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國際學碩士學位論文

**An analysis of the China's Official Flows volume  
expansion: Focusing on the increase in cases of Official  
Flows since the late 1990s**

중국 대외원조의 양적 확대에 대한 분석:  
90년대 후반 이후 증가 사실에 대한 사례를 중심으로

2013年8月

서울대학교 國際大學院  
國際學科 國際地域學專攻  
金聖愛

**An analysis of the China's Official Flows volume  
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**A thesis presented**

By

**Kim, Seong-Ae**

to

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指導 教授 趙 英 男

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副 委 員 長 \_\_\_\_\_ (印)

委 員 \_\_\_\_\_ (印)

Graduate School of International Studies  
Seoul National University

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The undersigned, appointed by

Graduate School of International Studies,  
Seoul National University

Have examined thesis entitled

**An analysis of the China's Official Flows volume  
expansion: Focusing on the increase in cases of Official  
Flows since the late 1990s.**

Presented by **Kim, Seong-Ae**

Candidate for the degree of Master of International Studies and hereby certify that it is  
worthy of acceptance

*Signature*

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*Committee Chair*

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*Signature*

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*Committee Member*

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*Signature*

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*Committee Member*

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## **Abstract**

**An analysis of the China's Official Flows volume expansion:** Focusing on the increase in cases of Official Flows since the late 1990s

Kim, Seong-Ae

The Graduate School of International Studies  
Seoul National University

The purpose of this paper is to demonstrate and analyze China having proliferated foreign aid policy since late 90's. It appears that China keeps pace with the global demand and request on official development assistance in jointly answering for poverty and natural disaster as one of the newly emerging donor countries. But the nation's highly analytic approach, from time to time arousing concerns of the community of nations unlike any other donor countries of pure purpose, appears to exhibit the creature of strategic means with complexity.

The goal of this paper is to perform multi-lateral analysis on Chinese foreign aid in that respect, not only from the established view that the nation takes it as a means of solution for the lasting problem of energy shortage but from the brand-new approaches that it is in search of the diplomatic benefit (against Taiwan, etc.), promotion of export-oriented industries and pan-global agreement such as FTA with appropriate data to back thereof.

This paper also covers the analytic comparison of the ‘principles and policies of aid’ between countries across the world China, in helping the country of Korea foray into global aid as a responsible member of the donor society.

As for the estimating Chinese ODA, this paper took both broad and narrow senses of aid, in objectifying indexes to estimate the amount of Chinese aid politically kept in the dark.

Though having been the target of criticism due to ‘Non-intervention Principle’ in assessing the target of aid from time to time varied in contrast to the international standard, the highly strategic foreign aid from Chinese government may beef itself up with by way of tactic gains. To establish fairer balance between donor’s and donee’s benefit would thus be what matters here for the Asian giant to set itself, in the true sense of the word, ‘Responsible Superpower’ by way of the peaceful rising.

**Key Words:** Official Flows, ODA, Natural recourses, FTA, Soft Power, Africa, ASEAN, Middle East

**Student Number:** 2007-22402

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## **I . Introduction**

### **1. Research Background and Research Question**

With the General Secretary Xi Jinping blueprinting its ambitious dream of becoming a member of G2, as part of what is called ‘Dream of china’, the emerging Asian powerhouse has strongly been backed by the economy and military that have been set ready for the nation’s 30-year rapid growth in establishing double-digit growth since 1990. Retaining more foreign currencies than any other countries for its active promotion of foreign aid policies and serving itself as a breathing room for scores of European nations in the wake of notorious Crisis ’08, then China just released incalculable amount of Yuan for extra liquidity to money market, actuating the nation’s interest to be engaging in the varied international affairs by joining several international organizations.

The greater the country of China was in the mix in the global affairs, the more were the official flows<sup>1)</sup>, as part of the development assistance, given from the nation who executed drastic increase in the development assistance since 2000. When its helping hand is taking effect in many Asian, African and South American nations, China has also been gaining a lot, from the perspective not only of economy but of politics.

Such a qualitative expansion in foreign aid can be construed in many, crystal clear

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<sup>1</sup> Refers to a category of Development Assistance, defined as “Flow of financial resources to developing countries” by DAC of OECD in Year 1969 broadly classified into, by the origin of financial resource “Official Flows” and “Private Flows”. Here, Official Flows are further classified into ODA (Official Development Assistance) and OOF (Other Official Flows). Unlike the Western donor countries that set ODA apart from OOF, China does not distinguish these two terms. Therefore, in this thesis, the term ‘Chinese foreign aid’ equivalent thereto refers to ‘Official Flows (OF)’.

ways as the nation is taking the highly political stance under the name of development assistance. Contrary from other development assistance policies in principle meant for the eradication of poverty and sustainable development in favor of the developing, destitute countries and welcomed with open arms, China's foreign aid policies, with its strategic stance entangled with multiple interests, is just good to raise a question of "In what perspective China's foreign aid sets itself apart from other development assistance policies?"

The goal of this paper is to perform multi-lateral analysis on China's foreign aid in that respect, in not only digging out the true purpose thereof but analyzing out the political · economic · diplomatic benefit that the highly strategic aid policies give rise to. This, by referring to and taking in-depth analysis on the highly strategic China's foreign aid policy, would eventually help the country of Korea foray into global aid as a responsible member of the donor society.

## **2. Literature Review**

Researches on China's foreign aid policy came into the academic limelight since late '99, the time when the country of China is in transition to donor countries expanding its scope of aid which later actuated numerous scholars to dig into in earnest.

As for Chinese academic papers, a total of four papers dealt with China's foreign aid policy until '06 (source: [www.cnki.net](http://www.cnki.net)), which later took a turn for the better from for ninety in '12 varying the subject from the conventional perspectives of history or ideology.

It was Western academic paper initiating study on China's foreign aid policy, in an

effort to set forth a referable standard on the advanced, methodical OF, contrary from China used OF as a strategic means of foraying into the Third World countries.

As for the United States, scores of institutions have published what states how China is involved in OF as Congressional Research Service and Center for Global Development have been issuing regular-basis China's foreign aid reports and working papers, respectively. As for the NYU Wagner School theses, these are serving as reliable references for predicting the amount of China's foreign aid politically kept in the dark.

Korea is no exception from the trend as the former president Lee's administration has caused the nation to join Development Assistance Committee (DAC) in its effort to beef up foreign aid, backed by researches conducted by such governmental institutions of KOICA and KIEP.

Without respect to the source of researches, however, it is an undeniable fact that most of them feature aid to 'African nations' and 'aid of resources', in backing their theoretical approaches that China sets its political and diplomatic target to African nations by way of resource aid in eradication of energy shortage. While Western and Chinese academia are brawling over this issue, what means really significant, such as the diplomatic benefit (against Taipei, etc.), has been pushed aside when considering the 60-year history of China's foreign aid.

This paper is thus to deal with, first of all, in many ways the purpose of China's foreign aid from both perspective of resource and economics (Trade, FTA) · politics (Soft Power) happened in not earlier than 90's to set itself apart from the numerous Chinese journals. As for the estimating China's foreign aid, the paper took both broad and narrow senses of aid, in objectifying indexes to estimate the amount of Chinese aid politically kept in the dark.

### **3. Significance of the Study**

This paper is to deal with the subject limited to ‘Chinese official flows since late 90’s’, the time when the nation executed drastic increase in official flows with the domestic economy remaining in poverty. Deficit budget for official flows was reproached by others, causing such neighboring countries as Taiwan to doubt the purpose, which is why China is politically keeping the scope of foreign aid in the dark. Taking the stance of aid not in compliance with OECD DAC, the direct comparison of China’s foreign aid with other ODA policies would just be meaningless. Instead, this paper has taken to scores of sources in estimation of Chinese official flows, focusing on the actual effect brought about by unit of region and field.

Next, this paper tried to digging into why China execute drastic increase in its official flows at one time in is non-OECD standard of aid called ‘Eight Principles of Foreign Aid’. Taking keynote principle of Non-intervention, China appears to overcome energy insecurity, as this paper analyzes, by the ‘helping-hand approach’ to such Third World countries as Costa Rica which brings about transient loss. Expanding target of export is another, as China tries to take advantage of FTA for foray into the new markets. Last but not least, China appears to capacitate itself up for Soft Power as evidenced by Beijing Consensus.

All the foresaid may effectively evidence that China is in search of something more than the pure purpose of aiding destitute countries, which is why studying China’s foreign aid policy for drastic increase in aid comes significant in expanding its influence across the world.

#### **4. Research Methodology and Statement**

This paper incorporates analysis of prior researches, such statistics as international organizations data, bibliographic data, reports from researches press releases and on-line references.

This paper took both broad and narrow senses of aid, in objectifying indexes to estimate the amount of Chinese aid politically kept in the dark, where ‘estimation by prior researches’ and national expenditure data from ‘OECD and Chinese Ministry of Finance’ were incorporated for broad and narrow senses of aid, respectively.

To discuss the thesis, this paper comprises a total of five chapters, where Chapter 1 discusses ‘background of China’s foreign aid and subject and methodology of the research herein’, Chapter 2 ‘data-based background of the drastic increase in China’s foreign aid’, Chapter 3 fundamental and essential cause of OF increase, Chapter 4 ‘OF effectiveness’ and Chapter 5 ‘suggestion to Korea as an emerging donor country’.

## II. China's foreign aid since 1990.

### 1. China's foreign aid Breakdown

Concealed China's foreign aid data and their distinct standard of aid make it very difficult to breakdown China's foreign aid.

As for Chinese definition of foreign aid, it diverges from OECD DAC's one where ODA shall be meant for economic development and welfare of developing countries by being a 'concessional fund' with grant elements accounting for more than a quarter<sup>2</sup>). Taking the notion of EDCF development fund as its part, the Chinese definition of foreign aid is rather closer to what we call 'overseas investment', 'trade credit', 'project financing', to name but a few. Refer to <Tbl.2-1> for comparison between OECD and Chinese definitions on foreign aid, where it is evident that China has a totally different view in defining ODA save Government-to-Government, Preferred Financing and Private Corporate Financing causing this paper restricted in fully understanding the scope of China's foreign aid:

<Table. 2-1> Comparison between Chinese / OECD ODA

	Gov't to Gov't	Financial Aid via Int'l Organs	Direct influence to Donee	Preferred Financing	In-kind Redemption	Gratuitous Give-out (25%)	Private Corporate Financing
OECD	O	O	X	O	X	O	X
China	O	X	O	O	O	X	X

Source: Lum et al.(2009:3)

<sup>2</sup> DAC Glossary ODA Key Terms and Concepts, OECD, <http://www.oecd.org/dac/dacglossaryODAkeytermsandconcepts.htm>.(Date retrieved: Apr 20 '13)

Such a restriction caused this paper to take both broad and narrow senses of aid into consideration in its effort to understand the trend of China's foreign aid since 1990, not figures.

(1) China's foreign aid Breakdown in a Broad Sense

Refer to the following <Table. 2-2> for NYU Wagner School's estimation of China's foreign aids and Government-led projects favoring a total of 62 African, South American and Southeast Asian countries. Note that this over-represents the reality as taking non-concessional aids and government subsidies into consideration:

<Table. 2-2> NYU Wagner School's Estimation of China's foreign aid, 2002~2007  
(Unit: Million US\$)

Yr	Amount	Africa	South America	SEA
2002	51	10	4	36
2003	1,482	838	1	644
2004	10,485	2,292	7,000	1,193
2005	10,106	2,953	2,931	4,221
2006	27,518	9,088	16,425	2,004
2007	25,098	17,962	401	6,735

Note: Including non-concessional aids and government subsidies to ODA projects  
Source: Lum et al. (Aug '09).

Notable is a total amount of China's foreign aid trending upward as the aforementioned table signifies a total growth of 191% for 6-year span, accounting for the greatest part of global aids favoring African countries.

Regional variation is another, as referred to by <Fig. 2-1>, as aids to African countries

leaped from 22% in '04 to 72%'07, thanks apparently to the 3<sup>rd</sup> Forum on China–Africa Cooperation(hereinafter referred to as “FOCAC”) where a couple of China-Africa ties were ensured (「Beijing Summit Declaration」 & 「Beijing Action Plan」 for doubling up the amount of aid for four-year span until Year 2009, redemption for the debt-laden countries by proxy, expanding tariff exemption list for African countries.<sup>3)</sup> Re-establishing aid policies to African countries in 17<sup>th</sup> National People's Congress on March '07, China took part in the annual meeting of African Development Bank on May in solidification of its promise to expand investment. Furthermore, in Year 2009 on the ensuing FOCAC then-Premier Wen Jiabao announced eight different aid policies, including foreign assistance, writing off debts, promising dozens of solar and renewable energies projects, fighting against climate change, tariff exemption, scientific aid including scientist exchange, agricultural aid including dispatching a delegation, building local hospitals, training a total of 3,000 doctoral and nursing personnel, expanding governmental scholarship and varied human resources development and academic literary support policies in progression of Africa-China relation for the 3-year span coming<sup>4)</sup>.

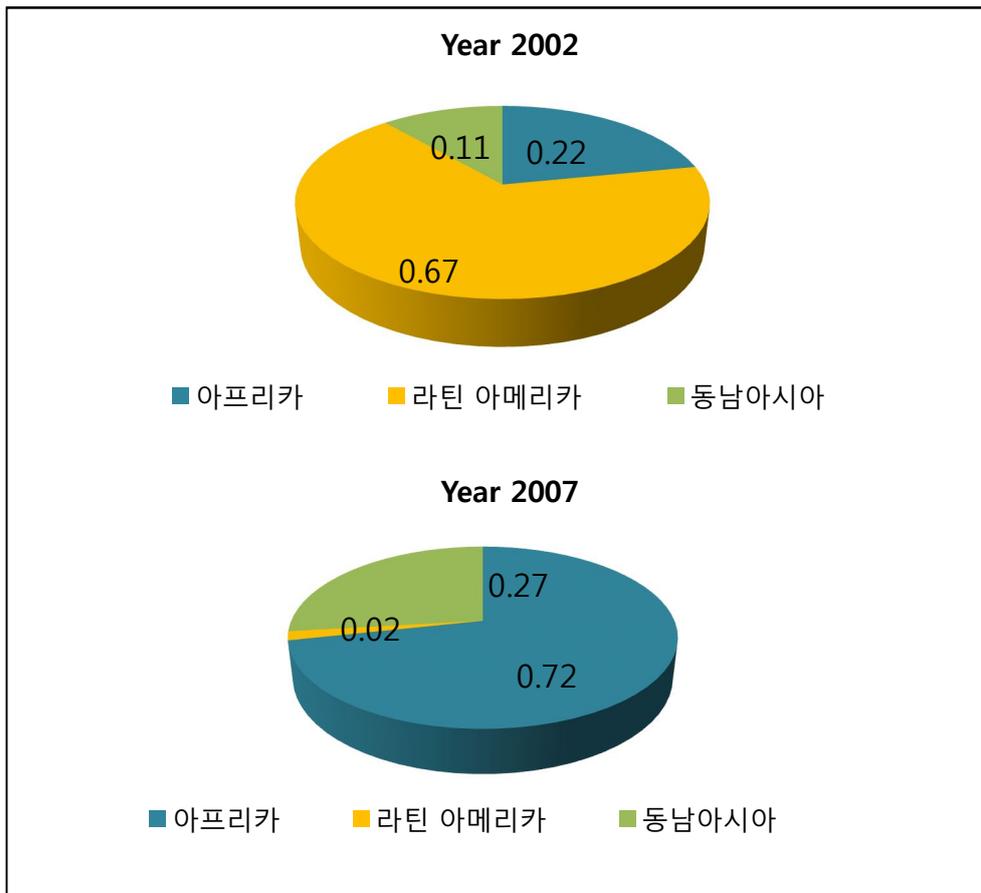
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<sup>3</sup> Beijing Summit adopts declaration, highlighting China-Africa strategic partnership, Nov 5 '06, refer to [http://english.focacsummit.org/2006-11/05/content\\_5166.htm](http://english.focacsummit.org/2006-11/05/content_5166.htm)

<sup>4</sup> 「温家宝提出八项举措推进中非合作」, 『新华社新闻』 Nov 9 '11 [www.XINJUANET.com](http://www.XINJUANET.com)

<Fig. 2-1> Aid Proportion, Years 2004 and 2007

(Unit: %)



Source: Lum et al. (2009: 8).

One last thing is upping support for South-east Asian countries, particularly in favor of ASEAN member countries, a few of the least developed countries such as Myanmar, Laos, Cambodia and Vietnam. China, according to Congressional Research Service of the United States, has ensured more than USD 5 billion since Coup '88, in the form of low-interest loan · manufacture facilities · mineral resources development · petroleum development · agricultural development, including support of ammunition worth USD 1.4

~ 2 billion. As for Laos, the nation has promised multiple foreign aid plans including low-interest loan and developmental · tech supports, culminated by then-leader Hu Jintao's visit in person where he granted USD 45 million in cash under the name of economic · tech support and discharged the nation from the debt. China turned its eye to Cambodia as well, as promising international loan and monetary support for public development projects · infrastructure · hydropower projects, also culminated by Wen's assurance of unconditional support worth USD 600 million. As for Vietnam favored by China by the amount of USD 200 million in '05 and international loan for railway · hydropower · shipbuilding industries<sup>5</sup>), the nation spared no effort in promising unconditional aid and concessional loan by the amount of USD 215 million for construction of road networks. On top of those, China has allegedly promised USD 3 billion for International Railroad Project linking China, Laos and Thailand and a significant amount for development of nickel mine and petroleum pipeline, all guaranteed by the Chinese government<sup>6</sup>.

