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YONSEI JOURNAL OF INTERNATIONAL STUDIES
PAPERS, ESSAYS, AND REVIEWS

Reversal Models, Regional Order, and
Influence Modes: How African States
Hedge Against Great Powers -
The Case of Tanzania

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A Discourse Analysis of Fox News'
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Thế Anh Phan

Geopolitics & Economics:
Emerging Trends and Regional
Strategies

Graduate School
of International
Studies
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LETTER FROM THE EDITOR

Dear Readers,

I am delighted to introduce this issue of the PEAR Journal, titled *Geopolitics & Economics: Emerging Trends and Regional Strategies*. In this edition, we present a collection of thought-provoking articles that delve into the intricate interplay between geopolitical forces and economic strategies across different regions. These articles reflect the diverse and dynamic nature of international relations, particularly in an era of shifting power balances and evolving regional orders.

Our first paper provides an in-depth analysis of the hedging strategies employed by African states, with a focus on Tanzania. The study explores how Tanzania navigates its foreign policy and security strategies amidst the increasing influence of global powers such as China and India. By comparing Tanzania's approach to that of Southeast Asian states, the paper offers valuable insights into the unique historical contexts and strategic narratives that shape the behavior of small states in different regions.

The second paper examines the post-pandemic portrayal of China in Western media, particularly through the lens of Edward Said's Orientalism and its sub-theme, Techno-Orientalism. Through an analysis of news articles from Fox News, the study uncovers prevalent narratives depicting China as an economic and technological threat. This research highlights the persistent use of Orientalist tropes in contemporary discourse and raises important questions about the implications of such portrayals for international relations.

Our third paper shifts focus to the economic domain, investigating the impact of various tax-related factors on foreign direct investment (FDI) in 14 Asian countries. Contrary to common perceptions, the study finds that stable and transparent tax regimes, rather than low tax rates alone, are key to attracting foreign investors. These findings offer important considerations for policymakers aiming to enhance their countries' appeal to international capital.

I hope that our readers find these articles not only informative but also inspiring as they explore the complex intersections of geopolitics and economics. The diverse topics covered in this issue underscore the importance of understanding regional strategies and global trends through a critical and multifaceted lens.

I would like to extend my deepest gratitude to our dedicated staff editors, Tu Le, Jan Reiner Wolf, Gabrielle Magnuson, Ahlim Lee, and Hongkyong Son, for their unwavering commitment to the journal. Your hard work and passion are greatly appreciated. To our contributors, thank you for entrusting us with your research. We are honored to feature your work and wish you continued success in your scholarly endeavors.

Duoc Thanh Nguyen

MEET THE CONTRIBUTORS

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The research team, composed of five students from Foreign Trade University in Hanoi, Vietnam, is studying the impact of tax-related factors on foreign direct investment (FDI) in selected Asian countries with positive FDI growth. Their project aims to provide insights into how tax policies influence global economic flows and investment decisions. With a solid background in international business and economics, the team is passionate about connecting academic research with real-world applications and contributing to discussions on sustainable development and economic policy.

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Elyza Cordova served as the creative head of the UST's Asian Studies Society's dancing guild, Furasia. She also produced various creative outputs for the Asian Studies Society (ASSOC)'s Office of Public Relations. She was a head staff and partnerships member of the UST Model ASEAN Meeting and UST Model United Nations. Additionally, she was an intern at the Embassy of Greece in the Philippines.

Mikaela Gabrielle de Castro is a writer and the former blog editor of TomasinoWeb. Her essays were featured in different local news publications. She was a digital communications and program communications intern for Rappler and the ASEAN University Network (AUN). Currently, she is a marketing and events intern at the Italian Chamber of Commerce in the Philippines (ICCPPI).

PAPERS

Reverse Models, Regional Order, and Influence Models: How African States Hedging Against Great Powers — The Case of Tanzania

Zhen Zhang

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Abstract: *This study examines the hedging strategies of African states against the influence of great powers, focusing on Tanzania as a case study. It explores how Tanzania navigates its foreign policy and security strategies amidst the shifting regional order and power dynamics characterized by the increasing presence of China and India. The paper identifies the reverse models of regional order and influence models in comparison to Southeast Asia, where small states economically bandwagon with China and rely on the US for security. In contrast, African states, particularly Tanzania, are shown to bandwagon more with India economically while maintaining stronger military ties with China. This divergence is attributed to the different historical contexts, regional orders, and strategic narratives that shape the preferences and behaviors of small states in these regions. Through a comprehensive analysis that includes archival research, case studies, and process tracing, this paper hopes to contribute to the understanding of regional power dynamics and the agency of small states in international relations.*

Keywords: *Great Powers Hedging, China-Africa Relations, Regional Order, Influence Modes*

Introduction & Research questions

Southeast Asian countries have adopted “hedging” policies in response to the rise of China’s economic and military power and the longstanding commitment of the United States to maintaining regional order. The concept “hedging” is usually understood to avoid or prepare for contingencies in situations where states cannot choose more straightforward alternatives like balancing, bandwagoning, or neutrality.¹ Typically, in the face of great power competition,

Southeast Asian countries do not exclusively choose sides. Instead, they engage in economic balancing with China while militarily bandwagoning with the United States. As great power competition becomes normalized and uncertain, both China and the United States are attempting to expand their economic and military influence. By the end of 2018, all member states of the Association of Southeast Asian Nations (ASEAN) had joined China's Belt and Road Initiative (BRI). As Southeast Asia's largest long-term investor and trade partner, China has become a key reliance for Southeast Asian countries, thereby strengthening its diplomatic engagements with countries in the region. The United States views China as its most significant geopolitical challenger and is rallying its allies to form small multilateral groups and geostrategic frameworks. Since the United States, together with Japan, Australia, and India, revived the Quadrilateral Security Dialogue (Quad), its European and Asian allies have successively released their "Indo-Pacific" strategies. In 2024, the first-ever U.S.-Japan-Philippines leaders' summit will focus on establishing a trilateral security alliance as a primary agenda item. The United States has increasingly relied on "minilateral" frameworks to support the Indo-Pacific security architecture.

In the context of heightened strategic competition in the Indo-Pacific region, India aims to consolidate and develop its political leadership in Asia, thereby laying a solid foundation for establishing itself as a "world-leading power." Since Narendra Modi took office in 2014, India has demonstrated a more confident and assertive diplomatic style, with a clearer strategic goal of strengthening regional leadership. India no longer seeks to be a "Balancing Power" but aims to become a true "Leading Power." India's assistance targets include South Asian neighbors, East African countries in the Indian Ocean region, and Southeast Asian countries. Due to their shared colonial and non-alignment history and status as Global South countries, China and India have become two major powers in East Africa. East Africa and Southeast Asia share similar regional characteristics. First, both regions have two great or major powers that provide economic or military assistance or commitments to countries within the region. Countries in both regions have similar colonial histories and experiences of rapid economic development in the post-Cold War era. Additionally, both regions have established and developed regional cooperation mechanisms, namely ASEAN in Southeast Asia and the East African Community (EAC) in East Africa. Conventional narrative has always been the case that in Southeast Asia, China, and the United States are the two

powerful regional powers, with smaller countries implementing different foreign policies or security strategies as needed. The question this paper would like to raise is whether the regional order in Southeast Asia is similar or different in East Africa. Do the United States and China still assume the role of regional leaders as they do in Southeast Asia, and how should we position India?

The remainder of this paper is divided into three sections. The second section reviews the literature on hedging strategies and regional order. It indicates that while research on hedging strategies has primarily focused on Southeast Asian countries, in East Africa, smaller countries also need to make strategic foreign policy choices concerning major powers. The third section incorporates the theories of Hedging and Influence Mode to understand the strategic choices of countries within the region and the influence of major powers. The fourth section selects Tanzania, the traditional regional leader of East Africa, as a case study to analyze the historical connections between this country and the two major powers in the region, as well as its methods of hedging risks. It also discusses the main foreign policies of the new President Samia Suluhu Hassan after taking office, to better understand the reverse models adopted by East Africa and Southeast Asia in dealing with major powers and how great powers expand their influence to ensure the creation of a regional order favorable to themselves.

Literature Review

Great Power Competition and Regional Influence

Why do great powers compete and pursue a dominant regional order? Realist theories use anarchy to demonstrate that states have to rely on self-help to secure their own interest and well-being. The absence of authority could lead to competition, conflicts, and security dilemmas when interests clash. To mitigate the uncertainty and risks, states engage in diplomacy, establish institutions, and participate in international or regional organizations.² The theory of offensive realism suggests that great powers, particularly those in a region, will seek to establish and maintain regional hegemony to maximize their security.³ Mearsheimer contends that states, especially great powers, are driven by the pursuit of power and security. In regions where a great power emerges as the dominant state, it will seek to establish itself as the regional

hegemon. This realist logic has influenced American foreign policy from the outset and has helped the United States gradually establish its position as the world's hegemon after the Cold War. China is acting according to the same realist logic but is far from being able to rival the United States.⁴ Barry Buzan discarded the unipolar and multipolar narratives and introduced the “1+X” terminology to explain the fact that the United States is the “only superpower” after the Cold War.⁵ In Southeast Asia, although major powers have adopted soft balancing or omni-enmeshment strategies to achieve regional stability and development after the Cold War, a regional order led by the United States with China as a regional power has already formed. This interim regional security order is fundamentally based on the recognition (in fact, the preference) of the United States as the superpower.⁶

Material capabilities are used to measure regional order and power, which are quantifiable resources, traditionally, material military capabilities.⁷ The rise of China and rapid economic development throughout the Asia Pacific have changed the distribution of material capabilities in the region, raising the specter of worsening and destabilizing military competition. Political actors attempt to construct a shared meaning of the past, present, and future to shape the behavior of domestic and international actors. The United States as the core superpower has created a tributary system. The United States provides military protection and economic market access to its allies and partners and delivers or imposes its values and rules of the game in the international system through various equally impressive international regimes and organizations they established.⁸ Under the leadership of the Modi government, India has begun transitioning from a balancing power to a leading power. In the face of U.S.-China competition, India has chosen to expand its influence starting with neighboring countries, focusing on providing infrastructure and economic aid to regions such as South Asia, Southeast Asia, and Africa. Although India views itself as being in strategic competition with China, in practice, it continues to engage with China in various regional and international groupings to counterbalance the pressure to align too quickly with U.S. initiatives.⁹

Hedging: Power Uncertainty and Policy Spectrum

Hedging strategies are used to explain the balancing or bandwagoning behavior of smaller or secondary countries in the face of great power competition. When facing uncertainty in power and regional order, hedging

states adopt alliance choices such as forming coalitions and balancing power. Conventional narratives tend to dichotomize state choices into either balancing or bandwagoning. Criticisms of this dichotomy argue that hedging strategies are not simple alliance choices but involve various combinations of economic, military, and diplomatic balancing or bandwagoning.¹⁰ The concept of hedging strategy now is developed to explain how states manage specific risks, the unique security strategies of secondary states, their methods of adjusting risks, and their mixed policy approaches (often economic and security).¹¹

Existing explanations of hedging implicitly support some form of cost-benefit analysis. Hedging is generally described as a strategy to maximize economic returns and reduce security risks. States seek an approximate balance between economic interests and security interests in the context of great power competition.¹² These perspectives argue that the strategies of small countries in response to rising great powers are not driven by the growth of the great powers' relative capabilities themselves, but rather by the growth of these capabilities. In contrast, other viewpoints suggest that the hedging choices of smaller countries, at least in Southeast Asia, are more driven by internal processes of regime legitimization.¹³ In these processes, ruling elites assess and leverage the opportunities and challenges presented by emerging great powers to ultimately consolidate their domestic governance authority. Additionally, other domestic political factors and priorities, such as regime legitimacy, political fragmentation, and economic growth, also influence Southeast Asian countries' overall foreign policy decisions and their varying degrees of engagement with China and the United States.¹⁴

Methodology & Argument

This paper will use the Tanzanian example as a case study to illustrate how African states choose security and foreign policy strategies in a shifting regional order. The paper will use analogical analysis to compare the foreign policy patterns of Southeast Asian states with those of African states (in the case study, Tanzania), adopting hedging and influence mode as theories to explain how these states choose in foreign policy when facing two major powers in a region, and how these major powers affect states' behavior and choice in economic and security affairs. This paper will adopt Kei Koga's definition of hedging and Evelyn Goh's conceptual framework of influence

mode. According to Koga, hedging refers to the behavior of States that attempt to maintain strategic ambiguity to reduce or avoid the risk and uncertainty of negative consequences arising from balancing or ganging up alone.¹⁵ Koga discarded the dichotomous theoretical framework and argued that the concept of “hedging” should be understood within the “balancing-bandwagoning” spectrum of the balance of power theory, where hedging lies between balancing and bandwagoning as a third strategic option for states. He considered diplomatic, military, and economic factors and developed six primary hedging modes, including conventional hedging, soft hedging, economic hedging, security hedging, diplomatic hedging, and politico-military hedging. The distinction between conventional hedging and economic hedging lies in whether the state engages in hedging behaviors. This is because such behaviors are based on actual economic and military actions rather than plans. In contrast, soft hedging, security hedging, diplomatic hedging, and politico-military hedging are based on expectations of the state’s future behavior rather than its actual behavior.¹⁶ Therefore, a state’s hedging strategy may vary at different times because the primary variables are both military and economic.

