

Media coverage of Chinese investment in the United States: Politics and missed opportunities

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By Rob Wells , Ka Zeng, and Austin Wilkins

Abstract

This article explores how five leading U.S. publications covered Chinese direct investment in the United States from 2000 through 2019. The authors find a lack of in-depth coverage of Chinese companies that were significant investors in the United States even though the news organizations offered fairly comprehensive coverage of the broad strokes of U.S.–China relations. The coverage shortfall comes despite Chinese foreign direct investment rising from US\$385 million to more than US\$40 billion a year during the study period. An analysis of leading news narratives and sentiment finds a dramatic rise in negative news sentiment during the Trump administration’s trade war with China from 2017 to 2019.

Wells is associate professor, School of Journalism and Strategic Media, University of Arkansas at Fayetteville.

Zeng is professor, Political Science, and Wilkins is an M.S. candidate, Statistics and Analytics, University of Arkansas at Fayetteville.

Wells is the corresponding author: rswells@uark.edu.

Keywords

China, United States, business journalism, content analysis, sentiment analysis

Chinese foreign direct investment (FDI) in the United States accelerated rapidly since 2000 as the country transitioned from being a major importer to a major exporter of capital. In the period of 2002 to 2018, Chinese FDI in the United States has increased from US\$385 million to US\$39.5 billion (Bureau of Economic Analysis [BEA], 2020). The expansion of Chinese investment—while still about 1% of total U.S. FDI—has generated growing concerns about its political and economic implications and the threat posed to American national security, as seen in the enhanced Congressional scrutiny and strong reactions against a growing list of Chinese mergers and acquisitions in the United States.

The anxiety over Chinese investment in the United States has fueled an upsurge of nationalism in the United States. The escalating trade war between the two countries is visible evidence of this strain. Against this background, it has become particularly important and relevant for us to gain a better understanding of how the political environment in the United States affects Chinese FDI flows and how this issue is portrayed by leading news organizations.

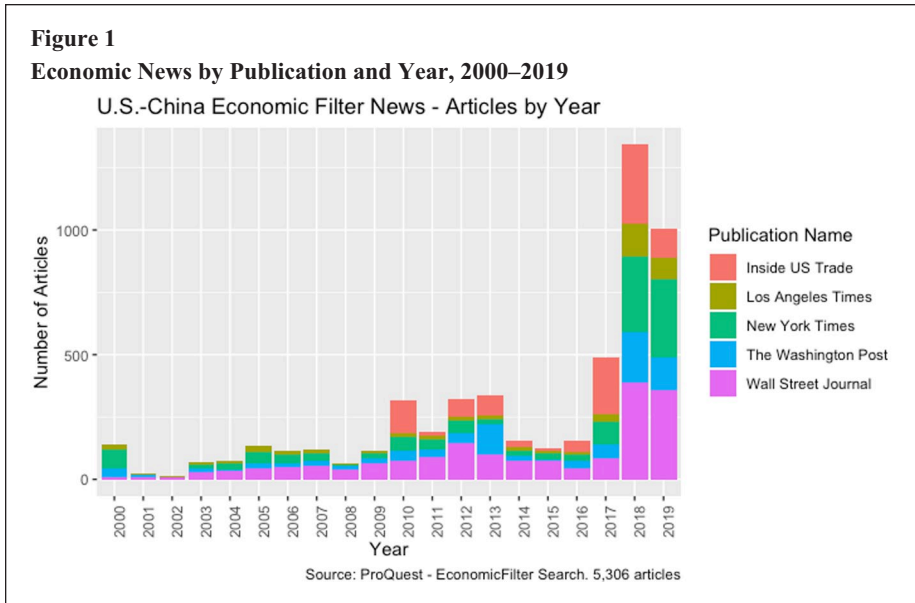
We set out to analyze the broader trends of news coverage against a timeline of macroeconomic and political events. This article will explore how five leading U.S. publications covered Chinese direct investment in the United States from 2000 to 2019. The authors analyzed 11,287 articles during this time period from the *New York Times*, *The Wall Street Journal*, the *Washington Post*, *Los Angeles Times* and *Inside U.S. Trade*, an influential trade journal. This article seeks to understand key patterns and news narratives in the media coverage and political developments. We seek to discern whether the frequency of U.S. media coverage of Chinese investment led or followed political opposition in the United States. This study will seek to determine the leading news narratives and sentiment of U.S. news coverage of Chinese investment and examine how they evolved over time. Another key question explores the frequency of news coverage against business activity to see how the amount of coverage aligned with the magnitude of Chinese FDI in the United States.

One of our key findings points to a lack of in-depth coverage of Chinese companies that were significant investors in the United States during this time period. We find as the amount of China FDI deals multiplied in the United States, the amount of proportional coverage fell. The lack of in-depth corporate coverage aligns with an ongoing critique about the inadequacy of U.S. business news coverage. In addition, an analysis of leading narratives and sentiment finds a dramatic rise in negative news sentiment during the Trump administration's trade war with China from 2017 to 2019 (Figure 1).

Literature Review

Rising Chinese Foreign Direct Investment in the United States

Over the 19-year period (January 1, 2000 to December 31, 2019) reviewed, we see two Chinas: an emerging economic superpower from 2000 to 2007 and a new global



economic leader from 2008 to 2019. During this latter period, we see China turn away from democracy and into confrontation with the United States, 2016 to present.