## (2) China's foreign aid Breakdown in a Narrow Sense

Next is China's foreign aid breakdown in a narrower sense, as the nation is keeping its ODA in the dark by ensuring multiple creditors in its investment with varied non-standard type of aid. What are referred to a narrow sense breakdown herein are Statistical Yearbook of China (foreign expenditure account) and Ex-Im Bank of China (Annual Report), two of few official statements that represent China's foreign aid.

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<sup>5</sup> Thomas Lum, Wayne M. Morrison and Bruce Vaughn. "China's SOD At Power in Southeast Asia." *CRS Report for Congress*, 4 January 2008. Pp. 6-7

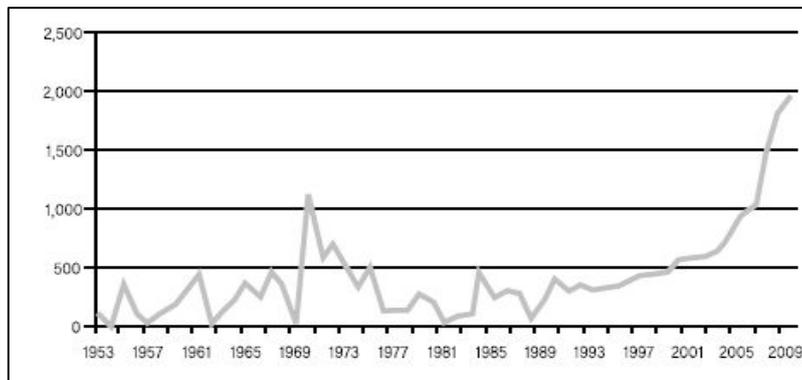
<sup>6</sup> Thomas Lum, Hannah Fischer, Julissa Gomez-Granger, "Anne Leland, China's Foreign Aid Activities in Africa, Latin America, and Southeast Asia." *CRS Report for Congress*, 25 February 2009. p. 1

Refer to the following <Fig.2-2> for variation in China's foreign aid totaling up to USD 300 ~ 400 mil early '90 to begin with up for 500 ~ 600 mil early '00 for eventual and drastic increase during the course of 00's, according to the foresaid official statements.

As of '12, China's foreign aid topped at USD 3 billion, the whopping figure three times greater than '06's USD 1 billion and 318% of the 2000's figure or, factoring in CHY-USD translation effect, 453% thanks to appreciation of Chinese Yuan to 6.27 per USD ('12) from 8.27 per USD in '00 (see <Table. 2-3> for more detail).

<Fig. 2-2> Variation in China's foreign aid

(Unit: USD 1 mil.)



Source: Kwon-Park (2010)

Being the sole and only official statement on China's foreign aid, the foreign aid expenditure data of Chinese Ministry of Finance represents, as what <Table. 2-3> breaks down, Construction · Tech Collaboration Project · Commodities Supply · Waiver of Obligation · Concessional Loan and Grants · Personnel Dispatch · Symposium ·

Seminar since 1999.<sup>7)</sup> Not being limited thereto, the actual foreign aid expenditure of China shall comprise support for multi-national Joint Venture not classified as ODA from the international standard's standpoint.<sup>8)</sup> As for the preferred loan, China does not factor in the principal amount in assessment, causing the direct comparison with Western countries meaningless. This is much more significant than said, as the Chinese estimation of foreign aid '10 is worth CNY 14.4 billion (USD 2.21 billion) which could be under-represented in a Chinese way for CNY 1.4 billion or over-represented for CNY 5 billion, together drawing a huge differential<sup>9)</sup>.

Contrary to such a margin among varied prior researches, GNI-to-ODA Ratio, another official index of the Ministry, has standing still at 0.04% over the multi-year course from '99 to '12, save '09~'10 falling within the global economic crisis. This signifies that China's foreign aid has been trending upward, keeping pace with the GNI growth averaged out at 13.9% over the twelve-year span from '99 to '11 (see <Fig. 2-3>, <Fig. 2-4> and <Table. 2-3>).

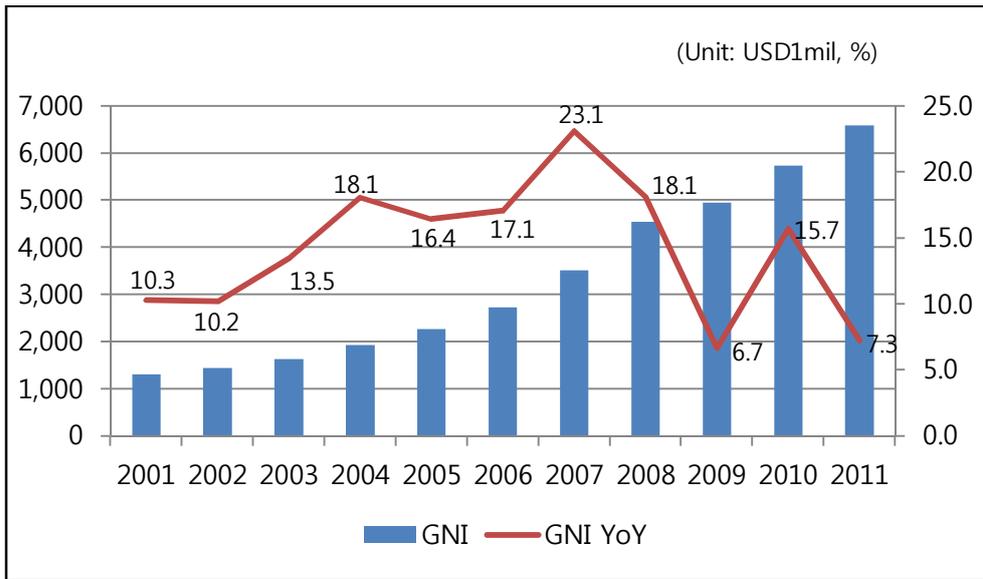
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<sup>7</sup> Lancaster(2007), "The Chinese Aid System," Center for Global Development

<sup>8</sup> "Guanyu Yinfa 'Duiwai Yuanzhu Zhichu Yusuan Zijin guanli Banfa'de Tongzhi'(Ministry ODA Finance,"

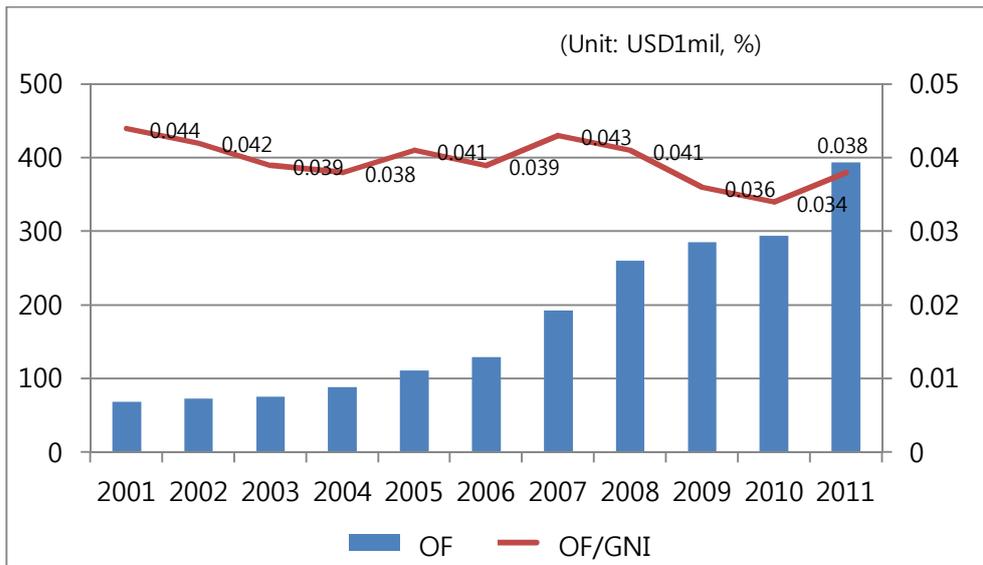
<sup>9</sup> Measures for Oversight and Measurement ODA the Foreign Aid Budget, Ministry ODA Finance China, June 24 '98; Kobayashu(2008), pp. 2-3.

<Fig. 2-3> YoY Growth of Chinese GNI



Source: 『Statistical Yearbook of China』, Ministerial Release (foreign aid expenditure) and on-line reference

<Fig. 2-4> GNI-to-OF Ratio



Source: 『Statistical Yearbook of China』, Ministerial Release (foreign aid expenditure) and on-line reference

<Table. 2-3> China's foreign aid Breakdown

	GDP	GNI	Gov'tal Expenditure	Foreign Aid	Growth of Foreign Aid	Aid/Gov't Exp.	Aid/GNI	ODA/GNI DAC Avg.	Exchange Rate
Unit	CNY 1bil	CNY 1bil	USD 1mil	USD 1mil	(%)	(%)	(%)	(%)	(USD=CNY)
1999	8,968	8,848	159,304	474	-	0.297	0.044	0.22	8.27
2000	9,921	9,800	191,903	554	17.04	0.289	0.047	0.22	8.28
2001	10,966	10,807	228,375	569	2.68	0.249	0.044	0.22	8.28
2002	12,033	11,910	266,439	604	6.20	0.227	0.042	0.23	8.28
2003	13,582	13,517	297,813	631	4.40	0.212	0.039	0.25	8.28
2004	15,988	15,959	344,190	733	16.20	0.213	0.038	0.26	8.28
2005	18,494	18,581	414,203	912	23.08	0.220	0.041	0.33	8.19
2006	21,631	21,752	507,072	1,033	10.27	0.204	0.039	0.3	7.97
2007	26,581	26,776	654,673	1,467	35.41	0.224	0.043	0.28	7.60
2008	31,405	31,623	900,873	1,808	12.60	0.201	0.041	0.31	6.95
2009	34,051	33,731	1,110,714	1,950	5.88	0.192	0.036	0.31	6.82
2010	39,798	39,026	1,333,312	2,002	2.36	0.150	0.034	0.32	6.80
2011	47,211	41,860	1,666,604	2,503	16.80	0.150	0.038	0.31	6.35
2012	51,932	-	-	3,065	20.88	-	-		6.27

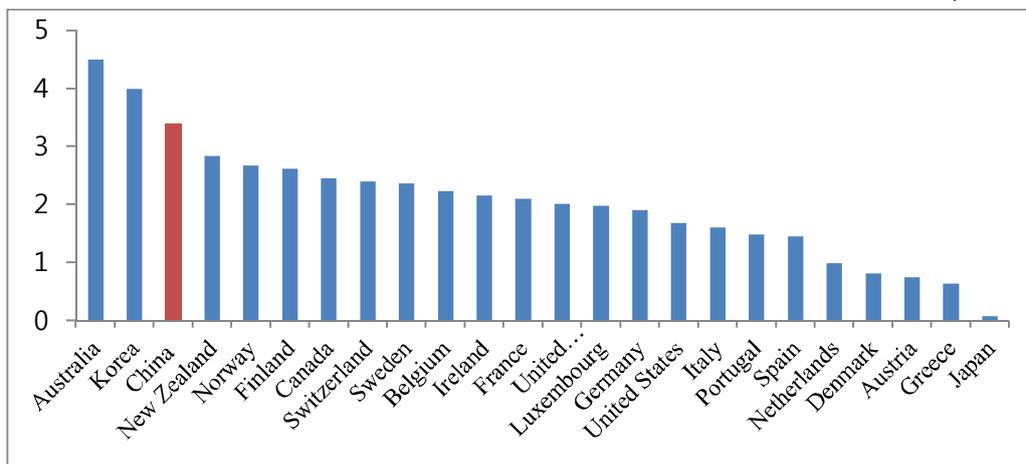
Source: 『Statistical Yearbook of China』, Ministerial Release (foreign aid expenditure) and on-line reference

Refer further to the following <Table. 2-4> for the significant variation in the trend of China's foreign aid, compared to DAC member countries over the course of Year 2000 ~ 2011, when the figures of official release do not factor in the principal amount. According to the Table Chinese growth rate in foreign aid just trailed Austria and China, the countries caused their ODA jumping up 4.5 times and 3.99 times, respectively while China left stranded just short at the comparatively low 3.4. When considering Korea joining DAC as late as Year 2010 and Chinese economy had stumbled over the three-year

span from Year 2008 to 2010, however, no one can deny that China fought very well (see <Fig. 2-5> and <Table. 2-4>.

<Fig. 2-4> ODA Growth Rank: DAC Member Countries, 2001~2011

(Unit: %)



Source: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats), Ministerial Release (foreign aid expenditure)

<Table. 2-4> DAC Donors' Net ODA Disbursements

(Unit: USD1mil)

Member Countries	1999	2000	2002	2004	2006	2008	2010	2011	Growth (2001/2011 )
Australia	982	987	989	1460	123	2954	3826	799	<b>4.50</b>
Korea	317	212	279	423	455	802	1174	1321	<b>3.99</b>
New Zealand	134	113	122	212	259	348	342	429	<b>2.84</b>
Norway	1370	1264	1696	2198	2945	4006	4580	4936	<b>2.67</b>
Finland	416	371	462	680	834	1166	1333	1409	<b>2.62</b>
Canada	1706	1744	2004	2599	3683	4795	5209	5291	<b>2.45</b>
Switzerland	984	890	939	1545	1646	2038	2300	3086	<b>2.40</b>
Sweden	1630	1799	2012	2722	3955	4732	4533	5606	<b>2.37</b>
Belgium	760	820	1072	1463	1977	2386	3004	2800	<b>2.23</b>
Ireland	245	234	398	607	1022	1328	895	904	<b>2.16</b>
France	5639	4105	5486	8473	10601	10908	12915	12994	<b>2.10</b>
United Kingdom	3426	4501	4929	7905	12459	11500	13053	13739	<b>2.01</b>
Luxembourg	119	123	147	236	291	415	403	413	<b>1.98</b>
Germany	5515	5030	5324	7534	10435	13981	12985	14533	<b>1.91</b>
United States	9145	9955	13290	19705	23532	26437	30353	30745	<b>1.69</b>
Italy	1806	1376	2332	2462	3641	4861	2996	4241	<b>1.61</b>
Portugal	276	271	323	1031	396	620	649	669	<b>1.49</b>
Spain	1363	1195	1712	2437	3814	6867	5949	4264	<b>1.45</b>
Netherlands	3134	3135	3338	4204	5452	6993	6357	6324	<b>0.99</b>
Denmark	1733	1664	1643	2037	2236	2803	2871	2981	<b>0.82</b>
Austria	492	440	520	678	1498	1714	1208	1107	<b>0.75</b>
Greece	194	226	276	321	424	703	508	331	<b>0.64</b>
Japan	12 163	13 508	9283	8922	11136	9601	11021	10604	<b>0.08</b>
China	474	554	604	733	033	1808	2002	2503	<b>3.40</b>
<b>TOTAL DAC</b>	53551	53962	58575	79854	10814	121954	128465	133526	

Source: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats), Ministerial Release (foreign aid expenditure)

### III. Ground for Expanding Foreign Aid

When there exist varied opinions on purpose of foreign aid and the notion of altruism shall be the essence of ‘helping someone out’, some may argue that discussing the objective of foreign aid is just meaningless. There, however, is something very interest deep inside of donor’s political and strategic mindset that the donor’s favor is for the sake of donor itself. This apparently voluntary sponsorship is about the needs of the donors more than the needs of donee countries.

As for the emerging donor of China, this comes much more significant as the nation takes notably strategic stance dating back to ’50 for more than 60-year history of foreign aid and it is only recent that the nation sees drastic increase in the amount of aid and caught the public eyes.

As for the purpose of such a strategic sponsorship, from time to time left undefined by scores of Chinese scholars, it appears that since 1990 China is just staying true to the socialist market economy, devoid of the pure purpose helping its alliances out<sup>10</sup>. It is more economic than political when China decides to help someone out, as evidenced by the varied phenomena.

China’s foreign aid has historically been developed into three different phases. Phase 1 began in Year 1950 and lasted until ’70’s reforming and opening up, where China was seeking for the grander reputation by way of foreign aid, commencing aid to African countries in ’55 万隆亚非会议 and going on to sponsor third world countries culminated by railroad construction project in Tanzania. Then-China never hesitated in

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<sup>10</sup> 张郁慧：《中国对外援助研究（1950-2010）》，九州出版社，2012年。

taking part in liberation movements of the third countries, a part of the Chinese altruistic approaches.

It was not until Phase 2 when China took economic factor into consideration as the nation caused the foreign aid shrunk since Year 1983 to weed out non-beneficial factors and ‘live within its purse’ until Year 1994.

