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Conceptualising Chinese Aid Motivations

Chinese aid motivations are heatedly debated. As China has different norms and practices, traditional donors, recipient countries and researchers are curious about the objectives and aspirations of Chinese aid. Some are concerned that China is reluctant to ally with traditional donors and that it is providing an alternative to foreign aid from traditional donors, thus challenging the traditional aid regime.

China's growing readiness for trilateral cooperation amplifies the curiosity of traditional donors, recipient countries and researchers. They are unsure why China is shifting from merely providing bilateral aid to conducting an increasing number of trilateral aid projects, given the considerable differences between China and traditional donors regarding foreign aid. Nor do they understand whether this change is expedient or whether it truly signals a change in China's foreign aid policy.

This chapter is divided into two main parts. The first briefly examines China's motivations for providing bilateral aid and the second presents the conceptual framework that will guide this research. It includes the constructivist and cognitive learning theories of identity, interests, ideas and social interaction, as well as my research design and my data collection methods, especially case studies and process tracing.

The Three Dimensions of China's Bilateral Aid Motivations

Politics Takes Command

The political/strategic factor is a distinctive feature of socialist China that permeates many government policies and bureaucratic norms. During the long period from 1949 to 1978 in the Cold War context, 'Politics took command' (*zhengzhi gua shuai*)¹ and Chinese foreign policy and aid worked to consolidate relations with other socialist countries and build a united front with other developing countries. A great amount of aid was provided to other developing countries, even though China itself was poor. China's foreign aid accounted for 5.88 per cent of the government's total fiscal outlay between 1971 and 1975, and the figure was as high as 6.92 per cent in 1973 (Shi, 1989, p. 68). Alan Hutchison (1975) argued that China used aid as a weapon to combat the influence of the Soviet Union and the West in Africa, as well as to promote its status in the developing world. US scholar John Copper (1976) echoed the view that Chinese leaders considered foreign aid an effective method of promoting international status. From the late 1970s, especially after the reform and opening-up policy was introduced in 1978, the influence of ideology on foreign aid faded.

Some scholars perceive China as a potential threat, one with strategic ambitions to alter the status quo that underpins international order. From this perspective, Chinese bilateral aid is simply another tool to woo recipient countries and achieve strategic ambitions. Taking the Pacific as an example, some analysts argue that China regards the region as a strategic asset and that China intends to replace the US as the dominant power in the long run (Henderson & Reilly, 2003; Lum & Vaughn, 2007; Shie, 2007; Windybank, 2005). Anne-Marie Brady (2010) has argued that China aims to become a leading power in the Pacific.

1 This was a popular term from the 1950s to the late 1970s in China and it highlighted the dominant role of politics in relation to other aspects of work. It appeared frequently in state media such as the *People's Daily*, particularly on 27 March 1958 and 22 April 1966.

The Taiwan issue is widely recognised as a core component of Chinese foreign policy. China has invested significant resources to prevent other countries from establishing diplomatic ties with Taiwan and to prevent Taiwan from joining international organisations in which statehood is a requirement. This is understandable from the Chinese side, which maintains that Taiwan is merely a renegade province of China that will eventually be reunited with the mainland. Therefore, isolating Taiwan and promoting the 'one China' policy are frequently cited as the important strategic motivations of Chinese bilateral aid (Atkinson, 2010; Wesley-Smith, 2007; Yang, 2011). The Taiwan issue sometimes becomes a bargaining chip for countries to acquire more aid from both mainland China and Taiwan (Hanson, 2008b; Stringer, 2006; Yang, 2009).

As China is moving towards being a superpower, the strategic element of its foreign policy and aid becomes increasingly important to the outside world and deserves greater attention. The Chinese government and some Chinese scholars maintain that Chinese aid is selfless and that it aims to help other developing countries improve their development capacity and fulfil China's due international obligations (State Council, 2011d; Zhang & Huang, 2012; Zhou, 2010); however, suspicions persist. Because foreign aid mirrors Chinese foreign policy, an in-depth analysis of the subtle changes of Chinese aid preference for cooperation is much needed to explain how strategic factors influence China's aid cooperation.

An Economic Explanation

Since the late 1970s, domestic economic development has become the top priority of China's national policy. Rod Wye (2011) argued that the Chinese Communist Party is obliged to deliver continued economic growth in exchange for public support of its dominant position. Substantial efforts have been dedicated to improving China's foreign relations with other countries to facilitate economic cooperation. This has become more prominent since 1992, when China officially announced its objective of establishing a socialist market economy, and was reinforced when China became a net importer of oil in 1993. Foreign aid has been offered as a tool to strengthen China's foreign relations in exchange for much-needed natural resources to fuel its fast-running economic engine and to expand the markets for its manufactured goods and investment. This became more evident in 1999, when the Chinese government enacted the 'go global strategy' (*zouchuqu zhanlue*), supporting its enterprises to pursue

an international strategy. Since 2000, Chinese leadership has stressed the importance of leveraging foreign policy to support China's economic development in the first two decades of the twenty-first century—which China has labelled the 'period of strategic opportunities' (*zhanlue jiyuqi*).²