From 2000 to 2007, China was freshly admitted to mainstream global capitalism through membership in the World Trade Organization (WTO) and engaged in significant trade liberalization. During this period, China dramatically expanded its exports and growth. Chinese total outward FDI rose from US\$915.78 million in 2000 to US\$12.26 billion in 2005 and to US\$56.53 billion by the end of the decade (Blanchard, 2019). Yet just 15% of China's FDI was directed to the United States and the aggregate amount is a small fraction of either nation's gross domestic product.

The US\$39.47 billion of Chinese direct investment in the United States in 2018 was 0.91% of the US\$4.3 trillion in total FDI that year (BEA, 2020). So, despite the amount of media coverage and attention, Chinese investment in the United States is a fraction—a rounding error—in the US\$20.5 trillion U.S. economy. The Chinese direct investment in the United States, while low, served an important function, a tool to gather intelligence and advance its role in the global economic order (Zeng, 2019). Chinese investment in the United States also was curtailed by more stringent regulations in the U.S. and Chinese investors initially lacked a familiarity with the U.S. market.

In the 2000–2005 period, U.S. news coverage addressed the novelty of China, a communist country, opening its economy to foreign investment and seeking overseas business opportunities. This narrative was fraught with conflict from the beginning. Coverage in 2000 centered over the bitter fight at the end of the Clinton administration to grant China permanent normal trading status, an event described as “a titanic months-long lobbying battle pitting corporate America against organized labor” (Vita & Eilperin, 2000; Kaiser & Mufson, 2000).

The rise in China's participation in the global economy quickly led to tensions. In 2004, the United States filed complaints and assessed tariffs to curtail dumping of low-cost furniture and shrimp; political figures such as U.S. Sen. John Kerry of Massachusetts, then the Democratic presidential nominee, sought to protect textile manufacturers. Several Chinese investments in the United States encountered roadblocks through a U.S. Treasury Department review process directed by the Committee on Foreign Investment in the United States or CFIUS (Blanchard, 2019).

One instructive example involves the China National Offshore Oil Corporation, or CNOOC, and its 2005 proposed purchase of Unocal. This US\$18.5 billion bid for Unocal, a major West Coast refinery, would have been at the time "China's largest acquisition of an American company" (Peltz, 2005). CNOOC dropped its bid in August 2005 after U.S.-based Chevron company entered a rival offer, which was successful even though the Chevron bid was about 5% less than the CNOOC offer. The prospect of the Chinese buying a major U.S. oil company generated significant opposition in Congress and this led Chinese President Hu Jintao to complain to then President George W. Bush about unfair political interference (Blumenstein, 2005).

The debate over whether China was manipulating the value of the renminbi—a strategy to reduce the prices of exports and gain market share abroad—was a major political narrative throughout 2000–2019. Critics such as the National Association of Manufacturers argued that currency manipulation caused a loss of 2.2 million U.S. jobs between 2001 and 2003 (Xingqiang, 2012). Another group that demanded the U.S. punish China for currency manipulation was the Coalition for a Sound Dollar, founded in 2001, which comprised 90 trade associations (Koenig, 2004). Furthermore, the manufacturers struck an unusual alliance with organized labor as the AFL-CIO urged lawmakers to prevent U.S. job losses (Lee, 2003). In 2005, China caved in to pressure and moved to an exchange rate system that set the renminbi's value to a basket of currencies.

Around 2010, China reached the end of the era of ultra high-speed growth. China's currency reserves began to fall starting in 2014 due to a variety of factors and that led to a reassessment of Chinese companies' overseas investments. As a result of this clampdown, the nonfinancial overseas investments by Chinese companies fell 42% in the first 9 months of 2017 (Blanchard, 2019).

At the same time, China in 2007 began challenging U.S. supremacy in Asia and beyond, particularly with the Belt and Road Initiative, the 2013 global infrastructure development program that helped cement Chinese influence in Africa, South America and Asia (Naughton, 2019). China formalized its role as a global economic leader in 2016 when it chaired the G-20 summit in Hangzhou (Zeng, 2019).

Donald Trump's election in 2016 set off an unprecedented trade war between the United States and China. After a series of escalating threats in the Spring 2018, Trump imposed US\$200 billion in tariffs on Chinese imports on September 24, 2018. Trump and Xi struck a temporary truce in the trade war in December 2018, but further tariffs followed in May 2019 after the breakdown of that agreement. As a result of the trade war's impact on U.S. farmers, the Trump administration announced a US\$12 billion aid package to help farmers harmed by export restrictions. Both Chinese and U.S. executives noted a much more hostile climate in the respective countries toward foreign investment. In 2018, Ant Financial, the payments affiliate of Alibaba, scrapped its US\$1.2 billion bid for MoneyGram due to a tougher regulatory climate (Swanson &

Mozur, 2018). Chinese investors sold some US\$3.1 billion in U.S. real estate in 2018, described as “a frenzy of disposal activity” (Rappeport, 2019).

