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CHINA AND INTERNATIONAL DEVELOPMENT: KNOWLEDGE, GOVERNANCE, AND PRACTICE

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Mutual Learning in Development Cooperation: China and the West^{*†}

Jiantuo Yu¹ and Evan Due²

Abstract This article looks at some of the characteristics of China's foreign aid system and its development over the years. It discusses China's foreign aid based on its own development experiences and its view of South–South development cooperation. Both the modalities and narratives of China's international development cooperation need to be considered in order to better understand the complexities, strengths, and weaknesses of its aid system. As China's international aid continues to grow and become more prominent, particularly in the context of the Belt and Road Initiative, the article calls for a deeper understanding of China's aid institutions and the need for greater cooperation and capacity building.

Keywords South–South cooperation, China's foreign aid; Belt and Road Initiative, international development cooperation.

1 Introduction

China's foreign aid practices have attracted much global attention over the past decade. But China's foreign aid is not a recent phenomenon, as implied by the term 'emerging donor'. As widely cited, China has been extending international assistance as far back as the 1950s. However, only recently have the magnitude and character (both institutional and policy make-up) of China's foreign aid and international development cooperation dramatically changed.

The presence of foreign aid from China alongside the Western aid system led by the international financial institutions and the club of bilateral donors represented in the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has become a topic of much discussion outside of China (Woods 2008; Brautigam 2011; Gu *et al.* 2014; Dreher and Fuchs 2016; Nowak 2015; Brazys and Vadlamannati 2018; Regilme and Hartmann 2018). Indeed, surprisingly few

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studies have actually come from within China, suggesting that this has not been a subject of much internal debate. As China is now an influential player in international development cooperation, inadequate dialogue, misunderstanding, and a prevailing lack of trust between China and the Western donor communities make cooperation between the two sides difficult and exacerbate uncertainties of the current global order.

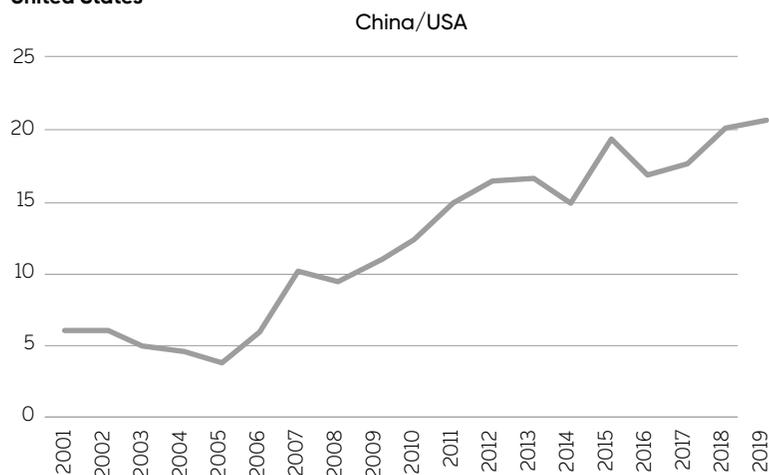
This article tries to address the recognition gaps between China and Western societies by reviewing China's involvement in international development assistance. It seeks to highlight aspects of China's evolving foreign aid system, alongside its efforts to engage as a global partner in promoting global development and working towards the Sustainable Development Goals (SDGs). Section 2 provides a short overview of China's foreign aid, and Section 3 describes the evolution of China's aid practices with some observations on current trends. Section 4 discusses what China, as a developing country and a donor-recipient, can contribute to global development based on the conceptual framework of modernisation for the majority. This is followed by a critical analysis in Section 5 on the weakness of China's current aid architecture and discusses what China can learn from previous lessons and experiences of Western counterparts. Section 6 concludes the article.

