

UNDERSTANDING CHINA'S FOREIGN ASSISTANCE POLICY

What makes its help different from developed countries' strings-attached aid By He Rui

By providing various types of foreign assistance, China has become an important contributor to international development. While some say the largest developing country in the world should focus on its own domestic goals rather than international ones, actually, domestic development and external development are two sides of the same coin. No nation can be insulated from the outside world when facing interconnected global development challenges like poverty, unemployment, infectious diseases and terrorism.

As Chinese President Xi Jinping said at the U.N. Office at Geneva in 2017: "China will do well only when the world does well, and vice versa." This is a summary based on the experience of China's economic growth, a development miracle in human history. For more than 40 years, China received support from the international community and experienced rapid development. Now the second-largest economy in the world is upholding peaceful development and cooperation for win-win results, calling for an open, inclusive, clean and beautiful world with lasting

peace, universal security and common prosperity.

A Shared Future

In 2018, Xi put forward his thoughts on diplomacy. They are an important component of China's governance philosophy, as well as a guide for conducting diplomacy in the new era. Going forward, one major task of China's diplomatic work is to build a community with a shared future for humanity through win-win development. Building a community with a shared future is a peaceful, inclusive and integrated vision, combining China's successful experience with the wisdom of the world.

As one important means of major country diplomacy, China's development assistance plays an important role in building a community of shared future. Actually, under the framework of South-South cooperation, China has been committed to foreign assistance for more than 60 years. In 1964, the Chinese government announced the Eight Principles for Economic Aid and Technical Assistance to Other Countries, whose core contents are equality, mutual benefit and no

strings attached, setting the basic principles of China's foreign assistance. After 1978, the foreign assistance transformed from simply providing aid to exploring various mechanisms of mutually beneficial cooperation.

Diversified Assistance

China's foreign assistance doesn't consist of dropping money from a helicopter. There are three major financing modes: grant assistance, interest-free loans and concessional loans. Grant assistance is mainly used for livelihood issues like poverty reduction and emergency humanitarian aid. Interest-free loans go to infrastructure construction in industrial and agricultural areas. Concessional loans are designed for projects that can create economic benefits in the future.

In terms of cooperation, China's foreign assistance comes in eight types to satisfy the needs of different countries: complete projects, common materials, technical cooperation, human resources development, medical teams, emergency humanitarian aid, foreign assistance volunteers and debt relief.

To follow through on the promise of building a community with a shared future, China's foreign assistance focuses on effective development. Imbalance in development is the greatest imbalance confronting today's world, which threatens the developing world, including China. If balanced and sustainable development cannot be ensured in other countries, China can hardly deepen the reform and opening-up policy in the new era, since the Chinese economy relies on the global value chain. Poverty and infrastructure deficit are the two major bottlenecks in many developing countries, blocking their capabilities to attract foreign capital, create jobs, improve people's livelihood and accelerate industrial transfers.

Appropriate foreign assistance can enhance development-oriented approach in two ways. In the short term, humanitarian assistance can provide basic and necessary remedies to individuals from various disasters and catastrophes, enhancing social stability and resilience. For example, in 2014-'15, when West Africa faced an outbreak of Ebola,

more than 1,000 Chinese medical workers went to the areas affected to offer medical help. The Chinese government also provided emergency assistance worth 750 million yuan (\$109 million) to the infected region to combat the virus. Only when people's life and property are guaranteed can they begin to think about development.

In the long term, development assistance, especially for infrastructure construction, can strengthen developing countries' vital functions. For example, in 2016, China completed the Aba Samuel hydropower plant and handed it over to Ethiopia. Ethiopia's oldest power plant had gone online in 1941 but then sat idle since the 1970s due to technical problems. In 2012, China signed a contract to repair it, and today the plant has resumed operation, providing power as well as jobs and promoting the business environment for both local people and foreign investors.

From Giving to Partnering

Compared with the international aid regime led by developed countries, China's foreign assistance has some advantages welcomed by developing countries. First, as a developing country that led 800 million people out of poverty in the past four decades, China knows better the difficulties, traps and challenges faced by developing countries when they try to industrialize. As a reliable friend and partner of other developing countries, China emphasizes the



Zambian President Edgar Chagwa Lungu attends the ground-breaking ceremony of a China-assisted milling plant project in Lusaka on April 17

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importance of investment in infrastructure construction, human resources training and technology transfer because these things are the necessary conditions of development. China has learned it in the past 40 years.

Second, China would like to share both successful experiences and lessons with other developing countries in an equal way when providing assistance. It prefers to work together with the recipient countries rather than "help" them. Also, it neither interferes in other countries' internal affairs nor gives conditional assistance. The foreign assistance is part of South-South cooperation, seeking to narrow the North-South gap and supporting other developing countries in enhancing their capacity for

self-development.

At the same time, China would also like to learn from other countries. The assistance agenda is flexible and inclusive, ready to absorb opinions and suggestions from partners, as well as the international community.

Beyond the South-South cooperation, China's foreign assistance also supports the reform of global governance. The concept of building a community with a shared future has been written into several important U.N. resolutions related to peace, development and human right issues, becoming a global consensus. China's foreign assistance is a window through which the world can know China's vision. Swayed by this, more

multilateral institutions, developed countries and international NGOs have started to cooperate with China, working together in global governance.

To build a community with a shared future for humanity, Xi said in his speech in Geneva that China must uphold the right approach to justice and interests in diplomatic work, which requires speaking up for justice politically, pursuing mutual benefit and common development economically, and acting in good faith and valuing friendship in international affairs. This is also the principle of China's foreign aid.

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