



UNITED NATIONS  
UNIVERSITY

**UNU-CPR**

United Nations University  
Centre for Policy Research  
November 2015



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# China's New Silk Road to Development Cooperation: Opportunities and Challenges

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## Introduction

In recent years, there has been intense debate about the nature of the contribution made by Chinese development cooperation, especially in Africa and Asia. The question of what role the Chinese state and Chinese 'state capitalism' play in Africa's development in particular has fascinated the world. China's increasing role as a provider of development assistance, and the broader impact of its economic engagement overseas, is the subject of considerable interest and debate both within and outside of China. The literature ranges from studies on China's aid approaches and country or regional case studies, to research specifically focusing on aid data or single projects or sectors. These perspectives are often polarized. But while many argue that China's primary interest is in accessing raw materials and exporting its labor and goods,<sup>1</sup> the reality is of course more nuanced.<sup>2</sup> As 'traditional' Western donors are engaging China in development cooperation in efforts to form new joint-venture programs and facilitate mutual learning and understanding, China is also pursuing a grander international role for itself through new multilateral platforms, including the BRICS New Development Bank, the Asian Infrastructure Investment Bank, and the much-touted One Belt One Road initiative closer to home.

In an era where the 'traditional' aid discourses and the practices of 'emerging powers' in development cooperation are simultaneously reacting and evolving, communication and collaboration between Chinese and international policy researchers and practitioners has been limited. This has led to a knowledge gap and a deficit of understanding among different stakeholders. Given China's growing prominence as a source of development finance and as an institutional player, and the potential that it offers for poverty reduction and growth in low-income countries, there is a need for greater mutual understanding and engagement with this rising power.

In this context, the paper will explore the above issues in order to understand and interpret the Chinese discourse surrounding development cooperation. It discusses the differences between Chinese and Western approaches to aid, including whether the two are converging or diverging, and outlines the primary institutions and policies that guide China's activities in development cooperation. The chapter also discusses the new and emerging developments in China's development cooperation framework. Finally,

it discusses how best to engage with China in international development cooperation.

## China's aid architecture

In response to growing concerns in the international community relating to China's foreign aid programs, in April 2011, the Chinese government published its first 'White Paper on Foreign Aid'.<sup>3</sup> In analyzing the White Paper, one can see that the discourse and ideology through which China frames its foreign aid is distinctive from that of Western aid approaches, especially on an ideological level.<sup>4</sup> A second white paper on foreign aid, released in July 2014, reiterated the fundamental Chinese principles that underpinned the first document, and offered substantive statistics on aid flows in order to address international calls for greater transparency.

The institutional context of China's development cooperation is complex. China's foreign aid policy and implementation are primarily governed by four entities, namely, the State Council, and three ministries: the Ministry of Finance (MOF); the Ministry of Commerce (MOFCOM); and the Ministry of Foreign Affairs (MOFA). Theoretically, the State Council oversees all of China's aid programmes, while MOFCOM leads and coordinates China's foreign policy. This includes reviewing requests that come from MOFA that require approval, conducting feasibility studies for aid projects, choosing aid implementers and conducting project reviews. Under MOFCOM also exist two sub-divisions: the Department of Aid to Foreign Countries (DAFC) and the Executive Bureau of International Economic Cooperation (EBIEC).<sup>5</sup> As a result of this complex architecture, Chinese researchers and journalists point to an internal coordination challenge that interferes with China's ability to do effective development, a problem that has been widely noted in the scholarly literature around China's fragmented political system.<sup>6</sup> Beyond the three major ministries, there are also a multitude of actors involved in foreign aid and development projects, including ministries of health and education; local and provincial governments; and Chinese country embassies and economic counsellors' offices, who support large Chinese firms operating overseas. China's two major policy banks, China Exim Bank and the China Development Bank also play instrumental roles, particularly the former in the provision of concessional and interest-free loans. Many other actors, such as educational institutions, NGOs, hospitals and State-Owned Enterprises (SOEs) are also involved in the implementation

of development cooperation projects, such as technical training programmes, educational exchanges, and infrastructure construction and management. It is important to emphasize that each of these actors have their own bureaucratic and economic interests, and vary in their degree of control from the central government. Indeed, the sheer number of Chinese firms, investors and entrepreneurs – both state-owned and private – operating overseas present significant coordination challenges for the government in its capacity for monitoring and oversight, sometimes creating challenges for China's public image in developing countries.

