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## ASIA MAIOR

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### Foreign aid in Asia: traditional and «new» donors in a changing development landscape

*Edited by*

*Lorella Tosone, Angela Villani, Nicola Mocci*

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CHINA AND THE DEVELOPMENT DISCOURSE AT THE UNITED NATIONS.  
MULTILATERALISM «WITH CHINESE CHARACTERISTICS»?

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*Transformations in China's foreign policy in the last forty years, along with its economic growth, have been the subject of numerous analyses, which have inter alia focused on the Chinese attitude towards international organizations. The interest of international aid scholars has instead turned to the growing activism that China has been showing in this field over the past fifteen years. This is at a time when the international development cooperation landscape is rapidly changing, with the emergence of new actors – also non-state actors – and new funding instruments. Less attention instead has been paid to China's attitude towards multilateral development cooperation, in particular within the United Nations system, although it has been the main forum for discussing and analysing development problems for over seventy years. A long-term analysis of Chinese policy in this area can contribute to a greater understanding of Chinese objectives in the Third World and, more generally, towards international organizations. It may also help explain the role that China attaches today to its multilateral development policy and also show the level of adaptation or «challenge» of the Chinese policy to the existing international order, at least in the development cooperation field. Through an analysis of Chinese policy at the UN on issues relating to development, this contribution aims to frame the current Chinese multilateral cooperation policy from a historical perspective, indicating elements of continuity and discontinuity with respect to the past.*

1. *Introduction*

The transformations in China's foreign policy in the last forty years, which accompanied the surprising growth of the Chinese economy in the same period, have been the subject of numerous analyses and historical reconstructions.

These have focused in particular on the evolution of its relations with Western countries and, recently, on the Chinese attitude towards international organizations.<sup>1</sup> The interest of international aid scholars has instead turned to the growing activism that China has shown in this field over the past 50 years, at a time when the international development cooperation landscape is rapidly changing, with the emergence of new actors – also non-state actors – and new funding instruments. There are now numerous studies on China's bilateral aid policy towards African, Latin America and Southeast Asian countries,<sup>2</sup> while the number of studies dealing with the One Belt One Road initiative is constantly increasing.<sup>3</sup> Less attention in-

<sup>1</sup> The most recurrent question is whether China wants to reform international institutions from within, to make them better reflect its values, principles and interests, or whether it wants to create a Sinocentric international order, in alternative to the liberal one. In the impossibility of giving an account of the numerous references in literature, I limit myself to referring to the useful review of the literature on China's policy toward multilateral institutions up to 2011 contained in Mingjiang Li, 'Rising from Within: China's Search for a Multilateral World and Its Implications for Sino-US Relations', *Global Governance*, Vol. 17, No. 3, 2011, pp. 331-333. Among more recent contributions: Randall Schweller & Xiaoyu Pu, 'After unipolarity: China's visions of international order in an era of U.S. decline', *International Security*, Vol. 36, No. 1, 2011; Shaun Breslin, 'Global Reordering and China's Rise: Adoption, Adaptation and Reform', *The International Spectator*, Vol. 53, No. 1, 2018, pp. 57-75; Ren Xiao, 'A reform-minded status quo power? China, the G20, and reform of the international financial system', *Third World Quarterly*, Vol. 36, No. 11, 2015, pp. 2023-2043; Scott Kennedy & Shuaihua Cheng (eds.), *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance*, Bloomington-Geneva: RCCPB and ICTSD, 2012; Rosemary Foot, '«Doing some things» in the Xi Jinping era: The United Nations as China's venue of choice', *International Affairs*, Vol. 90, No. 5, 2014, pp. 1085-1100.

<sup>2</sup> As the literature on China's relations with developing countries is extensive and still growing, I limit myself to referring to the works included in Carla P. Freeman (ed.), *Handbook on China and Developing Countries*, Cheltenham-Northampton: Edward Elgar, 2015.

<sup>3</sup> See, for example, among the articles published since 2016, Francesca Congiu, 'China 2015: Implementing the Silk Road Economic Belt and the 21st Century Maritime Silk Road', *Asia Maior 2015*, pp. 19-52; Peter Ferdinand, 'Westward ho – the China dream and «One Belt, One Road»: Chinese foreign policy under Xi Jinping', *International Affairs*, Vol. 92, No. 4, 2016, pp. 941-957; Yiping Huang, 'Understanding China's Belt & Road Initiative: Motivation, framework and assessment', *China Economic Review*, Vol. 40, September 2016, pp. 314-321; Hong Yu, 'Motivation behind China's «One Belt, One Road» Initiatives and Establishment of the Asian Infrastructure Investment Bank', *Journal of Contemporary China*, Vol. 26, No. 105, 2016, pp. 353-368; 'Eurasian Perspec-

stead has been given to China's attitude towards multilateral development cooperation, in particular within the United Nations system. This, however, has been the main forum for discussing and analysing development problems for over seventy years and the place where laboriously – and not without failures – the international community has striven to find a consensus on principles and good practices.

A long-term analysis of Chinese policy in this area can instead contribute to a greater understanding of Chinese objectives in the Third World and, more generally, towards international organizations. It may also help explain the role that China attaches today to its multilateral development policy and show the level of adaptation or «challenge» of the Chinese policy to the existing international order, at least in the development cooperation field.

Through an analysis of Chinese policy at the UN on issues relating to development, this contribution – based on archival documentation, published documents and international organizations official documents – aims to frame the current Chinese multilateral cooperation policy from a historical perspective. In addition, elements of continuity and discontinuity with respect to the past are discussed. It examines the evolution of the Chinese contribution to the activities of the UN development system and the role played by China in the debates on the definition of the development strategies at the United Nations from 1971 to today. The values, principles and interests that have shaped this role in different periods and their effects on the international debate are highlighted.

## 2. 1971-1978: «We, the developing countries»<sup>4</sup>

China is often defined as a «new donor». Actually, its foreign aid policy towards several African countries – although limited – started

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tives on China's Belt and Road Initiative' (Giovanni Adornino & Giorgio Prodi eds.), *China & World Economy* Special Issue, Vol. 25, No. 5, 2017; Astrid H. M. Nordin & Mikael Weissmann, 'Will Trump make China great again? The belt and road initiative and international order', *International Affairs*, Vol. 94, No. 2, 2018, pp. 231-249; Jeffrey Reeves, 'China's Silk Road Economic Belt Initiative: Network and Influence Formation in Central Asia', *Journal of Contemporary China*, Vol. 27, Issue 112, 2018, pp. 502-518.

<sup>4</sup> «We, the developing countries, should not only support one another politically but we should also help each other economically. Our co-operation is a co-operation based on true equality and has broad prospects». General Assembly Official Records [Gaor], Sixth Special Session, 2209<sup>th</sup> plenary meeting, 10 April 1974, Teng Xiao-ping, p. 18 (A/PV.2209).

in the early 1950s and intensified in the first half of the 1960s, as a challenge more to the Soviet Union than to Western countries.

The visit of the Prime Minister Zhou Enlai and of the Foreign Minister Chen Yi to ten African countries between December 1963 and February 1964 marked the emergence of a more assertive strategy towards the continent. It was aimed at expanding Chinese influence in the newly independent countries and at developing relations with moderate governments, also for the purpose of gaining diplomatic recognition from a growing number of states.<sup>5</sup> From the mid 1960s, Beijing increased its economic assistance to various countries of the continent by about 160% compared to previous years and intensified trade relations with them. These offers were well received by most of the governments, as they allowed them to limit their dependence on a single source of assistance and replace the declining aid of the former motherlands.

Projects financed by Beijing often provided for the use of local labour and concentrated mainly on the construction of infrastructure and small manufacturing facilities, in particular in the textile sector and in the processing of local agricultural products.<sup>6</sup> Loans offered very advantageous conditions and, unlike Western loans, could be repaid in kind. Finally, Beijing financed most of the local costs generated by the projects it carried out, at least until the late 1970s, thus succeeding in not aggravating the often-precarious conditions of the receivers' national budgets.<sup>7</sup> During that journey, in a speech given in Accra, Zhou Enlai clarified the principles by which Chinese cooperation was inspired, and which it continues to refer to today.<sup>8</sup> Along with economic aid, Beijing also used strong anti-

<sup>5</sup> Department of State, Research Memorandum, *Communist Economic Aid to Less Developed Countries in 1964 Reaches Highest Level*, February 1, 1965, pp. 4-5, US Declassified Documents Online [DDO] (<http://tinyurl.galegroup.com/tinyurl/3Tey43>).

<sup>6</sup> Economic Intelligence Committee, R14-S17, *Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World, 1 January-30 June 1964*, August 1964, pp. 23-37, DDO (<http://tinyurl.galegroup.com/tinyurl/3Terp3>).

<sup>7</sup> CIA, Intelligence Memorandum, *The New Look in Chinese Communist Aid in Sub-Saharan Africa*, September 1, 1968, p. 6, DDO (<http://tinyurl.galegroup.com/tinyurl/3TIRP3>); CIA Report CS 311/12408-66, *Chinese communist Economic Aid*, August 26, 1966, DDO (<http://tinyurl.galegroup.com/tinyurl/3TKEG5>).

<sup>8</sup> They are: 1. Equality and mutual benefit in providing aid to other countries; 2. Respect for the sovereignty of the recipient country; 3. Economic aid provided in the form of interest-free or low-interest loans; 4. Self-reliance; 5. Quick results; 6. Best-quality equipment provided and material of Chinese manufacture at international market prices; 7. Emphasis on technology transfer through technical assistance; 8. The experts dispatched by China will have the

Western and anti-Soviet propaganda. The main objective was to convey to Africans that China was the real revolutionary power, which shared the experience of colonial domination and the urgent need for economic development with them.<sup>9</sup>

At the end of 1968, after registering some failures,<sup>10</sup> China concentrated 90% of its aid (which in absolute terms accounted for nearly a quarter of US aid flows) in five countries: Guinea, Mali, Tanzania, Zambia and Congo (Brazzaville). Contemporarily, about half of Chinese aid to non-communist countries was directed to sub-Saharan Africa, where the two-thirds of Chinese engineers abroad also worked.<sup>11</sup>

The strategy of approaching the newly independent countries soon bore fruit. China, as is known, regained its seat in the UN in 1971 thanks, above all, to the vote of countries of the Afro-Asiatic group in the General Assembly.<sup>12</sup> Furthermore, it did not abandon its policy of opening up to the Third World, within which it placed itself.

The first years of its participation in the activities of the UN were marked by a low-profile policy and, as has been written, by a posture fitting more to a «diligent apprentice» rather than to a «revolutionary challenger» of the international system.<sup>13</sup> This choice was due

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same standard of living as the experts of the recipient country. «The Chinese Government's Eight Principles for Economic Aid and Technical Assistance to Other Countries», 15 January 1964, History and Public Policy Program Digital Archive, *Selected Diplomatic Papers of Zhou Enlai*, Beijing, Zhongyang wenxian chubanshe, 1990 (<http://digitalarchive.wilsoncenter.org/document/121560>).

<sup>9</sup> CIA, Office of Current Intelligence, Special Report, *Chinese Communist Activities in Africa* (624/64B), 19 June 1964, DDO (<http://tinyurl.galegroup.com/tinyurl/3TfhH1>).

<sup>10</sup> They were due, on the one hand, to the fact that Beijing supported anti-government activities in some countries. In 1966, for example, some Chinese officials were expelled from Kenya for funding opposition leaders. On the other hand, the coups held in several countries during the 1960s, especially in Ghana and the Central African Republic, led to the emergence of conservative regimes that broke relations with the PRC.