At the beginning of Phase 3 China varied the source of fund and method of aid as its foreign aid policies took a methodical and strategic turn. Actuated by Economic Trade Strategy '94 (大经贸战略) by a high-ranking official Wuyi(吴仪), China overhauled its foreign aid policies in '95 for economy. For example, then-prime minister Li Peng (李鹏) gave nine consecutive orders on foreign aid renovation, a part of twenty notable directions made by the nation for a five-year span from '91 to '95<sup>11)</sup>. A part of it was ‘on matters of foreign aid renovation and ratification thereof(关于改革援外工作有关问题的批复)’, mandating the principles of ‘low-interest loan’ ‘joint venture-orientedness’ and ‘aid for grant’ while varying the source of private financing<sup>12)</sup>. China’s foreign aid has been pivoted on the principle of low-interest loan, among others as Ex-Im Bank of China became in charge. Establishment of ‘Foreign Aid Joint Venture Fund’ in Year 1998 was another, serving as a means of establishing a donor-donee joint venture, as part of such policies as ‘project financing’, ‘tech financing’, ‘waiver of obligation upon maturity’, ‘educational support’, ‘peacekeeping operation’, ‘humanitarian support’, ‘dispatch of medical team’ and ‘governmental scholarship’.

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<sup>11</sup> 孙广相：《关于援外工作改革及若干问题的思考》，《外贸调研》1995年第25期，第35-36页。

<sup>12</sup> 邢厚媛：《以援外改革为契机加速实现实业化国际化》，《国际经济合作》1996年第2期，第10页。

Entering a new millennium, China's foreign aid policies took another turn as being part of one of the national strategies, called 'Foray into World(走出去)'. The National Development and Renovation Committee, as part of The 10<sup>th</sup> 5-year Plan ('01~'05) promoted foreign investment of the Chinese private, state-run companies by granting governmental incentives, from time to time recommending the target countries of investment., thanks to the rich foreign exchange reserves<sup>13)</sup>. Companies responded by increasing foreign investments as the Chinese government gave a full support in facility investment, one of a few thresholds that the private companies face upon overseas investment with the high risk<sup>14)</sup>.

Meanwhile, then-China recognized the importance of foreign aid as a means of gaining Soft Power-reputation of China faring as a responsible member of the international society<sup>15)</sup>.

Described so far put a great emphasis on Phase 3, Year 1995 before which the nation stuck to the principle of 'interest-free aid' and 'aid with grant' (政府无息贷款和无偿援助) and later took a big turn toward 'preferred long-term loan' staying true to, in the true sense of the word, aid. Chinese government, as evidenced by their foraying into African continent, is now aiding more of the private companies by serving as an 'international assistant' for them, rather than directly helping out donee countries for political

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<sup>13</sup> Antkiewicz, Agata and John Whalley. 2007. "Recent Chinese Buyout Activity and the Implications for Wider Global Investment Rules." *Canadian Public Policy* 33(2). pp. 207-226

<sup>14</sup> 刁莉·何帆. 2008. 「中国的对外发展援助战略反思」. 『当代亚太』第6期. pp.120-133

<sup>15</sup> 赵磊. 2007. 「理解中国软实力的三个维度：文化外交，多边外交，对外援助政策」。『社会科学论坛』5月 上卷。pp.150-157

diplomatic purposes<sup>16)</sup>.

As a result, China has expanded the scope of aid with a decent success as the nation is affiliated with more than 161 donee countries by way of a total of thirty international organizations, according to 「Foreign Aid White Paper」, 123 countries of which are continually favored<sup>17)</sup>.

This is the beginning of Chapter 3 dealing with post-90's China's foreign aid policies and ground for expanding foreign aid, in understanding how strategic the China's foreign aid policies are with a long-run plan.

### **1. China's foreign aid: Feature**

The very first edition of 「Foreign Aid White Paper」, issued on April '11, was a response to the governmental-level interest in foreign aid, from time to time can be construed as the strategic approach to weed out the latent worries. In the White Paper describes which elements set China's foreign aid policies apart from Western countries'. What we call advanced donor countries set forth charters, policies and statements in aiding foreign countries in their effort to set up such theoretical bases as keeping GNI-to-ODA above 0.7% and staying true to Declaration of Paris '05 for effective foreign aid. Plus, those countries are associated with such multi-national organizations as OCED DAC (Development Assistance Committee) or UN MDGs (Millennium Development

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<sup>16</sup> 黄梅波、郎建燕：“中国的对非援助及其面临的挑战”，《国际经济合作》，2010年第6期。

<sup>17</sup> 中国国务院新闻办公室：《中国对外援助白皮书》，2011年4月21日。

Goals), a part of the pan-global effort to eradicate poverty that has been coming up short. Modern-day foreign aid sets its eye for longer-term view as scores of EU member countries and other advanced countries established PCD (Policy Coherence for Development).

Taking an in-depth look at 「Foreign Aid White Paper」 may help understand the Chinese approach divergent to the international standard where it sets forth five different principles of ‘Autonomous Development of Donee Countries’, ‘Devoid of Political Preconditions’, ‘Development with Equity’, ‘Capacity-basedness’ and ‘Factoring in Global Economy’<sup>18)</sup>. Among others, the first three principles represent Chinese definition of Donor-Donee relationship while the rest of two are more associated with the nation’s policy and foreign aid evaluation criteria<sup>19)</sup>. Despite amendment upon revision, where the China’s foreign aid principle stems from is standing still and very much divergent from the Western countries, since the declaration of Eight Principles of Foreign Aid ‘64 by then-prime minister Zhou en lai(周恩来)<sup>20)</sup>.

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<sup>18</sup> Foreign aid principles in accordance with <中国的对外援助>: 坚持帮助受援国提高自主发展能力;坚持不附带任何政治条件;坚持平等互利、共同发展;坚持量力而行、尽力而为;坚持与时俱进、改革创新。

<sup>19</sup> 张严冰、黄莺: 《中国和西方在对外援助理念上的差异性辨析》, 《现代国际关系》2012 年第2期

<sup>20</sup> Eight Principles of Foreign Aid (对外经济技术援助的八项原则): Suggested by 周恩来 on his trip to thirteen African and Asian countries during 1963-1964 for: 1. Donor-Donee relation shall be of reciprocal, bilateral and equal. 2. Donor’s aid should be unconditional. 3. Loan should be low-interest or interest-free, with flexible maturity in favor of donee countries. 4. Donor’s aid should be for autonomous development of the donee countries. 5. Target of investment should be where involving the least amount of investment and shortest term of payback in ways favoring the donee countries. 6. Donor’s support of quality facility / equipment should be at the market price, ensuring refund and replacement of the disqualified. 7. Donor’s technical support shall ensure the transfer of technology to the technicians of the donee countries. 8. The officials from both donor and donee countries should be treated equal.

In detail, China's foreign aid is, as set forth above, means for 'Autonomous development of donee countries devoid of political preconditions', in line with the nation's 'Principles of Peaceful Foreign Relation' culminated by 'Mutual Respect of Sovereignty', contrary to the Western countries forcing modernization and trickle-down effect toward donee countries.

Plus, 'Economic development of donee countries' is the first and foremost goal of the Chinese sponsorship, granting a leeway for political ideology and stance for 'stability' as emphasized by such Chinese historic figures as Teng Hsiaoping (Non-contention Principle (不争论)<sup>21)</sup>/ Stability-first Principle (稳定压倒一切)<sup>22)</sup> and Hu Jintao (不折腾)<sup>23)</sup> <sup>24)</sup>. Such a history of development is the way how the nation fares in aiding foreign countries, as evidenced by 「Foreign Aid White Paper」 setting forth "We are to aid foreign countries in varied fields of agriculture, industry, infrastructure, public facilities, education, medical and hygiene and in promotion of donee countries' manufacture capacity, economic · social fundamental, principle education and medical industry' undoubtly divergent from Western countries.

Despite emphasis on Human Right · Democracy · Good Governance(善治), Western

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<sup>21</sup> 邓小平：“在武昌、深圳、珠海、上海等地的谈话要点”，《邓小平文选》第3卷，人民出版社，1993年，第374页。

<sup>22</sup> 邓小平：“压倒一切的是稳定”，《邓小平文选》第3卷，人民出版社，1993年，第284—285页。

<sup>23</sup> The term mentioned by then-Premier Hu Jintao at 30-year Celebration of Reforming and Opening Up. Signifies the 'reckless political and economic innovation' straying from the line of political strategy set by the Chinese Communist Party only to cause people suffer.

<sup>24</sup> “胡锦涛在纪念党的十一届三中全会召开30周年大会上的讲话”，Dec 18 '08 [http://news.xinhuanet.com/newscenter/2008-12/18/content\\_10524481.htm](http://news.xinhuanet.com/newscenter/2008-12/18/content_10524481.htm) (上网时间，Jun 1 '11)

countries mandates donee countries to accept NGO (civil societies) activities and ideological, political and social reformation while unilateral coercion of Washington Consensus and Neo-liberalism in favor of the market economy, which further sets Chinese policy apart as respecting the donee countries' originality and political stability<sup>25</sup>).

Third is the methodology of China's foreign aid, much more generous than Western countries' granting an extensive 10~15-year grace period and 20~30 years for redemption, not to mention allowing redemption in-kind helping establishing close economic relationship with donee countries. From time to time extending deadline of redemption or granting financial aid<sup>26</sup>), China is recently on course for expanding preferred loan, a strategic approach for donor's economic benefit.

Private entities are one last beneficiary as closely associating with Ex-Im Bank of China for foraying into such global market as construction of infrastructure, hospital and power generator, all of which are governed by the Bank. This as a natural consequence benefits the country of China in its entirety<sup>27</sup>).

Such a preferred loan, combined with joint venture-based aid, has helped establishing the aid principle of 'Export-oriented trade, investment and aid' in an effort to take part in numerous industrial projects and welfare establishment. Chinese low-interest loan induces the donee countries to purchase source materials, such as machineries, services and resources, from the donor country, naturally staying true to the foreign aid principle of 'more than a half of the source materials shall be China-bound' and 'Loan-involving

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<sup>25</sup> 张严冰、黄莺：《中国和西方在对外援助理念上的差异性辨析》，《现代国际关系》 Feb '12。

<sup>26</sup> Cho et al. 2005. 『북핵해결 이후 국제사회의 대북 경제지원 활성화방안』 (Seoul: Korea Institute for International Economic Policy).

<sup>27</sup> Lum, Tomas et al. 2008. "Comparing Global Influence: China's and U.S. Diplomacy, Foreign Aid, Trade, and Investment in the Developing World," Congressional Research Service.

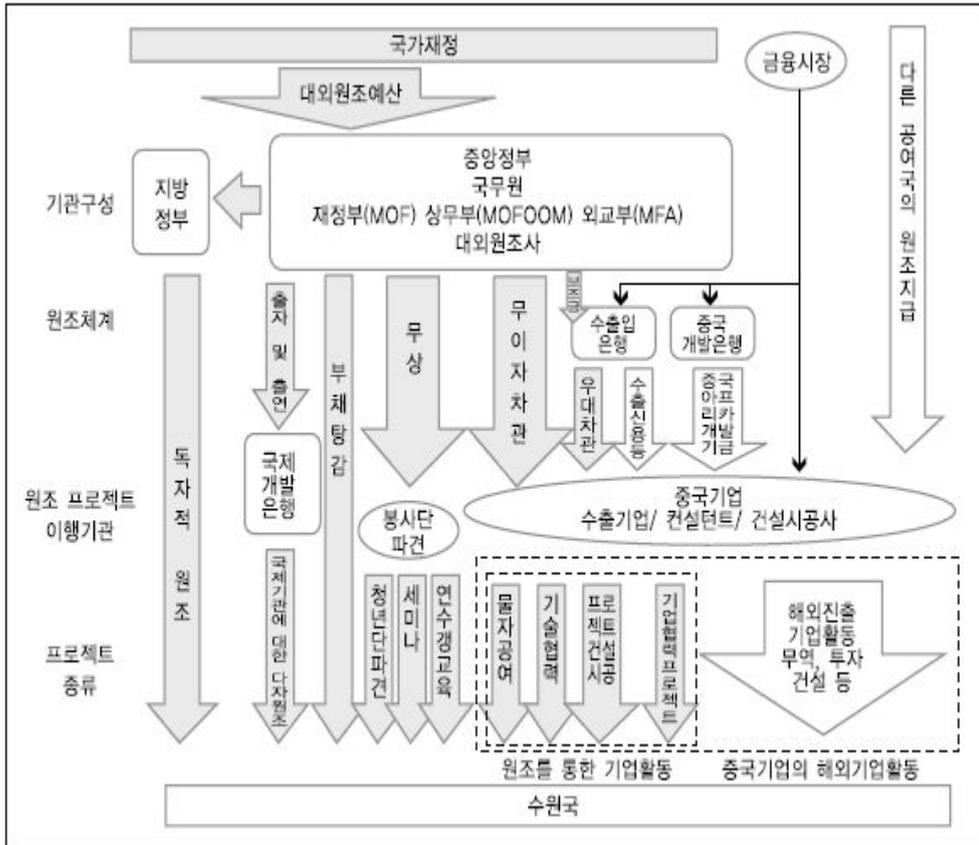
Projects shall be performed by Chinese private companies<sup>28</sup>). In other words, China's foreign aid serving as another innovative form of governmental subsidy which eventually brings about magnificent governmental and private-level benefits.

Refer to <Fig. 3-1> for the property of China's foreign aid system involving the multi-lateral consultation by and among Ministries of Finance, Commerce and Diplomacy. As mentioned above, China's foreign aid is represented not only by the conventional 'Waiver of Obligation', 'Aid with Grant' and 'Interest-free Loan' but by 'Preferred Loan' and 'Export Credit' in favor of the private companies. At the same time, however, the principle of 'Export-oriented trade, investment and aid' centralizes the political control for foreign aid to the government as the greater part of private companies in core industries are, in fact, state-run, closely associating the central government and such state-run companies in executing foreign aid policies.

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<sup>28</sup> Kobayashi, Takaaki. 2008. "Evolution ODA China's Aid Policy: JBICI Working Paper," Japan bank for international cooperation.

<Fig. 3-1> China's foreign aid System



Source: Kobayashi(2008).

## 2. Chinese Ground of Foreign Aid Policies

Taking a turn in favor of ‘socialist market economy’, China’s foreign aid policies are now more meant for the resolution of the domestic economic problem latent than altruistic approach to donee countries, apparently evidenced by the following.

## (1) Securing natural resources

Scarcity and technical limitation in developing alternative resources are what makes 'Resources Race' matter in the modern-day international relations.

The United States is no exception, as the world's superpower established 'Group for Energy Policy Development' on May '01 for NEP (National Energy Policy) Report setting forth the nation's strategic plan to establish friendly relations with such countries as Kazakhstan and Russia rich in energies. Enactment of Energy Policy Act ODA 2005 (on August) is another, setting 'energy security' for the first and foremost goal, which later supplemented by Energy Independence and Security Act '07 defining the energy crisis as 'crisis'.

Where the energy crisis comes critical is Japan, the world No.3 consumer of energies resting on imports for the greatest part of energy demand. Settling legal grounds by pay of enacting Basic Energy Plan '03 (Oct) and Energy Strategy '06 (May), Japan jumped into action by taking part in the development of gas mines in East China Sea, solidifying diplomatic relations with well-resourced countries and varying the source of energy supply, all representing the nation's strategic and comprehensive approach for energy security.

Emergence of Chinese diplomacy was something engaging attention, in the thick of resources race, as the Asian giant tallied 9.9% annual growth over more than 30-year span (1979~2010) of reforming and opening up marking World No.2 in scale of economy.

That what drives Chinese economy is energy-oriented manufacture industry causes energy insecurity one of the lasting problems, not to mention demanding greater natural resources and source materials, being drivers of economy, than any other nations. As we

may find China topping the United States no later than Year 2020, according to one of the noted economic institution<sup>29)</sup>, the energy security of China may come significant not only for sustenance of economy but for political stability and ‘Good Governance’<sup>30)</sup>. Taking a turn for ‘consumption’ deviating from the conventional investment · export-oriented economy, it goes without saying that energy demand will continually be trending upward, for infrastructure, etc., by which the energy security is the kernel of what the Chinese Socialist Government advocates by ‘performance legitimacy’<sup>31)</sup>.

As for the Chinese energy security, the nation has long been in excess of 55% in dependence to petroleum import, projected to be jumping up to 79% until Year 2030, despite being World No. 2 consumer of petroleum (10.4%, as of ‘09) just a fraction shy of the United States. Also being a World No.1 in coal consumption (46.9%) by plenty thanks to the dependence on the primary industry and emerging as a natural gas importer (4%, as of ‘09), China susceptibility to the energy security will go nowhere but getting deepen.

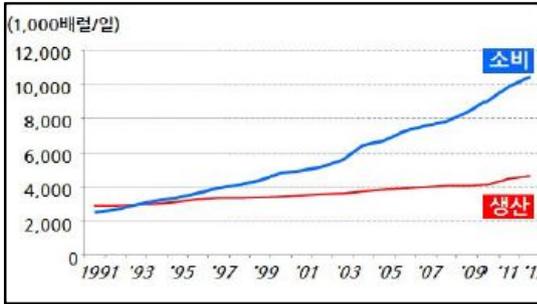
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<sup>29)</sup> ‘IMF’ and ‘Economist’ projected Chinese economy surpassing US as from ‘16 and ‘18, respectively. Projection by Economist on assumptions of (1) Annual Chinese GDP Growth at 7.75% (2) Annual US GDP Growth at 2.5% (3) Annual Chinese Inflation at 4% (4) Annual US Inflation at 1.5% (on condition of 3% annual appreciation of Yuan) (Ministry of Ministry of Strategy and Finance, <2020년 세계경제 5대 관전 포인트>, Feb 6 ‘12)

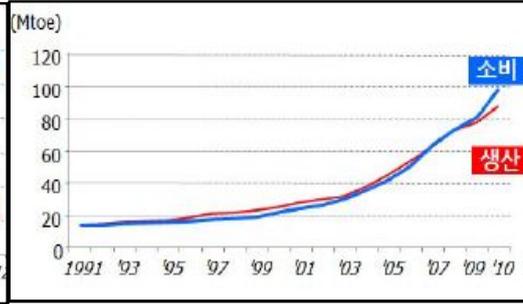
<sup>30)</sup> Steinfield, E.S.(2008). Energy Policy. In Yusuf, S. & Saich, T. (Eds.), *China Urbanizes: Consequences, Strategies and Policies* (pp.125-156). Washington, DC: The World Bank.

