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Conclusion

This concluding chapter presents my reflections on the research that was undertaken for this book. It steps back from the details of China's trilateral aid projects and focuses on two broad issues. The first relates to theories of international relations and how they may illuminate China's evolving pattern of trilateral aid cooperation. The second relates to the relationship between China's growing trilateral aid cooperation and its increasingly assertive diplomacy. The scope for future research on China's trilateral aid cooperation is also briefly discussed.

International Relations Theories and Aid

China's influence on global governance appears to be growing fast. New initiatives such as the AIIB and the BRI have gained significant attention, both globally and regionally. Being an integral part of China's imprint overseas, Chinese foreign aid has dramatically increased in the past decade, rendering the research on this topic timely and significant. The main research question of this project has been placed against this backdrop: what are the main factors that drive China to conduct an increasing number of trilateral aid projects? This remains a noticeably understudied topic. In my analysis of this central question, some other closely related questions have lingered and guided this research project: Should we bother to analyse China's trilateral aid cooperation? If so, how should we approach this phenomenon? Do some strands of international relations theories have more analytical power than others in this case? If so, why?

When this research project commenced in 2013, I was asked how important trilateral aid cooperation was in China's foreign aid program. Looking back, it is fair to say that trilateral aid cooperation merits academic and policy attention not because its aid volume is substantial, but because it signals broader changes in China's overall aid policy. China's trilateral projects are small in both project numbers and aid outlay relative to its bilateral aid projects. Bilateral aid projects still dominate China's aid delivery, and this trend seems likely to continue regardless of the growth in China's trilateral aid cooperation. However, as was asked in Chapter 1, why has China undertaken trilateral aid cooperation despite the obvious differences between its own aid policies and practices and those of the traditional donors? It is definitely not a trivial development because China's MOFCOM, then the main aid guardian, had been heavily involved in the selection and management of most of these trilateral aid projects. To me, this suggests that there is something more happening here that requires investigation and explanation.

Against this background, this book sets out to investigate a significant and seriously under-researched area of aid policy and practice. Its originality and contribution are primarily in the new empirical material that it brings to light, which is a main strength of this study. The analysis in this book indicates that China's trilateral aid cooperation is significant because it demonstrates that China can cooperate with traditional donors and that it is becoming more responsive to calls for cooperation from traditional donors. Meanwhile, the Chinese government, especially MOFCOM, is approaching this new aid modality cautiously and incrementally, and in a manner that is consistent with its larger—and evolving—aid and foreign policy priorities.

The second question follows from the first: if we accept that undertaking research on China's trilateral aid cooperation is worthwhile for the reasons provided, then what assistance can we obtain from the toolkit of international relations theories to help explain this phenomenon? As discussed in Chapters 1 and 2, different strands of international relations theory have been employed to explain foreign aid and China's bilateral aid. As China's trilateral aid cooperation is a new and evolving development, a comprehensive analysis that is based on the available empirical evidence has not been undertaken in the existing literature. This signified that I had to find the right theoretical tool.

Figure 23 is the roadmap of my analysis that leads to my adoption of a more eclectic approach. This roadmap explains that I performed a thorough desk review of China's trilateral aid projects. After careful consideration, constructivist theories and cognitive learning theories are employed and tested in this book, including in Chapters 3 to 6. These two strands of theory seemingly have more strength than some other international relations theories in addressing my research question and illuminated the subtle relationship between China's evolving identities, national interests and ideas for external cooperation amid social engagement. They appear to have more capacity than other theories in explaining China's adoption of trilateral aid cooperation with traditional donors. For example, neorealism argues that nations are preoccupied with boosting their security against other nations in the anarchic international structure. In this framework, donor states are expected to use foreign aid as a tool and to deliver it bilaterally to maximise their own strategic and economic gains. Therefore, it will be unlikely that two rivals such as China and the US would seek to promote trilateral aid cooperation and share the dividend of aid delivery. However, even as strategic rivalry between China and the US is becoming increasingly visible in Asia and the Pacific, the two nations have committed to trilateral aid cooperation in Timor-Leste and elsewhere.

Neoliberalism is also insufficient to explain this phenomenon. Neoliberals argue that although cooperation among nations is difficult, the growth of international/regional institutions promotes interstate cooperation. The problem is that China has insisted that its foreign aid is primarily about south–south cooperation, which is different from north–south cooperation. China is not a member of the OECD DAC, and it has refrained from subscribing to many regional arrangements on development cooperation, such as the Cairns Compact. Staying outside these institutions would logically make China's development cooperation with traditional donors difficult. Therefore, in accordance with neorealism, neoliberalism has difficulty explaining China's participation in trilateral aid cooperation. Conversely, constructivism and cognitive learning theories appear to have more explanatory power in illuminating China's willingness to explore trilateral aid partnership.

