



China and conflict-affected states

Between principle and pragmatism

CHINA'S APPROACH



Dell Marie Butler and Thomas Wheeler

January 2012

This overview of China's approach to conflict-affected states is excerpted from a full-length report published by Saferworld that focuses on China's role in three contexts: Sri Lanka, Nepal and South Sudan – Sudan.

Acknowledgements

The section was researched and written for Saferworld by Dell Marie Butler and Thomas Wheeler. We are grateful for comments and advice from Saferworld's Bernardo Mariani, as well as from Ochieng Adala, Chris Alden, Chin-Hao Huang, Xia Liping and Xiao Yuhua. The report was copy-edited by Deepthi Wickremasinghe and designed by Jane Stevenson. Saferworld is grateful to the United Kingdom Department for International Development for providing financial support for this project.

© Saferworld January 2012. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise, without full attribution. Saferworld welcomes and encourage the utilisation and dissemination of the material included in this publication.

Acronyms: China's approach

ADB	Asian Development Bank	MDGs	Millennium Development Goals
AfDB	African Development Bank	MOFCOM	Ministry of Commerce
ASEAN	Association of Southeast Asian Nations	MoU	Memorandum of understanding
ATT	Arms Trade Treaty	NATO	North Atlantic Treaty Organization
AU	African Union	NGO	Non-governmental organisation
CNOOC	China National Offshore Oil Company	NTC	National Transitional Council
CNPC	China National Petroleum Corporation	OECD	Organization for Economic Cooperation and Development
CPC	Communist Party of China	PLA	People's Liberation Army
DAC	Development Assistance Committee	R2P	Responsibility to Protect
DFID	UK Department for International Development	SAARC	South Asian Association for Regional Cooperation
DRC	Democratic Republic of Congo	SALW	Small arms and light weapons
ECFR	European Council on Foreign Relations	SCO	Shanghai Cooperation Organisation
EU	European Union	UK	United Kingdom
Exim Bank	China Export Import Bank	UN	United Nations
FOCAC	Forum on China-Africa Cooperation	UNSC	UN Security Council
ICC	International Criminal Court	US	United States
IDA	International Development Association	WDR	World Development Report
INGO	International non-governmental organisation		

2

China's approach

2.1 Introduction

IT IS NOW UNDERSTOOD that the security concerns and development needs of conflict-affected states require from the international community special attention and differentiated aid approaches. Less discussed is the assumption in much of the conflict prevention discourse that this international community is composed of like-minded actors with global leverage and legitimacy in the countries in which they intervene.¹ China's growing prominence as a global actor compels a re-examination of these assumptions.

China's approach to development and peacebuilding diverges in significant ways from other countries, notably that of the liberal democracies of Europe and North America, and other donors brought together under the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). This is not simply to assert that China's involvement in, and engagement with, developing and conflict-affected countries is necessarily inimical to a 'Western' approach – nor all that different to some established donor practice. Rather, China's growing presence in these countries suggests the need for a more careful understanding of Chinese perspectives and approaches.

There are necessary caveats to be stated at the outset of any such analysis. Firstly, there is no overarching Chinese policy on conflict-affected states; indeed, within China, policy and research focus on civil wars and state fragility is extremely limited. As one Chinese academic notes: "The terminology of 'peacebuilding' or 'post-conflict' does not really exist. Security issues are divided from development or economic co-operation. This is partly due to a lack of understanding, but it is also because security issues are seen as too political."² Secondly, the nature of the Chinese state may be central to understanding its position in the contemporary global order, but there should be no assumption of a unitary, "monolithic Chinese dragon";³ nor a neatly bounded notion of a single 'Chinese position'. China's engagement with the developing world involves a wide range of actors beyond the central state elite, including multiple bureaucracies and networked Chinese business investment. Similarly, China's foreign policy stance is more accurately captured by a plurality of approaches than a single "strategic intent";⁴ the formulation of foreign policy involving multiple institutions, factions and ideologies.⁵ Finally, the precise configurations of China's foreign policy stance on any given issue are – as in the case of other states – dynamic and context-specific. As

¹ Hoglund K and Orjuela C, 'Winning the peace: conflict prevention after a victor's peace in Sri Lanka', *Contemporary Social Science* (2011), vol 6 no 1, p 23.

² Saferworld interview, Beijing, May 2011.

³ Large D, 'Beyond "Dragon in the Bush": The study of China-Africa relations', *African Affairs* (2008), vol 107 no 426, p 46.

⁴ Glaser B S and Medeiros E S, 'The changing ecology of foreign policy-making in China: The ascension and demise of the theory of "Peaceful Rise"', *The China Quarterly* (June 2007), vol 190, pp 291–310.

⁵ Jakobsen L and Knox D, *New Foreign Policy Actors in China*, SIPRI Policy Paper 26 paper (Stockholm International Peace Research Institute [SIPRI], 2010).

such, the aim here is not to predict Beijing's foreign policy behaviour or strategies in the developing world. Broadly surveying Chinese foreign policy principles and praxis, this section simply identifies trends and patterns in China's engagement with conflict-affected states, discerning here an evolving, though chiefly pragmatic orientation, balancing "official rhetorical rigidity" with "limited flexibility".⁶

2.2 Interests and principles informing China's engagements abroad

While the notion of 'emerging donors' is popularly deployed in contrast with 'established' or traditional OECD DAC donors, the term risks overlooking that the former are not new to development assistance.⁷ China has long had an economic and diplomatic presence in Asia, Africa and Latin America and has been a major source of aid to these regions since the 1960s – aid then being used as a foreign policy tool in the context of Cold War geopolitics and the Taiwan question. In the last decade or so however, economic interests, in particular the pursuit of resource security, have increasingly driven a widening and deepening of Chinese engagement in these regions. Geostrategic concerns also shape Beijing's foreign relations closer to home. China's aid activities in Asia, it is observed, "appear to provide relatively greater long-term diplomatic benefits in comparison to its engagements further afield in Africa and Latin America".⁸

'Peace', 'stability' and 'development' have been central to foreign policy discourse promoting China's role as a responsible great power (*fu zeren de daguo*). In April 2004, Hu Jintao declared the "very purpose of China's foreign policy" to be "to maintain world peace and promote common development", promising that China would "follow a peaceful development path (*heping fazhan*) holding high the banners of peace, development and co-operation" and make "a greater contribution to the lofty cause of peace and development in the world".⁹ More recently, the 2011 White Paper on China's Peaceful Development re-emphasises that the "central goal of China's diplomacy is to create a peaceful and stable international environment for its development".¹⁰ Numerous official and academic pronouncements to this tune make clear the investment of an increasingly large effort in branding China as a responsible member of the international community. Just how China's contribution to peace is to be made is little explained, however.

Invocations of a "uniquely Chinese" approach to foreign policy often take as a point of departure China's more recent, rapid development. Both an aid-recipient and donor, China continues to grapple with its self-image as a developing country.¹¹ Attention to China's rapidly rising power often neglects analysis in per capita terms: in 2010, its estimated GDP per capita of US\$7,500 ranked it only 125 in the world.¹² Though this status is not unique to China,¹³ it is iteratively mobilised to set China apart from established donors and the West more broadly: proclamations of China's shared history with Africa of Western colonisation, for instance, accompanied by "virtuous commitments against any future hegemonic role".¹⁴ 'South – South co-operation', 'non-interference'

6 Gill B and Reilly J, 'Sovereignty, intervention and peacekeeping: The view from Beijing', *Survival* (Autumn 2000), vol 42 no 3, p 42.

7 Woods N, 'Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance', *International Affairs* (2008), vol 84 no 6.

8 Lum T, Fischer H, Gomez-Granger J and Leland A, *China's foreign aid activities in Africa, Latin America, and Southeast Asia*, (Congressional Research Service, 25 February 2009), p 16.

9 'Hu Jintao Bo'ao Forum Speech', *Xinhua News*, 23 April 2004.

10 Government of the People's Republic of China, *White Paper on China's Peaceful Development* (2011), p 3.

11 Godement F, European Council on Foreign Relations (ECFR) Asia Centre, 'China debates its global strategy', *China Analysis* (April 2011), p 5, http://ecfr.eu/page/-/China%20Analysis_China%20debates%20its%20global%20strategy_April2011.pdf, accessed 3 November 2011.

12 Central Intelligence Agency, 'China', *The World Factbook*, 8 November 2011, www.cia.gov/library/publications/the-world-factbook/geos/ch.html, accessed 22 November 2011.

