Examining the Relationship Between Economic Ties and Political Affinity Using UNGA Voting

by

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Acknowledgments

Frankly, this thesis is not a well-groomed academic product, but more of the beginning of a series of "baby-steps" that I would undertake in my professional career. At the time of my writing, the world is still grappling with COVID-19, and I would like to offer my sincere appreciation for those fighting for humanity at the frontline. Your spirit is the most admirable.

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Abstract

This paper sets out to examine the relationship between economic ties and political affinity using UNGA voting records. We primarily tested export to China, export to China as a percentage of countries' GDP, FDI flows, and their respective correlation with countries' voting coincidence with China. We have also outlined some findings from UNGA's voting patterns and suggested possible directions for future research.

Broad Issue:

Since the Economic Reform and Open-up, China has enjoyed one of the highest and longest economic growth in human history. While achieving astonishing economic accomplishment, China's growing influence has also pushed for greater political influence, actively maneuvering its agenda among states and international organizations.

For example, Egypt, identified as a traditional ally of the U.S. in the past, has been warming its ties with China significantly after designating the construction of its new capital city to one of China's state-owned enterprises valued at $45 billion. In return, Egypt has been supporting China politically. Last year, it joined a list of 57 nations, sending a letter to the UN and defending China's treatment over its domestic Uyghur population. As Egypt and other countries deviate away from the traditional political order and toward China, the geopolitical shift is very substantial.

Under this context, this paper sets out to examine whether China has been converting its economic power into political strength, using voting records from the United Nations General Assembly.

Literature Review:

Past research has confirmed the significance of the United Nations General Assembly (UNGA) voting. While the votes are technically not legally binding, Marin-Bosch (1987)[1] argued that nations tend to vote seriously, reflecting their actual opinions on the issue given the vote's political potentials. The trend with regard to opposition in the UNGA was fairly consistent with that in the Security Council. Alker (1964)[2] contended that the voting patterns might also

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[1] Marin-Bosch, Miguel. 1987. How nations vote in the General Assembly of the United Nations. International Organization 41:705-24.

[2] Alker, Hayward R., Jr. 1964. Dimensions of conflict in the General Assembly. American Political Science Review 58:642-57.

reflect the shift in global power balance, noting several distinct voting dimensions including one determined by communist and non-communist countries. Marin-Bosch's findings coincided with Alker, who observed a shift in the strength of opposition parallel to the change in power dynamics. During the early years of the UN, Eastern European Communist states and the Soviet Union formed a strong force of opposition and disapproved of most of the resolutions offered. Nevertheless, the role was reversed in the subsequent decades when western countries gained the upper-hand during the Cold War. They ramped up their opposition while the USSR and its communist allies retreated to a less aggressive position by 1986, ceding influence to democratic nations. The UNGA voting could serve as a parameter to demonstrate political affinities in the real-world.

Economic factors' effect on the formation of political alliances within the UNGA remains unclear. Kim (1996)[3] examined whether economic relations with the U.S. determined countries' voting alignment. However, Kim received mixed responses from developing and developed countries, reflecting the North-South divide discovered by Alker[4] briefly after the Cold War. Developing countries in the South were generally wary of closer trade and economic integration with the U.S. market, fearing economic exploitation and thus tended to diverge away from the U.S. in their voting patterns. Developed countries in the North, nevertheless, shared democracy with the U.S. and were more aligning to the U.S. when bilateral trade increased. Kim's research highlighted the role of inherent political differences, suggesting a higher priority over economic ties.

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[3] Soo Yeon Kim and Bruce Russett, "The New Politics of Voting Alignments in the United Nations General Assembly," International Organization 50, no. 4 (1996)

[4] Alker, Hayward R., Jr. 1964. Dimensions of conflict in the General Assembly. American Political Science Review 58:642-57.