<sup>11</sup> CIA, Intelligence Memorandum, *The New Look in Chinese Communist Aid*, p. 3. The bulk of Chinese aid was committed for the construction of the Tanzania-Zambia railway from 1970 to which Beijing devoted the largest loan granted up to that time to the countries of the continent. George T. Yu, *Chinese Aid to Africa; The Tanzania-Zambia Railway*, in Warren Weinstein (ed.), *Soviet and Chinese Aid to Africa*, New York: Praeger, 1976, pp. 29-55.

<sup>12</sup> Pietro Paolo Masina, *La Cina e le Nazioni Unite. Dall'esclusione al potere di veto*, Roma: Carocci, 2012.

<sup>13</sup> Samuel S. Kim, *China, the United Nations and World Order*, Princeton: Princeton University Press, 1979, p. 110.



both to the need to project an image of the country as a reliable and responsible partner in international affairs,<sup>14</sup> and to the fact that China only gradually defined what the role of the UN in its international relations was to have been. Finally, it must never be underestimated that the first Chinese representatives at the UN, although high-ranking diplomats,<sup>15</sup> knew very little about the functioning of multilateral diplomacy. As the representatives of other countries also easily noticed, after twenty years of isolation Chinese diplomats experienced some difficulty in acquiring confidence with new procedures and working methods. Moreover, they were completely unfamiliar with the functioning of international organizations, and could rely only on a few experts with good knowledge of foreign languages.<sup>16</sup>

Thus, during the early years at the UN, China's participation in the various agencies and organs of the organization was rather selective.

Beijing decided not to participate in the work of many committees of the General Assembly (GA) and ECOSOC and, although adhering to the informal group of Asian countries, it refused to act as a leader in it, as it had always refused to join the Group of 77 (G77), which was the strongest and most numerous pressure group at the UN on development issues.

<sup>14</sup> Samuel S. Kim, 'International Organizations in Chinese Foreign Policy', *Annals of the Academy of Political and Social Sciences*, Vol. 519, Issue 1, 1992, p. 142. In 1973, the Chinese request to the Committee of Contributions, to increase its share of the UN regular budget from 4% to 5.5% can be read in this context. See Richard E. Bissell, 'A Note on the Chinese View of United Nations Finances', *The American Journal of International Law*, Vol. 69, No. 3, 1975, pp. 628-633.

<sup>15</sup> The Chinese delegation to the XXVI General Assembly was led by Chiao Kuan-ha and by his deputy Huang Hua – later permanent representative to the United Nations, Minister of Foreign Affairs (1976-82) and Deputy Prime Minister (1980-82) – which were both senior officials and among Zhou Enlai's closest advisors. Samuel S. Kim, *China, the United Nations and World Order*, pp. 106-107.

<sup>16</sup> The UK mission reported from Geneva: «The Chinese representatives here are like new boys at school. [...] Their contributions in these organs have, on the whole, been serious, modest and restrained; they have even publicly admitted that they have much to learn». Letter, UK mission to UN (Geneva, Warburton) to T.W. Keeble, *The CPR and UN work in Geneva*, 17 August 1973. See also Letter, Weir to Solesby, *Chinese and the UN*, 20 December 1973, both in The National Archives of the UK [TNA], Foreign and Commonwealth Office [FCO] 21/1094; Tel. n. 6079, Usun to State, *China in the 29<sup>th</sup> UNGA*, 23 December 1974, Central Foreign Policy Files, 1973-1979, Record Group 59, National Archives at College Park, College Park, MD, electronic record ([www.archives.gov](http://www.archives.gov)).

In this first period, Chinese interventions at the various UN organs were not very numerous and were marked by a strongly declaratory rhetoric. Disarmament, development, issues related to decolonization and opposition to the hegemony of the superpowers were the most recurrent themes in the speeches of the Chinese representatives, both in the technical commissions and in the annual general debate at the UN General Assembly. The latter was generally used by member states as an opportunity to expose the main lines of their foreign policy and world view and, above all, to project a specific image of themselves to the world.

The themes that during the 1970s were to become the leitmotifs of Chinese rhetoric at the UN were already all present in the first speech that the head of the Chinese delegation Chiao Kuan-hua delivered at the General Assembly in 1971. These were the «irresistible» trend of history going towards the revolution of the poorest against the established international order («Countries want independence, nations want liberation and the people want revolution»); the five principles of peaceful coexistence which were to be placed at the basis of international relations; Chinese people were «opposed to the power politics and hegemony of big Powers bullying small ones or strong nations bullying weak ones»; all countries had to be equal («the affairs of the world must be handled by all the countries of the world», as «the affairs of the United Nations must be handled jointly by all its Member States»); China was a member of the Third World, it had «experienced untold sufferings under imperialist oppression» and would «resolutely support the struggles unfolded by the petroleum-exporting countries in Asia, Africa and Latin America [...] to protect their national rights and interests and oppose economic plunder».<sup>17</sup> In the following years, Chinese representatives almost always used this rather limited repertoire, presenting their country to the world as the only large developing country that sat at the Security Council. From that position, it aimed at transforming the international order in favour of the poorest and the least powerful.

Another constant feature of Chinese speeches at the UN was the attack on the Soviet Union, which took on particularly harsh tones. While the anti-hegemonic rhetoric of China was directed also against the United States and, to a lesser extent, to European countries, the worst criticisms were reserved for Moscow. The USSR was accused of pursuing hegemony like the US, of being a «merchant of death» with its selling of arms and ammunitions to countries in con-

<sup>17</sup> Gaor, Twenty-sixth Session, 1983rd plenary meeting, 15 November 1971, Chiao Kuan-hua, pp. 17-20, A/PV.1983.

flict, and of being insincere in its disarmament proposals.<sup>18</sup> Criticisms sharpened when the Chinese took Soviet policy towards Third World countries into consideration, which Beijing considered exploitative relationships similar to those established by Western countries. Speaking at the Second commission of the GA the Chinese representative maintained that the policies of the «social imperialist» countries were even more insidious. «Although they represented themselves as friends of the developing countries, they were in fact seeking to acquire strategic resources [...] and were reaping exorbitant profits by re-exporting products which they purchased from them at low prices. Those countries were actually attempting to return the developing countries to a state of slavery.»<sup>19</sup> Teng's statements of a few years later were similar. «Under the name of so-called 'economic co-operation' and 'international division of labour', [the Soviet Union] uses high-handed measures to extort super-profits in its 'family'. In profiting at others' expense, it has gone to lengths rarely seen even in the case of other imperialist countries». Soviet policy was, in short «socialism in words and imperialism in deeds».<sup>20</sup>

Such statements were so frequent that the impression that may possibly derive from them is that in those years much of the Chinese activity at the UN was aimed at isolating Moscow and undermining its credibility with Third World countries. This objective was pursued not only by attacking the Soviets directly in almost every speech, but also by circulating press releases, very detailed and based also on Western sources, to the various UN missions. They dealt with topics such as the invasion of Czechoslovakia, and Soviet neo-colonialism, as heir to the foreign policy of imperial Russia and as a tool of Soviet infiltration in less developed areas.<sup>21</sup> The Chinese attacks on the USSR were, of course, welcomed by the Western

<sup>18</sup> In particular, China did not welcome the 1973 proposal to convene a World Disarmament conference and vehemently attacked the idea of discussing at the General Assembly the proposal of a 10% cut of the military budgets of the Security Council permanent members to use the resources thus saved in development activities. See Gaor, Twenty-eighth session, 2126th plenary meeting, 25 September 1973, Gromyko, p. 10, A/PV.2126, e 2137<sup>th</sup> plenary meeting, 2 October 1973, Chiao Kuan-hua, p. 10, A/PV.2137; Letter, Huang Hua to the UN Secretary General, 14 August 1974, A/9713; Gaor, Twenty-seventh session, 2051<sup>th</sup> plenary meeting, 3 October 1972, Chiao Kuan-hua, p. 18, A/PV.2051.

<sup>19</sup> Gaor, Twenty-eighth Session, Second Committee, 1522<sup>nd</sup> meeting, 3 October 1973, Wang Jun-sheng, p. 44, A/C.2/SR.1522. See also Gaor, Twenty-ninth Session, 1639<sup>th</sup> meeting, 27 November 1974, Chuang Yen, p. 391, A/C.2/SR.1639.

<sup>20</sup> Teng Xiao-ping, A/PV.2209, p. 17.

<sup>21</sup> Letter, Weir to Solesby, *Chinese and the UN*.

chancelleries, as they showed the world the inconsistency of Soviet Third Worldism and the ambiguity of its cooperation policies.<sup>22</sup>

From 1971 to 1978 China learned how to work in international organizations. In those years, Beijing also made a series of values clear to the world that should guide the policy of development cooperation and that referred directly to the principles of foreign aid expressed by Zhou Enlai as early as 1964.

Chinese representatives referred frequently in their speeches to the principles of national sovereignty and of self-reliance. The former implied the rejection of any form of aid conditionality and of any interference in the recipients' domestic economic decisions. Aid was not to be conceived as a form of charity, but as a horizontal relationship between equal partners. The concept of self-reliance was central to China's thinking on development cooperation and consistent with its vision of international relations and its history, as well as its capacity for intervention. According to this approach, receiving countries had a duty to rely primarily on their own resources. This did not imply the refusal of any form of assistance from abroad, but that assistance should not result in dependence. Rather, it should be given on the basis of equality, used to activate the resources of the receiving countries and be seen as a complement to them. Autonomous growth was the only way that could allow the less developed countries to emerge from the vicious circle of unequal exchange and break the mechanisms that perpetuated their conditions of poverty and dependence. Strict adherence to this principle led Beijing, until 1978, to refuse any help from the international community, even in the form of humanitarian assistance. It became the only developing country to be a net donor of the UN system. In 1972, the Chinese representative at ECOSOC defined the concept in this way: «The developing countries should rely mainly on the strength of their own people to eliminate the forces and influences of imperialism, colonialism and neocolonialism, and to exploit their natural resource. They should endeavour to accumulate development funds from internal sources, take steps to train their own technical and managerial personnel, gradually transform the single-crop economy inherited from colonial rule, and establish an independent and relatively comprehensive economic system».<sup>23</sup>

<sup>22</sup> *Ibid.*, p. 2.

<sup>23</sup> ECOSOC Official Records, Fifty-third session, 1824<sup>th</sup> meeting, 6 July 1972, Wang Jun-Sheng (E/SR.1824). For similar statements see also, Gaor, Twenty-seventh Session, 2051<sup>st</sup> plenary meeting, 3 October 1972, Chiao Kuan-hua A/PV.2051; Gaor, Thirtieth session, 2363<sup>rd</sup> plenary meeting, Chiao Kuan-hua A/PV.2363; Gaor, Twenty-eighth Session, II Committee, 1522<sup>nd</sup> meeting, 3 October 1973, Wang Jun-sheng, A/C.2/SR.1522 and 1538<sup>th</sup> meeting, 24 October 1973, Wang Tzu-chuan, A/C.2/SR.1538; Gaor, Twenty-ninth Session, II Commit-

The constancy with which Beijing reaffirmed this principle in all international forums was also coherent with its national interests. Firstly, it underlined China's ability to make it on its own and therefore to act as a model of development for the newly independent countries. This model was an alternative to that offered by former colonizers, who bore prime responsibility for the backwardness of the latter's economies. Secondly, it emphasized horizontal, south-south cooperation (SSC), thus reinforcing its role as a champion of Third World countries. Finally, it was also useful to somehow curb the expectations of many countries regarding China's financing capacity for their development plans. This point was immediately clarified when Chiao, in his first speech at the GA, stated that «as China's economy is still comparatively backward [...] what we provide is mainly political and moral support».<sup>24</sup>

The approval in 1974-75 of the three fundamental documents relating to the New International Economic Order (NIEO)<sup>25</sup> seemed the most striking legitimacy of the Chinese interpretation of the great forces that were moving history. Developing countries were about to change the international balance of political and economic power and break the hegemony of the superpowers.