<sup>31)</sup> So-called such ‘Energy Elites’ as the chiefs of state run energy companies are politically on the rise. The Rise ODA the Energy Faction in Chinese Politics. *China Brief*, 11(7), 1-13)

<Fig. 3-2> Petroleum Consumption/  
Production: China

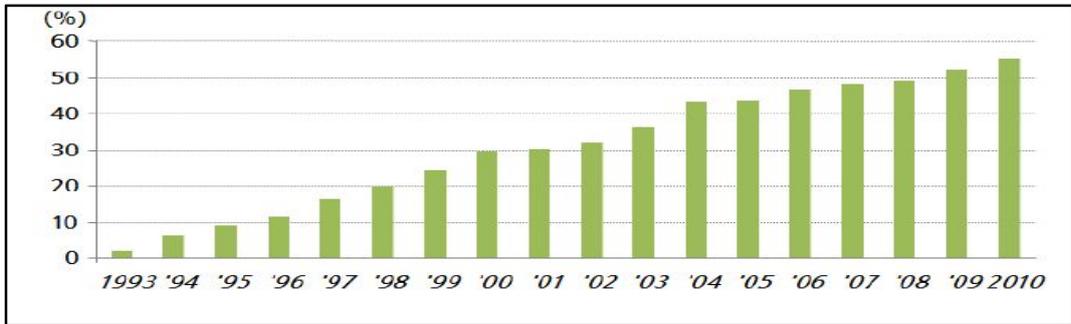


<Fig. 3-3> Natural Gas Consumption/  
Production: China



Source: EIA, International Energy Statistics; BP; SERI 경제포커스 (2011. No.341; data reproduced)

<Fig. 3-4> Dependence to Petroleum Import: China



Source: EIA, International Energy Statistics; BP; SERI 경제포커스 (2011. No.341; data reproduced)

While the energy-oriented economy poses a problem of energy security for sustainability's sake, 『Chinese Energy Security White Paper』, set forth in December 26 '07, describes Chinese political orientation on energy as follows:

“We are to save as much energy, in development of sources of energy and scientific

development ... solidifying international relations for the good of energy security.”<sup>32)</sup>

, which signifies the Chinese energy policy (1) orients ‘Save First, then Efficiency, then Development’, (2) is meant for political reformation for legal ground, (3) for sustainable development of resources by political renovation for energy-saving, (4) for the good of energy management capacity and securing implementation of strategies, (5) for promotion of energy-oriented diplomacy in variation of source of import and (6) preparation of energy safety / demand prediction system<sup>33)</sup>.

Chinese government has jumped into action, domestically and internationally, as the energy-needy established the energy-competent authority<sup>34)</sup> (能源领导小组, governed by then-Premier Wen Jiabao)<sup>35)</sup>, political background of ‘Chinese New Millennium Policy for Petroleum Procurement’ (Nov ’02) for investment totaling up to USD 100 billion for a 20-year span and Ministry of Energy (国家能源局, governed by National Development & Renovation Committee), in unification of the energy management businesses for energy procurement, overseas energy development, etc.

As for international affiliations, China joined IEF, WEC and APEC for multi-national communication among energy consumers, as well as establishing Shanghai Petroleum Trade Center joined by such state-run companies as CNPC, SINOPEC and CNOOC on

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<sup>32)</sup> 中华人民共和国国务院新闻办公室, 『中国能源白皮书: 中国的能源状况与政策』 (2007) [http://www.gov.cn/zwgc/2007-12/26/content\\_844159.htm](http://www.gov.cn/zwgc/2007-12/26/content_844159.htm), Date retrieved: Oct 20 ‘12

<sup>33)</sup> 董秀丽, 世界能源战略与能源外交·总论, 北京: 知识产权出版社, May ‘11

<sup>34)</sup> Chinese Energy Bureau (国家能源局): Established in 2010 in accordance with 《国务院关于部委管理的国家局设置的通知》 (国发[2008]12号) administered by National Development and Reformation Committee.

<sup>35)</sup> Chinese Energy Bureau (国家能源局): Established in 2010 in accordance with 《国务院关于部委管理的国家局设置的通知》 (国发[2008]12号) administered by National Development and Reformation Committee

Year 2006 in the nation's effort to secure resources approaching one step closer to the international petroleum market<sup>36)</sup>.

What leads China to make effort to secure energy is, after all, 'getting into the no man's land' by supporting the destitute countries rich in resources, being part of the nation's proactive aids favoring African countries, as set forth in a policy declared on January '06 "We are to procure African resources in search of mutually favorable development by varying points of international contact."<sup>37)</sup>

Evidenced to take effect, such an effort involves 'aid-for-grant' sponsorship favoring the destitute countries and getting one step ahead over the energy-yearning competitors at the same time, the very reason why such a China-esque approach is worth studying.

#### 1) Geographic Property for Securing Natural Resources

Where the China's foreign aid principle stems from is standing still, since the declaration of Eight Principles of Foreign Aid '64, while adopting region specific policies.

According to 「Foreign Aid White Paper」, being the sole and only official statement made by the Chinese government, the nation is affiliated with a total of 30 countries in Asia, 51 in Africa, 18 in South America and 12 in Eastern Europe for a total of 123 countries, causing 80% of investment concentrated to Asian and African countries analyzed as follows:

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<sup>36</sup> Ibid.

<sup>37</sup> Kwon, **중국의 대외원조정책과 추진체제**, Korea Institute for International Economic Policy, 10-10, 2010

## A. Aid to African Countries

When there exist varied opinions on purpose of foreign aid, what signifies the term ‘foreign aid’ within the continent of Africa is one of the essential means in securing energies and resources rich out there<sup>38)</sup>. With a few African countries rich in resources left undeveloped, the region becomes in the limelight to replace the world’s petroleum capital of Middle East Asia. That the greatest part (99 bil) of a total of 125.6 billion barrels estimated remains developable in such OPEC member countries as Angola, Algeria, Libya and Nigeria, causes the African nations to serve as big-time suppliers faring in the petroleum market, not to mention non-OPEC Congo, Sudan and Egypt.

<Table. 3-1> Notable Energy · Mineral Producing Countries

Category	Leader	Runner-up	2 <sup>nd</sup> Runner-up	3 <sup>rd</sup> Runner-up	4 <sup>th</sup> Runner-up	Share of African countries (%)
Petroleum	Saudi Arabia	Russia	US	Iran	China	12.4
Natural Gas	Russia	US	Canada	Iran	Norway	7
Plastics	<b>RSA</b>	Russia	US	Canada	Others	88
Manganese	<b>RSA</b>	Ukraine	<b>Gabon</b>	India	China	82
Cobalt	<b>DR OF Congo</b>	Cuba	Australia	US	<b>Zambia</b>	41
Gold	<b>RSA</b>	Australia	Peru	China	US	40
Vanadium	China	<b>RSA</b>	Russia	US	Others	32
Cesium	Canada	<b>Zimbabwe</b>	<b>Namibia</b>	-	-	29
Aluminum	Australia	<b>Guinea</b>	<b>Jamaica</b>	Brazil	China	26
Titanium	China	Australia	<b>RSA</b>	India	Norway	17
Chrome	Kazakhstan	<b>RSA</b>	India	US	Others	11

Source: British Petroleum Statistical Review (Jun ‘09),

<sup>38</sup> Ahn. “아프리카 지역에서 중국의 ODA 정책과 에너지 외교 연계 마스터 전략: 성공 요인과 한계점 분석. 『東西研究』 Issue 1, Volume 24 (2012)

That the greatest portions of reserves are left undeveloped, save Nigeria, Republic of South Africa and some of few favored by investment on infrastructures, and lop-sided development in petroleum, gold and manganese makes the ‘continent of abundance’ even more prospective.

<Fig. 3-5> Southern Saharian Reserves



Source: UNEP/GRID 2006

Never enjoying the benefit of development, the greatest part of African continent is devoid of infrastructure (road network, utility, communication, etc.), lasting political · social instability, less than transparent governments and geographical distance. What is notable, among others, is the continent’s conservative mindset against foreign investment

as colonized by Western countries over two-century span (19C~20C) and secured ownership of mines by way of nationalization as a consequence. Further solidifying resource ownership over 00's, the continent, in its entirety, is still conservatism-dominant.

Donor countries are not free from the responsibility, as their multiple cases of default against African countries served as one of the most significant contributors of destitution. According to DATA (Debt, AIDS, Trade in Africa), a private organ meant for eradication of poverty, one-third of what should have been worth USD 25 billion, as promised by G8, had actually been invested over the six-year span of 2005 ~ 2010<sup>39)</sup>.

Favored by such bad credits, China is very proactive in foraying into African countries as from time to time defeated by the highly experienced Western countries and the United States in other battlefields of Middle East Asia and Caspian Sea Basin for meeting the high demand of energy, being first and foremost goal for last few years. In other word, the continent of Africa is a land of opportunities for China, as evidenced by a report published in the United States<sup>40)</sup>.

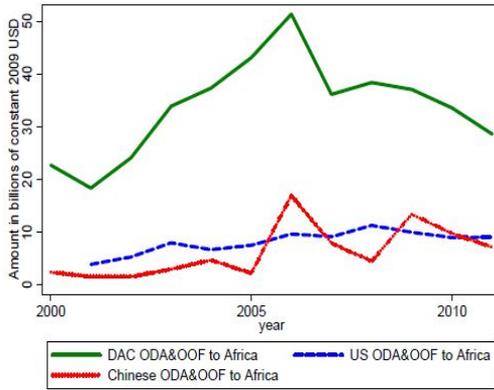
Plus, refer to the following <Fig. 3-6> and <Fig. 3-7> for comparison of official flows among China, DAC and US, demonstrating Chinese emergence since late '00 competing with US within the striking distance. From the perspective of ODA, China is capable of vying with US and non-US DACs in the amount of ODA to Africa:

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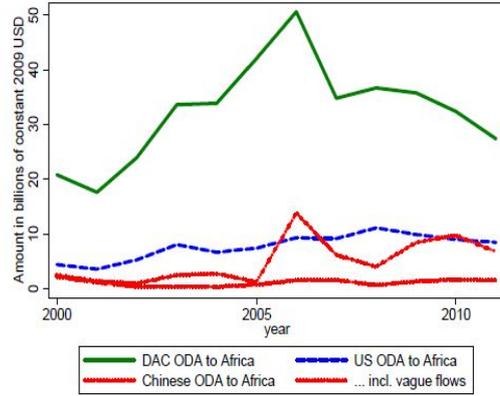
<sup>39)</sup> Kim. “아프리카 자원개발 현황 및 시사점”, 『해외경제·투자정보』. Ex-Im Bank of Korea Foreign Economy Institute, Jun 26 '09

<sup>40)</sup> Austin Strange, Bradley Parks, Michael J. Tierney, Andreas Fuchs, Axel Dreher, and Vija ya Ramachandran, 2013, China's Development Finance to Africa: A Media-Based Approach to Data Collection, *Center for Global Development, Working Paper 323*, April 2013

<Fig. 3-6> Chinese, DAC, and US Official Flows (2000-2011)



<Fig. 3-7> Chinese, DAC, and US ODA (2000-2011)



Source: AidData's Chinese Official Finance to Africa Dataset, Version 1.0 and OECD DAC Creditor Reporting System

Comparison with any other donor countries than US even more solidifies the evidence of China making a foray into African countries. Here, Chinese strategy somewhat varies from the conventional donors including France, England and Japan who are also upping ODA to African continent, in that 'humanitarianism' comes into play. To be more specific, refer to the following for what sets China apart:

First of all, China invests on 'where it is worth'. As <Table. 3-2> and <Table. 3-3> represent the collation of the unofficial data on China's foreign aid, it is crystal clear that China's foreign aid is bound for where reserving petroleum.

Refer to <Table. 3-2> for China's foreign aid bound for petroleum-exporting countries, save Mozambique, including Angola, Sudan, Gabon and Nigeria featuring high reserve and R/P ratio. Plus, see <Table. 3-3> for five notable beneficiary of Development Bank of China and CADF, all of which are falling within <Table. 3-2> and thus evidencing Chinese interest in such African natural resources as petroleum and minerals.

<Table. 3-2> China's foreign aid to African Countries and Projects Involved (2002-2007)

(Unit: USD100mil, 1 bilion barrel, %)

Ctry	Notable Export	Amount Promised / Credit Limit	Reported Category of Aid	Reported Subject Project of Aid	Petroleum Reserve <sup>41)</sup>	R/P Ratio <sup>42)</sup>
Angola	Petroleum	7,400,000,000	Loan, Interest-free Loan, Credit Limit	SOC (Railroad)	9.0	14.4
DR of Congo	Petroleum Minerals	5,000,000,000	Loan	SOC, Mining	-	-
Sudan	Petroleum	4,200,000,000	Loan, Gov'tal Subsidy	Refinery, Hydropower, Humanitarian	6.6	39.7
Gabon	Petroleum Minerals	3,000,000,000	FDI, Gov'tal Subsidy	Iron Ore Mine, etc., Harbor, SOC, Hydropower	2.0	23.8
Mozambique	Lumber Ores	2,400,000,000	Debt Write-off, ODA, Gov'tal Subsidy	Dam, SOC, Stadium	-	-
Equitarian Guinea	Petroleum	2,000,000,000	ODA, Credit Limit	Unknown	-	-
Ethiopia	Petroleum Mining Right	2,000,000,000 (incl 150,000,000 on '08)	Loan, Gov'tal Subsidy, FDI	SOC, Electricity, Communication, Public Construction, Hydropower, Light Industry	-	-
Nigeria	Petroleum	1,600,000,000	Debt Write-off, FDI, Gov'tal Subsidy	Maritime Petroleum Development, SOC (Railroad), Medical, Education	36.2	42.1

Source: NYU Wagner School, Understanding China's foreign aid: A Look at China's Development assistance to Africa, Southeast Asia, and Latin America, April 25, 2008, data reproduced by Ahn (2012)

<sup>41</sup> Source: BP, BP Statistical Review ODA World Energy 2008 (2008), data reproduced by Kim-Cheon (2009).

<sup>42</sup> Refers to the ratio of the amount produced to the confirmed reserve.

<Table. 3-3> Top 5 Beneficiary of China Development Bank and CADF and Projects  
(2000-2008)

(Unit: USD100mil)

Ctry	Notable Export	Amount Funded	Reported Subject Project of Aid	Rank in Chinese Petroleum Trade Volume (as of 2010)
DR of Congo	Petroleum, Minerals	8.5	Infrastructure, Mine, Optical Fiber, Communication	-
Angola	Petroleum	3.2	Energy, Waterworks	2 <sup>nd</sup>
Mozambique	Lumber, Ores	2.63	Dam / Factory, Infrastructure, Mine	-
Nigeria	Petroleum	2.6	Dam / Power Plant, Communication, Education	-
Sudan	Petroleum	2.1	Dam / Power Plant	6 <sup>th</sup>

Source: Davies M. et al.(2008), "How China delivers development assistance to Africa," Centre for Chinese Studies, University ODA Stellenbosch.

As for France and the Great Britain, however, resource reservation is not a primary factor, as evidenced by eight of the top ten donee African countries of France used to be colonized by the nation, save Egypt<sup>43</sup>). Despite rise of Nigeria, Democratic Republic of Congo and Egypt regional powerhouse and resource-rich nations, the greatest part of the donee countries of French are, as represented in <Table. 3-4>, former colonies. Plus, as represented in <Table. 3-5>, not all the amount of resources reserved are proportionate to

<sup>43</sup> Top 10 African beneficiaries of French ODA breaks down, in order of cumulative rank during 1960~2009, Ivory Coast, Algeria, French Polynesia, Morocco, New Caledonia, Senegal, Cameroon, Egypt, Mayotte, PR of Congo. 2008

the amount aided by the Great Britain either, the greatest part (40%) of which are invested in the form of social infrastructure such as education and health care facilities.

<Table. 3-4> Notable African Beneficiaries of French ODA

(Unit: USD1mil)

Rank	'60s	'70s	'80s	'90s	'00s	'05~'09
1	Algeria	Algeria	Morocco	Ivory Coast	Nigeria	Nigeria
2	Morocco	Morocco	Senegal	Egypt	Mayotte	Mayotte
3	Senegal	Senegal	Ivory Coast	Cameroon	Ivory Coast	PR of Congo
4	Madagascar	Ivory Coast	Cameroon	Senegal	Morocco	Ivory Coast
5	Tunisia	Tunisia	Madagascar	Morocco	Senegal	Morocco
6	Ivory Coast	Cameroon	Mali	Algeria	Cameroon	Cameroon
7	Cameroon	Chad	Central African Rep.	Madagascar	PR of Congo	Senegal
8	Niger	Niger	Gabon	PR of Congo	DR of Congo	Tunisia
9	PR of Congo	PR of Congo	PR of Congo	Mayotte	Tunisia	Algeria
10	Chad	Burkina Faso	Egypt	Burkina Faso	Algeria	Burkina Faso

Source: OECD/DAC(2010).

