UNDERSTANDING CHINA'S FOREIGN ASSISTANCE POLICY

What makes it help different from developed countries' strings-attached aid By He Rui

By providing various types of foreign assistance, China has become an important contributor to international development. While some say the developing country in the world should focus on its own domestic goals rather than international ones, actually, domestic development and external development are two sides of the same coin. No nation can be insulated from the outside world when facing international and global challenges. Imbalance in development challenges like poverty, unemployment, environmental pollution and diseases and terrorism.

As Chinese President Xi Jinping said at the U.N. Office at Geneva in 2017: "China will do well only when the world does well, and vice versa." This is a principle and the summary based on the experience of China’s economic transformation and development miracle in human history. For more than 40 years, China has received support from the international community and experienced rapid development. Now, the second-largest economy in the world is upholding peaceful development and cooperation for win-win results, calling for an open, inclusive, clean and beautiful world with lasting peace, universal security and common prosperity.

A Shared Future
In 2018, Xi put forward his thoughts on diplomacy. They are an important component of China’s governance philosophy, as well as a guide for conducting diplomacy in the new era. Going forward, one major task of China’s diplomatic work is to build a community with a shared future for humanity. This is a new approach to a fundamental change in global relations, a new theory and practice of diplomacy, and a new model of global governance.

Diversified Assistance
China’s foreign assistance doesn’t consist of dropping money from a helicopter. There are three major financing modes: interest-free loans, concessional loans and grants.

Concessional loans are designed for projects that can create economic benefits in the future. Concessional loans are designed for projects that can create economic benefits in the future. Concessional loans are designed for projects that can create economic benefits in the future. Concessional loans are designed for projects that can create economic benefits in the future. Concessional loans are designed for projects that can create economic benefits in the future.

To follow through on the promise of building a community with a shared future, China’s foreign assistance focuses on effective development. Imbalance in development is the greatest imbalance confronting today’s world, which threatens the development world, including China. If balanced and sustainable development cannot be ensured in other countries, China can hardly deepen the reform and opening-up policy in the new era, since the Chinese economy relies on the international market chain. Poverty and infrastructure deficit are the two major bottlenecks in many developing countries, blocking their capabilities to attract foreign capital, create jobs, improve living standards and accelerate industrial transfers. Foreign assistance can enhance development-oriented approach in two ways. In the short term, humanitarian assistance can provide basic and necessary remedies to individuals from various disasters and catastrophes, enhancing social stability and resilience. For example, in 2014–15, when West Africa faced an outbreak of Ebola, more than 1,000 Chinese medical workers went to the areas affected to offer medical help. The Chinese government provided emergency assistance worth 750 million yuan (110 million) to the infected region to combat the virus. Only when people’s life and property are guaranteed can they begin to think about development. In the long term, development assistance, especially for infrastructure construction, can strengthen developing countries’ vital functions. For example, in 2016, China completed the Aba Samuel hydropower plant and handed it over to Ethiopia. Ethiopia’s oldest power plant had gone online in 1941 but then sat idle since the 1970s due to technical problems. In 2012, China signed a contract to repair and to support the plant’s resumed operation, providing power as well as jobs and having opened the business environment for both local people and foreign investors.

From Giving to Partnering
Compared with the international assistance regime led by developed countries, China’s foreign assistance has advantages welcomed by developing countries. First, as a developing country that led 800 million people out of poverty in the past four decades, China knows better the difficulties, traps and challenges faced by developing countries, having the wisdom of the world. As Chinese President Xi Jinping said in his speech in Geneva that China must uphold the right approach to justice and interests development work, which requires China to speak up for justice politically, pursuing mutual benefit and common development economically, and acting in good faith and valuing friendship in international affairs. This is also the principle of China’s foreign aid.

The Chinese government announced the Eight Principles of Chinese development and cooperation for win-win results, calling for an open, inclusive, clean and beautiful world with lasting peace, universal security and common prosperity.

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