And it was precisely during the Sixth Special Session of the GA, dedicated to «Raw materials and development», that China, which had sent a high-level delegation to New York for the occasion, chose to expose the so-called «Three worlds theory».<sup>26</sup> While it has been written that Teng Xiaoping's speech at the April 1974 GA «was perhaps one of the most important statements of PRC's conceptualization of world order ever made at any international forum»,<sup>27</sup> during that session, the Chinese delegation seemed to have little to offer beyond anti-imperialist rhetoric. With some reservations, China supported the resolutions on the NIEO, which reflected many of the

tee, 1594th meeting, 2 October 1974, Chang Hsien-wu, A/C.2/SR.1594; Gaor, Thirty-first Session, II Committee, 13th meeting, 15 October 1976, An Chih-yuan A/C.2/31/SR.13; Gaor, Thirty-third Session, II Committee, 13th meeting, 24 October 1978, Wu Shiao-ta A/C.2/33/SR.13.

<sup>24</sup> Gaor, Twenty-sixth Session, 1983rd plenary meeting, 15 November 1971, Chiao Kuan-hua, p. 20, A/PV.1983.

<sup>25</sup> General Assembly resolutions 3201 (S-VI), *Declaration on the Establishment of a New International Economic Order* and 3202 (S-VI), *Programme of Action on the Establishment of a New International Economic Order*, 1 May 1974; GA resolution 3281 (XXIX), *Charter of Economic Rights and Duties of States*, 12 December 1974.

<sup>26</sup> Herbert S. Yee, 'Three World Theory and Post-Mao China's Global Strategy', *International Affairs*, Vol. 59, No. 2, 1983, pp. 239-249.

<sup>27</sup> Samuel S. Kim, *China, the United Nations and World Order*, p. 260. Teng Xiaoping, A/PV.2209.

principles that underlay its foreign policy. Indeed, respect for national sovereignty, the right to full sovereignty over natural resources and various references to the principle of self-reliance are found in the Declaration, in the Action Program and in the Charter.

Even in this case, however, where one could expect greater Chinese activism, Beijing maintained a rather background role and passive posture. This is seen not only in the process that led to the convocation of the Sixth Special Session, but also during the negotiations and subsequent attempts to implement the resolutions on NIEO.

Moreover, in the final declaration of vote, the Chinese representative noticed the ambiguity of the documents with respect to two concepts. One was «interdependence», which – he argued – could become a channel through which the principle of state sovereignty over natural resources would be deprived of meaning. It was a concept that could «be distorted by the super-Powers to mean that the developing countries must depend on the latter and must obtain the latter's approval for any sovereign act they take to defend their economic rights and interests».<sup>28</sup> The other was the «international division of labour», which could be used by the same superpowers to perpetuate their specific idea of division of labour and economic integration, that of an industrialized north selling manufactured goods at rising prices to a south producing raw materials paid at decreasing prices.<sup>29</sup> The same reservations were expressed in the course of the approval of the Charter on the economic rights and duties of states.<sup>30</sup>

Beijing combined the support of Third World countries at the UN with the active attempt to widen its bilateral relations with many of them. This strategy was expressed mainly through an increase in bilateral aid, especially to African countries,<sup>31</sup> and resulted in the diplomatic recognition of the People's Republic of China by a growing number of states.

<sup>28</sup> Gaor, Sixth special session, 2229th plenary meeting, 1 May 1974, Huang Hua, A/PV.2229. On the Chinese interpretation of the concept of international division of labour see also Gaor, Ad hoc Committee of the Sixth Special Session, 17<sup>th</sup> meeting, 24 April 1974, para. 26-28, A/AC.166/SR.17.

<sup>29</sup> *Ibid.*

<sup>30</sup> Gaor, Thirty-ninth session, 2315<sup>th</sup> plenary meeting, 12 December 1974, Chang Hsien-wu, para 51, A/PV.2315 and Corr.1; Gaor, Twenty-ninth session, II Committee, 1647<sup>th</sup> meeting, 6 December 1974, Chang Hsien-wu, A/C.2/SR.1647.

<sup>31</sup> Jeremy Friedman, *Shadow Cold War. The Sino-Soviet Competition for the Third World*, Chapel Hill: University of North Carolina Press, 2015, pp. 199-200.

On the contrary, contributions for development activities provided to the various UN bodies and agencies were always very small. During the 1970s, Beijing limited itself to paying its assessed contributions to the UN specialized agencies and provided the UN Development Programme (UNDP) with almost symbolic sums. From 1973 to 1979 Chinese voluntary contributions totalled about US\$ 9.6 million,<sup>32</sup> while it is estimated that bilateral aid to several African countries from 1970 to 1977 hovered around US\$ 2 billion.<sup>33</sup>

In October 1973 the UNDP Administrator, Rudolph Peterson and his deputy, John Oliver, visited Beijing with the aim of encouraging China to increase voluntary funding to the UN development cooperation activities and the quota provided in convertible currency (which was at that time around 20%).<sup>34</sup> The result was a slight increase in the Chinese commitment to the UNDP budget in the years 1974-76 (almost US\$ 2 million a year) which declined to zero for the years 1977-78 and then resumed in 1979 at an average of just over a million a year.<sup>35</sup> For a long time, Beijing showed little interest and deep scepticism towards UNDP, although it was at the heart of the UN development system and despite the election of China to the Board of Governors for the years 1974-78. This hostility did not diminish even when the Programme, with an openness to the demands of the developing countries and in the context of the NIEO implementation process in 1975, launched a new program to support SSC activities.<sup>36</sup> Chinese criticism concerned the approach itself of UNDP to the problems of development, as well as its operational

<sup>32</sup> The data are drawn from United Nations Development Programme, *Financial Reports and Accounts and Report of the Board of the Auditors*, New York: UN, years 1974-1980.

<sup>33</sup> George T. Yu, 'Sino-Soviet rivalry in Africa', in David E. Albright (ed.), *Communism in Africa*, Bloomington and London: Indiana University Press, 1980, pp. 170-171.

<sup>34</sup> British Embassy Peking (Preston) to Far Eastern Department, FCO, *Visit of UNDP Administrator*, 12 December 1973, TNA, FCO 21/1095; Tel. n. 191926, State to Peking, *UNDP - Travel of Administrator to PRC*, 26 September 1973, CFPF, 1973-1979, Rg 59, National Archives at College Park, electronic record ([ww.archives.gov](http://ww.archives.gov)).

<sup>35</sup> UNDP, *Financial Reports and Accounts and Report of the Board of the Auditors*. China suspended its contributions to UNDP on grounds that its earlier funds, in non-convertible national currency, were not used by the agency. Tel. 3808, Usun to State, *UNDP assistance to China*, September 27, 1978, CFPF, 1973-1979, Rg 59, National Archives at College Park, electronic record ([ww.archives.gov](http://ww.archives.gov)).

<sup>36</sup> UNDP Governing Council Decision 75/34, *New dimensions in technical cooperation*, 25 June 1975, Governing Council Report, Twentieth Session, pp. 15-16, E/5703/Rev.1.

procedures. Beijing did not like UNDP either as it was not useful in the direct pursuit of its interests in the Third World, and because its working methods contradicted the principles of Chinese cooperation. Beijing did not accept the necessary mediation between the national needs of the recipients and the agency's working practices, which it considered as an interference in the national sovereignty of receiving countries. It believed that the latter should have more decision-making power on the selection and implementation of the agency's projects. Nor did it accept the idea that the largest contributors had a greater say in the allocation of funds. In addition, China criticized UNDP for its excessive bureaucracy and mismanagement of resources and suggested that the agency would have to recruit experts especially in developing countries, instead of using most of its resources to pay technicians from abroad. Finally, it rejected what it thought was a too functionalistic and not very political approach to development cooperation.<sup>37</sup> Actually, as the declaration of Kuwait City in 1977 affirms, the singular element of South-South cooperation could be traced back precisely to its being based on political reasons.<sup>38</sup>

During the 1970s, as in the following decades, the need to reconcile Chinese national interests, in the context of confrontation with the Soviet Union, with the radical positions expressed on the role of the Third World in international politics, translated at the UN into frequent recourse to non-participation in the vote.<sup>39</sup> The main contradictions in China's multilateral diplomacy emerged in its relations with the G77, although it represented the fulcrum of its multilateral diplomacy.

Despite the support that China consistently showed towards the position of the G77 at the UN, Beijing did not seem ready to marry indiscriminately, and to the end, every Third World cause and never tried to act as a leader of the Group, with regard to either economic or political issues (as in decolonization issues or the South African

<sup>37</sup> See, for example, General Assembly, Twenty-eighth Session, Second Committee, 1559th meeting, 16 November 1973, Wang Tzu-chuan, A/C.2/SR.1559. See also Samuel S. Kim, *China, the United Nations and World Order*, pp. 315-328.

<sup>38</sup> As part of the preparations for the UN Conference on Technical Cooperation among Developing Countries (TCDC), the UNDP convened a Panel of Consultants in Kuwait to analyse the main issues to be examined at the World Conference on TCDC to be held in Buenos Aires in 1978. The Kuwait City Declaration defined South-South cooperation as «a conscious, systematic and politically motivated process developed to create a framework of multiple links between developing countries». On the origins and evolution of the UN commitment to South-South cooperation see the article by Angela Villani in this issue.

<sup>39</sup> Samuel S. Kim, *China, the United Nations and World Order*, pp. 176-177.



question), but opted instead «to walk a rather lonely path».<sup>40</sup> During the VII Special session of 1975, on «Development and international economic cooperation», in which the implementation of new measures for development was discussed, China participated little in the debate evaluating the «relatively positive results» achieved with a certain disenchantment. «The resolution already adopted – the Chinese representative stated – is only something on paper and it requires protracted and arduous struggles to translate it into reality».<sup>41</sup>

China also participated without enthusiasm in the process of implementation of NIEO. It did not take part in the ad hoc Committee on the reform of the UN development system, although it had repeatedly stated the need to reform and make it more efficient.<sup>42</sup> Furthermore, it was not among the members of the ad hoc Committee on the special program, created by the VI Special session to establish the Special Fund<sup>43</sup> nor did it participate in the Economic Cooperation among Developing Countries (ECDC) Committee established in 1976 by UNCTAD, although it represented the best synthesis of the principles of self-reliance and horizontal cooperation so dear to the Chinese. In addition, while taking part in the 1974 Rome World Food Conference, it refused to become a member of the World Food Council and take responsibility in a field of primary interest for developing countries.

The insistence and zeal with which the Chinese representatives criticized the Soviet Union were not particularly constructive in the eyes of the non-aligned. The Chinese attitude at the VI Special session, made up of often gratuitous attacks on the USSR, highlighted the gap between declarations of solidarity with the Third World and lack of willingness to negotiate for concrete proposals coming from the G77.<sup>44</sup> It also stressed China's lack of understanding of the ex-

<sup>40</sup> Letter, Solesby to Parsons, *China and the UN*, 2 November 1973, TNA, FCO/1094.

<sup>41</sup> Gaor, Seventh Special Session, 2349th plenary meeting, 16 September 1975, Huang Hua, p. 4, A/PV.2349.

<sup>42</sup> The Commission was established by the resolution of the General Assembly of 16 September 1975.

<sup>43</sup> The UN Special Fund was created on the basis of GA resolution 3202 (S-VI) of 1 May 1974 as part of the Special Program that the NIEO Action Program had planned to provide emergency relief and development assistance to the developing countries most seriously affected by the economic crisis, to the landlocked countries and to the least developed countries.

<sup>44</sup> See, for example, the speeches at the Ad hoc Committee of the VI Special session of 15 and 16 April 1974, almost entirely dedicated to attacking the Soviets. Gaor, Sixth Special Session, General Committee and Ad hoc Committee, Summary Records of Meeting, 10 April-1 May 1974, Chou Nan, A/AC.166/SR.4 and A/AC.166/SR.5.

pectations that the G77 had set in that session and in the negotiations that were to follow.