China's business sector has seen an increased role in its aid and development activities in the last decade, coinciding with the 'going global' strategy set out by the government in the early 2000s, which aimed to promote the international expansion of leading Chinese firms. This has become intertwined with many of China's development cooperation projects, most visibly in infrastructure and construction, and involves an extensive number and variety of overseas investment and expansion-promoting incentives. These include lower-cost loans, engineering contracts, diplomatic support, export tax exemptions, help with risk assessments, easier emigration approvals, insurance, and interest rate rebates.<sup>7</sup>

The differences between the Chinese and Western aid approaches mainly stem from China's own national development, including its experiences as a recipient of foreign aid. China's views on aid are also intricately tied to its recent history and its position in the international arena, and arguably those who view China from the outside might fail to see the complexities that are formed by China's own historical experience. Whereas the Western model is ideological as well as economic (such as the emphasis of donors on human rights, social welfare, and democracy), the Chinese emphasize 'a wider remit of economic relations'. This however, does not mean that aid is always economically motivated without political objectives.<sup>8</sup>

While China has begun to use the term 'international development cooperation' in response to the Western development discourse, the mainstream opinion that Chinese aid is primarily political continues to dominate. It is the Ministry of Foreign Affairs rather than MOFCOM that deals with China's strategic plan and foreign policies, an arrangement that creates tensions between the two ministries due to overlaps and conflicts in their

jurisdictions. The recently established Department of International Economic Affairs, under MOFA, further blurs the current overlaps between the two ministries in terms of responsibility for international aid. This domestic institutional dilemma remains.

### **Ideology and practice in China's aid and development**

As previously noted, China's approach to aid significantly differs from that of Western donors, and continues to evolve. An awareness of these differences in ideologies vis-à-vis Western approaches remains key to future successful development cooperation. As the 'White Paper on China's Foreign Aid' shows,<sup>9</sup> China's principles on foreign aid include five aspects:

1. Help recipient countries build their self-development
2. Impose no political conditions
3. Adhere to principles of equality, mutual benefit and common development
4. Strive for the best whilst remaining realistic
5. Keep pace with the times, pay attention to reform and innovation.

Among these principles, the first three are the key components that affect China's relationship with its recipients while the latter two concern China's self-regulation of its own policies. The second white paper (2014) on China's foreign aid begins by re-emphasizing these five aspects and adds one further principle, of 'keeping promises'—an indication of China's expressed commitment to its overseas development projects.<sup>10</sup> When we examine China's current aid policy in conjunction with the 'Eight Principles for Economic Aid and Technical Assistance to Other Countries', laid out by China's former premier Zhou Enlai in 1964,<sup>11</sup> there is a clear coherence and consistency in China's aid policy in the intervening decades.

China emphasizes that aid should be used to help recipient countries build up their self-development capacity, and that aid should not be used to impose political conditions on recipient countries nor intervene in their internal affairs. This is a marked divergence from the historical practice of Western aid institutions, notably under the dominant Washington Consensus, and the conditionality that marks loans from Western multilateral organizations. As the foundation of its foreign policy, China's Five Principles of Peaceful Coexistence crucially upholds the principles of mutual respect of sovereignty.<sup>12</sup> As part of China's foreign policy, foreign aid must also follow

this principle. To respect recipient countries' sovereignty implies a non-interventionist principle, which means that China does not impose political conditions on aid and has no intention of dictating the recipient countries' development path.

In practice, this means that zero-interest and concessional loans are usually given on a request-based system to fund a specific project in the host country.<sup>13</sup> China also offers interest-free loans through economic and technical cooperation agreements, which are allocated through agreement with the host government. This stands in contrast to Western aid agencies, which normally stipulate how and to which sectors aid money is distributed.