<Table. 3-5> Notable African Beneficiaries of British ODA

(Unit: GBP1mil)

2007			2008			2009		
Rank	Ctry	Amt	Rank	Ctry	Amt	Rank	Ctry	Amt
1	India	255	1		353	1	India	334
2	Ethiopia	146	2	India	339	2	Ethiopia	220
3	Nigeria	143	3	Afghanistan	178	3	Afghanistan	208
4	Afghanistan	134	4	Pakistan	144	4	Sudan	187
5	Bangladesh	123	5	Tanzania	141	5	Bangladesh	160
6	Tanzania	116	6	Ethiopia	140	6	DR of Congo	144
7	Sudan	103	7	Bangladesh	140	7	Pakistan	139
8	Pakistan	99	8	Sudan	110	8	Tanzania	139
9	Uganda	84	9	Mozambique	109	9	Nigeria	121
10	China	81	10	DR of Congo	107	10	Ghana	99

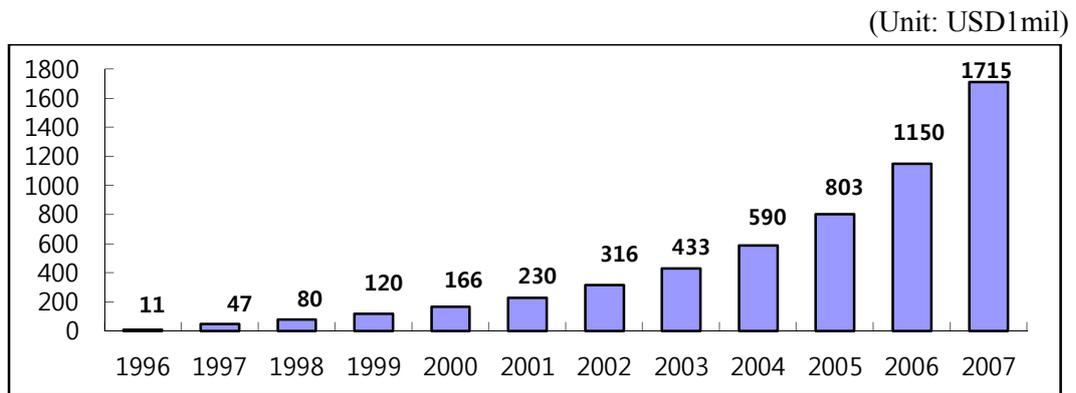
Source: Department for International Development (DFID)

Next is a strategy factor. Since Year 1990 from which the practicality factor came into play to replace the factor of ‘ideology’, China’s foreign aid to African countries set itself apart from that of Western countries by practically helping the needy countries out by ‘actuating liberation of the Third World’ and ‘Intercontinental cooperation’ while staying true to humanitarianism.

Chinese approach to the African nations in recent years, however, very much resembles what Japan did to China few decades ago where the nation takes part in light-duty supports as tech · administrative support and joint venture business to give private companies a leeway to get in, capitalizing on the state-wise low-interest loan and joint

venture arrangement. As for SOC projects, the nation established Ex-Im Bank of China on 1994, the very year the Bank has offered ‘preferred ODA to African countries’ as set forth in <Fig. 3-8>. Evidencing the drastic increase year to year,<sup>44)</sup> it is nothing but about the Chinese intent to take advantage of its chance to aid donee countries.

<Fig. 3-8> Cumulative Amount of Preferred Loan offered by Ex-Im Bank of China to African Countries (1996-2007)



Source: Ex-Im Bank of China

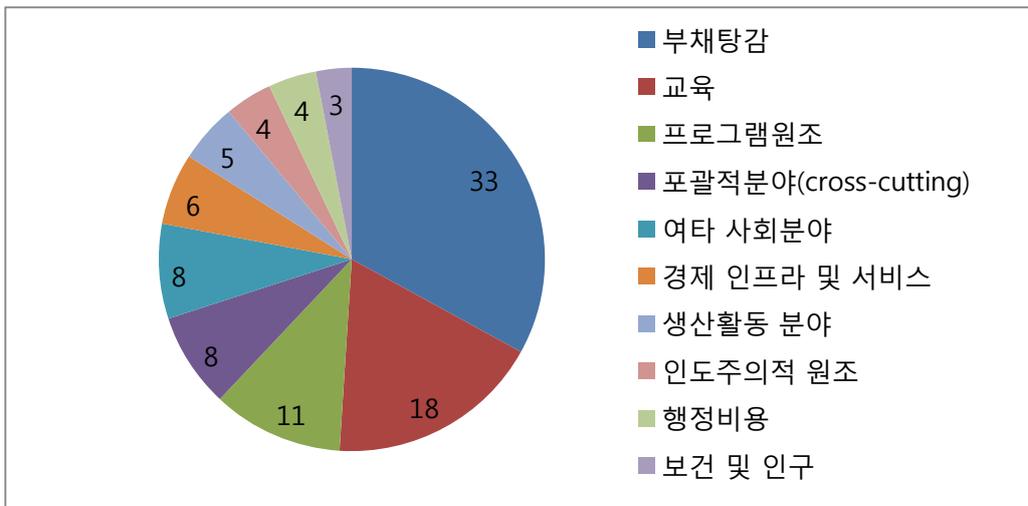
Western countries, France and the Great Britain in particular, while taking advantage of the near-exclusive authority in their former colonies for tangible benefits are helping the donee countries out with much more humanitarianism, as evidenced by then-president Nicolas Sarkozy’s effort to lead donor countries to agree upon upping GNI-to-ODA to 0.7% in UN Summit ’02 (Monterey, Mexico) and the nation’s Foreign Affairs Ministry’s lines of policy being ‘sustainable growth’, ‘eradication of poverty and inequality’,

<sup>44</sup> Deborah Brautigam, *The Dragon’s Gift: the Real Story ODA China in Africa*, Oxford University Press, 2009, pp. 167-171

‘preservation of public goods’ and ‘stability and constitutionalism’. See <Fig. 3-9> for sectoral classification of French foreign aids, evidencing the nation’s effort to development of African society by way of ‘remission of debt’ and ‘education’, spending (6%) on ‘infrastructure’ and ‘SOC’ not as much as China

The Great Britain is very much of the same, as the nation’s foreign aids are also resting on such humanitarian supports as ‘Health’, ‘Education’ and ‘Human Resources Development’, setting itself apart from Chinese investment on SOCs. Under the banner of ‘eradication of poverty’ (Millennium Development Goals, etc.) the Great Britain just helps its fellow African countries out in a humanitarian way. Refer to <Fig. 3-10> evidencing humanitarian supports to Ethiopia and Sudan, ranked No. 2 and No.4 in donee countries of the Great Britain, with scarce support on SOCs:

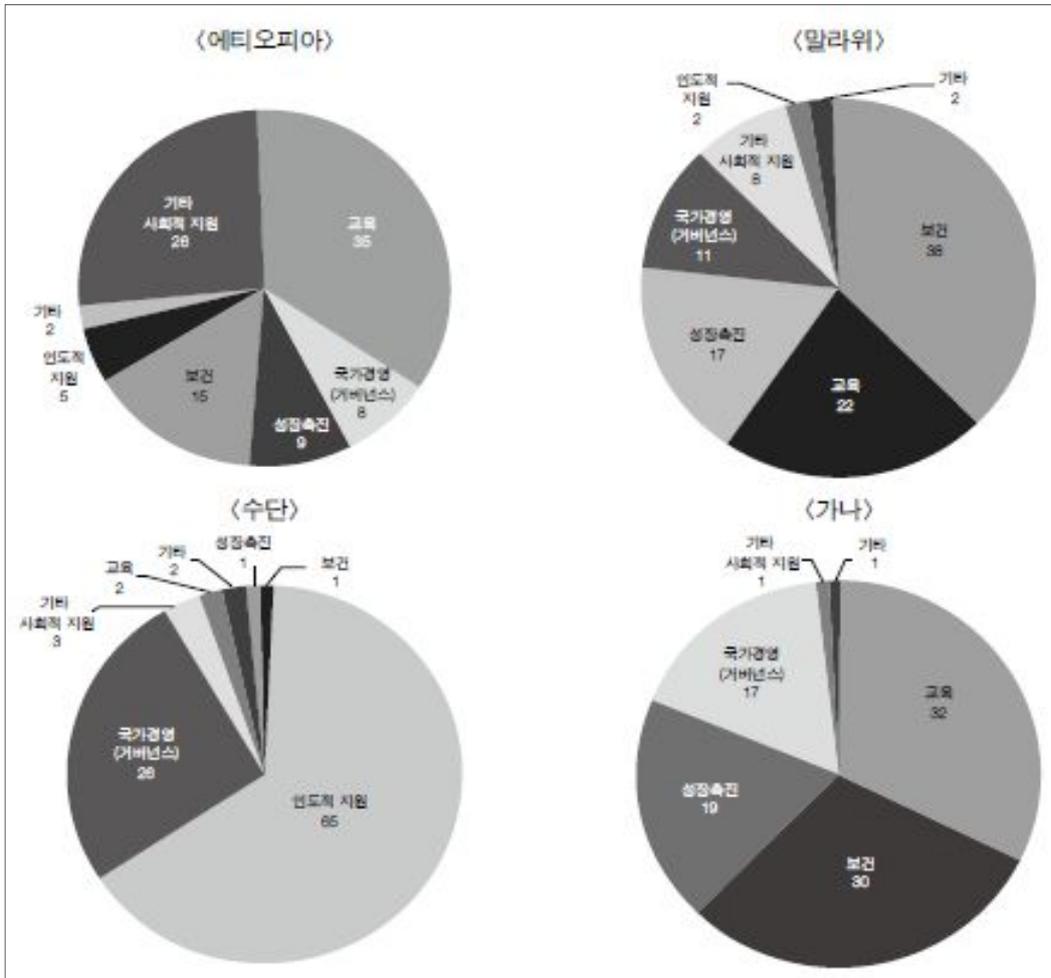
<Fig. 3-9> Sectoral Classification of French Foreign Aids to African Countries  
(Unit: %)



Source: OECD/DAC (Multi-year average over 2005~09).

<Fig. 3-10> Sectoral Classification of British Foreign Aids to African Countries

(Unit: %)



Source: DFID(2010).

Last but not is the resource procurement. Contrary to the Western countries and petroleum giants producing, refining and selling petroleum within the oil-producing countries, China brings the produce back to the mainland, due not only to the resource scarcity but the nation's resource-oriented foreign aid strategy.

Overall, China tries to take all what it need, from the political and diplomatic benefits to energy security with an evidently strategic approach.

## B. Aid to Asian Countries

China takes a different line of policy for aiding Asian countries, represented by ‘multi-lateral approach’ for Central Asian countries, as the nation establishes Shanghai Cooperation Organization (SCO) for energy security out there, while retaining its active membership at CICA(Conference on Interaction and Confidence-Building Measures in Asia). While apparently varying the strategy when considering aid to African countries<sup>45</sup>, it is demanded that China should further vary within the continent of Asia for regional differences (South-east / Middle-east / Central).

Somehow, China’s foreign aid to Asian countries can also be summed up by the two different purposes of ‘Development of energy sources and building transport infrastructure’ and ‘foray into energy-producing countries’ by region.

As for the first purpose, causing Central Asian countries falling into both purposes and Middle-east Asian countries sources of energy, refer to <Table. 3-6> and <Table. 3-7> evidencing the sum of petroleum productions of Middle-east Asian countries even short of the Chinese mainland for an eleven-year span from 1999 to 2009. Then-Indonesia, for example, accounted for 1.3% of the global petroleum production to be the largest producer of petroleum in Middle-east Asia but consumed much more than that, only to suffer its own petroleum shortage since Year 2004. Malaysia, the second largest, was just ‘making the ends meet’ as well, much of the same for the rest.

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<sup>45</sup> Kim and Cheon “중국 자원외교의 다자주의와 양자주의: 중앙아시아 및 아프리카에 대한 중국 자원외교 비교. Issue 1, Volume 13 of International Research of Regions, Apr 30 ‘09 pp. 107~134

<Table. 3-6> Amount of Petroleum consumed by the Notable South-east Asian Countries (2000-2009)

(Unit: million TON)

Ctry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Share in Total Consumption '09 (%)
China	223.6	227.9	247.4	271.7	318.9	327.8	346.1	362.8	375.7	404.6	10.4
Indonesia	50.7	51.6	54.2	54	58.1	58.2	55.2	56.4	57.4	62	1.6
Malaysia	20.1	20.3	22.1	21.7	22.4	21.5	21	22	21.8	21.4	0.6
Philippines	16.6	16.5	15.5	15.5	15.9	14.8	13.3	14	13.4	12.1	0.3
Singapore	33.5	36.4	35.5	33.9	38.1	40.9	44	47.4	49.9	52.1	1.3
Thailand	31.7	30.6	33.1	35.1	39.1	40.4	39.3	38.2	36.7	44.2	1.1

<Table. 3-7> Amount of Petroleum produced by the Notable South-east Asian Countries (2000-2009)

(Unit: million TON)

Ctry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Share in Total Production '09 (%)
China	162.6	164.8	166.9	169.6	174.1	180.8	183.7	186.7	195.1	189	4.9
Indonesia	71.5	68	63	57.7	55.2	53	49.9	47.4	49.9	49	1.3
Malaysia	33.7	32.9	34.5	35.6	36.5	34.4	33.5	34.2	34.6	33.2	0.9
Vietnam	16.2	17.1	17.3	17.7	20.8	19.4	17.8	16.4	15.4	16.8	0.4
Thailand	7	7.5	8.2	9.6	9.1	10.8	11.8	12.5	13.3	13.6	0.4

Source: <Table. 3-6>, <Table. 3-6>, 申险峰著, 世界能源战略与能源外交. 《亚洲卷》. 知识产权出版社. May '11

In terms of transport infrastructure, however, it is a totally different story as the security of seal lanes is something that China should ensure for its life. In other words it is a 'life line' for the sustainable Chinese economy. Not to mention South China Sea for sovereignty of islands, there are Malacca Straits and Bashi Straits, through which a quarter of world's maritime transports pass, linking the Chinese mainland to the Indian Ocean. Furthermore, the importance of Malacca Straits cannot be emphasized enough as

about 80% of the petroleum sources are imported therethrough, on its way to South China Sea. Considering the geopolitical inferiority of china conflicting with Philippines, Vietnam, Malaysia and South-east Asian countries, not to mention the United States and Japan competing, for sovereignty of oceans. Such an importance was also mentioned by then-Premier Hu Jintao on late '03, as the upright leader coined the word “马六甲困局”<sup>46)</sup>, in emphasis of the security of Malacca Straits.

<Fig. 3-11> Malacca Straits: Overview



Source: China Briefing Magazine and Daily News Service.

<http://www.chinabriefing.com/news/2009/03/18/china's-string-ODA-pearls-strategy.html>

(Accessed 25 May 2011)

Chinese jumped into action for the alternative, as the nation planned out, as led by Asian Development Bank (ADB), Greater Mekong Subregion Project in development of

<sup>46)</sup> Hu mentioned ‘马六甲困局’ for the first time as to relation between petroleum & finance and the Chinese economic security, at the closing ceremony of the National Meeting for Economic Affairs, in need of the development of new transportation route for petroleum upon Western dominance at Malacca.

Mekong-basin countries of China, Myanmar, Vietnam, Laos, Thailand and Cambodia and, more importantly, a whole-new ground transport route. Summits of GMS countries have held a triennial meeting since Phnom Penh Summit '02, represented by Kunming Declaration on July 5 '05 to ensure a development worth USD 25 billion and construction of a total of five international highways to which China promised financing USD 10 billion and establishment of infrastructure. Among others, one project (comprising Routes of North-South and East-West and Southbound Route<sup>47)</sup>) linking the Chinese mainland and Indochina Peninsula is in the conclusive phase, a part of which ensures pan-Asian transport network linking China-Myanmar-Laos-Vietnam (Route of North-South)<sup>48)</sup>. Finalizing this may eventually set the nation ensuring sea lane straight away from the Middle-east Asia and African Continent to Kunming, detouring Malacca Straits in avoidance of the United States and Japan.

Another notable is an international rapid transit railway linking Southern China, Laos and Thailand, in '10, projected to serve as an entryway to Indian Sea when extended southbound toward Myanmar, Malaysia and Singapore to conclude 3,900km-extent rapid transit. Out of the total cost of construction worth USD 7 billion, China suggested the payment scheme comprising 70% of direct financing, with the rest involving Ex-Im Bank of China funding to the government of Laos on condition of redemption in such resources as copper and sylvite<sup>49)</sup>.

These are few of the Chinese efforts in security of maritime and ground routes in the

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<sup>47)</sup> Broadly classified into North-South and East-West and Southbound. North-South linking China-Myanmar-Laos-Vietnam, East-West (I, II) linking Vietnam-Laos(or Cambodia)-Thailand-Myanmar and Southbound linking Vietnam-Cambodia-Thailand

<sup>48)</sup> Lee, “동남아에 대한 중국 전략: 현황과 대응”, Jeju Peace Institute, No. 2010-7/ Mar '10

<sup>49)</sup> Chosun Ilbo (Daily). “인도양 향하는 3900km 중고속철, 라오스서 꺾기”. Jan 3 '13

territory of South-east Asia, culminated by the foreign aid thereto. Refer to <Table. 3-8 for sectoral classification of China’s foreign aids to South-east Asia, most of which are resting upon ‘Infrastructure’, barely funding for ‘natural resource development’.