Goh used Max Weber’s concept of *power* and defined “influence” as “the act of modifying or otherwise having an impact upon another actor’s preference or behavior in favor of one’s own aims.”¹⁷ Goh’s theory provides a framework for understanding the behavior of major powers, which contrasts and complements Koga’s concept of hedging in this paper. Goh’s paper uses China as a case study to summarize the reactions and decisions of target actors across various contexts of divergent and convergent preferences. She argues that the use of power resources to achieve the influencer’s goals is most potentially effective when the influencer’s prior preferences are pre-aligned with the target’s preferences; it is most challenging when these preferences are initially opposed.

The influence mode for major powers can be categorized into three types based on their preferences and goals. Firstly, the Preference Multiplier primarily uses structural positions to generate policies of mutual benefit and produce collective outcomes. For example, a major power utilizes the distribution of its own economic resources and market potential to influence the choices and policies of smaller countries. In this process, the major power does not merely use its economic dynamism for inducement or coercion but acts as a catalyst and force multiplier to convert latent shared preferences into actual regional

economic integration. Persuasion involves telling a better story to assure and convince smaller countries to align their policies and choices with those of the major powers. Ability to prevail is the most unpredictable scenario. In this case, the major power ensures its own interests and preferences by altering the preferences and behaviors of other actors. Consequently, it inevitably coerces, induces, or persuades smaller countries to ensure that they can convert resources into potential influence outcomes.

This paper argues that in both Southeast Asia and East Africa, there exists a hierarchical order dominated by two great powers. These two great powers lead different regional orders, while other countries adopt various hedging strategies. In Southeast Asia, the small states bandwagon economically with China and balance militarily by relying on the US for security. But in Africa or even the Indian ocean, small states bandwagon more with India economically and have stronger ties to China militarily. So, it is the reverse of Southeast Asia. The United States' role here, influenced by the old non-alignment movement and their financial aid with political pressure, their role is more like India in Asia, not the regional hegemon but has an influential status.

Case study: How Tanzania Hedging Against Great Powers

Brief history of Tanzania's foreign policy

Following the wave of colonial independence after World War II, East African countries, including Tanganyika and Zanzibar, seized the opportunity to gain independence. At that time, Tanganyika was a mainland country, and Zanzibar was an island nation. Both nations shared a common language (Kiswahili) and had formed deep bonds during their struggle for independence. This led to widespread political calls for their merger to promote economic development and security. In April 1964, Presidents Nyerere of Tanganyika and Karume of Zanzibar declared the formation of the United Republic of Tanzania. Due to its colonial history and Nyerere's anti-colonial and anti-imperialist stance, Tanzania became a staunch advocate of the Non-Aligned Movement (NAM). Consequently, after Tanzania's establishment, Britain and the United States delayed recognizing the new regime and maintained a strong naval presence in nearby waters, exerting significant pressure on Tanzania.

After becoming the first president of Tanzania, President Nyerere implemented

a policy called “ujamaa” (African socialism) aimed at achieving self-reliance and national unity. Following the break in diplomatic relations with the United Kingdom, Tanzania began seeking aid from “Third World” countries and rapidly developed cooperation with China, which resulted in projects like the construction of the TAZARA railway. China’s extensive cooperation with Africa also facilitated its admission to the United Nations. During the 1970s, Tanzania’s non-alignment stance attracted aid from Scandinavian countries, the Soviet Union, and even the United States. The economic significance of Tanzania’s foreign relations and the diversification of aid sources brought some economic improvement before the 1978 war with Uganda. In 2001, President Benjamin Mkapa adopted the ‘New Foreign Policy’ strategy, linking the country’s foreign relations with economic interests and pursuing “active and sustainable economic diplomacy,” which led to a rapid increase in foreign investment and aid commitments.¹⁸

Before the current President Samia took office, Tanzania experienced a period of disengagement from the international community. Former President John Magufuli framed a retreat from the international stage and a rejection of principled foreign policy as part of a broader crackdown on government profligacy. Not only did he withdraw from multilateral commitments, including the Open Government Partnership (OGP) and the Comprehensive Refugee Response Framework (CRRF), but he also reviewed and delayed major economic aid projects. Magufuli questioned the Chinese port development projects and raised concerns multiple times, believing that Tanzania might fall into debt traps created by the Belt and Road Initiative (BRI). Consequently, he announced Tanzania’s withdrawal from the BRI during his tenure. Magufuli’s sudden death in March 2021 led to the succession of President Samia, who initiated reforms and updates in the field of foreign policy. Upon taking office, she visited China, India, and the United States, achieving a series of diplomatic outcomes and bringing Tanzania back into the international spotlight.

Tanzania is a comprehensive case that demonstrates how East African countries hedge against regional powers. Firstly, Tanzania has maintained long-standing historical connections and exchanges with both China and India. However, due to geographical proximity and their shared location along the Indian Ocean, the relationship between Tanzania and India is more similar to the model of China and Southeast Asia. Because of regional mobility and migration history, Tanzania and other East African countries

are more influenced by India's "soft power," such as religion, culture, and lifestyle. Indian higher education institutions also play an important role in cultural dissemination in Africa, which is somewhat similar to the cultural connections formed under the tributary system between China and Southeast Asia. Secondly, although China began to exert its influence on a large scale in Africa only after World War II, initially through parallel economic and military approaches, its economic influence on Tanzania is no longer as competitive due to geographical distance and market saturation (it still exists but is less advantageous compared to India). This situation is close to the economic cooperation between the United States and Southeast Asia.

Therefore, the reverse model refers to the fact that although there are two great powers in both Southeast Asia and East Africa, the roles undertaken by these two great powers are different. China's differences and role shifts in the two regions are noteworthy. Initially, China expanded and implemented its influence in both Southeast Asia and East Africa using the Preference Multiplier model. Prominent examples include economic regionalism in Southeast Asia and infrastructure aid projects in East Africa. However, as India's market competitiveness gradually emerged, China began to deepen its military influence.¹⁹ A notable change is that during Chinese Foreign Minister Wang Yi's visit to Africa in 2024, he chose West African countries and Egypt, which had experienced several coups, indicating a shift in diplomatic focus to military aspects and attempting to establish more connections with the military governments of African countries.

China's presence in Tanzania

Tanzania's military cooperation with China dates back as far as the 1960s. In 1964, Chinese Prime Minister Zhou Enlai spent two months visiting ten countries in Africa. This visit was a strategic move in Chinese diplomacy and was of great significance in China's struggle to gain the support of the Asian, Latin American, and African countries and to break the diplomatic isolation of the United States and the Soviet Union. During his visit to Africa, Prime Minister Zhou proposed and elaborated for the first time the eight principles of China's foreign aid, including equality and mutual benefit, providing interest-free or low-interest loans, and respecting each other's sovereignty. At the same time, Tanzania is rich in mineral resources, but because the deposits are not located in the coastal area, it is difficult to have development value without

transportation. In February 1965, Tanzanian President Nyerere visited China and wanted to ask for China's assistance to build a railway, which was the start of Tanzanian Railway. The successful construction of Tanzanian Railway laid the foundation for subsequent cooperation between China and Tanzania.²⁰

Tanganyika (the former part of Tanzania) originally had a colonial army, but after independence, the army mutinied and was disbanded. The Tanzanian People's Defense Force (TPDF) was created because of defense and security needs. However, the British colonizers had already been expelled and there was no one to train the new army. During the visit to China, Nyerere visited the training of the PLA and asked China if it was possible to send some military instructors to help train the Tanzanian army. China readily acceded to this request and sent a group of instructors from the Shijiazhuang Senior Infantry School (later known as the Shijiazhuang Army Command College, *Shijiazhuang Lujun Zhihui Xueyuan*) to Tanzania. From then on, the military relationship between China and Tanzania began to become closer. The Shijiazhuang Army Command College has since become one of the regular colleges for military officers from some African countries to study and train in China. In addition to the Tanzanian Army, the Ethiopian Army and South Sudanese generals during the North-South Sudanese War had the experience of studying in Shijiazhuang. Later, China National Defense University (*Zhongguo Guofang Daxue*) and Nanjing Army Command College (*Nanjing Lujun Zhihui Xueyuan*) approved the policy of recruiting African students at the same time, but Shijiazhuang Army Command College still attracted many African generals with its targeted preferential policies.

China then sought to shape a diplomatic narrative as "Africa's good partner" or "Africa's revolutionary ally." Slogans and posters such as "Long Live Sino-African Friendship" began to be displayed throughout the country.²¹ The official media are portraying the achievements of China-Africa relations and the Non-Aligned Movement while positioning third-world countries against the two superpowers. China is trying to build an image of standing with Africa in the "Non-Aligned Movement."²² Tanzania's role transitioned from that of an obscure colonial state to a good friend of China, paving the way for more Chinese companies to go to Africa and setting a positive example of cooperation for the rest of the continent. Based on this image of closeness and generosity, China has begun to cooperate widely with African countries in various fields beyond military and economic domains.

Through the foundation established by railway cooperation, China has assisted Tanzania in military training and shaped a positive cooperation narrative. China has initiated infrastructure aid and military model assistance. Firstly, China has promoted and penetrated its model of “Party leads the military” to African countries.²³ As China deepened its ties with African militaries, including through training and educational initiatives, Beijing introduced its views on the Party-military relationship. Over the past decade, the venues for these activities have steadily increased. According to the China-Africa Action Plan 2018-2021, China receives 60,000 African students annually, more than the United States and the United Kingdom, with most of these officers assuming important military positions upon returning to their countries. Even Tanzania’s former President Jakaya Kikwete was an alumnus of the Nanjing Army Command College.²⁴

China traces the establishment and development of political-military schools to its shared traditions with many African liberation movements. Similar political-military schools have been adopted in various African contexts. In 2022, the Mwalimu Julius Nyerere Leadership School opened in Kibaha, Tanzania, demonstrating these connections.²⁵ This is China’s first overseas ideological school, funded with \$40 million by the International Department of the CCP Central Committee and equipped with lecturers.

In practice, military ties between China and Tanzania are also very close, especially after President Samia took office. In 2023, the China-Tanzania Marine Corps “Beyond 2023” joint training was conducted at the Dar es Salaam training base in Tanzania, marking the first engagement between the two militaries since the “Beyond 2014” joint training nine years earlier. In 2024, China and Tanzania celebrated the 60th anniversary of naval cooperation. President Samia attended and spoke, summarizing and looking forward to the continuous good relations with China since she took office. Continuous military exercises and training, as well as the promotion and penetration of ideology and military models, have become ways for China to exert military influence in Tanzania. China’s shift from economic and infrastructure aid to military relations demonstrates that China’s influence mode in Tanzania is Persuasion, and it is “telling a better story to assure and convince smaller countries to align their policies and choices.” China has already planned to build a second PLA Support Base in Africa, and as a country adjacent to the Indian Ocean, Tanzania’s continued naval cooperation

will help China further deepen its influence in East Africa.

India's presence in Tanzania

Since 2001, India has been providing financial support for the New Partnership for Africa's Development (NEPAD), initiating economic aid and exchanges with Africa. The India-Africa Forum Summit mechanism was established in 2008, and India views this mechanism as an important platform for providing international public goods to African and some Indian Ocean countries.²⁶ This platform is aimed at enhancing India's influence in the African region, including seeking support from African countries on issues such as climate change and United Nations Security Council reform. India continues to offer low-interest loans, grants, and government scholarships to Africa, covering both "hard projects" such as trade and infrastructure and "soft projects" like capacity building and skills training. It also provides preferential arrangements for duty-free trade to the least developed African countries.

