDP per Capita

Incorporating GDP per capita as a control variable in the model is based on the linkages between democracy and economic development. In fact, the modernization theory presumes that *“economic modernization gives rise to democracy”* (Cheibub & Vreeland, 2016, p. 1). Lipset (1959) also argued that positive perceptions of democratic values are positively associated with economic development. *“A number of processes underlie these correlations, observed in many areas of the world, in addition to the*

effect, already discussed, of a high level of education and literacy in creating or sustaining belief in democratic norms'' (Lipset, 1959, p. 83). Drawing on these theories, GDP per capita has been included into the model as a proxy for economic development. In addition, GDP per capita also affects the amount of development finance and aid, as countries with higher GDP per capita tend to be less dependent on development assistance. Data on GDP per capita variable is obtained from the World Bank DataBank, and measured in constant 2017 U.S. dollars using purchasing power parity (PPP) (World Bank, 2022).

3.5. Research method

3.5.1. Data Structure

The newly compiled dataset for this study contains all the variables discussed in the previous section. The data has been stacked according to the long format principle, meaning that each row represents a country-year (unit-time) combination. After all, countries are observed over multiple years, and these time-series of multiple countries have been pooled together into one dataset. This implies that there is both variation through time (years) and variation in space (countries), which is typical for longitudinal data (multiple units observed multiple times). As the dataset contains more units (countries) than time points (years), the data is classified as *panel data* (Field, 2018).

All of this means that the data is hierarchical. The country-year combination is nested (grouped) within two higher 'clusters' (or unites), namely in a country-level and a year-level cluster. Country and year are therefore contextual variables. Taken everything together, the dataset inherently contains two types of types of dependencies, namely each observations has a:

- contextual dependency (belonging to a higher unit (specific country or year); *and*
- time dependency (due to the fact that a country is observed multiple times) (Field, 2018).

3.5.2. Regression Analysis

To statistically test the hypotheses of this thesis, regression analysis is an appropriate method. This is because the regression analysis is a method used in empirical research to evaluate if the (many)

observations fit a theory and/or hypothesis. The regression analysis is suitable for testing theory-based hypotheses about the causal effects of an independent variable (in this case the amount of Chinese development finance and aid) on a dependent variable (the level of democracy), while also controlling for the influence of confounding variables (Field, 2018).

A simple or multiple linear (ordinary least square – OLS) regression analysis is a model that estimates the relationship between one or multiple independent variables and a dependent variable. A ‘basic’ linear model does however not fit the data gathered for this study. The dependencies between different observations, as described in the previous section, causes the residuals to be correlated, which is a violation of the independent error assumption of (OLS) linear regression models. An OLS model assumes that each observation carries new information and is completely independent of other observations. But, as a consequences of the data structure:

- the values on the dependent variable are often similar within one country (and year) due to the hierarchical nature of the dataset, which causes intra-class correlation; *and*
- the values on the dependent variable that are close together in time tend to be more similar (alike), causing autocorrelation/serial correlation (Fortin-Rittberger, 2014).

These two causes and types of correlated errors result in the underestimation of the variability in the data, which leads to downwardly biased standard errors. This, in turn, gives rise to an increased probability of making type I error, meaning that too easy the conclusion will be made that there is a significant effect, while this is actually an artifact of the correlation between the errors. Also the intra-class correlation causes (possibly) biased coefficients. Intra-class correlation tends to be a larger problem than autocorrelation/serial correlation in panel data (Fortin-Rittberger, 2014).

The problem of non-independent observations can (partly) be overcome by factoring in the contextual variables into a (so-called) multilevel model. “[while] linear models assume independent errors. ... Multilevel models allow you to model dependencies between residuals” (Field, 2018, p. 940). Using this method, the problem of intra-class correlation will be addressed, which is also the most pressing problem given the nature of the dataset (panel data). The assumptions of linear models also

apply to multilevel models, given that the multilevel model is – basically- an extension of the linear model. Therefore, the following assumptions apply:

1. additivity and linearity;
2. independent errors;
3. homoscedasticity of the errors; and
4. normally distributed errors.

A multilevel model is (often) able to solve the violation of the assumption of independent errors, because it can factor in the correlations among observations caused by higher-level (contextual) variables, e.g. the observation belonging to a particular country. There are, however, additional assumptions for multilevel models, relating to the random coefficients (Field, 2018, p. 949).

In the context of multilevel models, a distinction can be made between fixed and random coefficients (effects). “*Linear models were thought of as having fixed intercepts and fixed slopes, but the idea that parameters can vary [in multilevel modelling] opens up three possibilities*” (Field, 2018, p. 943):

- Random intercept, fixed slope;
- Random slope, fixed intercept; *and*
- Random intercept, random slope.

Random intercept and fixed slope model, also known as a *random intercepts model*, is considered, for the purpose of this study, most suitable. A random intercept allows to model intercepts that vary across countries (contexts), and in this way accounts for interdependence and the hierarchy in the data caused by belonging to a certain country (cluster). There is no need for random slopes, that vary across context (country), because this thesis studies the general effect of Chinese development finance and aid on the African continent and is not interested in determining the effect for individual countries.

The model will resemble the following standard:

$$Y_{ij} = (b_0 + u_{0j}) + b_1 X_{ij} + b_2 X_{ij} + b_k X_{ij} + e_{ij}$$

Or as is commonly noted:

$$Y_{ij} = B_{0j} + b_1 X_{ij} + b_2 X_{ij} + b_k X_{ij} + e_{ij}$$

$$B_{0j} = b_0 + u_{0j}$$

In the model, j stands for country and i represents an individual observation. The added component to the intercept, u_{0j} , measures the variability in intercepts (Field, 2018, p. 945).

To account for the serial/autocorrelation, due to the time dependency in the data (time-series), the random intercepts model will be extended by adding a lagged dependent variable (DV). Thus the lagged version of the DV will be included as an explanatory variable. In other words, the value of the DV is predicted by its past value and multiplied by a b coefficient, and this addresses the problem of serial/autocorrelation (Pickup, 2015). Besides having a statistical reason for adding the lagged DV, there is also a substantive one. In this study, the current value on a dependent variable will to a large extent be based on its value in a previous measurement (Y_{-t}) (Pickup, 2015).

To conclude, the model used in this study is a: *random intercepts model with a lagged dependent variable*. The statistical software program IBM SPSS Statistics is however not ideal to perform multilevel modelling. “*People who do multilevel modelling tend to use specialist software such as MLwiN, HLM and R. In books that compare the various packages, SPSS tend to fare relatively badly*” (Field, 2018, p. 951). While it is possible to run multilevel models in SPSS, it is not feasible to check the associated assumptions. Therefore, the decision has been made to check the assumptions as if it was a multiple linear (OLS) regression model.

First of all, the normal distribution was checked for all variables (see Appendix V for the outcomes). Based on this check, it can be concluded that most of the variables are *not* normally distributed, which could have implications for correlations, linearity and homoscedasticity (Field, 2018). The results, conclusions and SPSS output regarding the check on the assumptions for (as if it was) a linear OLS regression model are presented in Appendix VI.

Chapter 4: Analyses & Results

In this chapter, the results of the different analyses for the hypotheses are interpreted and discussed. First of all, an overview of the descriptive analyses of the variables used is given. Subsequently, the results for each individual hypothesis are presented and interpreted.

4.1. Descriptive Analysis

An overview of the descriptive statistics of the independent *and* dependent variables is presented in *Table 1* and *Table 2*. The result of measuring the main independent variable in two different ways, as explained in paragraph 3.4.1., becomes apparent in *Table 1*. Apart from the increased number of observations for Chinese development aid per year, the aggregated amount has much higher values (as percentage of GDP). The maximum score on the aggregated amount comes from Djibouti, meaning that Djibouti has received a total amount of development finance and aid from China between 2000-2017 that equals more than 35% of Djibouti's GDP in 2017. In *Appendix VIII* a complete overview is provided regarding the aggregated amount per recipient country.

Table 1: Descriptive statistics of the independent variables

	Valid <i>N</i>	Minimum	Maximum	Mean	Std. Deviation
Yearly Chinese dev. finance and aid (as % of GDP)	1023	0.000	7.200	0.358	0.643
<i>Aggregated</i> amount of Chinese dev. finance and aid (as % of GDP)	873	0.000	35.220	2.756	4.398
Western Aid per million	886	12.686	23,831.860	1,970.273	2,871.243
GDP per Capita	1023	630.700	41,249.490	5,507.065	6,140.524

A striking observation in *table 2* is that all the variables from the V-Dem database have a minimum and maximum between 0 and 1, apart from 'government censorship effort – media' and 'state ownership of the economy'. These were originally ordinal variables, but have been transformed to an

interval. It is also noteworthy that the maximum value for the support for the undemocratic regime types is not higher than 3.282 (on a scale from 1-5), which indicates that the average support for these regimes is low.

Table 2: Descriptive statistics of the dependent variables

	Valid <i>N</i>	Minimum	Maximum	Mean	Std. Deviation
Electoral democracy	1081	0.067	0.792	0.413	0.190
Liberal democracy	1081	0.005	0.707	0.286	0.188
One-party rule	151	1.259	3.282	2.013	0.338
One-man rule	151	1.310	2.940	1.784	0.311
Support for undemo. modes of gov.	151	1.431	2.760	1.935	0.284
Control organisations	135	1.947	3.435	2.865	0.339
Control media	135	1.463	3.282	2.286	0.351
Civil liberties	1081	0.031	0.936	0.604	0.234
Civil political liberties	1081	0.043	0.943	0.654	0.234
Freedom of express-ion and alternative sources of information	1081	0.012	0.950	0.629	0.241
Civil society participation	1081	0.043	0.954	0.661	0.209
Government censorship effort - media	1081	-2.676	2.613	0.354	1.140
State ownership of the economy	1081	-3.280	2.501	0.359	1.028
Corruption perception	463	8.000	66.00	32.181	12.133

As for the electoral- and liberal democracy index, it is (more) informative to observe how the average score develops over time. As can be seen in Figure 1, both indices evolve similarly over time. Another noteworthy feature is that the score on electoral democracy is (considerably) higher than the liberal one. Which is an indication that the procedural conditions of a democracy are more present on the African continent than the (Western) liberal principles related to democracy (Coppedge & Gerring,

2011). It is also noticeable that the level of democracy increases over time, but starts decreasing in the last two years. Perhaps due to the global backlash of democracy and decline of liberalism (paragraph 2.5.).

Figure 1: Average level of democracy on the African continent.

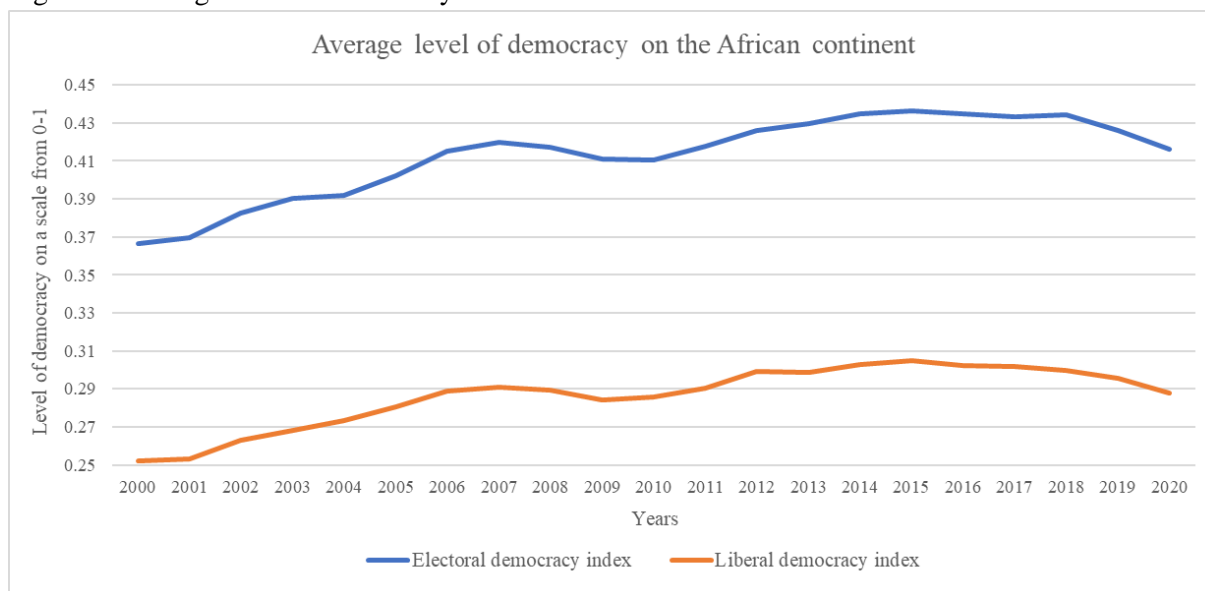
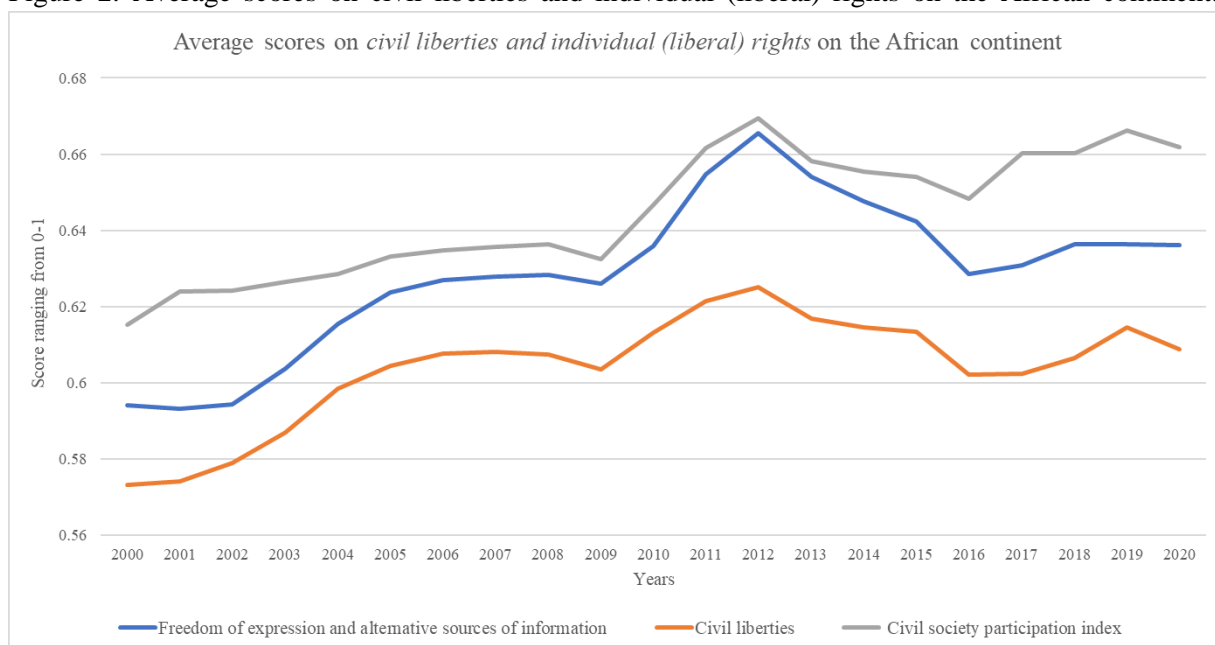


Figure 2 shows the trend line regarding the variables measuring the degree of civil liberties and individual (liberal) rights. All variables evolve almost identically over time. Furthermore, the variation between the scores for each variable is (relatively) small. For other variables, the trend line is included in Appendix IX.