<Table. 3-8> Reported PRC Aid by Type and Region,  
2002-2007

(Unit: USD1mil)

	<b>Africa</b>	<b>Latin America</b>	<b>Southeast Asia</b>
Natural Resources Extraction/Production	9,432	18,585	4,788
Infrastructure/Public Works	17,865	7,535	6,438
Not Specified/Other	5,024	608	2,276
Humanitarian	802	32	159
Military	4	0	170
Technical Assistance	10	1	3

Source: NYU Wagner School, Understanding China’s foreign aid: A Look at China’s Development Assistance to Africa, Southeast Asia, and Latin America, April 25, 2008.

Notes: Annual totals represent announced loans and other reported aid and economic projects using PRC financing.

Next is a foray into energy-rich resource countries, particularly to Central Asian countries ranked No.2 in petroleum and natural gas reserves to trail only Middle-east Asia. On top of Kazakhstan and Uzbekistan rich in such mineral resources as coal, uranium, zinc and gold, The Central Asian continent is a rich repository of natural resources, with Kazakhstan being the second largest reserve of mineral resources among the former Soviet Union countries producing a total of three ferrous metals, 29 nonferrous metals and 84 industrial minerals. Its 100 million-ton chrome production and 430,000-ton

uranium production are ranked world No.2. As for Uzbekistan producing a total of 100 different minerals and situating world's largest gold mine, its 5.3-ton gold reserve and 65,000-ton uranium reserve are ranked third and eleventh in the world, respectively. As for Kyrgyzstan, the less-known Central Asian country is also rich in gold and jewelry-worthy minerals. Refer to the following for petroleum and gas reserves by Central Asian Countries:

<Table. 3-9> Petroleum Reserves in the Central Asia

(Unit: 100 million Barrel)

Ctry / Yr	2002	2003	2004	2005	2006
Kazakhstan	396	396	396	398	398
Uzbekistan	6	6	6	6	6
Turkmenistan	5	5	5	5	5
Azerbaijan	7	7	7	7	7

Source: Central Asia Section, Energy Industry Export Committee, 『중앙아시아 에너지 산업 진출전략』 (Korea National Oil Corporation, 2007), pp. 68ff.

<Table. 3-10> Gas Reserves in the Central Asia

(Unit: Tcf)

Ctry / Yr	2002	2003	2004	2005	2006
Kazakhstan	105.9	105.9	105.9	105.9	105.9
Uzbekistan	63.32	65.67	65.67	65.32	66.01
Turkmenistan	102.4	102.4	102.4	102.4	100.96
Azerbaijan	48.4	48.4	48.4	47.66	47.66

Source: *Ibid*

Note that the greatest part of these reserves are left undeveloped, due mostly to the capital and technical shortages, the very reason why these countries are regarded as 'profitable subject of aid'. Since the collapse of the Soviet Union actuating power vacuum in Central Asia, resource affluences across the region are up for grabs for scores of donor countries desperately demanding energy sources.

China came into play here since '90, as the newly emerged donor country deems the Central Asian region a strategic point for not only energy transfer<sup>50)</sup> but source of energy. In an effort to varying sources of energy import, as set forth in the foresaid White Paper, China came to import, as of Year 2007, 15% of energies from the Central Asian countries and 30% from the African countries to ease dependence to East-Asia to 40% from the previous 60%.

Chinese foray into the Central Asian countries comprises a total of three phases, commencing from Phase 1 lasting from Apr '94 to Sep '97 during which China built up friendly relations with the newly independent countries for the political and diplomatic intimacy. Then-China's foreign aid, given out in the form of aid-for-grant and preferred loan, to countries fresh off the Soviet Union was of a great help, culminated by then-Premier Li Feng promising aid of CHY 1.5 million on his visit to Kyrgyzstan and Kazakhstan in '94 and the former leader Jiang Zemin ensuring property aid worth CNY 300,000 to Uzbekistan and aid of the same worth of money to Kyrgyzstan in '96.

It was not until Phase 2 that China revealed 'will for resources' as then-Chinese government agreed upon petroleum and gas development in Kazakhstan, a stepping stone for foray into the Central Asian countries. China beefed up aiding the Central Asia as the

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<sup>50)</sup> Particularly in fields of petroleum / gas pipeline construction projects.

former Vice-premier Chen Chi Chen visited Turkmenistan and Tajikistan for CNY 10 million aid-for-grants on Jun '99, later culminated by ODA to Kazakhstan worth CNY 100 million on July '99 and Jiang Zemin's offer of preferred loan worth CNY 100 million to Turkmenistan on July '00.

Phase 3, having lasted since June '01, is represented by the establishment of Shanghai Cooperation Organization (hereinafter referred to as SCO) on June '01 in provision of full-scale buyer credits to establish fundamental for continual increase in ODA. The former Premier Hu Jintao, on June '04 SCO Summit, stayed true to its promise, as contracted with SCO member countries on September '03 (成员国多边经贸合作纲要) as deciding to offer buyer credits worth USD 900 million (Russia took part herein, comparatively mere). In the ensuing SCO Summit on June '06, then-Chinese government spared no effort in promoting joint projects by way of full-scale investment worth USD 2 billion, mainly in fields of constructing energy infrastructure.

<Table. 3-11> Selected Major PRC Financing and Aid-related Economic Projects in Central Asia

Project Types(s)	Project Name	Amount	Funding (Year)	Country	Implications
交通领域	塔—乌 塔—中公路建设和修复项目	合同总金额为2.96亿美元	200年7月1日正式开工建设	塔吉克斯坦	塔建国以来最大的公路建设项目
	中吉乌 E—40 公路和塔沙尔—沙尔隧道	中国政府向吉提供了2笔总计6000万元人民币的无偿援助	2007年1月	中国, 吉尔吉斯斯坦 乌兹别克斯坦	中吉乌公路从新疆开始, 连接中亚, 全长959千米, 其中中方境内全长234 千米, 吉方境内全长280 千米, 乌方境内全长4 5 千米
	塔吉克斯坦沙尔—沙尔隧道及其南北连接线项目	中国政府无偿援助项目	2008年3月31日贯通	塔吉克斯坦	

Project Types(s)	Project Name	Amount	Funding (Year)	Country	Implications
能源领域	中哈石油管道项目	中哈双方共同出资7亿美元建设	2003年3月建成	中国 哈萨克斯坦	2006年7月1日正式通油。这条石油管线是中亚地区首条对华石油管道
	中亚—中国天然气管道项目	总投资预计37.1亿美元(中国提供了6亿美元贷款)	2008年6月完工	中国 乌兹别克斯坦 哈萨克斯坦	该管道项目途经乌兹别克斯坦 哈萨克斯坦, 最终到达中国境内的霍尔果斯; 中亚天然气管道是继中哈石油管道之后, 中国修建的第一条跨国天然气管道
	塔吉克斯坦50千伏南北高压输变电线项目	项目合同总金额约3.4亿美元		塔吉克斯坦	塔方在上海合作组织框架内利用中国政府优惠贷款实施的第二个重大项目
	塔吉克斯坦南部220千伏输变电工程	上海合作组织项下9亿美元 优惠贷款项目之一	2008年6月完工	塔吉克斯坦	
	马伊纳克水电站项目	投资总额为2.5亿美元, 其中2亿美元由中国国家开发银行提供	2009年12月建成投产	哈萨克斯坦	这是中哈两国在非资源领域的第一个重大基础设施合作项目。

Source: 石婧, <中国对中亚援助状况分析--以中国援助中亚国家重点项目为例>, 《新疆社会科学》2009年第4期, 中国社会科学院俄罗斯东欧中亚研究所

## (2) Holding Priority in Taiwan / Human Rights Issues

### 1) Taiwan Issue

Having varied its line of political and diplomatic strategies since its establishment in 1949, China has also developed and amended its position as a donor country, aiding

without respect to political ideology to serve as a sole and only leader of the Third World and, with economic affluence after reforming and opening up, has expanded foreign aid policies since 1990.

What is staying still in China's foreign aid, however, is the lurking purpose of keeping Chinese tradition and 'a political flag' of the Chinese Communist Party, in other words holding Taiwanese government in check under the principle of 'One China (一个中国)' by showing off generosity in the form of foreign.

Holding priority over Taiwan has been a lastingly serious issue for the nation engaged in ideological conflict since the establishment of the modern-day government. As represented by One China Principle, China was in dire need of getting over Taiwan representing liberalism and Western ideology, a part of reasons that the Chinese government has been beefing up foreign aid and keeping the ODA amount in the dark, according to Lancaster<sup>51</sup>.

This is evident in Chinese multi-dimensional aids, from economy to politics and culture, to a total of 47 African nations, the greatest part of the entire 54 nations in the African continent (as of '07), with whom China established FOCAC (Forum on China-Africa Cooperation).

Notable here is the Forum began inviting observer countries of Swaziland, Burkina Faso, Gambia, São Tomé and Príncipe and Malawi, the nations tying themselves with Taiwan. In the FOCAC '06, the third edition followed by FOCAC '00 and FOCAC '03 (held in Addis Ababa) and very first FOCAC inviting observer countries, then-Premier Wen Jiabao promised increasing trade volume with the African countries to USD 100

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<sup>51</sup> Lancaster, Carol. 2007. "The Chinese Aid System." Center for Global Development.

billion until '10, with doubling up ODA to Africa within the four-year span from '06 to '09. As a result of this whole-new approach to hold Taiwan in check, Malawi broke off diplomatic relationship with Taiwan on December '07 while entering into ambassador-level diplomacy with China<sup>52</sup>), a part of effort solidifying African support toward the eventual dream of One China.

Demonstration of such African supports were the Anti-segmentation Law, winning the vast-majority support in the 10<sup>th</sup> National People's Congress of March 14 '05 where African nations announced unconditional support thereto<sup>53</sup>), including the presidents of Zambia and Lesotho announcing to Hu Jintao and Wen Jiabao, respectively, while Nigeria and Niger expressed support for One China Principle. Eritrea, Guinea Bissau, Egypt, Mali, Gabon, Ethiopia, Madagascar, Rwanda, Uganda, Guinea, Namibia, Burundi, the Central African Republic and the Republic of South Africa were also officially expressed support for the Law<sup>54</sup>).

China began recognizing the importance of Latin America, the continent where Chinese influence is less than strong but being the potential export market and import sources of raw materials and agricultural produce such as petroleum, minerals and beans. Having long been supported by Taiwan<sup>55</sup>), however, the Latin American continent is where China should establish political and diplomatic foundations first, as the nation

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<sup>52</sup> Countries breaking off diplomatic relations with Taiwan breaks down Nauru, Liberia, Vanuatu (from African continent), Dominican Republic (04.3), Granada (05.1) and Costa Rica (07.6) (from Latin America).

<sup>53</sup> 'African Countries Supporting China on the Adoption ODA the Anti-Seccession Law', 22 March, 2005. <http://www.focac.org/eng/zt/asl/t188411.htm> (Date retrieved 2013.4)

<sup>54</sup> Stefan Halper <The Beijing Consensus> p.118

<sup>55</sup> A total of twelve countries are from Latin America, among twenty three countries diplomatically tied with Taiwan (as of '09).

already jumped into action by began aiding Costa Rica (see <Table. 3-12>). Like Malawi, Costa Rica untied itself from Taiwan, being another evidence supporting One China Principle by a foreign country.

<Table. 3-12> Notable Chinese Aids (Investment) to the Latin American Countries (2002-2008)

(Unit: USD)

Ctry	Projects notable	Scope	Category
Venezuela	Petroleum, Gas Mining, Transportation, Communication, Light Industry	16.4 bil	FDI
	Railroad Construction, Agricultural Industry, Communication, etc.	9 bil	FDI
	Energy	5 bil	FDI
Chile	Natural Resource (Copper) Development	500 mil	FDI
	Infrastructure (Harbor, Shipbuilding, Mining, etc.)	100 mil	Preferred Loan
Brazil	Infrastructure	8.2 bil	FDI, ODA
	Petroleum Production	1 bil	Preferred Loan
Costa Rica	Infrastructure (Stadium, Refinery)	130 mil	Aid-for-grant
Cuba	Humanitarian (Hospital Improvement)	70 mil	Preferred Loan
Granada	Infrastructure	830 mil	ODA
Venezuela	Infrastructure (Electricity, Health, Education, etc.)	4 bil (Oil-backed)	Preferred Loan

Source: Lum *et al.*(2009).

Where political and diplomatic elements come into play is South-east Asia with which China has traditionally transacted with, in favor of geographic proximity and historic relationships. Emerging as the biggest doner, China strays from short-term supports by establishing strategic partnership aiming for isolating Taiwan out of the

region in the long-run. China brought this to action as the nation suspended aiding Vietnam who turned down Chinese proposal to get rid of Taiwan in APEC Summit '06 held in Hanoi.<sup>56)</sup>

Apparently taking effect just like that, China's foreign aid is for something more than economy, political legitimacy.

## 2) Human Right Issue

'Non-intervention Principle' is the core of what comprise China's foreign aid policy, as demonstrated by 'Eight Principles of Foreign Aid', mentioned above, mandating 'Mutual Respect of Sovereignty' and under no circumstances demanding consideration from done countries, nor intervening in politics or governance.<sup>57)</sup>

It is, while aiding donee countries, a part of reasons why China is very much welcomed by them as respecting a sense of ownership staying true to non-intervention principle.

Seeing the dark side of that, however, is something more severe than expected as it is likely that the unconditional aid may favor 'rogue nations'. Contrary to the international (DAC) standards 'aid-for-grant' under the principle of Mutual Harmony, the greatest part of China's foreign aid comprises preferred loan and credit programs under the principle of 'Mutual Contribution'(see <Table. 3-13>). But that Chinese aid is stem from Non-intervention Principle' from time to time raises point of admitting legitimacy of 'rogue regimes', as the Principle stretches out to where it should not, such as human right issues

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<sup>56</sup> Roger Mitton(2006. 2. 22), "Beijing refuses aid to Hanoi after rebuff over Taiwan," Straits Times

<sup>57</sup> What China eyes by way of Non-intervention Principle' is 'mutual non-intervention', to implicitly win over the donee countries over Taiwan for the eventual goal of 'One China'. Nam 2009, p. 54

and anti-democracy.

<Table. 3-13> Comparison between DAC Member Countries and China

	China	DAC Member Countries
Principle	Mutual Contribution	Mutual Harmony
Method	Assistance (Preferred Loan / Credit Program)	Aid-for-grant
Compulsion	Compulsive (on condition of involvement of Chinese businesses)	Non-compulsive (Respecting authorities borne by donee governments)
Conditionality	Unconditional (under the principle of Non-intervention)	Conditional (Governance reformation, etc.)
Relevance to Commerce / Aid	Closely Associated with Trade / Investment (All-inclusive)	Isolated from Commerce / Humanitarian Aid
Priority	Establishment of Infrastructure	Humanitarian Eradication of Poverty

Source: Nam. 2010. 「신홍원조공여국으로 부상하는 중국: 중국식 원조모델과 국제 원조질서예의 시사점」. 『국제·지역연구』, Item 4, Volume 18. pp. 37-64

This is very much of a concern in South-east Asia as, according to The People’s Daily, the official organ of the Chinese Communist Party, China projects aiding Cambodia (USD 39.7 mil), Myanmar and Laos (USD 5 mil) as part of its aid to ASEAN by the amount of USD 10 billion for infrastructure, energy & resource development and IT support, on top of preferred loan worth USD 1.7 and crediting a total of USD 15 billion<sup>58</sup>. For those countries, China serves as a ‘savior country’ in support of their dictatorship,

<sup>58</sup> *China Daily*. 12 April 2009.

particularly in favor of Myanmar, very much cordial to Chinese government, brought back from scores of economic sanctions by way of Chinese aid.

Chinese support to Sudan is the African-equivalent of Myanmar, passing over human right and anti-democracy issues for such economic fruits as ‘resource procurement’ and ‘foray into market’. For instance, China has captured a right to develop an oilfield and mining concessions, 40% of shares and administrative rights of three other oilfields in Sudan, while faring in pipeline and utility construction projects as the largest investor of the African nation<sup>59</sup>.

But in the wake of the Darfur Conflict on Feb ’03, the ignorance on human rights issues by China drew international criticism which is why the spuriously responsible nation jumped into action by dispatching military engineers to Sudan in ’07 for such humanitarian supports as well-drill, construction or roads and bridges, education and medical support and arranging multi-lateral ODAs in resolution of the Darfur Conflict, in recovery of the reputation.

### (3) Economic Side: Realization of Go Out Policy and Conclusion of FTA

#### 1) Realization of Go Out Policy

Notched a whopping 9.9% annual growth for a thirty-year span from 1979 to 2008 during reforming and opening up, the modern-day China is the world No. 2 in scale of economic (as of ’11) and the world’s largest trader surpassing the United States.