Lastly, Chinese national interests did not always coincide with the wishes of the majority in the GA. For example, China's emphasis on self-help was not so popular among Third World delegations and contrasted with the requests for increased aid advanced by them. The harshness with which China rejected the Soviet proposal for a percentage cut in armament expenditures by the permanent members of the Security Council to be used for development purposes was not in line with the way many developing countries had welcomed it. The refusal to pay for peacekeeping operations was not appreciated by the majority of the GA, just as the moderation that China repeatedly showed towards European countries on colonial issues was very far from the treatment reserved to them by some of the non-aligned members. Finally, on UN Charter reform, China expressed only a general favour without making specific proposals. The logic of the principle of equality among states should have led Beijing to support the abolition of the veto power as well as to demand greater powers for the GA. However, there was no initiative in this direction nor any signal that China intended to renounce the privileged powers of a permanent member,<sup>45</sup> even though it used its veto power only six times from 1971 to 2009.<sup>46</sup> At the end of the decade, tensions with the developing countries surfaced also when China, submitting more accurate statistics on the state of its economy to the GA Committee on Contributions, asked and obtained a reduction of its contribution to the UN regular budget, which gradually decreased from 5.5% to 0.88% in 1983.<sup>47</sup>

Finally, as Samuel Kim points out, the Chinese invasion of Vietnam in 1979 represented the «dramatic evidence of the extent to which the post-Mao leadership was willing to bend the pledge never to act like a superpower»,<sup>48</sup> often repeated in speeches at the GA.<sup>49</sup>

<sup>45</sup> Letter, Solesby to Parsons, *China and the UN*, November 2, 1973, TNA, FCO/1094.

<sup>46</sup> Joel Wuthnow, *Chinese Diplomacy and the UN Security Council. Beyond the veto*, London and New York: Routledge, 2013, pp. 16, 19, 21, 29.

<sup>47</sup> General Assembly Resolution A/RES/37/125A, *Scale of assessments for the apportionment of expenses of the United Nations*, 17 December 1982; UN Secretariat, *Status of contributions as at 31 December 1983*, 1 March 1984, ST/ADM/SER.B/271.

<sup>48</sup> Samuel S. Kim, 'Whither Post-Mao Chinese Global Policy?', *International Organization*, Vol. 35, No. 3, 1981, p. 440.

<sup>49</sup> For example, in his 1974 speech, Teng stated: «If one day China should change its colour and turn into a super Power, if it, too, should play the tyrant in the world, and everywhere subject others to its bullying, aggression and exploitation, then the people of the world should identify it as social imperialism, expose

3. *The 1980s and 1990s: «Socialist modernization in a peaceful international environment»*<sup>50</sup>

Between the end of the 1970s and the beginning of the 1980s Chinese foreign policy underwent a significant reorientation linked to the domestic economic reform and the launch of the «Four modernizations» (in agriculture, industry, national defence, science) which aimed to transform China, by the end of the century, into a powerful socialist country.<sup>51</sup> The opening up to the outside world thus became an integral part of the domestic economic reform project. Only an improvement of its relations with Western countries and full participation in the international system would allow China to access the resources it needed (technology, managerial know how, machineries and equipment, investment capital as well as export markets).<sup>52</sup>

The Chinese position at the UN, of course, reflected the extent of these changes in the country's foreign and domestic policy, as well as reassessment of its role in world affairs.

While in the previous years the UN system had been seen and used as a source of legitimization on the international scene, from the end of the 1970s it also became a source of aid and financial flows needed to carry out the reforms. Moreover, it was a forum through which China pursued the priority objectives of its foreign policy, in particular the strengthening of political and economic ties with the European Community, the US and Japan, in an anti-Soviet function and in continuity with the support, at least rhetorical, to the Third World.

Since the end of the 1970s and during the 1980s, China expanded its participation in the various agencies and organs of the UN, signalling willingness to become an increasingly active actor in the life of the organization. It was aware that its interests coincided more and more with a growing multilateral commitment, but it now

it, oppose it and work together with the Chinese people to overthrow it». Teng Xiao-ping, A/PV.2209, p. 19.

<sup>50</sup> Gaor, Thirty-sixth session, 10<sup>th</sup> plenary meeting, 23 September 1981, Zhang Wenjin, p. 162, A/36/PV.10.

<sup>51</sup> On the economic reform see Barry Naughton, *Growing out of the plan. Chinese economic reform, 1978-1993*, Cambridge: Cambridge University Press, 1995 and Guido Samarani, *La Cina Contemporanea. Dalla fine dell'Impero a oggi*, Torino: Einaudi, 2017, pp. 310-369.

<sup>52</sup> John W. Garver, *China's Quest. The History of the Foreign Relations of the People's Republic of China*, New York: Oxford University Press, 2016, pp. 351-353; Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982. The European Dimension of China's Great Transition*, London: Palgrave-Macmillan, 2016, pp. 143-144.

had the ability to manage the huge amount of work on different issues that this involved.<sup>53</sup> In 1979, they signed the new Constitution of UNIDO, which was transformed into a UN specialized agency. A decision was made to participate in the Global Environmental Monitoring System<sup>54</sup> and it attended, for the first time, the preparatory committee for the Conference on Science and Technology for Development.<sup>55</sup> In 1980, China established formal relations with UNICEF and decided to take part in the work of the UN Committee on Disarmament.<sup>56</sup> In October 1982, it was elected to the World Food Council and participated for the first time in a meeting of the Executive Committee of the United Nations High Commissioner for Refugees in Geneva. On that occasion, for the first time it appealed to the World Food Programme for help to meet the needs of 250,000 refugees from Indochina, arguing that the number of Indochinese refugees presented a problem which the UN had to face. In the same year, Beijing was granted almost US\$ 7 million in emergency food<sup>57</sup> and, since then, the country has become one of the major recipients of WFP assistance.<sup>58</sup> In 1984, a Chinese, Ni Zhengyu, was elected to the International Court of Justice.<sup>59</sup> In 1988 China became a member of the UN special committee on Peacekeeping

<sup>53</sup> Tel. n. 439, UK Mission to the UN (New York) to FCO, *China's role at the UN*, 28 March 1979, TNA, FCO 58/1559.

<sup>54</sup> GEM was established in 1973 by the United Nations Environment Programme, for monitoring atmosphere, climate, pollution, and renewable resources.

<sup>55</sup> The Conference was held in Vienna in August 1979 and aimed at reaching an international agreement on governing principles, and institutional arrangements as well as on financing mechanisms for the transfer of technology to developing countries.

<sup>56</sup> China had for long remained uninterested in international discussions on disarmament, insisting on each state's right to independently develop its means of defence. Huang Hua, the Chinese Foreign Minister, speaking at the General Assembly special session on disarmament in 1978 had even denounced the Disarmament Committee as a forum under the control of the superpowers. Gaor, Tenth special session, 7<sup>th</sup> plenary meeting, 29 May 1978, p. 141-142, A/S-10/PV.7; Brief, *Chinese attitude towards the UN and its role there*, 16 October 1979, TNA, FCO 58/1559.

<sup>57</sup> Tony Saich and Gerald Segal, 'Quarterly Chronicle and Documentation', *The China Quarterly*, Vol. 81, n. 1, March 1980, pp. 175-176.

<sup>58</sup> My elaboration from data contained in Query Wizard for International Development Statistics [Qwids] (<http://stats.oecd.org/qwids>).

<sup>59</sup> China membership in international organizations increased from 21 in 1977 to 51 in 1996. Samuel S. Kim, 'China and the United Nations', in Elizabeth Economy & Michel Oksenberg (eds.), *China Joins the World*, New York: Council on Foreign Relations, 1999, pp. 45-46.

operations, after its 1981 decision to pay its contribution to finance UN peacekeeping forces.<sup>60</sup>

In 1978, China decided to ask for assistance from UNDP for the first time. In the summer of 1979, despite the technical terms for entering the 1977-81 programming period having expired, and despite the criticisms by the USSR and Cuba, the Governing Council decided to allocate US\$ 15 million for assistance to China until 1981, and to open its first office in the country, to start a stable and continuous cooperation. The activities of UNDP in China were linked to the development strategies of the Chinese government and in a few years, they moved from a number of *ad hoc* projects to a series of coordinated projects based on thematic and sectoral interventions. The first country programme (1982-86) focused on providing China with access to the most advanced technology and training in all sectors of the economy,<sup>61</sup> while the second programme introduced projects in human resources development, economic research and agricultural production. Subsequent programs added a very wide spectrum of activities, from improving management skills in the economic and public administration spheres to environmental issues, from poverty alleviation to basic education, with an emphasis on programs focused on technical cooperation among developing countries.<sup>62</sup>

In 1979, the UN Population Fund also established cooperative relations with China. Also in this case, international assistance was requested to support the development strategies designed by the Chinese government, which considered the growth rates of the population of the country incompatible with its modernization strate-

<sup>60</sup> See Gaor, Thirty-sixth session, V Committee, 27 November 1981, Ling Qing, pp. 7-8 A/C.5/36/SR.56.

<sup>61</sup> Among the most successful programs funded by UNDP it is worth citing the TOKEN program (Transfer of Knowledge through Expatriate Nationals), which allowed Chinese specialists living overseas to work in China as consultants for short periods and the Star program (Senior Technical Advisers' Recruitment Program) aimed at non-Chinese experts. See William R. Feeney, 'China's Relations with Multilateral Economic Institutions', in *China's economic dilemmas in the 1990s. The problems of reform, modernization, and interdependence*, Study papers submitted to the Joint Economic Committee, Congress of the United States, Washington: US GPO, 1991, p. 798.

<sup>62</sup> UNDP Governing Council, *First Country Programme for the People's Republic of China (1982-1986)*, 18 February 1982, DP/CP/CPR/1; UNDP Governing Council, *Second Country Programme for China (1986-1990)*, 17 March 1986, DP/CP/CPR/2; UNDP Governing Council, *Third Country Programme for China. Note by the Administrator*, 21 March 1991, DP/CP/CPR/note/3; Executive Board of UNDP and UNFPA, *First Country Cooperation Framework for the People's Republic of China (1996-2000)*, 8 July 1996, DP/CCF/CPR/1.

gies. For this reason, at the beginning of the 1980s, the government launched a strongly coercive antinatalist policy, with the aim of stabilizing the population at 1.2 billion people by 2000.<sup>63</sup> In May, a Fund mission signed an agreement with the Chinese government that identified the main areas of intervention. A year later, a US\$ 50 million/4 year assistance program was approved to support different activities, such as the carrying out of the 1982 census and census data analysis, training of demographers, establishment of a population information center, promotion of family size limitation, and improvement of contraception production.<sup>64</sup> During the 1980s, the Chinese program became a priority for UNFPA and China the first recipient of agency assistance (US\$110 million from 1980 to 1989), followed by India (US\$ 103 million) and Indonesia (US\$ 38 million).<sup>65</sup>

By actively requesting multilateral assistance from the UN, China relinquished its unique status as the only developing country that did not accept aid but provided it, to acquire another one, as the only member of the Security Council who was both a donor and one of the major recipients of the UN development system. From 1979 to 1989, China was in fact the third largest recipient of aid from UNDP, and the fourth largest recipient from all UN agencies (after Pakistan, India and Bangladesh). In the 1990s, it remained among

<sup>63</sup> The 1982 census reported that the Chinese population had exceeded one billion; if the growth rate remained unchanged it was estimated that this figure would be reached as early as 1993. See UK Mission to the UN (New York) to ODA, *UNFPA Briefing: China Programme*, 15 June 1983, TNA, FCO 21/2451. On Chinese demographic policies see Tyrene White, *China's Longest Campaign. Birth Planning in the People's Republic of China, 1949-2005*, Ithaca-London: Cornell University Press, 2006; Thomas Scharping, *Birth Control in China 1949-2000. Population Policy and Demographic Development*, London-New York: Routledge Curzon, 2003.