13 Notably, India too continues to receive foreign aid even as its own aid programmes have become increasingly ambitious. see: Dehejia R S, 'India Journal: Why does India give and receive aid?', *Wall Street Journal*, 8 September 2010, blogs.wsj.com/indiarealtime/2010/09/08/why-does-india-give-and-receive-aid/, accessed 9 November 2011.

14 Cf. "The foreign aid given to the South by the North is a major tool to compensate for the wrongs done by the colonial West in history, and to correct the unfair allocation of resources and unequal distribution of wealth at present." – Huang Ying, 'A Comparative Study of China's Foreign Aid', *Contemporary International Relations* (May/June 2007), p 91; and *op cit* Large, pp 47–48.

and 'non-conditionality' stand at the front and centre of China's approach, presented as "one of humanitarian and development aid plus influence without interference, in contrast to the West's coercive approach of sanctions plus military intervention".¹⁵ Donor-recipient references are largely absent in official and academic discourse on foreign aid, China instead preferring to present its engagement with developing countries in the language of mutual assistance and two-way exchange "between equal friends".¹⁶

It is important to note that China's approach is more nuanced than one of straightforward opposition to the West: "On the one hand China stresses the distinctiveness of its approach, but on the other hand China is keen to assert that it contributes to, or is part of, global aid efforts, adopting the MDG vocabulary and seeking to be part of international organisations".¹⁷ The notion of a "uniquely unique", or atypical, "Chinese model" is, in this sense, somewhat misleading.¹⁸ Following Chinese academic Yao Yang, it can be argued that the hallmark of China's approach to development and governance is simply "pragmatism" (*wushi zhuyi*): a "commitment to doing whatever it takes to promote growth while maintaining political stability", itself a prerequisite for economic development.¹⁹

Foreign policy actors in China

China's engagement with conflict-affected countries involves multiple state bureaucratic bodies and non-state actors. Wielding decision making power, formally participating in the policy formulation process, or simply seeking to influence foreign policy, these actors each bring different, even conflicting, agendas. While overall responsibility for Chinese foreign policy lies with the **State Council**, a diverse range of key actors are involved in the formation and implementation of Beijing's diplomatic relations. The **Communist Party of China's (CPC)** International Department, the Politburo's Leading Group of Foreign Affairs and other party bodies are crucial in policy formation, while **military** and **security agencies** also provide input into policy on peace and security issues. As the "CPC seeks new ideas and new solutions rather than simply relying on sources that justify already-held beliefs", **think tanks** and **academics** too play an increasingly important role in advising on policy direction.²⁰ Although the **Ministry of Foreign Affairs** holds official responsibility for the implementation of China's diplomatic relations, many understand the **Ministry of Commerce (MOFCOM)** to wield more influence, as it manages economic relations and distributes development assistance. The **Ministry of Finance**, the state-owned **China Development Bank** and the **China Export Import (Exim) Bank** also play important roles in managing China's economic engagement in developing countries. **Provincial governments** have also been increasingly involved in policy formation and implementation: deepening trade links, and playing a key part in implementing China's national aid programmes.²¹

Other internal and external dynamics also influence the processes of policy germination, formalisation and implementation. While most foreign policy decisions are made with little regard for public opinion, **netizens** are an emergent, influential force, with officials increasingly aware that proliferating dissatisfaction on the Internet can give rise to questions over the Party's ability to govern. Beijing's conduct of foreign relations is further constrained by the difficulties inherent in controlling the proliferating Chinese actors operating abroad.²² **State-owned enterprises** are particularly visible, and have significant influence. Among the most prominent are the main energy state-owned corporations: Sinopec, the China National Petroleum Corporation (CNPC) and the China National Offshore Oil Company (CNOOC). In addition to these commercial actors there are **provincial firms** and **private companies**, all driven by their own profit incentives in often highly competitive markets.

15 Qian J and Wu A, cited in: Tan-Mullins M, Mohan G and Power M, 'Redefining "aid" in the China-Africa context', *Development and Change* (2010), vol 41 no 5, p 861.

16 See: *op cit* Huang Ying; and: 'Is Chinese aid to blame for African corruption?' [*Zhongguo wai yuan cheng suo wei feizhou ruobai de wo ken?*], 6 September 2011, *Huanqiu*, world.huanqiu.com/roll/2011-09/1979464.html, accessed 20 September 2011.

17 *Op cit* Tan-Mullins, Mohan and Power, p 861.

18 Breslin S, 'The "China model" and the global crisis: from Friedrich List to a Chinese mode of governance?', forthcoming in: *International Affairs* (2011), vol 87 no 6.

19 Yao Yang, 'Beijing's motives are often just pragmatic', 16 February 2011, National School of Development at Peking University, en.nsd.edu.cn/article.asp?articleid=7094, accessed 15 November 2011.

20 Raine S, 'Introduction', *China's Africa Challenges*, Adelphi series (2009), vol 49 no 404, p 71.

21 Chen Zhimin and Jian Junbo, *Chinese provinces as foreign policy actors in Africa*, China in Africa Programme Occasional Paper no 22 (South African Institute of International Affairs, January 2009).

22 Dyer G and McGregor R, 'China's champions: why state ownership is no longer proving a dead hand', *FT.com*, 16 March 2008, www.gmpolicy.net/china/readings/FT%20article%20on%20SOE%27s.pdf, accessed 15 November 2011.

2.3 Foreign policy principles

This emphasis on 'political stability' provides insight into China's cherished foreign policy principle of non-interference. Domestically, political stability is shorthand for 'regime stability' – a strong state, and strong government – and measured by a top-down capacity to maintain order over a given territory. This precedence of internal stability and territorial integrity extends to China's bilateral engagements. Beijing maintains that national governments alone should focus on and respond to matters related to domestic political, economic or social affairs – including internal conflict. China's own history and its sensitivity on issues such as Taiwan and Tibet heavily inform this view on the proper conduct of international relations. Official and academic defences of the non-interference principle also invoke a historical 'South – South solidarity', with and alongside a shared sense of unjust treatment by the West, including a history of colonisation. Finally, China's refusal to attach political conditions to bilateral aid and development projects reinforces China's projected image as a pragmatic international player,²³ its concerns simultaneously purely commercial and yet humanitarian.

The principle of non-interference is likely a genuine, deeply-held belief among many Chinese officials and academics. It is, however, a policy that has also served China's strategic interests, evidenced in its response to recent coups in the Central African Republic (2003), Mauritania (2008), Guinea (2008), Madagascar (2009) and Niger (2010). While growing Chinese interest had been registered in all five countries prior to their respective political upheavals, a pragmatic hands-off response "allowed China to continue to consolidate its position under the new strongmen".²⁴ In this regard, non-interference serves as a means through which China can maintain stable relations with host governments, usually with an eye to ensuring that economic co-operation continues unaffected by political change. Critics – both in the West and the developing world²⁵ – point to China's relations with these and other 'rogue regimes' (Burma/ Myanmar and Zimbabwe, for example) to argue that the non-interference principle undermines good governance, democratisation and human rights.²⁶ Chinese academic and policy elites counter that human rights is "first and foremost a right to subsistence";²⁷ with socio-economic rights taking precedence over abstract political rights. Furthermore, it is argued that political rights cannot be imposed from the outside; instead, sovereignty is to be protected and autonomy honoured to allow for indigenous development strategies.

Some critics go further to suggest that the non-interference principle is a cover to contain democracy or to export an illiberal model of development, summed up as the 'Beijing Consensus'. There is, however, no evidence – for now – to suggest this. Chinese officials and academics have repeatedly stressed that each country must choose its own path, the key message being to "start from national conditions, and take your own road".²⁸ As Premier Wen Jiabao has argued in relation to Sino-African relations, "China supports the development of democracy and the rule of law in Africa. But we never impose our will on others. We believe that people in every region and country have the right and ability to properly handle their own affairs."²⁹

Ultimately, China is not alone in approaching relations through the prism of non-interference. Even established democracies, such as Brazil and India, frequently make reference to the imperative of sovereignty and non-interference. In any event, there is

²³ *Op cit* Tan-Mullins, Mohan and Power, p 865.

²⁴ Holslag J and van Hoeymissen S, eds, *The limits of socialization: the search for EU-China cooperation towards security challenges in Africa*, (Brussels Institute of Contemporary China Studies, 30 May 2010), p 9.

²⁵ Taylor I, *China's new role in Africa*, (Lynne Rienner, 2009), pp 89–112.

