

(Source: AIIB Website, 2023)

Considering all the reasons this bank was chosen as a case study for this paper, to determine China's role and power within and with the institution, it is no surprise that China is the largest shareholder of the bank, with its shares amounting to 26.61% of the total. The country is followed by India, with the 7.6%, and Russia, with the 6.01%. The European country with the highest share rates is Germany, with an amount of 4.2%. In the AIIB, member countries' voting powers are highly dependent on shares and the result of the sum of three types of votes: 1) basic votes, representing 12% of the total; 2) Founding Member votes, six-hundred votes for each founding member; and 3) share votes, about 85% of the total votes.

2.2 New Development Bank

The BRICS organization, contrary to other integration blocs (the European Union, the North American Free Trade Agreement,...), is of informal character, because of the absence of a founding act. Since the official entrance of South Africa, in 2011, the cooperation within BRICS countries has expanded to include broader aspects of society. The initial area of interest for cooperation was economy, however safety, agricultural production, energy, information and communication, food safety, technology and health care are now included in the initiative. The extended spheres of interest led to the creation of the New Development Bank in 2014. At its foundation, the bank included 41% of the world's population (more than three billion people), around 22% of the world's GDP (US\$ 17 trillion) and more than 40% of the world's foreign exchange reserves (US\$ 2800 billion). The BRICS countries voted on the foundation of the bank with the main aim in mind being the financing of infrastructure projects in their territories, respecting the principles of horizontality, mutual benefit, solidarity, and non-conditionality. According to Stojković, cooperation within BRICS is generally based on two pillars: 1) on coordination and multilateral cooperation with a particular focus on economic and political management, and 2) on the cooperation between member States (*comprehensive intra cooperation*).

The original purpose, as stated in the official website of the NDB, was “mobilizing resources for infrastructure and sustainable development projects in emerging markets and developing countries (EMDCs)”. Currently, the NDB's operations are undergoing a General Strategy of the duration of five years (2022-2026) – ‘Scaling Up Development Finance for a Sustainable Future’ –, mainly focused on the areas of: Clean Energy and Energy Efficiency, for a low-emission development;

policies' directions: according to the theory, a State's behavior is determined by factors such as geography, natural resources, industrial and military capacity, population size, and following indexes. The dependent variables found can, on the other side, lead a State to follow two different paths, determinants of the nation's foreign policy. The country may choose to pursue an *Autonomy-Seeking Policy*, in order to maintain or reinforce its own independence from other States, or may adopt an *Influence-Seeking Policy*, to shape the interaction processes with other nations, influencing the resulting outcomes to their own interests and gaining prestige at the regional or international level. It is solid to affirm that States seek 'autonomy' from other States and 'influence' over other States, meanwhile generally the actors seek a better representation in those perceived as "imbalanced systems."

This paper will focus on the assumption that the analyzed actor of the international system, China, in these years has chosen to pursue an Influence-Seeking Policy, by taking on a relevant role in the New Development Bank and in the Asian Infrastructure Investment Bank. Therefore, the hypotheses are focused on the possibility of China using the new MDBs to influence its interactions with other nations, rather than gaining autonomy from the Western dominance present in the existing institutions.

5. Methodology

The research conducted in this paper is both of the qualitative and quantitative type. Analyzing official data from the international financial market is fundamental to evaluate the foreign policies of countries, especially of the most outstanding members of the two new MDBs. Data on FDI and capital shares of the single countries, as well as the financed projects and investments of both institutions are taken into considerations. The power position of China is analyzed at the regional level through a power analysis, while the internal structure and main features of both banks are evaluated to establish whether the power position of China is favored and enhanced within the institutions.

The time frame considered is mainly from 2014 – the year China started overshadowing the influence of Japan and the US in the Asian region – to the current times, including recent developments of 2023. On a broader range, however, to take into consideration the economic and financial rise of China, it is necessary to analyze both the time before and after the founding of the two banks, to see how China's foreign policy changed and the amount of contribution the two banks had in rising the country's influence at the international level. Therefore, general events of international politics preceding the founding of the banks are also mentioned in the paper.

the position of second biggest regional power thanks to its GDP, overshadowing for the first time the traditional regional power of Japan and the strong influence of the US, according to economic and financial indexes. Former US Treasury Secretary Lawrence Summers, after the surprisingly popular membership of the AIIB, publicly declared that “this past month may be remembered as the moment the United States lost its role as the underwriter of the global economic system”.