There is arguably an underlying paternalism to the practice of Western development agencies, and an assumption that these agencies understand what development is and how best to achieve it; thus when aid is provided, conditions are automatically put on their assistance. Consequently, developing countries lose their independence and autonomous capacity to choose their development course, which becomes overwhelmingly determined by the development path pushed by Western agencies. After the end of the Cold War, 'good governance' was championed by Western countries and development agencies as a necessary precondition for development, and this was equated with democratic institutions. As such, democratic reform became a Western precondition for many developing countries in return for aid.<sup>14</sup> China's presence, alongside the other rising powers, as an alternative source of development finance has been a boon for low-income countries, whose bargaining power vis-à-vis the traditional donors has increased with the availability of choice.

There is a different understanding in Chinese discourse regarding the role of aid and economic development. In English language discourse and research scholarship, the discussion of aid and development are intertwined, as the study of development grew from the growing institutionalization of aid in government policies. In much of the discourse, there is a latent premise that low-income countries need aid to develop.<sup>15</sup> However, in the Chinese context and discourse, discussion of development is rarely approached from the perspective of aid. Instead, it reflects China's belief in self-reliant development. China does not take a negative view toward aid and does believe that developing countries may benefit

from it; however, the precondition of accepting aid should be that the developing country's sovereignty and 'self-reliant development' be respected.

### **The state of the debate on development cooperation in China**

China has diverse perspectives on development cooperation, but they come together in agreeing that aid is a part of foreign policy, and thus inseparable from the geopolitics of China's regional and global circumstances. Historical legacies of semi-colonialism, aid, and the effects of top-down programmes such as Structural Adjustment Plans, all influence China's perception of international development relations. This is further complicated by the dichotomy between DAC and non-DAC donors, and the power that aid relations have tended to give to donors vis-à-vis recipients. In contrast, the attractiveness of China as a potential donor is attributed to the perception that it is a partner in a more horizontal relationship where financial flows may be tied to commercial or diplomatic interests but not to political conditionalities. The benefit is mutual, if not necessarily equal. Thus, understanding China as a development actor means understanding not only the logic of geopolitical and global economic interests but also history. The Chinese people's perceptions of China's power position in the international arena are also important domestic drivers; these are always in continuous flux and should not be seen as fixed policy positions.<sup>16</sup>

China's development cooperation policies have a broad range of drivers and should not be taken a priori as representing only one set of interests. China stresses the importance of demand-driven cooperation. The exact nature of the demand (particularly whose demand it actually represents) may be hard to establish given the frequent mixing of finance with knowledge flows. But there seems to be significant interest from Low Income Countries (LICs) keen to engage in development cooperation with China, whose own development successes are important 'pull factors', making it a credible model and partner in development cooperation.

Equally, demand for collaboration also comes from established donors, who are interested in applying lessons from China's experience to their own development cooperation programmes through triangular or trilateral development collaborative frameworks. This trend was originally

hailed as one of the ways forward for more horizontal relations between DAC and non-DAC countries; such an approach would also help blur the lines between recipient and donor, in order to focus on development outcomes rather than the politics of aid. However, as we discuss below, this engagement must take place in a context that acknowledges the distinct values in China's aid and foreign policy, and recognizes a role for mutual learning—and thus mutual respect—in development cooperation frameworks.

### **China's place in the international development community**

China is not the only rising power to play a significant role in international development cooperation. Other large countries such as India, Brazil, Mexico, Indonesia and Turkey have established a significant presence in this field. The BRICS and other emerging economies are a prominent part of the contemporary landscape of international development, and a deeper understanding of their role and significance is necessary. Beyond the BRICS membership, the dynamics of South-South dialogue and cooperation have been supporting bilateral and multilateral initiatives involving next wave 'emerging economies' such as Indonesia, Mexico and Turkey. Turkey, for example, has had a development partnership dialogue with Africa reaching back to 1998 and held the Second Turkey-Africa Partnership Summit in November 2014 in Malabo, Equatorial Guinea.<sup>17</sup> With that said, it is quite clear that the BRICS countries have particular characteristics that differentiate them in the international development domain. Developing from a process of dialogue begun in 2006, the organization and its members is distinguishable in a number of ways.