Much literature has focused on the economic aspects of Chinese bilateral aid. Some scholars argue that economic and resource concerns dominate China's Africa policy. To these scholars, the main drivers of China's aid to Africa are to open up overseas markets for its goods and investment and to help Chinese companies obtain energy and resource assets to reduce the risks of rising energy prices and long-term energy supply shortages (Lancaster, 2007a; Davies, Edinger, Tay & Naidu, 2008; Lum, Fischer, Gomez-Granger & Leland, 2009). Christopher Alden (2012) agrees with this economic-centred view and argued that the 'Angola mode' has become China's favourite approach in Africa: providing aid to access energy and resources in resource-rich countries and use resources as collateral for debt payment.³

In terms of China's growing bilateral aid in the Pacific, Jenny Hayward-Jones (2013) stressed that it is inappropriate to observe China's presence in the Pacific from a geo-strategic perspective and further argued that China's main purpose is to seek commercial gains and promote south–south cooperation. Zhang Yongjin (2007) argued that China has limited strategic intentions in the Pacific and that Chinese aid provides new opportunities for regional economic development. Michael Powles (2007, p. 50) believed that Pacific seabed mineral resources have enormous potential and that they could dramatically change the region. China has already noted this opportunity, as its ocean mineral resources research and development association has completed research surveying the Pacific Ocean's mineral resources and has suggested that the Chinese government should use its aid to promote the cooperative exploration of seabed minerals in the Pacific (Mo & Liu, 2009).

2 In July 2009, Chinese President Hu Jintao mentioned at the 11th conference of ambassadors that the first two decades of the twenty-first century remain a strategic opportunity for China. This has been reaffirmed by his successor, President Xi Jinping (see Wu, 2009b; Xinhua, 2015b).

3 It is worth noting that the majority of Chinese finance to Angola is not ODA.

Aid as Soft Power

China's rapid development has given rise to numerous 'China threat' discourses. As a countermeasure, the Chinese government has enacted the 'peaceful development' concept, which was adopted in 2004 and linked to the promotion of a 'harmonious world' announced by former President Hu Jintao at the 2005 UN summit. According to Joseph Nye (1990, p. 166), a state's soft power is different from coercive power because it attracts another country to 'want what it wants' rather than 'order others to do what it wants'. Compared to economic expansion and military modernisation, the soft power approach has caught the attention of the Chinese leadership by providing a less sensitive alternative to strengthening China's global influence and reducing the resistance from other powers.

Some scholars have analysed Chinese foreign aid in terms of the 'peaceful development' and 'harmonious world' concepts. Bates Gill and James Reilly argued that China's engagement with Africa, including its provision of foreign aid, serves its global strategy of promoting its image as 'a peacefully developing and responsible rising power seeking a harmonious world' (Gill & Reilly, 2007, p. 38). Wei Xuemei (2011) argued that soft power has been incorporated into China's national strategy on foreign aid, including in Africa. Some scholars noted that the Chinese government proposed the 'harmonious world' concept to mute 'China threat' criticism and expand its influence through aid provision to avoid the 'new imperialism' or 'neo-colonialism' labels that are sometimes used to describe China's recent engagement with Africa (Guo & Blanchard, 2008).

Some analysts examined the soft power aspect of Chinese aid in China's diplomacy. Zhu Zhiqun (2010b) argued that China has been building its soft power in Southeast Asia and the South Pacific by providing bilateral aid and treating the countries in the region as equal partners. Joshua Kurlantzick (2007) argued that China has upgraded its public diplomacy in Southeast Asia through means such as aid and trade to sell the idea that China will not be a threat to its neighbours. Some scholars emphasised the notion that China is promoting its soft power through economic and cultural diplomacy, such as establishing over 400 Confucius institutes worldwide by 2010, providing aid through human resource training and providing Chinese-language teaching to project a benign global image (Lai & Lu, 2012; He, 2010). Yanzhong Huang and Sheng Ding argued

that China is skilful in using foreign aid to ‘communicate favourable intentions or evoke a sense of gratitude’ from African states (Huang & Ding, 2006, p. 37).

The three dimensions discussed in the paragraphs above have largely explained the motivations behind China’s bilateral aid. However, little attention has been given to the main factors that have driven Chinese growing trilateral aid cooperation in recent years. The existing literature fails to explore how Chinese aid preferences are influenced by others—traditional donors, multilateral development agencies and recipient countries—in a dynamic process of interaction. Nor does the existing literature place due attention to Chinese domestic bureaucratic power structures and state and non-state interest groups that directly affect Chinese aid preferences for trilateral cooperation. Many questions remain. For example, why is China, with its rapidly growing economic clout and aid budget, conducting more cooperation with traditional donors instead of flexing its muscles and working unilaterally? Why is China conducting trilateral aid projects with the US if it intends to replace them? Discussions in the following chapters aim to fill this knowledge gap by analysing China’s motivations in conducting trilateral aid cooperation.