Nevertheless, economic priority may prevail for smaller states with limited financial capacity. Brazys (2017)[5] contended that aid-dependent countries are unable to develop a coherent voting norm on all resolutions and thus are more susceptible to external influences, causing serial-shift in their voting. Recipient countries tend to play donors with opposing political interests off against each other, shifting back-and-forth on a political subject in order to maximize their financial interests. For countries with shallow pockets, political affinity might be merely a tool for greater economic gain, emphasizing financial importance above all else.

In regard to China, existing literature is mixed regarding the correlation between political affinity and economic relations as well. Statistical examination for China's outward FDI suggests a political agenda for realignment according to Raess (2017). [6] Strüver (2016)[7] concluded that both trade dependence and aid acceptance would both increase countries' voting with China in the UNGA voting, indicating increasing alignment of foreign policy approaches. While Kastner (2016)[8] also supported the link between increasing trade with China and PRC influence with foreign policies, Kastner suggests a weaker correlation between economic ties and China-centric political issues, specifically on Taiwan and Tibet. After examining countries reaction to China's Anti-Secession Law in 2005, the crackdown in Tibet in 2008, and recognition of China's market economy status, Kastner found that with increasing trade volumes, countries were only more supportive to Chinese interests on its market economy status, an economic issue at core, and made few concessions on the other two political ones. Kastner's study hinted at greater Chinese

[5] Brazys, S., &Panke, D. (2017). Why do states change positions in the United Nations General Assembly?. International Political Science Review, 38(1), 70-84.
[6] Raess, D., Wagner, P., & Ren, W. (2017). Chinese Commercially-Oriented Financial Flows and UN Voting Realignment. University of Reading, University of Bern. Retrieved from http://wp.peio.me/wp-content/uploads/2018/01/PEIO11_paper_62.pdf
[7] STRÜVER, GREGOR. 2016. "What Friends Are Made Of: Bilateral Linkages and Domestic Drivers of Foreign Policy Alignment with China." Foreign Policy Analysis 12 (2): 170–91.
[8] KASTNER, SCOTT A. 2016. "Buying Influence? Assessing the Political Effects of China's International Trade." Journal of Conflict Resolution 60 (6): 980– 1007.

influence on economics, but not so much for high-stake and sensitive political issues, signaling little convergence toward China's core political interests.

Despite mixed outcomes, the political economy of Chinese aid to developing regions, particularly African nations has been fairly straightforward. Regression analysis on African countries' voting convergence with China in the UNGA showed a correspondence between aid and voting alignment according to Dreher (2018)[9]. Dreher further confirmed that foreign policy convergence, not corruption, natural resources, or regime type, contributed the most to receiving Chinese official aid. Flores-Macı´as (2013)[10] corroborated Dreher's result when examining the relationship between African and Latin American nations' trade dependence with China and their respective voting alignment, in regard to China, on human rights resolutions in the UNGA. Nevertheless, after taking regional differences into account, Flores-Macı´as discovered a higher statistical significance for African states than Latin American nations, possibly stemming from Africa's longer dealings with China. Flores-Macı´' research hints at a more solid political alliance between China-Africa in comparison to China-Latin America. Jenkins (2010)[11] concurred with the findings of Flores-Macıas, arguing that Chinese aid and investments in Latin America are probably driven by economic incentives with less of a political aspect, and thus made Latin America less susceptible to Chinese political agendas given that it is under the U.S.' sphere of influence. The differing outcomes between Africa and Latin America showed that economic aid alone could not necessarily convert countries' foreign policies to China's benefit.

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[9] Axel Dreher, Andreas Fuchs, Brad Parks, Austin M Strange, Michael J Tierney, Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa, *International Studies Quarterly*, Volume 62, Issue 1, March 2018, Pages 182–194.

[10] Flores-Macias, Gustavo A., and Sarah E. Kreps. 2013. "The Foreign Policy Consequences of Trade: China's Commercial Relations with Africa and Latin America, 1992-2006." Journal of Politics 75 (2): 357-71.

[11] JENKINS, RHYS. "China's Global Expansion and Latin America." *Journal of Latin American Studies*, vol. 42, no. 4, 2010, pp. 809–837. *JSTOR*, www.jstor.org/stable/40984959. Accessed 2 May 2020.