Journalism Theory

A central question in media coverage analysis involves the extent to which political forces encourage or suppress reporting. Prior studies have examined the political economy theory, which analyzes the power of capital and corporations in influencing news coverage (Herman & Chomsky, 1988; Mosco, 2009; Schiller, 1991), or how media organizations set news agendas (McCombs & Shaw, 1972), or engage in framing of news events (Entman, 1991). The indexing hypothesis by Bennett (1990) advances this work by examining journalism professional practice to create a more wholistic and less ideological framework to understand how political and economic power influences news coverage decisions. Bennett’s indexing hypothesis “constitutes a quick and ready guide for editors and reporters to use in deciding how to cover a story” (Bennett, 1990, p. 108) and shows how “journalists often have trouble introducing evidence independently unless other officials contest the spurious claims” (Bennett, 2011, p. 18). Bennett’s theory, in essence, acknowledges two tensions surrounding news coverage decisions: when the government should rightly set boundaries for public debate and when outside voices such as opposition groups, academics and political analysts should influence the agenda. The debate speaks to the independence and effectiveness of the press as a watchdog over government. Bennett argues news coverage decisions tend to follow the parameters set by elites, such as members of Congress or administration leaders. He also suggests that in periods when elites disagree about a course of action on a public policy matter, the range of journalism will expand to cover more than the typical official sources. The present study offers an important contribution to the business journalism literature by examining news coverage, macroeconomic events and political history over a 19-year period to discern the quality of news coverage. The Bennett indexing hypothesis, by offering a framework to examine press-government relations and news coverage decisions, informs one of the main research questions: Did the amount of U.S. media coverage of Chinese investment lead or follow political opposition in the United States? Was political opposition of a deal a factor in the content and timing of coverage? The present study seeks to explore these questions not only looking at the historical evolution of coverage but also by measuring changes in news sentiment during this time period.

This study is being conducted against a backdrop of research finding deep flaws in financial and economics reporting, ranging from advertiser influence over editorial content, to a dearth of investigative journalism (Bagdikian, 2004) and outright corruption (Galbraith, 1972). The insufficient corporate coverage comes against a backdrop of broader crisis in journalism amid a collapse of the traditional advertising model (Abernathy, 2018). A 2008 survey of 259 daily newspaper executives found 34% have decreased business coverage, 17% increased and about 49% have stayed the same (Pew Center, 2008). Despite continuing reader demand for business and financial news, several studies show “financial reporting is increasingly superficial and less inclined to question public relations material or to investigate corporate malfeasance” (Knowles et al., 2017, p. 325). These works come against a body of research about media failures in business and financial news coverage dating back to the 1920s, about missed

opportunities for business reporters to sound the alarm about impending financial crises or hold businesses to account (Bagdikian, 2004; Herman & Chomsky, 1988; McChesney, 2003; Wells, 2019). The authors believe the findings in this study will add to the journalism literature by describing failures in business journalism involving an urgent multinational trade issue, a topic that has not gained close examination in the journalism studies literature.

Research Questions

The article seeks to engage the following research questions:

RQ1:

What were the leading news narratives and sentiment of U.S. news coverage of Chinese investment and how did this evolve over time?

RQ2:

How did the amount of coverage align with the magnitude of Chinese FDI in the United States?

RQ3:

Did the amount of U.S. media coverage of Chinese investment lead or follow political opposition in the United States? Was political opposition of a deal a factor in the content and timing of coverage?

Method

We used data mining tools in R, a programming language commonly used for data visualization, textual and quantitative analysis, to examine 11,287 articles for media narratives and framing of Chinese FDI activities. These tools were paired with content analysis methods developed in previous research projects (Neuendorf, 2002; Wells, 2016). The authors used purposive sampling (Palinkas et al., 2015) to select news sources of U.S.-based news outlets with national circulation, which include the *New York Times*, 21.6 million unique website visitors in 2020; *The Wall Street Journal*, 8.6 million unique visitors; the *Washington Post*, 14.4 million unique visitors; the *Los Angeles Times*, 4.6 million unique visitors (Standard Rate and Data Service, 2021); and *Inside U.S. Trade* (no entry in SRDS). The *Times*, *Journal* and *Post* cover these topics extensively and have documented impact on public policy formation (Glader, 2017). The purposive sample also was guided by the first author's experience covering business and finance on Washington as a professional journalist for global financial news wire services from 1994 to 2011. The *Los Angeles Times* was selected to provide regional diversity and better reflect the culture in the Pacific Rim, where Chinese trade and culture is dominant. *Inside U.S. Trade*, a leading trade publication that focuses on politics and trade policy, was selected due to its reputation for detailed

policy reporting. The authors compared the narratives against a historical timeline of U.S.–China diplomacy and economic relations to discern which publications identified important themes early and which did not (see Figure 2; Bown & Kolb, 2019).

Using the database ProQuest Central, we searched the *New York Times*, *The Wall Street Journal*, the *Washington Post*, *Los Angeles Times* and *Inside U.S. Trade* from January 1, 2000, to December 31, 2019. The publications were searched (search term details are in the appendix) along four filters:

- BroadFilter: U.S.–China diplomatic and trade relations—5,204 results.
- EconomicFilter: U.S.–China economic issues—5,306 results.
- Company filter: Twenty-two Chinese companies active in United States—353 results.
- ChinaFDI: Focused on FDI and trade—424 results.

The articles were analyzed in a sentiment analysis dictionary using the R programming language (Robinson, 2016; Silge & Robinson, 2017). For this project, researchers used the Bing Lexicon dictionary, which applies sentiment scores to individual words. Scores are tabulated to provide a net positive or negative score per article (Hu & Liu, 2004; Silge & Robinson, 2017; Soroka et al., 2015). To measure sentiment of news coverage, we examined the narratives through three tools: automated sentiment analysis (the Bing analysis), review of common phrases (bigrams) and a custom sentiment dictionary measuring specific words in international trade and investment that the authors coded as positive or negative (custom sentiment score). In addition, the authors then built a custom sentiment dictionary, containing 169 terms, to more accurately measure discourse used in trade and economics journalism.

A narrative analysis was performed through the use of text mining techniques, historical analysis and a close reading of the corpus. With text mining, we examined top frequencies of words and word pairs (or bigrams) by publication and year as well as major elements in text: words or terms, themes, characters, paragraphs, items, concepts and semantics (Berelson, 1971; Berg, 2001).