²⁶ see for example: Naim M, 'Rogue aid', *Foreign Policy*, (1 March 2007), www.foreignpolicy.com/articles/2007/02/14/rogue_aid, accessed 22 November 2011.

²⁷ Li Zhaoxing's press conference at the 5th Session of the 10th National People's Congress, www.fmprc.gov.cn/eng/zxxx/t303723.htm#, accessed 22 November 2011.

²⁸ Shen Li and Bai Qunying, 'Jiedu zhongguo jingjimoshi' ['Analysis of China's economic model'], *Guangming Ribao*, 15 May 2006.

²⁹ It is worth noting, on this point, that China maintains close relations with both democracies and authoritarian states. Wen Jiabao, cited in Huang Zhaoyu and Zhao Jinfu, 'China's relations with Africa: Building a harmonious world', *Contemporary International Relations* (2009), vol 19 no 1, pp 65–78.

no international consensus on global rules for how donor countries should act where issues surrounding human rights, democracy and recipient country corruption arise.³⁰

While criticism of China in this regard is somewhat misplaced, there are clearly tensions between the principle of non-interference and Chinese proclamations to uphold peace and stability. Formal non-interference in the internal affairs of recipient countries may work to ensure the stability of bilateral relations, but it is no guarantee of internal stability in countries at risk from conflict. Indeed, it appears policy makers in Beijing are increasingly realising that “attempts to separate politics and business do not generally succeed”.³¹

These entanglements threw up a complex set of challenges when, in 2011, a political uprising in Libya turned violent, eventually unseating leader Muammar Gaddafi. Drawing into focus Beijing's policy stance on the rebel leadership reveals the extent to which China's principled respect for formal sovereignty was tested. Chinese interests were clearly at stake: China sourced some three percent of its oil imports from Libya,³² some 30,000 Chinese citizens worked there, and 75 Chinese companies were involved in contracts worth US\$18.8 billion, representing in 2009 some 4.6 percent of China's total global project turnover.³³ Despite initial, sharp criticism of the North Atlantic Treaty Organization's (NATO) intervention – which, Beijing argued, overstepped the original UN resolution to establish a ‘no-fly zone’ and protect civilians – China ultimately extended contact with the Libyan transitional government authorities soon after the launch of NATO military action. It was evident when compared to other global powers, however, that China was slow to recognise the National Transitional Council (NTC) as a legitimate representative of the Libyan people. Chinese policy-makers will no doubt again be faced with a similarly precarious balance: protecting China's interests overseas while at the same time maintaining a steadfast commitment to the principle of state sovereignty.

Further complicating their calculations are international pressures, cloaked in the language of responsibility, for China to take a more proactive role in countries affected by conflict. A more carefully calibrated foreign and security policy stance is imperative, as academic Jiang Hengkun points out: “we insist on the non-interference principle, but under certain circumstances we probably can put some conditions before the principle to protect our interests. In this, the choice of the local population needs to be taken into account.”³⁴

There are suggestions that China's approach to security and stability is shifting, if only cautiously and gradually. As observed, these shifts have been prompted by “a complex amalgam” of factors: by a growing recognition in Beijing of the value of aligning its national interests with international norms and making tangible contributions to international security, but also by China's increasing socialisation and interaction with the international community.³⁵ Official pronouncements gesture towards a broad acceptance that China will promote conflict resolution through negotiations in stating, for instance, that “China calls for settling disputes and conflicts through talks and consultation and by seeking common ground while putting aside differences”.³⁶ China may have played the role of mediator, for example, in pushing partner regimes into talks in Rwanda and the Democratic Republic of the Congo (DRC).³⁷ The broader policy community, too, has increasingly called for Chinese foreign and security policy “to be defined beyond material power interests”, and to “become more global in nature”.³⁸

30 Brautigam D, *China, Africa and the international aid architecture*, Working Paper no 107 (Africa Development Bank, 2010).

31 *Op cit* Taylor, p 111.

32 ‘Relying on Libya’ in *The Economist Daily Chart*, 25 February 2011, www.economist.com/blogs/dailychart/2011/02/libyan_oil, accessed 22 November 2011.

33 ‘Premature for Chinese firms to go back to Libya’, *China Daily* (2011), 30 August 2011; and ‘Chinese investments face low risk from Libyan rebels’, *China Daily* (2011), 4 September 2011.

34 ‘Respecting Africa's decisions will benefit China’, *Global Times*, 3 November 2011, www.globaltimes.cn/NEWS/tabid/99/ID/682394/categoryId/76/Respecting-Africas-decisions-will-benefit-China.aspx, accessed 11 November 2011.

35 Huang C, ‘Principles and praxis of China's peacekeeping’, *International Peacekeeping* (June 2011), vol 18 no 3, pp 257–270.

36 *Op cit* Government of the People's Republic of China, p 11.

37 Saferworld, *China's growing role in African peace and security* (Saferworld, 2011).

38 *Op cit* Huang, pp 260–261.

Yet, *ad hoc* foreign policy behaviour aside, there is little concrete evidence to substantiate a real shift. Capacity to act as a conflict manager overseas is limited; China has little experience of doing so. Willingness to do so, moreover, is equally restricted: some Chinese policy and academic elites assert that the government is ultimately little concerned with events abroad not directly linked or relevant to the twin political priorities: domestic economic growth and the continued legitimacy of the CPC.³⁹ At least for now, non-interference, stable regimes and stable relations that are conducive to maintaining China's global economic engagement, will retain precedence in guiding Beijing's diplomatic relations with conflict-affected states.

2.4 Military engagement

China's military co-operation with many developing countries – modest compared to its wider economic engagements – is facilitated through high-level military exchanges and defence attaches based in embassies. Primarily used to strengthen political ties, military co-operation is also a means through which China can help host governments maintain stability and security – or indeed, strengthen their hold on power.

China's military co-operation

"In adherence to the principles of being non-aligned, non-confrontational, and not directed against any third party, the PLA has held joint exercises and training with other countries pursuant to the guidelines of mutual benefit, equality and reciprocity. As of December 2010, the PLA has held 44 joint military and training exercises with foreign troops. This is conducive to promoting mutual trust and cooperation, drawing on useful lessons, and accelerating the PLA's modernization."

Information Office of the State Council of the People's Republic of China, 31 March 2011, White Paper *China's National Defense in 2010*

The content of military co-operation varies from country to country, but includes financial assistance for military infrastructure, demining support and training for armed forces, including for peacekeeping operations. Training usually occurs in China, either on a regular or more *ad hoc* basis. While less common, the People's Liberation Army (PLA) also sends trainers overseas. Another dimension of military co-operation is through joint military exercises.

Military co-operation is upheld in foreign policy pronouncements as a tangible example of China's growing sense of responsibility on the global stage. The 2010 White Paper on *China's National Defense* is emphatic, for instance, on the importance of "connecting the fundamental interests of the Chinese people and the common interests of the peoples around the globe".⁴⁰ Established on the principle of "mutual respect for core interests",⁴¹ however, military co-operation is never conditional on political or human rights issues.⁴² Given the secrecy surrounding military relations with other countries, real difficulties arise in assessing the impact they have on peace and security dynamics in countries facing internal instability.

2.5 Arms transfers

Chinese arms transfers also reveal tensions between Beijing's stated international responsibilities, its foreign policy principles and its commercial and developmental prerogatives. The paucity of reliable data and information make it difficult to provide a completely accurate and comprehensive picture of China's arms transfers to conflict-

³⁹ Saferworld interview, Shanghai, May 2011.

⁴⁰ Information Office of the State Council of the People's Republic of China, *White Paper on China's National Defense* (2010), Preface.

⁴¹ *Ibid* Preface.