2 China's foreign aid: an overview

China became an aid donor, in the modern sense,³ in 1950, soon after the founding of the People's Republic of China. However, unlike other donors responding to the reconstruction needs of the post-Second World War era at the time, China was a poor developing country coming out of revolutionary conflict, and aid cooperation was seen as a political imperative for relations with its neighbours. Fast forward to today, and China is now a significant bilateral donor and a major contributor of development financing to the multilateral aid system (Kitano and Harada 2014). It is a major provider of humanitarian aid (alongside its growing commitments to United Nations (UN) human security), and a significant contributor to global public goods – notably in combating climate change and in addressing health needs as a result of the Covid-19 pandemic. It also is a core partner and financier of multilateral institutions.

2.1 A cursory glance

According to the official White Papers published by the State Council of the People's Republic of China (SCIO 2011, 2014, 2021; Zhang 2021), China has allocated cumulatively CNY 615.83bn (around US\$130.8bn) for foreign aid projects estimated from the 1950s to the present, of which CNY 270.2bn (around US\$42bn) was disbursed during 2013–18. The components of Chinese aid are classified into three broad areas: grants, interest-free loans, and concessional loans.⁴

Figure 1 Ratio of China's net official development assistance to that of the United States

Source Authors' own, based on Kitano and Miyabayashi (2020) and OECD data set (OECD n.d.).

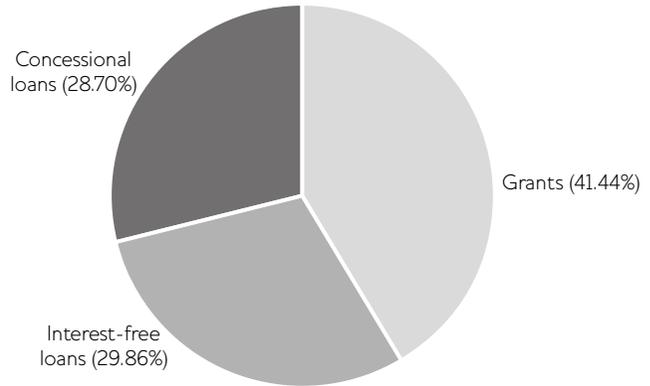
Although the aggregate amount of foreign aid has been relatively large over the past decade, China's annual appropriation for development assistance is actually quite modest compared to Western counterparts (Li 2019). According to estimations conducted by Kitano and Miyabayashi (2020), China's net official development assistance (ODA) increased by more than eight times, from US\$0.7bn to US\$6.8bn during 2001–19. However, even with this significant increase, the ratio of China's net ODA to that of the United States was only one fifth (Figure 1).⁵

The composition of China's foreign aid experienced a fundamental shift after 2010. Figure 2 shows the proportions of the three categories of foreign assistance: grants accounted for the largest proportion of China's foreign assistance during 1950–2009, and interest-free loans and concessional loans almost had equal shares. However, concessional lending overtook grants as the largest part of foreign assistance during 2010–18, though the latter's share was up slightly, and the share of interest-free loans decreased significantly during the same period (see Figure 3). This also marked the period when overseas Chinese foreign direct investment into developing countries expanded greatly, encouraging concessional lending to be linked with investment projects.

2.2 Categories and allocation of aid

Focusing only on expenditure underestimates China's overall foreign assistance contributions. According to China's official classification, China offers aid in terms of eight categories or forms, some of which are not recorded in expenditure terms. These include what are defined in China's system as:

Figure 2 China's foreign aid structure, 1950–2009

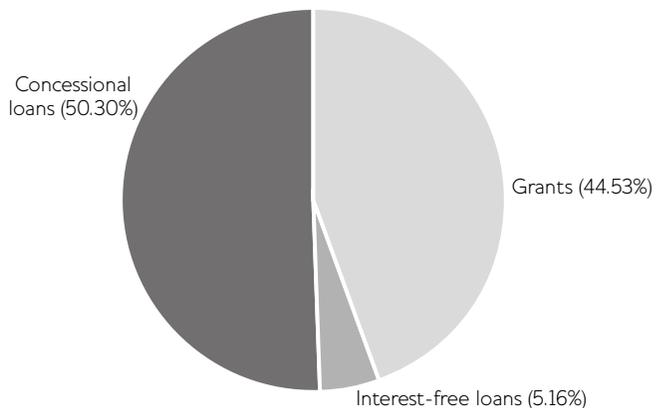


Source Authors' own, based on SCIO (2011, 2014, 2021).