Figure 2: Average scores on civil liberties and individual (liberal) rights on the African continent.



4.2. Results linear OLS regression

While it was explained in chapter 3 that OLS regression analysis is not appropriate for this dataset, nonetheless an multiple OLS regression analysis was conducted (without the lagged dependent variable) to test if there is a significant effect when not incorporating higher level (contextual) variables. This has only been done for one dependent variable, namely liberal democracy index, because this is (arguably) one of the most important measures related to the Western international order.

In Table 3 the results are shown. The three OLS regression models statistically fit the data, given the significance of the F -value ($p < 0.001$). The explained variance (R^2) of the models is however low, varying between 1.9% for model 1 and 4.5% for model 3. Chinese development finance and aid ($b = -0.042$, $p < 0.001$) has a significantly negative effect on the level of liberal democracy, while controlling for the effect of Western aid and GDP per capita. Substantively this means: *with receiving Chinese development finance and aid amounting to 1% of a country's GDP, the predicted level of liberal democracy decreases with 0.041 (on a scale from 0.000 to 1.000)*. This result is supported by the bootstrap procedure (see Appendix VII) and in line with Hypothesis 1. Interestingly, Western aid also has a negative significant effect.

Table 3: Linear (OLS) regression estimates on the dependent variable *liberal democracy*

Model	1	2	3
	<i>b</i>	<i>b</i>	<i>b</i>
Intercept	0.312*** (0.007)	0.328*** (0.008)	0.306*** (0.010)
Chinese development finance and aid per year as % of GDP	- 0.038*** (0.010)	- 0.041*** (0.009)	- 0.042*** (0.007)
Western aid (per million)		- 0.000** (0.000)	- 0.000** (0.000)
GDP per capita (per thousand)			0.005*** (0.001)
R^2 - adjusted	0.019	0.026	0.045
F -value	16.917***	12.418***	14.307***
N	841	841	841

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

4.3. Results random intercepts model, with lagged dependent variable (DV)

The random intercepts models have been conducted using the *Maximum Likelihood (ML)* method. “*ML produces more accurate estimates of fixed regression parameters*” (Field, 2018, p. 958). And because the primary interest of this research is in the fixed effect of Chinese development finance and aid, the ML method has been used.

Before diving into the results of the different models, first the general outline of the output is discussed. Each result table is composed of several models, starting always with a *null* (no predictors) model, or also called variance components model. First of all, the *null* model provides the intercept, which is the grand mean, or ‘the fixed effect for the intercept, and represents the average on the dependent variable across (all) countries. Furthermore, the *null* model presents the covariance parameters of the estimates, which are the variance of the residuals ($\sigma_{\varepsilon ij}^2$) and the between cluster (country) variation (σ_{u0j}^2). The variance of residuals is an estimate of the variation in the level 1 residuals, so the variance within clusters (countries). The between country variation is the variety in intercepts (the variance in the mean/average). Significance test of these variances are useful for determining the appropriateness of a multilevel model (Hayes, 2006). As can be seen, the models for all the different dependent variables show significant variance between country and between residuals, conforming the choice for the random intercepts model.

The *null* model is used to determine the (significance) of variation explained by the hierarchies in the dataset. In other words, the output of the *null* model provides insight into how much of the variation can be ascribed to within- and between-group⁶ differences. The null model basically addresses the question whether or not the values of a certain dependent variable (e.g. level of democracy) vary across countries (level 2 variable). With this information the intraclass correlation coefficient (ICC) can

⁶ The groups are in this research setup the different countries.

be computed, which is a measure of the proportion of total variance that can be ascribed to between-group differences (Hayes, 2006).

After the *null* model, the main independent variable is added first. Next the control variables are added, before finally the lagged DV is included. By adding independent variables, variance of the residuals and the variance between countries should decrease. This is however only partially present in the results of this study.

Lastly, the R^2 values are also shown in the results tables. In linear models, R^2 is the proportion of explained variance in the dependent variable by the model. However, for mixed models SPSS provides two different R^2 , namely the marginal and conditional R^2 . *Marginal R^2 is concerned with variance explained by fixed factors, and conditional R^2 is concerned with variance explained by both fixed and random factors* (Nakagawa & Schielzeth, 2012, p. 136). Adding variables in a random intercept fixed effects model should lead to higher values of the marginal R^2 , which is consistently found in the result tables.

4.3.1. Results on level of democracy [H.1]

Both Tables 4 and 5 provide a similar depiction of the effect of Chinese development finance and aid on respectively the level liberal and electoral democracy. In the complete models (including the lagged DV), the negative effect ($b = -0.001$) of the aggregated amount is significant ($p < 0.01$). Thus, if the total aggregated amount received, from the year 2000 onwards, is equal to 1% of GDP (in the respective year), the level of democracy decreases by 0.001 per year (on a scale from 0.000 to 1.000). Regarding the effect of development finance per year, only a significant effect is found with an alpha of 0.10 ($p < 0.10$). The substantive interpretation of the effect on liberal ($b = -0.002$) and electoral ($b = -0.003$) democracy is as follows, *with receiving Chinese development finance and aid amounting to 1% of a country's GDP per year, the predicted level of liberal democracy decreases with 0.002/3 per year (on a scale from 0.000 to 1.000)*. Both full models support hypothesis 1.

Table 4: Random intercept – fixed effects model estimates of *liberal democracy (index)* (H.1).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.286*** (0.025)	0.283*** (0.026)	0.288*** (0.025)	0.264*** (0.027)	0.267*** (0.027)	0.010*** (0.003)	0.009*** (0.003)
Aggregated amount of Chinese dev. finance as % of GDP		0.003*** (0.000)		0.003*** (0.000)		- 0.001** (0.000)	
Chinese development finance per year as % of GDP			0.020*** (0.000)		0.016** (0.005)		-0.002⁺ (0.002)
Western aid (per million)				0.000*** (0.000)	0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)
GDP per capita				0.000 ⁺ (0.000)	0.000 ⁺ (0.000)	0.000 (0.000)	0.000 (0.000)
Lagged DV						0.981*** (0.006)	0.983*** (0.006)
Country variance <i>between-country variance</i> (σ^2_{u0j})	0.032***	0.033***	0.032***	0.033***	0.033***	0.001***	0.001***
Residuals <i>within-country variance</i> ($\sigma^2_{\varepsilon ij}$)	0.004***	0.003***	0.004***	0.003***	0.003***	0.000	0.000
R ²							
Marginal	0.000	0.001	0.003	0.014	0.012	0.970	0.970
Conditional	0.898	0.899	0.894	0.914	0.912	0.970	0.970
<i>N</i>	1081	873	1023	841	841	841	840

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 5: Random intercept – fixed effects model estimates of *electoral democracy (index)* (H.1).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.413*** (0.025)	0.402*** (0.026)	0.413*** (0.025)	0.385*** (0.028)	0.391*** (0.028)	0.021** (0.005)	0.021** (0.003)
Aggregated amount of Chinese dev. finance as % of GDP		0.005*** (0.001)		0.005*** (0.0001)		<u>- 0.001**</u> (0.000)	
Chinese development finance per year as % of GDP			0.020*** (0.000)		0.027*** (0.006)		<u>-0.003⁺</u> (0.002)
Western aid (per million)				+ 0.000*** (0.000)	+ 0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)
GDP per capita				0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Lagged DV						0.961*** (0.009)	0.963*** (0.009)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.032***	0.032***	0.031***	0.034***	0.033***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.005***	0.005***	0.005***	0.005***	0.005***	0.002***	0.002***
R ²							
Marginal	0.000	0.007	0.005	0.021	0.015	0.943	0.943
Conditional	0.863	0.878	0.890	0.883	0.876	0.943	0.943
<i>N</i>	1081	873	1023	841	840	841	840

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

The results are also compared with models using estimation of (public and private) debt to China (see paragraph 3.3.1.), and these results confirm the observed pattern (see Appendix X) (Horn, Reinhart, & Trebesch, 2021). The models without the lagged DV show results that could possibly refute the hypothesis, as the effect is positive and significant. However the lagged DV is important as it controls for the time dependency in the data, and therefore also for the trending (upwards) nature of the level of democracy (as can be derived from Figure 1).

4.3.2. Results on perception of Chinese model [H.2]

The models with the dependent variable support for undemocratic forms of government (H.2.a), one-party rule and one-man rule, do not produce an uniform pattern. The results are shown in Table 6 and Appendix XI. In the full model of Table 6, Chinese development finance and aid is a positive predictor of support for one-man rule ($b = + 0.063$, $p < 0.10$) and ($b = + 0.011$, $p < 0.05$). The significance for the effect of development finance per year is only weak $p < 0.10$. Results indicate that Chinese development finance contributes to positive public attitude towards one-man rule, and therefore supports hypothesis 2.a. However, there is no such effect on one-party rule, and only partially for the overall perception on undemocratic modes of governance (Appendix XI).

The results regarding the public support for government controlling organisations (H.2.b.) and controlling the media (H.2.c.) are presented in Tables 7 and 8. The effect of Chinese development finance and aid on public attitudes regarding government control of organisation is significantly negative with an alpha of 0.05; ($b = - 0.097$, $p < 0.05$) and ($b = + 0.014$, $p < 0.05$). In this model, a negative effect is in accordance with the hypothesis (2.b.), as it indicates more support for government control. Without the lagged DV, the results are still negative but not significant.

Table 8 depicts a uniform pattern of the effect of Chinese development finance on the public support for controlling the media (by the government). Only Chinese development finance per year in the full model is insignificant. All the significant positive coefficients are indications of support for controlling the media, which is in line with the hypothesis (2.c).

Table 6: Random intercept – fixed effects model estimates of *support ‘one-man’ governance (H.2.a.)*.

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	1.787*** (0.046)	1.823*** (0.050)	1.796*** (0.048)	1.833*** (0.065)	1.828*** (0.066)	0.269** (0.128)	0.285** (0.126)
Aggregated amount of Chinese dev. finance as % of GDP		- 0.012* (0.007)		- 0.010 ⁺ (0.007)		<u>+ 0.011*</u> (0.007)	
Chinese development finance per year as % of GDP			- 0.027 (0.042)		- 0.035 (0.041)		<u>+ 0.063⁺</u> (0.045)
Western aid (per million)				+ 0.000 (0.000)	+ 0.000 (0.000)	+ 0.000** (0.000)	+ 0.000** (0.000)
GDP per capita				- 0.000 (0.000)	- 0.000 (0.000)	- 0.000 (0.000)	0.000 (0.000)
Lagged DV						0.790*** (0.066)	0.786*** (0.066)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.065***	0.064***	0.064***	0.061***	0.061***	0.000	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.029***	0.026***	0.029***	0.021***	0.022***	0.034***	0.034***
R ²							
Marginal	0.000	0.011	0.001	0.020	0.018	0.587	0.585
Conditional	0.689	0.716	0.686	0.747	0.743	0.587	0.585
<i>N</i>	151	139	151	137	137	104	104

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 7: Random intercept – fixed effects model estimates of Government control concerning ‘joining organizations’ (H.2.b).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	2.867*** (0.075)	2.875*** (0.058)	2.883*** (0.055)	2.910*** (0.075)	2.921*** (0.075)	0.859*** (0.206)	0.901*** (0.207)
Aggregated amount of Chinese dev. finance as % of GDP		<u>- 0.001</u> (0.009)		<u>- 0.000</u> (0.009)		<u>- 0.014*</u> (0.008)	
Chinese development finance per year as % of GDP			<u>- 0.044</u> (0.046)		<u>- 0.033</u> (0.051)		<u>- 0.097*</u> (0.005)
Western aid (per million)				- 0.000** (0.000)	- 0.000** (0.000)	- 0.000*** (0.000)	- 0.000*** (0.000)
GDP per capita				0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
Lagged DV						0.752*** (0.069)	0.738*** (0.068)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.085***	0.084***	0.085***	0.066***	0.066***		
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.031***	0.032***	0.031***	0.032***	0.032***	0.036***	0.036***
R ²							
Marginal	0.000	0.000	0.003	0.094	0.092	0.692	0.695
Conditional	0.732	0.723	0.736	0.703	0.705	0.692	0.695
<i>N</i>	135	123	135	122	122	89	89

A lower score indicates more support for government control; banning organizations vs. freely joining any organizations

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 8: Random intercept – fixed effects model estimates of *government control media* (H.2.c.).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	2.293*** (0.036)	2.175*** (0.051)	2.245*** (0.045)	2.138*** (0.073)	2.209*** (0.070)	1.562*** (0.266)	1.510*** (0.275)
Aggregated amount of Chinese dev. finance as % of GDP		<u>0.034**</u> (0.012)		<u>0.038**</u> (0.012)		<u>0.044**</u> (0.015)	
Chinese development finance per year as % of GDP			<u>0.131*</u> (0.071)		<u>0.119+</u> (0.078)		<u>0.111</u> (0.090)
Western aid (per million)				0.000** (0.000)	0.000+ (0.000)	0.000** (0.000)	0.000* (0.000)
GDP per capita				- 0.000 (0.000)	- 0.000 (0.000)	- 0.000 (0.000)	- 0.000 (0.000)
Lagged DV						0.220* (0.111)	0.296** (0.116)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.018	0.021+	0.019+	0.091**	0.017+	0.012	0.000 .
Residuals <i>within-country variance</i> (σ^2_{ε})	0.104***	0.094***	0.101***	0.023***	0.100***	0.107***	0.125***
R ²							
Marginal	0.000	0.063	0.026	0.098	0.042	0.161	0.108
Conditional	0.145	0.236	0.182	0.280	0.184	0.242	0.108
<i>N</i>	135	123	135	122	122	89	89

A positive effect indicates more support for government control.

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

4.3.3. Results on civil liberties and individual rights [H.3]

To evaluate the effect of Chinese development finance and aid on the level of civil liberties and individual rights in the recipient country, several models with different dependent variables were run. The results of the following models are included:

- Table 9: model with the Freedom of Expression and Alternative Sources of Information index;
- Table 10: model with the Civil liberties index; and
- Table 11: model with the Civil society participation index.

Appendix XII presents the result tables of the models with the Civil political liberties index and Government censorship effort (– media) index as dependent variable. In general, the pattern in all these different analyses are similar. Therefore, only the results of Table 9 will be discussed, but basically apply to all them.

In the full models (with lagged DV), Chinese development finance and aid is a significant and negative predictor of the level of the freedom of expression and alternative sources of information in the recipient country. The aggregated amount of Chinese development finance has a significant *b*-value of -0.001 ($p < 0.01$), whereas the Chinese development finance per year has a *b*-value of -0.001 ($p < 0.05$). The substantive interpretation of the effects are similar to those on the level of democracy (see paragraph 4.3.3). These results confirm hypothesis 3.

In the models without the lagged DV, Chinese development finance and aid has become a significant positive predictor of the level of freedom of expression and alternative sources of information. Only in the models with the civil society participation index and Government censorship effort (– media) index as dependent variable, the effect of Chinese development finance and aid is not significant when not including the lagged DV. Although the models without lagged DV point opposite to the direction hypothesised, this does not refute hypothesis 3. Because the lagged DV is important to control for the time dependency in the data.