Conceptual Framework

This section outlines the rationale of my research design. It will begin with a brief explanation of the complexity of China’s foreign aid. Three analytical perspectives will be presented to address this complexity and justify my use of constructivist theories on identity, interests and ideas, and of cognitive learning theories as the main theoretical threads to explain the expansion of China’s trilateral aid cooperation. What follows is an introduction to my research design and data collection methods that focuses on case studies and process tracing.

Three Analytical Perspectives

The diversity of Chinese aid motivations means that no single factor can supply a satisfactory explanation. Given its growing economic and global influence, Chinese aid receives scrutiny and pressure from the outside world, and its multilateral aid cooperation is inevitably exposed to outside influence through a dynamic process of interaction. This outside influence will not automatically translate into aid policy changes in China, but it

must undergo a complex internal ‘translation’ process that is shaped by several domestic stakeholders and interest groups. Moreover, China’s foreign aid policy is generated through a dynamic rather than static process. Past aid policy reform exerts influence on the current aid policy reform, which in turn will inform changes in the future.

As will be explained, I will draw upon constructivist and cognitive learning theories to address my research question, while remaining cognisant of the relevance of other theories relating to power and material interests. It is not that I am dismissing alternative theories, but rather that I am identifying the limitations of neorealism and neoliberalism in explaining Chinese aid behaviour. I will use a three-layered approach that brings together national interests, social interactions and domestic institutions. These three perspectives include:

- the interest calculations of the Chinese government
- international engagement in foreign aid
- China’s domestic institutions.

Interest Calculations

As foreign aid is intertwined with China’s political, economic and global image interests, it is an integral part of China’s foreign policy. It is also closely linked to China’s overseas economic activities. This perspective focuses on the potential domestic reasons for China’s adoption of trilateral cooperation and will analyse China’s diplomatic strategy and calculations of national interest. A thorough analysis of China’s interest calculations in its foreign aid program will facilitate the understanding of China’s recent adoption of trilateral aid cooperation. The findings that are outlined in the following chapters will examine how China’s changing identity leads to changing calculations of what constitutes its national interest, as well as the changing ideas on which aid modalities are suitable. It will explore how China measures global image–building and other factors, such as political and economic interest in aid delivery and how China adopts trilateral aid cooperation to promote its global image.

International Engagement

China’s engagement with traditional donors and multilateral development agencies has expanded rapidly. This process does not merely produce functional pressures for China’s compliance with international aid norms; it also redefines China’s understanding of its interests, ideas and practices

regarding aid cooperation. This perspective aims to identify potential external reasons for China to engage in trilateral cooperation. It will trace China's historical engagement with traditional donors and multilateral development agencies, especially since 2000. From this historical basis, it will investigate how international engagement has affected China's perceptions of identity, interest calculations and ideas to improve aid effectiveness, which leads to China's experimentation with a new aid modality—trilateral cooperation.

Domestic Institutions

Kenneth Waltz (1979, p. 81) argued that 'domestic political structure has to be examined in order to draw a distinction between expectations about behaviour and outcomes in internal and external realms'. Lancaster (2009, p. 808) highlighted that 'the impact of domestic politics on aid giving is often overlooked by scholars'. The heterogeneity of Chinese aid policymaking allows room for China's aid agencies to compete, cooperate and coordinate with each other in pursuit of their own interests. This domestic interaction directly shapes the decisions regarding cooperation under different circumstances. Changing the aid modality from bilateral to trilateral will inevitably affect the vested interests of these stakeholders, who can either support the Chinese government's tendency to cooperate within the international aid regime or create resistance. Given that the research on the influence of Chinese domestic aid institutions is inadequate, this perspective will be integrated into an overall analysis of the motivations behind China's trilateral aid cooperation; it will compare the attitudes of China's various aid agencies towards trilateral modality. The influence of China's new aid agency on trilateral cooperation will also be discussed.

Theories on Identity, Interests, Ideas and Social Interaction

International Relations Theories

Why do states cooperate? Rationalist theories and constructivism offer different answers to this question. Based on a brief introduction to these theories, I will justify why constructivist theories of identity, interests and ideas have greater analytical power to address my research question.

Neorealism and neoliberalism are rationalist theories. Neorealist scholars perceive power as the essence of international relations. They assume that states are egoists who are primarily concerned with the pursuit of material self-interest in the anarchical world (Gilpin, 1981; Mearsheimer, 2010; Waltz, 1979). Neoliberalism shares the materialist assumptions that underpin neorealism, though this school of thought argues that self-interested states can cooperate in some circumstances with a view to absolute gains. Robert O. Keohane (1984, p. 107) analysed how international regimes facilitate cooperation among states by ‘reducing the costs of legitimate transactions ... and of reducing uncertainty’.