### **Commonalities and differences**

In terms of commonalities with the other BRICS, China shares the traits of having a large territory, large populations and impressive rates of GDP growth. The BRICS have a common acceptance of the idea that the state has a legitimate and important role to play in both domestic and international development; China in particular is an embodiment of the East Asian developmental state model that was previously so successful in countries like Japan and South Korea. Like the other BRICS, perhaps with the exception of the Russian Federation (which still faces substantial challenges of poverty, inequality, health and deprivation), China still classes itself as a developing country,

despite its economic successes. As with the other BRICS, China brings its own history of conflict, poverty and inequality, yet presents an example of successful reform, recovery and eventual growth and political stability. It holds both regional and global importance and influence, and it has started to establish itself as a new source of international development assistance and cooperation. Finally, China is also committed to a collective process of increased BRICS institutionalization.

There is a growing convergence around the new financial institutions and the broadening range of BRICS non-economic areas of dialogue and consultation, as well as an emerging approach to development cooperation. Within the BRICS countries there is a common belief in the importance of South-South Cooperation. There are two aspects to this cooperation. Firstly, it is seen by the BRICS members to be supplemental to North-South relations, facilitating triangular development cooperation strategies and projects. Secondly, although supplementary, South-South Cooperation is regarded as vitally-important in its own right, providing an important framework and trajectory for developing countries, emerging economies and BRICS. South-South cooperation emphasizes development partnerships and the BRICS grouping stresses that BRICS are 'partners', not 'donors'. Principles of South-South Cooperation, such as the emphasis on a multi-stakeholder approach that includes government and non-governmental actors,<sup>18</sup> have been very important in framing how some of the BRICS (particularly India and Brazil) define themselves as development cooperation providers.

In terms of differences, clearly, the BRICS members bring to the grouping very different geographies, histories, cultures and values as well as different political systems and cultures, economic and social systems. One major difference in political terms, quite evidently, centers on 'political democracy' and the way that the term is understood and practiced in the respective BRICS member states. Whilst India is widely recognized as the world's largest political democracy grounded in pluralistic, multi-party representative governmental system, Brazil, Russia and South Africa have labored hard to establish stable equivalent systems in recent decades, with Brazil and South Africa both stressing the importance of democratization in their development pathways at home and internationally. China, on the other hand, interprets democracy quite distinctly, retaining the paramount and 'vanguard' role of the Community Party as

central to the political and social system, both constitutionally and in practice, whilst promoting a market economy. This diversity gives rise to very different approaches to the role and purpose of civil society and non-governmental organizations, issues of transparency and accountability, civil and human rights, as well as freedoms of expression and role of the press and media. Such domestic issues overflow into analyses of international development practices, ranging from human rights to corporate social responsibility and the promotion of good governance.

History too plays an interesting and important contemporary role. For example, Brazil's initial steps in building development cooperation with Sub-Saharan African states reflected a shared experience of Portuguese colonialism and the linguistic and cultural legacies that have remained within the Lusophone countries. Brazil's approach has also drawn upon the historical roots with Africa originating in the European colonial slave trade there, offering Brazil an important theme of shared history and familial roots through which to foster and legitimize its development role in Africa within the South-South Cooperation and dialogue framework. The notion of 'shared experience' is also a strand evident in China's African development relations. China's own experience of Portuguese colonialism, on the island of Macao, provided China with a legitimate basis to establish a "Macao Hub", through which to promote, support and consolidate its relations with Lusophone countries in Africa and Latin America.

The pace of development assistance provision also varies, reflecting various factors such as the annual rates of growth, changes in government, policy and budget priorities. Here, the slowdown in economic growth in Brazil in recent years, domestic agenda priorities and a perceived stronger commercial character to its development cooperation seem to suggest a drawing-back in its assistance, whilst other countries such as India and China appear to be committed to increasing their assistance provision, despite a slowing of their own growth rates.