Table 9: Random intercept – fixed effects model estimates of *the Freedom of Expression and Alternative Sources of Information index* (H.3).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.646*** (0.029)	0.633*** (0.031)	0.640*** (0.030)	0.657*** (0.032)	0.659*** (0.032)	0.031*** (0.006)	0.028*** (0.006)
Aggregated amount of Chinese dev. finance as % of GDP		+ 0.003* (0.001)		+ 0.003** (0.001)		- 0.001** (0.000)	
Chinese development finance per year as % of GDP			+ 0.013* (0.007)		+ 0.019** (0.007)		- 0.003* (0.003)
Western aid (per million)				+ 0.001*** (0.000)	+ 0.001*** (0.000)	- 0.000 (0.000)	- 0.000 (0.000)
GDP per capita				- 0.001* (0.000)	- 0.001* (0.000)	0.000 (0.000)	0.000 (0.000)
Lagged DV						0.963*** (0.008)	0.966*** (0.008)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.041***	0.048***	0.044***	0.044***	0.043***	0.000	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.010***	0.008***	0.007***	0.007***	0.007***	0.002***	0.002***
R ²							
Marginal	0.000	0.004	0.002	0.025	0.028	0.952	0.951
Conditional	0.799	0.848	0.802	0.861	0.860	0.952	0.951
<i>N</i>	<i>1081</i>	<i>873</i>	<i>1023</i>	<i>841</i>	<i>840</i>	<i>841</i>	<i>840</i>

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 10: Random intercept – fixed effects model estimates of *the civil liberties index* (H.3.).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.619*** (0.029)	0.610*** (0.030)	0.612*** (0.030)	0.610*** (0.032)	0.612*** (0.032)	0.023*** (0.005)	0.020*** (0.005)
Aggregated amount of Chinese dev. finance as % of GDP		+ 0.003** (0.001)		+ 0.003** (0.001)		- 0.001*** (0.000)	
Chinese development finance per year as % of GDP			+ 0.018* (0.005)		+ 0.022** (0.006)		- 0.004* (0.002)
Western aid (per million)				+ 0.001* (0.000)	+ 0.001* (0.000)	- 0.000+ (0.000)	- 0.000 (0.000)
GDP per capita				- 0.000 (0.000)	- 0.000 (0.000)	0.000 (0.000)	- 0.000 (0.000)
Lagged DV						0.974*** (0.007)	0.977*** (0.007)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.043***	0.046***	0.044***	0.045***	0.046***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.006***	0.004***	0.005***	0.004***	0.004***	0.001***	0.001***
R ²							
Marginal	0.000	0.002	0.003	0.003	0.005	0.968	0.968
Conditional	0.886	0.911	0.891	0.912	0.912	0.969	0.968
<i>N</i>	1081	873	1023	841	840	841	840

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 11: Random intercept – fixed effects model estimates of *the Civil society participation index* (H.3.).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.658*** (0.027)	0.653*** (0.028)	0.656*** (0.027)	0.661*** (0.028)	0.661*** (0.028)	0.031*** (0.005)	0.027*** (0.005)
Aggregated amount of Chinese dev. finance as % of GDP		+ 0.001 (0.001)		+ 0.001 (0.001)		<u>- 0.001**</u> (0.000)	
Chinese development finance per year as % of GDP			+ 0.005 (0.006)		+ 0.006 (0.006)		<u>- 0.003⁺</u> (0.002)
Western aid (per million)				+ 0.000* (0.000)	+ 0.000* (0.000)	0.000 (0.000)	- 0.000 (0.000)
GDP per capita				- 0.000 (0.000)	- 0.000 (0.000)	- 0.000* (0.000)	- 0.000* (0.000)
Lagged DV						0.966*** (0.007)	0.969*** (0.007)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.036***	0.040***	0.036***	0.038***	0.038***	0.000	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.007***	0.006***	0.007***	0.005***	0.005***	0.002***	0.002***
R ²							
Marginal	0.000	0.002	0.000	0.021	0.021	0.961	0.960
Conditional	0.832	0.876	0.833	0.888	0.888	0.961	0.960
<i>N</i>	<i>1081</i>	<i>873</i>	<i>1023</i>	<i>841</i>	<i>840</i>	<i>841</i>	<i>840</i>

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

4.3.4. Results on level of state capitalism [H.4]

Table 12 gives the results of the effect of Chinese development finance and aid on the degree of state ownership of the economy. The higher the score on state ownership of the economy, the more free an economy is of state involvement/ownership (see Appendix IV for the measurement scale). The results indicate that there is no significant effect of Chinese development finance and aid in the full model (with lagged DV). This finding does refute hypothesis 4. There are positive significant effects in the models without lagged DV, which is also contrary to the expectation set in the hypothesis.

4.3.5. Results on corruption [H.5]

Table 13 reports the results on the dependent variable corruption perception index (CPI). It is interesting to note that the effect of the main independent variable differs depending on how the variable is constructed. Looking at the aggregated variable (of Chinese development finance), there is a constant significant negative effect across the different models. In the full model, the effect ($b = -0.034$) is only significant with an alpha of 0.1 ($p < 0.10$). The effect (b) without the lagged DV is bigger, which is due to the fact that lagged DV has high explanatory power. These findings (modestly) suggest that the expected negative effect is present, which supports hypothesis 5.

Considering Chinese development finance per year, a very different story emerges. In this context the yearly amount of Chinese development finance has non-significant positive effect in the full model, and a significant positive effect in the model without DV. This contradicts the expectation of hypothesis 5. In the full model, the yearly amount has no significant effect on the level of democracy, while the aggregated amount does. In other words, China's total amount of development finance over time has a negative effect on the perception of corruption in a recipient country ($b = -0.034, p < 0.10$) but the yearly amount does not have a significant effect at an alpha of 0.10. It can be assumed with, a certain degree of caution, that hypothesis 5 is partially supported on the basis of the data in this study. However, as a control, the evaluation of the effect on the political corruption index of V-dem (see Appendix XIII), does not yield any significant results in the full model.

Table 12: Random intercept – fixed effects model estimates of *State ownership of economy [state-capitalism]* (H.4).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.431*** (0.120)	0.399** (0.112)	0.424*** (0.121)	0.670*** (0.118)	0.686*** (0.116)	0.032** (0.012)	0.027** (0.012)
Aggregated amount of Chinese dev. finance as % of GDP		<u>+ 0.009**</u> (0.003)		<u>+ 0.013***</u> (0.003)		- 0.001 (0.001)	
Chinese development finance per year as % of GDP			+ 0.020 (0.020)		<u>+ 0.047*</u> (0.022)		+ 0.002 (0.009)
Western aid (per million)				- 0.000** (0.000)	- 0.000** (0.000)	- 0.000* (0.000)	- 0.000* (0.000)
GDP per capita				-0.000*** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Lagged DV						0.972*** (0.008)	0.974*** (0.008)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.714***	0.733***	0.720***	0.616***	0.599***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.093***	0.076***	0.093***	0.062***	0.063***	0.025***	0.025***
R ²							
Marginal	0.000	0.002	0.000	0.090	0.089	0.964	0.965
Conditional	0.885	0.906	0.886	0.916	0.913	0.965	0.965
<i>N</i>	1081	873	1023	841	840	841	840

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 13: Random intercept – fixed effects model estimates of *the corruption perception index* (H.5).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	32.181*** (1.664)	33.846*** (1.675)	32.301*** (1.683)	32.161*** (1.830)	30.767*** (1.815)	0.561 (0.487)	0.331 (0.453)
Aggregated amount of Chinese dev. finance as % of GDP		<u>- 0.232**</u> (0.077)		<u>- 0.191**</u> (0.077)		<u>- 0.034+</u> (0.024)	
Chinese development finance per year as % of GDP			<u>0.820***</u> (0.250)		<u>0.478+</u> (0.339)		<u>- 0.099</u> (0.147)
Western aid (per million)				- 0.000+ (0.000)	- 0.000* (0.000)	0.000 (0.000)	0.000 (0.000)
GDP per capita				0.000** (0.000)	0.000*** (0.000)	0.000 (0.000)	0.000 (0.000)
Lagged DV						0.980*** (0.013)	0.983*** (0.013)
Country variance <i>between-country variance</i> (σ^2_{u0})	143.273***	131.358***	140.176***	118.341***	122.897***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	5.845***	4.233***	5.698***	4.139***	4.177***	4.570***	4.600***
R ²							
Marginal	0.000	0.013	0.003	0.050	0.055	0.967	0.966
Conditional	0.961	0.969	0.961	0.968	0.969	0.967	0.966
<i>N</i>	307	294	294	294	294	244	244

Scale: 0 (highly corrupt) - 100 (highly clean).

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

4.4. Results overview of all hypotheses

Table 14: An overview of the hypothesis tests

Hypothesis	Conclusion
H.1. <i>Receiving China's development finance and aid has a negative effect on the level of democracy in the recipient country</i>	Supported
H.2. <i>The more a country is receiving China's development finance and aid, the more positive perception of the 'Chinese model' will exist in the recipient count. Receiving China's development finance and aid has a positive effect on:</i>	
H.2.a <i>... the perception of undemocratic modes of government;</i>	Partially supported
H.2.b <i>... the perception of state capitalism;</i>	Supported
H.2.c <i>... the perception of undemocratic modes of government;</i>	Strongly supported
H.3. <i>The more a country is receiving China's development finance and aid, the more civil liberties and individual (liberal) rights are curtailed in the recipient country.</i>	Supported
H.4. <i>The more a country is receiving China's development finance and aid, the more the recipient government intervenes and regulates in the economy (and adopts state capitalism)</i>	Refuted
H.5. <i>Receiving China's development finance and aid has a positive effect on social norms conducive to corruption</i>	Partially supported

Chapter 5: Conclusion & Reflection

This thesis has conducted a study on the effect of Chinese development finance and aid, in the context of a changing world order. Or in the words of Mahbubani (2018), who denotes the current state of international affairs as the emergence of a ‘new order of things’. As the West is losing its dominant position in the global (political) arena, other actors will challenge the established structures of world affairs. An international order, however, does not only consist of power structures and the distribution of material capabilities between countries. A world (political) system is also as much shaped by the distribution of norms, values, ideas and beliefs (Allan, Vucetic, & Hopf, 2018). Therefore, the future of the international order depends on both, namely the forthcoming distribution of (material/hard) power and the forthcoming dominant ideologies, identities, norms, values and beliefs.

China has emerged as the main contender for the current order, which also implies that China is in the position to potentially ‘design’ the future international order. China’s accumulation of power and capabilities is already much debated and projected to surpass that of the current hegemon (the U.S.). It is therefore almost a given (fact) that China will eventually establish itself at the top of the pyramid, based on its material capabilities. More uncertainty exists concerning how the rise of China relates to the current normative foundation of the Western (liberal) international order. Does this normative basis constitute a blockade for China, or does China succeed in creating a new basis for a China-led international order?

5.1. Conclusion

Since the 2000s, China has been strongly committed to providing development assistance, and development finance and aid became important policy tools. For that reason, the Chinese expenditure on development assistance has risen dramatically. China is now one of the largest donors and creditors to developing states (Eisenman & HeginBotham, 2020).

This thesis is based on the theory that the provision of development finance and aid is a (foreign policy) instrument and soft power tool, able to create support and sympathy and to shape norms and beliefs. It is in this development assistance regime that China already poses a big challenge to the Western hegemonic standards, procedures and ideology (Humphrey & Michaelowa, 2019). In fact, it has been hypothesised that the impact of Chinese development finance and aid runs in opposite direction of the Western ideal. In this way, development finance and aid is a potential tool for China to break down the normative foundation of the Western international order, and build support for its own.

A quantitative research, in the form of a random intercept model, has been conducted to provide generalisable estimates of the impact of Chinese development finance and aid on the African continent. Data were collected on as many African countries as possible. The information concerned was related to Western (political) norms and values and to China's preferred style of governance (the Chinese model). Beliefs associated with the Western international order are the preference of democratic types of governance, the existence of individual -political- rights, individual freedoms, human rights, and the favouring free market economy (De Wijk, 2019).

The findings of this study do - in fact - confirm that Chinese development finance and aid have an effect on Western ideals and conviction in Africa, the continent most dependent on receiving such assistance. First of all, the results indicate that these financial transfers from China have a negative impact on the level of electoral and liberal democracy (H.1) and on degree civil liberties and individual (liberal) rights (H.3). The level of democracy in a country is considered to be an indication of being supportive of Western liberal thinking. This line of argument leads to the assumption that the lower a country scores on the level of democracy, the less support it and its citizens have for the normative foundations of the current Western -liberal- international order. The same reasoning applies for the degree of civil liberties and individual (liberal) rights.

For hypothesis 2, the relationship between Chinese development finance and the public opinion in recipient countries on undemocratic forms of government, government control over organisations and

control over media was examined. It has been hypothesised that Chinese development finance and aid would be a positive predictor of support for undemocratic forms of government. However, the Chinese financial flows only appear to positively effect support for one-man rule. There is no significant relationship established relating to support for one-party rule, while this type of governance resembles China's current political system. However, it should be noted that the current leadership under Xi Jinping also resembles a one-man rule (De Wijk, 2019). This perhaps explains the positive relationship between Chinese development finance and support for one-man rule. In addition, positive associations were observed between receiving Chinese development finance and support for government control of organisations and the media. This indicates that the population is more supportive of state control in exchange for individual liberties, when the country receives more Chinese development finance. These findings support hypothesis 2 that: *the more a country is receiving China's development finance and aid, the more positive perception of the 'Chinese model' will exist in the recipient count.* The results also underpin that development aid can have an impact on the norms and values of the recipient country.

Hypothesis 4 is disproved by the data analysis. The more a country receives China's development finance and aid, does *not* cause the recipient government to regulate the economy. This observation can be explained by the realisation that China does not want other countries to adopt state capitalism. China desires an open and liberal economic market for their trade, exports, (direct) investments. It may even be that the economy will become more China-owned. China is described by De Wijk (2019) as a contemporary advocate and protector of open economies, while itself pursues a more closed and protectionist economic policy.

Lastly, hypothesis 5 is only partially confirmed. The accumulation of Chinese development finance and aid is estimated to cause a higher score on the CPI. The CPI relates to the degree of corruption as experienced by the general public, and is therefore a proxy for the social norms conducive to corruption. While corruption is not (necessarily) directly related to the Western international order, it does show that Chinese development finance could affect norms and values within recipient countries.

And corruption is often regarded, in the Western regimes, as a negative consequence of development assistance and is opposed to the Western donors' ideal of good governance.

5.2. Discussion

Considering the aforementioned conclusions per hypothesis, there seems to be empirical evidence (backed by theory) that development finance and aid is indeed a tool for China to dismantle the normative foundation of the Western international order, and build support for its own. This will therefore have an impact on the future structure of the international order. However the impact of Chinese development finance and aid is only marginal. The estimated b coefficients were usually very small, and measured for the yearly or aggregated amount of Chinese development finance and aid as percentage of a country's GDP. As an example, the estimated b coefficients of Chinese development finance per year on the level of liberal democracy is -0.002. Meaning that the value of liberal democracy decreases with two-thousandths if China's development finance and aid equals 1% of the recipient countries GDP. Therefore, it should be noted that there is (usually) no substantial impact of these financial transfers on the different dependent variables within this research.

Furthermore, the causal relationship assumed in this study is complex and difficult to demonstrate with certainty. The provision of development finance and aid is one of the many (financial) interactions between China and the recipient country (Breslin, 2020). In order to establish the association between development finance and the dependent variables with greater precision and certainty, these other forms of interaction should be controlled for. Also, there is a lot of uncertainty regarding the time lag between the commitment of the financial transfer and the actual effect. Future studies should try to determine this time lag, in order to generate more reliable and accurate results on the impact of development finance and aid.