To identify Chinese companies investing in the United States, the authors used Public Citizen’s Global Trade Watch data that selected 460 Chinese FDI transactions in the United States from 2002 to 2017 (Public Citizen’s Global Trade Watch, 2018). The activist group, a critic of harmful practices of global trade on U.S. workers and the environment, compiled the list from news media reports and securities filings; the authors verified a sample of the data.

Of this group of 460 transactions, 22 Chinese companies were the most active, based on a threshold of US\$2 billion in investment over the 20-year time period. Leaders included HNA Group, Dalian Wanda, Anbang Insurance Group, China Investment Corp. and WH Group Ltd. Note that this list does not include iconic Chinese companies such as Alibaba and Baidu, which were involved in the U.S. market but their total investment did not reach the US\$2 billion threshold. Therefore, they were excluded from this analysis.

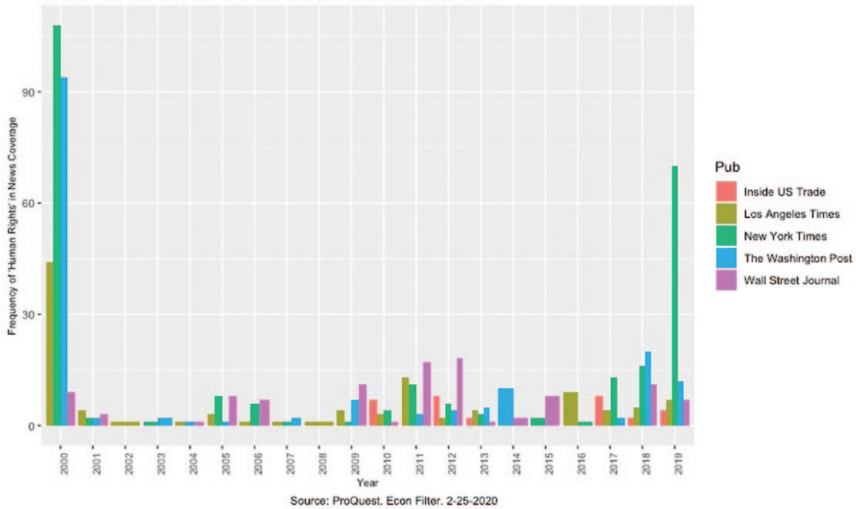
Figure 2**Timeline China FDI****Major Developments U.S.-China Investment**

1999	China Sought Entry to WTO; China's "Going Global Strategy" or "Go Out" strategy encourages state-owned enterprises to invest abroad
1999	U.S. President Bill Clinton backs China's application to World Trade Organization. Bilateral trade agreement signed in November.
2001	China joins WTO, wins Permanent Normal Trade Relations (PNTR) status in U.S.
2001	China intercepts American EP-3 reconnaissance plane, detains crew.
2001	Coalition for a Sound Dollar calls for China, others to float currency, citing manipulation.
2002	Foreign-funded banks can handle Yuan-denominated transactions in some Chinese cities. China becomes fastest growing market for U.S. exports.
2003	Hu Jintao, Chinese president until 2013; Wen Jiabao, premier 2003-2013
2004	U.S. files first WTO trade complaint against China.
2004	Four U.S. senators asked President Bush to halt "continuing illegal undervaluation of China's currency."
2004	U.S. tariffs on shrimp from two countries, including China.
2005	China unties currency to dollar; new exchange rate system references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciates more than 20% against the US dollar.
2005	Lenovo acquires IBM's personal computer business for \$1.75 billion.
2005	Chinese energy giant China National Offshore Oil Corp. (CNOOC) takeover bid for Unocal Corp.; deal blocked amid uproar in U.S. Congress.
2007	The New York Stock Exchange opens first office in China. U.S.-China Strategic Economic Dialogue meeting in Washington, progress cited in complaints about Chinese subsidies to exporters.
2010	Google Inc. charges 'highly sophisticated' cyberattacks from China.
2010	U.S. trade deficit in goods with China at \$173.4 billion, up 20.6 percent the year earlier. A four-to-one ratio of Chinese exports to its imports from the United States.
2011	RSA Security reports breach at Lockheed Martin Corp.; U.S. officials later link the attack to China.
2012	President Obama blocks Chinese-owned Ralls Corp. from buying wind farms in Oregon
2013	Xi Jinping President of People's Republic of China.
2013	East China Sea island dispute; Japan cites Chinese military threat.
2013	Belt and Road initiative, \$1 trillion infrastructure projects.
2016	Presidential candidate Donald Trump criticizes Chinese trade, threatens tariffs, accuses China of one of the "greatest jobs theft in history."
2017	President Trump withdraws from Trans-Pacific Partnership.
2018	MoneyGram and Ant Financial, a unit of Alibaba, call off merger, citing regulatory concerns.
2018	Broadcom drops bid for Qualcomm, citing Trump's administration opposition.
2018	Trade war: Trump imposes tariffs on certain Chinese imports; China responds with tariffs on certain U.S. imports.
2018	After escalating rounds of tariffs, U.S., China declare 90-day truce; resume negotiations.
2019	U.S. resumes tariffs, cites Chinese non-compliance with draft trade agreement.

Note. FDI = foreign direct investment.