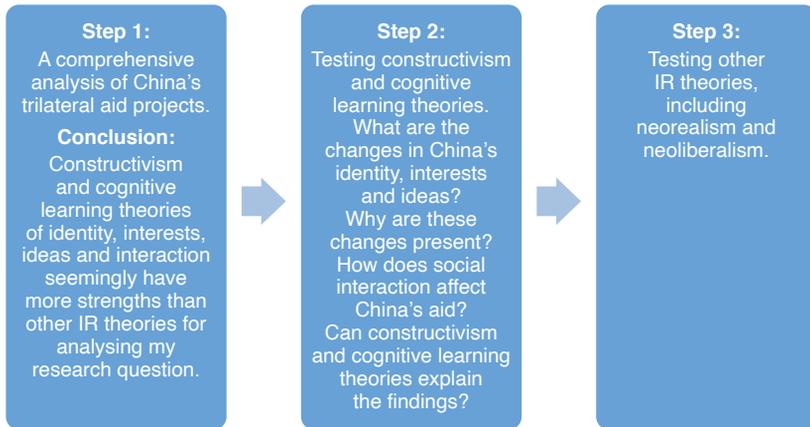


Figure 23. Analysis roadmap

Source. Compiled by the author from own analysis.

Constructivist and cognitive learning theories can also complement each other. As discussed in Chapter 2, constructivist theories and cognitive learning share much in common, as they both focus on identity, interests, ideas and interactions. While cognitive learning is derived from regime theory, a branch of international relations theory, many constructivist scholars have developed their theories through the empirical analysis of international regimes. The difference is that constructivism focuses more on the relations between identity, interests and ideas, while cognitive learning theories concentrate more on interactions involved in the learning process. Constructivist theories have consequently been used in this book to explain how and why China's identities, interests and ideas regarding development cooperation have changed, which led to China's adoption of trilateral aid cooperation in recent years. Cognitive learning theories are useful for analysing what and how China has learned from traditional donors and the UNDP during their interactions in development cooperation; they also provide an important rationale for China's preference for trilateral cooperation with these partners.

These theories have passed the test in the analysis of this book, which is also a contribution of this research to international relations theory. It lends further empirical support to constructivism and cognitive learning theories. From the perspective of identity, interests and ideas, this book has examined the evolution of China's calculation of national interests—both political and economic—as well as its global image-building. It argues that although China has three main identities (i.e. a socialist country,

a developing country and a rising great power), the focus has shifted over time. China has given growing attention to its identity as a growing great power during the last decade. It is increasingly concentrating on building its global image as a responsible stakeholder—and the adoption and development of trilateral aid cooperation is understandable in this context, with its emphasis on cooperation between China, traditional donors and developing countries. An analysis of China's evolving identity focus, interest calculations and perceptions of cooperation will enrich our understanding of China's foreign policy.

From the cognitive learning perspective, the book has reviewed the nearly four-decade-long engagement between China and traditional donor states and UN agencies regarding development cooperation. China has had a dual experience as both an aid recipient and an aid donor during this period. China's attitude towards UN agencies and traditional donor states has undergone a gradual and ongoing shift away from outright distrust to cautious and qualified trust. During this engagement, China has realised that development cooperation with UN agencies and traditional donor states has brought both substantial financial resources and access to advanced technologies and new areas of learning for China's own domestic development. The cognitive learning process has also contributed to ideational change among Chinese aid officials, as China has learned and continues to learn from UN agencies and traditional donor states regarding how to reform and improve its own aid policies and practices.

In addition to the above two analytical perspectives, China's complicated bureaucratic system that administers foreign aid has also been examined as a critical domestic institutional context for policy decision-making regarding aid—one that comprises diverse agencies with different priorities and positions on trilateral aid cooperation. It has shown that although China's MFA actively promotes trilateral aid cooperation, the MOFCOM takes a more cautious approach. Other line ministries are broadly supportive of this new aid partnership. The China Exim Bank (the main provider of concessional loans) and Chinese SOEs (the main contractors for Chinese aid project) have ambiguous attitudes. The divergent priorities of China's different agencies have determined their subtly distinct attitudes towards trilateral aid cooperation. This book has also briefly analysed the CIDCA, which was created in April 2018. It argues that the MFA has had an upper hand in this round of aid management restructuring. Diplomatic interest will have more weight in the Chinese aid program. MOFCOM will continue to play a significant

role in Chinese aid decision-making, though it is no longer the main custodian of aid. The influence of this new agency on Chinese foreign aid and trilateral cooperation is yet to be observed.

Building on the analysis from these three perspectives and the examination of three of China's recent trilateral aid projects (discussed in Chapters 4, 5 and 6), the research concludes that China's adoption of trilateral aid cooperation has been the result of its stronger desire to build its global image as a responsible global power and for cognitive learning to improve its aid performance.