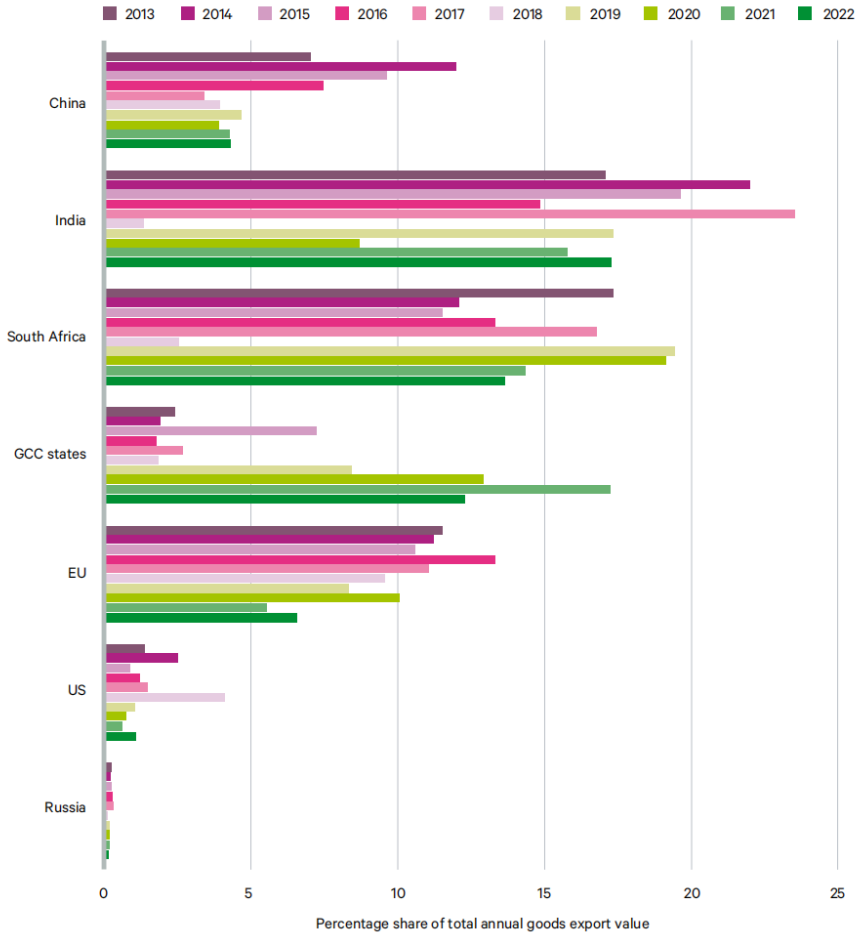
At the third summit held in 2015, Indian Prime Minister Modi announced a commitment of \$600 million to help Africa's development, including contributions to the "India-Africa Development Fund" and the "India-Africa Health Fund." Modi also pledged to provide \$10 billion in low-interest loans to African countries over five years, aimed at developing infrastructure, agriculture, energy, education, health, human resource development, and information technology sectors in Africa.²⁷ India's soft power resources are quite rich, including both traditional and modern cultural resources such as religion, literature, yoga, and film, as well as widely influential ideas like non-violence, humanistic values, stable parliamentary democracy in the developing world, and relatively advanced science and technology education. Due to historical cultural exchanges, including immigration, between India and East Africa, India's cultural outreach to East African countries such as Kenya and Tanzania has been quite successful, with Indian universities playing an important role.

In less than a decade, India quickly became one of sub-Saharan African countries' largest trading partners. By 2016, India had become the second largest trading partner after China. In 2005, India was ranked 11th on the list of exporters to sub-Saharan African countries, while China was then in the top five. Since then, India has made the most rapid rise, jumping from 11th

place in 2005 to second place in 2016.²⁸ In Tanzania, India became its largest exporter. According to 2022 data, Tanzania's share of goods exported to India ranked first at 17.3 percent of total exports. India has become Tanzania's largest customer. At the same time, the proportion of Tanzania's imports to India is third with 12.5 percent of total imports.²⁹ India opened up Tanzania through increasing economic and trade cooperation and subsequently started investing in infrastructure and other areas and India is now the fifth largest investor in Tanzania.

After deepening economic cooperation and investment, this year, India and Tanzania announced that they would begin trading in the currencies of both countries, instead of using the currencies of other countries.³⁰ In October 2023, India and Tanzania announced the upgrading of their relationship to a strategic partnership that includes various areas such as economic and trade cooperation, defense and security, maritime security cooperation, and higher education.³¹ The new Tanzanian President renewed and concluded new diplomatic cooperation and relations with China and India in the second year of her power. The Tanzania-India strategic partnership is aimed at further strengthening the overall framework of engagement and cooperation between India and Tanzania in order to contribute to peace, stability, and prosperity in their respective countries, regions, and beyond.

India's influence on Tanzania has then expanded from the economic level to other areas. Due to India's economic advantages and sufficiently large market size, Tanzania needs India's market and trade cooperation. Meanwhile, India is gradually shifting from economic cooperation to other areas, mainly those related to India's soft power and public goods. In Tanzania's port infrastructure negotiations with China, India has become a reliable donor for taking over some of China's projects. This economic regionalism is helping Tanzania reduce its economic dependence on China and gradually move closer to India.



Source: United Nations (2023) 'UN Comtrade Database', UN Department of Economic and Social Affairs, <https://comtrade.un.org/data> (accessed 25 Jan. 2024).

Note: GCC states refers to the six states of the Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. EU data includes the UK until 2020.

Figure 1 Tanzania’s annual export by destination, 2013-22

The Models of Influence: China and India

Based on the Tanzanian case, it does not pick one side and accommodate either regional power, but bandwagon more with India economically and has stronger ties to China militarily. Tracing back to the definition and conceptual framework of influence, according to Goh’s framework of the influence modes, India’s regional influence falls more into the category of preference multipliers, and its policies are more focused on bilateral interests and aim to

produce joint outcomes. China's influence is in the stage of persuasion. First, military cooperation with countries such as Tanzania, Ethiopia, and Sudan is not as widespread and extensive as that of the United States in Southeast Asia. China is still in the phase of "telling a better story" to achieve the ultimate goal.

	Influence mode	Tanzania's hedging strategies
China	Persuasion	Military hedging
India	Preference Multipliers	Economic hedging

Figure 2 The framework of great power's influence modes and Tanzania's hedging strategies

Conclusion

This study examines the hedging strategies of African states against the influence of great powers, with a focus on Tanzania. It explores how Tanzania navigates its foreign policy and security strategies amidst the shifting regional order and power dynamics characterized by the increasing presence of China and India. The paper identifies reverse models of regional order and influence in comparison to Southeast Asia, where small states economically bandwagon with China and rely on the US for security. In contrast, African states, particularly Tanzania, bandwagon more with India economically while maintaining stronger military ties with China. This divergence is attributed to different historical contexts, regional orders, and strategic narratives that shape the preferences and behaviors of small states in these regions.

The Tanzanian case highlights how African states hedge against regional powers by adopting varied strategies. Tanzania's economic alignment with India and military cooperation with China exemplify a reverse model

compared to Southeast Asia. India's influence is categorized as preference multipliers, focusing on bilateral interests and producing joint outcomes, whereas China's influence is in the persuasion stage, aiming to align smaller countries' policies and choices through a compelling narrative.

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A Discourse Analysis on *Fox News*' Coverage of China's Technological Rise in the Post-Pandemic Setting: A Techno-Orientalist Approach

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The post-pandemic landscape situates China at a critical juncture as an international actor, drawing international scrutiny and interest. Western media coverage, notably prominent right-wing outlet Fox News, frames China's technological rise as a mystifying threat to globalization.¹ Edward Said's Orientalism has become a timeless theory in scrutinizing China's tropes in the U.S. discourse—characterized as a communist Red Peril and deceitful "other." Its sub-theme, Techno-Orientalism, reemerges in the 21st century by reimagining narratives of a futuristic Asia that is met with a blend of apprehension and interest.² However, the concept of Techno-Orientalism remains relatively understudied in international relations and tech journalism.

This study employs Edward Said's concept of Orientalism and Techno-Orientalism to analyze fifty news articles from Fox News, published from April 1 to November 8, 2023, focusing on word collocations and Techno-Orientalist themes. The analysis reveals prevalent narratives portraying China as an economic and tech aggressor, with recurring themes of 'Rising' and 'Economic Domination.' These findings of the news discourse analysis aligned with Fox News' narrative framing of China's increasing capabilities and ambitions in the realm of economy and technology, often depicting China as a threat to American sovereignty. The study underscored the consistent depiction of China through Techno-Orientalist lenses, reflecting a nuanced yet one-dimensional portrayal in right-wing U.S. news discourse.

Keywords: *Post-pandemic, China, Western news media, discourse analysis, international relations, communication*

Introduction

Orientalism, a concept initially coined by Edward Said in 1978, garnered recognition for its profound critique of the binarizing perceptions of the East and West. His book was a response to the West's quest for knowledge production and historical constructions in Asia's culture, literature, and expression. As such, Said emphasizes the West's "Oriental" awareness of Asia, the tendency that has led to a pattern of exoticization of Eastern cultures that reinforces the West's assertive influence over the region.³ Hence, this created an ambiguous racial construct deepened by harmful stereotypes of culture, riddled with ethnocentrism and dehumanization.⁴ The sovereign Western consciousness othered its relationship with the Japanese, Korean, Indochinese, and Middle East. Said discussed the perpetuation of stereotypical depictions of the Orient mirrored in various media forms ranging from television and films, accentuating the Middle East as a threatening entity and a hub of political imperialism.⁵ Orientalism is defined as a Western-style, European-Atlantic power that has authority and domination in restructuring the Orient and is a valuable sign of a constructed body of theory.⁶ Techno-Orientalism, adopts the theory of traditional Orientalism but operationalizes Asia in the context of technology and the future. The Western gaze reimagines Asia in a futuristic narrative with scrutiny, often depicting its technological and cultural innovations with interest and fear. Its manifestations lie in popular literature and media, incorporating themes of Western anxieties against a suspicious rising Asia.⁷ Roh discussed East Asia's flourishing development, studying instances such as the Japan Panic phenomenon and the portrayal of China's labor force as dystopian and consumerist, which has harbored apprehensions from the Western perspective.⁸

China's rise in technology and international prominence has become intertwined with Techno-Orientalism, as reflected in its portrayal in news coverage, thus becoming a component of media Orientalism. Bui wrote that monetary orientalism is evident in the way economists frame the People's Republic of China's (PRC) currency aggression and manipulation that "causes the U.S.'s suffering."⁹ Western online news outlets, particularly American and British ones, often use provocative headlines in their opinion pieces (op-eds). For instance, *CNN Money* published an article with the headline, "*Is China Sparking a Global Currency War?*" Another article was titled, "*China Fully*

Prepared' for Currency War." This choice of language, while addressing technical economic issues, aligns with Edward Said's argument that the use of specialized language can obscure economic concepts, perpetuate ideological biases, and reinforce Orientalist narratives. This image of a "global China" indicates the perceived antagonism of a "cheating China," since the 1880s in U.S. political rhetoric, and other related meanings that signify instances of Sinophobia.¹⁰ China's depiction as the exotic other, Red Peril, suspicious Asiatic economic partner, and little brother serves to provide reasoning in justifying the actions of the U.S.'s harsh immigration laws that barred Chinese settlement, response to the influx of Chinese labor, but most of all, to keep China under control.¹¹

Given the crucial role of Western news sites as sources for many viewers worldwide, their framing of China's representations before, during, and after the pandemic is a critical juncture that extends beyond invitational rhetoric and speculative fiction. It necessitates the interpretation of the transformation of Techno-Orientalism in non-traditional forms; within the swift digital news age, an area that shapes ideas and biases concerning China. The aftermath of the COVID-19 pandemic has forged a unique environment that links the trajectories of contemporary media perceptions and cross-cultural understanding among China and the U.S. Hence, the study aims to explore a comprehensive and nuanced analysis of instances of China's reinvoked Orientalist and Techno-Orientalist depiction in the post-pandemic phase constructed by the Western news site *Fox News*. Additionally, the researchers seek to dissect remarkable narratives surrounding China's technological phenomena and whether they are embedded with Orientalist notions through Orientalism, concretized by employing news discourse analysis methodologies.

Using discourse analysis to dissect frequent themes in the content of the stories, this paper implores the following:

- How prominent are the negative word collocations and expression pairings in *Fox News* articles, specifically focusing on the terms and descriptors used for the reportage and coverage of China?
- What are the most common Techno-Orientalist themes in the content of *Fox News* coverage regarding China's technological rise?
- How do *Fox News* journalists use framing to alter perceptions of China and potentially foster Techno-Orientalist tendencies in their coverage?

Literature Review

Prompted by the recurring themes of underlying racial and colonial messages observed in media, Orientalism is mutually inclusive with the subordination of the other race, where exoticism and fetishization intersect.¹² Techno-Orientalism, a motif of Orientalism, was first coined in the book *Spaces of Identity: Global Media, Electronic Landscapes and Culture* by David Morley and Kevin Robins in 1995. The content deals with specific themes and representations of the Far East in U.S. media, specifically the intensifying Western fear over the economic rise of East Asian states (i.e. Yellow Peril).¹³ Examining the usage of the cyberpunk subgenre, one that incorporates Asian culture and elements in speculative and science fiction in Asia, paints implicit portraits of East Asian countries with dystopian streaks, exhibiting this anxiety. The prominence of the cyberpunk phenomena includes examples used by scholars in film and literary analysis, area studies, and sociology to explain the rise of an Asianized future are the films: *Neuromancer* (1984), *The Matrix Trilogy*, *Black Rain* (1990), *Ninja Turtles* (1983), among other franchises. Scholars note that Eastern mysticism has been strongly preceded by Dr. Fu Manchu, a character created by British author Sax Rohmer in 1912. The character epitomized Techno-Orientalist discourse and expression that titillated consumers, viewers, and academics.¹⁴ A major premise in the story is Fu Manchu's scheme to prop up China by kidnapping European engineers, reinforcing the idea that the Orient lacks technological valor and skills and desires to have West's technology. He is characterized as a "cunning, cruel, yet intellectual being of the Eastern race," evoking Chinese villainy.¹⁵ These Western settings are painted through onscreen characterization in endeavors to construct their relationship with East Asia, through dehumanization and exoticization at their expense. Roh claimed, "*China is a screen that the West extrapolates its anxieties of being colonized and mechanized for technological dominance.*" In a resonating vein, Ueno remarked that the West was able to position itself on a "morally superior" pedestal that looms over the East.¹⁶ Thus, threatened by Asia's technological aggression, the West seemingly fills this vacuum by virtue-signalling dubiousness about the Techno-Orient.¹⁷