Figure 3
Human Rights

Frequency of 'Human Rights' in Economic News Coverage, 2000-2019
Search 5,306 articles, NYT, WP, WSJ, NYT, Inside US Trade 2000-2019



Findings

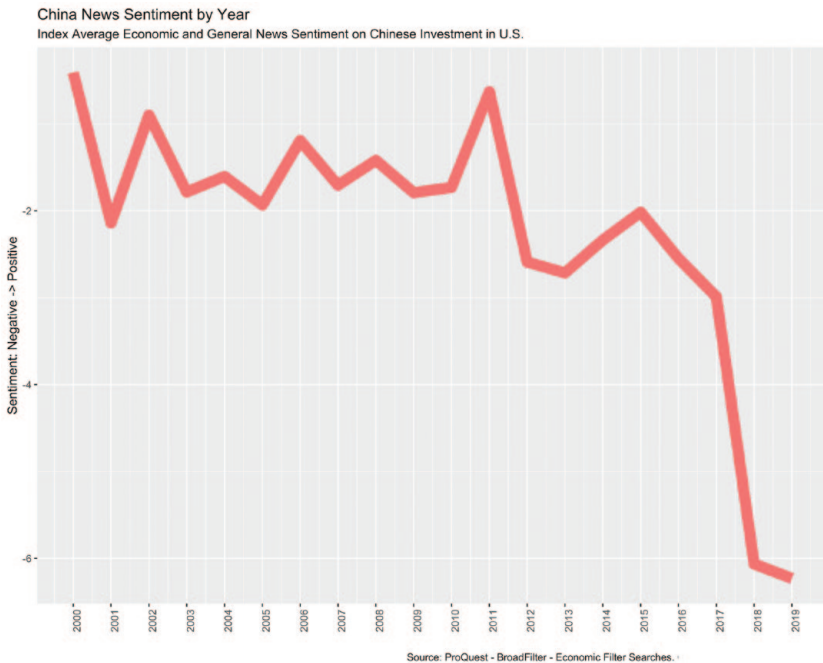
RQ1

The dominant narratives from 2000 to 2019 involved Chinese currency manipulation, the fate of U.S. jobs, human rights conditions within China and a trade war launched during the Trump administration. The sentiment of U.S. news coverage was critical initially, stabilized but then began to sour during the rise of Xi Jinping and became dramatically negative during the Trump presidency.

A search of word pairs—searching iterations on the job loss terms such as “American jobs,” “factory jobs,” “job losses,” “manufacturing jobs,” or “million jobs”—revealed a pattern of inconsistent coverage of the U.S. job loss narrative. The job loss narrative was present but at a low level in 2000–2005 time period as China was entering the WTO (“Rival U.S. Camps Prepare for Battle on China Trade,” 2000); organized labor was a top theme in this period as well. Another uptick was seen in the 2010–2012 period, which coincided with a push by China to increase exports to support its domestic economy. The study revealed a jump in the job loss discourse in the Trump years, with a spike in 254 instances of the job loss narrative reported in 2018. One example was an October 23, 2018 *Los Angeles Times* report that the state lost 562,000 jobs due to trade with China (“562,000 Jobs lost to China,” 2018).

In the search of diplomatic news, the phrase “human rights” was a top phrase for the four major newspapers over the time period studied (*Washington Post*, $n = 955$; *New York Times*, $n = 889$; *Wall Street Journal*, $n = 417$; *Los Angeles Times*, $n = 289$;

Figure 4
China News Coverage Sentiment Per Year



Inside US Trade, $n = 20$; this publication was not in ProQuest until 2010). The term was present in 2000–2001 as labor standards were a significant narrative in the United States as a condition for China’s entry into the global economic order (phrase results in 2000, $n = 59$; 2001, $n = 105$). The phrase gained momentum in 2009 through 2014, during the period of Xi Jinping’s rise to power and China’s growing military assertiveness in the South China Sea (Figure 3).

The phrase “trade war” became dominant in economic news coverage during the Trump administration. The output of articles increased 219% from 2016 to 2017 and another 174% from 2017 to 2018. “Trade war” appeared $n = 1,326$ in the 2018 coverage and $n = 1,206$ in 2019. By contrast, the phrase appeared an average $n = 22$ times per year prior to 2018. The *New York Times* used this phrase $n = 1,330$ times, far more than rival publications the *Washington Post*, $n = 560$; *Los Angeles Times*, $n = 452$; *Wall Street Journal*, $n = 417$; and *Inside U.S. Trade*, $n=96$ for the sample since 2010.

On news sentiment, the news coverage of Chinese investment was critical in 2000–2001, then improved and showed a positive spike in 2011. After this period, it resumed a downward trend in 2012, and a steep fall in 2016 with the advent of the U.S.–China trade war under President Trump. The two corpora are examined separately with the Bing analysis, with the diplomatic news showing a sharp plunge after 2017, whereas the economic sentiment generally declined since 2011 (Figure 4).

Measured by the Bing sentiment dictionary, the *Washington Post* carried the most negative news coverage, followed by the *New York Times* and the *Los Angeles Times*. But when it came to opinion, the *Los Angeles Times* has the most negative coverage, followed by the *New York Times*. *Inside U.S. Trade* does not classify any of its content as editorial or opinion, so it was not rated. The authors then measured the articles based on a custom sentiment dictionary of 169 terms used in trade and economics journalism. This custom sentiment measure showed a stable sentiment until 2008, a decline and then rebound by 2013. After that time, sentiment declined and then plummeted after 2015, a pattern consistent with the Bing dictionary.

RQ2

The authors analyzed the depth and frequency of news coverage by first examining Page 1 of the newspapers to discern general coverage priorities during the 20-year study period. The analysis shows early spikes of Chinese investment coverage in 2000 and 2003, a lull through the second term of the Bush administration and much of the Obama administration, and then a spike during the Trump administration with the onset of the trade war.