On the potential for Chinese cooperation with traditional development agencies including the UN, there are some key issues that should be taken into account:

### **Understanding the linkages between China's development policy and its internal affairs**

China currently is in the process of deepening reforms and taking steps to strengthen its power regionally and globally, as seen in the 2014 establishment of the Asian Infrastructure Investment Bank (AIIB) and the "One Road One Belt" initiative.<sup>19</sup> The former, as of June 2015, has produced its Articles of Agreement, signed by all 50 founding members. Its stated mission, to support infrastructure development for the Asia-Pacific and address the region's mounting infrastructure needs, has been generally positively received by the Western multilaterals such as the World Bank, and ADB, and boasts a number of key European states within its founding members. The "One Road One Belt" initiative has a greater focus on China's near-abroad and Eurasian neighbors through the Silk Road Economic Belt, as well as a New Silk Road Infrastructure fund, all with the aim of promoting greater economic integration and regional growth. Such actions have caught the attention of Western analysts, but they are usually approached from a geopolitical standpoint (often emphasizing China as a rival), rather than considered from China's domestic situation through the lenses of foreign policy and development aid. There is a need for a more dynamic and relational approach that would allow China's external policies and activities to be analyzed in relation to its internal affairs and domestic political economy. The linkages between China's internal development and its external activities need to be more thoroughly investigated, which would require the 'insider' views of Chinese academics, scholars, practitioners and policymakers. Obtaining these views will require establishing a platform of trust, where crucially, the Chinese side should be held equal to Western academics in knowledge creation.

### **Understanding China's interest, influence and potential in development-related knowledge creation**

As is evident from the previous sections, there has been a gradual paradigm shift in terms of aid. This shift reflects how Western societies have historically evolved their thinking around aid. The latest reframing of the 'developmental state', the new focus on 'traditional' aid in fragile and conflict-affected states, and the investment of knowledge creation and provision in the rest

of the developing countries are all elements of the West reconceptualizing itself, part of an evolutionary strategy to maintain legitimacy and relevance.<sup>20</sup> China has become aware of this shift, which is reflected in the current Chinese emphasis on learning and knowledge-sharing, and also in its role as an intermediary in conflicts such as in Sudan.<sup>21</sup> There is also a proliferation of Chinese academic interest in international development. Such parallels may create space for cooperation between the North and China, but also competition in the global market for 'aid as knowledge.' Policy researchers will therefore need to focus on how China understands the importance of locally produced knowledge, in relation to its future role as a provider of technical learning in developing countries.

A fascinating question – particularly in relation to the post-2015 debate on technology transfer – is whether and how China's varied provision of aid could expand into providing techno-scientific contributions beyond the infrastructure-focused engineering know-how that has now become a traditional feature of Chinese cooperation. This then begs the question of what influence Chinese epistemic communities have in contributing new knowledge for development and whether Chinese academia could define new conceptualizations of development aid based on China's experience. Exploring this potential certainly opens a possible way forward in the new phase of the UN, which is discussed in the next section.

### **China and the Post-2015 Global Development Agenda**

A perception that western-led processes lack of legitimacy is one reason for the difference in China's engagement with the Paris Declaration and the Global Partnership for Effective Development Cooperation (GPEDC) in relation to the Millennium Development Goals (MDGs), RIO+20, the UN Framework Convention on Climate Change (UNFCCC) and the Sustainable Development Goals (SDGs). Simultaneous global negotiations on climate, development and financing for development (FFD) make the Post-2015 process a complex one, further complicated by geopolitical tensions and economic challenges. As two Chinese academics wrote in a recent note on the potential for Chinese engagement with the GPEDC, "the governance of international development cooperation is a crucial part of the global governance structure... [in which] China has much fewer fundamental

disagreements with other countries."<sup>22</sup> Countries like China are making rapid and real progress on incorporating the different Post-2015 processes (SDGs, climate policy, FFD) into their national frameworks, and the establishment of the AIIB to be "leaner, cleaner, greener" clearly shows the effort to incorporate sustainability goals into the bank's foundations. Productive dialogue can therefore be achieved through a more nuanced understanding of China's positions, which takes into consideration its historical political positions and current domestic contexts, whilst recognizing practical action on development issues at the country-level. The global commitment towards a universal development framework is in and of itself a revolutionary concept in the context of development. Universal SDGs pave the way for a different *modus operandi*, which could offer a significant opportunity for the UN to promote a more productive process of engagement with China.

### **Engaging with China in International Development**

Thus far the development industry – including the UN – has not made much progress towards establishing effective platforms and processes for genuine mutual learning, despite all the attention and resources that have been devoted to knowledge sharing initiatives. The UN cannot overcome this deficit single-handedly, but with skillful positioning it can achieve a new legitimacy as a convener and enabler of mutual learning processes.