⁴² *Op cit* Saferworld, 'Chapter Five: Military co-operation'.

affected states. It is clear nonetheless, that China's arms exports are growing. In 2000, China was the world's eighth largest supplier; in 2010, it was the fourth largest.⁴³ Between 2006 and 2009, over 98 percent of its arms exports went to the developing world.⁴⁴ From 2005 to 2009, most of China's arms went to South Asia (57 percent), the Middle East (21 percent) and Africa (12 percent).⁴⁵ According to some estimates, China was the single largest arms exporter to sub-Saharan Africa during this period, providing a wide range of conventional weapons to a large number of states.⁴⁶

Given the secrecy surrounding arms transfers, it is unclear which actors are directly involved in making deals. The Government has authorised 12 Chinese companies to export arms, and there are five main authorities involved in licensing. While ultimately under the supervision of the State Council, the PLA has close ties to the defence industry and plays a role in authorisations. Arms exports appear to be an area of policy formation and implementation where various actors play a role, and not always in a co-ordinated or coherent manner.⁴⁷

China's arms export controls

The primary piece of legislation governing China's arms export trade is its *Regulations of the People's Republic of China on the Administration of Arms Exports* (1997), updated in 2002 and accompanied by the adoption of a control list of items subject to legislation. Additionally, three basic principles guide Chinese arms export licensing policy. Firstly, arms exports must be meant for the importing state's legitimate self-defence. Secondly, the export must not impair peace, safety or stability in the recipient's region or globally. Thirdly, exports should not be used as a means of interfering in the internal affairs of the recipient country. Further to these principles, arms export applications will be denied if: "they are against the international conventions China has acceded to, or the international commitments China has made; they jeopardize China's national security and social interests directly or indirectly; the recipient party is under a UNSC military embargo, or is a non-state actor". Finally, Chinese policy does not allow the unauthorised re-export of arms.

Ministry of Foreign Affairs of the People's Republic of China (2010) *National Report of the People's Republic of China on the Implementation of the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, and of the International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons*

China is a particularly large supplier of small arms and light weapons (SALW) and is a source of affordable weapons for many conflict-affected states – including states that the West refuses to trade with. Developing countries are seen as a growing market for China's state-owned but commercially-focused defence industry, seeking to modernise and develop itself after serious decline in the 1990s. Arms transfers also serve to cement political ties, especially with regimes that are otherwise isolated. Lastly, providing arms to allies facing internal rebellions or other security challenges is seen as a means to extend support in their efforts to enforce stability. For example, Chinese academics point to Chinese arms exports to Sri Lanka as playing a positive role in allowing the Government to enforce peace.⁴⁸ However, some of China's exports have been the focus of heavy criticism on several counts, including the fuelling of ongoing conflicts, human rights violations, the undermining of international sanctions and the continued proliferation of SALW in regions of instability.⁴⁹ Where Chinese arms have ended up and how they have been used, has on occasion been a source of embarrassment for Chinese diplomats charged with protecting the rising power's image.

Chinese policy makers and academics are increasingly aware of these problems and contradictions and are wary of international condemnation. Besides seeking to codify

⁴³ SIPRI Arms Transfers Database (2011).

⁴⁴ Grimmert, R, *Conventional arms transfers to developing nations, 2002–2009* (United States Congressional Research Service, 2010).

⁴⁵ *SIPRI Yearbook 2010: Armaments, Disarmament and International Security* (SIPRI, 2010).

⁴⁶ *Op cit* Grimmert.

⁴⁷ For example, responding to accusations that state-owned defence companies offered US\$200 million of weapons to Libyan officials after UN sanctions had already been applied on Libya, the Ministry of Foreign Affairs stated that the Government had no knowledge of the meetings. See: 'China denies knowledge of Libya arms talks', *Al Jazeera News*, 5 September 2011.

⁴⁸ Saferworld interview, Shanghai, May 2011.

⁴⁹ Amnesty International, *China: Sustaining Conflict and Human Rights Abuses* (Amnesty International, 2006).

in law its arms export controls, China has committed itself to assisting African states with SALW control programmes, though without visible progress to date. It has also sought to be seen as playing an active role in UN initiatives such as the UN Programme of Action on SALW and by introducing new rules on the marking of weapons under the UN Firearms Protocol and International Tracing Instrument. While remaining sceptical of its objectives and proposed criteria, China has stated its support for the creation of an international and legally-binding Arms Trade Treaty (ATT).⁵⁰

2.6 China at the international level

Official and academic endorsement of a multipolar world order – a vision consistent with the sovereign equality of states and mutual non-interference – is given institutional shape in broad support for the UN.⁵¹ China's White Paper on Peaceful Development specifies that "it is important to give full play to the UN's role in maintaining world peace and security and establish a fair and effective mechanism for upholding common security".⁵² Presently, most of China's diplomatic engagement on peace and security takes place at the UNSC. Since regaining China's UN seat in 1971, Beijing has slowly, but progressively, become more engaged at the UNSC.

However, China maintains that international intervention in a state's internal affairs, especially through the use of force under Chapter IV of the UN Charter, is only legitimate if it has both UNSC authorisation and host state consent (*dangshi guo*) – in this way distinguishing between illegitimate interference (*gan she*) and legitimate intervention (*gan yu*). More broadly, Beijing has argued that many internal crises fall outside of the UNSC's mandate. Officials have also made clear their scepticism regarding the effectiveness of sanctions and other tools of coercion, arguing these simply exacerbate tensions. As part of South – South co-operation, China has sought to present itself as a representative of developing countries, often voting on contentious issues in line with the positions of regional groupings like the African Union (AU) and the Arab League. As part of a principled adherence to non-interference, on the other hand, Beijing has consistently abstained from voting on sanctions and the use of force under UN auspices. Ultimately pragmatic, abstention signals Chinese opposition to interference in the internal affairs of sovereign states, while allowing Beijing to avoid alienating allies and the wider international community.⁵³

Critics argue that China has exploited its position at the UNSC to protect partner regimes and its economic interests in countries facing internal instability, compromising efforts to enforce or reinstate stability. Between 2004 and 2007, China consistently abstained from or weakened resolutions on the Darfur issue, including those related to sanctions and the deployment of UN peacekeepers. In 2007, however, China voted for the deployment of a joint UN-AU force in Darfur after Khartoum gave its consent – consent that was, to a large degree, the result of Chinese diplomatic pressure. This development might have signified that Beijing was beginning to accept greater scope for UN intervention, though ultimately China adhered to a principled stance on non-interference. China's position on intervention in Libya in 2011 hinted at greater flexibility: voting in favour of Resolution 1970, which imposed an arms embargo against Libya; a freezing of Libyan funds and assets; a referral to the International Criminal Court (ICC) to investigate crimes against humanity; and a clear reference to the Responsibility to Protect (R2P) principles. However, China abstained on further international action under Resolution 1973 and later joined Russia, India, Brazil and

⁵⁰ Statement by the Chinese Delegation at the *Third Biennial Meeting of States to Consider the Implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade of Small Arms and Light Weapons in All its Aspects*, New York, July 2008.

⁵¹ Ministry of Foreign Affairs of the People's Republic of China, 'China's views on the trend towards multipolarization', 19 September 2003, www.mfa.gov.cn/eng/wjbx/zjg/zcyjs/xgxw/t24937.htm accessed 20 October 2011.

⁵² *Op cit* Government of the People's Republic of China, p. 13.

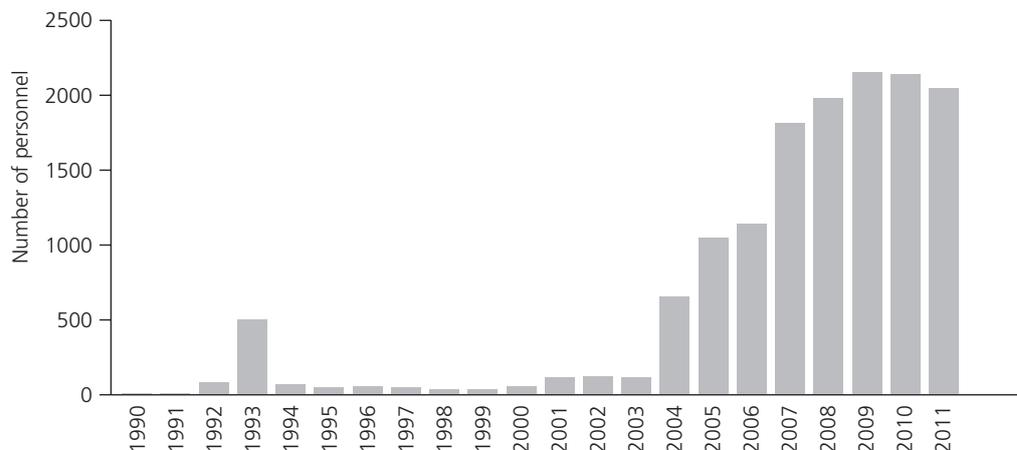
⁵³ Shichor Y, 'China's voting behaviour in the UN Security Council', *China Brief*, 9 May 2007, vol 6 no 18, www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=3976, accessed 9 November 2011.

South Africa in criticising NATO military action. Beijing clearly remains sceptical on the lengths humanitarian intervention and the use of force should go.

