China as a New Aid Actor

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Over the past decade, China has emerged as an important aid donor. The framework of Chinese aid differs from that of the Western states which have traditionally sponsored the aid industry. This is understandable for historical and political reasons. However, in order to be effective and still serve China's best interests, Chinese aid should be re-focused towards a greater engagement with beneficiary communities and social actors.

At least since the end of the Cold War, mainstream aid organisations have based their programming on a rhetorical commitment to international human rights and humanitarian law. However, Western aid tends to be directed towards countries and issues of strategic importance to donors, which calls into question the political impartiality of such assistance. Nevertheless, many Western aid actors take seriously the commitment to working with and for beneficiary communities.

In contrast, Chinese relief and development assistance does not claim to be help beneficiaries to access internationally agreed rights and norms and standards of well-being. Rather, Chinese aid is largely delivered through state structures. As such, it tends to reinforce existing, state-centric power relations. This approach has been criticised, particularly in conflict-affected and other developing countries, where the state's legitimacy is challenged, and ruling regimes are often unable (or even unwilling) to protect civilian populations and promote human security. In some ways, China's aid policy is reminiscent of the state-centric development which epitomised Western aid programs in the 1950s and ‘60s. Perhaps unsurprisingly for a relatively new aid donor, China has focused on supporting the 'developmental state' in fraternal 'Third World' countries.

Critics of China's aid policy also note that most beneficiary countries are of strategic importance, often being sources of raw materials for the booming Chinese economy. While such observations are valid, they must be seen in the context of an existing mainstream aid regime which reflects the geostrategic interests of Western donor states.

The liberal-democratic, rights-based values which underpin the mainstream, Western-dominated aid industry are derived ultimately from the European Enlightenment. However, recipient communities and other stakeholders (including civil society and political actors) often understand the issues differently, and act accordingly. There is a disconnect between the mainstream aid industry, and beneficiaries and other local actors - particularly in the conflict-affected 'failed states' where aid is often most needed. Such discontinuities are likely to become more prominent in an era of declining Western economic and political capital, which is likely to be marked by increasingly frequent and devastating natural disasters. In this context, disaster response will become more regionalized - with China (and India, among other countries) playing prominent roles. In recent years countries such as China and Saudi Arabia have become major aid donors. Most of this assistance is bilateral (government-to-government), with very little funding provided directly to local organisations or communities.[1] Meanwhile, traditional Western donors remain mired in economic (and increasing environmental) crisis.

The future - in South and East Asia at least - may be characterized by a 'humanitarianism with Asian values.' For example, following the devastation of Cyclone Nargis in Myanmar in 2008, while most Western aid actors insisted on a rights-based approach, Chinese and other regional governments channelled aid through state structures, with no conditionalities regarding the promotion of rights or local participation. This may be the humanitarian mode of the future.

As China and other non-OECD countries become more prominent aid actors, they will begin to challenge Western approaches to humanitarianism. These comments notwithstanding, China may need to revise its approach to foreign aid, in order to gain continued strategic benefits and ensure that the programs it supports are sustainable, and help those most in deed. In a number of contexts, it is not only Western aid agencies and activists who have critiqued China's approach, but also local civil and political actors.

Turning again to the example of Myanmar, in October 2011 the President suspended a controversial mega-dam project at Myitsone, the confluence of the symbolically important Irrawaddy River. This decision was undertaken in the context of political opening and reforms in Myanmar, where civil society actors have been able to organise and begin to

[1] Adele Harmer and Ellen Martin (eds), *Diversity in Donorship: Field Lessons* [HPG Report 30, March 2010].

exercise real leveraging on the government. The Myitsone dam was being built by state-owned China Power Investment. As well as a strategic blow to China, the controversy around this project has stoked growing anti-Chinese sentiments in Myanmar. In the context of reforms in Myanmar, and that country's opening towards the West, these are serious strategic issues. If China had done more to listen to local concerns, and design its aid and investment strategies accordingly, such a debacle might have been avoided.

The largest Chinese investment in Myanmar is the construction of a gas pipeline and related infrastructure (rail and road projects), connecting the Rhakine coast on the Indian Ocean to landlocked Yunnan Province. While the Myitsone dam project may be considered of medium-level importance to China (primarily as an economic project), the Shwe Gas project is of huge geostrategic importance - allowing Chinese access to Myanmar's natural gas resources, and (more importantly), giving China direct access to the Indian Ocean, thus avoiding the necessity of bringing imports through the Straits of Malacca to the Chinese eastern seaboard. This project could allow China to escape from the 'Malacca dilemma', saving several days on the import of commodities from Europe, Australia and North America, and reducing reliance on the strategically vulnerable Straits of Malacca.

However, like Myitsone, the Shwe Gas project has been dogged by controversy, because of local Rhakine and other communities' very real concerns regarding land confiscation, inequitable compensation, environmental damage and other negative consequences. Until recently, China has been able largely to ignore such concerns - but this may not be the case in the future.

To the extent that China's aid and foreign investments are intended also to win political support, it will be necessary to address such issues, in order to ensure that beneficiary countries appreciate the benefits of Chinese assistance. Furthermore, China's aid policy is in part at least intended to secure access to natural resource and other strategic goods. In order for this approach to work in the middle-to-long-term, the programmes and projects supported need to be sustainable, and have at least a degree of local ownership. At a minimum, China must be careful not to alienate local communities or activist networks. By taking some lessons from the 'rights-based' approach, and doing more to ensure that its aid programme is based on consultations with - and is responsive to the concerns of - local communities, China's aid policy will be strengthened.

The Chinese approach to foreign aid and investment reflects this country's unique and rich historical experience, and concerns with state cohesion and the security of state and society. That rich historical experience also reflects China's understandable focus on providing for basic services and livelihoods opportunities for its citizens. This needs to be extended to include real benefits for aid beneficiaries, not just beneficiary states. By engaging more effectively with civil society actors and communities, China can develop positive and sustainable relationships with developing (and particularly) neighbouring countries. In this way, China can be both a good neighbour and a successful aid donor.