Amidst the news about currency wars that dramatize China's pathway to a threatening yellow future, Bui conceptualizes monetary Orientalism that resembles Fan Yang's fiscal Orientalism. Both relate to sensationalizing

the effects of China's ownership of the U.S. national debt that perpetuates "indebted citizenship to a foreign non-Western" nation and its ability to protect its national interests and reputations amid economic instability against the communist threat from Asia. Moreover, the PRC's evolution as an Asian superpower or a testimony of another "Asian miracle," along with its East Asian neighbors, evokes a different sense of astonishment, compared to Japan and South Korea which are met with admiration and inspiration. Rather, China's rise is a cautionary tale of a non-Western antagonist who is not a passive beneficiary but one willing to "play the game."¹⁸

News media utilizes varied forms of journalism styles to deliver information and conceptualize such conflict in its representation in their news coverage. One of which is peace journalism, which is committed to fair and proactive coverage of conflict, aiming to alleviate rather than intensify conflicts or staying a spectator in order to provide society with the opportunity to examine and promote non-violent solutions to conflict.¹⁹ On the other hand, war journalism escalates the conflict by demonstrating a value bias in favor of violence and violent parties, aligning with the elites and authorities, and acting as official propaganda to guarantee a "victory" for the host nation. In *How U.S. and Chinese Media Cover the US-China Trade Conflict*, scholars discovered that Chinese news media were significantly more inclined to employ peace journalism, incorporating objective language, avoiding victimizing and demonizing rhetoric, and used the phrase "trade war" less often to characterize the conflict.²⁰ The U.S. media, in contrast, more frequently deployed the term "trade war" and displayed strong reliance on the views of the government. The usage of combat rhetoric with emotive and demonizing language on China was also more discernible in the news coverage of the U.S. media, which incorporated tones of justification in describing actions taken by the U.S. government. The researchers contended that despite China's growing influence and burgeoning economy, the Western media portrayed the predisposition to depict it as an "enemy" challenging the current status of the U.S.²¹

Similar findings were found in Ooi and D'Arcangelis' study, *Discourses of Othering in U.S. News and Political Rhetoric*, which sought to identify U.S. Orientalist manifestations in political rhetoric and news media texts on economic and security issues based on the framework of Orientalism. Discourses on issues of Chinese national currency value, cyber operations, and maritime conflicts in the East China Sea and South China Sea were

all found to have raised Orientalist themes that painted China as a cheater, thief, and lawless bully. Evident was the construction of China as a potential adversary, relying on past discourses that described the nation as the Red Peril, Yellow Peril, and as a “sleeping giant,” which is evocative of the Cold War phrase “little brother” who threatened to surpass an elder.²² A *Los Angeles Times* article in 2008 stated that “China in the last year has developed ways to infiltrate and manipulate computer networks around the world in what U.S. defense officials conclude is a new and potentially dangerous military capability, according to a Pentagon report.”²³ As such, these depictions of China as being unable to uphold civilized values endorse the notion that it is constantly unprepared to be a contributing member of the international community, which is tailored for strategic political purposes as an instrument of propaganda, and validation of the superiority of Western culture.²⁴

Since the onset of the domination of COVID-19 into the global sphere in March 2020, its origins have sparked conspiracy theories fueled by existing tensions between groups. Scientifically identified as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), the COVID-19 pandemic emerged as one of the deadliest infectious diseases in recent history, shattering economies, upended patterns of life, infecting nearly 1 billion people, and causing almost 7 million deaths. The virus caught its first case in Wuhan in Hubei Province, China, in late 2019, with scientific data that establishes the virus to have evolved from a SARS-like virus that naturally infects bats and pangolins in Asia.²⁵ Since the rapid transmission of the virus, conspiracy theories about the virus’s ambiguous origins have been increasingly prevalent, unleashing a new form of a pandemic. Notwithstanding the parallels between bioweapons and spontaneous viral illness outbreaks, Knight argued in his study on the *COVID-19 Pandemic Origins* that scientists can readily disprove bioweapon conspiracy claims.²⁶ Apart from the fact that using biowarfare in real life would have had distinct ramifications, bioweapons are restricted by international law, and producing a weaponized virus with gene-editing technology would necessitate prolonged secrecy. Moreover, claims that it was the consequence of a research facility breach were also refuted as, COVID-19 showed no evidence of human manipulation, which would have been evident if it were true.²⁷ Groups of people still prevalently held value to the theories that COVID-19 was likely to be a biological weapon intentionally produced by China. As such, information on the COVID-19 pandemic has been widely disseminated in the mainstream media on both national and international scale;

social media platforms have become not only saturated with information but also a significant source of misinformation.²⁸ Amidst uncertainties and the lack of information, numerous posts on social media platforms such as Facebook with clickbait thumbnails or images detail dangerous conspiracies, blurring the distinction between fabricated unverified assumptions and empirically-based scientific facts.²⁹ Statements made by world leaders feed public sentiments that support conspiracy theories. Former U.S. President Donald Trump, who repeatedly referred to the coronavirus as the “Chinese virus,” asserted to have witnessed proof that the virus originated at the Wuhan Institute of Virology, furthering popular perceptions of COVID-19 as a bioweapon designed by China.

Fox News reporters who were allies of Trump with the exception of Carlson, share the same stance on the theory promoted by the former president. The “Chinese virus” was used by conservatives, triggering reactions from Chinese politicians and Asian Americans who thought it was racist and misleading. Although the Chinese government did not inform the public enough during the earlier stages of the outbreak, Trump has also been blamed for downplaying the threat of the virus.³⁰ *Fox News* hosts and commentators Sean Hannity and Laura Ingraham pointed fingers at China further on-air: “*Their months-long coverup is now causing death and destruction and carnage all over the world,*” Hannity said. “*China has blood on its hands,*” Ingraham claimed. “*You can see how the Chinese Communist Party has continued to lie about this from the very beginning, as if they have something to cover up,*” the Republican Senator Lindsey Graham asserted.”³¹

In a descriptive analysis, a related study that evaluated the political dispositions of *Fox News* and *CNN*'s reportage on Trump's COVID-19 management from March 11, 2020 to March 31, 2020 presented the contrast between the two leading partisan news outlets. It was a comparative study examining issues that arose during the beginning of the pandemic, presented from two different news angles and frames by *Fox News* and *CNN*. Darboe concluded that *Fox News* mainly “praised, justified, and supported” statements made by Trump, and to a certain degree, maintained a relationship with him. On the other hand, *CNN* was inclined to criticize and question the former president's leadership, with whom they had a negative relationship.³² In the face of an unprecedented worldwide health crisis, the connection between Asians and the virus becomes indicative of “Othering” practices, in which

the perpetrators exclude themselves from the peril and attribute the blame on others (nations, marginalized groups, minorities), or they villainize the other as someone who actively intends the crisis and nefariously seeks to spread diseases. As such, politicians and the media are complicit in the racialization of the disease, as evidenced by multiple derogatory headlines, such as “*China is the real sick man of Asia*,” an opinion piece from the *Wall Street Journal*, and the aforementioned example of Trump frequently referring to COVID-19 as “Chinese virus” or “kung flu.” Essentially, the scholars contend that social media and mass media are crucial and actively involved in the propagation of damaging content that feeds conspiracy theories and anti-Asian prejudice.³³

Theoretical Framework

Two co-existing theories are mainly employed in the study, Orientalism and Techno-Orientalism. Traditional Orientalism and Techno-Orientalism are part of its two branches.³⁴ Although Said was not the first researcher to produce work about Orientalism, he popularized the term in the discursive and historical realm of post-colonial studies and the expansive cusp of social sciences.³⁵ Orientalism has served as a foundational theoretical framework that has developed in a plethora of studies involving Othering, and the West’s imposed superiority and representations of East Asia and Middle East representations in discursive approaches.³⁶ Said argues the European construction of the Orient through the invention of mystifying Asian cultural identities and experiences as romantic and exotic. Furthermore, three features of Orientalism are emphasized by Said: (1) Orientalism is not a mere abstract idea but rather a conscious and metaphysical invention amplified by consistency, (2) the hegemonic interplay of power is deeply entrenched and are inseparable culturally, socially, and historically, and (3) despite the West’s effective invention, Orientalism’s depictions are constructed under a false premise, devoid of accurate basis.³⁷

The development of Orientalism as a theoretical framework is flourishing in a compelling path as it has evolved from surveying the stereotypical and romanticized depiction of non-Western otherness in the literary dimension, but has also followed in film and television.³⁸ These Western settings are painted through onscreen characterization in endeavors to construct their relationship with East Asia, through dehumanization and

exoticization at their expense.³⁹ It allows the assessment of the power-knowledge dynamic of positioned powerful institutions. In this context, *Fox News* is a focal point that influences the potential inclination of media bias that underpins framing of China.

Conceptual Framework

Orientalism is adapted into its sub-theme, Techno-Orientalism, as the conceptual framework. Both theories operate as constitutive frameworks, uncovering subtexts and cohesively tie them with dominating narratives of Western news media. Popularized by Morley and Robins in *Techno-orientalism, a motif of Orientalism*, was first coined in the book *Spaces of Identity: Global Media, Electronic Landscapes and Culture*, it expresses Western anxiety over the hyper-technological rise of Asia in futuristic settings.⁴⁰ Roh fleshes out this theory with fictional examples in the contemporary media in *Imagining Asia in Speculative Fiction, History, and Media*. Their cultural identities surrounding technology are cast in a deceitful and villainous light.⁴¹ China's technological innovations have grown immensely prominent in the post-pandemic phase, often being signaled and depicted as a potential threat. This theoretical framework offers a constructive base for evaluating how *Fox News* deepens examinations of China's technological innovations and foreign relations. Hence, the dual frameworks equip the researchers' analysis for untangling the multidimensional layers of China's technological rise in which Western media participates and invokes broader discussions.

Orientalism and Techno-Orientalism encompass interrelated indicators that discern manifestations in certain implications in the writing construction of the selected news articles. Such include (1) Sensationalism, the tendency of media to exaggerate content to evoke strong reactions and emotions from the public, a common practice in headlines which can stem from Western response to Asia's rise, (2) Fear and awe, rendering media's framing of China's technological innovations as a mystery or a threat, aligning to Orientalist and Techno-Orientalist narratives of exoticization, (3) Romanticization, an approach that idealizes aspects of society, complemented with manifestations of media in glorifying China's achievements and perpetuating exceptionalism, (4) Mystification of the media in the depiction of China as an inexplicable and

mysterious entity as the “Other,” (5) Exaggeration that polarizes China into a dichotomy, portrayed as a menacing, futuristic, Asiatic threat or a bewildering and miraculous success.

Methodology

The research is qualitative due to its interpretation of nuanced and subjective aspects of *Fox News*. Its primary focus is not on establishing causation or prediction but rather on the interaction of *Fox News* articles and Techno-Orientalist manifestations. The selection of the timeline was made in accordance with data topics under China’s post-pandemic phase, the research questions, and in consideration of the time constraints. The manual search began with approximately 400 news articles on the *Fox News* search engine using theoretical saturation. Theoretical saturation refers to the continuation of the sociologist to judge and gather data until considerable saturation of categories into groups manifests, which can limit the data.⁴² The researchers narrowed the selection to 50 articles of relevant data topics on China’s technological rise published between April 1, 2023, and November 8, 2023. The pertinent articles emerged as representative texts with techno-Orientalist expressions and were selected for news discourse analysis.

The following selection of data topics related to the technological rise of China were identified for analysis. The data topics, which also serves as the keywords, were manually entered in the *Fox News* new media search engine: China in the realm of A.I, espionage, weaponry, technological innovations, COVID-19 innovations. The selection of data topics was based on the most prominent developments commonly presented in the coverage of China in the post-pandemic stage and in conjunction with the subject matters encapsulated in the concept of techno-Orientalism. News articles containing such content were retrieved through manual search tools, such as the Google search engine and *Fox News* website which feature a dedicated category that caters to feature articles about China and date and subtopic filters.

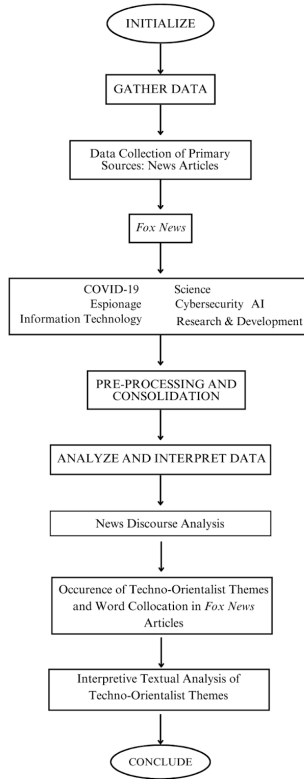


Figure 1. Data Process Gathering Flow

Discourse analysis is employed to examine how *Fox News* shapes representations of China in media. The network has also developed to be highly successful in taking place as one of the top-rated cable networks in the U.S. and occupies a distinct position in the American media landscape, playing a significant role in influencing political views, especially among individuals who lean on the right side of the political spectrum.⁴³ The notion of the Fox News Effect substantiates the premise that news outlets possess the power to effect change in public opinion and behavior, inducing a sizable percentage of non-Republican viewers to vote for the Republican party.⁴⁴ The study focuses on textual analysis of news frames, exploring lexical choices and expressions in headlines and sentences. News discourse analysis, a branch of discourse analysis, emphasizes language's role in international relations and journalism studies.⁴⁵

Analysis and Discussion of Results

How prominent are the negative word collocation and expression pairing in Fox News articles, specifically focusing on the terms and descriptors used for the reportage and coverage of China?