complete projects; goods and materials; technical cooperation; human resource development cooperation; medical teams sent abroad; emergency humanitarian aid; volunteer programmes in foreign countries; and debt relief. A wide variety of types of aid fit in the above categories. Although imprecise in terms of development accounting or reporting as done by Western donors, these categories do indicate the types of assistance and policies that China pursues in its development cooperation. This has implications for how aid is accounted for and managed, and presents some challenges for statistical recording and comparisons.

Table 1 shows the change in **complete projects**. Providing **complete projects** is a very popular aid type adopted by China. China completed a total of 3,028 projects during 1950–2018,

Figure 3 China's foreign aid structure, 2010–18



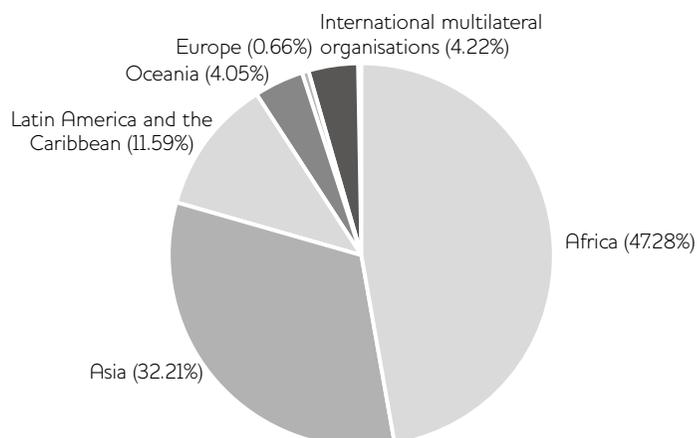
Source Authors' own, based on SCIO (2011, 2014, 2021).

Table 1 Change in complete projects in 1950–2018

Type of complete projects	1950–2018		1950–2009		2010–12		2013–18	
	Quantity	Share in total (%)	Quantity	Share in total (%)	Quantity	Share in total (%)	Quantity	Share in total (%)
Public facilities	1,336	44.12	670	33.09	360	62.07	306	72.34
Economic infrastructure	626	20.67	390	19.26	156	26.90	80	18.91
Agriculture	283	9.35	215	10.62	49	8.45	19	4.49
Industry	655	21.63	635	31.36	15	2.59	5	1.18
Others	128	4.23	115	5.68		0.00	13	3.07
Total	3,028	100.0	2,025	100.0	580	100.00	423	100.00

Source: Authors' own, based on data from SCIO (2011, 2014, 2021).

with public facilities accounting for the largest part in terms of the quantity of completed projects (44.12 per cent), followed by industry projects and economic infrastructure projects. However, the share of industry projects has declined dramatically since the mid-1980s as many recipient countries have accelerated their pace of privatisation in the industrial sector (Li 2019). The share of public facility projects increased significantly, accounting for around three quarters of the total during 2013–18, with education and health projects comprising the majority type of aid. It is not clear as to the distribution of financial resource inputs in these projects. Yet according to SCIO (2014), economic infrastructure projects – mainly including roads, electricity, telecommunications,

Figure 4 Chinese aid allocation by region, 1950–2012

Source: Authors' own, based on SCIO (2011, 2014).

and broadcasting – comprised the largest share in 2010–12, accounting for 44.8 per cent of the total financial resources input.

According to data released by SCIO (2011, 2014), Africa has been given more priority in Chinese aid. In terms of magnitude of financial resources allocated by region, Africa accounted for 47.28 per cent of the total, followed by Asia (32.21 per cent) and Latin America and the Caribbean (11.59 per cent) respectively (Figure 4).