In conclusion, generally speaking the current literature has not identified a definitive link between economic ties and political affinity. Other than trade, financial instruments such as aid and FDI might carry a political agenda to some extent. Nevertheless, they also faced limitations and might not necessarily produce the desired political outcome for China or other major powers. The effect of "vote-buying" in the UN might not be as substantial or effective as generally assumed.

Research Question & Hypothesis:

The research question we would like to study is whether closer economic ties, defined here by Foreign Direct Investment, correlate with increasing voting alignment in the UNGA. We hypothesize the answer to be affirmative, that increasing economic dependence would correspond to stronger voting alignment in the UNGA.

Data & Methodology:

Our research is based on three groups of data. For measuring political affinity, we acquired all the UNGA voting records from the UN Digital Library[12], from 2000 to 2018, using a web-scraper we programmed in Python. Initially, we represented voting alignment for each country by calculating its percentage of agreement with China in a given year. For testing economic ties, we planned on examining trade flows and FDI reliance. We tested all UN member states' export to China[13], and export to China as a percentage of its GDP[14], as the two parameters represent trade dependence. For FDI flows, we focused exclusively on China's FDI to African

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[12] UN Digital Library:
https://digitallibrary.un.org/search?ln=en&cc=Voting+Data&p=&f=&rm=&ln=en&sf=&so=d&rg=50&c=Voting+Data&c=&of=hb&fti=0&fct__2=General+Assembly&fct__9=Vote&fti=0&fct__2=General+Assembly&fct__9=Vote

[13] Data is from UN Comtrade. https://comtrade.un.org/

[14] Data is from the World Bank. https://data.worldbank.org/indicator/NY.GDP.MKTP.CD

nations thanks to a database from Johns Hopkins University[15]. We sought to unravel implications within the UNGA dataset and then test the correlation with the economic and financial parameters.

In the later stage of our research, we made some modifications to the UN resolutions. We believed that available UNGA resolutions are mostly uncontentious ones because of the UN's mechanism. Most of the resolutions are actually adopted without a vote and even those who do, typically have already garnered a consensus around the countries before voting. This means that most of the UN resolutions are uncontentious and thus could not necessarily reflect an individual country's political tendencies. We therefore devised a new dataset. Under the assumption that the U.S. and China represent two distinct political interests, we only include resolutions in which the U.S. and China vote directly against one another, meaning a "yes" to a "no", so that resolutions we incorporated are the more contentious ones. We then calculated each country's percentage of agreement with China and the US every year within these resolutions and used this as a parameter for testing voting alignment.

Results & Discussion:

Summary:									
2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
3	2	1	1	0	0	1	0	1	0

Figure 1

When we were examining all of the UNGA voting records, the first thing we noticed was that the U.S. and China rarely voted "No" together. Figure 1 demonstrated the number of cases we identified from 2009 to 2018. The cases are extremely rare each year and focus exclusively

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[15] Johns Hopkins University. http://www.sais-cari.org/chinese-investment-in-africa

on death penalty and prohibition of nuclear weapons. What's more, the fact that the U.S. and China willingly cast themselves as the minority could bear a strategic purpose, proactively sending a strong political message to the world. By voting "No", the U.S. and China were in effect retaining their rights to use death penalty and nuclear weapons.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of times China vote "N"	10	8	8	6	4	3	5	3	4	3
Total Vote:	107	94	81	78	80	64	74	69	72	68
Percentage:	9.35%	8.51%	9.88%	7.69%	5.00%	4.69%	6.76%	4.35%	5.56%	4.41%

Figure 2

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of times United States vote "N"	76	66	47	50	49	43	47	42	46	45
Total Vote:	107	94	81	78	80	64	74	69	72	68
Percentage:	71.03%	70.21%	58.02%	64.10%	61.25%	67.19%	63.51%	60.87%	63.89%	66.18%