Constructivist theories share a critique of the static material assumptions that rational analysts hold, and they emphasise the process of interaction (Fierke, 2010, pp. 178–180). These theories focus on the roles of norms, identity, interests and social interactions. Alexander Wendt (1992, pp. 394–395) challenged the assumptions of rationalist theories, arguing that ‘identities and interests are endogenous to interaction, rather than a rationalist-behavioural one in which they are exogenous ... Anarchy is what states make of it’. Constructivists do not deny the importance of interests—but they argue that social interactions can reshape states’ perceptions of identities and interests, while identities can inform interests and political actions (Finnemore, 1996; Reus-Smit, 2013; Wendt, 1992, 1999).

Rationalists believe that states may cooperate in some circumstances to maximise their interests, but that their interests and preferences are treated as inherent. Jeffrey Checkel (2001, p. 561) argued that rational choice scholars believe that actors may acquire new information through simple learning to alter their strategies during interaction, but that their given preferences will not change. This differs from constructivist theories, which hold that the identities, preferences and interests of actors are all open to change through the course of interactions (Checkel, 2001, p. 561).

When analysing the European identity, Jeffrey Checkel and Peter Katzenstein argued that ‘identities flow through multiple networks and create new patterns of identification ... identity matters’ (Checkel & Katzenstein, 2009, pp. 213, 216). Amitav Acharya investigated the development of multilateralism in the Asia-Pacific region and argued that ‘the emergence of Asia-Pacific multilateral institutions is not just (material) interest-driven, but identity-driven’ (Acharya, 1997, p. 343). In an influential study, Martha Finnemore detailed how international

organisations such as the UN Educational, Scientific and Cultural Organization, the International Committee of the Red Cross and the World Bank socialise states to accept new norms, values and perceptions of interests (Finnemore, 1996).

In contrast to Finnemore's analysis of how external factors influence states' identities, some constructivists examine the role of domestic factors in this identity-shaping process. Alastair Johnston explored how China's realpolitik strategic culture shapes its security policy, and Peter Katzenstein highlighted the importance of culture and identity in defining actors' interests (Jackson & Sørensen, 2007, pp. 171–172).

Cognitive Learning Theory

Cognitive learning originates from regime theory, a branch of international relations theory. Cognitive learning and constructivist theories share much in common regarding the importance of identity, interests, ideas and interactions. Many constructivist scholars have actually developed their theories through the empirical analysis of international regimes. As such, cognitive learning theories will be introduced and used in my research to examine China's learning processes through its interaction with the traditional aid regime.

Regime theory became popular after World War II as a means of explaining why states still sought ways of cooperating in an anarchical world. Realism failed to explain why states became enmeshed in international organisations and why they supported regional integration (Haggard & Simmons, 1987, pp. 491–492). However, the idea of regimes remains a contentious issue in international relations, and scholars have failed to reach a consensus regarding whether it really matters. The Grotian school of scholars, including Oran Young, Raymond Hopkins and Donald Puchala, insist that regimes are pervasive within the international system. In contrast, Susan Strange and Kenneth Waltz contended that regimes have little to no effect because power or interests are the dominant factors that determine state behaviour (Krasner, 1983). Many other scholars take a middle path. For example, Arthur Stein, Robert Keohane, Robert Jervis, John Ruggie, Charles Lipson and Benjamin J. Cohen argued that regimes are needed in an anarchical world to help coordinate state behaviour for collective gains (Krasner, 1983).

Stephan Krasner's widely used definition of an international regime remains dominant in the literature:

Regimes can be defined as sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations. Principles are beliefs of fact, causation, and rectitude. Norms are standards of behaviour defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choices. (Krasner, 1983, p. 2)

Three main approaches to regime studies are recognised in the literature (Haggard & Simmons, 1987; Hasenclever, Mayer & Rittberger, 1997, 2000; Krasner, 1983; Rittberger & Mayer, 1993; Tarzi, 2003). The first is power-based neorealism, which emphasises the dominant role of power in regime development and highlights the relative gains among actors. Hegemonic stability theory suggests that the rise and fall of a hegemon leads to a regime's evolution. The second is an interest-based neoliberal approach that shares assumptions with neorealism: that states pursue self-interest and that they care about definite gains. Both neorealist and neoliberal scholars embrace a rationalist explanation for cooperation: states accept the existence of the regime because only through cooperation can they achieve common interests in an anarchical world (Hasenclever et al., 1997).

A third approach is knowledge-based cognitive theory, which will be applied to analysing China's trilateral aid cooperation in this book. It emphasises the importance of beliefs, knowledge and identity in regime development. According to this theory, the beliefs of decision-makers can shape the interactions among states and lead to policy changes. Learning is a process that creates new knowledge, helps form ideas and affects cooperation between states. Shared ideas or beliefs are conducive for cooperation and the formation of norms, while norms in turn reinforce shared ideas.

Identity is a central concept in cognitive theory, and cognitivists argue that the identities of states change in response to social interaction. Identities are affected by both the structure of the regime and by the interactions among states (Hasenclever et al., 1997, pp. 137–192). Compared to the rationalist approaches of neorealism and neoliberalism, cognitivism is an important analytical tool for explaining the evolution of regimes,

as it utilises the vital role of learning. It sheds light on a dynamic that the other two approaches do not consider (Haggard & Simmons, 1987, p. 510). Ernst Haas provided an in-depth analysis of the learning process and categorised two kinds of learning processes: adaptation and learning. While adaptation includes the use of new means to achieve the same goal, learning signifies the changing of both goals and means; it is a process of redefining actors' interests in light of new knowledge and information to seek collective gains' (Haas, 1990, pp. 3–4).