In an era when development knowledge is increasingly recognized as an essential complement to development finance, knowledge exchange and mutual learning offer a way forward for countries that may otherwise have reached an impasse in cooperation, and it is here that the UN can make a difference. This is especially relevant given the universal framing of the SDGs, which will necessarily require a stronger connection between development cooperation and domestic policy learning. This gives an opportunity to signal a new beginning in the dialogue between the UN and China. A genuine commitment to mutual learning in development cooperation would show that developed countries are acquiring greater humility, while a commitment to mutual learning on applying policy lessons to their own domestic contexts would show that they are taking the SDG principle of universality seriously. This would also have genuine benefits; as the effects of austerity

policies are felt in the developed world, there is much that can be learnt from policy innovations that China has developed in its own relatively resource-scarce contexts.

As the distribution of global power becomes more fractured, international policy negotiations in coming years are likely to become increasingly messy. This will require established donors to develop greater flexibility and adaptability. Currently, policy-makers from the rising powers seem more comfortable with this uncertain context than their developed country counterparts. One area where the UN will need to show adaptability is in engagement with the new institutions created by rising powers acting together. The large number of European donors, including the UK and Germany, signing up for the China-led Asian Infrastructure Investment Bank suggests that this learning process is already underway. When the AIIB becomes operational, it will potentially offer further opportunities for practical exchange and joint technical learning, especially on infrastructure finance for developing countries.

The UN will need to act not as a coordinator or framework-developer but rather as a broker and supporter of bilateral, trilateral or multilateral engagements to build trust and support mutual learning. China offers specific opportunities and challenges for engagement. In general, though, a strategy focused on knowledge sharing – and in particular on supporting technical exchange among development policymakers and practitioners, and academic exchange among development policy analysts and theorists – offers the greatest potential for progress. As an example, we review some of the features that should form part of such an approach in the case of China.

### Knowledge sharing as a way forward

China is changing the landscape of international development and the new global development architecture. It is therefore imperative to understand the logic of Chinese policy, both because of China's bilateral activities and its multilateral roles. China's role in the New Development Bank (NDB) and the AIIB shows that it – like other BRICS countries – is increasingly influential outside its immediate geographic region. In the wave of economic globalisation, and the growth of its economies, China began to participate more in international affairs. In September 2015, Chinese President Xi Jinping announced that the Development Research Centre of the State Council in China

will establish an International Development Knowledge Centre. He also announced that China will establish an assistance fund for South-South cooperation, with an initial pledge of \$2 billion in support of developing countries' implantation of the post-2015 development agenda.<sup>23</sup>

China is becoming more powerful and assertive in its pathways to development cooperation, yet it does not explicitly want or aim to circumvent cooperation with the North; in fact, the opposite might hold true. What should be recognized is that within China, policymakers are themselves constantly appraising what the role of this increasingly empowered country in the international scene should be. While this might complicate existing relationships, it also represents an opportunity for engagement, since it suggests that China is open to exploring different options for its future development cooperation strategies. As recognized by Li Xiaoyun, Chairman of the China International Development Research Network, "Chinese development cooperation now faces new challenges... [A]s China moves from its previous, marginal status to being one of the central powers in the global system, it needs to have more multilateral perspectives for its development cooperation program, rather than sticking to bilateral channels... China needs to incorporate the provision of global public goods into its development cooperation programme, rather than primarily focusing on its own economic interests."<sup>24</sup> However, in order to take advantage of this opportunity, DAC donor countries and the UN itself need to think about the relevance of what they can offer from a Chinese perspective. This includes asking how this offer could contribute to China's new international development thinking and its critical path, whose current roadmap centers on the Silk Road Fund and 'One Belt One Road' initiative. On the part of the AIIB, the joining of European countries as part of the founding members is a positive development that reinforces not only the legitimacy and inclusivity of the new Chinese-led institution, but offers a seat at the table for these DAC member countries to cooperate with and strengthen China's multilateral engagements.

As far as China is concerned, the DAC appears to be doing business as usual, even if the discourse has shifted from aid effectiveness to effective development cooperation.<sup>25</sup> There is clearly a need for improved communication about current DAC thinking and the new approaches that DAC members, rising powers and the least developed



countries (LDCs) together are developing through the UN. However, this communication must be designed with greater awareness than has been shown to date of the priorities, perspectives and sensitivities of rising power countries such as China, or it risks triggering renewed concerns about attempts to push China and other BRICS countries in a particular direction.