Figure 3

We also identified that there is a growing tendency for both the U.S. and China to vote "No" in the UNGA. Figures 2 and 3 demonstrated the number of times when China and the U.S., respectively, voted "No" in the last decade. There has been a 5% increase for both countries and may have suggested an increasingly hawkish attitude from both sides. Another possible explanation could have been that more and more UN resolutions were becoming contentious at

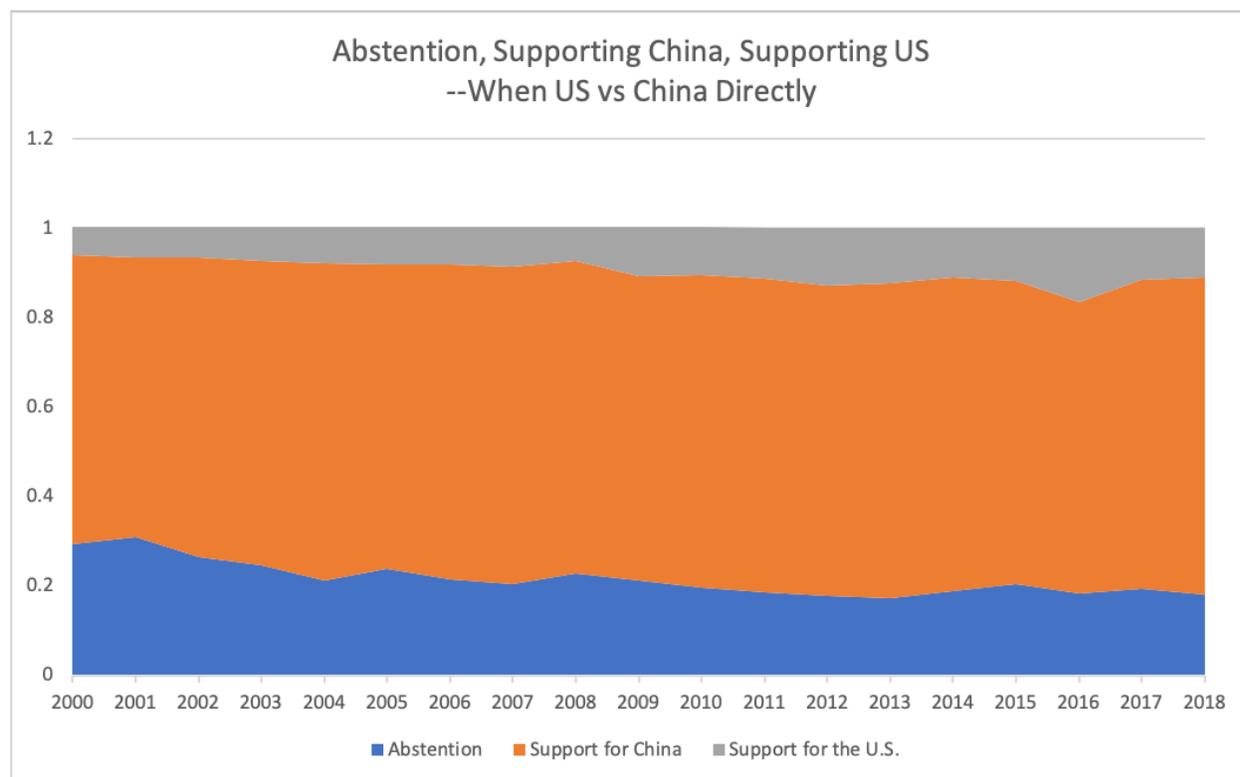core for the U.S. and China. Either explanation sounds concerning to global stability.