The authors filtered the company results to three or more mentions of a company per article to screen out passing mentions of a company in news coverage. The results were stark: CNOOC ($n = 96$), Sinopec ($n = 10$) and Dalian Wanda ($n = 7$) were the only active investors to gain more than five in-depth articles during this 19-year period (Figure 5).

The authors measured the ratio of company news coverage to direct investment to see whether the amount of coverage was consistent with the magnitude of Chinese FDI in the United States. Overall, as the amount of China FDI deals multiplied, the amount of proportional coverage fell. The ratio of articles to direct investment deals tells the story: some 60 articles per deal in 2003, falling to less than 10 articles per deal since 2014.

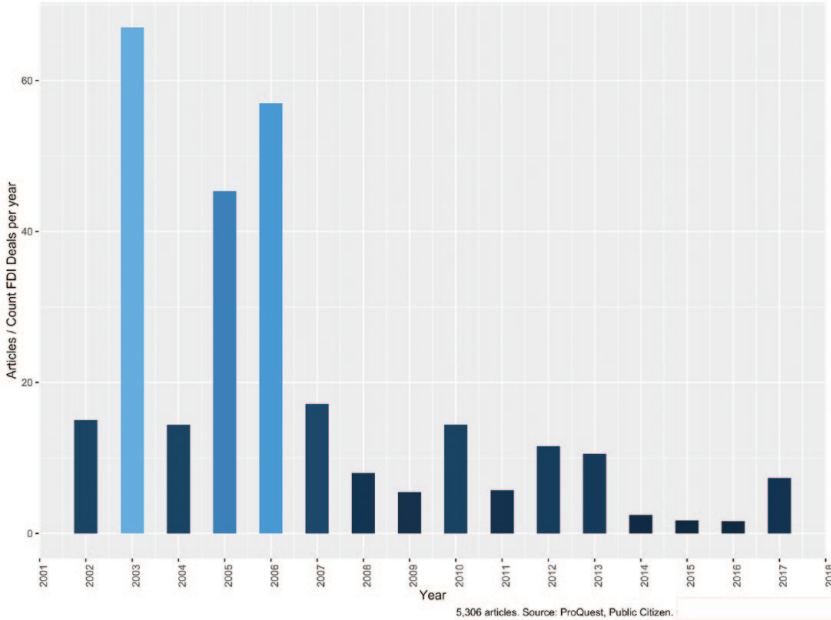
RQ3

The 2005 proposed purchase of Unocal by China National Offshore Oil Corporation, or CNOOC, for US\$18.5 billion led to intense political opposition and became a top issue in Congress and the White House. “American lawmakers raised an outcry about a Chinese company potentially buying U.S. energy assets,” *The Wall Street Journal* reported (Blumenstein, 2005). This episode led to the greatest amount of corporate coverage in the study. Overall, the newspapers studied produced 155 articles mentioning CNOOC, with 96 classified as in-depth articles.

The second high-profile political event involved the formation of a bipartisan coalition of labor and manufacturers that objected to China’s manipulation of its currency to gain a pricing advantage in foreign trade. To measure the frequency of the currency manipulation narrative in the news coverage, the authors captured word pairs that ended in “manipulate” and its variations; 186 results were obtained. The search detected a handful of cases each year involving the currency manipulation narrative until 2010, when the coverage began to accelerate through the 2012 election and with

Figure 5
Ratio of News, Chinese Investment

Losing Interest? News Coverage, China FDI Trends
 Ratio of Articles to Number FDI Deals, 2000-2018



the rise of Xi Jinping. Overall, the news organizations devoted inconsistent attention to this narrative.

Discussion

Leading narratives in U.S. news coverage of Chinese investment involved currency manipulation, job security, human rights and the trade war, all of which generally arose in the early in the 2000s and then surged amid the extraordinary fight between Beijing and Washington from 2016 and afterward. All four of these themes were central to the U.S. political debate and elite discourse over United States and China during this time period, which aligns with how the indexing hypothesis would anticipate news coverage decisions. In some cases, these themes overlapped. For example, the *Los Angeles Times*, in writing about the yuan, noted a rising currency value could cause problems for U.S. workers as it “could destabilize China and harm global economic growth” (Crane, 2004). *The Wall Street Journal* in 2004 observed the manipulation of the yuan “raises fears that China will use its huge investment power politically, to bolster up troublesome states in Latin America, for example” (Melloan, 2004).

Some macroeconomic trends, particularly the U.S.–China trade deficit, aligned with these topics. In 2003, amid a growing trade imbalance with China, the Bush administration was forced to raise the currency manipulation topic and pressured the Chinese to weaken their currency and take other steps to reduce the growing trade imbalance. Later, currency manipulation news coverage rose in 2010 as the U.S.–China trade deficit in goods soared 21% to US\$173 billion from the year earlier and China had put up additional barriers to U.S. and foreign investment (U.S.–China Economic and Security Review Commission, 2010).

The rising Chinese nationalism and geopolitical assertiveness seen under Xi Jinping led to a rise in negative coverage. In August 2015, Xi was seeking to prevent a stall in growth of the Chinese economy and began devaluing the renminbi, or yuan, further inflaming problems with the United States. U.S. manufacturers who complained about damage from Chinese imports as President Obama worked to expand free trade in Asia through the Trans-Pacific Partnership. The new partnership trade agreement faced antiglobalization opposition in Congress. “There has been a confluence of anti-global engagement from both elements of the right and elements of the left that I think [is] a big mistake,” Obama said (Seib, 2015).