Theoretical Justification

This research will apply constructivist theories and cognitive learning theories to examine the evolution of China's identity, interests and ideas from the three perspectives of interest calculation, international engagement and domestic institutions. Specifically, constructivist theories will be used to analyse China's interest calculations and domestic aid institutions. Cognitive learning theory will be used to explore China's external engagement with the international aid regime.

Constructivist theories are preferred because they explain the relations between identity, interests and ideas. This book will examine how and why China's identities, interests and ideas regarding aid norms are changing. It will also demonstrate how China's changing identities inform its calculations of national interest and its adoption of specific aid modalities.

Similarly, cognitive learning theory is chosen because of its explanatory power in regard to the learning process that occurs during social interactions. This relates closely to my research of trilateral aid cooperation, as 'knowledge sharing, mutual learning and capacity development are at the heart of triangular cooperation' (OECD, 2012c, p. 1). The theory will explain the ways that, and the extent to which, the social dynamics between China and traditional donors and multilateral development organisations affect China's preferences for trilateral cooperation. Another reason to emphasise cognitive learning is that, as China is not an OECD DAC member, OECD aid norms are not binding to China. The cognitive learning approach is thus used to test the constitutive effect of external interactions on China's changing aid preferences. During the analysis, I will pay attention to two levels of learning: the first is due to the functional needs, including external pressure, on China to learn; and the second relates to the changes in thinking among China's aid policymakers.

I will take a critical approach to theories in my analysis. The first point involves a selection of constructivism theories and cognitive learning theories that is based on my comprehensive background study of China's existing trilateral aid projects before analysis. This provides me with empirically based assumptions that the above two theories might have more strengths than some other international relations theories to explain China's trilateral aid cooperation. The material interest-based rationalist theories (including neorealism and neoliberalism) seemingly have weak analytical power in explaining China's willingness to engage in trilateral aid cooperation. For example, neorealism argues persuasively that material power determines an actor's behaviour, yet there are clear challenges to this assumption in my book: why did China provide large amounts of foreign aid in the first three decades of the People's Republic (1950s–1970s), even when its own economy was weak? As the following chapters will demonstrate, identity matters. Another example is how China's economic capacity has been strengthened greatly after more than three decades of reform and opening up. China could be more assertive in its foreign aid; it could emphasise the singularity of its aid practice more and remain with bilateral aid. However, reality points to the opposite. China is showing more readiness for trilateral aid cooperation. These observations are difficult to explain using rationalist theories.

The second point is that even though I will borrow some constructivism and cognitive theories in my analysis, this does not entail that I take them as revealed truth. They have the potential to explain my research question, but these theories will be rigorously tested through my research for their validity, especially in my three case studies. I am also aware of the criticism that constructivism faces—especially from neorealism, the main theoretical opponent for most constructivists. Neorealism scholars are sceptical about the roles of norms and social interaction among states, arguing that states routinely disregard the norms that are not in their interest and that they cannot easily become friends during social interaction (Jackson & Sørensen, 2007, pp. 172–173). Consequently, in addition to constructivism and cognitive theories, international relations theories such as neorealism, neoliberalism and alternative explanations that are engendered for my research question will also be discussed in my analysis (in Chapters 4, 5, 6 and 8).

Research Methods

This study is mainly based on qualitative research, and case study and process tracing are the two main research methods.

Case Study Method

The case study method has its distinctive advantages. It can strengthen conceptual validity through contextualised comparisons and draw contingent generalisations. An in-depth analysis of selected cases can discover new hypotheses, and well-designed case studies can also explore causal mechanisms, by modelling and assessing complex causal relations (George & Bennett, 2005, pp. 19–22). I am also mindful of the disadvantages of the case study method, such as case bias, the cherry-picking problem of selecting cases intentionally to confirm the hypothesis, the under-representation of cases and the related generalisation issue (George & Bennett, 2005, pp. 22–34). Measures have been taken to minimise the negative effects of these disadvantages.

Case Selection Criterion

It would be useful to combine large-number cases with small-number case studies, which could reduce the risk of case bias and address the generalisation issue. However, the reality is that China's trilateral aid cooperation is still in its infancy and that the number of projects is limited, which makes a large-N study impossible. Additionally, I do not include Chinese bilateral projects in my case study for two reasons. First, selecting an appropriate bilateral project for comparison is difficult, as China has numerous bilateral aid projects: the danger of cherry picking is apparent. Choosing a bilateral project also carries the risk of bias, as many projects are subject to case-specific technical factors (e.g. an individual official's personal preferences or connections), which will reduce the validity of the analysis. Second, comparing a Chinese bilateral aid project with a trilateral project is not a good fit for my research question. Such a comparison is perfect for answering a different question: under what conditions will China deliver its aid bilaterally or trilaterally? It is not suitable for explaining my research question: why is China conducting trilateral aid cooperation?