Figure 4

When we were testing on our customized data set, we looked at how UN member states vote when the U.S. and China directly vote against one another. Figure 4 shows how UN member states chose between abstention, supporting China, and supporting the U.S. We could see that countries' average rate of abstention was decreasing over the past twenty years, potentially indicating that more and more countries were taking a stance between the U.S. and China. Simultaneously, the U.S. was able to garner some new supporters every year, having a small but steady increase over the years, yet experienced a sudden drop in 2017. China had some major improvement coming off a low point in 2001. Nevertheless, its rate of support fluctuated within a 3% gap from 2003 to 2015 and did not recover until 2017, corresponding to the United

States' decrease in the same period. One explanation could be the relatively inward foreign policy approach by the Trump administration and that China was able to fill in the strategic void left by the United States.

One thing to note is that the U.S. and China's power dynamic was not perfectly mirroring with one another. This is not surprising because they were not competing in a zero-sum game, meaning that the voter base was increasing every year as more countries came out of abstention. Hypothetically, the U.S. and China's popularity could both increase as long as they were able to attract new supporters from new voters.

As for China's fluctuation between 2003 to 2015, we suspect that it stemmed from the world's uncertainty around China at that time. This era corresponded to President Hu Jintao's administration and Xi Jinping's early years. China had just started to shift gear on its foreign policy and began flexing muscles to its neighbors. A lot of the countries during this period might be hesitating on how to deal with China. The confusion on China's rise and its implication for the rest of the world could be behind the tumultuous support rate for China during that period.
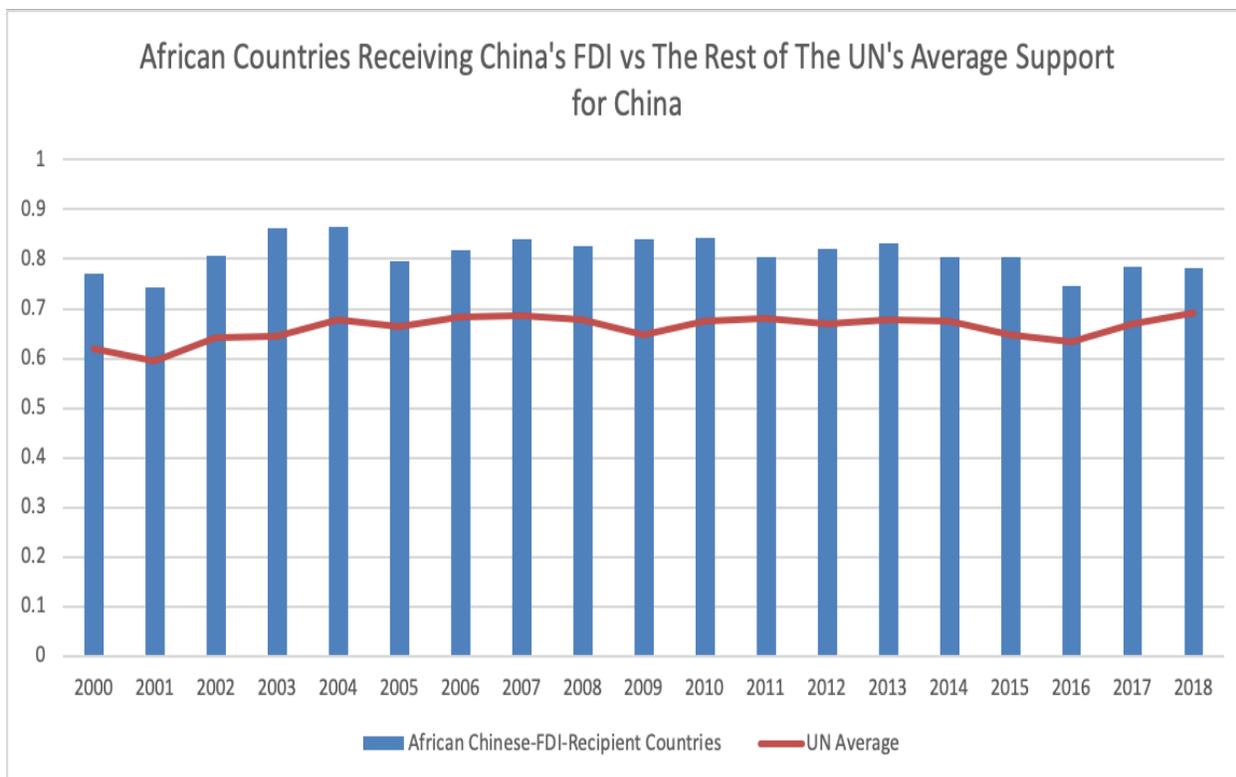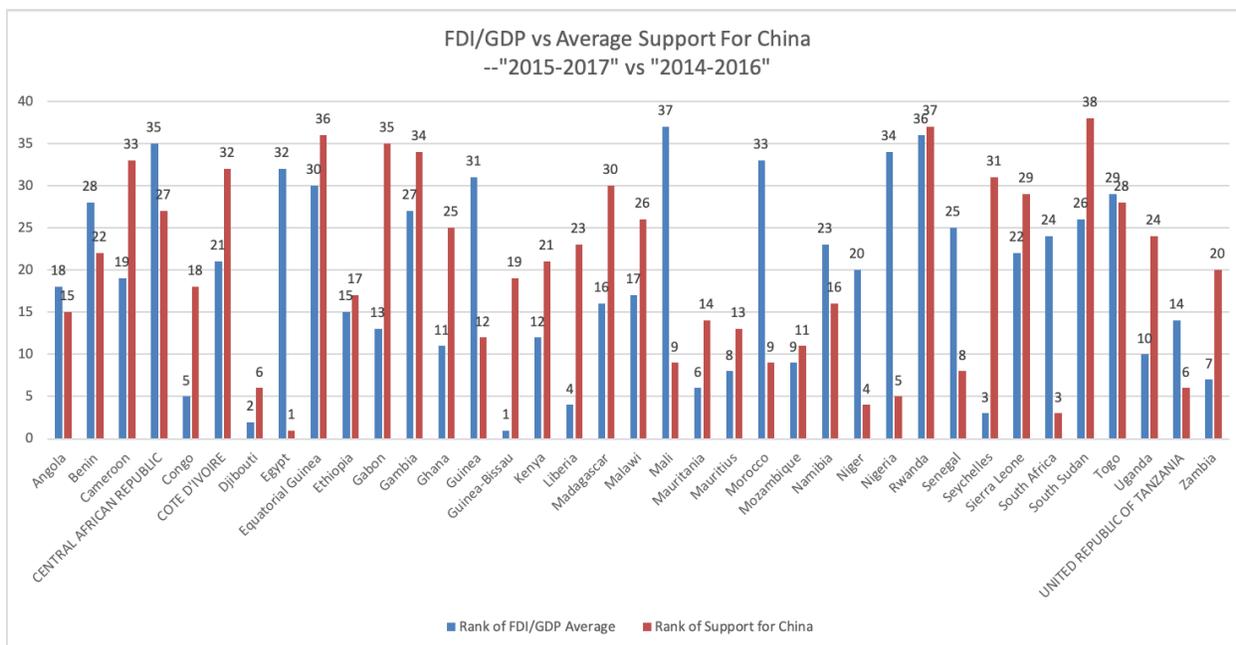
Figure 5