<sup>64</sup> UNDP, Governing Council, Twenty-seventh session, *Recommendation by the Executive Director Assistance to the Government of China. Comprehensive Population Programme*, 14 May 1980, DP/FPA/II/Add.22.

<sup>65</sup> My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>). The abuses related to the so called «one-child policy» soon became known to Western governments and the international public opinion. For this reason, the commitment to assistance to China has cost UNFPA repeated cuts in US allocations since 1985. On Western reactions to the reported human rights violations in the implementation of the Chinese demographic policy, see, for example, Memorandum, Peking to FCO, *Population control*, 21 February 1983; Memorandum, Peking to FCO, *Population control*, 25 March 1983; Peking to FCO, *Female infanticide*, 11 April 1983; Memorandum, Peking to FCO, *Population control*, 11 June 1983; Memorandum, FCO to ODA, *China's population policy: human rights*, 13 July 1983, all in TNA, FCO 21/2451.

the largest ten recipients,<sup>66</sup> despite the fact that the conflicts that broke out after the end of the Cold War and, in particular, the war in former Yugoslavia had widened the potential audience of those who could have access to multilateral assistance.

The international community, in particular Japan and the European countries, reacted to Chinese openness also through offers of bilateral aid. Starting from 1978, Germany, France, Great Britain and Italy provided important flows of Official Development Assistance (ODA) to China which, together with direct investments, were crucial to the modernization of the country.<sup>67</sup> Their choice was made on political, economic and developmental grounds. Firstly, European countries viewed a richer and more stable China as a possible counterweight to the Soviet Union, in a moment of resumption of the Cold War and of growing tensions with Moscow. They believed that foreign aid, by demonstrating the advantages of interdependence and cooperation over self-reliance, would be useful to bind the country more closely to the West. Secondly, none of the major European countries wanted to lose the opportunities that the huge Chinese market could offer their economies in the medium to long term, especially after the normalization of diplomatic relations with the US, at the beginning of 1979, showed the emergence of another strong competitor.<sup>68</sup> Finally, China was a very poor country, with a per capita income only slightly higher than that of India and, the Foreign Office reasoned, «in the long term it could provide an international model of successful development.»<sup>69</sup>

Between the end of the 1970s and the beginning of the 1980s, European countries, together with Japan, Canada and Australia, started technical assistance programs in various sectors (agricultural and industrial development, cultural cooperation and training programs, infrastructures, energy) and granted concessional loans to China. These programs began gradually, to then triple their total

<sup>66</sup> My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>).

<sup>67</sup> Tsukasa Takamine, *Japan's Development Aid to China: The Long Running Foreign Policy of Engagement*, London and New York: Routledge, 2006; Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982*. On China's relations with European countries in the preceding years see Carla Meneguzzi Rostagni & Guido Samarani (eds.), *La Cina di Mao, l'Italia e l'Europa negli anni della Guerra fredda*, Bologna: il Mulino, 2014.

<sup>68</sup> Tel. n. 432, Peking to FCO, *Sino-British Relations*, 11 May 1979, TNA, FCO 58/1559. Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982*, pp. 171-198.

<sup>69</sup> Brief, Elliot (Fed) to Donald (ODA), *FCO/ODA aid policy board*, 4 May 1982, TNA, FCO 21/2129. To these reasons Great Britain added the need to show to Beijing its commitment to long-term cooperation with China, in light of the upcoming Sino-British negotiations on the future of Hong Kong.

value from 1984 to 1989,<sup>70</sup> and continued to grow over the next decade to hit their peak in 1995, when DAC countries provided China with ODA of US\$ 2.5 billion.<sup>71</sup> From 1979 to 1989, the largest donors were, in order, Japan, Germany and Italy,<sup>72</sup> while Germany and Japan remained the first two donors also during the 1990s.<sup>73</sup>

Beijing accompanied the request for aid from the international community with reassurances on its greater commitment to the development activities of the UN. During the 1980s and 1990s, however, its contributions continued to remain at a rather modest level. In this period, contributions to the UN ordinary budget were below 1%,<sup>74</sup> while voluntary contributions to UNDP saw only small increases.<sup>75</sup>

Perhaps the most striking aspect of the Chinese conversion from the rhetoric of the revolution of the poorest to the most pragmatic use of international organizations was the request, in 1979, to join the World Bank, after the establishment of full diplomatic relations with the US.<sup>76</sup> After having long criticized international financial in-

<sup>70</sup> For the evolution of the UK technical and financial assistance program, see, for example, ODA Background Brief, *Aid to China*, April 1989, attached to Letter, Brooks to Seaton, 30 August 1989, TNA, FCO 21/4254.

<sup>71</sup> My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>).

<sup>72</sup> *Ibid.* Enrico Fardella, 'A significant periphery of the Cold War: Italy-China bilateral relations, 1949-1989', *Cold War History*, Vol. 17, No. 2, 2017, pp. 13-15.

<sup>73</sup> Tsukasa Takamine, *Japan's Development Aid to China*, p. 5.

<sup>74</sup> Only since 2001 China's assessment level started again to exceed 1%, while China's rate of assessment to the UN regular budget for the years 2016-2018 was fixed at 7.9% (the third highest after US and Japan). UN Secretariat, *Assessment of Member States' advances to the Working Capital Fund for the biennium 2018-2019 and contributions to the United Nations regular budget for 2018*, 29 December 2017, ST/ADM/SER.B/973.

<sup>75</sup> From 1980 to 1989, China contributed approximately 20 million dollars to UNDP, and in the 1990s nearly 30 million. Data are from UNDP, *Financial Reports and Accounts and Report of the Board of the Auditors*, years 1981-2000.

<sup>76</sup> A very useful account of the development of China-World Bank relations is in Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT. Toward a Global Economic Order*, Ann Arbor: The University of Michigan Press, 1990, pp. 57-81. See also Edwin Lim, 'Learning and working with the giants', in Indermit S. Gill & Todd Pugatch (eds.), *At the front lines of development. Reflections from the World Bank*, Washington DC: The World Bank, 2005, pp. 89-119; Anne Kent, *Beyond Compliance. China, International Organizations, and Global Security*, Stanford: Stanford Univ Press, 2007, pp. 103-143; William R. Feeney, 'China's Relations with Multilateral Economic Institutions', pp. 795-816; Gregory Chin, 'The World Bank and China: the



stitutions (IFIs) and repeatedly declared its lack of interest in them, China not only became a member of the International Monetary Fund (IMF) and the World Bank in 1980, but immediately asked for an increase in its shares, which determined the level of loans that could be granted to the country and the number of its votes in the two organizations. In both institutions, China became a single-state constituency, with a number of votes that allowed it to elect its own executive director.<sup>77</sup>

The IFIs responded promptly and positively to the Chinese initiative<sup>78</sup> and, as was the case for the UN agencies, China managed to obtain substantial loans from the International Development Association (IDA). Thus, it became within a few years one of its biggest recipients up to 1999, when it graduated to «lower middle-income country» status and lost access to the Bank's soft-loan window. In 1983, China also joined the Asian Development Bank and in 1985 the African Development Bank.

The first projects approved by the World Bank, where China was eligible for blend financing by both the IDA and IRBD, were in the fields of higher education and research,<sup>79</sup> agriculture,<sup>80</sup> infrastructures<sup>81</sup> and assistance in industrial reform.<sup>82</sup>

long decade of realignment', in Carla P. Freeman (ed.), *Handbook on China and developing countries*, pp. 169-192.

<sup>77</sup> Samuel S. Kim, 'Whiter Post-Mao Chinese Global Policy?', p. 457; Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT*, pp. 76-77.

<sup>78</sup> The speed of the response was mainly due to World Bank President Robert McNamara, who resisted the demands of the Carter administration to postpone China's participation for a year, to avoid problems with Congress over the allocations of funds for the international financial institutions. See Summary of Conclusions of a Presidential Review Committee Meeting, *US-Enlai China Economic Relations*, March 27, 1980, Foreign Relations of the United States, 1977-80, XIII, *China*, Washington, US GPO, 2013, doc. 305 and Memorandum from the President's Deputy Assistant for National Security Affairs (Aaron) to President Carter, *PRC Entry into the IMF/IBRD*, April 2, 1980, *ibid.*, doc. 306.

<sup>79</sup> In June 1981 the IBRD and IDA approved their first loan to China to implement a «University Development Project» (US\$ 253 million) aimed at strengthening 28 top-level universities «in selected scientific and technical fields». World Bank, Project performance audit report, China, *University Development project*, 30 December 1988, p. v. (<http://documents.worldbank.org/curated/en/441011468913807285/pdf/7561-PPAR-PUBLIC.pdf>).

<sup>80</sup> In June 1982 the North China Plains Agricultural Project (US\$ 60 million) was financed by IDA. It aimed at bringing new land into production and improving productivity on existing farms in the North China Plain. World Bank, Project Performance Audit Report, China, *North China Plain Agriculture Project*, 28

Although «the ‘Washington consensus’ [...] brought established donors into a system in which one set of ideas about economic policy was cemented into the foundations of the aid regime»,<sup>83</sup> China was able to maintain a high level of control on the projects implemented by the Bank. Indeed, its gradual transition to the market economy was not always consistent with its receipts and advice.<sup>84</sup> Notwithstanding this, Chinese relationships with the Bank gradually became strong and very broad. The lending program extended rapidly, but the work of the Bank in the country was not confined only to financing and supervising development projects. It also included a significant transfer of knowledge and expertise to Chinese officials, bureaucrats and economists. Indeed, the Bank staff actively participated in the process of reform of the Chinese economy through policy dialogue, research work, organization of conferences on various economic issues, fellowships for students and training programs for Chinese economists working in government agencies.<sup>85</sup>

From 1980 to December 2017, the IDA and the IBRD supported 416 projects in China for a total amount of about US\$ 60 billion.<sup>86</sup>

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April 1989 (<http://documents.worldbank.org/curated/en/132501468913857706/pdf/7736-PPAR-PUBLIC.pdf>).

<sup>81</sup> In November 1982, the World Bank approved a new project (US\$ 124 million) aimed at modernizing facilities at the three ports of Guangzhou, Shanghai and Tianjin. World Bank, Project Performance Audit Report, China, *Three Ports Project*, 10 June 1991 (<http://documents.worldbank.org/curated/en/268821468914766843/pdf/multi-page.pdf>).

<sup>82</sup> In December 1982, the Bank financed the first of five credits that were granted to China between 1982 through 1989 (for a total amount of US\$ 939 million) to modernize state-owned enterprises and support the establishment and operations of the China Investment Bank, designed to provide investment loans for small and medium-size industries. World Bank, Project Completion report, China, *First Industrial Credit Project*, 21 June 1991 (<http://documents.worldbank.org/curated/en/704741468025137202/pdf/multi-page.pdf>).

<sup>83</sup> Ngaire Woods, ‘Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance’, *International affairs*, Vol. 84, No. 6, 2008, p. 1216.

<sup>84</sup> Edwin Lim, ‘Learning and working with the giants’, p. 107. On the relationship between the Bank’s and Chinese economists see Julian Gewirtz, *Unlikely partners. Chinese reformers, Western economists, and the making of global China*, Cambridge: Harvard University Press, 2017.

<sup>85</sup> *Ibid.*, pp. 104-106.

<sup>86</sup> The main sectors involved were pollution management; rural services and infrastructures; climate change; environmental policies; water resource management; services for private sector development. World Bank, Projects and operations, China ([http://projects.worldbank.org/search?lang=en&searchTerm&country\\_code\\_exactCN](http://projects.worldbank.org/search?lang=en&searchTerm&country_code_exactCN)).