Finally, future studies should not use IBM SPSS Statistics. This statistical software program is not used by specialists to do multilevel modelling. It will then also be possible to test the assumptions

associated with multilevel modelling. In order to cover any breach of assumptions, future research could centre the predictor variables. In this study, robustness tests were conducted with the bootstrap procedure, to test whether the reliability of the results (Field, 2018).

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Appendix I: Details Dataset

AidData - Global Chinese Development Finance Dataset

Tracking Underreported Financial Flows (TUFF) methodology is a transparent, systematic and reproducible way to track development finance and aid (and other forms of state financial transfers) from non-Western countries, such as China. “*AidData began its search process by systematically reviewing tens of thousands of official sources. ... [Including] unredacted grant and loan agreements in government registers and gazettes, official records extracted from aid and debt information management systems, annual reports ... [of] Chinese state-owned banks, Chinese Embassy and Ministry of Commerce (MOFCOM) websites, reports published by parliamentary oversight institutions in host countries ...*” (Malik, et al., 2021, p. 5). The official documents are supplemented with documents in the media, from journalists, local companies and research institutions. Evidence is said to be carefully examined and triangulated based on (official) sources in the recipient country, the donor country (China) and from local present organisations. For each financial transfer and activity information on 60 variables have been collected, like the agency providing and receiving, the amount of money provided, the type of financial flow, to which sector, commitment date, time period, etc.. As a result, the AidData dataset consists of financial flows and in-kind transfers from a variety of official Chinese agencies (government and state-owned institutions) and provides compressive and detailed insight into the composition and magnitude of China’s overseas development finance (Custer, et al., 2021; Malik, et al., 2021).

The AidData dataset is structured as follows: each row represents a(n) (individual) financial flow, and information on the relevant financial transfer or project is included in the various columns. The columns in second version dataset contain a total of 70 different variables and fields, with detailed information about the individual financial transfer. The information required for this study were:

- the official commitment date;
- monetary value (in original currency, in constant 2017 U.S. dollars and the nominal value in U.S. dollars);

- categorization as Official Development Assistance (ODA) or Other Official Flows (OOF) according to OECD-DAC categorization criteria;
- development intent (Military, Commercial, Development, Representational or Mixed); and
- recommendation for aggregates, which indicates whether or not the financial transfers can be included in analysis that require an aggregation of financial transfers (Custer, et al., 2021).

V-Dem database

The V-Dem database is based upon a multidimensional approach to the concept of democracy as it recognises that there is “*no consensus on what democracy at large means, beyond the prosaic notion of rule by the people*” (Coppedge & Gerring, 2011, p. 253). The V-Dem database offers six key conceptualisations of democracy (or high-level democracy indices), which together resemble a fairly comprehensive account of the concept of democracy. Furthermore, V-Dem adheres to the principle of measuring these ‘high level’ conceptions of democracy at a disaggregated level, and therefore has constructed mid- and low-level indices (or components). *These [mid- and low-level indices] are measurable aspects of dimensions and components that lie very close to the empirical bone* (Coppedge & Gerring, 2011, p. 256). At a lower level of abstraction, such multifaceted concept becomes more tractable and perceivable.

Afrobarometer

The local organizations that conduct the interviews for Afrobarometer are (e.g.) academic institutes, research companies, civil society organizations or think tanks. In total, 6 different survey waves have been used and added to the dataset for this thesis. The first wave is not added, because it falls outside the time frame of this research. The following waves were used:

- Round 7 – 2019 – 34 countries
- Round 6 – 2016 – 36 countries
- Round 5 – 2011/2013 – 34 countries
- Round 4 – 2008 – 20 countries

- Round 3 – 2005 – 18 countries
- Round 2 – 2003 – 16 countries

Countries in Afrobarometer per survey wave (see next page).

Transparency International - Corruption Perception Index (CPI)

The various data sources that serve as ingredients for the CPI all measure different facets of corruption in the public sector. *“This ranges from bribery, the diversion of public funds and the effective prosecution of corruption cases to adequate legal frameworks, access to information, and legal protections for whistle-blowers, journalists and investigators”* (Transparency International, 2019, 2:30).

Selection criteria of data sources concern the methodology, (reliability and credibility of the) institution, scope (number of countries) of the data, repetition of the assessment and variation in scores.

	Country	Code	Round 2 2003	Round 3 2005	Round 4 2008	Round 5 2011/13	Round 6 2016	Round 7 2019
1	Algeria	DZA	-	-	-	2013	2015	-
2	Benin	BEN		2005	2008	2011	2014	2016
3	Botswana	BWA	2003	2005	2008	2012	2014	2017
4	Burkina Faso	BFA	-	-	2008	2012	2015	2017
5	Burundi	BDI	-	-	-	2012	2014	-
6	Cabo Verde / Cape Verde	CPV	2002	2005	2008	2011	2014	2017
7	Cameroon	CMR	-	-	-	2013	2015	2018
8	Cote d'Ivoire	CIV	-	-	-	2013	2014	2017
9	Egypt	EGY	-	-	-	2013	2015	-
10	eSwatini / Swaziland	SWZ	-	-	-	2013	2015	2018
11	Gabon	GAB	-	-	-	-	2015	2017
12	Gambia	GMB	-	-	-	-	-	2018
13	Ghana	GHA	2002	2005	2008	2012	2014	2017
14	Guinea	GIN	-	-	-	2013	2015	2017
15	Kenya	KEN	2003	2005	2008	2011	2014	2016
16	Lesotho	LSO	2003	2005	2008	2012	2014	2017
17	Liberia	LBR	-	-	2008	2012	2015	2018
18	Madagascar	MDG	-	2005	2008	2013	2014	2018
19	Malawi	MWI	2003	2005	2008	2012	2014	2016
20	Mali	MLI	2002	2005	2008	2012	2014	2017
21	Mauritius	MUS	-	-	-	2012	2014	2017
22	Morocco	MAR	-	-	-	2013	2015	2018
23	Mozambique	MOZ	2002	2005	2008	2012	2015	2018
24	Namibia	NAM	2003	2006	2008	2012	2014	2017
25	Niger	NER	-	-	-	2013	2015	2018
26	Nigeria	NGA	2003	2005	2008	2012	2014	2017
27	São Tomé and Príncipe	STP	-	-	-	-	2015	2018
28	Senegal	SEN	2002	2005	2008	2013	2014	2017
29	Sierra Leone	SLE	-	-	-	2012	2015	2018
30	South Africa	ZAF	2002	2006	2008	2011	2015	2018
31	Sudan	SDN	-	-	-	2013	2015	2018
32	Tanzania	TZA	2003	2005	2008	2012	2014	2017
33	Togo	TGO	-	-	-	2012	2014	2017
34	Tunisia	TUN	-	-	-	2013	2015	2018
35	Uganda	UGA	2002	2005	2008	2012	2015	2016
36	Zambia	ZMB	2003	2005	2009	2013	2014	2017
37	Zimbabwe	ZWE	2004	2005	2009	2012	2014	2017

Appendix II: Questions Afrobarometer

1) Support one-party governance: “*only one political party is allowed to stand for election and hold office?*” (Afrobarometer, 2020, p. 22)

- Strongly disapprove (1)
- Disapprove (2)
- Neither approve nor disapprove (3)
- Approve (4)
- Strongly approve (5)

2) Support one-man rule: “*Elections and Parliament are abolished so that the president can decide everything?*” (Afrobarometer, 2020, p. 23)

- Strongly disapprove (1)
- Disapprove (2)
- Neither approve nor disapprove (3)
- Approve (4)
- Strongly approve (5)

3) Support one-man rule: “*The army comes in to govern the country?*” (Afrobarometer, 2020, p. 23)

- Strongly disapprove (1)
- Disapprove (2)
- Neither approve nor disapprove (3)
- Approve (4)
- Strongly approve (5)

4) Support for government control organisations versus support join freely any organisation. Select the statement that is most likely to reflect your opinion:

1. *The Government should be able to ban any organization that goes against its policies.*
2. *We should be able to join any organization, whether or not the government approves of it.*

(Afrobarometer, 2020, p. 16)

- ☐ Strongly agree to statement 1 =(1)
- ☐ Agree to statement 1 =(2)
- ☐ Agree to statement 2 =(3)
- ☐ Strongly agree to statement 2 =(4)

Neither agree with statement 1 or 2 = (marked as missing value for the purpose of this study).

5) Support for government controlling the media versus media freedom. Select the statement that is most likely to reflect your opinion:

1. *The media should have the right to publish any views and ideas without government control.*
2. *The government should have the right to prevent the media from publishing things that it considers harmful to society.* (Afrobarometer, 2020, p. 16)

- ☐ Strongly agree to statement 1 =(1)
- ☐ Agree to statement 1 =(2)
- ☐ Agree to statement 2 =(3)
- ☐ Strongly agree to statement 2 =(4)

Neither agree with statement 1 or 2 = (marked as missing value for the purpose of this study).

Appendix III : V-Dem indices measuring the civil liberties and individual (liberal) rights

The following V-Dem indices have been used to measure the degree of civil liberties and individual (liberal) rights in a country:

1. Freedom of Expression and Alternative Sources of Information index
2. Civil society participation index
3. Civil liberties index
4. Political liberties index
5. Government censorship effort

1) Freedom of Expression and Alternative Sources of Information index – interval scale (0-1)

This index measures “*to what extent does government respect press and media freedom, the freedom of ordinary people to discuss political matters at home and in the public sphere, as well as the freedom of academic and cultural expression*” (Coppedge M. , et al., 2022a, p. 46).

2) Civil society participation index – interval scale (0-1)

The question related to this variable (index) is the following: “*Are major CSOs routinely consulted by policymakers; how large is the involvement of people in CSOs; are women prevented from participating; and is legislative candidate nomination within party organization highly decentralized or made through party primaries?*” (Coppedge M. , et al., 2022a, p. 51).

3) Government censorship effort -media – interval scale (0-1)

This index is a quantification of the degree of civil liberty (as respected by the government). Civil liberty is according to Coppedge, et al. (2022a) the liberal freedom of individuals. “*Civil liberty is constituted by the absence of physical violence committed by government agents and the absence of constraints of private liberties and political liberties by the government*” (Coppedge M. , et al., 2022a, p. 296).

4) Political civil liberties index – interval scale (0-1)

The Political civil liberties index is an indicator for the degree of political civil liberty as (respected by the government). “*Political liberties are understood as freedom of association and freedom of expression*” (Coppedge M. , et al., 2022a, p. 297). The indicator is also based on indicators the (absence) of government repression related to elections. But also other forms of government repression are included.

5) Political civil liberties index – interval scale (0-1)

The question answered for this index, is the following: “*does the government directly or indirectly attempt to censor the print or broadcast media?*” (Coppedge M. , et al., 2022a, p. 202). The original ordinal scale ranged from (0) “[government] attempts to censor are direct and routine” to (4) “*the government rarely attempts to censor major media in any way, and when such exceptional attempts are discovered, the responsible officials are usually punished*” (Coppedge M. , et al., 2022a, p. 202).

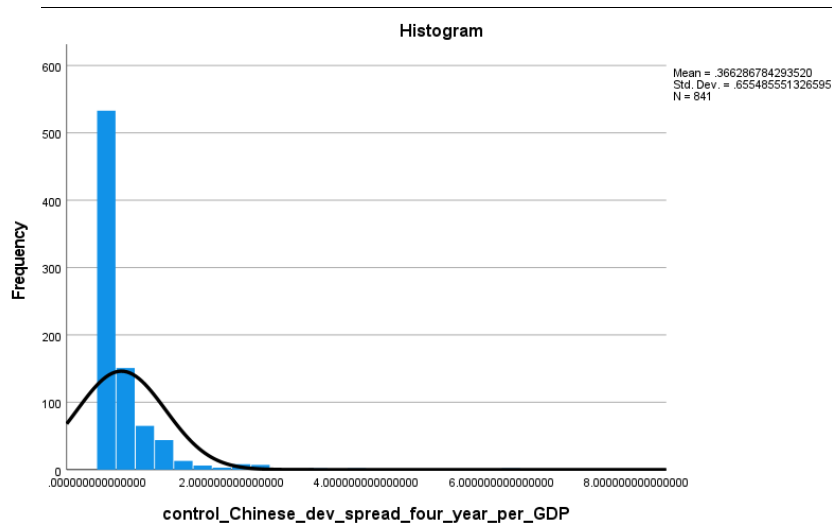
Appendix IV: Ordinal response scale accompanying ‘state ownership of the economy’

Ordinal response scale accompanying the question measuring the degree of ‘state ownership of the economy’:

0. Virtually all valuable capital belongs to the state or is directly controlled by the state. Private property may be officially prohibited.
1. Most valuable capital either belongs to the state or is directly controlled by the state.
2. Many sectors of the economy either belong to the state or are directly controlled by the state, but others remain relatively free of direct state control.
3. Some valuable capital either belongs to the state or is directly controlled by the state, but most remains free of direct state control.
4. Very little valuable capital belongs to the state or is directly controlled by the state.

Appendix V: Check on normal distribution

1) Chinese development finance (spread over four year) as percentage of GDP.



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
control_Chinese_dev_spread_four_year_per_GDP	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
control_Chinese_dev_spread_four_year_per_GDP	Mean	.36628678429	.02260295005
	95% Confidence Interval for Mean	Lower Bound .32192189202	
		Upper Bound .41065167656	
	5% Trimmed Mean	.26519840136	
	Median	.16100616786	
	Variance	.430	
	Std. Deviation	.65548555133	
	Minimum	.00000000000	
	Maximum	7.1996226340	
	Range	7.1996226340	
	Interquartile Range	.41386951694	
	Skewness	5.099	.084
	Kurtosis	37.349	.168

Tests of Normality

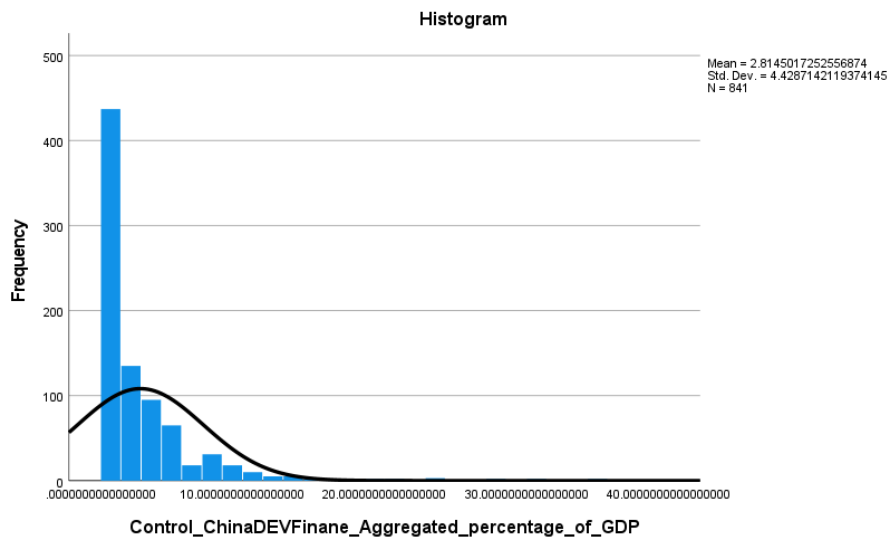
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
control_Chinese_dev_spread_four_year_per_GDP	.288	841	<.001	.530	841	<.001

a. Lilliefors Significance Correction

Conclusion: *Not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic.
- The skewness and kurtosis is mainly due to the 0.0 scores in the dataset, meaning that many observations have a zero score on development finance from China.