Figure 6

A final comparison between the average of 44 African nations that have been receiving China's FDI and the rest of the UN's average rate of support for China saw African nations exhibiting a much higher degree of voting alignment with China from African nations--voting almost 20% higher than the UN average each year (See Figure 5). Given China's status as the largest trade partner and donor to the African continent, we could infer that the African continent shared a close economic and political relation with China.

Figure 6 is a detailed comparison between each country's rank of the average of FDI as a percentage of GDP, and their average support for China in a three-year period. The data does not suggest a definitive relationship, potentially because of the opaqueness surrounding China's FDI data to these countries. Another reason could be that FDI does not serve as the primary form of financial flows between China and African nations, meaning that foreign aid, loans, or other forms of economic benefit might be in play here.

 When we're testing the correlation between voting alignment and trade dependence, we did not find a significant relationship with either export to China or export to China as a percentage of GDP, for 2017 and 2018 respectively. The result was not particularly surprising because existing political science research suggests similar results focusing either on China or the U.S. The reason could be that trade in essence carries an economic purpose, and that countries do not find it necessary to sacrifice that economic profit for political purposes. For example China and Taiwan have been political rivals since 1949, yet today they are also one of the biggest trade partners for each other. So to sum it up trade alone might not be efficient to promote a political cause.

For FDI reliance we tested China's FDI flows to about 50 African nations from 2003 to 2017. One thing to note is that current literature mostly focuses on the increase in FDI, in other words, positive yearly FDI flows. In our research we abide by this norm because we found that

negative FDI flows disruptive to the overall data. Recording a negative FDI flow served

primarily an accounting purpose as investment values were marked down rather than an exit

from a market. Also, we think that Positive FDI matters more because the decision to invest in a

foreign country in our opinion is more strategic and bears a political purpose, compared to the

negative values which are just records of FDI outflows. We separated our data into two groups:

Negative FDI and positive FDI. Each group is made up of data points that contain a country's

name, FDI value, and year. Our result is demonstrated below.

Voting	(t)	(t+1)	(t-1)
Positive FDI (t)	0.086891574	0.086388126	0.077380726
Negative FDI (t)	-0.130445607	-0.13819664	-0.162011568

Figure 7

t	t+1	
	2003	0.316696603
	2004	0.179272556
	2005	0.295702331
	2006	0.248180171
	2007	0.175193601
	2008	0.133112097
	2009	0.072835237
	2010	-0.048315705
	2011	0.249547604
	2012	0.167354634
	2013	0.214380221
	2014	0.258383235
	2015	0.072336401
	2016	0.159495013
	2017	0.187553119

Figure 8

Taking time lagging effects into consideration, the overall correlation coefficient did not fluctuate much. The positive FDI flows yielded a somewhat moderate correlation coefficient, confirming previous research. The values were nevertheless not as significant as we had expected. After conducting a yearly examination of the correlation coefficient, we found a small number of extreme values disrupting the overall data (See Figure 8). Another reason could be that FDIs only serve a small portion of the causes for voting alignment. Existing research incorporates many more factors than what we did and only this way did they acquire a significant result. Naturally this could serve as our direction into the future.

Conclusion:

Our takeaways from the research are that trade dependence does not necessarily promote political alliance while FDI flows serve as a better indicator for political affinities and UN

voting. Countries like China would not necessarily sacrifice the economic profit from trade for political interests while FDI on the other hand might contain more political factors, since the decision to invest carries strategic purposes and greater risk. Our result corroborates with previous research studying the U.S., that trade could be mainly economic and not aimed at political gains[16].

Looking into the future, we could further study the antagonism between the U.S. and China in the UNGA. The U.S. publishes yearly reviews on UN voting and calculates countries' voting alignment with the U.S. on US-centric topics. In 2018, China's rate of agreement was only 5%[17], opening up spaces to explore why and what topics cause such a rift between the two nations. We could also delve into other economic or financial parameters, such as foreign assistance, arms sales, and portfolio investments. Admittedly, China could be focusing more on the political side. Nevertheless, the effect could still be different for each region as demonstrated by Flores-Macias[18]. It found Latin American countries were less susceptible to Chinese aid probably because of the heavy geopolitical influence from the United States. Alternative factors could be in play to determine the effect of economic aid.

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[16] Soo Yeon Kim and Bruce Russett, "The New Politics of Voting Alignments in the United Nations General Assembly," International Organization 50, no. 4 (1996)

[17] United States Department of States, "Voting Practices in the United Nations in 2018". (2018) https://www.state.gov/voting-practices-in-the-united-nations-2018/

[18] Flores-Macias, Gustavo A., and Sarah E. Kreps. 2013. "The Foreign Policy Consequences of Trade: China's Commercial Relations with Africa and Latin America, 1992-2006." Journal of Politics 75 (2): 357-71.