3 Evolution of China's foreign aid practices since 1978

China's foreign aid practices have evolved over the years in accordance with international and domestic circumstances. During the formative years (1950–78), China's foreign assistance was largely motivated to strengthen the solidarity of the socialist camp and to support its global campaign of anti-imperialism and anti-colonialism. In this stage, China had developed core thinking about development assistance in terms of technical cooperation and 'South–South cooperation', a concept borne out of the Bandung Asian-African Conference in 1955 and which remains a defining feature of China's conceptualisation of aid.

Embodied in the 'Eight Principles for Economic Aid and Technical Assistance to Other Countries' (Yu 1992: 610), this forms the ideological basis for China's engagement with other developing countries, and the primacy of recipient-led development which today colours much of aid discourse. There have been dramatic changes to China's aid system in terms of motives, methods, and policy considerations since the adoption of the reform and opening up policy in 1978, though China's commitment to developing countries and some key principles have been followed.

3.1 Transformation

In late 1978, China adopted its reform and opening up policy. As argued by Deng Xiaoping, 'peace and development are the main themes of our era' (Deng 1994: 105); such a prediction on the status quo and trends of the global environment laid a solid foundation for China's domestic market-led economic reforms. These far-reaching economic reforms, which continue with modification, unlocked unprecedented growth averaging over 9 per cent and set in motion an extended period of economic development, poverty reduction, and institutional and social change. On the international front, Deng Xiaoping suggested that China 'keep a low profile' and should 'never be the leader of any (ideological) camp' (*ibid.*: 363), though the former has often been translated, perhaps wrongly, as to 'conceal one's abilities and bide one's time'. Although the reform period was entirely domestic in nature, the expansion of industrial capacity and trade set the stage for a fundamental shift in foreign policy from passive to active engagement (Deng 1994).

As China's economic policies mobilised resources for rapid economic expansion at home – complemented by aid from Japan

and Western nations – China also expanded its international investment and foreign aid. Deng Xiaoping underscored the concept of ‘mutual development’ and ‘mutual benefit’, situating foreign aid as a tool in its foreign policy (Johnston and Rudyak 2017). In accordance with the shift from a centralised planned economy to a socialist market economy, economic rationality, fiscal affordability, and long-term impacts on recipient countries began to guide the provision of development assistance.

China attached considerable importance to capacity building in recipient countries and focused on technical training in its aid regime. By the mid-1990s, however, China began to diversify into development projects in the form of economic infrastructure financing. The Export-Import Bank of China and the China Development Bank were established during this period and started to play an important role in development financing. Foreign aid became more compartmentalised in terms of technical cooperation on the one hand, and the provision of loans for investment projects on the other, where lending from the policy banks fell to the authority of various state-owned enterprises (SOEs) according to their areas of competence of mutual interest.

3.2 Going global

China’s accession to the World Trade Organization in 2001 brought about further changes to China’s domestic economic development and the landscape of global economic power. By the end of the 1990s, China’s stock of accumulated foreign direct investment accounted for around a third of all foreign direct investment to developing countries, enabling Chinese firms to become major investors abroad. Accession induced more domestic reforms and economic liberalisation, laying the framework for deeper integration into the global economy. Throughout this period, the ‘going out’ strategy to promote Chinese investment abroad incentivised more and more Chinese enterprises supported with concessional financing, similar to the tied aid that benefited Japanese firms.