2) Chinese development finance aggregated as percentage of GDP.



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Control_ChinaDEVFinane_Aggregated_percentage_of_GDP	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
Control_ChinaDEVFinane_Aggregated_percentage_of_GDP	Mean	2.8145017253	.15271428317
	95% Confidence Interval for Mean	Lower Bound	2.5147553334
		Upper Bound	3.1142481171
	5% Trimmed Mean	2.1415002750	
	Median	1.3184014957	
	Variance	19.614	
	Std. Deviation	4.4287142119	
	Minimum	.00000000000	
	Maximum	35.220703948	
	Range	35.220703948	
	Interquartile Range	3.4624249787	
	Skewness	3.537	.084
	Kurtosis	16.693	.168

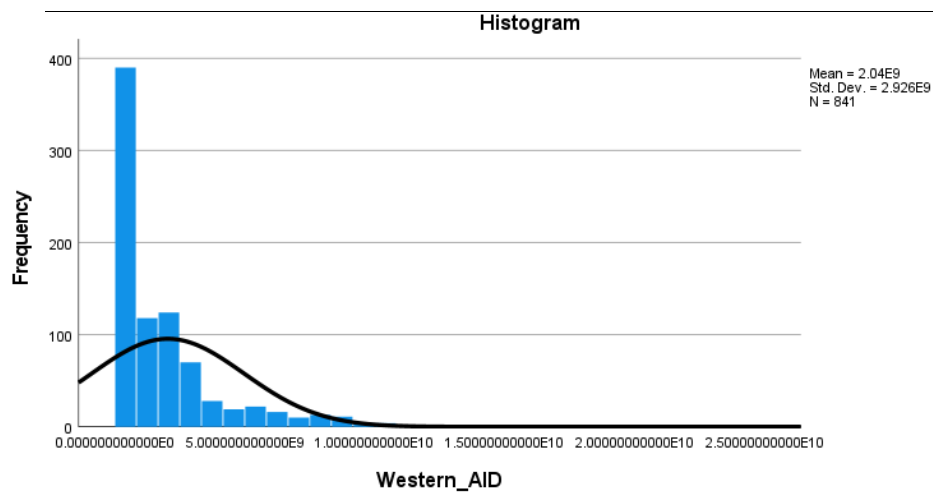
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Control_ChinaDEVFinane_Aggregated_percentage_of	.263	841	<.001	.622	841	<.001

Conclusion: *Not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic. The skewness and kurtosis is mainly due to the 0.0 scores in the dataset, meaning that many observations have a zero score on development finance from China.

3) Western Aid



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Western_AID	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
Western_AID	Mean	2044039072.6	100881379.48
	95% Confidence Interval for Mean	Lower Bound	1846029895.8
		Upper Bound	2242048249.4
	5% Trimmed Mean	1624651430.7	
	Median	991801091.40	
	Variance	8.559E+18	
	Std. Deviation	2925560004.8	
	Minimum	12686309.800	
	Maximum	23831860183	
	Range	23819173873	
	Interquartile Range	2140246216.0	
	Skewness	3.623	.084
	Kurtosis	18.270	.168

Tests of Normality

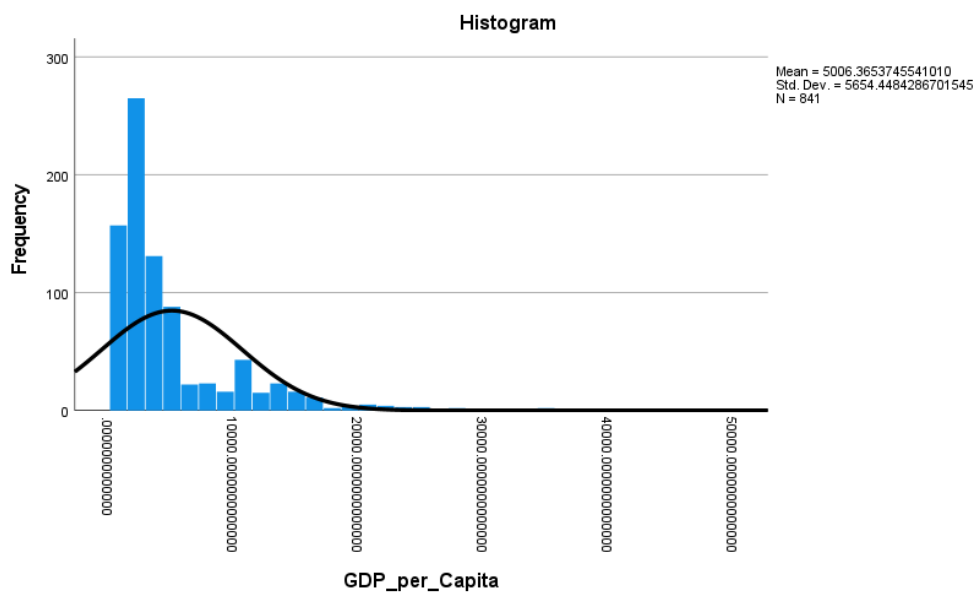
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Western_AID	.244	841	<.001	.629	841	<.001

a. Lilliefors Significance Correction

Conclusion: *Not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic.
- The skewness and kurtosis is mainly due to many relative low scores on Western Aid.

4) GDP per capita.



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
GDP_per_Capita	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
GDP_per_Capita	Mean	5006.3653746	194.98098030
	95% Confidence Interval for Mean		
	Lower Bound	4623.6582426	
	Upper Bound	5389.0725065	
	5% Trimmed Mean	4242.7150073	
	Median	2849.0100000	
	Variance	31972787.032	
	Std. Deviation	5654.4484287	
	Minimum	630.70000000	
	Maximum	41249.490000	
	Range	40618.790000	
	Interquartile Range	3655.8150000	
	Skewness	2.622	.084
	Kurtosis	8.946	.168

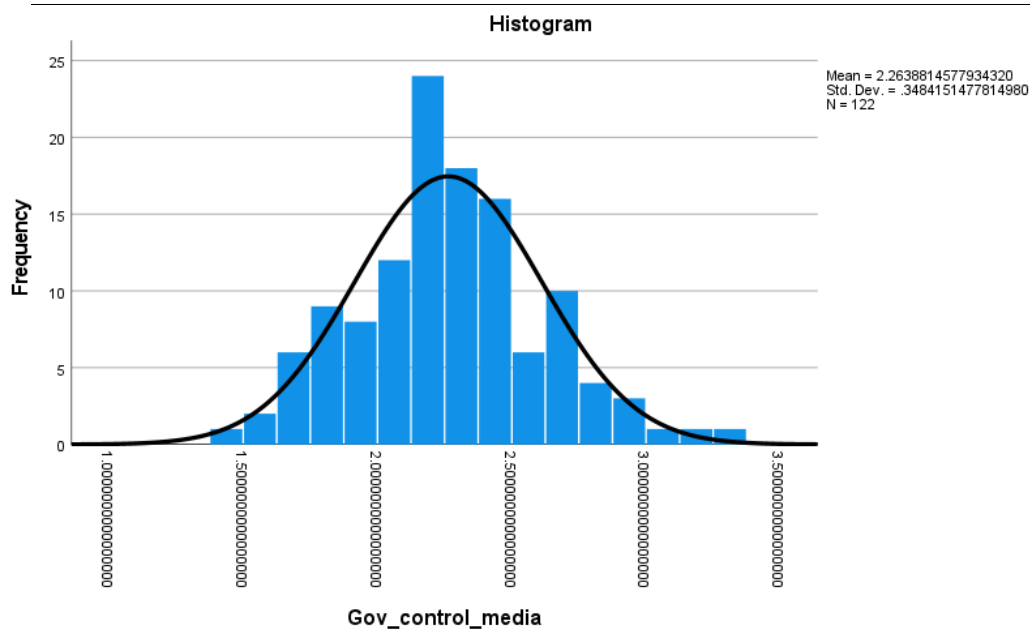
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GDP_per_Capita	.234	841	<.001	.695	841	<.001

Conclusion: *Not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic.

5) Government controlling media [perception]



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Gov_control_media	122	100.0%	0	0.0%	122	100.0%

Descriptives

		Statistic	Std. Error
Gov_control_media	Mean	2.2638814578	.03154402534
	95% Confidence Interval for Mean	Lower Bound	2.2014317395
		Upper Bound	2.3263311761
	5% Trimmed Mean	2.2560841132	
	Median	2.2390484067	
	Variance	.121	
	Std. Deviation	.34841514778	
	Minimum	1.4632034632	
	Maximum	3.2819194516	
	Range	1.8187159884	
	Interquartile Range	.46368654878	
	Skewness	.265	.219
	Kurtosis	.043	.435

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Gov_control_media	.051	122	.200*	.991	122	.572

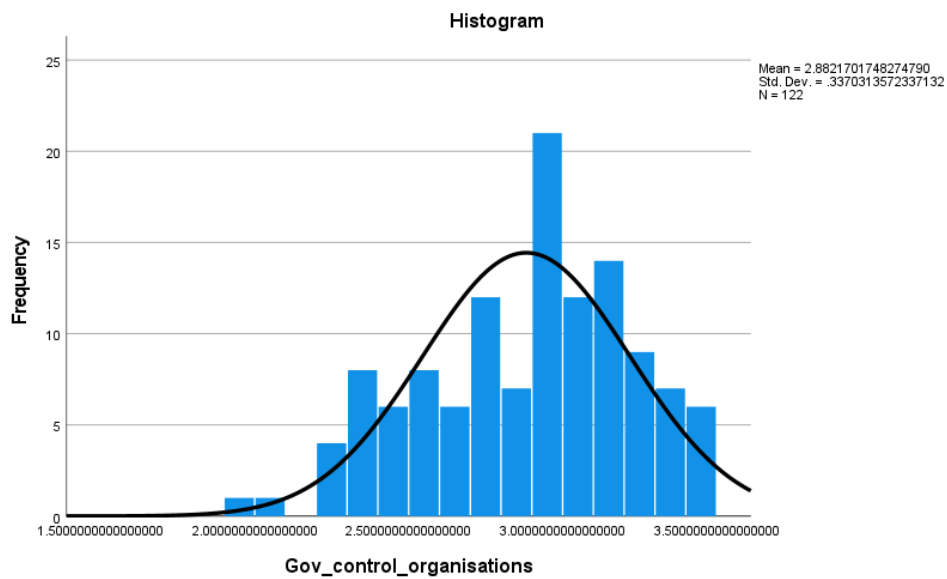
*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Conclusion: *normally distributed.*

- Test on skewness and kurtosis are insignificant, indicating that the variable is normally distributed.

6) Government controlling organisations



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Gov_control_organisations	122	100.0%	0	0.0%	122	100.0%

Descriptives

		Statistic	Std. Error
Gov_control_organisations	Mean	2.8821701748	.03051338537
	95% Confidence Interval for Mean	Lower Bound	2.8217608802
		Upper Bound	2.9425794694
	5% Trimmed Mean	2.8918972774	
	Median	2.9284542358	
	Variance	.114	
	Std. Deviation	.33703135723	
	Minimum	1.9466192171	
	Maximum	3.4350816853	
	Range	1.4884624682	
	Interquartile Range	.50891560301	
	Skewness	-.464	.219
	Kurtosis	-.409	.435

Tests of Normality

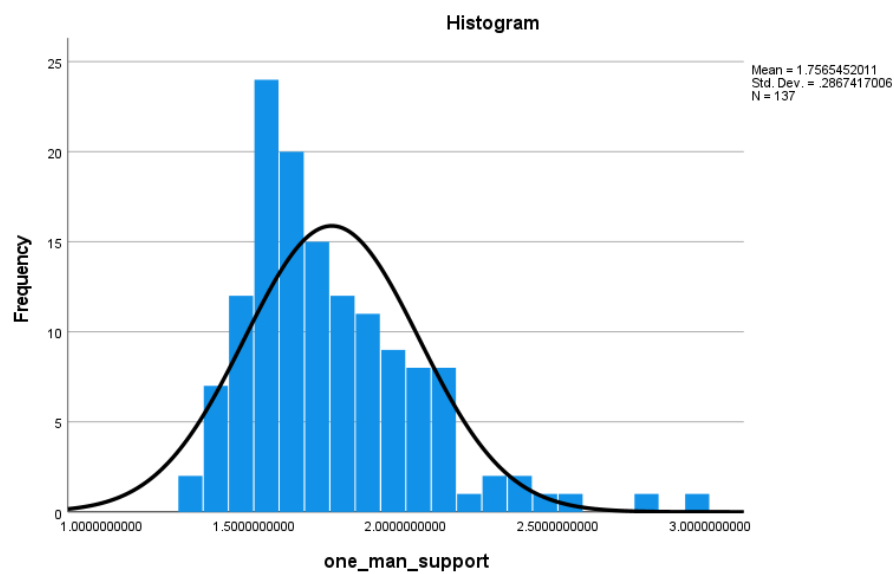
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Gov_control_organisations	.090	122	.018	.969	122	.007

a. Lilliefors Significance Correction

Conclusion: *not normally distributed, but not large deviation.*

- Negative skewness is an indication of left-skew (mean < median). So, there is a lack of symmetry.
- Kurtosis is *not* a problem as the kurtosis divided by the SE of kurtosis is smaller than 2 (kurtosis / SE kurtosis = < 2) .

7) One-man rule support



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
one_man_support	137	100.0%	0	0.0%	137	100.0%

Descriptives

		Statistic	Std. Error
one_man_support	Mean	1.7565452011	.02449799677
	95% Confidence Interval for Mean	Lower Bound	1.7080989236
		Upper Bound	1.8049914786
	5% Trimmed Mean	1.7351614924	
	Median	1.7022569440	
	Variance	.082	
	Std. Deviation	.28674170057	
	Minimum	1.3095037850	
	Maximum	2.9398849970	
	Range	1.6303812120	
	Interquartile Range	.3809539725	
	Skewness	1.246	.207
	Kurtosis	2.263	.411

Tests of Normality

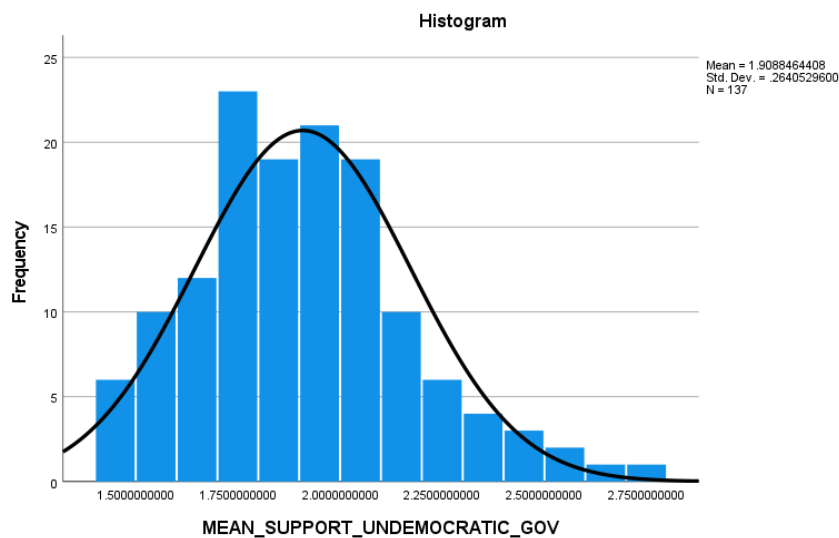
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
one_man_support	.117	137	<.001	.918	137	<.001

a. Lilliefors Significance Correction

Conclusion: *Not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
There are more lower scores than higher. The original scale ranges from (1-5)
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic.