The country, at the same time, increased its power position with consistent Foreign Direct Investments (FDI) directed towards the Asian region. As measured by the United Nations Conference on Trade and Development (UNCTAD), China’s FDI towards the East and South-East of Asia slowly raised from the US\$ 3.724 millions of 2013 up to the US\$ 14.073 millions of 2014. The increase grew even more in 2015, when it reached US\$ 40.750 millions, and again in 2016, reaching US\$ 44.249 millions in foreign direct investments for that year.

Table B.		Announced greenfield FDI projects by region/country, 2013–2014 (Millions of dollars)			
Partner region/economy		East and South-East Asia as destination		East and South-East Asia as investors	
		2013	2014	2013	2014
World		158 851	192 612	117 002	145 108
Developed economies		107 844	114 729	79 995	86 369
European Union		42 975	46 227	9 150	9 938
Germany		23 761	4 982	398	388
United Kingdom		8 668	6 286	4 503	5 503
United States		25 142	30 794	5 133	12 024
Japan		29 540	29 201	1 785	2 553
Developing economies		50 457	77 093	97 361	107 058
Africa		483	111	2 411	7 587
Asia and Oceania		49 107	76 530	43 651	88 413
China		3 724	14 073	20 541	28 499
Latin America and the Caribbean		867	451	51 299	11 058
Transition economies		550	789	1 643	9 681

other middle powers in Asia, the gap with these two superpowers is considered too large to expect a multipolar context of three or more countries.



Figure 5: Comprehensive Power Rank (2023)
(Source: Lowy Institute. Asia Power Index 2023 Edition)

6.2 Hypotheses Analysis on the Asian Infrastructure Investment Bank

6.2.1. Ability to Exert Influence over the AIIB

After determining China's power position in the Asian region, it is necessary to assess whether existing regional development banks allow China to exert the influence its position allows. If not,

Finally, the range of China's influence through the bank can be seen in multiple initiatives and behaviours, first of all for the rejection of Taiwan's membership request; unfortunately, evidences of political involvement are always hard to assess: in the case of Sino-Indian tensions, for example, investments were not affected at all (Creutz, 2023).

6.2.2 Conclusions on the AIIB: an Influence-Seeking Operation?

To conclude this first analysis on the Asian Infrastructure Investment Bank, as a first step it was possible to identify that the power position of China on the regional level suggests the upcoming of influence seeking operations – verifying the first hypothesis and setting a promising base for both case studies. Subsequently, since the ADB is clearly an economic statecraft vehicle of the Japan and the United States, China was brought to initiate its own MDB to master and exercise more influence – verifying the second hypothesis. As could be observed during the analysis, China clearly exerts comparatively more influence over the AIIB than any other State on any comparable MDB, even though evidence of its exerted influence is not yet conclusively present.

China, however, is a difficult country to consider for a standard power-political and systemic analysis, because of many of its characteristics, that generally fall outside of the usual Euro-centric Western models and standards utilized in political analysis. Furthermore, many factors relevant to this research are not included in the available studies. First of all, the PRC has been defined as an increasingly 'responsible leader', the standards and transparency of the AIIB are higher than bilateral investments and increasing Paris Club involvement has been registered in the past twenty years. Even if the country is not an official member, it is actually one of the largest creditor nations to many of the debtor countries involved with the Paris Club. Established in the 1956, this informal institution is tasked with finding a coordinated and sustainable way for debtor countries to overcome their paying insolvencies. China is enlisted within the "Ad hoc Participants" in the official meetings, because of its ongoing 'substantial loan exposure' (Rieffel, 2021) with some of the debtor nations. According to Rieffel, possible reasons of China's non-membership in the Paris Club include its previous status as a developing country and its close relationships to the other nations of the same category, as well as "the close working relationship the Paris Club has with the IMF and the World Bank, which are dominated by the United States and other high-income countries with democratic political systems". The author also mentions China's past reluctance with information sharing and transparency, which are a base principle of the Paris Club,