It should be noted that the capability of constructivism and cognitive learning theories in explaining China's trilateral aid cooperation does not render other international relations theories irrelevant to helping explain China's overall approach to foreign aid. As mentioned earlier, it is most likely that bilateral aid will continue to dominate Chinese foreign aid. Bilateral aid has been used by the Chinese government as a diplomatic tool to serve its strategic and economic interest in many cases—as is the case with much OECD aid, which tends to flow to the former colonies of developed nations. Neorealism, which highlights nations' competition for power and security, clearly has a substantial ability to explain many cases of Chinese bilateral aid. For example, China increased its aid pledges to developing countries, such as in Africa, when it competed with Japan during Japan's bid for permanent UN Security Council membership in recent years. Another example is that China has provided much aid to woo ASEAN members (e.g. Cambodia and Laos) when its territorial disputes in the South China Sea have increased in recent years. These two cases are to be better explained by neorealism theories. As explained in Chapter 3, material interest also remains an important factor for Chinese stakeholders, such as state-owned construction contractors deciding whether they prefer to deliver aid bilaterally or trilaterally.

Does China's participation in trilateral cooperation arise from instrumentalism, a genuine, though gradual, acceptance of Western aid norms or a mixture of the two? The research argues that it is mostly a mixture of both. Strategically, China is intentionally placing more emphasis on its identity as a growing great power and on its national interest in global image-building. China is thus selectively piloting trilateral aid cooperation to improve its image as a responsible and cooperative stakeholder in global affairs. Technically, China also has a strong desire to improve its aid practices by learning from traditional donor states and multilateral development agencies who

have demonstrated expertise in the areas that it lacks. This is a result of China's cognitive learning experience with these partners in development cooperation since the 1970s. China's ideas for development cooperation with these traditional donor partners have changed and have become more positive. Trilateral aid cooperation became an important way for China to continue the learning process—although 'what to learn' is filtered by the Chinese party-state, which defines what knowledge is deemed 'appropriate' and 'needed'.

Trilateral Cooperation and Foreign Policy

The categorisation of foreign aid as part of Chinese foreign policy is worth further discussion. On one side, China is conducting increasingly more trilateral aid cooperation projects with developed Western countries. This demonstrates China's willingness to engage in cooperative partnership and tackle many global issues rather than overthrow the traditional system. As Stuart Harris (2014, p. 183) argued, 'China shows little sign of wanting to move away from the existing international system or to change substantially the global order'. For example, in the development cooperation arena, China insists that south–south cooperation complements rather than replaces north–south cooperation.

However, a closer look at some of China's diplomatic decisions in recent years seems to indicate otherwise. The most notable examples relate to China's growing disputes with neighbouring countries in the East and South China Seas. China's foreign policy is becoming more assertive, as can be observed in the establishment of air defence identification zones, the building of artificial islands in the South China Sea and Foreign Minister Wang Yi's outburst in Canada in June 2016, declaring that questions pertaining to China's human rights record were 'arrogant' and 'unacceptable'. Neorealist theories that focus on a nation's pursuit of power and security appear to be in a better position for explaining this type of state behaviour.

In reviewing these seemingly opposing trends, is it inconsistent or contradictory that China seems to be supportive of cooperation on one hand while favouring confrontation on the other? Does China still care about its global image in conducting foreign relations? Does my finding that China partially participates in trilateral aid cooperation to build its global image still stand? Will Chinese trilateral aid cooperation be sustainable amid these growing strategic tensions with other countries?

China has been selective on the topic of cooperation in its foreign policy. As China's national capacity has rapidly increased due to the nearly four decades of spectacular economic growth, it naturally seeks to expand its national interest. This trend has become more notable since Xi Jinping took power in 2013. The current tensions focus on issues of territorial disputes, which are classified as China's 'core interests' (*hexin liyi*) (State Council, 2011a). These disputes revolve around historical issues that have become more pronounced in recent years. Additionally, growing nationalism in China and other countries who were involved in the disputes intensifies the strain.

Therefore, it is likely that the tension surrounding the issues of China's 'core interests' will continue and even escalate. It could negatively affect the prospect of Chinese trilateral aid cooperation with countries involved in the disputes. However, and on a more optimistic note, Chinese trilateral aid cooperation could also continue to grow because the tension between China and some other countries in sensitive areas requires more, rather than less, cooperation to enable the deepening of their broader bilateral relations. As Wang Jisi, dean of the school of International Studies at Peking University, argued: 'China will have to invest tremendous resources to promote a more benign image on the world stage' (Wang, 2011a, para. 33). Foreign aid is a relatively less sensitive area of foreign relations, and aid cooperation in areas such as agriculture and health is even less problematic. Trilateral aid cooperation in this case can potentially reduce the tension between China and partner countries in sensitive areas (e.g. the US). To some extent, trilateral aid is playing the role to ease the anxiety of traditional donors in regard to China's rise.