I have selected cases that range across regions, project fields, the importance of the recipient countries in China's foreign aid landscape and the importance of the traditional donor partners to China. As Table 2 reveals,

typical cases, diverse cases, most different cases and least likely cases are chosen, which can compensate for the absence of a bilateral aid project in my case study. These criteria tease out any unimportant technical factors and allow us to test China's interest calculations, international engagement and domestic institutions in a wider context.

Table 2. Case selection variables in this research

Variable	Case one	Case two	Case three
	China–UNDP–Cambodia trilateral project on cassava	China–US–Timor-Leste trilateral agricultural project	China–Australia–Papua New Guinea trilateral project on malaria control
Case type	Typical case Diverse case Most different case	Least likely case Diverse case Most different case	Typical case Diverse case Least likely case
Donor partner	UNDP	The US	Australia
Importance of donor partner	The largest UN development agency	The largest traditional donor	The largest traditional donor in the Pacific region
Recipient country	Cambodia	Timor-Leste	Papua New Guinea
Recipient country in China's foreign policy	Strategic	Normal	Normal
Recipient country in China's aid landscape	Main recipient of China's aid	Small recipient of China's aid	Main recipient of China's aid in the Pacific
Geography	Southeast Asia	Southeast Asia	South Pacific
Project field	Agriculture	Agriculture	Health
Population ¹	15.32 million (2014)	1.21 million (2014)	7.94 million (2014)
Land area	176,520 km ²	14,870 km ²	452,860 km ²
Project execution	2011–2014	2013–2014	2015–2017
Project value ²	\$610,000	\$400,000 (China side) \$5 million (US side)	AU\$4 million

¹ The data on population and land area is derived from the World Bank's database.

² The project value on the China–US–Timor-Leste trilateral agricultural project is an estimate from the author's interviews. While the Chinese side affirmed that China's spending on the project was \$400,000, according to the Timor-Leste government, Chinese disbursement was \$210,000.

Source. Compiled by author from own analysis and based on John Gerring's categories of case selection (Gerring, 2007, pp. 89–90).

China–UNDP–Cambodia Trilateral Aid Project on Cassava

International organisations are significant partners of Chinese multilateral aid cooperation projects and could be the catalyst for the evolution of Chinese aid preferences. The UNDP is the largest UN agency that focuses on development. It is also among the earliest and most active of the international organisations to promote multilateral partnership with China. In 1979, not long after the end of the Maoist era, the UNDP established an aid cooperation partnership with China, though the early focus was on aid to China. In 2010, the two sides signed a new memorandum of understanding (MOU) and pledged to promote trilateral aid cooperation, which marked the commencement of their second phase of cooperation (Wang, 2013). Cambodia is one of the main recipients of Chinese aid in Asia. Due to historical and strategic reasons, Cambodia enjoys close diplomatic relations with China. The country is also a major recipient of international development assistance. Nearly 90 per cent of the Cambodian government's expenditure has relied on foreign assistance since 2005 (Council for the Development of Cambodia, 2008, p. 1). In addition, this cassava project is the first trilateral project between the UNDP and China.

These reasons render this trilateral project a typical case in China's trilateral cooperation. This research will examine China's identity, interest calculations and ideas in the process of China–UNDP's engagement on development cooperation. This project can illuminate China's trilateral aid cooperation with multilateral aid agencies, especially UN agencies, and how these agencies differ from China's interaction with traditional donor states.

China–Australia–Papua New Guinea Trilateral Project on Malaria Control

Australia is the leading traditional donor in the Pacific and enjoys close relations with Melanesian countries. Papua New Guinea (PNG) is the largest and one of the most influential countries in the region. Australia–PNG relations are among the top priorities of Australia's foreign policy. From 2018 to 2019, Australia's total aid budget to PNG reached \$379.2 million (AU\$519.5 million),⁴ accounting for 49.6 per cent of Australian aid to the Pacific (DFAT, 2018). PNG is also China's leading partner for

⁴ US\$1 is equal to approximately AU\$1.37 (as of 31 December 2015).

economic cooperation in the Pacific region and an important recipient of China's foreign aid. However, PNG is plagued by a weak institutional capacity in its aid management.

On one side, China–Australia trilateral aid cooperation in PNG is a typical case of cooperation between China and traditional donors on the regional level. Conversely, it is a least likely case, given the chaotic aid coordination in PNG in comparison to other Pacific Island countries (especially Samoa) that have a stronger institutional capacity in aid management and a stronger desire to observe aid coordination among donors, as will be discussed in Chapter 7. Similarly, this research will analyse China's identity, interest calculations and idea changes in the process of China–Australia's engagement on development cooperation. It will also examine the particularities of this China–Australian–PNG trilateral aid project on malaria control.

