My research project explores China’s official development assistance (ODA). Funding from the Australia-China Joint-action Program supported this research by enabling me to travel to Beijing for two weeks in early December 2011 to conduct discussions with colleagues at the Chinese Academy of Social Sciences (CASS). I also met with Chinese colleagues at Peking University, Renmin University, Tsinghua University, and other leading Chinese academic institutions. These discussions proved invaluable in strengthening and providing further direction for my research on China’s aid program. This report briefly details some of the key findings resulting from this project to date, followed by recent publications and next steps.

**Beijing’s Euro-Skepticism**

European aid agencies have shaped the norms of development aid, particularly within the Organization for Economic Cooperation and Development’s Development Assistance Committee (OECD-DAC)—the “venue and voice” for the world’s largest bilateral aid donors. The DAC has repeatedly urged new DAC applicants and even non-members to follow DAC standards in developing their own aid programs.

Some Chinese scholars acknowledge the strengths of European-style approaches to foreign aid. In interviews in Beijing, Chinese experts argued that Western evaluation techniques previously demanded of China as an aid recipient should now be applied in China’s own aid programs abroad. However, most Chinese experts tend to view the management techniques of Western aid agencies in narrow or instrumental fashion. They often expressed a profound skepticism toward European claims of altruism and disinterested benevolence in foreign aid. As one scholar explained to me:

> When I teach classes [to experts from developing countries], I just talk about China’s reforms. They all want to secrets to China’s success. I just tell them what we did, and why, and what worked and what didn’t. We Chinese would never tell Africans what to do. It is up to them to decide—this is what makes us different from European agencies.

**A Northeast Asian Model of ODA?**

While diverging from Western approaches to ODA, China’s aid program is actually quite similar to that of South Korea and to Japan’s earlier aid program. My research shows that these similarities across three distinct regime types can be traced back to their economic development strategies. All three states responded to the challenge of ‘late development’ with a single-minded emphasis upon rapid economic growth through industrialization and transformation. They strategically directed foreign aid into investments in basic infrastructure while avoiding dependence and donor conditionality. Most importantly, as Chinese scholars emphasized in interviews, these strategies worked. First Japan, then South Korea followed by China grew rapidly,
enabling them to move quickly from foreign aid recipient to donor. Their economic success fostered confidence in challenging neo-liberal models of economic development, and shaped their approaches to providing development assistance abroad. These examples suggest that domestic economic experience, rather than regime type, plays a crucial role in shaping foreign aid strategies.

Localisation of China’s Aid

A third key research finding is that China’s aid varies based upon the local environment. In Cambodia and in Laos, Chinese aid officials are more willing to collaborate with their international counterparts, and China’s aid programs are distributed across a range of social and cultural projects, similar to that of European aid agencies, with a relatively high level of transparency. In contrast, China’s aid to Myanmar is tightly linked to Chinese strategic interests, primarily resource extraction, and far less transparent. The main reason is the prominence of international aid agencies in Laos and Cambodia, along with their more democratic political systems and limited strategic drivers for China’s aid, encourages accommodation with international norms. Put simply, local context matters.

A Norm Taker or a Norm Maker?

Interviews in Beijing suggest that while China is not trying to shape international norms on ODA, China is likely to increasingly have such an influence. As one scholar explained:

There is no single ‘China model’ for developing countries to copy. The essence of China’s reforms was to adopt various approaches to our particular situation. For this reason, we would never promote a single model to other countries. But China’s voice will become bigger. We believe we have been successful in economic development, and that there are lessons to learn from this success. We will say this clearly on the world’s stage. We are proud of what we have accomplished

Publications Resulting from this Research

- ‘Engaging Aid: International Norms in China’s Aid Program,’ Asian Survey (under external review)
- ‘China and Japan in Myanmar: Aid, Natural Resources, and Development,’ Asian Studies Review (under external review)

Next Steps

My research has revealed that China’s aid program is best understood as part of broader framework of China’s economic statecraft. I will use my previous research on foreign aid as a foundation to study China’s economic statecraft over the next few
years. I will continue to collaborate with colleagues at CASS and other academic institutions in Beijing as part of this research. I will be based in China (primarily Beijing and Dalian) for all of 2012 to conduct this research, funded by grants provided by the University of Sydney.