In addition, there potential that a willingness to engage in genuine mutual learning with China may be compromised by the prevalence of a 'China threat' narrative among policymakers in many UN member countries. This means that openness to learning from Chinese-led development at home and abroad is compromised by disapproval of the Chinese Communist Party's stance on political freedom and human rights. It is imperative that the UN develops a strong alternative narrative on the value of mutual learning on development challenges even where clear political differences remain (potentially, a narrative that acknowledges the SSC principle of non-interference) if it is to engage meaningfully with China and other BRICS countries.

Despite these challenges, there are several potential entry points for an engagement strategy focused on knowledge-sharing in relation to development cooperation. One such potential entry point is to engage with the standards that China currently uses to evaluate its development interventions abroad. As discussed, it is highly unlikely that China will adopt the conventional standards used in the North to monitor and evaluate its development impact. This would suggest that perhaps a more effective approach would be for Western and Chinese academics and practitioners to work together to identify the necessary criteria and specific mechanisms to be put in place to ensure more transparency, efficacy and effectiveness in this changing environment of aid provision.

A priority for the present and the future would then be to engage with Chinese policymakers

and academics to develop these new standards, specific and relevant to Chinese foreign policy priorities, beliefs and values, but also to apply them to Western donors. This would be an opportunity for Western donors to acknowledge that their knowledge is neither absolute nor comprehensive: the best way to secure cooperation with China, is to learn with China.

The mutual understanding and trust developed through this type of initiative could in turn help to convince China of the value of triangular cooperation with bilateral and multilateral agencies. At the moment, China is very careful about any form of triangular cooperation, and will normally undertake it only if recipient countries are clearly playing a leading role in the proposals it receives. The UN could help its DAC member countries to engage with China by brokering contacts with third countries, especially those within China's near-abroad and its SSC sphere of influence. In particular this could include the Central Asian republics, given the focus of the new Chinese development roadmap on the 'New Silk Road'.

China's own development experiences, particularly those of the initial reform era (1978-1985), have resulted in China committing to a practical approach towards development.<sup>26</sup> The very nature of Chinese development policy is that it is predominantly responsive to demands from state authorities within the developing world. In its engagement for the purpose of development, China has mostly taken a bilateral (state-to-state) demand-driven approach. China provides projects and services as they are demanded by individual governments, with Chinese embassies in recipient countries playing a central role, as they hold regular consultations with national agencies for needs assessment. Development cooperation with China is definitely not simply a bilateral issue, and effective dialogues should be based on concrete issues rather than seeking a common framework or convergence of different approaches.