Occurrence of Word Collocation and Expression Pairing in Fox News Articles

Techno-Orientalist Themes and Expressions	Count of Fox News Article/Headline Mentions (out of 50)	Percentage (%)
AI Competitor	15	30%
Bully	4	8%
Censor	12	24%
Communist	9	18%
Corrupt	13	26%
COVID-19	14	28%
Cybersecurity Threat	23	46%
Economic Domination	30	60%
Giant	4	8%
Human Rights	9	18%
Propaganda	14	28%
Red China	3	6%
Rising	33	66%
Spies	6	12%
Techno-Manipulator	17	34%
The Great Firewall	2	4%
The Middle Kingdom	1	2%

Totalitarian/Authoritarian	23	46%
Wuhan/China virus	4	8%

Figure 2. Total Number of Word Collocation and Expression Pairing in *Fox News* Articles in Chart Form

The researchers employed manual rapid-data examination to detect and quantify the common negative descriptors and collocations regarding China's technological rise among the fifty articles. These words were stated through direct mentions, verbatim statements, and paraphrased or non-verbatim content.

Aligned with the results of the most prominent Techno-Orientalist theme from the first figure, the word collocation 'Rising' is present in thirty-three articles (66%) in total. This is exemplified in the article that termed as "China's tech behemoths," Chinese technology companies are characterized as potentially overpowering and enormous. The metaphor accentuates China as a fierce technological force that catalyzes skepticism and apprehension. Moreover, it suggests the fear of American tech firms collaborating with Chinese counterparts, overwhelmed by their scale. The highlighted passage indicates that such alliances will put them "into hot water with U.S. policymakers," feeding into the notion that China continues to be a source of danger and uncertainty for American companies, accentuating Techno-Orientalist themes in the discourse of U.S.-China rivalry. This alludes to the frequency of *Fox News*' emphasis on China's meteoric growth and development in the fields of technology and economy. Reflective of China's ascending ambition, this perpetuates the Techno-Orientalist narrative of China as a global power set to continuous emergence. The second highest word collocation is 'Economic Domination,' composed of 30 articles (60%) in total. *Fox News* stories on China's technological rise have drawn a focal point on China's alarming economic influence and control. "Domination" is seen in *In House Democrat Sounds Alarm on Beijing's Plan to Dominate Tech Sector*; it adopts concerns about China's rising ambitions in the technology sector. The usage of "escalating economic aggression" and the call to "act swiftly" highlights the urgent need to counter China's technological rise, viewing the rapid progress of the CCP as obstructive. Moreover, it amplifies China's "attempts to dominate technology" as an alarming move, a framing aligned with Techno-Orientalism which addresses Western doubt over emerging Chinese and

Eastern innovations: “For too long, policymakers haven’t given the Chinese Communist Party’s ‘Made in China 2025’ plan the attention or urgency it deserves — and that ends today,” Rep. Sherrill told *Fox News Digital*. “We must act swiftly to counter the CCP’s escalating economic aggression and attempts to dominate the technology of the future that is so critical to our economic and national security.”⁴⁶ China’s economic domination is framed as a multifaceted and urgent challenge for the U.S. as an economic powerhouse and competitor that may impact the global economy. To demonstrate, this is seen in *In China’s AI (artificial intelligence) dominance should be a wake-up call for us all*, an opinion piece written by U.S. Senator Saxby Chambliss and Senator Kent Conrad for *Fox News* displays clear bias against China. The language deployed, “China is determined to supplant the U.S.,” and “ambitious goal” exaggerates China’s intentions and capabilities. While the events and initiatives are real, they are framed in such a way that showcases China as a direct challenge to the U.S. in the AI and technology race. Additionally, the propagandistic and anti-Chinese language highlights the Chinese Communist Party (CCP), and portrays China’s activities and initiatives with negative connotations, hinting that China is actively working to undermine the U.S.

The term ‘Bully’ was only evident in four articles or 8% in total. This is exemplified in the articles citing China’s “bullying” tactics in matters of trade, commerce, and maritime disputes. Interestingly, this term was found in an article that associated China’s actions with “sci-tech bullying.” An illustration of China as a potentially threatening powerhouse also manifests in “*China fumes as Biden plots to starve it of AI investment: ‘Sci-tech bullying’*,” which delineates China’s indignation towards U.S.’s plan to deviate investment in AI and other technology-related investments away from the country. Accentuating the technological rivalry between China and the U.S., the narrative frames the country as an indomitable entity striving for absolute domination in the technological industry and underscores China’s advancements in artificial intelligence (AI) as a detriment in light of its political governance. In *China wants to be energy superpower. Here’s how they can be stopped*, it implies the potential negative consequences its metaphoric rise in energy technology brings as an adversary: “*Left unchecked, China will benefit from the same economic and geopolitical advantages that the U.S. currently enjoys. Despite Kerry’s strategy of appeasement, China remains the world’s No. 1 polluter and its renewable energy industry is built on the backs of Uyghur slave laborers.*”⁴⁷

‘Communist’ is evident in several headlines emphasizing China’s type of regime, which is often implied with negative connotations. With over nine articles, it often links China’s characterization and actions with unfavorable reactions, highlighting the repressive and seclusive perception of the U.S. toward its rival. The mention of China catching up with the U.S. in different technological fields reciprocates the typical Techno-Orientalist narrative by portraying China as a mysterious and threatening force rapidly advancing: “*The People’s Daily, the mouthpiece newspaper of the ruling CCP, on Monday published its second commentary in two weeks vowing to intensify efforts to unleash the potential of AI.*”⁴⁸ The overall write-up is characterized by a proclivity for oversimplification, imaging Chinese technology as monolithic. Notions on the country’s surveillance prowess, in conjunction with the depiction of China as a threat to national security are also salient in the sentences: “*If you still want to use TikTok, you can without handing over all your information to communist China. Plain and simple, TikTok is a national security threat.*”⁴⁹

Likewise, ‘Corrupt’ is stated and insinuated in 13 articles (26%). Similar to the communist narrative, this adjective is often used to describe the U.S.’s view towards China’s different economic and technological approaches that include issues of “corrupting” AI, by adding its communist and undemocratic values. China as a spy is perpetuated by six articles (12%). They have also dubbed China’s spying system as “scary” and as an “imminent threat.” As such, an article uses the mention of “Maoist-like vision” is a significant historical imagery which draws correspondence to China’s complex past under the rule of Mao Zedong and the Cultural Revolution: “*To force his Maoist-like vision on China, Xi Jinping is cutting links with the world and promoting xenophobia,*” he added. “*The report-foreign-spies campaign is very much in line with the mood of 1950s China.*”⁵⁰ Techno-Orientalism derives the authoritarian and collectivist aspects of Asian countries blended with narratives of the future, in this context, China. By alluding to the Maoist era to compare the current administration of Xi Jinping, the passage subtly hints both leaderships are oriented towards repressive and isolationist rules that may hamper global stability.

The usage of the term “behind largest cross-platform misinformation operation” in the headline *China, Russia behind largest cross-platform misinformation operation, Meta report finds*, puts emphasis on the scale and

sophistication of the operation and frames the aforementioned countries, as state entities, to be secretive and cunning that actively utilizes technological capabilities to manipulate global narratives and impose strategic influence to undermine the U.S. or Western institutions.⁵¹ The article manifests Techno-Orientalism in that it perceives both countries to be a threat to the Western institutions, and suggests the involvement of the state in the conduct of dubious online operations. The following passage implies that China launched a misinformation campaign with the goal of shaping global narratives through digital and sophisticated methods: *“An explosive new report Meta released Tuesday exposes covert misinformation operations from China and Russia targeting the United States. Organizations which were targeted include The Washington Post, NATO and Fox News”*⁵² It also expresses the perceived obligation of Western technology companies in battling prospective threats by non-Western actors that are perceived to contend its dominance. There are hyperlinks pertaining to the specific details of this article for supposed further information and verification; however, they merely lead to the news categories of the associated news topic.

Censorship is present in 12 articles (24%) in total under the code ‘Censorship.’ In *Who is harmed when the CCP steals American technology? It’s not the CEOs, it’s not the lobbyists. It’s our service members who are put in danger when the CCP weaponizes stolen technology. It’s our farmers. It’s ordinary Americans*, the article illustrates the weaponization of the CCP, insinuating how China’s actions manifest as an existential threat. It paints the stereotype of China as a technologically advanced power that desires to penetrate the capabilities of the American military: *“Walters also expressed concern that such programs may or already do lead to data collection by groups linked to foreign adversaries, adding he has seen many organizations trying to collect student data, which he characterized as a cybersecurity and national security threat to the homeland. Walters said he has seen evidence of censorship overall in such programs, alleging reticence to discuss Taiwan or the Tiananmen Square protests.”*⁵³

This refers to the patterns of China’s censorship among media and its citizens in U.S. discourse, often associating this with their communist ideologies, perceived as alarmingly despotic. The metaphor ‘Giant’ is exhibited in four articles (8%), personifying China as an extensive land and a colossal political and international actor with its motives towards the junctures of economic

and technological ascendancy. The figurative phrase ‘Red China’ is written in three articles (6%), referencing China’s communist past and legacy. Present in 14 articles (28%) ‘Propaganda’ was employed to focus on the U.S.’s usual concerns towards China’s information manipulation, specifically their differences in ideological perspectives evoked by the Cold War. Cultural othering is present in *Communist China influence in US schools a rising concern*, *Dems offer ‘absurd’ deflections*, *Okla. official says*, in the statement made by the official, asserting the Confucius Institutes and Classrooms are a “propaganda campaign of a soft power attempt.” In *Regulation could allow China to dominate in the artificial intelligence race, experts warn: ‘We will lose’*, it highlights the repercussions it brings such as utilizing AI models that adhere to the CCP’s ideologies. Moreover, the reference to AI deepfake technology to exploit it for the expansion of propaganda connotes malice in the technological advancements and competence of China, reflective of the narrative explained by Techno-Orientalism.

By terming “killer AI robots,” in *China, US race to unleash killer AI robot soldiers as military power hangs in balance: experts*, it conjures images of advanced and autonomous technological weaponry that can function without human intervention: “*The report warns of “killer robots” — AI weapons such as subs, warships, fighter jets, drones and combat vehicles that can operate autonomously. While such technology has the potential to be a force multiplier on the battlefield, its ability to make decisions independent of human input also poses serious risks.*”⁵⁴ Such terminology evokes sensationalism, conflict, and fear as they are formidable and uncontrollable. The personification of “robotic workforce” is emblematic to the portrayal of China as technologically ahead of deploying robotics in operating in difficult commands and tasks: “*As the coronavirus pandemic forced Beijing to maintain its zero-tolerance policy for COVID-19 — leading to repeated and prolonged lockdowns to battle the virus — engineers in China increasingly turned to robotic workers as the path forward to complete daunting construction jobs.*”⁵⁵ However, the robot workers “taking a path forward” may also bring a sensationalist and sophisticated undertone to China’s scale of technological solutions. It may also perpetuate dominance and fear which imply China’s tenacity in maintaining its zero-policy for COVID-19.

What are the most common Techno-Orientalist themes in the content of Fox

News reportage and coverage regarding China's technological rise?



Occurrence of Techno-Orientalist Themes in Fox News Articles

Techno-Orientalist Themes and Expressions	Count of Fox News Article/Headline Mentions (out of 50)	Percentage (%)
Backwardness	4	8%
Dominance	20	40%
Fearmongering	15	30%
Futurism	11	22%
Mistrust	19	38%
Mystification	7	14%
Othering/Dehumanization	10	20%
Red Scare	7	14%
Romanticization	4	8%
Sensationalism	13	26%
Techno-Dystopia	5	10%
Uncertainty	5	10%
Yellow Peril	17	16%

Figure 3. Total Number of Techno-Orientalist Themes in Fox News Articles in Table Form

The researchers analyzed common Techno-Orientalist indicators, themes, and expressions as highlighted by scholars Roh, Morley, and Robbins through literary and film analysis. Through manual interpretive analysis and rapid data-gathering, discernible themes emerged within the articles.

The most notable Techno-Orientalist theme, ‘Dominance,’ appeared in 20 articles (40%). This theme addresses China’s rapid military and technological rise, perceived as a critical challenge for the U.S. *Fox News* frequently presented China’s superior capabilities across various topics such as AI, investment, economic race, and technological rivalry. Techno-Orientalist and metaphorical elements are embedded in, “*A world dominated by China is not a world that most people want to live in,*” [Gordon Chang] said. “*It’s a world where China rules the entire planet and they’ve made it clear that that’s their goal.*” “*It’s a world where there’s no freedom, where there’s no representative governance,*” he added. “*It is a world ruled by one person in Beijing. That’s not a world that we want to be in.*”⁵⁶ The phrase “putting Americans at their mercy” hints at the helplessness on the part of Americans amidst China’s domination in AI, suggesting a sense of possible subjugation. As such, phrases such as “particular narrative” and “steal your industrial secrets in China or outside in a heartbeat” are hyperbolic to emphasize the threat of intellectual property theft in which China is complicit as an unprincipled actor. Chang’s statement, “a world ruled by one person in Beijing,” is a dystopian Sinocentric framing, underlining its authoritarian control and lack of freedom as a fatalistic threat.