8) Support for undemocratic modes of governance



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
MEAN_SUPPORT_UNDEMOCRATIC_GOV	137	100.0%	0	0.0%	137	100.0%

Descriptives

		Statistic	Std. Error
MEAN_SUPPORT_UNDEMOCRATIC_GOV	Mean	1.9088464408	.02255956684
	95% Confidence Interval for Mean	Lower Bound	1.8642335263
		Upper Bound	1.9534593553
	5% Trimmed Mean	1.8968226174	
	Median	1.8910039480	
	Variance	.070	
	Std. Deviation	.26405296000	
	Minimum	1.4312743460	
	Maximum	2.7604675250	
	Range	1.3291931790	
	Interquartile Range	.3191290185	
	Skewness	.640	.207
	Kurtosis	.490	.411

Tests of Normality

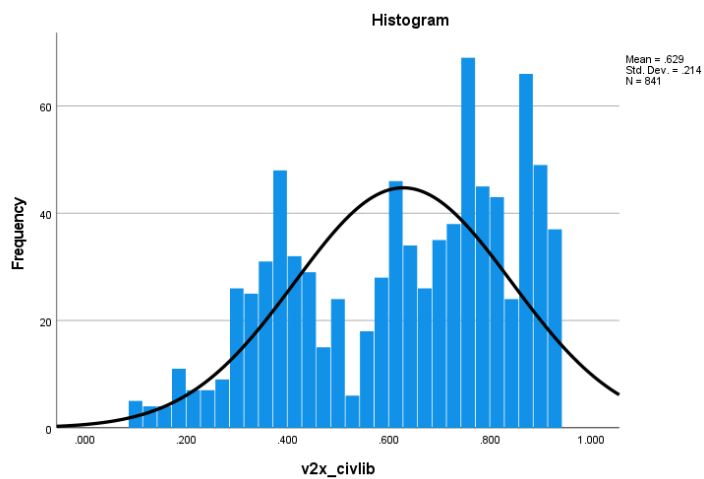
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
MEAN_SUPPORT_UNDEMOCRATIC_GOV	.068	137	.200*	.972	137	.006

*. This is a lower bound of the true significance.

Conclusion: *not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
There are more lower scores than higher. The original scale ranges from (1-5)
- Kurtosis is not a problem as the kurtosis divided by the SE of kurtosis is smaller than 2 (kurtosis / SE kurtosis = < 2).

9) Civil liberties index.



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
v2x_civlib	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
v2x_civlib	Mean	.62888	.007387
	95% Confidence Interval for Mean	Lower Bound	.61438
		Upper Bound	.64337
	5% Trimmed Mean	.63697	
	Median	.66800	
	Variance	.046	
	Std. Deviation	.214212	
	Minimum	.099	
	Maximum	.936	
	Range	.837	
	Interquartile Range	.381	
	Skewness	-.438	.084
	Kurtosis	-.938	.168

Tests of Normality

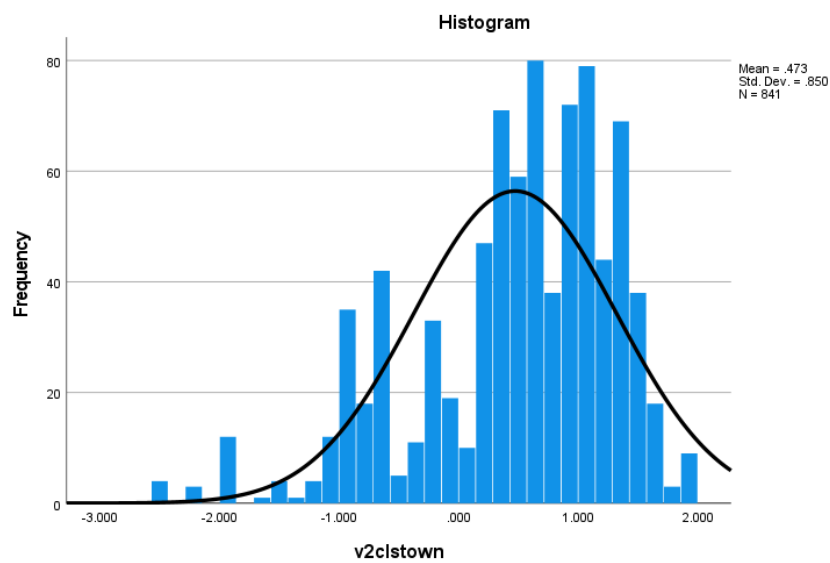
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
v2x_civlib	.110	841	<.001	.940	841	<.001

a. Lilliefors Significance Correction

Conclusion: *Not normally distributed*

- Negative skewness is an indication of left-skew (mean < median). So, there is a lack of symmetry.
- Negative kurtosis indication of a flatter distribution than normal, which is called platykurtic

10) State ownership of economy index



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
v2clstown	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
v2clstown	Mean	.47314	.029295
	95% Confidence Interval for Mean	Lower Bound	.41564
		Upper Bound	.53064
	5% Trimmed Mean	.52200	
	Median	.60500	
	Variance	.722	
	Std. Deviation	.849559	
	Minimum	-2.488	
	Maximum	1.995	
	Range	4.483	
	Interquartile Range	1.013	
	Skewness	-.905	.084
	Kurtosis	.536	.168

Tests of Normality

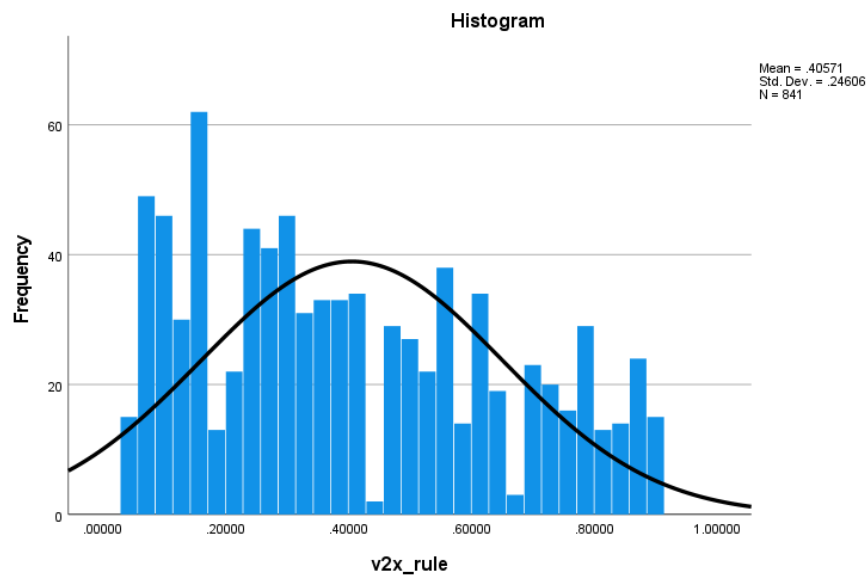
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
v2clstown	.112	841	<.001	.938	841	<.001

a. Lilliefors Significance Correction

Conclusion: *Not normally distributed*

- Negative skewness is an indication of left-skew (mean < median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic

11) Rule of law index



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
v2x_rule	841	100.0%	0	0.0%	841	100.0%

Descriptives

		Statistic	Std. Error
v2x_rule	Mean	.4057111	.00848468
	95% Confidence Interval for Mean	Lower Bound .3890574	
		Upper Bound .4223647	
	5% Trimmed Mean	.3985449	
	Median	.3650000	
	Variance	.061	
	Std. Deviation	.24605563	
	Minimum	.04400	
	Maximum	.90800	
	Range	.86400	
	Interquartile Range	.41650	
	Skewness	.386	.084
	Kurtosis	-.980	.168

Tests of Normality

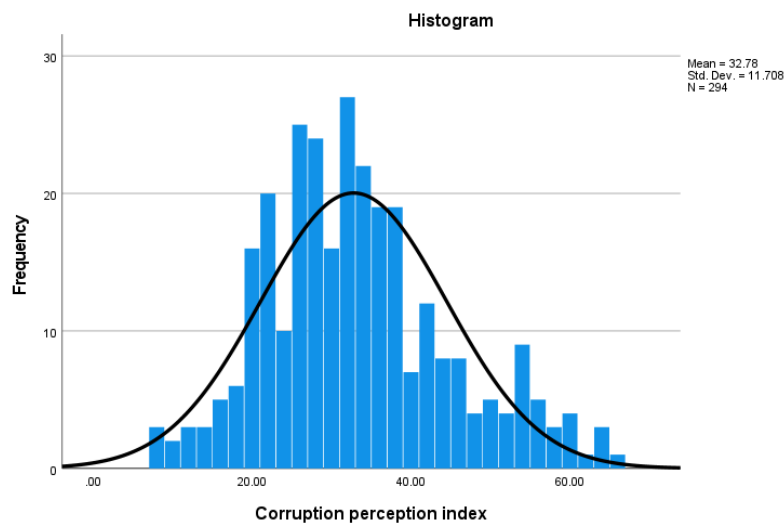
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
v2x_rule	.085	841	<.001	.945	841	<.001

a. Lilliefors Significance Correction

Conclusion: *not normally distributed.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Negative kurtosis indication of a flatter distribution than normal, which is called platykurtic

12) Corruption perception index



Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
e_ti_cpi Corruption perception index	294	35.0%	547	65.0%	841	100.0%

Descriptives

		Statistic	Std. Error
e_ti_cpi Corruption perception index	Mean	32.7823	.68285
	95% Confidence Interval for Mean	Lower Bound	31.4384
		Upper Bound	34.1262
	5% Trimmed Mean	32.4539	
	Median	31.5000	
	Variance	137.086	
	Std. Deviation	11.70835	
	Minimum	8.00	
	Maximum	65.00	
	Range	57.00	
	Interquartile Range	14.00	
	Skewness	.523	.142
	Kurtosis	.022	.283

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
e_ti_cpi Corruption perception index	.087	294	<.001	.974	294	<.001

a. Lilliefors Significance Correction

Conclusion: *not normally distributed, but not terribly deviating from normal distribution either.*

- Positive skewness indication of right-skew (mean > median). So, there is a lack of symmetry.
- Positive kurtosis indication of a more pointy distribution than normal, which is called leptokurtic.

Appendix VI: Checking OLS Regression Assumptions

The assumptions were only tested on the OLS regression model: level of liberal democracy (dependent variable -Y) explained by the amount of Chinese dev. fin. and aid (per year), Western aid, GDP per capita and the lagged DV.

The check on the assumptions (for a linear OLS regression model) gave the following results (see Appendix VI for the SPSS output):

1. Additivity & Linearity: the effect of the different independent models can be added, and are linear related to the dependent variable. This linear relation is presumed on a theoretical basis, as set at in previous sections;
2. Independent errors: this assumption is not met in the multiple OLS regression analysis;
3. Homoscedasticity of the errors; for all variables, heteroscedasticity is observed (see the partial regression plots in Appendix VI);
4. Normally distributed errors: the residuals are not perfectly normally distributed, but not dreadfully deviating from normal distribution either (see the histogram and p-plot of standardized predicted values and residuals in Appendix VI).

The influence of outliers and presence of multicollinearity were also checked. It appears that there are no outliers, as the standardized residuals have absolute values reaching (only) up to 2.28. And there is no multicollinearity, as can be derived from the collinearity statistics (as can be seen in Appendix VI, in the coefficient table). Because the assumption of independent errors and homoscedasticity of errors are violated in the OLS regression model, a robustness test with the bootstrap procedure has been conducted (results in Appendix VII). The results of the bootstrap procedure confirm the initial estimates, but the interpretation requires a degree of caution due to the violation of assumptions.

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	GDP_per_Capita, control_Chinese_dev_spread_four_year_per_GDP, Western_Aid_per_Million ^b	.	Enter

a. Dependent Variable: v2x_libdem

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.221 ^a	.049	.045	.181477

a. Predictors: (Constant), GDP_per_Capita, control_Chinese_dev_spread_four_year_per_GDP, Western_Aid_per_Million

b. Dependent Variable: v2x_libdem

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.414	3	.471	14.307	<.001 ^b
	Residual	27.566	837	.033		
	Total	28.979	840			

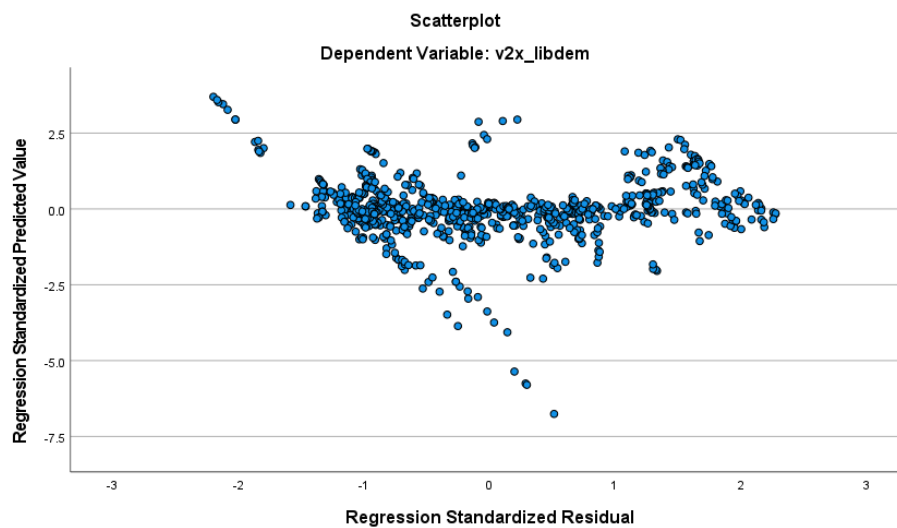
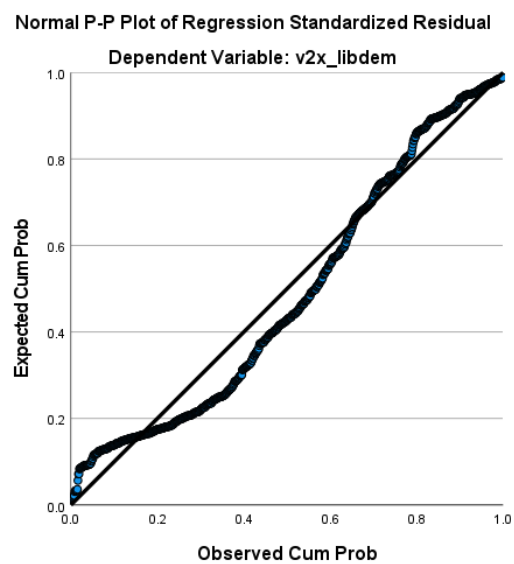
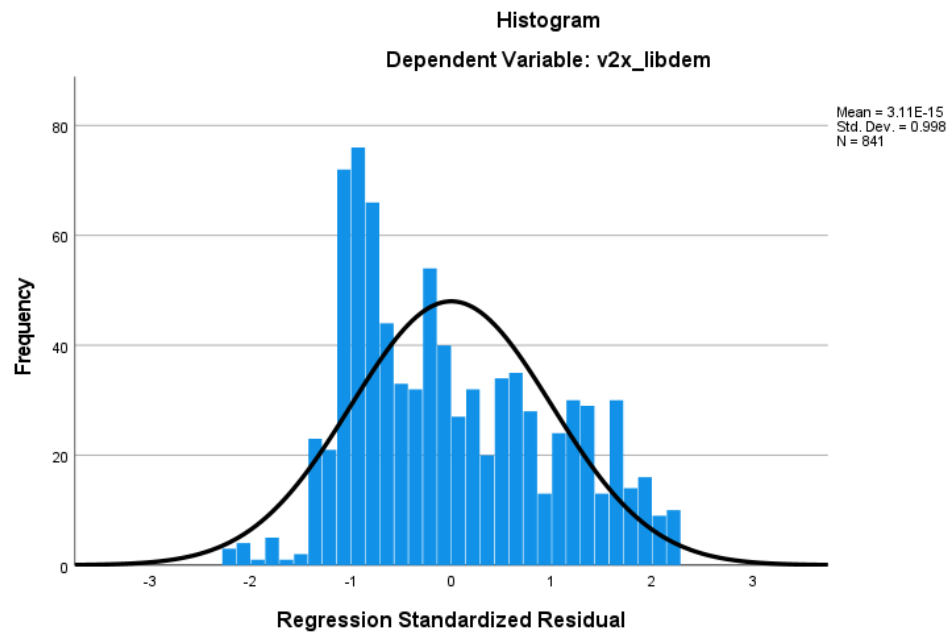
a. Dependent Variable: v2x_libdem