While China has endorsed the R2P principle, its interpretation of the implementation of the R2P remains qualified and cautious. Insistent that the R2P should not be mis-used, Beijing has continually emphasised that civilian security is the primary responsibility of states and that the will of host governments should always be respected.⁵⁴ Above all, China has argued that forcible intervention should be avoided and only used as a very last resort, with conflict prevention – rather than crisis response – the central objective of R2P. China also supported the principles behind the ICC, although it refused to endorse the Rome Statute that activated it. Beijing has since remained vocally critical of the timing of some of the ICC's indictments, arguing that they undermine peace negotiations or local efforts at reconciliation.

One area in which China has become especially active, however, is UN peacekeeping operations. Beijing's position on peacekeeping missions has evolved from outright rejection in the 1970s, through a gradual change in attitude in the 1980s and 1990s, to active engagement from 1999. This trajectory "demonstrates just how far its foreign policy in this regard has shifted and changed in a relatively short period of time".⁵⁵ At present, China ranks as the fifteenth largest troop-contributing country in the world, is the largest troop contributor among the five permanent members of the UNSC and ranks seventh amongst the top providers of financial contributions to UN peacekeeping operations.⁵⁶ China's stance on the use of force has become more flexible and less conservative, with some Chinese officials arguing that peacekeepers need to intervene "earlier, faster and more forcefully".⁵⁷

Annual contribution of peacekeeping personnel from China



Mariani B, Starting to build? China's role in UN peacekeeping operations (Saferworld, October 2011), p 2.

Still, China has continued to insist, before supporting peacekeeping operations, on host-state consent, impartiality and the non-use of force except in self-defence.⁵⁸ These remain areas of contention between China and other members of the international community. There are other limits to the extent to which China participates in peacekeeping. Chinese peacekeeping deployments have typically comprised engineering battalions and medical units and have also been involved in policing and the training of local police forces. While these contributions have been widely welcomed, China

⁵⁴ Teitt S, 'Strengthening China's role in protecting populations from mass atrocity crimes', paper presented at the *International Studies Association 2009 Conference*, 15 February 2009.

⁵⁵ *Op cit* Huang, p 258.

⁵⁶ China's increased involvement in peacekeeping has been mirrored by an equally dramatic increase in the number of Chinese peacekeepers participating in peacekeeping missions. Until 1989, China had no peacekeepers. As of August 2011, 1,925 Chinese peacekeepers were serving on 12 UN peacekeeping operations. He Yin, *China's changing policy on UN peacekeeping operations* (Institute for Security and Development Policy, July 2007); Position Paper of the People's Republic of China at the 66th Session of the United Nations General Assembly, 9 September 2011; United Nations Peace Operations, *Year in Review* (2010), www.un.org/en/peacekeeping/publications/yir/yir2010.pdf, accessed 13 September 2011.

⁵⁷ Zhang Yishan, Chinese Ambassador to the UN, cited in: Gill B and Huang Chin-Hao, *China's expanding role in peacebuilding: Prospects and policy implications*, Policy Paper no 25 (SIPRI, 2009), p 11.

⁵⁸ *Op cit* Position Paper of the People's Republic of China (2011).

has yet to contribute combat troops to peacekeeping missions, though this will likely change in the near future.⁵⁹

One area of peace operations where China is yet to play a significant role is in peacebuilding, i.e. the use of a wider spectrum of security, civilian, administrative, political, humanitarian, human rights and economic tools to build the foundations for longer term peace in post-conflict countries. In the past, Beijing has shown great reluctance towards multilateral missions that heavily interfere in what it considers to be the domestic and sovereign affairs of states.⁶⁰ Today, in an area of great interest for many Chinese scholars and policy makers, it is clear that China is set to play a larger role alongside more traditional international actors in the future.⁶¹ The expression of Chinese support for the strengthening of the UN's peacebuilding capacity and "better co-ordination and integration of all UN peacebuilding endeavours" bears witness to this trend, as does China's contribution, from 2006 to 2011, of US\$4.0 million to the UN Peacebuilding Fund.⁶²

Underlying tensions remain, however, between the non-interference principle and Beijing's desire for recognition as a responsible global power. In 2001, China stated at the UN that it recognised that "peacekeeping operations, conflict prevention and peacebuilding activities had become increasingly intertwined",⁶³ but stressed that host states were to play the dominant role. Again, in 2005, President Hu publicly and officially embraced a "comprehensive strategy featuring prevention, peace restoration, peacekeeping and post-conflict reconstruction".⁶⁴ However, he stressed that the UN should refrain from "imposing a predetermined model of governance".⁶⁵ The problem, argues Zhao Lei, is that China and Western countries have different understandings of what constitutes peacebuilding:

*"The main thought of the Western countries' involvement in peace building is liberal democracy ... under special conditions, the international community can use active humanitarian interventions to promote democratic systems. After the end of conflicts, those measures include the amendment of the constitution, holding a general election, establishing a multi-party system, fostering the opposition party and developing civil society. These are always the panacea used by Western countries to heal conflicts. However, China believes every country has its own priorities and to promote democratic system immediately after the end of conflicts is not necessarily a must choice. Instead, measures such as reducing poverty and resolving unemployment are usually the most important tasks."*⁶⁶

Shen Guofang, China's Deputy Permanent Representative at the UN argues that because poverty leads to instability, the longer term objectives of peacebuilding must be "the eradication of poverty, the development of the economy as well as a peaceful and rewarding life for people in post-conflict countries and regions".⁶⁷ Chinese approaches take a heavily state-centric view, namely that the "focus of work should be on enhancing the concerned country's capacity building instead of weakening its leadership".⁶⁸ This implies direct government-to-government support to strengthen the state. Such an approach, emphasising economic growth and a strong state, is shared with many Western states. However, divergent views on the need for political

⁵⁹ Hirono M and Lanteigne M, 'China and UN peacekeeping', *International Peacekeeping* (2010), vol 18 no 3, p 245.

⁶⁰ Stahle S, 'China's shifting attitude towards United Nations peacekeeping operations', in: *China Quarterly* (2008), vol 195, pp 631–655.

⁶¹ Mariani B, *Starting to build? China's role in UN peacekeeping operations* (Saferworld, October 2011).

⁶² Statement by Ambassador Liu Zhenmin at Security Council Open Debate on Post-conflict Peacebuilding, New York, 22 July 2009; 'Contributions', United Nations Peacebuilding Fund, www.unpbf.org/donors/contributions/, accessed 5 December 2011.

⁶³ Chinese UN delegation, cited in: *op cit* Stahle (2008), p 650.

⁶⁴ Cited in: *ibid* p 650.

⁶⁵ *Ibid.*

⁶⁶ Zhao Lei, 'China's international peace involvement strategy and anti-piracy efforts', Paper presented to the *China-Africa Civil Society Forum on Peace and Development* Beijing, 2–4 June 2010, p 3.

⁶⁷ Zhao Lei, 'Two pillars of China's global peace engagement strategy: UN peacekeeping operations and international peacebuilding operations', *International Peacekeeping* (2011), vol 18 no 3, pp 344–362.

⁶⁸ *Op cit* Zhao Lei (2010), p 3.

reforms have led to tensions between China and other members of the international community, particularly where state actors in the conflict-affected countries in question are themselves parties to the conflict, and/or deploy heavy-handed methods of political control.

2.7 International co-operation outside the UN

It is recognised that there are obvious opportunities outside of UN auspices for co-operation on security and development in conflict-affected states. Official discourse in China makes rhetorical reference to the importance of co-operation with other states and there is a growing recognition that “security is not isolated, zero-sum and absolute”.⁶⁹ This is especially the case with non-traditional security threats. China’s naval deployment, as part of multilateral efforts to combat piracy off the coast of Somalia, is in part motivated by geopolitics and the protection of national interests. Nonetheless, Chinese scholars have argued that it also displays China’s willingness to share the burden of upholding international peace and security.⁷⁰

In seeking recognition as a responsible global power, China does co-operate with other states on security and development in conflict-affected states, but the extent of its collaboration must be qualified. Where there has been broad international consensus on development and stability-promoting norms and activities, China has typically lent its support. At the international level, China is a signatory of the 2005 ‘Paris Declaration on Aid Effectiveness’ and the 2008 ‘Accra Agenda for Action’. It has also attended meetings at the OECD’s ‘International Dialogue on Peacebuilding and Statebuilding’.⁷¹ A joint UK-PLA peacekeeping project has also proven limited, focusing primarily on English-language training. Some co-operation is also evidenced in development finance. China has made several agreements with multilateral institutions such as the Asian Development Bank, the African Development Bank and the World Bank,⁷² and has worked with UN organisations such as the Food and Agriculture Organisation.⁷³ At country level, China has also attended some consultative group meetings of donors, but these generally appear to be exceptions.⁷⁴

Ultimately, even rudimentary information sharing is exceptional and there is often little substantive contact between Chinese officials and those from other governments and aid agencies. It has been observed for instance, that China’s hydropower projects in the upper Mekong delta have typically been developed unilaterally, despite the significant implications for regional security.⁷⁵ In Africa meanwhile, both the European Union (EU) and United States (US) have proposed closer co-operation with China, but these proposals remain “at the conceptual stage”, unfulfilled in practice.⁷⁶ A host of factors undermine these overtures to co-operation. Firstly, Chinese officials regularly and publicly affirm the UN as the appropriate forum for co-operation. Moreover,

69 Wei Zhonglei and Fu Yu, ‘China’s foreign strategy: Constantly deepening and broadening’, *Contemporary International Relations* (March/April 2010), vol 20 no 2, p 83.