The negative news sentiment in the 2000–2005 period was expected. Several factors fed into the negative coverage. China’s growing investment role raised questions about its human rights record, which was a priority for U.S. organized labor. Both manufacturing and labor interests objected to China’s currency manipulation and linked it to U.S. job losses. The growing focus on these issues suggest the news media looked to established institutions, such as corporations or organized labor, to interpret an evolving story, an outcome suggested by the indexing hypothesis. Sentiment stabilized between 2005 and 2010 as the Bush administration engaged with China and some U.S. businesses found new opportunities in that county. The 2011 rise in sentiment came as China was firmly established as a leading world exporter and U.S. businesses increasingly were investing in China and opening new manufacturing facilities. During this time, U.S. public interest in China was quite high. A 2011 Pew Research Center survey found 34% of Americans were very interested in news from China (Kohut, 2011).

The 2011 news coverage, however, contained a clear undercurrent of tensions between the two countries due to China’s growing trade surplus and its refusal to let the global foreign exchange markets set the value of the renminbi. Human rights and diplomatic disputes involving Chinese military activity in the South China Sea islands were prominent themes in the news. Those tensions, and the rise of Xi Jinping’s authoritarian government, led to the decline in sentiment in the following years. Again, the indexing theory provided a useful framework to understand how growing elite discomfort with China could lead to additional news coverage with increased negative news sentiment.

Our examination of how news coverage aligned with Chinese investment flows into the U.S. points to a paradox. Initially, there was heavy news coverage of Chinese investment in the United States. But news coverage then curtailed as Chinese investment truly ramped up after 2010. The initial focus on Chinese investment, while low, was an expected outcome since journalists regard the novel and usual as newsworthy. Chinese investment qualified on both counts in the early 2000s. These major media outlets emphasized the coverage of CNOOC and its bid for Unocal in 2005. The

indexing hypothesis would predict such news coverage since CNOOC was a priority issue in Congress at the time. These news organizations had 96 in-depth articles on CNOOC, or articles with three or more mentions of a particular company. Besides that, just Sinopec ($n = 10$) and Dalian Wanda ($n = 7$) were the subject of five or more in-depth articles during this 19-year period.

A few other high-profile acquisitions earned coverage, such as Lenovo's purchase of the IBM laptop business, WH Group Ltd.'s purchase of pork producer Smithfield Foods Inc., the Haier Group's attempt to purchase the appliance maker Maytag Corp. and Dalian Wanda Group's purchase of Hollywood film studio Legendary Entertainment Group, producer of the modern-day Batman and Godzilla movies (e.g., see Haier Withdraws from Maytag bid, 2005). Yet overall, the news media generally failed to provide in-depth coverage of Chinese companies that were significant investors in the United States even as Chinese FDI rose steadily over the time period. As China ramped up its investment in the United States, these elite news organizations generally offered little coverage.

Between 2010 and 2019, Chinese outward direct investment rose from US\$3.30 billion in 2010 to US\$39.47 billion by 2018 (BEA, 2020). Yet the number of in-depth stories about companies was overwhelmingly concentrated on the CNOOC coverage in 2003. The ratio of news coverage to announced Chinese deals in the United States fell from more than 60 articles per deal in 2003 to less than 10 in 2017. As the initial novelty of Chinese investment wore off, coverage fell despite some significant issues with the companies involved. Several of these companies wound up in financial or managerial trouble later on. Anbang CEO was sentenced in 2018 to 18 years in prison on fraud and embezzlement charges (Lockett, 2018).

To examine this issue, we analyzed the timing and frequency of coverage of the currency manipulation dispute and the fair-trade disputes. Our research suggests the news media generally lagged and did not lead in this coverage, based on historical benchmarks for the currency coverage. This result is consistent with the indexing hypothesis as the corporate elites were crafting a public policy and publicity campaign to pressure China to allow its currency values to float on the open market. Major news organizations were slow to pick up on the currency manipulation story despite a major corporate lobbying effort and the activities of top U.S. legislators (Kaiser & Mufson, 2000).

The pattern was different with the higher profile CNOOC-Unocal deal, which led to a surge of interest and in-depth coverage due to its prominence in congressional and White House debate, an example of the Bennett indexing hypothesis where elites help set news priorities. This amount of coverage was expected as the CNOOC-Unocal deal was a major business and political event. In the aftermath of CNOOC's failed bid, the *New York Times* lamented, "When analysts and economic historians look back, this summer may well prove to be the turning point in Chinese-American relations, the time when America chose short-range paranoia over rational behavior" ("America's Summer of Discontent," 2005). The results, consistent with the indexing hypothesis, suggest the political pressure helped shape the news coverage if the topic had a simple and direct narrative. In CNOOC, that narrative was, bluntly put, a Chinese takeover of an American company. With the currency manipulation, the story is more complex, a chain of causality from foreign government directing currency values to reduced prices for Chinese imports to predatory price competition in the United States to U.S. loss of market share and loss of jobs. Plus, mainstream business journalism

historically has had difficulty consistently staying on complex financial topics even if they do result in significant public impacts (Wells, 2019).

Conclusion

One clear theme in this analysis: these news organizations covered the broad strokes of the U.S.–China trade relationship. But when it came to describing the actual on-the-ground details, these newspapers provided inconsistent and little in-depth coverage about Chinese investment in the United States. As Chinese FDI deals increased in the United States, the amount of proportional coverage fell. In several cases, these U.S. media outlets did not “follow the money,” a basic mantra of business reporting, when covering the most active Chinese corporate investors in the United States during this time period. For example, HNA Group Co. Ltd. was the leading buyer of U.S. companies between 2002 and 2017, with a reported deal value of US\$27.5 billion (Public Citizen’s Global Trade Watch, 2018) to acquire Ingram Micro Inc., assets of Hilton Worldwide Inc. and the aircraft leasing business of CIT Group Inc., a major commercial lender. Yet HNA Group was the subject of just two in-depth articles from these major and sophisticated news organizations.