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<sup>59</sup> 周琪， “中国的对外援助与人权关注”， [http://www.china.com.cn/news/zhuanqi/rq09/2009-10/29/content\\_18794138.htm](http://www.china.com.cn/news/zhuanqi/rq09/2009-10/29/content_18794138.htm) (Date retrieved: 2013.1.26)

Projecting rapid growth by in excess of 8% on an annual basis<sup>60</sup>) to catch up the United States in terms of GDP the Chinese government began to turning its eyes away to overseas markets to fill the gap, the greatest part of which is based upon ODA. Promoting joint-support projects since 1995, the Chinese government caused state-run and private businesses involved to take advantage of the technological edge of private companies while granting them an opportunity of foray into overseas markets. Scores of state-run companies with technology (中国石油天然气总公司、吉林森工集团、东风汽车公司、大连水产集团公司) also joined here by capitalized on such an opportunity and taking part in the global market.

In fact, Year 1995 was a turning point for the Chinese economy as actuated by Economic Trade Strategy '94 (大经贸战略) by a high-ranking official (吴仪) announcing "Trade-based development of economy should be a driver of the China planned ahead by private entities in field of manufacture, technology, labor and finance<sup>61</sup>." This in a nutshell can be described as the Chinese effort to eye trade, capital transfer and international cooperation of economy by taking advantage of both domestic and international markets<sup>62</sup>. Execution of the Economic Trade Strategy was without a doubt followed by the renovated foreign aid policies leaning toward preferred loan by the private financial institutions, straying from aid-for-grant. This is the very reason why private-government joint brought to the mainstream of China's foreign aid<sup>63</sup>.

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<sup>60</sup> Chosun Ilbo (Daily): "中 경제성장률 2020년 6%대 둔화 전망" – CNBC, Feb 8 '13, Date retrieved: Feb 8 '13

[http://biz.chosun.com/site/data/html\\_dir/2012/09/26/2012092601874.html](http://biz.chosun.com/site/data/html_dir/2012/09/26/2012092601874.html)

<sup>61</sup> 孟冬平: 《中国外经贸企业改革20年回顾》, 《国际商报》2000年9月21日第6版。

<sup>62</sup> 源流, “用大战略搞大经贸: 中国外贸发展之路”, 『中國流通經濟』 1998年 第5期。

<sup>63</sup> 黄梅波, “中国对外援助机制: 现状和趋势”, 『国际经济合作』 2007年 第6期, pp.

Since then, China's foreign aid, represented as 'Export-oriented' or 'All-inclusive (Package-type)' aid, has been eyeing mutual developments of donor and donee countries, giving rise to both trade and investment benefits.

As for trade benefits, Chinese private companies were provided a special favor as the Chinese government applies corporate-friendly principle of 'more than a half of the source materials shall be China-bound' and 'Loan-involving Projects shall be performed by Chinese private companies'<sup>64</sup>. With private companies given opportunities to not only export source materials, facilities and parts but boast technologies, this also drives the Chinese government to compete well against the Western donor countries, causing the nation to export more. For instance, China come to export a total of USD 114.81 billion to African countries, astronomic 2360-times as greater as it was in Year 1956 (USD 4856).<sup>65</sup>

There also has been qualitative variation as China varied types of commodities with expanding the ODA amount. Beginning with such light industries as fabrics, China now exports tech-oriented, value-added machineries and electronic devices as detailed out by exports African countries comprising machineries, vehicles and electronic devices, straying from primary industries, foods and produces a few decades ago ('80~'90). As of now, electronic devices, etc. account for more than a half of the total Chinese export to African countries.<sup>66</sup>

As for investment benefits in line with Go Out Policy, capitalists looked to investing in

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4~11.

<sup>64</sup> Kobayashi. Takaaki.2008. "Evolution ODA China's Aid Policy: JBICI Working Paper." Japan bank for international cooperation.

<sup>65</sup> 中华人民共和国国务院新闻办公室：《中国与非洲的经贸合作》（2010年12月），见中国政府网 [http://www.gov.cn/zwggk/2010-12/23/content\\_1771638.htm](http://www.gov.cn/zwggk/2010-12/23/content_1771638.htm).

<sup>66</sup> *Ibid.*

done countries with the Chinese government's ODA innovation in 1995, by way of 'stock-conversion of bond (ODA)' for joint business with done countries, 'establishing local businesses for resource development' and development of local infrastructure' in exchange for resources. These were few examples that Chinese private companies took advantage.<sup>67)</sup>

Donee countries responded with practical support, as a few African countries politically backed in establishment of branches of Chinese banks, offering what is called 'Small & Medium Business Fund' and promising special favors to Chinese private businesses by local banks African established African branch were helping the private. Hua Wei was one of a few beneficiaries, as the emerging mobile giant was able to establish communication network in Nigeria thanks to preferred loan (worth USD 23 million) offered by Zenith Bank of Nigeria. Also notable is "Center for Chinese Investment, Development & Trade" established in eleven difference African countries in support of Chinese businesses information and technology-wise<sup>68)</sup>. These efforts are why a total of 638 Chinese private businesses (as of the date ending '03) were able to fare in the continent of Africa for a total of USD 1.236 billion. According to the Chinese Ministry of Commerce, a total of 2,000 private businesses have invested USD 32.3 billion as of August '10.<sup>69)</sup>

North Rail Project in the Philippines is a noteworthy project of private businesses

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<sup>67)</sup> 张郁慧, 中国对外援助研究 (1950-2010), 北京: 九州出版社, Jan '12

<sup>68)</sup> 권혁기, "일본과 중국의 아프리카 투자전략 비교: 정부개발원조(ODA) 및 해외직접투자를 중심으로". 『아프리카학회지』 제29집. 2008. P.3

<sup>69)</sup> 《商务部:中国共在非洲设立境外企业2000余家》(2010年10月09日). 来源:中国经济网[http://intl.ce.cn/specials/zxxx/201010/09/t20101009\\_21875023.shtml](http://intl.ce.cn/specials/zxxx/201010/09/t20101009_21875023.shtml), Date retrieved.2013년2월8일

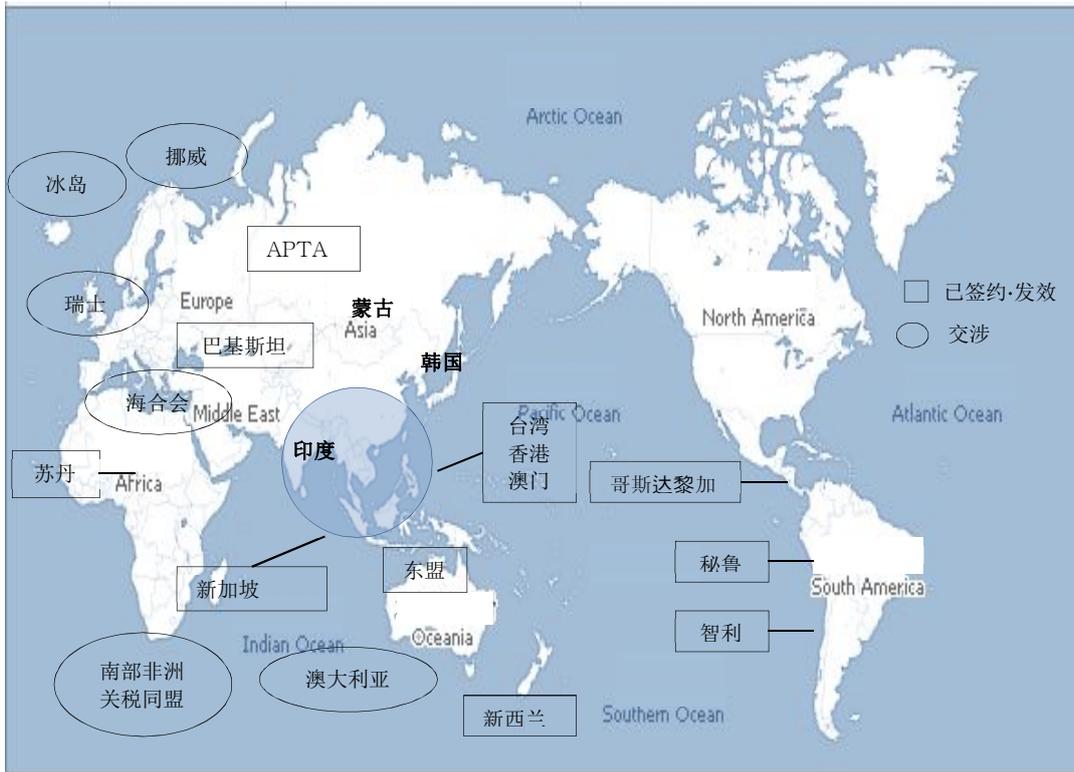
involved in ODA. In the Project where the Ex-Im Bank of China executed a total of USD 900 million for Phase 1, in the form of Buyer Credit Loan Agreement, a Chinese company named CMEC served as a de-facto executor of the fund and dispatched a total of twenty three Chinese engineer for transfer of double-track railroad technology.

Aid to Latin America is no exception, though still marginal, as China decided, on April '09, an ODA worth USD 2.7 billion for Coca-Codo-Sinclair(CCS), the largest-to-be hydraulic power plant in Ecuador. What is notable here is China established a joint venture named Sinohydro-Andes Joint Venture the donee country of Ecuador for funding 85% (USD 2 bil) of the total investment, by way of Ex-Im Bank of China, demonstrating and in line with Go Out Policy.

## 2) Conclusion of FTA

Chinese conclusion of FTA is not only more of a mainstream of global economy but very much relevant to ODA as the emerging nation has concluded scores of FTAs, some of which are underway for conclusion (see <Fig. 3-12>).

<Fig. 3-12> 中国自由贸易区的全球分布



Source: 「China자유무역구복무HP」, <http://fta.mODAc.com.gov.cn/>

Aside from the principle of free trade, there are a lot behind Chinese FTA (hereinafter collectively referring to EPA) such as ‘trade in Yuan’, ‘Go Out Policy’, ‘promotion of Beijing Consensus’ and ‘resource procurement’, apparently taking effect in reality.

Refer to <Table 3-14> for properties of Chinese FTA in comparison to the neighboring Korea and Japan. With Korea and Japan almost sharing the same FTA portfolio, China diverges to the Third World countries, such as Sudan, Costa Rica and Pakistan, the very evidence that the nation eyes something more than free trade:

<Table. 3-14> Comparison: FTAs/EPAs of Korea, China and Japan

	Korea	China	Japan
Enforcing	Chile, EFTA, Singapore, ASEAN, India, EU, US, Peru	Chile, Peru, <b>Pakistan</b> , Singapore, New Zealand, <b>Sudan</b> , ASEAN, Taiwan, ASPEC, <b>Costa Rica</b> *Hong Kong·Macau	Singapore, Mexico, Chile, Indonesia, ASEAN, Swiss, Vietnam, India, Peru
Consultation Underway	Canada, Mexico, Australia, New Zealand, GCC, Colombia, Turkey, Japan	SACU, GCC, Australia, Iceland, Norway, Swiss	Australia, GCC, Korea
Review Underway	China, CHN-KOR-JPN, SACU, MERCOSUR, Israel, Russia	India, Korea, CHN-KOR-JPN, Mongolia	CHN-KOR-JPN, Mongolia, Canada

Source: 「Korean Ministry of Foreign Affairs and Trade」, <http://www.mofat.go.kr/>, 「Chinese Free Trade Admin」 <http://fta.mODAdcom.gov.cn/>, 「Japanese Ministry of Foreign Affairs」 <http://www.mofa.go.jp/>, as of Oct '11.

As for Sudan, the country that has long been associated with and heavily dependent upon China, the preferred loan from the politically renovated Chinese government since '95 actuated development of oilfields (in '97)<sup>70</sup>, the very first Chinese involvement overseas in development of oilfield, along with the supplementary projects faring in

<sup>70</sup> Refers to the development of Oilfield #6, the first overseas oilfield developed by way of the preferred loan since changing political track for ODA in 1995. Development conducted by China national Oil and gas Exploration and Development Corporation, contacting Sudanese government first for feasibility test to conclude preferred loan, worth CNY 150 million, from the Chinese government on Sep '95 and commence the project on Jan '97. Company further captured rights to develop an oilfield and mining concessions, 40% of shares and administrative rights of three other oilfields in Sudan.

pipeline and utility construction projects<sup>71)</sup>.

But in the wake of the Darfur Conflict on Feb '03, the ignorance on human rights issues by China drew international criticism, as resolved and declared by UN pointing out the possible Chinese influence in economy, politics and military affairs from time to time in support of Sudan. Chinese 'Non-intervention Principle' came into play here, as the nation assumed a nonchalant air against such human right issues as ethnic cleansing.

Refer to the following <Table. 3-15> for Sudanese significance in Chinese aid to African countries, capturing the No.3 spot (9.6%) next to Algeria (16.4%) and Angola (15.3%).

The determined will of Chinese government to aid Sudan is also represented in <Table. 3-16>, evidencing China's foreign aid to Sudan jumping more than 10 times climbing atop in the rank:

<Table. 3-15> 中国对非洲经济合作<sup>72)</sup>

(Unit: USD1mil, %)

Rank	Ctry	Cumulative Amount ('06-'11)	%
1	阿尔及利亚	23406	16.4
2	安哥拉	21882	15.3
<b>3</b>	<b>苏丹</b>	<b>13753</b>	<b>9.6</b>
4	尼日利亚	12622	8.8
5	利比亚	7489	5.2
6	埃塞俄比亚	6462	4.5
7	赤道几内亚	6065	4.2
8	博茨瓦纳	4649	3.2

<sup>71)</sup> 周琪, “中国的对外援助与人权关注”, [http://www.china.com.cn/news/zhuanti/rq09/2009-10/29/content\\_18794138.htm](http://www.china.com.cn/news/zhuanti/rq09/2009-10/29/content_18794138.htm) (Date retrieved: 2013.2.11)

<sup>72)</sup> Refers to the cumulative amount of subcontract (承包工程) and labor cooperation (劳务合作).

Rank	Ctry	Cumulative Amount ('06-'11)	%
9	埃及	4241	3.0
10	刚果(布)	3969	2.8
	非洲	143150	100
	全世界	439803	-

Source: Statistical Yearbook of China('06-'11), data reproduced.

<Table. 3-16> China's foreign aid Breakdown

(Unit: USD1mil)

Rank	Year 2000		Year 2005	
	Ctry	Amt	Ctry	Amt
1	<b>Pakistan</b>	<b>329.4</b>	<b>Sudan</b>	<b>1342.8</b>
2	Bangladesh	231.2	Nigeria	799.9
3	Myanmar	186.7	<b>Pakistan</b>	<b>751.4</b>
4	<b>Sudan</b>	<b>118.8</b>	Bangladesh	614.0
5	Mali	105.1	Indonesia	534.6
6	Yemen	97.9	India	412.9
7	Laos	93.7	Angola	305.7
8	Zimbabwe	87.6	Vietnam	299.2
9	Vietnam	87.5	Myanmar	289.8
10	Sri Lanka	64.6	Egypt	276.5

Source: Statistical Yearbook of China, Ex-Im Bank of China, "Chinese ODA Policy and Strategy", 『해외경제투자정보』, Mar 3 '08, p.9. Data reproduced.

Next is Costa Rica, whom China concluded the sixth FTA overall and first with a Latin American nation. Political and diplomatic affairs came into play here, as China wanted this Latin American nation end 60-year-long diplomatic relationship with Taiwan. Done so in June '07 to shake hands with China, the Foreign Currency Admin of China jumped

into action by purchasing the government bonds of Costa Rica worth USD 150 million twice on January '08 and January '09 <sup>73)</sup>. Refer to the following <Table. 3-17> for how Chinese aids to Costa Rica break down.

It is apparent that China sees something more than economic benefit with CCFTA<sup>74)</sup>, as the Intel semi-conductors, accounting for 95.7% of import from Costa Rica, were free from customs before CCFTA which rather freeing Costa Rican exports from customs likely causing trade deficit<sup>75)</sup>. With CCFTA, Costa Rica has become a Chinese outpost for foray into American continent, which is worthwhile for the newly emerging economic powerhouse.

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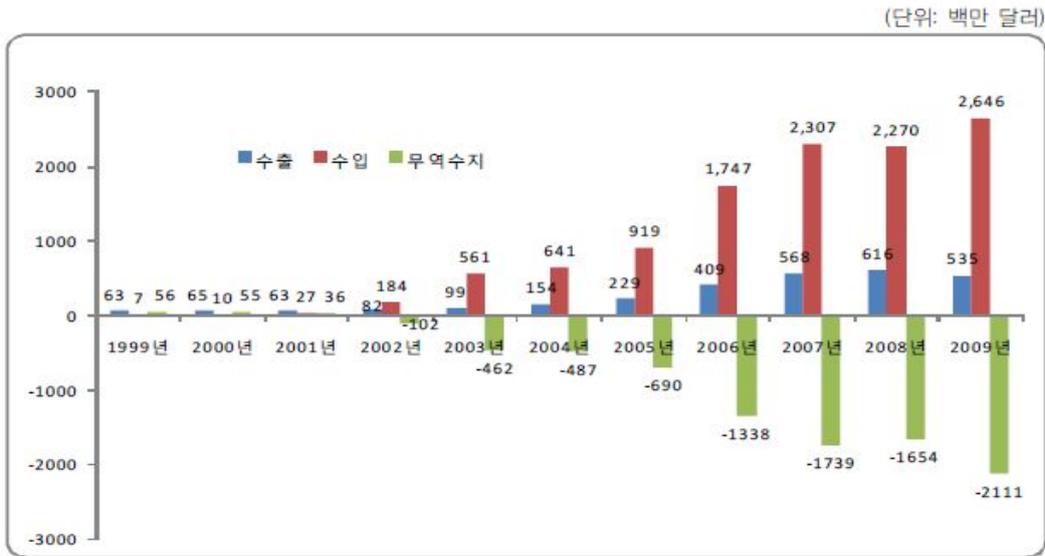
<sup>73)</sup> 빛 탕감에 현금 지원... 중국과 친구할만 하네 [올림픽 이후 중국 ④] 저개발국 사로 잡는 큰손 중국, 향후 행보는 [http://www.ohmynews.com/NWS\\_Web/View/at\\_pg.aspx?CNTN\\_CD=A0000983667](http://www.ohmynews.com/NWS_Web/View/at_pg.aspx?CNTN_CD=A0000983667). Data retrieved on Feb 12 '13, Ministry of Foreign Affairs and Trade.