During these years only the violent repression of the Tiananmen Square demonstrations in June 1989 caused tensions with international donors.<sup>87</sup> A few days after the massacre, the US, member states of the European Community (EC) and Japan decided to impose a series of multilateral and bilateral sanctions that included an arms embargo, the suspension of high-level bilateral meetings and the freezing of bilateral aid agreements.<sup>88</sup> At the urging of the US government,<sup>89</sup> and despite resistance of the IFIs,<sup>90</sup> the G7 countries also decided the indefinite postponement of the concession of new loans to China by the World Bank and the Asian Development Bank. However, even in those months, the World Bank remained Beijing's best ally: officials intensified their efforts to persuade Western governments to ease the sanctions and to allow the Bank to resume its normal activities in the country,<sup>91</sup> arguing that the aid programs should be evaluated on economic and not on political grounds.<sup>92</sup> Mostly, they feared for the institution's credibility with

<sup>87</sup> On Western reactions to Tiananmen Square events see: Rosemary Foot, *Rights beyond borders. The global community and the struggle over human rights in China*, New York: Oxford University Press, 2000, pp. 113-149; Dianne E. Rennack, *China: Economic Sanctions*, CRS Report for Congress, 1 February 2006; James D. Seymour, 'Human Rights in Chinese Foreign Relations', in Samuel S. Kim (ed.), *China and the World: Chinese Foreign Relations in the Post-Cold War Era*, Boulder: Westview Press, 1994, pp. 202-225.

<sup>88</sup> Several bilateral meetings took place anyway in the margins of multilateral meetings, and technical assistance as well as operations related to loans already approved continued, both bilaterally and multilaterally. Also, the UN continued to implement its aid activities and to prepare new projects. Note for the record, *UNDP donors' group meeting, 14 September*, TNA, FCO 21/4254.

<sup>89</sup> Tel. 520, FCO to Tokyo, *World Bank: China Loans*, 22 June 1989; Tel. 422, Rome to FCO, *World Bank: China loans*, 23 June 1989; Tel. 827, Paris to FCO, *World Bank: China loans*, 23 June 1989, all in TNA, FCO 21/4254.

<sup>90</sup> Tel. 190, UK delegation to IMF/IBRD, *World Bank: China Loans*, 21 June 1989; Fax n. 441273-16/19, Bühler (ED-Asian Development Bank) to ODA, *Bank Cooperation with China*, 11 August 1989; Note for the record, *Meeting with Conable, Sunday, 24 September 1989*, 25 September 1989, all in TNA, FCO 21/4254.

<sup>91</sup> Note for the record, *Visit by Mr. S. J. Burki, World Bank*, 1 September 1989; Note for the record, *Call by Mr. Burki, Director World Bank China Country Department*, 31 August 1989; Note of a meeting with Mr. Shahid Burki, Director, Asia Department, World Bank, 1 September 1989; Memorandum, Barras (Cabinet Office) to Millington (FCO), *China and the World Bank*, 11 September 1989, all in TNA, FCO 21/4254.

<sup>92</sup> At a meeting of UNDP donors the representative of the World Bank stated, in line with the official view expressed by the institution, that «[...] the World Bank did not want to upset the US Congress by restarting lending too soon.

the Chinese government and believed that a prolonged suspension of activities in China would be counterproductive to the same long-term interests of the West. In fact, it risked provoking the weakening of the reformers thus driving the country back towards isolationism. In January 1990, the US eased their positions and decided to resume their support for World Bank loans to China, but only for projects aimed at the basic needs of the population.<sup>93</sup> The economic sanctions policy continued to soften in the following months, also because China's cooperation in the Security Council was needed when the Gulf crisis broke out. After a Security Council vote on Resolution 678 (November 1990), in which China abstained, the World Bank granted its first loan not linked to basic needs to China and resumed normal lending, while the EC made new funding available, starting in 1991.<sup>94</sup>

China's participation in IFIs marked the greatest distance from the development discourse of the Maoist era: it questioned not only the concept of development based on self-reliance, but also the principle of international egalitarianism, since IFIs-weighted voting placed China among the most influential countries. Furthermore, Beijing was forced to abandon its adherence to a rigid conception of the principle of respect for national sovereignty. It had to provide the World Bank and IMF with detailed economic information and statistics, some of which were considered highly confidential data,<sup>95</sup> accept the scrutiny of the status of its economy and trade relations before the Bank could start its first projects and, subsequently, agree to periodic monitoring.<sup>96</sup>

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However, he felt it was not the Bank's business to get involved in philosophical discussions about human rights». Note for the record, *UNDP donors' group meeting, 14 September*, TNA, FCO 21/4254.

<sup>93</sup> In the summer of 1990, at the Houston summit G7 countries added a new waiver for environmental projects.

<sup>94</sup> Samuel S. Kim, 'China and the United Nations', p. 84.

<sup>95</sup> Information on Chinese gold reserves and currency in circulation were considered as «top-secret». Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT*, p. 71.

<sup>96</sup> From October through December 1980 an economic mission of the World Bank visited China. The result was a nine-volume country study that was approved by the Board of Governors in 1981. World Bank, *China: Socialist Economic Development*, Washington DC, World Bank, 1983, 9 vols. In 1984, a new economic mission visited the country and produced a second main report (*China: Long term development issues and options*, Baltimore, The Johns Hopkins University Press, 1985) and six sectoral studies. Since 1985 the Bank published further general and sectoral economic reports on China, most of which at the request of the Chinese government. See Pieter Bottelier, 'China and the World

These changes in perspective were soon evident in the statements of the Chinese representatives at the UN, where a new Chinese narrative of development emerged. Development was no longer described as the result of a struggle of the poorest for the definition of a fairer international economic order, but as a process of modernization which had as its basis the creation of conditions of peace and interdependence between the economies of different countries. The perspective was thus completely reversed, and reform of the international system postponed. «The long-term objective of establishing the new international economic order should be linked with the solution of the immediate urgent problems»,<sup>97</sup> the Chinese representative to the second commission of the GA stated in 1983. Likewise, the concept of self-help was redefined as a long-term goal, which was to be balanced with «the short-term imperative of utilizing foreign capital, technology and market»<sup>98</sup> for the realization of the primary objective of the country's modernization. Thus, requests to the industrialized countries to provide more aid to the developing world became frequent in the speeches of the Chinese representatives, especially in light of the difficult conditions of some states, tight in the grip of the debt crisis. «In those circumstances, it was unrealistic to ask those countries to rely entirely on self-sufficiency. [...] The international community, particularly the developed countries, should show a renewed political will and assume more commitments to help the developing countries, particularly the least developed countries, to overcome the problem of the alarming inadequacy of funds and technology that obstructed their development.»<sup>99</sup>

Economic interdependence, which for Maoist China was nothing but a different way of defining the policies of exploitation of the rich countries towards the Third World, now seemed accepted as an unavoidable datum of international relations. However, China pointed out the need to understand that the wealth of the richer countries depended also on the well-being of developing countries and that a system where there were too many poor was not sustainable, especially in times of stagflation. «The economies of nations are closely

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Bank: how a partnership was built', *Journal of Contemporary China*, Vol. 16, No. 51, 2007, pp. 246-248.

<sup>97</sup> Gaor, thirty-eight session, 8th plenary meeting, 27 September 1983, Wu Xueqian, p. 93, A/38/PV.8.

<sup>98</sup> Samuel S. Kim, 'Post-Mao China's Development Model in Global Perspective', in Neville Maxwell & Bruce Mcfarlane (eds.), *China's Changed Road to Development*, New York: Pergamon Press, 1984, p. 218.

<sup>99</sup> Gaor, Thirty-sixth session, Second Committee, 36<sup>th</sup> meeting, 11 November 1981, Mi Guo-Jun, p. 3, A/C.2/36/SR.36.

interrelated. The developed countries are increasingly dependent on the developing countries for their economic growth. From the long-term point of view, the prolonged impoverishment of the latter will not be in the economic interests of the former. A number of developed countries have come to realize that their own economic 'stagflation' may be alleviated as a result of the economic growth of the developing countries».<sup>100</sup>

At the basis of this reconceptualization of development, the Chinese representatives placed an «indissoluble» link between the latter and peace, a link to which they had begun to make frequent references since 1980. They identified the construction of peaceful relations between states and domestic development as the primary objectives of the country's foreign and domestic policies: «Peace and development are two major issues in the world today. They also constitute the primary objectives of China's domestic and foreign policies. The Chinese people are now engaged in a large-scale socialist modernization drive. Their goal can be attained only through long years of efforts in a peaceful international environment.»<sup>101</sup> From this point of view, Beijing favoured the G77 call for conducting North-South negotiations within the UN, the only legitimate forum to negotiate an «*orderly* restructuring of international economic relations *through dialogue*».<sup>102</sup>

In these years, the radical change in Chinese rhetoric at the UN testified to the will to accept and use the system, rather than to transform it.<sup>103</sup> Chinese declarations acquired a softer and more conciliatory tone and were marked more by realism and by the clear definition of Chinese national interests than by the declamation of principles. In this context, in the mid-1980s, regular bilateral meetings with several countries began on the issues to be debated at the UN. They were not solicited by the Chinese government,<sup>104</sup> but were welcomed by it as, while on the one hand they helped strengthen the bilateral relations of China, on the other, they were a clear sign

<sup>100</sup> Zhang Wenjin, A/36/PV.10, p. 162. See also Gaor, Thirty-ninth session, 8<sup>th</sup> plenary meeting, 26 September 1984, Wu Xueqian, A/39/PV.8.

<sup>101</sup> *Ibid.*, p. 122.

<sup>102</sup> Gaor, Thirty-sixth session, 47<sup>th</sup> plenary meeting, 5 November 1981, Ling Qing, p. 854, A/36/PV.47, emphasis added.

<sup>103</sup> Samuel S. Kim, 'China and the United Nations', pp. 47-48.

<sup>104</sup> China held UN talks on a regular basis with the UK, USA, Federal Republic of Germany, German Democratic Republic, Sweden, Cuba, Peru, Chile, Yugoslavia, Romania and North Korea (even if the latter was not a member of the UN). Memorandum, FCO to Peking, *China: UN talks*, 6 June 1988, TNA, FCO 21/3973. For UK-China first and second meetings on UN matters in 1987 and 1988 see the documentation contained in TNA, FCO 58/4677 and TNA, FCO 21/3973.

of growing attention to the role of the country both within the organization and, more in general, in an international context that, according to Beijing, was becoming more and more multipolar.<sup>105</sup>

What did not change at this time in China's rhetoric was its constant identification with Third World countries and their interests, and the search for good relations with the non-aligned.

In every debate on international economic cooperation and development, the Chinese representatives stressed the difficulties of developing countries, the burden of debt on their economies, and called for a reform of the «unfair and unreasonable international economic system.»<sup>106</sup> In addition, they promoted the end of protectionism on the part of the industrialized countries, more aid, especially for the LDCs, the stabilization of the prices of raw materials, and the strengthening of SSC. In particular, they constantly underlined the right of each country to decide its model of development autonomously.<sup>107</sup>

However, China no longer represented itself as a model of development. Instead, the role that it seemed to offer was more that of a mediator, a large developing country that drew the attention of the developed countries to the imbalances of the international economic system and the inequalities it created.<sup>108</sup> At the same time, the peculiarity and autonomy of the Chinese choice of building «socialism with Chinese characteristics» were underlined.<sup>109</sup>

During the 1980s and 1990s, Chinese solidarity with the Third World expressed itself in various ways and at different levels. It swept broadly from veto to the re-election of Kurt Waldheim in favour of a Secretary General coming from a Third World country, to high-level participation, with Zhao Ziyang, at the Cancun conference in 1981; from the latter's journey in 11 African countries in 1983, to the long series of Third World leader visits to Beijing.<sup>110</sup> Although at that time China could only offer scarce resources to

<sup>105</sup> Provisional verbatim record, General Assembly, Forty-fifth session, 12<sup>th</sup> meeting, 4 October 1990, Qian Qichen, p. 51, A/45/PV.12.