## Endnotes

- <sup>1</sup> For example, Howard French in *China's Second Continent* (2014) puts forward the view that China is pursuing a 'grand strategy' in Africa aimed at securing its resources for China's own domestic economic objectives.
- <sup>2</sup> See for example Manji F. and S. Marks (eds.) (2007) *African Perspectives of China in Africa* (Fahamu: Oxford).
- <sup>3</sup> State Council Information Office (2011) 'China's Foreign Aid', *China News*, available at [www.chinanews.com/gn/2011/04-21/2989430.shtml](http://www.chinanews.com/gn/2011/04-21/2989430.shtml) (accessed 7 October 2014).
- <sup>4</sup> See Gu, J., Y. Chen and Y. Zhang (2014) 'Understanding China's Approaches to International Development', IDS Policy Briefing 75 (IDS: Brighton).
- <sup>5</sup> Xue Lan (2014) 'China's Aid Architecture', from *China and International Development: Challenges and Opportunities*, IDS Bulletin, Vol. 45, No. 8. 2014.
- <sup>6</sup> See, for example, Kenneth Lieberthal, noted China scholar, who coined the term "fragmented authoritarianism" model in analyzing China's complex political structures.
- <sup>7</sup> Wolf, C.; Wang, X. and Warner, E. (2013) *China's Foreign Aid and Government-sponsored Investment Activities: Scale, Content, Destinations, and Implications*, (RAND Corporation: Santa Monica).
- <sup>8</sup> Historically, establishment of development cooperation relationships in the African continent has been concomitant with recognition of the PRC and the establishment of diplomatic ties with Beijing, over that of Taipei in Taiwan, and has come with tangible infrastructural and economic benefits, sometimes wryly termed "stadium diplomacy".
- <sup>9</sup> State Council Information Office (2011) 'China's Foreign Aid', *China News*, available at [www.chinanews.com/gn/2011/04-21/2989430.shtml](http://www.chinanews.com/gn/2011/04-21/2989430.shtml) (accessed 7 October 2014)
- <sup>10</sup> State Council Information Office (2014) 'China's Foreign Aid', July, *Xinhuanet*, available at [http://news.xinhuanet.com/english/china/2014-07/10/c\\_133474011.htm](http://news.xinhuanet.com/english/china/2014-07/10/c_133474011.htm) (accessed 27 December 2014).
- <sup>11</sup> See China Daily (2010) 'Zhou Enlai announces eight Principles of foreign aid', available at [http://www.chinadaily.com.cn/china/2010-08/13/content\\_11149131.htm](http://www.chinadaily.com.cn/china/2010-08/13/content_11149131.htm) (accessed 6 August 2015)
- <sup>12</sup> IDS (2014) 'Understanding China's Approaches to International Development', Issue 75 (Oct.).
- <sup>13</sup> Deborah Brautigam, in *The Dragon's Gift* (2009) gives an example of Sierra Leone, which contrasts Chinese and Western financing. While Chinese financing did not stipulate how funds should be spent (and went towards building a stadium), promises from Western donors such as German or British are conditional on specific sectors (electrification; human security).
- <sup>14</sup> Lancaster, C. (2007) *Foreign Aid: Diplomacy, Development, Domestic Politics: Diplomacy, Development, Domestic Policies* (The University of Chicago Press: Chicago).
- <sup>15</sup> Economists such as Jeffrey Sachs, in *The End of Poverty* (2005), Penguin Books have been particularly strong in vocalizing these arguments.
- <sup>16</sup> Woods, N. (2008) 'Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance', *International Affairs* 84.6, pp. 1205–21.
- <sup>17</sup> See <http://afrika.mfa.gov.tr>, accessed on 5<sup>th</sup> September 2015.
- <sup>18</sup> United Nations (2010) *Nairobi Outcome Document of the United Nations High-level Conference on South-South Cooperation*, A/RES/64222.
- <sup>19</sup> According to Chinese officials, China's objective is to establish a new land-based Silk Road that would go through Central Asia to northern Iran and through Iraq, Syria and Turkey, connecting Asia with Europe. China explains this expansion as an attempt to further unite the nations of Asia and to establish closer economic ties. See Bhattarai, K. (2014) 'China's Maritime Silk Road in a Pacific Age', *Eurasia Review*, 4 December 2014.
- <sup>20</sup> A problem observed by Marcelo Giugale in his book *Economic Development: What Everyone Needs To Know* (2013)
- <sup>21</sup> Deborah A. Bräutigam and Tang Xiaoyang (2009) 'China's Engagement in African Agriculture: "Down to the Countryside"', *The China Quarterly*, 199, pp. 686-706. The authors discuss China's engagement in African agriculture, noting the channels for technology transfer through the number of agricultural demonstration centers that have been established through public-private partnership.
- <sup>22</sup> Li, X. and Y. Wang (2014) 'On China's Participation in the "Global Partnership for Effective Development Cooperation"', Policy Recommendations 1 (Research Centre of International Development: Beijing) p. 2.
- <sup>23</sup> See 'President Highlights boosts to global peace, development', available at <http://chinadaily.com.cn/world/xivisit/2015-09/28>
- <sup>24</sup> Author's interview, May 2015.
- <sup>25</sup> Li, Xiaoyun et al. (2013) *Guojì fazhan yuanzhu: Fei fada guojia de duiwai yuanzh [International Development Assistance: Non-developed Countries in Foreign Aid]* (Social Sciences Academic Press: Beijing).
- <sup>26</sup> Zhang, Y., Z. Gu and Y. Chen (2015) 'China's Engagement in International Development Cooperation: The State of the Debate'. IDS. Evidence Report 116.