China–US–Timor-Leste Trilateral Project on Agriculture

China and the US are important in developing global aid norms, with the former being the largest emerging donor and the latter the largest traditional donor. Their aid cooperation in Timor-Leste—though little known, even in policymaking circles—has significant implications for the evolution of the international aid regime. In recent years, China and the US have exhibited a growing interest in conducting trilateral aid cooperation and they have begun turning their ideas into practice. The US is the main priority of China's foreign policy. It is also the most vocal critic of China's foreign aid practices.

According to the neorealist approach, China and the US are potential rivals, and foreign aid serves their respective national interests. It appears that they will be the least likely to cooperate in delivering foreign aid. As China's national economic and military capacity grows, it gains the strength to act more assertively through bilateral means. Further, Timor-Leste is not a focal point in terms of foreign aid or foreign policy for either China or the US.

These reasons signify that this trilateral cooperation project is a valuable least likely case. This study will analyse China's identity, interest calculations and ideas through the lens of China–US engagement on development cooperation, in the specific context of a trilateral agricultural project in Timor-Leste. It will attempt to explain which causal factors rendered this least likely case a reality.

Considering the numerous variations of indicators in Table 2, we can note that the three cases are diverse in nature. Case one and case two, in particular, are the most different cases in many aspects. A comparative analysis of the three cases will be conducted in the following chapters to strengthen this research.

Focus on the Asia-Pacific Region

My case studies will concentrate on China's trilateral aid cooperation in the Asia-Pacific region for four reasons.

- This region is an important focus of Chinese foreign aid policy.
- The Asia-Pacific region is defined as China's 'great periphery'⁵ in foreign relations, which is critically linked to its stability and development. This diplomatic position directly shapes Chinese aid policy in the region.
- Pacific Island countries depend heavily on foreign aid and are traditionally located within the spheres of influence of the US, France, Australia and New Zealand. This signifies that the Pacific is an ideal place to review the dynamic interactions between China and traditional donors.
- Far less attention has been given to the Pacific region compared to Africa and Asia.⁶

Though the case studies focus on the Asia-Pacific region, this research covers China's foreign aid policy as a whole. The research's timeframe will cover Chinese foreign aid in the relatively long period from 1950 to 2018. This is necessary not just because China's engagement in development cooperation dates back to the 1950s, but because constructivist theories are best applied to research subjects that can be examined longitudinally. As Wendt (1999, p. 367) argued, the analytical division of labour is 'rationalism for today and tomorrow, constructivism for the *longue durée*'. China's foreign aid since 2000 will be particularly highlighted because China's development assistance has increased significantly over the past decade and because China's trilateral aid cooperation emerged during this period.

5 The definition of 'great periphery' comes from the speeches of Chinese President Hu Jintao at the 10th and 11th conferences of Chinese ambassadors in 2004 and 2009, respectively (see Chen, 2009).

6 A topic search combining the key words 'Chinese aid' plus 'region' in the ProQuest Database dated 19 April 2016 finds 2,028 items (including books, journal articles, news reports, etc.) on Chinese aid to Africa, 2,399 on Asia, 706 on Latin America and 147 on the South Pacific.

Process Tracing Method

As Figure 2 illustrates, the causal process that links causal factors and China's adoption of trilateral aid cooperation is sealed in a black box and remains unknown. An analysis of this process will greatly facilitate the understanding of this black box and the whole causal process.



Figure 2. Process: Tracing Chinese trilateral aid cooperation

Source. Compiled by author from own analysis.

Process tracing is tasked with identifying the causal mechanisms as:

Ultimately unobservable physical, social, or psychological processes through which agents with causal capacities operate, but only in specific contexts or conditions, to transfer energy, information, or matter to other entities. In doing so, the causal agent changes the affected agencies' characteristics, capacities, or propensities. (Bennett & Checkel, 2015, p. 12)

Process tracing is employed in this research for its strengths. It can address the issue of equifinality—multiple paths to the same outcome by confirming or disconfirming particular causal mechanisms as viable explanations in individual cases. It can also reduce the risk of omitting important causal factors (Bennett & Checkel, 2015, p. 20). I have also taken measures to minimise the weakness of process tracing, including the resource problem, the measure-of-fit problem, the storytelling problem and the problem of generalisation (Schimmelfennig, 2015, pp. 102–104). For example, while using process tracing in case studies, if one must select case studies, Frank Schimmelfennig (2015, p. 105) suggested that one should select typical cases, conduct two to three diverse cases and make use of least likely cases. This coincides with my case selections above.

In my case studies, I will use process tracing to examine the whole process of China's trilateral aid cooperation—from the initiation of the project idea, to the idea flow, the coordination among the three countries in each project and the coordination among China's domestic aid institutions, to the final execution of the project on the ground. In particular, critical junctures and the sequence of decision-making will be highlighted.

Data Collection Techniques

Data for this research is mainly collected through interviews and documentation, which includes primary and secondary sources. Primary sources include government policy papers and media reports, while secondary sources include the literature on Chinese foreign aid. Although my cases focus on China's trilateral cooperation in the Asia-Pacific region, some sources on China's aid cooperation in Africa will be referred to as well, as Africa is the largest recipient of China's foreign aid.