The strategy was made clear in the 11th Five-Year Plan (2006–10) which both encouraged Chinese enterprises to actively participate in international and regional cooperation mechanisms and overseas investment projects, and to increase Chinese aid to other developing countries and further strengthen economic and technical cooperation (SCIO 2006). Foreign aid was seen as integral to China’s ‘going out’ policy and of opening up to the outside world through participation in international economic and technical cooperation. This explicitly embedded international development assistance within the narrative to:

actively participate in the international regional economic cooperation mechanism, strengthen dialogue and consultation and develop bilateral and multilateral economic and trade cooperation with all countries. Actively participate in the

formulation of multilateral trade and investment rules and push the establishment of the new international economic order... and to increase Chinese aid to other developing countries.⁶

Throughout this period, China had begun to utilise both grant aid and concessional financing, along with technical assistance, in a much more integrative fashion with SOEs and private firms. This was driven less by external demand than by a supply-side push, due to the high accumulation of foreign reserves and savings, and the less than favourable returns from external holdings, such as US treasury bills. By the time of the 2008 financial crisis, domestic concerns over large foreign exchange reserve holdings, and excessive supply capacity in manufacturing and industry, drove more aggressive spending abroad, including utilising foreign aid as a means to crowd in pent-up commercial investments.

In tandem with its proactive international trade and investment strategy, China initiated aid consultations with developing countries through multilateral forums and regional groupings. These included increasing aid commitments in forums such as the UN High-Level Meeting on Financing for Development, and the UN High-Level Meeting on the Millennium Development Goals, as well as regional arrangements including the Forum on China–Africa Cooperation, the Shanghai Cooperation Organization, the China–Caribbean Economic and Trade Cooperation Forum, the China–Pacific Island Countries Economic Development and Cooperation Forum, the Forum on Economic and Trade Cooperation between China and Portuguese-Speaking Countries, and the China–ASEAN (Association of South East Asian Nations) forum. These served as venues to deepen development cooperation in a range of fields (agriculture, infrastructure, education, health care, human resources, and clean energy). South–South cooperation became the basic modality for the implementation of foreign aid (Zhang 2012).

It was also realised and made clear in policy formulations that China's own national development and modernisation depended on a peaceful international environment and collaborative relations with other countries (Xia and Jiang 2004). Thus, from the perspective of idealism, peace and development should be pursued because they are common human values and China as a responsible developing country should get involved in this process (SCIO 2011, 2014, 2021). From the perspective of realism, however, based on China's own experience, development itself was seen as the most effective means to cope with crime, inequality, and social and economic instability. Thus, providing aid to developing countries would help China benefit from a peaceful and cooperative international environment (Zhou 2008; Zhang 2008; Yang and Chen 2010).

China's segmented, uncoordinated, and less organised foreign aid system was nevertheless also not clearly aligned with its

investment policies, and this led to both a haphazard approach to the provision of aid alongside economic investments, as well as a misunderstanding more broadly as to the use of aid as a foreign policy instrument (Zhou 2010, 2012; Xue 2014; Li *et al.* 2014; Li 2019).

3.3 Strategic upgrade and the Belt and Road Initiative

China's economic and social development began to trend towards rebalancing and deepening reform with the 12th and 13th Five-Year Plans, and correspondingly, moves towards increasing China's presence on the international stage. This also served to accelerate the provision of foreign aid. Following the 18th Plenary Meeting of the Chinese Communist Party (CCP), many new initiatives were launched expanding the use of foreign aid alongside economic investment agreements with developing countries around the world. In late 2012, China proposed the establishment of 'the community with shared future', so as to cope with the common challenges faced by the world in the twenty-first century. The policy direction was not only a response to global challenges such as climate change, global security, and health pandemics, but also a signal to the US and Western powers of China's increasing involvement in global affairs and governance with respect to global public goods.

In 2013, President Xi Jinping's announcement of the Silk Road Economic Belt and the Maritime Silk Road, known later as the Belt and Road Initiative (BRI), set an important milestone for China's international development cooperation and foreign aid. In addition to having established new development agencies and financial entities – such as the Asian Infrastructure Investment Bank, the New Development Bank, and the Silk Road Fund – the BRI was articulated as an inclusive framework for international development cooperation with regional parameters, promoting commercial cooperation and Chinese foreign assistance for infrastructure development, connectivity, and poverty reduction. By the end of 2020, China had signed 203 cooperation documents with 138 countries and 31 international organisations to jointly promote the Belt and Road Cooperation, exceeding the framework of the previous South–South cooperation modality and opening up a new international paradigm for development cooperation.

