

# China's Role in Global Development

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- **China's economic and political influence in low income countries has increased in recent years**

- already has a major impact on low income countries through different channels
- has emerged with increased influence in global fora and international institutions (such as G20)
- will increase its relative presence and influence in the poorest countries esp. in Asia and Africa

**So better dialogue and mutual understanding is needed among the global development community**

# Channels of influence

- Trade 贸易
- FDI – inward (to China) and outward 境外投资 - 流入（到中国）和流出（到其它国家）
- Finance – capital flows, foreign reserves, exchange rates 金融 - 资金流向、外汇储备、汇率
- Development assistance (linked to trade and investment) 发展援助（连系著贸易和投资）
- Governance: Global, regional and local 治理：全球、区域、本地
- Migration 移民
- Environmental impacts 环境影响

## Challenges of Global Economic Governance and Global Development

- Fundamental realities of today's globalizing world:
- The growing **interconnectedness** in the domain of economics but, significantly, also in political, social and cultural spheres;
- With globalization, **authority and power** over development policy is negotiated between the various agencies making it all a much more complex process to work through;



## Challenges of Global Economic Governance and Global Development

- Fundamental realities of today's globalizing world:
  - The world is changing. Beyond the immediate consequences of the global financial crisis, **a major shift** is underway in **power** towards the developing world and emerging economies.

Analysis is needed to capture the dynamics of change. New thinking and practices are needed to respond to change.

- There are **Common global challenges** that need global responses.



# Global challenges – Constraints to Growth and Development

- The issue of resource scarcities and global instability
  - Natural Resources: food, water and energy; Climate change
  - terrorism, insecurity and fragile states

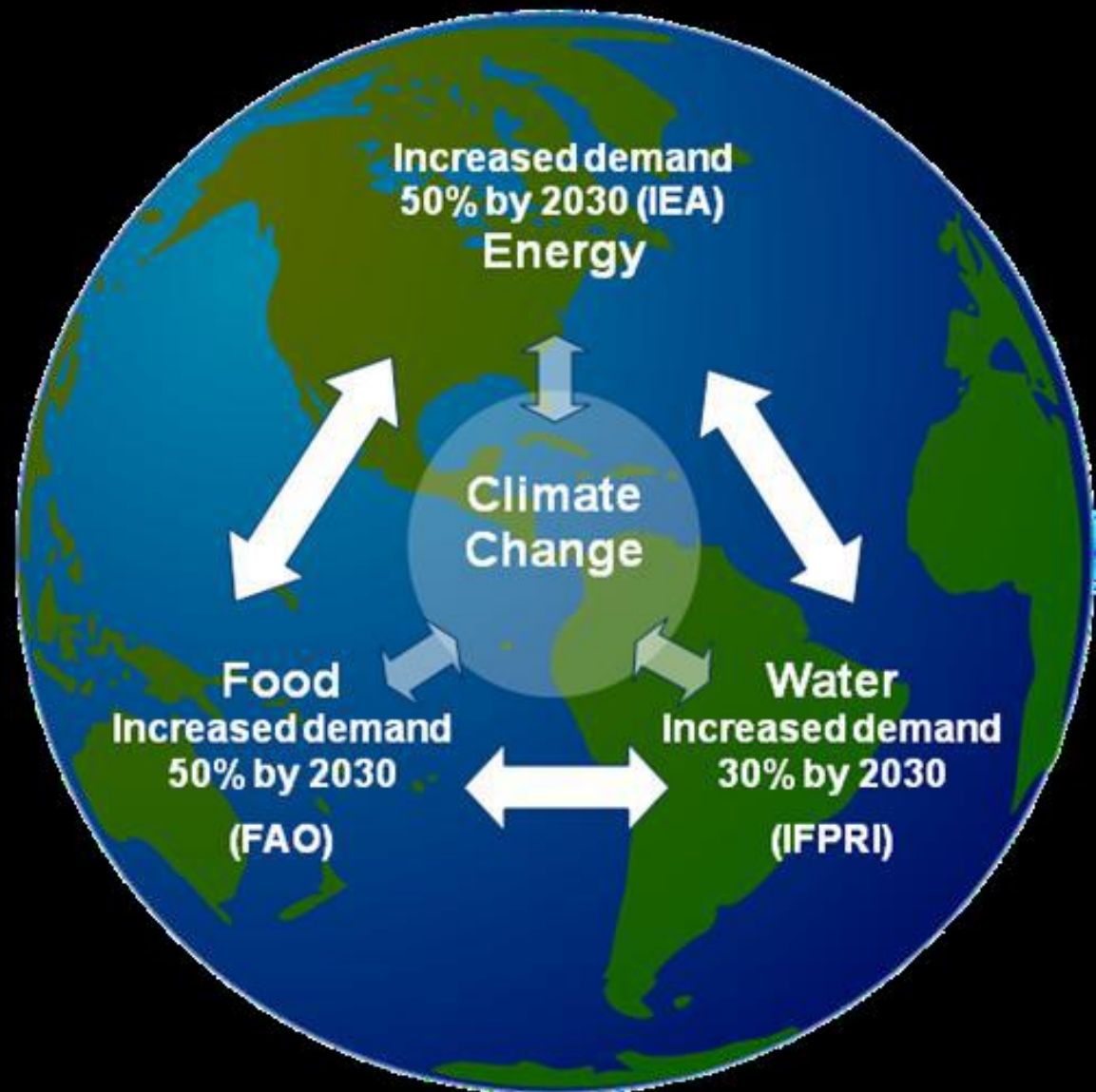


- How is this to be managed?  
That is the fundamental challenge  
of global development.



# The "Perfect Storm" of global events

1. Increasing population
2. Increasing levels of urbanisation
3. The rightful goal to alleviate poverty
4. Climate Change



Source: Presentation by Professor John Beddington, Former Chief Scientific Adviser to the UK government, London



## Implications for development Cooperation

- **Global development has reached a critical turning point.** With the growing role of China and other non-traditional donors, many have asked what the future of development might look like and whether a new post-2015 global partnership might be possible.



# China: Key issues

- Where does China as a growing power, investor, consumer and donor fit within specific regional and global development regimes?
- What can we explain and understand by 'development' as it is understood and practiced within China?

# Four key features distinguish development aid to Africa by traditional donors from China

- First, traditional donors impose policy reforms as preconditions for aid delivery whereas China ***do not impose policy conditions.***
- Second, unlike traditional donors, China generally deliver aid to Africa ***through projects rather than general budget support.***
- Third, traditional donors increasingly provide more support to the social sectors while China ***focus more on infrastructure and productive sectors.***
- Fourth, while China ***link aid to trade and investment activities,*** traditional donors do not mix aid with commercial activities.

(Source: UNCTAD Africa Economic Development Report)

# **Towards a new global economic order?**

- China's emergence as key global actor in international governance institutions (G20)
- China as partner of choice for low income / developing economies?
- How will China adapt to new responsibilities in global system?
- What does this mean for other countries, OECD/DAC, development institutions..?

## Conclusions: Key points

- There is a great deal of debate over the question of **‘how to work with the emerging economies to include them in the existing system of global governance and development cooperation?’** But we should be asking a different question here.
- The real question should be **‘what lessons can the existing system of Global economic governance and development cooperation take from South-South cooperation in order to draw together more closely the processes of South-South and North-South cooperation’?**
- The need to have some common understanding of the principles of this partnership and also create a network supporting multilateral dialogue and cooperation at all levels.
- ‘Opportunity knocks but once, so we must make the most of it’ 机不可失，时不再来