Unlike China's trilateral aid cooperation and its territorial disputes, Chinese initiatives like the BRICS New Development Bank, AIIB and the BRI could have two interpretations, based on my observations. Some analysts may regard these initiatives (especially those of BRICS New Development Bank and AIIB) as directly challenging the influence of existing providers of development finance (particularly the World Bank and the ADB). However, in addition to exporting China's oversupplied capacity in manufacturing, these initiatives could also be considered a part of China's efforts to demonstrate its growing global responsibility alongside its increasing economic power, which is linked to China's attempt to build a better global image.

A final point worth brief discussion is that even though foreign aid is an important component of China's foreign policy, economic activities and investment remain the central tasks in the minds of Chinese leaders.

This explains why the Chinese government has invested far more resources in promoting projects such as the BRI than in its foreign aid budget. China's adoption of trilateral aid cooperation in some cases demonstrates its growing attention to its global image and its stronger desire to use this modality for learning. However, this does not mean that China is willing to sacrifice its core economic interests. This is why bilateral aid still dominates China's aid delivery, and it is a trend that is likely to continue.

Scope for Future Research

Building on the innovative research of Chinese trilateral aid cooperation in this book, much more analysis can be conducted in the future. Although my conceptual framework has been focused on the relations between identity, interests and idea changes, the origin of China's identity change has been mentioned only briefly. This is a complicated issue that deserves a separate book in itself. The field work for this research is also focused on the Asia-Pacific region. My archival research and interviews with Chinese stakeholders have also covered some examples of Chinese trilateral cooperation in Africa. However, a more direct engagement with African stakeholders would enrich future research. Moreover, as mentioned earlier, most Chinese trilateral aid projects are either ongoing or they were finished recently. This research consequently does not include much longitudinal data, nor can it draw on project evaluations—though some tentative assessment was undertaken in Chapter 7.

As Chinese trilateral aid cooperation is still new and in the pilot stage, more data need to be collected in the future as existing projects evolve and new projects are launched. More in-depth case studies should be performed to enrich our understanding of the motivations behind China's aid program. More assessment of the effectiveness of trilateral aid cooperation will be needed to justify its continued existence and further expansion. It is not unthinkable that China may one day abandon this aid modality. Comparative studies between Chinese bilateral aid and trilateral aid, and between Chinese and non-Chinese trilateral cooperation, also deserve more academic attention. Another outstanding question is how China, traditional donors and recipient countries can play their respective roles well for the effectiveness of trilateral partnership. Empirically based research in the future to fill these gaps could facilitate a better understanding of China's trilateral aid cooperation.

Due to the complexity of donors' motivations, caution must be applied in generalising these research findings. As a Chinese aid official who has been deeply involved in trilateral aid cooperation reminded me:

The motivations behind each trilateral aid project might vary. The motivation behind one particular project might not be able to apply to the other. For instance, trilateral aid cooperation between multilateral development agencies and China's Ministry of Science and Technology may have randomness. On some occasions, multilateral development agencies need to spend some money [before the end of the financial year] but do not know how to do that, so they approach China for cooperation [in order to spend the money]. (Interview, Beijing, 20 August 2015)

With the future in mind, what will China's foreign policy look like? Zheng Bijian, a long-time senior advisor to the Chinese leadership who coined the term 'Chinese peaceful rise', argued that China 'must gradually broaden different types of "convergence of interests" and build "communities of interests" with neighbouring countries and surrounding regions, as well as with all relevant countries and regions' (Zheng, 2013, p. 10). These ideas have been absorbed into China's foreign policymaking practices. For example, Chinese President Xi Jinping said at the 2014 central conference on work relating to foreign affairs—the highest-level arena for discussing China's diplomacy—that 'China needs to do well in its diplomacy with neighbouring countries to build "communities of common interests"' (Xinhua, 2014a, p. 12). Trilateral aid cooperation has evidently become part of China's diplomatic efforts to promote such 'convergence of interests' and 'communities of interests'. However, can China really achieve this ambitious objective? Is trilateral aid cooperation between China and traditional donor states or international organisations really a promising new trend? A Chinese agricultural aid official expressed his optimistic answer as follows:

Developed countries have the enthusiasm to consolidate and extend their cooperation with China. China has the capacity to participate in trilateral aid cooperation. For recipient countries, they have the need to use foreign aid [whether in bilateral or trilateral form] to support national development. In this context, China's trilateral aid cooperation will have a bright future. (Interview, Beijing, 21 August 2015)

In the end, what will China's trilateral aid cooperation be like? We must wait and see!

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