<sup>106</sup> Gaor, Forty-fifth session, II Committee, 6th meeting, 10 October 1990, Jin Yongjian, p. 7, A/C.2/45/SR.6.

<sup>107</sup> General Assembly, Eighteenth special session, provisional verbatim record of the third meeting, 4 May 1990, Zheng Tuobin, A/S-18/PV.3; Qian Qichen, A/45/PV.12, p. 57; Jin Yongjian, A/C.2/46/SR.6, p. 8.

<sup>108</sup> «Without solving the development problems of four-fifths of the world population, it would be impossible either to achieve sustained and stable growth of the world economy or to maintain international peace and security.» Zheng Tuobin, A/S-18/PV.3, p. 43. See also Qian Qichen, A/45/PV.12, pp. 56-57.

<sup>109</sup> See, for example, Jin Yongjian, A/C.2/46/SR.6, p. 8.

<sup>110</sup> Despatch, Peking (ambassador Cradock) to Francis Pym, Foreign Secretary, *China and the Third World*, 21 June 1982, TNA, FCO 21/2079.

substantiate such solidarity, support for the Third World and identification with it brought advantages to the country, which was using more and more international aid to speed up its modernization. Moreover, the G77 represented a sort of alternative to its difficult relations with the superpowers and, in the long run, developing countries could represent an important export market for China.

The growing expansion of China's relations with the international institutions that represented the quintessence of capitalism, expressed in those years in its neoliberal paradigm, in the context of the debt crisis and of the structural adjustment programs, put a strain on the credibility of the Chinese statements of support of the Third World, showing its contradictions.

The state that up to then had encouraged self-reliance in the framework of SSC suddenly became a competitor of the developing countries in the international race for aid. Indeed, its World Bank membership soon posed the problem of adapting IDA resources to the needs of «another aid-hungry giant»,<sup>111</sup> especially with respect to funds destined for India (which had been receiving nearly 40% of IDA resources since 1973).<sup>112</sup> At a time of a general reduction of international aid, including multilateral aid, there was no possibility of a future increase in IDA resources. Thus, the amounts to be allocated to China had to be diverted from programs intended for other countries.<sup>113</sup> This happened in the contextual decrease in the 1980s of Chinese bilateral aid compared to previous decades, especially in Africa, where the big infrastructural projects on the model of the Tan-Zam railway were abandoned for a more low-profile cooperation.<sup>114</sup>

<sup>111</sup> Brief, Elliot to Manning, *Aid to India and China*, 23 January 1982, TNA, FCO 21/2129.

<sup>112</sup> As the Sixth IDA replenishment was negotiated before China assumed membership, and without regard to that possibility, the Bank offered US\$ 400 million on IDA terms to China financed from other sources, and a further US\$ 400 million from IRBD funds. ODA note, *Aid to China: Financial considerations*, March 1982, TNA, FCO 21/2129.

<sup>113</sup> *Ibid.* China aspired, from the first moment, and eventually got, to have a share of IDA funds similar to that of India (30%). Letter, Davies (FCO) to Atkinson (Peking), *China aid and trade*, 12 March 1982, TNA, FCO 21/2129.

<sup>114</sup> Letter, Watson to Cox, *Some Third World visitors*, 10 May 1982, TNA, FCO 58/1559. On the contradictions of China's Third Worldism see Peter Van Ness, 'China and the Third World: Patterns of Engagement and Indifference', in Samuel S. Kim (ed.), *China And The World: Chinese Foreign Policy Faces The New Millennium*, Boulder: Westview Press, 1998, pp. 151-170.



4. *Conclusions. The new millennium: «International influence, ability to inspire and power to shape»*<sup>115</sup>

China's accession to the WTO in 2001 signalled, even symbolically, the completion of its integration into the world economy and international institutions.<sup>116</sup>

The first years of the new millennium – according to many observers – marked a new phase in Chinese foreign policy characterized by abandonment of the low-profile policy held in the previous period in favour of a growing international assertiveness,<sup>117</sup> which was expressed, inter alia, by a more active participation in the UN. This change in perspective accentuated after the international financial crisis of 2008-2009 and was experienced with a good deal of suspicion by the major Western countries, who saw a challenge to the existing international order in Chinese activism, especially in multilateral fora.<sup>118</sup>

For the purposes of this contribution, what is interesting to notice is that this activism also manifested itself in Chinese foreign aid policy. From about 2004, in fact, China has significantly increased its bilateral aid as well as its contributions to the UN development system.<sup>119</sup> Between 2012 and 2014, the major Chinese flows went to the UN Department of Peacekeeping Operations, the World Health Organization, FAO and the World Food Programme (WFP).<sup>120</sup> In particular, voluntary contributions to the latter have increased from US\$ 4 million in 2012 to US\$ 18 million in 2016, to reach 70 million in 2017, with 70% earmarked for specific projects or coun-

<sup>115</sup> «China champions the development of a community with a shared future for mankind and has encouraged the evolution of the global governance system. With this we have seen a further rise in China's international influence, ability to inspire, and power to shape.» Xi Jinping, Report at 19<sup>th</sup> national Congress of the Communist Party of China, *Xinhuanet*, 18 October 2017.

<sup>116</sup> It is worth noting that Western countries have not yet granted China the full market economy status within the WTO.

<sup>117</sup> Shaun Breslin, 'Global Reordering and China's Rise', p. 62.

<sup>118</sup> See footnote 1.

<sup>119</sup> The 2011 White Paper estimates this increase at nearly 30% from 2004 to 2009. State Council of the PRC, *China's Foreign Aid*, April 2011, Beijing (<http://english.gov.cn/archive/whitepaper>). The 2014 White Paper provides the estimate of US\$ 14.4 billion provided by China in bilateral and multilateral aid from 2010 to 2012. State Council of the PRC, *China's Foreign Aid*, July 2014, Beijing (<http://english.gov.cn/archive/whitepaper>).

<sup>120</sup> Willem Luijkx & Julia Benn, *Emerging providers' international co-operation for development*, OECD Development Co-operation Working Paper 33, April 2017, p. 8.

tries.<sup>121</sup> The OECD calculated that China's major multilateral engagement in 2009-2013 was with regional development banks,<sup>122</sup> that received about half of Chinese multilateral resources (about US\$ 809 million), while the UN received 37% (US\$ 608 million) and the World Bank group 12% (US\$ 191 million to IDA).

In this same period, China became a net donor, giving more aid than it received.<sup>123</sup> Once again, however, its status is singular in character, since it continues to receive both bilateral and multilateral aid, although it has now become the second largest economy in the world and, according to some estimates, the second or third largest donor.<sup>124</sup>

In addition to funding multilateral cooperation, China is actively working with UNDP and the World Bank to implement trilateral cooperation projects. In 2005, the Chinese government established the International Poverty Reduction Centre in China (IPRCC) in Beijing, with the help of UNDP and other international donors to support SSC programs. In 2007, the China Exim Bank and the World Bank signed a Memorandum of Understanding to improve cooperation in development assistance, above all in the fields of

<sup>121</sup> In 2017, China allocated almost all of its contributions to WFP to projects directed at 11 African countries and five Asian countries. For further details see: WFP donor profile: (<http://www.wfp.org/about/funding/governments/china?Year=2017>).

<sup>122</sup> The Inter-American Development Bank received 66% of the resources devoted to the regional banks (US\$ 531 million), the African development Bank received 26% (US\$ 209 million dollars), while the Asian Development Bank and the Caribbean Development Bank received less (6% and 3% of the total). OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World*, Paris: OECD Publishing, 2015, pp. 194-195 ([https://read.oecd-ilibrary.org/development/multilateral-aid-2015\\_9789264235212-en](https://read.oecd-ilibrary.org/development/multilateral-aid-2015_9789264235212-en)).

<sup>123</sup> Gregory Chin, 'China as a «net donor»: tracking dollars and sense', *Cambridge Review of International Affairs*, Vol. 25, No. 4, December 2012, pp. 579-603.

<sup>124</sup> *Ibid.*, p. 599. Assessing the exact size of Chinese aid is not easy, since the definition of foreign aid to which China refers does not correspond to the definition of ODA used by the DAC, and because the Chinese Government does not release complete data on its activities. The 2011 and 2014 White books represented a step forward in the direction of a greater transparency, but they still lack important information, for example, on Chinese aid to individual countries and disaggregated data in short periods. Julie Walz & Vijaya Ramachandran wrote that «China's aid estimates range anywhere from \$1.5 to \$25 billion; if the upper estimate is accurate, it ranks as the second largest donor after the United States.» See *Brave New World. A Literature Review of Emerging Donors and the Changing Nature of Foreign Assistance*, Center for Global Development, Working Paper 273, 21 November 2011, pp. 3-4 (<http://www.cgdev.org/content/publications/detail/1425691>).

economic infrastructure development and energy investment projects in Africa.<sup>125</sup> In 2016, UNDP and the Chinese government reached a cooperation agreement for the implementation of the Belt and Road Initiative.<sup>126</sup>

Strong elements of continuity with the past can be found in current Chinese politics at the UN. The most important concern its self-representation as a Third World country, with the contradictions that managing different identities continues to imply; its continuing «special relationships» with developing countries, in particular with the other so-called «emerging» countries; the tendency to act as a «veritable Group of One»<sup>127</sup> at the multilateral level; the emphasis on SSC and the referencing to the foreign aid principles of the 1960s. Finally, there is the using of the UN to legitimize its great power status. In recent years, increase in its economic and political power has allowed China to strengthen its criticism of the international order and of some of its rules and principles (especially in the field of human rights and on the issue of representation in the IFIs). In particular, in the field of international aid cooperation this criticism has taken the form of a constant disassociation from the policies of the traditional donors and an attempt to propose alternatives based on different principles and norms.<sup>128</sup>

<sup>125</sup> In 2007 the director of the World Bank office in Beijing pointed out that in that year Chinese aid to Africa – US\$ 3 billion – had exceeded the amount of aid provided by the Bank – US\$ 2 billion. Gregory Chin, 'China as a «net donor»', p. 584.

<sup>126</sup> UNDP, China, 'Belt and Road Initiative' (<http://www.cn.undp.org/content/china/en/home/belt-and-road.html>).

<sup>127</sup> Samuel S. Kim, 'China's International Organization Behaviour', in Thomas W. Robinson & David L. Shambaugh (eds.), *Chinese Foreign Policy. Theory and Practice*, Oxford: Clarendon Press, 1995, p. 407.