The 13th Five-Year Plan (2016–20) is perhaps the most explicit strategic document setting out the policy framework for international investment and development cooperation. This included moving forward with improving bilateral and multilateral mechanisms of the BRI, strengthening multilateralism, and helping to reform international economic governance. Foreign aid played an important role in this context, not only through increased finances for expanding cooperation, but also in improving China's aid implementation system so as to be an active partner in the 2030 Agenda for Sustainable Development.

The establishment of the China International Development Cooperation Agency (CIDCA) in 2018 is a significant step in this direction. It is part of an overall effort in constructing a more modern architecture of foreign aid and development cooperation, seeking to formulate strategic guidelines, plans, and policies for foreign aid, and to coordinate and offer advice on major foreign aid issues. CIDCA is mandated to advance China's reforms in matters involving foreign aid, and to identify major programmes and supervise and evaluate their implementation. As it currently stands, the institution is at an early stage of building its own capacity, and this requires assistance and cooperation from other agencies and departments within China, as well as engagement internationally with other bilateral and multilateral agencies responsible for administering and managing development assistance. Although there is much that needs to be improved, the contour of the modernised architecture of the development cooperation system has started to take shape.

4 Modernisation for the majority: China's possible contribution to global development cooperation

4.1 Rethinking foreign aid from the perspective of modernisation for the majority

'Modernisation for the majority' (多数人的现代化) (Deng 1987, 2012) is a conceptual framework first introduced by the late Chinese economist Deng Yingtao. As reflected in his books and articles, Deng argued that, for about two centuries, only a minor group of people, mainly concentrated in developed societies, could lead a modern life under the Western model, which he called **modernisation for the minority** (少数人的现代化). However, if the majority of the world's population want to lead modern lives, or **modernisation for the majority**, the ways of industrialisation, urbanisation, and resource use should be fundamentally changed (*ibid.*).

Chinese policy analyst and advocator Lu Mai further developed this framework by arguing that, when China, together with other emerging economies such as India, Brazil, and Russia, achieve modernisation, the majority of the world's population will then be able to lead modern lives, and it will be easier for these newly modernised countries to work with the developed world to help other developing countries. Lu Mai argues that China's aid to developing countries will help to promote the process of modernisation for the majority (Lu Mai 2014, 2017).

This conceptual framework could be used to understand the increasing role of China in foreign aid and international development cooperation. From China's perspective, its foreign aid is embedded within a South–South cooperation framework, where the norms, standards, and accounting procedures that govern aid practices among the DAC group of donors do not apply. Nonetheless, China now sees itself as a major actor in the foreign aid arena with increased obligations in the governance

of international development finance. China's role as a donor should therefore be considered not solely from the platform of the DAC club of donors, but also from the perspective of Southern partners and within a South–South cooperation narrative, in concert with wider multilateral forums such as the G20. Reform of the international aid architecture that emphasises inclusivity could be part of the unfolding agenda of what is termed in China as 'modernisation for the majority'.

However, modernisation for the majority will not be achieved automatically and without challenges. There are various obstacles hindering the modernisation of developing countries, and two kinds of gaps that are particularly challenging among them. One is the **financing gap**. To date, there is a huge gap between the official aid provided by OECD countries and the demand of developing countries. As reported in OECD (2020), on average, DAC members provide about 0.3 per cent of gross national income (GNI) to official aid, while the suggested level by the UN is 0.7 per cent. It is estimated that the financing gap is US\$2.5tn per year to achieve the SDGs (United Nations 2019).

The other is the **knowledge gap**. Development knowledge, to a large extent and for a long time, had been centralised in Western-style thinking and narratives. More importantly, as argued by the Korean development economist Ha-Joon Chang, the West has always tried to teach developing countries things they have never done (Chang 2011). On the other hand, voices and experiences from the developing world have not been given enough attention (Li 2019).