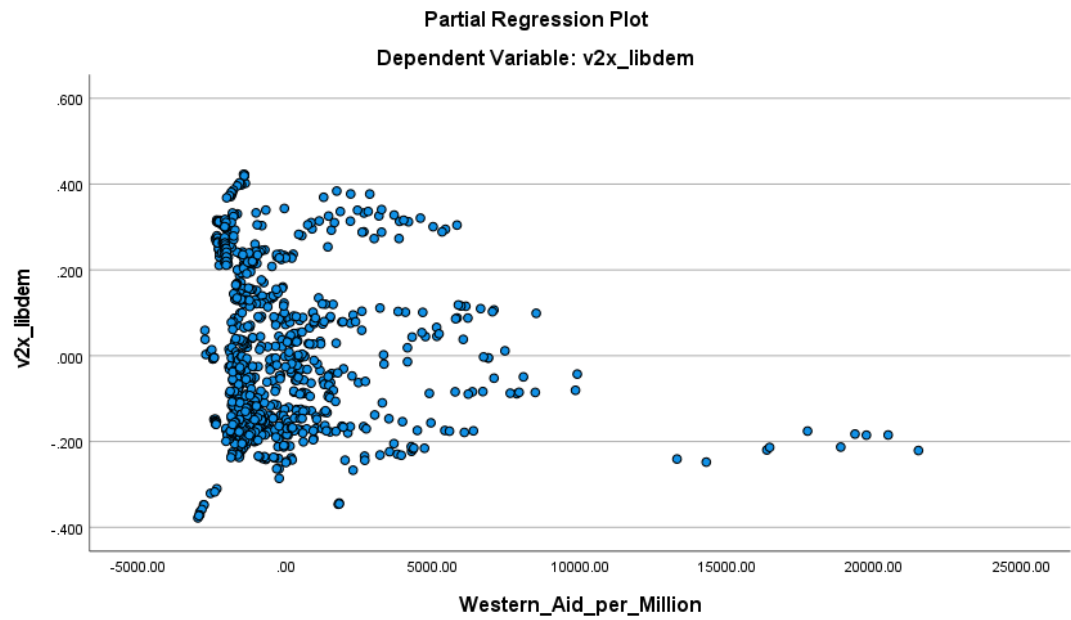
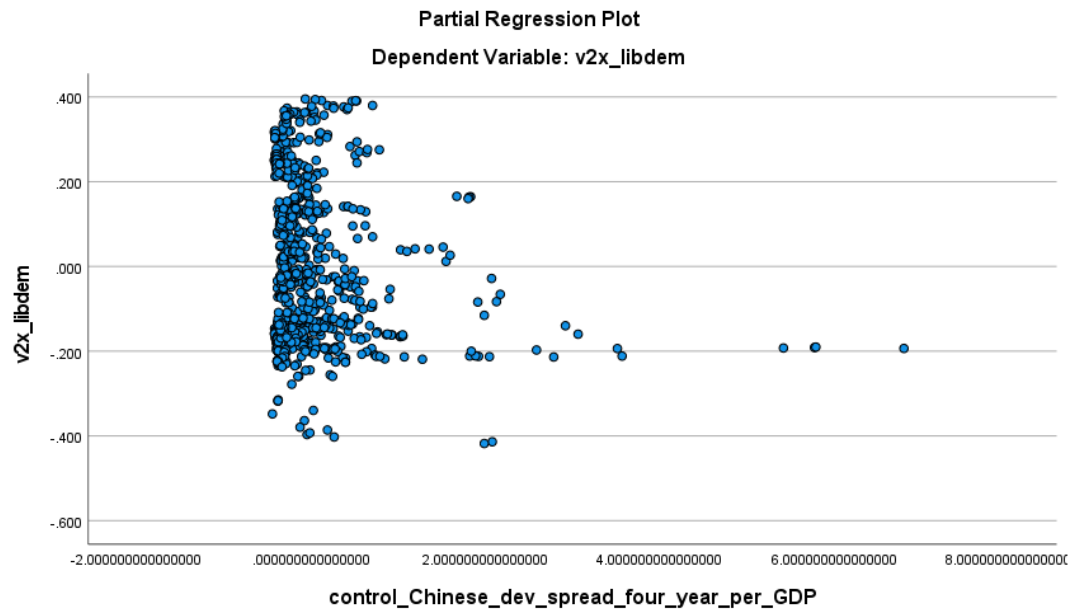
b. Predictors: (Constant), GDP_per_Capita, control_Chinese_dev_spread_four_year_per_GDP, Western_Aid_per_Million

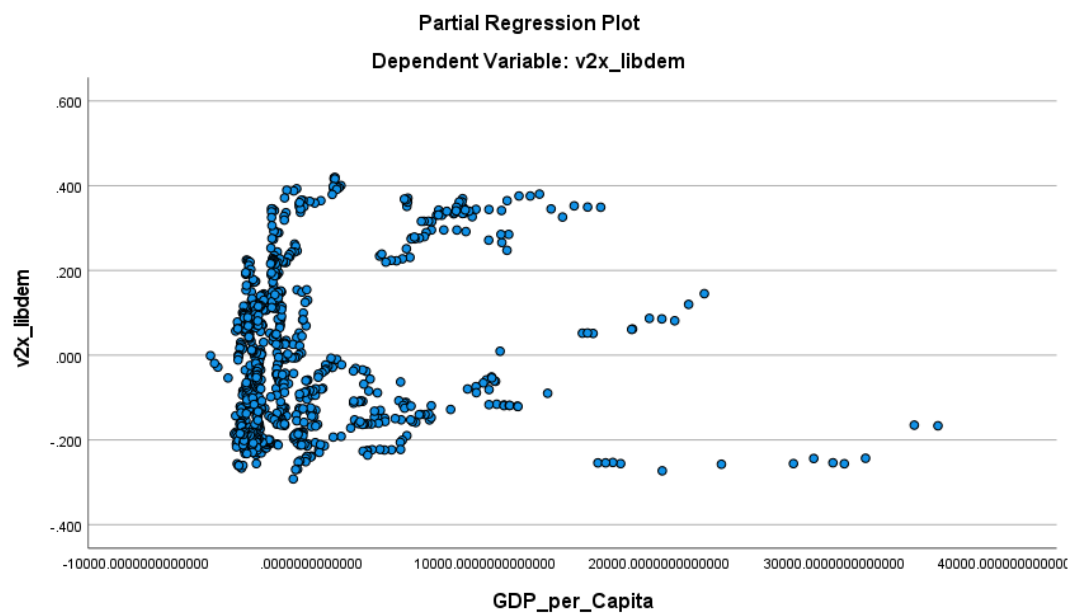
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.306	.010		30.632	<.001		
	control_Chinese_dev_spread_four_year_per_GDP	-.042	.010	-.149	-4.397	<.001	.994	1.006
	Western_Aid_per_Million	-6.922E-6	.000	-.109	-3.218	.001	.990	1.010
	GDP_per_Capita	4.655E-6	.000	.142	4.195	<.001	.995	1.005

a. Dependent Variable: v2x_libdem







Appendix VII: Bootstrap results

Bootstrap for Coefficients

			Bootstrap ^a					
Model			B	Bias	Std. Error	Sig. (2-tailed)	95% Confidence Interval	
							Lower	Upper
1	(Constant)		.306	.000	.010	<.001	.286	.324
	control_Chinese_dev_spre							
	ad_four_year_per_GDP		-.042	.000	.007	<.001	-.058	-.029
	Western_Aid_per_Million		-6.922E-6	-7.743E-8	1.739E-6	<.001	-1.024E-5	-3.178E-6
	GDP_per_Capita		4.655E-6	1.910E-7	1.653E-6	.005	1.655E-6	8.180E-6

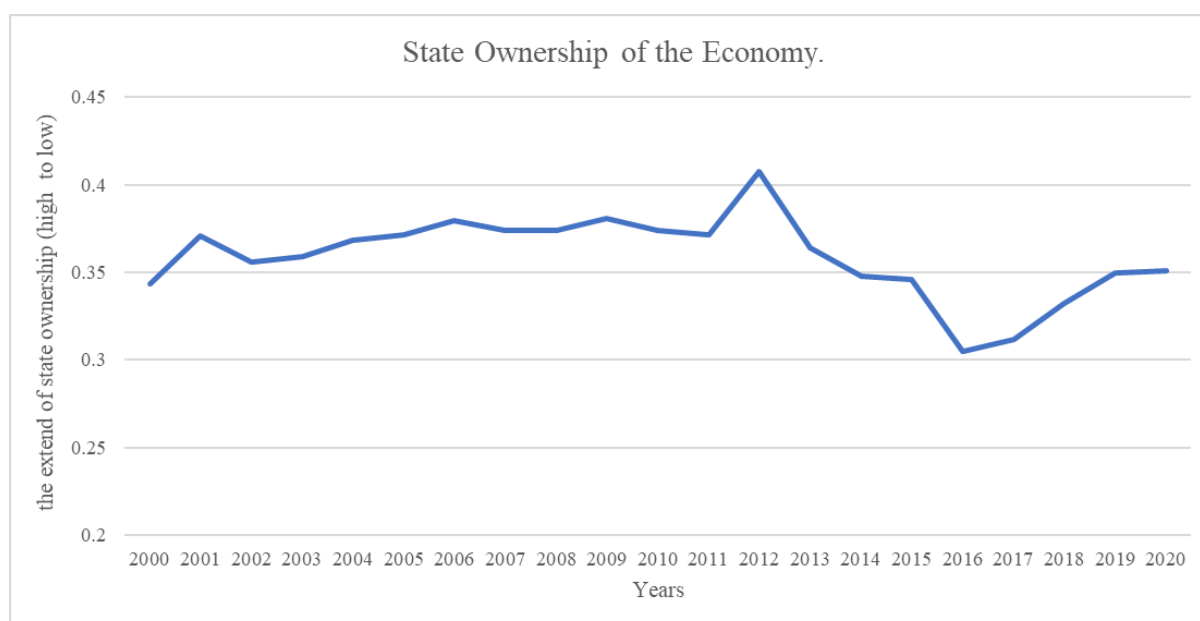
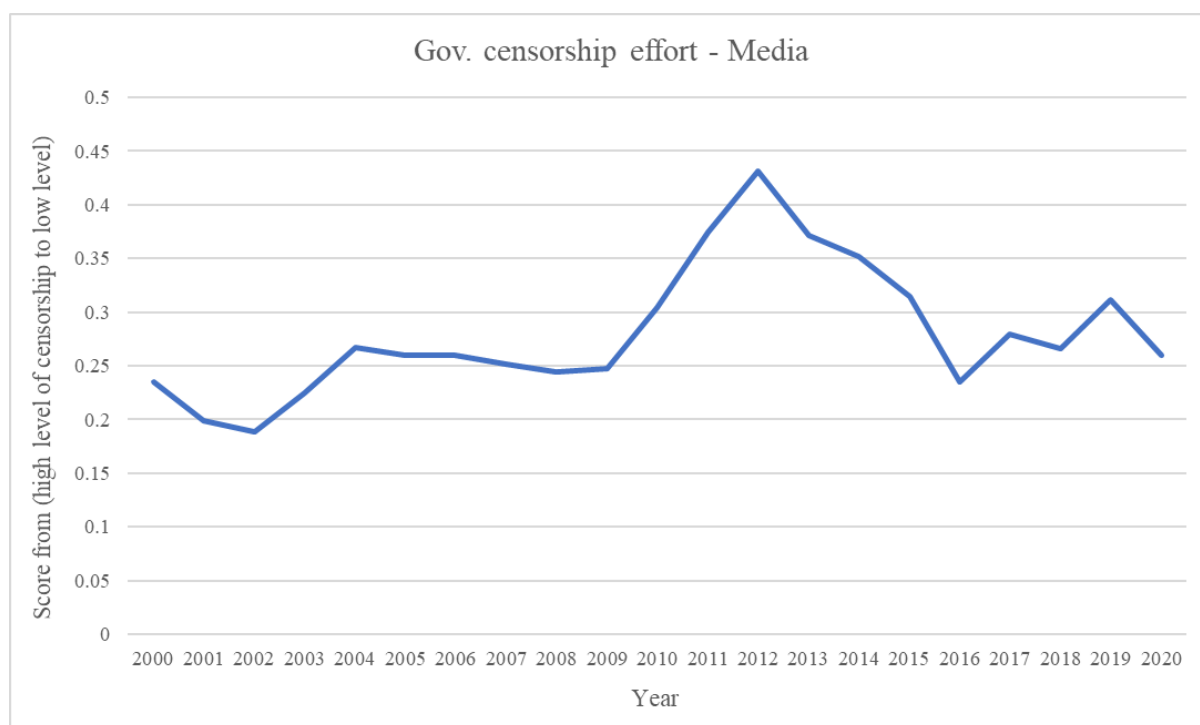
a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