This suggests these elite news organizations were not covering these companies in depth even though the companies’ activities were newsworthy on several levels. HNA Group faced a significant loss in early 2019 amid the broader crackdown on Chinese investment in the United States (Rappeport, 2019). HNA, Fosun and Wanda all were scrambling in recent years to de-leverage and reduce their debt loads (Naughton, 2019).

This was surprising as the U.S. newspapers we studied have been lauded for producing award-winning business and financial journalism. Yet this study shows a lack of consistent business news coverage in this case of U.S. and China investment. Such gaps in reporting are not new and have been described as a long-standing problem for business journalism (McChesney, 2003; Starkman, 2014; Wells, 2016). U.S. news media outlets have been curtailing detailed business journalism coverage (Pew Center, 2008) and have focused on a handful of top brand name companies, primarily with consumer relevance.

Bennett’s indexing hypothesis provided mixed outcomes as an analytical framework for understanding how political elites help set the news agenda. The indexing hypothesis applied clearly in the case of CNOOC and Unocal, a top agenda item for members of Congress and topic of significant debate. The five news organizations heavily covered the CNOOC/Unocal saga, which would be expected as the story also involved conflict and novelty, key news values.

The Bennett hypothesis helped explain the lack of coverage of other transactions, even ones with a high dollar value. For example, HNA Group Co. Ltd. made US\$27.5 billion in U.S. acquisitions but the newspapers provided just brief four mentions. Bennett supplies a plausible explanation for the discrepancy: the CNOOC deal was declared “open season” by hostile U.S. leaders while the HNA transactions didn’t make the political radar screen, and thereby weren’t deemed newsworthy.

Yet in the case of currency manipulation, application of the Bennett hypothesis was less clear. The news media generally lagged and did not consistently lead with its coverage of currency manipulation or fair-trade disputes even though members of

Congress, U.S. administration officials and a corporate lobbying group, the Coalition for a Sound Dollar, complained about China's manipulation of currency values and the flouting of trade rules. Critics of China's currency policies were vocal shortly after the nation's entry into the WTO, pressuring the George W. Bush administration to label China as a currency manipulator. The inconsistent coverage of currency manipulation can also be explained because it is a complex financial topic and the mainstream news media historically has struggled to maintain consistent coverage of financial matters (Wells, 2019).

This study has several limitations. The sample of U.S. newspapers emphasized well-funded and elite news organizations. Expanding the scope of the survey to encompass more news organizations and broadcast outlets would provide broader basis for comparison. Research of additional news organizations, however, would raise additional complexities in the analysis due to format of the scripts and articles and availability of data during the study period. Regardless, the authors believe this study provides useful insight into the nature of U.S. news coverage of cross-border investment.

Appendix

Search Terms

A total of 7,180 articles were downloaded for the four searches.

Search terms for economic filter. ((pubid(PROQUEST PUBLICATION IDENTIFIER HERE) AND (su(China) AND (su(United States))) AND (su(international trade) OR su(trade relations)) AND (ft(tariffs) OR OR ft(investments) OR ft(trade policy) OR ft(manufacturing) OR ft(trade agreements) OR ft(economic growth) OR ft(exports) OR ft(foreign investment) OR ft(american dollar) OR ft(currency revaluation) OR ft(globalization) OR ft(renminbi) OR ft(intellectual property) OR ft(free trade) OR ft(foreign exchange rates) OR ft(trade deficit) OR ft(State-owned enterprises) OR ft(Outsource) OR ft(Market access) OR ft(trade barrier))) AND pd(20000101-20190131)

Search terms for broad filter. ((pubid(PROQUEST PUBLICATION IDENTIFIER HERE) AND (su(China) AND su(United States))) AND (su(diplomacy) OR su(international relations)) AND (ft(tension) OR ft(dispute) OR ft(conflict) OR ft(confrontation) OR ft(standoff) OR ft(hostilities) OR ft(strained relations) OR ft(disagreement) OR ft(clash) OR ft(discord) OR ft(quarrel) OR ft(argument) OR ft(difference of opinion) OR ft(controversy) OR ft(blowup) OR ft(spat))) AND pd(20000101-20190131)

Search terms for specific companies. (pubid(10482) OR pubid(796330) OR pubid(46999) OR pubid(11561) OR pubid(10327)) AND (su(China) AND (su(United States)) AND (su(international trade)) AND . . . list of the 22 companies.

Index of negative search terms. “aggression,” “blatant violation of WTO rules,” “Containment,” “deal failed,” “dominance in East Asia,” “economic aggression,” “economic war,” “espionage targets,” “forced out,” “illegal subsidy,” “infiltrate,” “intellectual property theft,” “invade,” “lay off U.S. workers,” “military expansion,” “national security threat,” “powerful authoritarian leader,” “predatory trade practices,” “punitive trade practices,” “repressive tactics,” “security threats,” “slapped tariffs,” “spying,” “steal U.S. jobs,” “strategic competition,” “take over,” “technology theft,” “technology transfer,” “territorial expansion,” “unfair Chinese trade practices”

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ORCID iD

Rob Wells  <https://orcid.org/0000-0002-6061-558X>

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