70 *Op cit* Zhao Lei (2010).

71 Additionally, China participates in a China-DAC study group together with other major donor agencies. *op cit* Brautigam (2010), pp 39–40.

72 China contributed US\$30 million to the Asia Development Bank’s (ADB) Asian Development Front in 2005, and with the ADB also set up a US\$20 million People’s Republic of China Regional Cooperation and Poverty Reduction Fund. In 2007, China also pledged to contribute to the World Bank’s concessional loan operations (IDA). A memorandum of understanding (MoU) signed between the World Bank and the China Eximbank in July 2007 was intended to lead to “joint action” – though this has so far shown little in the way of concrete results. Bilateral agreement on technical co-operation with the African Development Bank (AfDB), setting up a China Trust Fund of US\$2.0 million; the AfDB also has two MoUs with Exim Bank and China Development Bank. Exim Bank has a line of credit to the Africa Exim Bank, and China Development Bank to both the East African Development Bank and the Eastern and Southern African Trade and Development Bank.

73 China contributed 514 experts and technicians to Nigeria under the first five-year phase of the Food and Agriculture Organization tripartite programme (2003–07), as well as providing teams to Sierra Leone. see: *op cit* Brautigam (2010), pp 39–40.

74 For example, China was part of the donor group called the International Committee for the Accompaniment of the Transition in the DRC.

75 Goh E, *China in the Mekong River Basin: the regional security implications of resource development on the Lancang Jiang*, Working Paper Series No 69, (Institute of Defence and Strategic Studies Singapore, July 2004).

76 Wojna B, ‘Trilateral relations between the EU, China and Africa: the European perspective’ in *China-Europe-Africa cooperation: chances and challenges. Proceedings of the 6th Shanghai Workshop on Global Governance, March 14–15, 2008* (Shanghai Institutes for International Studies/Friedrich-Ebert-Stiftung, 2008), p 31.

Beijing remains reluctant to associate itself with traditional Western powers, stating its scepticism as to the latter's underlying intentions and the actual benefits of co-operation. Lastly, and perhaps most importantly, Beijing frequently reiterates that host states must consent to co-operation. Unsurprisingly, losing the ability to play donors off against one another is not something that host states have been quick to agree to.

Chinese scholars emphasise, however, that “new progress” has been made in China's co-ordination and co-operation with developing countries through regional groupings;⁷⁷ for example, with the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC). China has expressed the potential for the Shanghai Cooperation Organisation (SCO) to “strengthen security co-operation with Central Asian countries in order to fight terrorism and drug trafficking, ensure the security of energy supplies, and guarantee the safety of Chinese nationals working in Central Asia”, though the organisation has remained somewhat ineffectual in this regard.⁷⁸ While the focus on internal security issues within these groupings is often limited, China is increasingly engaging security issues with the AU and, to a lesser degree, sub-regional organisations in Africa, also making pledges to assist regional security bodies.⁷⁹ Financially, this support has largely been symbolic, offering rhetorical reinforcement for Beijing's desire to play a responsible and constructive role. The Forum on China-Africa Cooperation (FOCAC) has been a venue for discussion on peace and security issues and commitments from China for assistance, but these have generally focused on the implementation of bilateral initiatives with individual countries or with the AU. Ultimately – tentative multilateral engagements aside – Chinese involvement in the security and development of conflict-affected states has remained primarily at a bilateral level, emphasising “co-operation and mutual support between developing countries.”⁸⁰

2.8 Aid

Although matters surrounding internal security and stability in developing countries have been largely neglected in Chinese academic and policy analyses, links are frequently drawn between under-development and conflict. Shen Guofang's comments at the UN on the need for poverty-eradication to be at the centre of peacebuilding are emblematic in this regard. The security – development nexus is also addressed in academic circles: Chinese scholars pointed to economic stagnation and poverty as a major cause of instability in Kyrgyzstan in 2010, for instance.⁸¹ Other Chinese academics suggest that the belief that reducing poverty reduces conflict is heavily informed by China's experience with its own restive frontier regions.⁸² China's growing trade, investment and economic co-operation with the rest of the world, including conflict-affected states, officials and academics assert, is one means through which China is promoting peace. Another way is through the provision of aid.

Current thinking in China on foreign aid policy, it is regularly argued, continues to be guided by Zhou Enlai's ‘Eight Principles for Economic Aid and Technical Assistance to Other Countries’ – testament to the continued importance given to non-conditionality and recipient country sovereignty in Chinese aid provision. Chinese aid is rhetorically packaged as a form of mutual economic partnership. As one scholar explains, China, as an aid recipient, “rejects any aid provided with the intention of the supplier interfering

⁷⁷ *Op cit* Wei Zhonglei and Fu Yu, p 91.

⁷⁸ Doyon J, ‘Strengthening the SCO’, *The new great game in Central Asia* (European Council on Foreign Relations [ECFR], 2011).

⁷⁹ For example: China has provided the AU with US\$1.8 million for its peacekeeping mission in Sudan and given smaller amounts of money to the AU mission in Somalia and West Africa's sub-regional peace fund; Van Hoeymissen S, ‘China's support to Africa's regional security architecture: Helping Africa to settle conflicts and keep the peace?’, in: ‘New avenues for Sino-African partnership & co-operation – China & African regional’, *The China Monitor* (March 2010), issue 49, p 13.

⁸⁰ Huang Ying, ‘A comparative study of China's foreign aid’, *Contemporary International Relations* (May/June 2007), p 81.

⁸¹ Bassan M, ‘Addressing instability in Kyrgyzstan’, *The new great game in Central Asia* (ECFR, September 2011).

⁸² Jiang H, ‘China and the Darfur crisis: Chinese perspectives’, Paper presented to the *China-Africa Civil Society Forum on Peace and Development*, Beijing, 2–4 June 2010.

in its internal affairs”⁸³ Concurrently, it is emphasised that China can only provide limited aid within its own capacity. It is stressed alongside this that economic and social development must come – as in China’s own experience – from within a country.⁸⁴ Distinctively shaped and circumscribed as such, China’s foreign aid is presented as “suited both to China’s actual conditions and the needs of the recipient countries”⁸⁵

China’s ‘Eight Principles for Economic Aid and Technical Assistance to Other Countries’ (January 1964)

1. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alms but as something mutual.
2. In providing aid to other countries, the Chinese Government strictly respects the sovereignty of recipient countries, and never attaches any conditions or asks for any privileges.
3. China provides economic aid in the form of interest-free or low-interest loans, and extends the time limit for the repayment when necessary so as to lighten the burden on recipient countries as far as possible.
4. In providing aid to other countries, the purpose of the Chinese Government is not to make recipient countries dependent on China but to help them embark step by step on the road of self-reliance and independent economic development.
5. The Chinese Government does its best to help recipient countries complete projects which require less investment but yield quicker results, so that the latter may increase their income and accumulate capital.
6. The Chinese Government provides the best-quality equipment and materials manufactured by China at international market prices. If the equipment and materials provided by the Chinese Government are not up to the agreed specifications and quality, the Chinese Government undertakes to replace them or refund the payment.
7. In giving any particular technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master the technology.
8. The experts dispatched by China to help in construction in recipient countries will have the same standard of living as the experts of the recipient country. The Chinese experts are not allowed to make any special demands or enjoy any special amenities.