Following closely is the theme of ‘Mistrust,’ present in 19 articles (38%) percent in total. *Fox News* echoed sentiments of mistrust and doubt expressed by US political figures towards China’s technological intentions and economic actions, characterizing China through a filter of suspicion. In *TikTok content creators to present arguments against Montana’s ban on Chinese-owned social media app*, the headline’s emphasis on “Chinese-owned social media app,” to cite TikTok, underscores its foreign ownership, particularly from China. It suggests a level of mistrust and suspicion towards foreign technologies, primarily China’s different values and intentions. Despite being debunked by tech researchers, enthusiasts, and TikTok CEO Shou Zi Chew, U.S. discourse and government still argue that TikTok allows China to access American user data for its advantage. The opposing claim exemplifies Techno-Orientalism, fueled by the perception of China’s authoritarianism, which is perpetuated by U.S. media and embraced by politicians.

China is characterized by mystification in the undertones of several articles. This is exemplified in *‘Red Alert’: China posts bizarre video of marching*

female Chinese soldiers to sounds of classic video game. The headline condenses a quintessential illustration of sensationalism, including the word choice “bizarre” with a Techno-Orientalist undertone. By employing the word “bizarre,” it draws the readers’ attention with a blend of intrigue and curiosity which is common in the media coverage of China: “*The Chinese government has posted a bizarre video of female Chinese soldiers marching in various settings to its official account for its embassy in France — and featuring music that was made for a famous 1996 military strategy video game.*”⁵⁷ The video’s description also perpetuates the sense of mystification and otherness through the likening of the depiction of Chinese female soldiers in video games and futuristic settings, digressing from the ordinary. It references a “famous 1996 military strategy video game,” which contours the Techno-Orientalist narrative of China’s technological advancements as alluring and extraordinary.⁵⁸

Another article makes a historical reference to the Apollo Project, the U.S.’s monumental undertaking to land a man on the moon during the space race, exemplifies Techno-Orientalist elements. The comparison indicates China’s ambitions of achieving something of a historical scale like the aforementioned event. Such resemblance can be viewed as the sensational extent of China’s AI innovations. Exaggerations of China’s advancement and sensational language are present in the passage. The phrase “risk ceding global influence, technology leadership and democracy to strategic adversaries like China,” is evocative of fear-inducing sentiments. Such a description amplifies the perceived threat from China. This includes “understanding the potential for AI to disrupt warfare” and its usage of AI for “domestic repression and surveillance,” which construe China as an insidious and authoritarian regime.

The word “adversarial” is used in a confrontational approach, by framing Chinese biotech companies such as BGI and others as potential threats, which may be a bearing of Techno-Orientalism. This choice of word subscribes to Techno-Orientalism for its susceptibility to antagonizing China in the biotechnology field. This narrative also supports ideas suggesting China collects and uses genetic data for malicious purposes such as the bioweapon development. As such, “malign aggression” are laced with a sense of uncertainty and fear. This conspiracy and narrative have been widely prominent in the discussion of COVID-19, which typifies China as an advanced nation with perilous capabilities. Discouraging collaborations with the CCP accentuate the negative view of the U.S. towards the CCP’s

appropriation of technology for nefarious purposes. The ensuing article approaches the subject of the annual World Artificial Intelligence Conference (WAIC) of China and the country's respective regulatory practices with tones of skepticism and depictions of difficulty in navigating through the country's practices of regulation. The following passage incorporates the usage of the terms, "regulatory acrobatics," which suggests in a negative parlance that acting in compliance with Beijing's regulations is of complex and challenging nature contrary to the regulatory environment of the U.S. Moreover, the phrase "fight for control" reflects the context of rivalry in the AI industry and a struggle for dominance between the two countries.

Less prominent themes include 'Techno-Dystopia' and 'Uncertainty,' tied at five (10%) in total. While *Fox News* often portrays China as a threat, themes of techno-dystopia and uncertainty are not as dominant as 'Superiority' and 'Mistrust.' The headline framing in *China's threat to our national security that might surprise you* is designed in a sensationalist approach to captivate readers. The deployment of the phrase "surprise you" advocates a narrative about China's threat that may be unexpected. Moreover, there is an emphasis on how China's activities hampers the national security, core values, and interests of the U.S. CCP-backed individuals is also indicative of the article's implication of Chinese entities' covert agenda. It also makes reference to historical events such as years of FBI intelligence and reference to past espionage to solidify their claims. Such historical manifestations shape the sense of doubt and uncertainty towards China. Third in prominence is the theme of 'Yellow Peril,' exhibited across seventeen articles, with 'Red Scare' expressed in only seven articles. Another manifestation is an article comparing China's warship to futurism and science fiction, alluding "breakthrough technologies." In *American companies keep distance from China AI conference amid accessibility concerns*, the phrases "science fiction to real world," and "big step forward" emphasize the meteoric disposition of China. With the premise of disruptive technological innovations, China's ambition for military dominance reinforces threads of Techno-Orientalism. Although the article may not demonstrate explicit indicators of Techno-Orientalism, it endorses sci-fi elements that are susceptible to Techno-Orientalism.

In *Alarming evidence' links China's Communist Party to American K-12 schools, anti-indoctrination group claims*, the article has also used expressions such as "CCP propaganda" and "deceptive tactics" to delineate a clandestine

image of China in exerting its influence through education. Although factual, the text tends to lump China, making it prone to singular and monolithic representations of the CCP agenda—homogenizing non-Western cultures, which is premised on Orientalism. The article additionally states that the PDE has accused the CCP of employing such “deceptive tactics” and a “self-serving agenda” that can risk the next generation of Americans by anchoring technology. Infusing both elements of traditional orientalism and Techno-Orientalist notions, it collectively forms a narrative of the threat China obtrudes.

Conclusion

Upon delving into the correlation of the two sets, the results of the word occurrence complement the narrative analysis in reinforcing the incipient narrative of China’s ascendancy as an economic prowess, solidifying the lens of Techno-Orientalism, steeped with substantial mistrust and suspicion in U.S. news discourse. As such, there is synergy between the linguistic approaches and narrative focus, thereby deepening China’s detailed and critical construction in representations of a portion of U.S. news and media discourse. Another glaring trend that has surfaced among the articles gravitates towards the proliferation of AI-related data topics—one of the most debated and relevant topics of the year—over COVID-19. This manifestation is a juncture pointing at the interesting editorial focus of *Fox News* regarding China’s technological rise, particularly the security concerns met with its AI innovations. The persistent depiction of China as a threat to American sovereignty and the world and an economic and tech aggressor may be aligned seamlessly with *Fox News* Republican and conservative-leaning. Certain Republican leaders and pundits have written stories for *Fox News* and established and maintained affiliations with the channel. Hence, this complex propensity of partisan politicians and journalists influences the propagation of stories and agendas.

As news articles unfolded through the latter part of the third quarter, it became evident that the practice of hedging articles, or expressing uncertainty, diminished progressively. Authors transitioned from cautiously regarding China as a suspicious partner to unequivocally labeling it as a significant threat to both security and the economy, particularly with the intensification

of AI competition. Furthermore, the research was able to echo the second subquestion's examination of its storytelling repertoire, in which "Dominance" and "Mistrust" surfaced as salient motifs. These themes contoured the portrayal of China as a dominant yet untrustworthy actor within the global technological landscape. The thematic elements of "Techno-Dystopia" and "Yellow Peril" underscored prevalent anxieties regarding China's technological progress. The aforementioned terms reinforced the storytelling techniques of the news network, highlighting its sharp critique of China as it employed these negative and extreme terminologies.

The expressions construct the ponderous narrative that China is the most formidable adversary to the U.S., a threatening "Other" that looms in the East. Their recurrent characterization of China as a peril to American sovereignty and a threat to global technology and economy foments images of China as a distrustful actor. The cultivation of their Techno-Orientalist narratives, through their choice of language and narrative concentration, engenders a larger discussion in the increasing tensions between the two nations embattled in multiple forms of geopolitics, affecting foreign policy decisions and public opinion. Thus, the possible reciprocity of media bias and political alliances opens room for discourse on the impact of shaping word collocations, which translates into Techno-Orientalist framing evidenced by *Fox News*. Likewise, the amalgamation of the results and discussion substantiates the impact of *Fox News* journalists' linguistic approaches and narrative strategies that amplify negative aspects of China as an actor, as well as its actions and intentions. The orientation of language and framing is pertinent in the context of China's technological ascent. The geopolitical and industrial interplay of trade, technology, and national security form a co-existent orchestra, each pulsing differently yet correspondingly. In this ensemble, the media, *Fox News*, is the maestro driving provoking narratives surrounding China.

Recommendations

In light of the perceptible Techno-Orientalist tendencies and approaches of *Fox News*—present in the word collocations, Techno-Orientalist expressions, and narrative thematic analysis—a more balanced approach is commended for nuanced reporting that upholds journalistic integrity and nuanced news regulations. Oversimplified and romanticized narratives, as exemplified by the

analyzed news articles, perpetuate one-dimensional perspectives. Although *Fox News* has reported accurate figures and events on China's events, influential stereotypes can still arise from the recurring mold determined by the framing and linguistic choices of big platforms. Hence, the researchers encourage outlets to advocate for a comprehensive understanding of China's innovations, contexts, and cultures through the awareness of potential bias that manifests in reporting practices.

Future research in this transpiring field can venture into the other cornerstones of the theories of Orientalism and Techno-Orientalism by applying these frameworks to other non-Western cases, actors, or states. Since the researchers were only limited to news discourse analysis with the news articles as the primary sources, further research can be extended to the slant of the public perception through surveys or social media sentiment analysis which can observe the interplay between the journalist's article and feedback from the readers. Likewise, the researchers studied a variety of technological data topics amidst China's post-pandemic rise. For instance, the rapid advancements in contemporary AI technologies position it at the forefront of current technological progress and societal transformation, exerting wide-reaching influences across multiple disciplines and significantly extending to the global geopolitical landscape.⁵⁹ Noticing the trend in AI-related studies—particularly in the areas of geopolitics, national security and defense, surveillance and privacy, AI ethics, information warfare, and economic competition—follow-up research, and extended examination on this specific data topic is encouraged as it is a timely subject that is cohesively aligned with the discussions of technology and Techno-Orientalism. Moreover, the researchers recommend increasing the sample or number of articles for a more robust identification of Techno-Orientalist themes. These can also be operationalized through a comparative study with other prominent news media outlets.

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The Impact of Tax-Related Determinants on Foreign Direct Investment in Selected Asian Nations Exhibiting a Positive FDI Growth Trend

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This paper investigates the impact of five tax-related determinants on foreign direct investment (FDI) in 14 selected Asian countries between 2008 and 2021. Using regression analyses, we examine the influence of income tax, goods and services tax (GST), tax revenue, corruption control index, and trade openness index on FDI inflows, employing the REM model. Our findings reveal positive effects of income tax, GST, and trade openness on FDI, while tax revenue and corruption exhibit negative impacts. Tax revenue and trade openness exhibit negative and positive impacts respectively as hypothesized, while the corruption control index is statistically insignificant. Contrary to the common perception that income tax and GST impede FDI, our findings suggest the opposite. This suggests that stability and predictability in tax regimes might be more attractive to investors than low tax rates alone. Policymakers should consider prioritizing stable and transparent tax systems coupled with investments in infrastructure and human capital to maximize their attractiveness to foreign investors.

Keyword: *Asia, foreign direct investment, regression, tax, tax policy*

Introduction

Foreign direct investment (FDI) serves as a pivotal component within the framework of an open and efficient international economic system, acting as a catalyst for development.¹ The Asian region has prominently emerged as the leading recipient of FDI globally, witnessing significant growth in FDI inflows across various countries in recent years.²

However, despite the surge in FDI, the influence of tax and tax-related factors on FDI inflows within these countries remains relatively underexplored. Understanding this relationship is imperative for policymakers aiming to

foster an environment conducive to investment. Thus, this study endeavors to investigate the impact of five tax-related variables: income tax, goods and services tax, tax revenue, corruption control index, and trade openness index on FDI inflow. Our selection of these independent variables is grounded in existing literature highlighting their significant impact on FDI inflow in the context of Asian economies. Income tax and goods and services tax are chosen due to their direct influence on investment costs and profitability for foreign investors. Tax revenue serves as an indicator of fiscal health and government stability, factors crucial for attracting and retaining foreign investment. Furthermore, the inclusion of corruption control index and trade openness acknowledges the broader macroeconomic environment within which FDI decisions are made. Corruption can undermine the effectiveness of tax policies and overall governance, thereby impacting investor confidence, while trade openness reflects a country's integration into the global economy, which can influence the attractiveness of investment opportunities. The data of these variables is collected from World Bank DataBank.

The scope of this study is limited to 14 countries in Asia with substantial FDI growth rates between 2008 and 2021. This timeframe followed the 2008 recession, during which global integration surged, and Asia became increasingly attractive for investment and trade. These countries include Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Israel, Malaysia, Mongolia, Nepal, Philippines, Singapore, South Korea, Thailand. The study excludes countries with low FDI growth rates due to resource constraints and data reliability issues. Our methodology ensures robust findings, aimed at providing practical insights for policymakers in these dynamic Asian economies.