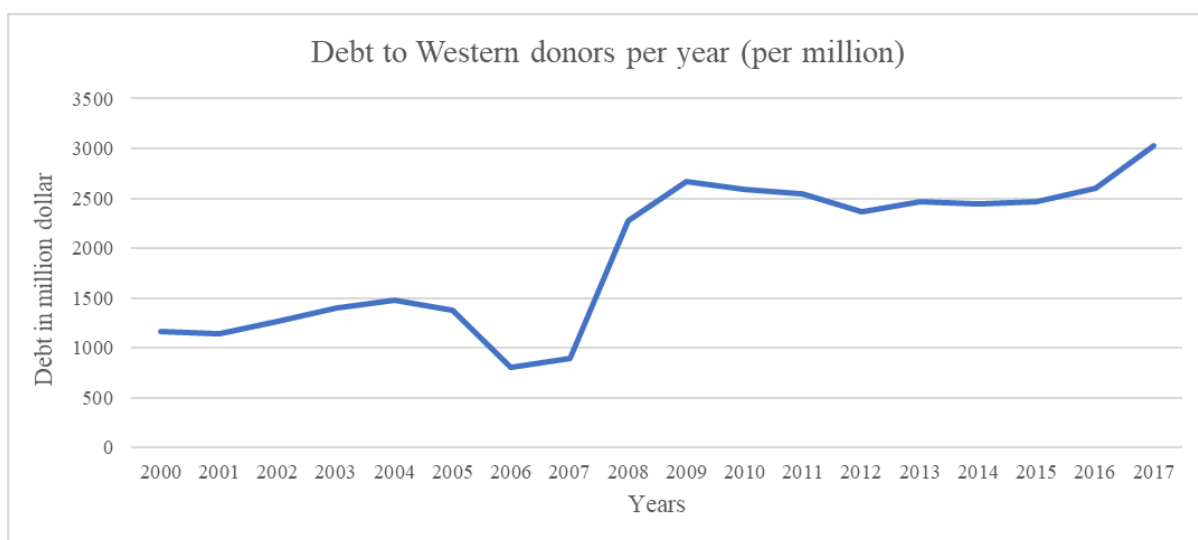
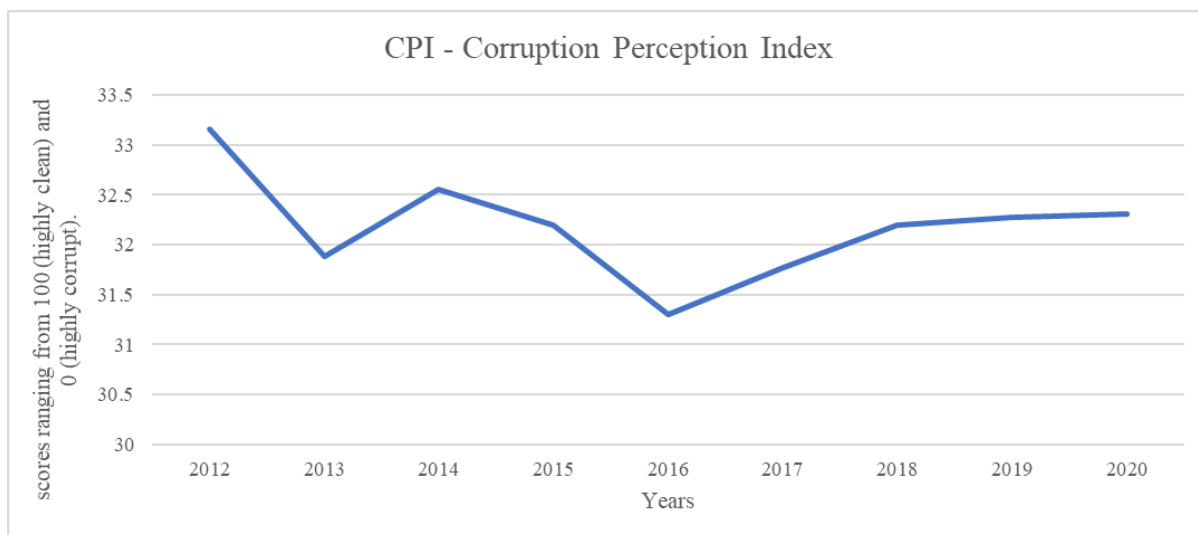
Appendix VIII: Total amount of received development finance and aid as percentage of a country's GDP

Country	Code	Total amount of received development finance and aid as percentage of a country's GDP in 2017
Djibouti	DJI	35.208%
Congo	COG	30.563%
Angola	AGO	23.624%
Equatorial Guinea	GNQ	19.016%
Zambia	ZMB	14.367%
Mozambique	MOZ	13.455%
Liberia	LBR	11.383%
Cabo Verde	CPV	10.419%
Sierra Leone	SLE	9.634%
Democratic Republic of the Congo	COD	9.114%
Togo	TGO	8.356%
Central African Republic	CAF	7.891%
Gabon	GAB	7.541%
Ethiopia	ETH	7.415%
Zimbabwe	ZWE	7.338%
Sudan	SDN	7.102%
Cameroon	CMR	6.422%
Guinea-Bissau	GNB	6.400%
Comoros	COM	6.231%
Senegal	SEN	5.544%
Burundi	BDI	4.887%
Seychelles	SYC	4.802%
Kenya	KEN	4.751%
Mauritania	MRT	4.688%
Uganda	UGA	4.281%
Chad	TCD	4.076%
Botswana	BWA	3.728%
Sao Tome and Principe	STP	3.701%
Gambia	GMB	3.690%
Guinea	GIN	3.457%
Mali	MLI	3.370%
Benin	BEN	3.339%
Lesotho	LSO	3.291%
Mauritius	MUS	3.229%
Malawi	MWI	3.142%
Ghana	GHA	3.061%
Rwanda	RWA	2.649%
Tanzania	TZA	2.515%
Cote d'Ivoire	CIV	2.491%

Niger	NER	2.288%
Namibia	NAM	1.951%
Madagascar	MDG	1.154%
South Africa	ZAF	1.053%
Nigeria	NGA	0.751%
Egypt	EGY	0.452%
Morocco	MAR	0.340%
Somalia	SOM	0.275%
Tunisia	TUN	0.234%
Algeria	DZA	0.044%
Libya	LBY	0.004%
Eritrea	ERI	0.000%
South Sudan	SSD	0.000%

Appendix IX: Trend line of variables





Appendix X: Tables with the result of the random intercept models - H.1

Table: Random intercept – fixed effects model estimates of *liberal democracy (index)* (H.1).

Model	<i>null</i> <i>from dataset 2</i> b	<i>1</i> <i>from dataset 2</i> B	<i>2</i> <i>from dataset 2</i> b	<i>3</i> <i>from dataset 2</i> b
Intercept	0.284*** (0.025)	0.286*** (0.027)	0.278*** (0.029)	0.008*** (0.002)
Chinese debt as % of GDP		<u>0.001**</u> (0.000)	<u>0.001**</u> (0.000)	<u>-0.000*</u> (0.000)
Western aid per million			0.000 (0.000)	-0.000 (0.000)
GDP per capita			+ 0.000* (0.000)	-0.000 (0.000)
Lagged DV				0.987*** (0.006)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.032***	0.034***	0.033***	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.004***	0.002***	0.002***	0.001***
R ²				
Marginal	0.000	0.001	0.010	0.979
Conditional	0.898	0.951	0.948	0.979
<i>N</i>	<i>1081</i>	<i>817</i>	<i>755</i>	<i>715</i>

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table: **Random intercept – fixed effects model** estimates of *electoral democracy (index) (H.1)*.

Model	<i>null</i> <i>from dataset 2</i> b	<i>1</i> <i>from dataset 2</i> b	<i>2</i> <i>from dataset 2</i> b	<i>3</i> <i>from dataset 2</i> b
Intercept	0.411*** (0.025)	0.412*** (0.027)	0.391*** (0.028)	0.020*** (0.003)
Chinese debt as % of GDP		0.001*** (0.000)	0.002*** (0.000)	-0.000* (0.000)
Western aid per million			0.000 (0.000)	+0.000+ (0.000)
GDP per capita			+ 0.000** (0.000)	0.000 (0.000)
Lagged DV				0.969*** (0.008)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.032***	0.033***	0.032***	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.005***	0.003***	0.003***	0.001***
R ²				
Marginal	0.000	0.002	0.015	0.956
Conditional	0.863	0.913	0.876	0.956
<i>N</i>	<i>1081</i>	<i>817</i>	<i>755</i>	<i>715</i>

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Appendix XI: Tables with the result of the random intercept models -H.2

Table: Random intercept – fixed effects model estimates of *support undemocratic governance (H.2.A.)*.

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	1.939*** (0.042)	1.957*** (0.046)	1.948*** (0.044)	1.944*** (0.059)	1.945*** (0.059)	0.429** (0.152)	0.464** (0.152)
Aggregated amount of Chinese dev. finance as % of GDP		-0.008 (0.007)		-0.006 (0.007)		+0.013* (0.006)	
Chinese development finance per year as % of GDP			-0.027 (0.040)		-0.038 (0.041)		+ 0.055 (0.047)
Western aid (per million)				+0.000* (0.000)	+0.000* (0.000)	+0.000* (0.000)	+0.000* (0.000)
GDP per capita				- 0.000 (0.000)	- 0.000 (0.000)	- 0.000 (0.000)	- 0.000 (0.000)
Lagged DV						0.735*** (0.073)	0.726*** (0.074)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.055***	0.052***	0.055***	0.045***	0.045***	0.000	0.000
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.027***	0.026***	0.027***	0.022***	0.022***	0.035***	0.036***
R ²							
Marginal	0.000	0.005	0.002	0.053	0.054	0.508	0.500
Conditional	0.674	0.668	0.671	0.692	0.690	0.508	0.500
<i>N</i>	<i>151</i>	<i>139</i>	<i>151</i>	<i>137</i>	<i>137</i>	<i>104</i>	<i>104</i>

b unstandardized coefficient

Standard errors in parentheses

+ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table: **Random intercept – fixed effects model** estimates of *one-party-support* (H.2.a.).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b	<i>7</i> b	<i>8</i> b	<i>9</i> b
Intercept	1.979*** (0.046)	2.060*** (0.052)	2.036*** (0.052)	2.020*** (0.049)	2.108*** (0.071)	2.085*** (0.071)	2.088*** (0.071)	0.727*** (0.194)	0.581*** (0.191)	0.671*** (0.188)
Chinese total finance (aggregate) / GDP		- 0.026** (0.008)			- 0.022* (0.008)			-0.001 (0.009)		
Chinese total DEVELOPMENT (aggregate) as % of GDP			- 0.023** (0.009)			- 0.020* (0.009)			+ 0.010 (0.010)	
Chinese development finance /GDP*1000				- 0.117* (0.053)			- 0.134* (0.057)			+ 0.024 (0.064)
Western aid					0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000⁺ (0.000)	0.000 (0.000)
GDP per capita					- 0.000⁺ (0.000)	- 0.000⁺ (0.000)	- 0.000⁺ (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Lagged DV								0.623*** (0.084)	0.676*** (0.082)	0.642*** (0.082)
Country variance <i>between-country variance</i> (σ_{u0}^2)	0.062***	0.054***	0.057***	0.059***	0.050***	0.054***	0.054***	0.003	0.001	0.002
Residuals <i>within-country variance</i> (σ_{ε}^2)	0.048***	0.047***	0.048***	0.047***	0.046***	0.046***	0.046***	0.063***	0.064***	0.063***
R ²										
Marginal	0.000	0.060	0.031	0.008	0.079	0.059	0.064	0.407	0.407	0.414
Conditional	0.560	0.563	0.557	0.570	0.560	0.567	0.573	0.431	0.431	0.432
<i>N</i>	151	139	139	151	137	137	137	104	104	104

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Appendix XII: Tables with the result of the random intercept models - H.3

Table: **Random intercept – fixed effects model** estimates of the political liberties index (*H.3.*) on ...

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.649*** (0.030)	0.642*** (0.032)	0.645*** (0.031)	0.668*** (0.034)	0.669*** (0.034)	0.023*** (0.005)	0.023*** (0.006)
Chinese total DEVELOPMENT (aggregate) / GDP*100		<u>+ 0.002*</u> (0.001)		<u>+ 0.002*</u> (0.001)		<u>- 0.001**</u> (0.000)	
Chinese development finance /GDP*100			<u>+ 0.012*</u> (0.007)		<u>+ 0.017**</u> (0.007)		<u>- 0.003*</u> (0.001)
Western aid (per thousand)				+ 0.001*** (0.000)	+ 0.001*** (0.000)	- 0.000 (0.000)	- 0.000 (0.000)
GDP per capita				- 0.001** (0.000)	- 0.001** (0.000)	0.000 (0.000)	0.000 (0.000)
Lagged DV						0.970*** (0.007)	0.972*** (0.007)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.045***	0.049***	0.046***	0.048***	0.049***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.009***	0.008***	0.009***	0.007***	0.007***	0.002***	0.002***
R ²							
Marginal	0.000	0.001	0.001	0.024	0.029	0.962	0.962
Conditional	0.831	0.867	0.834	0.883	0.884	0.963	0.962
<i>N</i>	1023	873	1022	841	840	841	840

A lower score means less political liberties.

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Table 8: **Random intercept – fixed effects model** estimates of the Government censorship effort – media (H.3.).

Model	<i>null</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>	<i>b</i>
Intercept	0.354*** (0.127)	0.345*** (0.135)	0.346*** (0.129)	0.401** (0.138)	0.386** (0.139)	0.050** (0.016)	0.039** (0.016)
Chinese total DEVELOPMENT (aggregate) as % of GDP		<u>+ 0.001</u> (0.006)		<u>+ 0.000</u> (0.006)		<u>- 0.006**</u> (0.002)	
Chinese development finance and aid as % of GDP			<u>+ 0.020</u> (0.038)		<u>+ 0.042</u> (0.040)		<u>- 0.021⁺</u> (0.016)
Western aid (per million)				+ 0.000** (0.000)	+ 0.000** (0.000)	0.000 (0.000)	0.000 (0.000)
GDP per capita				- 0.000** (0.000)	- 0.000** (0.000)	- 0.000 ⁺ (0.000)	- 0.000 ⁺ (0.000)
Lagged DV						0.954*** (0.011)	0.957*** (0.011)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.793***	0.882***	0.801***	0.878***	0.903***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.332***	0.260***	0.322***	0.233***	0.232***	0.085***	0.086***
R ²							
Marginal	0.000	0.000	0.000	0.022	0.024	0.918	0.918
Conditional	0.711	0.772	0.713	0.795	0.800	0.919	0.918
<i>N</i>	1023	873	1022	841	840	841	840

A lower score less civil liberties.

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

Appendix XIII: Tables with the result of the random intercept models - H.5

Table 12: **Random intercept – fixed effects model** estimates of *Political corruption index (low to high; 0-1)* (H.5).

Model	<i>null</i> b	<i>1</i> b	<i>2</i> b	<i>3</i> b	<i>4</i> b	<i>5</i> b	<i>6</i> b
Intercept	0.667*** (0.031)	0.393*** (0.035)	0.672*** (0.031)	0.712*** (0.032)	0.710*** (0.032)	0.003** (0.004)	0.004 (0.004)
Chinese total DEVELOPMENT (aggregate) as % of GDP		- 0.002** (0.001)		- 0.001* (0.001)		- 0.000 (0.000)	
Chinese development finance and aid as % of GDP			- 0.002** (0.001)		- 0.001* (0.001)		- 0.000 (0.000)
Western aid (per million)				- 0.001*** (0.000)	- 0.001*** (0.000)	- 0.001* (0.000)	- 0.001* (0.000)
GDP per capita				- 0.000** (0.000)	- 0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Lagged DV						0.994*** (0.006)	0.994*** (0.006)
Country variance <i>between-country variance</i> (σ^2_{u0})	0.047***	0.059***	0.047***	0.047***	0.059***	0.000	0.000
Residuals <i>within-country variance</i> (σ^2_{ε})	0.004***	0.005***	0.004***	0.003***	0.005***	0.002***	0.001***
R ²							
Marginal	0.000	0.002	0.001	0.020	0.019	0.976	0.976
Conditional	0.915	0.930	0.915	0.935	0.935	0.976	0.976
<i>N</i>	1023	873	1022	841	840	841	840

b unstandardized coefficient

Standard errors in parentheses

⁺ $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$; (one-tailed)

“The directionality of the V-Dem corruption index runs from less corrupt to more corrupt” (Coppedge M. , et al., 2022a).