4.2 What can China contribute?

Since the founding of the People's Republic of China, and particularly since the launch of its reform and opening up policy, China has made significant progress in modernisation, economic growth, and poverty alleviation. Today, China sees that its fiscal capacity and experience drawn from its own development can be used to help the international community mitigate the two gaps mentioned in Section 4.1.

4.2.1 Mobilising financial resources and providing alternate innovative forms of development financing

The influence of China's foreign aid remains modest in terms of its share in global aid. However, financial resources mobilised by China have been steadily increasing over the years and is set to expand further, whereas aid from the DAC donors has been declining in both real and nominal terms. Moreover, China has been introducing new innovative mechanisms of development financing through the BRI and its financial institutions. These mechanisms are providing developing countries with alternate sources of financing, including addressing associated issues of debt management through new modalities of repayment, coupled with stress measures and 'lines of forgiveness'. China's

development financing approach to projects, while following market principles, allows for alternative forms of scheduling, payments, and project management which are carefully worked out with recipients in accordance with their practices, capacity, and sets of interests. This flexibility allows for negotiations that have proven to be attractive for recipient countries, including accelerated project appraisals and approval mechanisms.

4.2.2 Mobilising resources for economic infrastructure investment

The global shortage in investment funds for infrastructure development is huge. However, China's own development experience through infrastructure investment has provided it the capacity and technical know-how to fill some of the gaps in infrastructure financing and project implementation (Yu 2018). Whereas multilateral and bilateral aid agencies have over the years reduced their commitments to hard infrastructure financing, China has excelled in this direction by providing developing countries new alternatives and modalities. China has been looked to by other developing countries as offering a development partnership model for infrastructure development that is both efficient and integrated. What is needed at this stage is greater cooperation, particularly from countries that have long experience in this sector such as Japan, as well as multilateral institutions such as the World Bank and regional development banks.

4.2.3 Promoting development knowledge sharing

Sharing knowledge and promoting capacity building is a key pillar of China's foreign assistance, based on its experiences as a developing country and recipient of aid. China has developed over the recent past a significant number of training and capacity-building programmes that have benefited a large number of officials, professionals, and students from developing countries. It has also established specialised institutes, such as the Institute of South–South Cooperation and Development, for the purpose of promoting knowledge sharing between China and other developing countries (SCIO 2021). Efforts are underway to greatly expand these initiatives to support skill development and strengthening capabilities in a range of fields catered to the needs of developing countries, but China is also looking for increased institutional collaboration with other Southern donor partners, such as India, Brazil, and South Africa.

4.2.4 Promoting the governance of international development cooperation

It is imperative that the international community enhances its coordination efforts in international development cooperation, so as to respond to global challenges such as climate change and the health pandemic, and to achieve the SDGs and modernisation for the majority in the longer term. As China is now taking a leading role in South–South cooperation, it could further promote the cooperation and coordination of development assistance practices between traditional and emerging donors. China has

always emphasised the importance of respecting recipient countries' right to independently select their own path and model of development and believes that every country should explore a development path suitable to its actual conditions.

China's aid approach is to shift the accountability framework to the aid recipient, with consideration of their socioeconomic circumstances and historical background, and to promote a South–South model absent of political conditions. China's approach emphasises inclusivity, but from the position of a recipient. What this offers is a different model whereby cooperation can provide space for multiple actors, including non-governmental and private sector interests and where accountability is not to the donor but to the recipient.

5 What can China learn from Western donors?

5.1 Integrating the international development cooperation system

Foreign aid and international development cooperation covers numerous areas and requires the engagement and coordination of various governmental departments, civil society organisations, and the private sector. China is currently at a critical juncture in its development of foreign aid as a policy tool. For a long time, there have been approximately 30 governmental departments involved in aid affairs but no systematic and efficient coordination among these departments and other entities. Hence, the system has become highly fragmented. While there is a clear policy direction as articulated by the Chinese Communist Party and through the State Council, the implementation and provision of assistance through various agencies and institutional arrangements has made coordination and alignment with the international development cooperation system cumbersome and difficult.