The study is guided by the following research questions:

- How do various tax policies, including income tax, tax on goods and services, tax revenue, corruption control index, and trade openness index, influence FDI inflows across the 14 selected Asian countries during the period of 2008-2021?
- What common trends and patterns emerge regarding FDI inflows and tax policies among these countries?
- How can the findings of this study inform policymakers in designing tax policies that effectively promote FDI inflows and contribute to economic

growth and development?

To address these questions, the study will employ regression analyses using STATA 17, utilizing three methods: pooled ordinary least squares (POLS), random effect model (REM), and fixed effect model (FEM). Model selection will be determined using Breusch and Pagan Lagrangian tests, with further assessment through the Hausman test to distinguish between FEM and REM in the presence of significant differences across units.

The paper will proceed in four main sections: section 2 provides a comprehensive theoretical framework. It analyzes prior research on the relationship between tax policies and FDI inflow. Section 3 outlines the research methodology, encompassing data description, variables, and the statistical techniques employed. Section 4 presents the findings derived from the regression analyses. Finally, section 5 concludes the paper by highlighting limitations, contributions, and policy implications gleaned from the study.

Theoretical framework

Core concepts and Country Selection

Foreign direct investment (FDI)

According to the Organization for Economic Cooperation and Development, foreign direct investment (FDI) refers to a type of international investment where an investor from one country gains a substantial level of control and long-term involvement in an enterprise located in another country.³ FDI occurs when a company from one country creates or buys a business in another country, or forms a partnership with a local company in the host country.⁴ The World Investment Report explains that the flow of FDI comprises the transfer of capital from a foreign investor to an enterprise or vice versa, where the investor is directly involved with the enterprise.⁵ Previous research papers have identified multiple factors that impact the inflow of FDI: market size, market potential, human capital, domestic investment, infrastructure, cost of capital, trade openness, and governmental taxation and financial regulations.^{6,7}

FDI growth rate and country selection

Asia consistently stands out as the predominant destination for FDI, maintaining the highest inflows at 662 billion USD for both 2021 and 2022, as illustrated in Figure 1. This stability highlights Asia's robust economic appeal, especially in contrast to other regions where FDI inflows generally declined or were significantly lower.

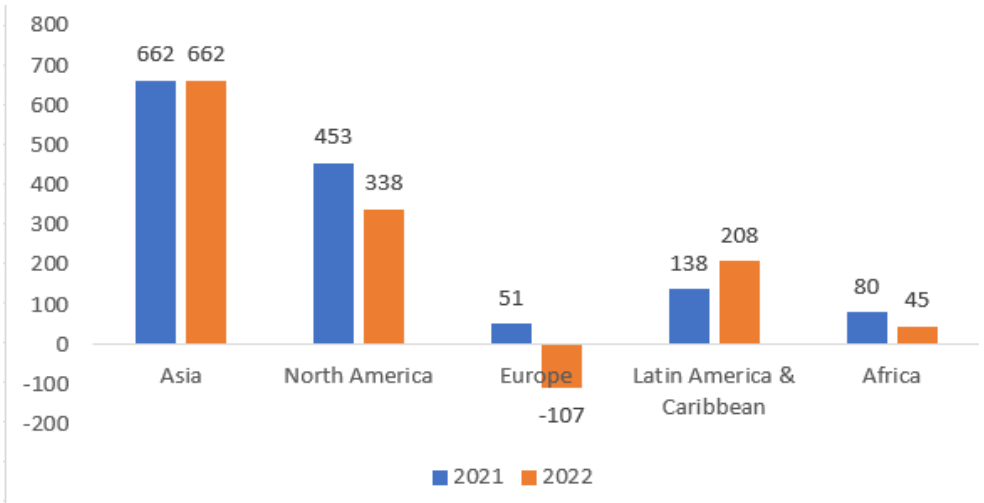


Figure 1: FDI attraction by region (USD Billion)
Source: UNCTAD, World Investment Report 2023.⁸

One reason for the significant increase in FDI is the strategic use of tax policies by Asian nations. Many countries in the region have implemented competitive tax structures, offering lower corporate tax rates, tax breaks for specific industries, and streamlined tax regimes compared to other regions. This approach creates a more attractive investment environment, incentivizing foreign companies to establish operations or expand their presence in Asia. FDI growth rate offers a valuable metric for understanding the pace of change in FDI inflows into a country's economy over a specific period. This study calculates the FDI average growth rate using the following formula:

$$FDI \text{ growth rate} = (FDI_{2021} - FDI_{2008})^{1/n} - 1$$

Where:

- FDI_{2021} represents the FDI inflows in the year 2021
- FDI_{2008} represents the FDI inflows in the year 2008
- n represents the number of years between 2008 and 2021 (which is 13)

This formula essentially calculates the compound annual growth rate (CAGR) of FDI inflows, providing a standardized measure that allows for meaningful comparisons across different countries.

To identify the Asian countries with the highest FDI growth rates, data on FDI inflows from 2008 to 2021 was meticulously collected. After calculating the FDI growth rates, the top 14 countries were selected for further analysis. These 14 countries demonstrated the most substantial and consistent FDI growth throughout this period, making them ideal candidates for this study. They are Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Israel, Malaysia, Mongolia, Nepal, Philippines, Singapore, South Korea, Thailand (see Appendix A).

Several other Asian countries were considered for inclusion in this study to ensure a comprehensive understanding of the relationship between tax policies and FDI inflows within the region. Some countries were omitted from consideration due to a lack of available data and/or due to inconsistent or sporadic patterns of FDI growth (i.e. Japan). Countries with substantial and consistent FDI growth rates were chosen in order to identify clear trends and patterns in the relationship between FDI and five independent variables.

Determinants affecting FDI inflow

Income tax

Income tax is used to denote taxes on estimated net earnings of individuals (income), corporate profits, and capital gains from various assets such as land and securities. Past research suggests a statistically significant negative relationship between corporate tax rate and FDI.⁹

Hypothesis H1: Income tax has a negative impact on FDI inflow.

Goods and services tax

Taxes on goods and services encompass a variety of levies such as sales taxes, excise duties, and charges on the utilization of goods or services. They are a significant source of government revenue. Research suggests that an increase in GST negatively impacts FDI inflows.¹⁰

Hypothesis H2: Goods and services tax has a negative impact on FDI inflow.

Tax revenue

Tax revenue represents the compulsory payments made to the government for public purposes. This includes income tax, corporate tax, sales tax, and other forms of taxation. Higher levels of tax revenue are associated with a decrease in FDI inflows.^{11 12 13}

Hypothesis H3: Tax revenue has a negative impact on FDI inflow.

Corruption control index

The corruption control index measures the perceived extent of governmental corruption, ranging from minor to significant abuses of power. It provides a nation's rating on this measure, typically on a scale from around -2.5 to 2.5 units, where higher values indicate lower levels of corruption. Scholars advocate the idea that corruption control index has a negative impact on FDI inflow.^{14 15 16}

Hypothesis H4: Corruption has an adverse impact on FDI inflow.

Trade openness

Trade (% of GDP): a percentage of GDP represents the combined value of exports and imports of goods and services relative to the gross domestic product (GDP). Many studies indicate that a more open economy tends to attract more FDI.^{17 18}

Hypothesis H5: Trade openness has a positive impact on FDI inflow.

Literature review

Income tax

The tax foundation defines that federal and state governments impose corporate income tax (CIT) on the profits of businesses. CIT typically taxes the profits of a business, calculated as revenue (sales income) minus costs (operating expenses).

The impact of taxes on FDI is multifaceted and is influenced by numerous factors that can be challenging to quantify. Tax levels impact multinational companies' investment location choices, capital flows, and profit transfers between subsidiaries. However, opinions on how FDI respond to tax levels vary. Throughout history, there has not been a unanimous consensus on this issue. Nonetheless, the majority of studies conclude that FDI typically responds negatively to a rise in the corporate income tax rate.^{19 20} Also despite other favorable factors such as the quality of goods and services, a high corporate income tax rate can act as a deterrent to foreign direct investments, leading to reduced inflows.²¹

Goods and services tax (GST)

Despite the increasing prevalence of GST implementations globally, the impact of this tax system on FDI inflows remains a relatively under-researched area. Several studies suggest a positive association between a well-designed GST and FDI inflows. Two studies examined the effect of India's GST implementation and found evidence of increased FDI inflows following the reform. This is attributed to the GST's potential to improve the ease of doing business, reduce compliance costs, and enhance transparency, making the country more attractive to foreign investors.^{22 23}

Furthermore, a few researchers analyzed the impact of various tax types on FDI, including consumption taxes like GST. While their findings suggest that variations in consumption tax rates have insignificant impacts on FDI inflows, the broader context of their study focuses on a wider range of tax types beyond GST.²⁴ While not directly addressing GST, broader tax policy strategies that influence FDI were explored. The study suggests that lowering taxes on domestic production can be an effective tool for attracting FDI. As a consumption tax, GST generally applies to domestic production as well as imports. This may suggest that increases in GST may deter foreign investors, especially those operating in sectors heavily reliant on imported inputs or targeting export markets.²⁵

Tax revenue

Several studies suggest a negative relationship between overall tax revenue and FDI inflows. Reducing corporate tax rates, which would decrease tax revenue, leads to increased FDI inflows.²⁶ Similarly, negative impacts of tax revenue on FDI were pinpointed in Jordan.²⁷ Researchers compare the outcomes of 25 empirical studies by computing the tax rate elasticity under a uniform definition and report a median tax rate elasticity of -3.3, implying that a 1% decrease in tax revenue (through lower tax rates) leads to a 3.3% increase in FDI. This suggests that higher tax burdens may deter foreign investors seeking more favorable tax environments.²⁸

Some studies suggest potential positive effects of specific tax components on FDI. A positive long-run relationship between value-added tax (VAT) and customs and excise duties with FDI was observed in Nigeria, suggesting these specific taxes might not necessarily deter investment. However, this study also found a negative impact of corporate income tax and personal income tax on FDI, aligning with the dominant perspective.²⁹

Corruption control index

Several studies paint a stark picture, highlighting the negative impact of corruption on FDI. A cross-country analysis revealed a significant negative correlation between corruption and FDI in developing nations. It suggests that high levels of corruption act as a deterrent, discouraging foreign investors from entering these markets.³⁰ This point was further emphasized with the argument that corruption not only reduces investment directly but also hinders its positive impact on economic growth.³¹ A study of ASEAN-5 economies also demonstrated that countries with lower corruption indices attract significantly more FDI inflows.³²

However, the narrative is not entirely one-sided. Studies also emerge that paint a more nuanced picture, revealing situations where the relationship between corruption and FDI becomes less straightforward. There is an interesting observation: despite high levels of corruption, developing countries experiencing high economic growth nonetheless tend to attract FDI. This suggests that investors may be willing to tolerate some degree of corruption in exchange for the potential gains associated with rapid economic expansion.³³ Scholars add another layer of complexity by highlighting the

concept of “corruption experience”. Their research indicates that multinational corporations (MNCs) with prior experience operating in corrupt environments develop strategies to navigate such systems, effectively reducing the deterrent effect of corruption on their future investments.³⁴

Furthermore, a non-linear relationship between corruption and FDI was unveiled. Their findings reveal that in emerging economies with higher levels of financial development, the significance of corruption as a deterrent diminishes. This suggests that robust financial systems can mitigate some of the negative impacts of corruption on FDI inflows.³⁵ Finally, evidence for the “grabbing hand” hypothesis is provided, suggesting that while initial decreases in corruption may lead to lower FDI, in the long run, such improvements can actually attract more investment.³⁶

Trade openness

Several studies highlight the potential of trade openness to attract FDI. One study compares India, Iran, and Pakistan, revealing a significant positive correlation between trade openness and FDI inflows across all three countries. They suggest that open economies, characterized by free flow of goods and services, create an environment conducive to foreign investment.³⁷ Similarly, another study examines the case of Turkey, acknowledging potential drawbacks of portfolio investment but ultimately concluding that open trade policies led to increased FDI, which is crucial for long-term economic growth.³⁸ Further strengthening the positive connection, a panel analysis was conducted on multiple Asian economies. The findings reveal a positive and statistically significant long-run impact of trade openness on FDI inflows. This suggests a strong association between open markets and attracting foreign investment in the long term, potentially due to factors like increased market access, improved competition, and enhanced investment opportunities.³⁹

However, it is important to note that the impact of trade openness on FDI growth is not always straightforward. Scholars in another study present a contrasting perspective, focusing on Romania. Romania has a unidirectional relationship between trade openness and FDI during the period of 1997 to 2019. It indicates that the openness of the economy of Romania might be inefficient in attracting FDI compared to competing countries. Their study

reveals a negative short-run and long-run relationship between trade openness and FDI inflows. This suggests that high levels of openness, in specific contexts like Romania's, may deter foreign investment in the short term, possibly due to concerns about increased competition or economic instability.⁴⁰

Research methodology

Data source

This study applies a secondary dataset that is available on the World Bank website. The dataset is panel data, covering a sample of 14 Asian countries with positive average FDI growth rate from 2008 to 2021, including: Mongolia, Cambodia, Singapore, India, Israel, Philippines, Malaysia, Nepal, Indonesia, Bangladesh, China, Bhutan, Thailand, and South Korea.