<sup>128</sup> In the 2011 White paper, it is stated: «China's foreign aid policy has distinct characteristics of the times. It is suited both to China's actual conditions and the needs of the recipient countries. China has been constantly enriching, improving and developing the Eight Principles for Economic Aid and Technical Assistance to Other Countries – the guiding principles of China's foreign aid put forward in the 1960s. [...] As development remains an arduous and long-standing task, China's foreign aid falls into the category of South-South cooperation and is mutual help between developing countries.» *China's Foreign Aid*, 2011. The 2014 White Paper reiterates the same concept: «When providing foreign assistance, China adheres to the principles of not imposing any political conditions, not interfering in the internal affairs of the recipient countries and fully respecting their right to independently choosing their own paths and models of development. The basic principles China upholds in providing foreign assistance are mutual respect, equality, keeping promise, mutual benefits and win-win.» State Council, The People's Republic of China, *China's Foreign Aid*, 2014. See also Deborah Bräutigam, 'Aid «With Chinese Characteristics»: Chinese For-

However, on several occasions, the Chinese government has used the UN to announce and give global prominence to the «new stage» that its foreign aid policy has entered into.<sup>129</sup> For example, in September 2005, on the occasion of the GA High-Level Plenary meeting on Financing for Development, President Hu Jintao announced a series of measures aimed at extending China's foreign aid. These included the provision of a zero-tariff treatment for some products from all 39 LDCs, and the expansion of its aid program to the heavily indebted poor countries and the LDCs, along with the forgiveness of their debt in the following two years. Moreover, the provision of US\$ 10 billion in concessional loans to developing countries was foreseen, to improve their infrastructure and promote cooperation between enterprises on both sides. Finally, an increase in Chinese contributions in the health sector was put forward, especially in Africa, and the extension of the Chinese training programme.<sup>130</sup> Then, in 2015, President Xi Jinping announced a new series of Chinese initiatives at the GA with the establishment of an assistance fund for SSC and an increase of Chinese investments in the LDCs. The establishment of an «international development knowledge center to facilitate studies and exchanges by countries on development theory and practice suited to their respective national conditions» was proposed<sup>131</sup> and the creation of a US\$ 1 billion «peace and development fund to support the work of the United Nations, advance multilateral cooperation and promote world peace and development.» He concluded with the provision of US\$100 million of free military assistance to the African Union.<sup>132</sup>

At the same time, in his speeches at the UN, Xi Jinping reiterated the Chinese vision of development. Still marking the distance from Western approaches, he highlighted the importance of the state's management of the process of economic growth.<sup>133</sup> He point-

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eign Aid and Development Finance Meet The OECD-DAC Aid Regime', *Journal of International Development*, Vol. 23, Issue 5, 2011, pp. 752-764.

<sup>129</sup> *China's Foreign Aid*, 2011.

<sup>130</sup> Gaor, Sixtieth session, 3rd plenary meeting, 14 September 2005, Hu Jintao, pp. 22-23, A/60/PV.3.

<sup>131</sup> Gaor, Seventieth session, 7<sup>th</sup> plenary meeting, 26 September 2015, Xi Jinping, p. 14, A/70/PV.7.

<sup>132</sup> Gaor, Seventieth session, 13<sup>th</sup> plenary meeting, 28 September 2015, Xi Jinping, p. 21, A/70/PV.13.

<sup>133</sup> «The 2008 international financial crisis taught us that allowing capital to blindly pursue profit can only create a crisis and that global prosperity cannot be built on the shaky foundation of a market without moral constraints. The growing gap between rich and poor is both unsustainable and unfair. It is important for us to use both the invisible hand and the visible hand to create synergy be-

ed to the right of each country «to formulate a development strategy that is tailored to its own resources and national conditions», and that the international community has the duty to sustain. The need to first «uphold equity and social justice, with a view to ensuring that everyone has access to the opportunities and benefits of development» was also mentioned, together with the centrality of SSC.<sup>134</sup>

The Chinese rhetoric of «justice before interests», the projection of an idea of development as mutual benefit make Chinese aid policies no doubt more attractive and credible than the strategies proposed by traditional donors, on whose effectiveness many receivers can easily raise doubts. The absence of political conditions, reference to the respect of the growth strategies decided by each recipient, accompanied by substantial aid flows and by a successful development experience undoubtedly also go far to enhance the policies.

The choice of the Chinese government to support multilateral aid alongside its growing bilateral flows is dictated by several reasons.

Firstly, working through the UN helps Beijing to strengthen the credibility of the commitment in SSC, which could be questioned by the fact that China, now an upper-medium income country (according to World Bank definition), is still receiving aid, in some way subtracting resources from others. Secondly, multilateral aid gives greater legitimacy to its bilateral cooperation, which is periodically accused of having neo-colonial purposes and exploitative aims, not unlike what happened to the Western one. Finally, participating in UN development allows China to project an image of itself as a «responsible stakeholder»<sup>135</sup> in the international system.

Thus, participating in the UN development system is useful for global Chinese strategy in the Third World. At the same time, China now feels able to influence the international aid regime, in the light of its status as a great power,<sup>136</sup> and to project its principles and experiences into it. Actually, after the 2008-2009 crisis, which China perceived as «a notable decline of the West and a significant reduction of Western influence in global multilateralism»,<sup>137</sup> it can legiti-

tween market forces and Government function and strive to achieve both efficiency and fairness». *Ibid.*, p. 20.

<sup>134</sup> Xi Jinping, A/70/PV.7, p. 13.

<sup>135</sup> In 2005, Robert Zoellick, the US Deputy Secretary of State, used this term to describe what the US expected from China's participation in the international system. Robert Zoellick, 'Whither China: From Membership to Responsibility?', Remarks to National Committee on U.S.-China Relations, New York, 21 September 2005 (<https://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm>).

<sup>136</sup> Zheng Bijian 'China's «Peaceful Rise» to Great Power Status', *Foreign Affairs*, Vol. 84, No. 18, 2005, pp. 18-24.

<sup>137</sup> Mingjiang Li, 'Rising from Within', p. 334.

mately propose itself again as a model of development, an alternative to the one linked to the «Washington consensus», also on the basis of the success it obtained in the reduction of poverty. In his 2015 speech at the GA, Xi Jinping reminded the world that «over the 30 years or so that have elapsed since it embarked on reform and opened up, China has followed a development path with distinctly Chinese characteristics, which was chosen in the light of China's national conditions. By lifting 439 million people out of poverty and making remarkable progress in the areas of education, health and women's welfare, China has realized the Millennium Development Goals».<sup>138</sup>

Next to the silent revolution, which Ngaire Woods referred to in 2008,<sup>139</sup> a somewhat «noisier» revolution is emerging. While China continues to use its ties with the developing countries to urge reforms of international institutions, with the aim to gain greater weight and voice in them,<sup>140</sup> from outside the system it calls into question the international aid architecture with greater force, mainly in three ways.

Firstly, it provides more than 80% of its aid bilaterally, according to its own principles and rules, which only partly harmonize with those on which the international community has reached a certain degree of consensus. But Chinese bilateral cooperation also has enormous influence on multilateral aid, if only because it opens up alternative spaces for recipients, who can now choose which creditor and model of development to rely on.<sup>141</sup> Secondly, in recent years, China has been committed to creating or strengthening multilateral forums that are alternative to the existing ones. An example of this strategy is the activism that China showed within the G-20, considered as the best representation of the current balance of power on the international scene, which Beijing used to coordinate positions with the other BRICS countries on climate change policies and on the reform of international institutions. Other examples include the New Development Bank, established by the BRICS countries in 2014, and the China-led Asian Infrastructure Investment Bank (AIIB), established in 2015<sup>142</sup>. In November 2016, there was the Chinese proposal to establish the Shanghai Cooperation Organiza-

<sup>138</sup> Xi Jinping, A/70/PV.7, p. 13.

<sup>139</sup> Ngaire Woods, 'Whose Aid? Whose Influence?', pp. 1205-1221.

<sup>140</sup> Ren Xiao, 'A reform-minded status quo power?'; Mingjiang Li, 'Rising from within', pp. 335-337.

<sup>141</sup> Shaun Breslin, 'Global Reordering and China's Rise', p. 59.

<sup>142</sup> Evan Feigenbaum, 'China and the World. Dealing with a Reluctant Power', *Foreign Affairs*, Vol.96, No. 1, 2017, pp. 33-40, p. 33; Ren Xiao, 'China as an institution builder: the case of AIIB', *The Pacific Review*, Vol. 29, No. 3, 2016, pp. 435-442.

tion Development Bank, linked to an organization that now represents about half of the world's population.<sup>143</sup> Then, there are the various Chinese-led multilateral forums that since 2000 Beijing uses as coordination mechanisms of its aid flows at the regional level. The main example is the Forum on China-Africa Cooperation, but the same pattern is repeated in Latin America and South East Asia.<sup>144</sup> Perhaps the most ambitious challenge to the international aid architecture is the One Belt One Road initiative.<sup>145</sup>

Thirdly, China refused to join DAC, and despite various attempts made by the major traditional donors to involve it in its activities, it showed only limited willingness to dialogue.<sup>146</sup> Beijing does not accept the principles of effectiveness and consistency of aid on which DAC has been working for more than a decade, claiming the uniqueness and peculiarity of SSC, to which the same rules of north-south cooperation cannot be applied.

It also sees the attempts to *harmonize* donors' aid policies as a way to *shape* the new donors' policies according to Western values and codes of conduct. Consistently, therefore, China has not signed the 2005 Paris Declaration on Aid Effectiveness, and in 2011 it adhered to the Busan final document only after the addition of a clause stating that «the principles, commitments and actions agreed

<sup>143</sup> The Shanghai cooperation organization (emerged from the Shanghai Five Mechanism) was established in 2001 by the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan. In June 2017, also India and Pakistan joined the organization. Jiajun Xu & Richard Carey, *China's international development finance. Past, present, and future*, WIDER Working Paper, December 2015, p. 16.

<sup>144</sup> 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-Arab Nations Cooperation Forum are further examples. See Jakub Jakóbowski, 'Chinese-led Regional Multilateralism in Central and Eastern Europe, Africa and Latin America: 16+1, FOCAC, and CCF', *Journal of Contemporary China*, Vol. 27, Issue 113, 2018.

<sup>145</sup> See footnote 3.

<sup>146</sup> On DAC outreach and dialogue activities towards China see Sebastian Paulo and Helmut Reisen, 'Eastern Donors and Western Soft Law: Towards a DAC Donor Peer Review of China and India?', *Development policy review*, Vol. 28, N. 5, 2010, pp. 546-550; Xu Jiajun, 'China's rise as development financier. Implications for international development cooperation', in Scott Kennedy (ed.), *Global Governance and China. The Dragon's Learning Curve*, London and New York: Routledge, 2018, pp. 217-224; Anna Katharina Stahl, *EU-China-Africa Trilateral Relations in a Multipolar World. Hic Sunt Dracones*, London: Palgrave Macmillan, pp. 73-82.

in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis.»<sup>147</sup> Scepticism however, remained and in 2014 China did not participate in the following High-Level Meeting on Development Financing.

The Chinese commitment to the creation and strengthening of alternative multilateral institutions and forums aroused the concern of Western countries, especially the US, who see an attempt to create a Sinocentric system of international institutions as an alternative to the existing one in this approach.<sup>148</sup>

Underlying the transformation of China's role in international institutions from «system maintainer»<sup>149</sup> to a sort of «institution builder»<sup>150</sup> is the growing discontent with the failure it perceives in «the current system to reform and embrace a larger Chinese role fast enough, as well as a warning that China has the capacity and will to work outside it.»<sup>151</sup> Beijing, in fact, now feels that its interests and its international status are not adequately represented within existing international institutions, and in its reaction to this state of affairs it recognizes the countries of the Global South as its main interlocutors. China knows the potentials and risks of their economic growth and sees their development as closely linked to the possibility of giving greater solidity and sustainability to its own growth in the long run.

<sup>147</sup> On the DAC aid effectiveness agenda see Talaat Abdel-Malek, *The Global Partnership for Effective Development Cooperation: Origins, actions and future prospects*, Bonn: Deutsches Institut für Entwicklungspolitik, 2015; Emma Mawdsley, *From recipients to donors. Emerging donors and the changing development landscape*, London-New York: Zed Books, 2012, pp. 39-46 and 210-218. On Brics views on Busan HLF see BRICS Policy Center, Policy Brief, *BRICS, co-operation for development and the Busan 4th High Level Forum on Aid Effectiveness*, December 2011.

<sup>148</sup> The United States refused to join the Bank, and also tried to dissuade its allies from doing so, with no results. Today the AIIB has 84 member countries, including many US allies.

<sup>149</sup> Samuel S. Kim, 'China and the United Nations', p. 61.

<sup>150</sup> Ren Xiao, 'China as an institution builder'.

<sup>151</sup> Evan A. Feigenbaum, 'China and the World', p. 36.