Information Office of the State Council of the People’s Republic of China (2011) *China’s Foreign Aid Whitepaper*

Though context-specific and far from static, Chinese aid modalities differ from those of established donors in several key ways. Most obviously, China does not use OECD DAC definitions of aid;⁸⁶ there is in fact some disagreement among observers as to whether China even has an official definition of aid.⁸⁷ Estimates typically paint a very misleading picture of aid flows, since “much of what is believed by outside observers to be ‘Chinese aid’ is actually a market-rate line of credit”⁸⁸ Chinese export credits, or commercially focused loans, are often counted as aid. To be sure, China is a very significant source of *finance* for developing country governments – but only a small portion of this is actually *aid* as understood by traditional donors. Difficulties in assessment are further compounded by a profound lack of transparency, particularly surrounding aid flows at country level. Aid figures remain “a sensitive issue in China”: firstly, for their potential conflict with principles of mutual benefit in South – South co-operation; secondly, for the persisting and pressing need for finance to be spent at home rather than overseas.⁸⁹ Because of this, calculations of China’s aid are often inaccurate.

⁸³ Jin Ling, ‘Aid to Africa: What can the EU and China learn from each other?’, Occasional Paper No 56 (South African Institute of International Affairs, March 2010), p 6.

⁸⁴ Chinese ambassador to Malawi: “No country in the world can develop itself through foreign aid ... To develop your economy is your job; you have to do it yourselves.” – cited in: *op cit* Brautigam (2010), p 35.

⁸⁵ Information Office of the State Council, *White Paper on China’s Foreign Aid* (2011), Section One.

⁸⁶ The OECD DAC’s standardised definition of aid is as “official development assistance (ODA): flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (‘bilateral ODA’) and to multilateral institutions”; OECD DAC, *Glossary of Terms* (2011), www.oecd.org/document/19/0,3746,en_21571361_39494699_39503763_1_1_1_1,00.html#O, accessed 22 November 2011.

⁸⁷ See for example: Davies M *et al*, *How China delivers development assistance to Africa* (University of Stellenbosch, Centre for Chinese Studies, 2008).

⁸⁸ *Op cit* Brautigam (2010), p 13.

⁸⁹ Grimm S *et al*, *Transparency of Chinese aid: an analysis of the published information on Chinese external flows*, (Publish What You Fund and Centre for Chinese Studies, August 2011), p 4.

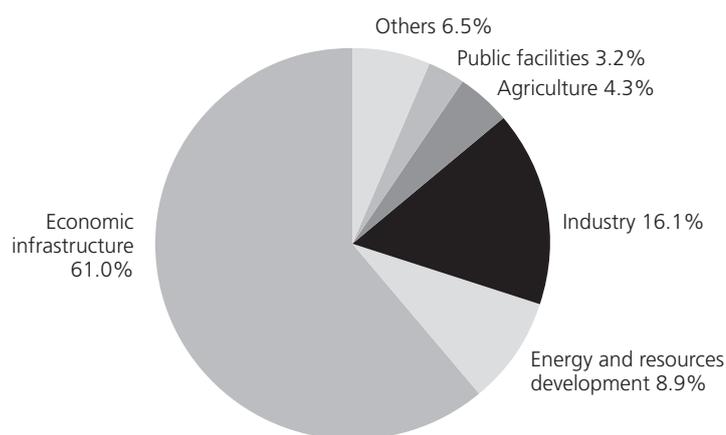
Despite this, some observers have attempted to make comparative estimates of Chinese aid. For example, it is estimated that China's aid to Africa in 2008 was approximately US\$1.2 billion. In contrast, the US provided US\$7.2 billion, the EU US\$6.0 billion, the World Bank US\$4.1 billion and France US\$3.4 billion.⁹⁰ While China does not yet provide aid at the levels of traditional donors, it is clear that Chinese aid has been growing and will continue to grow. The Chinese Government states that it delivered a total of US\$39.3 billion in aid before 2009 and that its aid budget has grown by 30 percent every year since 2004. China does not publish country-specific data on where its aid goes or how it is used. The Government has only revealed that in 2009, 46 percent of aid went to Africa, 33 percent to Asia, 13 percent to Latin America and the Caribbean, four percent to Oceania and the rest elsewhere.⁹¹

In line with its wider mode of foreign diplomatic engagement, most Chinese aid is provided on a bilateral basis in state-to-state agreements and it "seems unlikely that the Chinese will participate soon in the aid pooling mechanisms so popular with European donors".⁹² China rarely provides direct budget-support to recipient states. However, some exceptions are found in post-conflict or unstable countries. After the conflict in Liberia, China provided budget support worth US\$3.0 million in 2004, and a further US\$1.5 million in 2006. After elections, Guinea Bissau received US\$4.0 million in 2005 to pay public sector salaries. Zimbabwe also received US\$5.0 million to pay salaries in 2009.⁹³ Nonetheless, this should not be taken to suggest that China has special aid policies for conflict-affected or fragile states. As one official notes, "There is not really a big difference between China's aid to conflict and non-conflict countries".⁹⁴

Most of China's aid is provided in the form of turn-key projects that are then handed over to the recipient government. Particular focus is placed on infrastructure development, seen as a prerequisite to socioeconomic development.⁹⁵ As China's White Paper on Foreign Aid explains:

*The Chinese side is responsible for the whole or part of the process, from study, survey, to design and construction, provides all or part of the equipment and building materials, and sends engineers and technical personnel to organize and guide the construction, installation and trial production of these projects. After a project is completed, China hands it over to the recipient country.*⁹⁶

Distribution of concessional loans from China, by sector (at the end of 2009)



Chinese White Paper on Foreign Aid (2011), p 5.

⁹⁰ Aid figures for the US, World Bank, EU and France are sourced from the OECD's DAC statistics. Brautigam D, 'Chinese development aid in Africa: What, where, why, and how much?', in: *Rising China: Global challenges and opportunities*, eds Golley J and Song Ligang (Australian National University Press, 2011), p 211.

⁹¹ *Op cit* Information Office of the State Council, p 7.

⁹² Lancaster C, *The Chinese aid system* (Center for Global Development, June 2007), p 4.

⁹³ Brautigam D, *The dragon's gift: The real story of China in Africa*, (Oxford University Press, 2009), p 137.

⁹⁴ Saferworld interview, Beijing, May 2011.

⁹⁵ *Op cit* Huang Ying, p 88.

⁹⁶ *Op cit* Information Office of the State Council, p 7.

According to Beijing, such projects account for 40 percent of total Chinese aid.⁹⁷ These large-scale projects are mostly financed through interest-free loans (funded directly from China's aid budget) or concessional loans (funded by the state-run China Exim Bank). Additionally, China provides aid through debt relief, humanitarian assistance, technical assistance, training, medical teams and volunteer teams. Together, these are claimed – in contrast to politicised, ideological and therefore ineffective, Western aid⁹⁸ – to address the “actual needs of recipient countries” by laying “a foundation for future development and embarkation on the road of self-reliance and independent development”.⁹⁹

As with traditional donors, Chinese aid is used as a foreign policy tool to strengthen political relations with developing countries: to develop China's soft power and to compete, diplomatically with Taiwan and strategically with other countries such as India or Japan. Perhaps of greater consequence for the Chinese leadership, aid is part of China's ‘Going Out’ [*zou chu qu*] policy, which aims to sustain high levels of domestic economic growth through global engagement. Because Chinese aid must be at least partially spent on Chinese procurement and because projects are often implemented by Chinese companies, aid serves as a useful means through which to subsidise commercial actors' entry into developing-country markets. The fact that Chinese aid is co-ordinated by MOFCOM, rather than the Ministry of Foreign Affairs, reflects the significance of economic motives relative to diplomatic ones. In the words of one Chinese scholar, China's development assistance is in fact “not purely aid, but a mix of mutually beneficial economic co-operation”.¹⁰⁰ This is illustrated by the close link between Chinese aid and Chinese business interests – which is described as “a collaborative state-business approach to foreign policy”.¹⁰¹

The Angola model

Significant attention has focused on China's resources-for-loans agreements, made famous by a US\$4.5 billion loan by Exim Bank to the Angolan Government. This loan was to be spent directly on infrastructure development in the post-conflict country, decided by the Angolan Government but carried out by Chinese firms with 50 percent of procurement from China. In exchange, China was to receive 10,000 barrels of Angolan oil per day.¹⁰² Similar agreements have been made elsewhere. In Zimbabwe, US\$58 million in agricultural equipment was loaned to the Government by Exim Bank in exchange for tobacco exports.¹⁰³ In the DRC, Chinese firms received a huge stake in a copper-cobalt concession for US\$6.0 billion worth of infrastructure: 3402 km of roads, 3213 km of railway, 145 health centres, 31 hospitals, 5000 units of housing and two universities.¹⁰⁴ For Chinese officials and scholars, this model encapsulates the win-win principle of mutual benefit.