Taking into consideration that one great obstacle to studying China's foreign aid is the lack of available data, especially from the Chinese side, I have taken advantage of my language skills as a native speaker of Chinese and have based my analysis on a large number of China's public documents—including white papers, speeches of state leaders and aid officials and media releases. Careful content analysis of these documents has revealed much about Chinese decision-makers' views of foreign aid. I have also enriched this research by widely surveying the literature that Chinese researchers have produced. This book aims to enrich the existing research on Chinese foreign aid by interpreting China's aid through the lens of Chinese decision-makers. It also builds from extensive interviews with the main participants in each of the three partner countries (see Table 3), which has increased the validity of the research.

Table 3. A breakdown of interviews

	Government aid officials	Research institutes	Non-Chinese diplomats, multilaterals	Chinese officials, companies	Business, media, civil society	Total
China	13	12	14			39
Australia	1	7		5		13
New Zealand	6	1				7
Papua New Guinea	15	4	8	6	1	34
Timor-Leste	12	1	11	1	2	27
Cambodia	5	4	4	1	1	15
Samoa	2		2			4
Cook Islands	1					1
Total	55	29	39	13	4	140

Source. Compiled by author from own analysis.

Table 4 demonstrates the research transparency, which includes data access, collection techniques and process methods.

Table 4. Research transparency in project

China's trilateral aid cooperation	Perspective one: Interest calculations	Perspective two: International engagement	Perspective three: Domestic aid institutions
Main concepts	China's identity, interest and ideas on aid modalities.	Learning from international engagement on aid issues.	Impact of trilateral aid cooperation on China's aid agencies.
Sub-questions	What are the changes of China's identity, interest and ideas on aid modality? Why and how have they occurred?	How is the learning process? What are the results?	What are the portfolios of China's aid agencies? What are their attitudes towards trilateral aid cooperation? Why?
Data acquired	China is placing growing emphasis on its identity as a rising great power and its global image-building in diplomacy.	International engagement has led to China's changing views on Western aid and cooperation with traditional/multilateral donors. China has been learning to reform its aid policies.	China's aid agencies have demonstrated diversified positions on trilateral aid cooperation.
Research methods	Three case studies; process tracing.		
Data collection techniques	Interviews: aid officials, participants of China's trilateral aid projects, scholars from China, traditional donors, multilateral aid agencies and recipient countries. Documentation: official documents, speeches, media reports from China, traditional donors, multilateral aid agencies and recipient countries; existing literature.		
Data processing	Triangulation is applied to increase data reliability; comparative analysis of the three cases.		

Source. Compiled by author from own analysis.⁷

⁷ The idea for this table stemmed from *Field Research in Political Science—Practices and Principles*, a book by Diana Kapiszewski, Lauren M. Maclean and Benjamin L. Read (2015).

Triangulation

As China does not release country-based figures for its aid data, I have accounted for the possibility of bias in my data and have used triangulation to reduce this risk when possible. Because much of the data is derived from interviews with aid officials and trilateral project participants, I have been cautious of their answers to the interview questions and have considered the context behind their views. For example, it is common that government officials tend to exaggerate the positive aspects of the projects and that they conceal their real motivations. To address this issue, I have asked the same question during my interviews with officials and stakeholders from the three countries involved in each trilateral project and I compared these views to increase the reliability of data. I have also compared the views of aid officials from these countries with relevant government documents.

In terms of interviews, the selection of interviewees depended on their availability; however, I also considered the hierarchical nature of the policymaking system, particularly in China. Low-level officials do not have decision-making authority, but they do have a better understanding of the background information; it is opposite for the high-level officials. Interviews with these two types of aid officials have both advantages and disadvantages. Therefore, I chose to interview these two types of aid officials with certain questions and to triangulate their answers.

Conclusion

This chapter has studied the main motivations behind Chinese bilateral aid. It also introduced the main theories of international relations regarding identity, interests, ideas and social interaction. Constructivist theories and cognitive learning theories are foregrounded because of their potential to explain China's adoption of trilateral aid cooperation. In addition, the research methods of case studies, process tracing and data collection methods are explained to demonstrate the transparency of this research.

Allow me to conclude by citing the metaphor from Professor Li Anshan, a senior Chinese expert on China–Africa relations and Chinese foreign aid from Peking University, on the gradual evolution of China’s aid policies:

A US expert on Chinese affairs [Denis Waitley] wrote a book *Dragon and Eagle*. He described China as a dragon. As a giant, the dragon will not feel a single gentle touch from outside at all. Similarly, China is a huge country and receives a lot of information from different perspectives. It will only pay attention when different sources [forces] touch it on the same place ... China’s diplomacy will take into considerations factors from all aspects. It will not be influenced easily by an individual Chinese scholar. (Interview, Beijing, 30 August 2015)

Though he referred to the limited role of Chinese think tanks in the policy circle, the metaphor suggests that the Chinese government considers numerous factors before adjusting its policies. An inclusive analysis of both domestic and international factors is thus valuable for examining China’s adoption of trilateral aid cooperation.

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