The founding of the CIDCA is an important step to integrate the current development cooperation system. However, the role of CIDCA is mainly in back-stage management and coordination, focusing more on providing guidance, planning, offering advice, and supervising. CIDCA itself lacks the capacity to manage or implement aid projects and to effectively allocate specific assignments to different departments. Institutional strengthening of CIDCA, and greater alignment under the supervision of the State Council, is a process that will require both internal cooperation and adjustments, as well as learning, cooperation, and partnership with the international aid community and recipient countries.

5.2 Building capacity in international development cooperation

China seriously lacks expertise and personnel in international development cooperation. Very few universities in China have majors related to international development, and there are even fewer research establishments devoted to the study of international development, global governance, and public policy. In addition, training programmes in international development are

in short supply. This situation is particularly dire for CIDCA where there are few staff and even fewer with the kinds of experience needed for the broad and important mandate of the institution. Having institutional linkages with other bilateral and multilateral donors would be an important step in building institutional capacity as well as human capabilities. This could be in terms of training and experiential learning offered by other aid agencies, but also include efforts to build understanding through staff exchanges, joint activities, and institutional linkages.

5.3 Developing necessary infrastructure

Project information on aid and other international development affairs has been scattered among different government departments, policy banks, and SOEs. Regular statistical systems, standards, and frameworks on international development have not yet been established. This makes planning, supervision, evaluation, and research of international development cooperation very difficult, and leads to unnecessary misunderstanding and misinterpretation of Chinese aid and development cooperation programmes. Working with the OECD-DAC and other bilateral donors to develop and modernise China's statistical framework, databanks, and other development infrastructure is necessary.

5.4 Improving communication with the existing community of international development cooperation

It is important and necessary for each country to develop its own language and narratives on international development based on its practices. However, it is also necessary to be able to communicate effectively such narratives to a variety of audiences, locally and internationally, in order to build understanding and acceptance by stakeholders and the general public. Efforts to improve elements of strategic communication, media platforms, international engagement, and other aspects are necessary to not only improve transparency, but also to generate public support and acceptance.

5.5 Involving the private sector and civil society organisations in international development cooperation

China's SOEs have been playing a very important role in implementing aid projects throughout China's history because many of them, particularly those in areas of engineering procurement construction, are pioneers in doing business abroad, even much earlier than the adoption of the reform and opening up policy. However, with more and more private Chinese enterprises engaged in international business, it is necessary for China to get them involved in international development cooperation projects. Encouraging more non-governmental organisations (NGOs) to participate in international development is also a common practice. It is also promising to share knowledge and work together with foreign partners, including multinationals, global NGOs, and multilateral organisations, to provide foreign assistance.

6 Concluding remarks

The increasing involvement of emerging donors such as China is not an isolated phenomenon. In this article, we have argued that the modalities of China's efforts in foreign assistance are necessary and inevitable from the perspective of modernisation for the majority. With the rise of Southern countries, there will be more opportunities to mitigate financing and knowledge gaps and accelerate the pace of modernisation for those countries left behind for centuries.

Specifically, there are critical areas where China can contribute to global development cooperation, including mobilising more development finance resources, investing in economic infrastructure, sharing development knowledge, and promoting governance of the global development cooperation system. However, there is still much room for China to further improve its development cooperation system and to learn from its Western counterparts, including strengthening integration of the system, modernising its statistical framework, and improving communication with the international development community.

Notes

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- 1 Jiantuo Yu, Research Fellow, China Development Research Foundation (CDRF), China.
- 2 Evan Due, Senior Advisor, China Development Research Foundation (CDRF), China.
- 3 The Tributary System adopted by China could be seen as a traditional pattern of foreign aid.
- 4 Grants and interest-free loans are extended from China's state finances, whereas concessional lending is provided through the policy banks.
- 5 Here we use the estimated net disbursement of foreign aid as Chinese Net ODA.
- 6 Chapter 37 (English translation).

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