While Angola model-style deals have received significant press, it is worth noting that it is not as widespread a practice as suggested. Secondly, they are not unique to China, which in fact drew from Japan's own dealings with a once-resource rich and post-conflict China.¹⁰⁵ British banks have also made similar oil-for-loan agreements with Angola in the past.¹⁰⁶ Thirdly, worth billions of dollars of infrastructure construction, it should also be remembered that, “the business for Chinese contractors engendered by these packages may be as important as the ties to natural resources”.¹⁰⁷

Above all, “none of these offers of credit or actual loans appear to involve foreign aid and they should be viewed as examples of credit for investment, or for trade. Nevertheless, the benefits of resource-secured loans are obvious as an instrument for development.”¹⁰⁸ While a degree of cynicism surrounds resource-backed Chinese finance, it is argued by some that “the system might be seen as an improvement over the current system in many weak states, where natural resources are exported, and the proceeds disappear into off-budget accounts, and from there, often, to off-shore accounts”.¹⁰⁹

⁹⁷ *Ibid*

⁹⁸ *Op cit* Huang Ying, p 84.

⁹⁹ *Op cit* Information Office of the State Council, Section One.

¹⁰⁰ Saferworld interview, Shanghai, May 2011.

¹⁰¹ *Op cit* Davies *et al* (2008), p iv.

¹⁰² *Ibid* p 54.

¹⁰³ *Ibid* p 55.

¹⁰⁴ *Op cit* Brautigam (2010), p 16.

¹⁰⁵ *Op cit* Brautigam (2009).

¹⁰⁶ *Op cit* Taylor (2009), p 21.

¹⁰⁷ *Op cit* Brautigam (2010), p 16.

¹⁰⁸ *Ibid* p 18.

¹⁰⁹ *Ibid* p 19.

Official discourse argues that Chinese aid is distinctively and especially suited to “the needs of the recipient countries”.¹¹⁰ For China’s critics, this rhetoric barely obscures the less-savoury reality of the impact of Chinese aid. Fundamentally, the needs Chinese aid purports to address are defined by the elites with whom China engages on an often exclusively bilateral basis; the real impact of China’s engagement, however, is felt beyond this state-to-state interaction. The most damning criticism has centred on the non-interference principle: responsible governing elites in developing countries, with “their more notorious confreres in pariah states, are being tempted away from introducing policies that embed accountability in everyday practice in favour of the ‘no strings attached’ loans from Beijing”.¹¹¹ Concerns have also been raised over the disregard for environmental protection in projects financed by Chinese aid and implemented by Chinese companies, as well as over labour standards. There is also anecdotal evidence that close links between Chinese businesses and aid have created opportunities for corruption.¹¹² Finally, it is suggested that China is worsening the debt sustainability of developing countries, with the opacity of loan contracting processes increasing the risk that funds will not be used for intended purposes.¹¹³

According to one think-tank analyst, China is becoming more sensitive about the consequences of its assistance and the need to make sure that assistance is not being abused by recipient governments. The trend is towards greater monitoring and evaluation of Chinese assistance projects.¹¹⁴ While it is unclear how and to what extent these will be put into practice, executives in China’s Exim Bank point to more sophisticated methods of risk analysis being developed, including a better understanding of conflict dynamics in conflict-affected states and further development of their corporate social responsibility.¹¹⁵ Chinese banks have also signed up to the voluntary ‘Equator Principles’, which requires them to consider environmental and social issues when financing development projects. This all suggests Chinese norms on environmental and social safeguards are evolving rapidly and there is some evidence that the framework for Chinese development loans has begun to take into account OECD standards and norms.¹¹⁶ Notably, these shifts take place alongside continued assertions in official and academic discourse on foreign aid that “it is not realistic to ask China to regulate its aid within the normative guidelines established by the developed countries”.¹¹⁷ Clearly, a principled insistence on the continued relevance and necessity of ‘Chinese characteristics’ remains.

2.9 Conclusions

It would be a mistake to dismiss the doctrinal aspects of Chinese foreign policy as mere rhetoric, instrumentally deployed to strategic ends. Beijing clearly sees the invocation of a ‘harmonious world’, South – South co-operation, and its identification as a peaceable, responsible actor as key to advancing China’s global economic strategy and consolidating domestic growth and political stability. Importantly, however, these ideas also frame and shape understandings of the international order and China’s place in the world, reinforcing Chinese views on the importance of non-interference and the immutability of state sovereignty.

¹¹⁰ *Op cit* Information Office of the State Council, Section One.

¹¹¹ Alden C, *Is China changing Africa, or is Africa changing China?*, Royal African Society, www.royalafricsociety.org/component/content/article/412.html, accessed 22 November 2011.

¹¹² Saferworld interviews, Colombo, June 2009 and London, July 2009.

¹¹³ Huse M D and Muyakwa S L, *China in Africa: lending, policy space and governance* (Norwegian Council for Africa, 2008).

¹¹⁴ For example, he points to a newly-founded official NGO called China Foundation for Peace and Development that looks, amongst others, at the effectiveness of China’s aid and assistance in promoting peace and development and will play a role to make assistance more localised, including outreach to local communities. Saferworld interview with Chinese researcher at a think tank, Beijing, July 2011. It is elsewhere noted that Beijing is increasingly concerned with the ways Chinese contractors operating abroad run the risk of damaging China’s image overseas. see: *op cit* Davies *et al*, p 20.

¹¹⁵ Saferworld interview, Beijing, July 2011.

¹¹⁶ *Op cit* Brautigam (2010).

¹¹⁷ *Op cit* Huang Ying, p 82.

Heeding calls “to deepen understanding of China and bring in Chinese perspectives”,¹¹⁸ this chapter provides an introductory guide to the ways Chinese interests and foreign policy principles inform the perceptions and policy decisions that drive China’s growing engagement with countries affected by conflict. From its qualified support for UN-led initiatives in peacebuilding and conflict resolution, to its bilateral economic and military co-operation, China’s presence in conflict-affected states is resolutely prudent: primarily commercially-driven to serve domestic growth, and focused at the level of the state, in line with Beijing’s own approach to development and stability.

The reality of China’s engagement with conflict-affected states, however, reveals crucial tensions between principle and practice, a point starkly revealed in the gap between stated intent and actual impact. China’s expanding economic footprint in such countries may presume and project a hands-off approach, but ultimately – and inevitably – carries critical political implications, impacting the conflict and security dynamics in the countries with which it engages. It will be increasingly difficult for China to maintain its credentials as a responsible international player committed to mutually beneficial South – South exchange if it does not live up to those responsibilities in its dealings with states plagued by instability. Yet, as China “becomes more and more integrated into the global order and assumes the responsibilities that come with this involvement”,¹¹⁹ Beijing must balance the need to protect China’s interests overseas against its steadfast commitment to state sovereignty and non-interference. As one Chinese academic has observed, China’s policies “lag behind the rapidly evolving economic, social and security environment” in conflict-prone and affected states, and “will need to adjust accordingly”.¹²⁰ If not already in progress, China’s broader re-evaluation of the value of its foreign policy approach may be in order.

118 *Op cit* Large, p 59.

119 Taylor I, ‘China’s oil diplomacy in Africa’, *International Affairs* (July 2006), vol 82 no 5, pp 937–959.

120 Li Anshan, ‘China and Africa: policy and challenges’, *China Security* (Summer 2007), vol 3 no 3, p 87.

Saferworld works to prevent and reduce violent conflict and promote co-operative approaches to security. We work with governments, international organisations and civil society to encourage and support effective policies and practices through advocacy, research and policy development and through supporting the actions of others.

COVER PHOTO: Military personnel of the Chinese engineering company of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) march to the 1.8 kilometer-long road rehabilitation project enabling greater access to the Ruzizi One Dam Power Plant © UN PHOTO/MARIE FRECHON



Saferworld
The Grayston Centre
28 Charles Square
London N1 6HT
UK

Phone: +44 (0)20 7324 4646

Fax: +44 (0)20 7324 4647

Email: general@saferworld.org.uk

Web: www.saferworld.org.uk

Registered charity no. 1043843

A company limited by guarantee no. 3015948

ISBN 978-1-904833-73-4