Model description

To analyze the influence of tax policy on FDI in Asian nations, the research team proposes the following linear regression model, selecting the variables based on previous studies:

$$\ln FDI_{it} = \beta_0 + \beta_1 INCTAX_{it} + \beta_2 GST_{it} + \beta_3 TAXREV_{it} + \beta_4 COR_{it} + \beta_5 TRADE_{it} + a_i + u_{it}$$

Where:

- β_0 is the intercept of the regression model
- $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ are coefficient estimates of the independent variables
- X_{it} ($X = ('INCTAX', 'GST', 'TAXREV', 'COR', 'TRADE')$): the independent variable represented of country i in year t
- $\ln FDI_{it}$: the natural logarithm of FDI of country i in year t .
- a_i : unobserved and unchanged variable.
- u_{it} is the disturbance of observation i , which represents other factors that are not in the model but still have impacts on the dependent variable.

The variables are listed by the research team in the table below:

Table 1: Data description

Variables	Type	Meaning	Measurement Unit	Sign of expectation
lnFDI	Dependent variable	The natural logarithm of FDI	US dollar	
INCTAX	Independent variable	Income tax per revenue	Percent	-
GST	Independent variable	Taxation on products and services (per value added in industry and services)	Percent	-
TAXREV	Independent variable	Tax revenue per GDP	Percent	-
COR	Independent variable	Corruption control index	Unit	-
TRADE	Independent variable	Trade openness	Percent	+

Source: Authors' compilation

Processing technique

Using the gathered data, we processed and analyzed it utilizing Microsoft Excel software, specifically calculating the trade openness variable by dividing the combined value of imports and exports by the GDP. After that, we use STATA17 to conduct regression, testing hypotheses and correcting defects in the model with 3 methods: Pooled Ordinary Least Squares (POLS), Random Effect Model (REM), and Fixed Effect Model (FEM). Our team uses Breusch and Pagan Lagrangian tests to select between the POLS model and FEM/REM model. In case there is significant difference across units, this study uses the Hausman test to choose between FEM and REM. Finally, we conduct diagnostic tests for heteroskedasticity and auto-correlation to ensure the model's validity.

Results and discussion

Results

Data summary

The tables below show the number of observations, the average value, the standard deviation, the maximum and minimum values, as well as the correlation between 6 given variables:

Table 2: Variable overview

Variables	Obs	Mean	Std. Dev.	Minimum	Maximum
lnFDI	196	9.720811	1.021337	6.423156	11.53665
INCTAX	196	29.80978	10.6861	9.631865	52.85811
GST	196	7.094147	3.128121	3.26868	17.10339
TAXREV	196	13.17425	3.753869	6.997142	24.61542
COR	196	-0.042355	0.8928095	-1.356975	2.231618
TRADE	196	98.01404	79.0712	26.27145	437.3267

Source: Authors' compilation from STATA 17

Table 3: Correlation matrix

	LnFDI	INCTAX	GSTAX	TAXREV	COR	TRADE
lnFDI	1.0000					
INCTAX	0.3758	1.0000				
GST	-0.1097	-0.4570	1.0000			
TAXREV	-0.0149	0.0862	0.6784	1.0000		
COR	-0.0045	0.1621	-0.1500	0.3150	1.0000	
TRADE	0.1482	0.1182	-0.0862	0.1861	0.6193	1.0000

Source: Authors' compilation from STATA 17

Based on the results from the table, most of the variables have low to moderate correlation (less than 0.8) so our model does not suffer from multicollinearity.

Model selection

We use the Breusch-Pagan test for the existence of a_i to select the suitable model:

Breusch and Pagan Lagrangian multiplier test for random effects

$$\text{chibar2}(01) = 985.75$$

$$\text{Prob} > \text{chibar2} = 0.0000$$

As the p-value = 0.0000 < 0.05, it shows that there is significant difference across units, so we do not use POLS in this case. The Hausman test is used for the Cov (a_i) to test whether to choose RE or FE model:

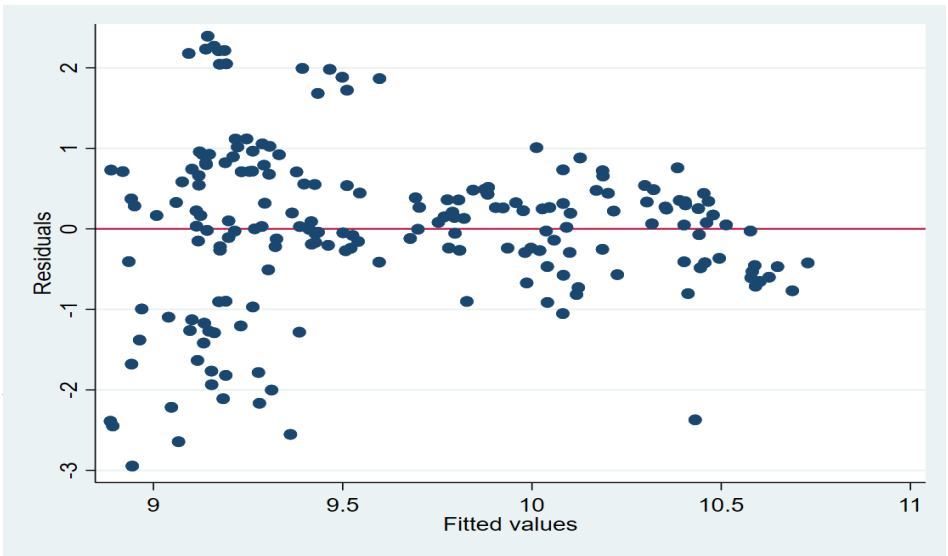


Figure 2: Distribution graph

Source: Authors' calculation using STATA 17

As the distribution of the residuals here is quite large, they do not follow any certain directions so this model may suffer from heteroskedasticity. For further proof, we use the Cook–Weisberg test:

Cook – Weisberg test for heteroskedasticity

$$\text{chi2}(1) = 35.81$$

$$\text{Prob} > \text{chi2} = 0.0000$$

Here, the p-value = 0.0000 < 0.05, hence this model has the issue of

heteroskedasticity.

b) *Test for auto-correlation*

Wooldridge test for auto-correlation in panel data

$$F(1,13) = 4.658$$

$$\text{Prob} > F = 0.0545$$

By conducting the Wooldridge test, p-value = 0.0545 > 0.05 so this model does not suffer from auto-correlation.

Discussion

Since this model only suffers from heteroskedasticity, the study uses the “Robust” function to solve this problem and here is the following result:

Table 4: Random Effect model with robust p-value

Variable	Coefficient
INCTAX	0.0560*** (0.000)
GST	0.139*** (0.000)
TAXREV	-0.103** (0.004)
COR	-0.0583 (0.734)
TRADE	0.00281* (0.023)
_cons	8.145*** (0.000)

Source: Authors' calculation using STATA 17

*Note: *, ** and *** show statistical significance at the % 5, % 1 and % 0.1 levels, respectively. Values in parentheses are p-value*

The research results show that income tax is statistically significant, and with a coefficient of 0.056, income tax has a positive impact on FDI, which contradicts the hypothesis put forward in previous studies in which corporate income tax is shown to impede FDI.^{41 42} The unexpected results may come from the fact that some investors prioritize stability and predictability in tax regimes over low tax rates. Countries with higher but stable and transparent corporate income tax systems may be perceived as more attractive for long-term investments because they provide certainty and reduce the risk of sudden tax changes or uncertainties. In certain cases, countries with higher corporate income tax rates may offer substantial market potential or demonstrate strong economic stability, outweighing the tax burden for foreign investors. The size and growth prospects of the market, along with the overall economic conditions, can positively influence FDI despite higher tax rates.

While the initial hypothesis proposed a negative relationship between GST and FDI inflows, the regression model yielded a statistically significant and positive coefficient of 0.139. This unexpected outcome could be attributed to several potential mechanisms. Firstly, revenue generation from a higher GST rate could lead to increased government revenue, enabling investments in infrastructure, public services, and the overall investment climate. This improved environment might be more attractive to foreign investors. Secondly, reduced reliance on other taxes due to higher GST revenue could occur. If the GST replaces less investor-friendly taxes, such as corporate income tax, the overall tax burden for foreign investors might decrease, creating a more favorable tax environment and potentially attracting higher FDI inflows.

Tax revenue also has statistical significance but a negative impact on FDI, which aligns with previous findings and our initial expectation.^{43 44 45} Countries compete for FDI by offering favorable tax conditions. If a country's tax rates are higher compared to others, it may lose its competitive edge, prompting investors to seek out countries with lower tax costs. For instance, elevated taxes imposed on corporate earnings, capital gains, dividends, and property could escalate the operational expenses in a specific area, thereby diminishing its appeal to foreign investors aiming to optimize their investment returns. Furthermore, high taxation can leave companies with less capital to reinvest

in their operations. This can deter both expansion plans and the entry of new foreign firms, as they might be concerned about having sufficient post-tax income to sustain and grow their business.

The analysis revealed a negative coefficient (-0.0583) for the corruption level index, suggesting lower FDI inflows with higher corruption. While this aligns with the literature review which highlight the deterrent effect of corruption^{46 47}⁴⁸, the coefficient lacked statistical significance. Potential explanations include data limitations in capturing nuanced corruption variations, or moderating factors not accounted for (e.g., economic growth, institutional quality). While not statistically conclusive, the negative coefficient suggests a potential deterrent effect of corruption on FDI, warranting further research with more nuanced data and wider control variables.

The positive and statistically significant coefficient of 0.00281 for trade openness indicates higher FDI inflows in more open economies, aligning with aforementioned studies which emphasize the conducive environment open markets create for foreign investment through increased market access, improved competition, and enhanced investment opportunities.^{49 50 51} This finding consolidates the potential of trade openness as a tool for attracting foreign capital and fostering economic growth.

Conclusion and Recommendations

This paper used the REM model to explore the impact of five tax and tax-related factors, including income tax, GST, tax revenue, corruption control index, and trade openness index on FDI inflows. The study found that tax revenue, corruption control index and trade openness index are aligned with the hypotheses from previous research while the remaining variables (income tax and GST) show great contradiction. Our team also acknowledges some limitations of our research, including the insignificance of the corruption level index variable, and the analysis is limited to 14 specific countries with highest calculated FDI inflow growth rate in Asia in a specific period (2008-2021). Future research should address these limitations by using a more comprehensive dataset and a more specific model.

The unexpected finding that income tax has a positive impact on FDI

contradicts previous studies but suggests that stability and predictability in tax regimes may be valued more by investors than low tax rates. Therefore, countries should consider maintaining stable and transparent corporate income tax systems, prioritizing certainty and reducing the risk of sudden tax changes or uncertainties. This can make countries with higher but stable and transparent corporate income tax systems more attractive for long-term investments.

The statistical significance and positive impact of tax on goods and services on FDI suggest that multinational corporations may seek investment opportunities in countries with higher taxes on goods and services, if other factors such as market potential, infrastructure, and workforce skills are favorable. Therefore, policymakers should consider the overall attractiveness of their market potential, infrastructure, and workforce skills, as these factors can positively influence FDI despite higher tax rates. To ensure this, taxes on goods and services can be used to invest in physical and digital infrastructure to support the movement of goods and provision of services.

The negative impact of tax revenue on FDI suggests that countries should be cautious about imposing elevated taxes that could diminish their competitive edge and prompt investors to seek out countries with lower tax costs. High taxation can leave companies with less capital to reinvest in their operations, which can deter expansion plans and the entry of new foreign firms. Policymakers should assess the overall tax burden on potential investors and consider the impact on their investment returns. Besides, government should also explore alternative revenue sources that do not hinder FDI, such as broadening the tax base, exploring non-distortionary taxes, optimizing public spending, reducing deficits, and improving overall fiscal management. While the analysis demonstrated a negative coefficient for the corruption level index, suggesting lower FDI inflows with higher corruption, the lack of statistical significance warrants further research. Future research should consider collecting more data, using alternative corruption measures, and accounting for other factors influencing FDI.

The positive coefficient for trade openness indicates higher FDI inflows in more open economies. Policymakers should continue to promote open markets to attract foreign capital and foster economic growth. In order to create favorable conditions for efficient FDI, countries may consider lowering cross border trade costs such as tariffs and taxes on foreign goods and services,

public policy activities, transaction costs or the removal of quantitative restrictions on imports with a view to encouraging foreign multinationals to make investments.

Appendix

Appendix A. Top 14 countries with positive FDI average growth rate (2008-2021)

Ranking	Country	Asian specific region	FDI average growth rate
1	Singapore	Southeast Asia	19.5%
2	Philippines	Southeast Asia	18.3%
3	Cambodia	Southeast Asia	11.8%
4	Malaysia	Southeast Asia	7.85%
5	Mongolia	East Asia	7.5%
6	Indonesia	Southeast Asia	6.53%
7	Bhutan	South Asia	6.09%
8	Israel	Middle East	5.8%
9	China	East Asia	5.5%
10	Korea Republic	East Asia	5.36%
11	Thailand	Southeast Asia	4.21%
12	Bangladesh	South Asia	2.02%
13	Nepal	South Asia	1.82%
14	India	South Asia	0.2%

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