『중남미 정치 및 경제 정세 개황』, Center for Latin American Cooperation, Jul 2 '10

<sup>74)</sup> CCFTA led by the political purpose in isolating Taiwan and solidifying Chinese influence in Latin American Region. Referable cases are New Zealand and Australia who began discussing FTA with China by admitting Market Economy Status of the Chinese Market and Pakistani-Chinese FTA in counterbalancing the United States.

<sup>75)</sup> Korea Institute for International Economic Policy. “중·코스타리카 FTA 타결 주요 내용과 시사점. 『지역경제포커스』, May 10 '10

<Table. 3-17> 中国和哥斯达黎加双方面商品贸易趋势



Source: Trade Statistics by Communist Chinese Customs House, Korea Institute for International Economic Policy. “중·코스타리카 FTA 타결 주요 내용과 시사점. 『지역경제포커스』, May 10 ‘10. Data reproduced.

Last is Pakistan, one of the most reliable allied powers for China. Sino-Pakistani friendship, evidenced by Chinese support to Pakistan in a couple of Indian-Pakistani wars vying for Kashmir and independence of Bangladesh, led to the Nuclear Development Agreement '79, Nuclear Development Support ('86), Naval Base Construction Project ('80) and Nuclear Power Plant Construction Projects ('92, '03). Pakistan responded thereto, by way of being on the side of China in conflict with Taiwan and Tibet. Both countries have jointly conducted development projects as well, as China took part in the construction of the electronic industrial complex in '60s, highway construction in '70s and power plant construction in '80s. Chinese investment to the nation was culminated by the construction of a harbor in Gwadar, 400km removed from the Strait of Hormuz

through which more than 40% of petroleum produced is traded. This evidently is in line with the Chinese effort to vary petroleum trade routes(refer to <Table. 3-18>).

<Table. 3-18> China's foreign aid (Investment) to Pakistan

年度	主要项目	规模	方式
1995	山达克铜金矿建成项目	2300万美元	投资
2000	恰希玛核电站 一期建设		投资、提供技术
2001	巴基斯坦海尔工业园	-	投资、提供技术
2002-2005	瓜达尔港援建项目	2.48亿美元	赠款、无息贷款、优惠贷款、买方信贷等
2002-2008	塔尔煤田发电站	-	优惠贷款
2006	恰希玛核电站 二期建设		投资、提供技术
2007	高摩赞水电站项目	8723万美元	投资
2010	恰希玛(Chashma)核电站三、四期建设	15.6亿美元	投资、提供技术
2011	曼格拉大坝加高工程	2.4亿美元	投资、优惠贷款

Source: On-line references to Baidu, Google, etc. Date retrieved: Feb 12' 13

China has kept on watching humanitarian affairs as well, as the nation concluded a sizable total of three humanitarian supports for Pakistan since '00 (see <Table. 3-19>).

<Table.3-19> Chinese Humanitarian Support to Pakistan

(Unit: USD10,000)

Year	Cause	Property	Monetary
2005	Earthquake	2673	100
2009	Territorial Dispute between Palestine-Israel	-	100
2010	Flood	-	25000

Source: On-line references to People's Daily, Chinese Ministry of Commerce, Chinese Ministry of Diplomacy, etc. Data reproduced.

As a consequence, China took advantage of its 60-year-long diplomatic, economic and humanitarian supports to Pakistan in the eventual conclusion of FTA on November 24 '06 from which both countries jointly engaged in energy development projects in fields of nuclear power, hydroelectricity, thermal power, petroleum / gas pipeline, in line with Chashma Nuclear Power Plant Project '00 and further projecting 'Energy Passageway(能源走廊)<sup>76)</sup>, a ground pipeline route off Gwadar Harbor for the mainland China without passing through Indian Ocean and the Malacca Straits (see <Fig. 3-13>).

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<sup>76)</sup> 人民网. “穆沙拉夫欲建巴中‘能源走廊’ 称无惧压力”. 2006.4.29  
<http://henan.people.com.cn/news/2006/04/29/101293.htm>

<Fig. 3-13> Energy Passageway



Source: The Kyunghyang Shinmun (Daily) Feb 22' 06

(4) Improving Reputation by way of Soft Power

Chinese development in economy and military strength is the fruit of the rapid growth over thirty years since reforming and opening up and the foundation of faring a superpower across the world by way of what is called 'Soft Power' capacity.

Although not officially declared by the Chinese Government and barely defined what it is for, the so-called Chinese Soft Power is on the rise across the developing countries thanks to Beijing Consensus, as well as cultural affairs by way of Confucius Institute teaching the Chinese cultural ideologies of 'Peaceful Development (和平发展)' and 'World Harmony (和谐世界)'.

Setting the nation apart from the Western Soft Power giants including the US, China's foreign aid evidences the emergence of the Chinese Soft Power such as, as discussed

herein, ODA, FTA, Economic Diplomacy and Beijing Consensus, all of which are helping form international consensus among developing nations from Asia, Africa and Latin America and improving the Chinese reputation by helping them out.

Here, varying the diplomatic purpose by donee countries is noteworthy as China seeks not only to gain a good reputation but also to ‘aim practically’.

First of all, China fares in the South-east Asian countries bordering, in establishment of peaceful atmosphere for sustainable development of economy, while actively taking part in resolving international affairs to dispel ‘China Threat Theory’ raised by the Western powerhouses and neighboring countries. Plus, vying with Japan in the South-east Asia, China keeps distance from how the United States fared in gaining dominant supremacy to draw consensus from the neighboring countries.

The financial crisis in ’97 evidences this strategic approach very well as China suspended depreciation of the Yuan to win over the South-east Asian countries, while ensuring the sovereignty of them. Having blamed the conditional aids from Western countries to be ‘imperialistic’, China purportedly overlooked human rights affairs under the name of Non-intervention Principle<sup>77</sup>. This backs the idea that China recognizes how influential the Soft Power is, in criticizing and jumping over the US to become another superpower in the world<sup>78</sup>.

As for African countries, however, China is more than pragmatic these days. Having served as the ‘leader of the Third World countries’ actuating liberation of them, China changed its route for ODA, upon the end of the Cold War era and with the African

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<sup>77</sup> Denis M. Tull. “China’s Engagement in Africa: Scope, Significance and Consequence.” *Journal ODA Modern African Studies*. Vol. 44. No. 3. 2006. P.461

<sup>78</sup> Shin. “중국의 소프트파워 외교의 전개와 국제정치적 함의.” 『국가전략』, Issue 1, Volume 15. 2009. P. 39.

countries being part of the global economy, by way of ‘aid-for-grant’, ‘low-interest loan’, ‘interest-free loan’ and ‘writing-off debts’ to win over scores of African countries. Here, Non-intervention Principle played significant roles as the unconditioned aid from China was an alien but attractive offer to the donee countries, particularly to those (Angola, Sudan, Zimbabwe) having been urged by the Western donor countries in exchange.

One last advantage is that Chinese politico-economic model is a good reference to the destitute African countries, granting them good opportunities of foray into China and neighboring Asian countries such as India, straying themselves from the Western influence.

#### IV. Effect of China's foreign aid

Emerging as one of the proactive donor countries across the world as discussed in the foresaid Chapter 3, China is projected to stay atop in the field of ODA, considering the political effort that the Chinese government is making<sup>79)</sup>.

From such a perspective, Chapter 4 is to evaluate how the China's foreign aid effort come effective to the nation as the modern-day donor countries society is drawing a consensus on the importance of 'quality and effect of foreign aid' by Rome Declaration on Harmonization '04 and Paris Declaration on Aid Effectiveness '05, later supplemented by the Five Implementation Principle concluded at Accra High-level Forum on '09<sup>80)</sup>, and Five DAC Evaluation Criteria by OECD in subjective evaluation of the foreign aid efficiency<sup>81)</sup>.

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<sup>79)</sup> ODA Bureau of the Chinese Ministry of Commerce is making its best endeavors for ODA by enacting 『대외원조 물자공여관리 잠정 추진방안』, 『대외원조 물자공여 실시기업 자격인증 방법』, 『대외원조 프로젝트 사업 안전생산 관리방법』, 『대외원조 프로젝트 사업 시공임무 실시기업 자격 인증방법 (Draft)』, 『대외원조 프로젝트 시공업무 평가원칙 (Amended)』, 『물자지원 공여 물품 가이드 목록』, 『대외원조사업 경제기술 자문 서비스 네트워크에 관한 내부 규정』, 『대외원조사업 조달에 관한 내부규정』, etc., distributed to a total of thirty eight competent authorities. On top of that, the Ministry is in search of the human resources for administration of the private businesses participating and planning out preferred loan management. (“중국의 대외원조 정책 및 시사점”, 『KOICA 개발정책 포커스』, Issue 8 pp.21-22)

<sup>80)</sup> Refers to 1) **ownership**: Donee countries shall be liable for establishing their own developmental plans and reforming competent authorities for anti-corruption. 2) **alignment**: Donor country shall stay true to the purpose of aid, in compliance with the local rules and regulations. 3) **Harmonization**: Donor countries shall be liable for arranging ODA in the simplest procedures feasible and sharing information in prevention of unnecessary developments. 4) **Managing for results**: Both donor and donee countries shall work together to see some output and measure performances out of ODA. 5) **Mutual Accountability**: Both donor and donee countries shall mutually be accountable for the result of ODA.

<sup>81)</sup> Refers to 1) **Relevance**: Relevance between the goal of ODA to the will, demand and priority of

Since its secrecy, however, China's foreign aid remains unevaluated by such standards as not obligated thereto as a non-DAC country and with Chinese specialty factored in ODA policies. This paper is thus to focus on macroeconomic effect of China's foreign aid, in fields of economy (resource procurement · promotion of investment) and politics, Soft Power to be more specific, devoid of microeconomic and indexical approaches.

## (1) Economic Effect of China's foreign aid

### 1) Securing Natural Resource

Taking the helm of 'the World No.1 petroleum importer' past the United States as of December '12, China took a dominant position in power transition from the U.S. in the petroleum market and over the 10-year span of rapid growth over 10%. Projecting average annual growth of 7.5% with the Fifth Generation Government taking the helm, China deems energy procurement to be the deciding factor of development, which is why China's foreign aid becomes unprecedentedly proactive.

This apparently taking effect along with the state-wise effort to diverge the source of petroleum import, due to the regional instability in the Middle East Asia, as the nation successfully moved over to the Central Asia and Latin America for importing 15% of the total energy demand and to the Africa for 30%, easing dependence to the Middle East to 40%. Refer to the <Table. 4-1> for more detail:

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donee countries. Political compatibility between donor and donee countries. 2) **Effectiveness:** Likelihood (State) of attaining the goal of ODA. Significance of the goal of ODA. 3) **Impact:** Positive, negative, primary, secondary and long-term impacts of ODA, direct or indirect, without respect to the intention. 4) **Effectiveness:** Economic efficiency of fund, professionalism, technology, labor and any other resources deployed 5) **Sustainability:** Post-ODA sustainability of benefits of out of ODA outputs.

<Table. 4-1> Chinese Petroleum Import by Region '09

(Unit: %)

Region	Share
Africa	30.5
Europe, Russia, Central Asia	10.6
Latin America	6.5
Asia-Pacific	4.7
Middle-east Asia	47.7

Source: Korea Energy Economics Institute, “주요국 에너지 profile 분석 중국”, p. 52

Here, the continent of Africa is where China imports the greatest amount save the Middle East Asia. The figure of 30.5% is a drastic increase from 4.4% in '92, the year commencing petroleum trade with the African countries and also began aiding them including Angola, Congo, Equatorial Guinea, Sudan and Libya all of which trade petroleum with China. Among others, Sudan, mentioned above, exports the greatest (60%) part of its petroleum produced to China, while the Chinese Petroleum Corporation holds the greatest shares in petroleum production by Equatorial Guinea. Angola is no exception as the fourth-largest supplier of oil across the world exports one-third of the petroleum produced to China to claim No.2 in the rank of petroleum exporters to China, almost matching the world No. 1 Saudi Arabia.

Next is the Central Asia, the region that China commenced importing petroleum and gas, along with the pipeline and utility construction projects, since '90s. Serving as a geopolitical core of not only the sources of energy but energy transfer, such Central Asian

countries as Kazakhstan and Uzbekistan, as demonstrated in <Table. 3-11> were favored by the Chinese preferred loans in construction of pipelines destined to the mainland China (Western China).

China's foreign aid also came into play here, as the nation entered into an agreement for petro-gas development in '97 for development of a couple of oilfields and construction of 3,000km-long pipeline destined to the mainland China. This agreement sets forth the Chinese financial support worth USD 580 million over the five-year span of oilfields development, not to mention scores of other projects not prescribed therein such as railroad construction (扎纳茹尔-热姆), renovation of gas processing plant (扎纳茹尔) and taking part in pipeline construction project in a local city (阿克纠宾斯克)<sup>82)</sup>, not to mention holding the greatest part (85%) of shares in the project named 阿克纠宾斯克油气股份公司<sup>83)</sup>.

Refer to the following for more information of the Chinese involvement in and cooperation with the Central Asian countries:

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<sup>82)</sup> 许勤华: 《从中哈石油管道看中国与中亚的能源合作》, 《俄罗斯中亚东欧市场》2005年第4期

<sup>83)</sup> 董秀丽著: 《世界能源战略与能源外交》总论篇, 国际政治学术文丛, 知识产权出版社, 2010年

<Table. 4-2> Cooperation in Securing Energy between China and the Central Asian Countries since 2005

Date	Ctry	Cooperation	Competent Authorities
May 05	Kazakhstan	Understanding: Atasu(KAZ)-Alashankou(CHN) Pipeline Project	CNPC(CHN)-Kazakhstan Nat'l Petroleum & Gas Institute
Aug 05	Kazakhstan	Feasibility Study for KAZ-CHN Gas Pipeline	CNPC(CHN)-Kazakhstan Nat'l Petroleum & Gas Institute
Oct 05	Kazakhstan	Acquisition of PKPetroleum by CNPC (at USD 4.18 billion, largest investment made by a single Chinese company), the second largest petroleum company in Kazakhstan	CNPC(CHN)-PKPetroleum (KAZ)
Dec 05	Kazakhstan	Atasu-Alashankou Pipeline Completed (USD 700 mil, for annual capacity of 20 million TON)	CNPC(CHN)-Kazakhstan Nat'l Petroleum & Gas Institute
Apr 06	Turkmenistan	Understanding: CHN-TUR Gas Pipeline for 30-year plan of transferring 30bil m <sup>2</sup> from '09	CNPC(CHN)-Ministry of Petroleum, Gas and Mineral Resources (TUR)
Aug 06	Uzbekistan	Agreement: Petroleum Sharing Agreement on the Dead Sea Area (USD 2 bil)	CNPC(CHN)- Korea National Oil Corporation-Petronas Carigari(MAL)-Uzbeknesftgaz(UZB)
Apr 07	Uzbekistan	Understanding: CHN-UZB Gas Pipeline	Gov't Representatives
Aug 07	Turkmenistan	Agreement: Development of the Coast of Amur River	CNPC (CHN) -President (TUR)
Nov 07	Kazakhstan	Agreement CHN-KAZ Gas Pipeline Construction & Operation	Premier(CHN)-Prime Minister(KAZ)
Jun 08	Turkmenistan	Commencement: CHN- TUR Gas Pipeline	Gov't Representatives
Jun 08	Uzbekistan	Commencement: CHN-KAZ Gas Pipeline	Gov't Representatives
Jul 08	Kazakhstan	Commencement: CHN-KAZ Gas Pipeline, aiming for commencing operation from the late '09 / multi-line operation from '10	Gov't Representatives
Aug 08	Turkmenistan	Gas Supply Agreement for 30-year Span, by the annual amount exceeding 40 bil m <sup>2</sup>	Gov't Representatives
Sep 09	Central Asian Countries	Declaration: Central Asian Gas Pipeline / Second 西氣東輸 Project	Energy Bureau of China

Source: Min, “중앙아시아국가의 에너지전략과 China의 대응”, 중앙아시아 연구의 학적 체계화, 2010.

2) Promotion of Trade and Investment

The continent of Africa is where China has been benefited most by way of ODA, as backed evidently by <Fig. 4-1> indicating the Sino-African trade volume jumping up roughly by ten times. Refer further to the following <Fig. 4-2> for Chinese trade volume in comparison with other notable trade partners of the African countries:

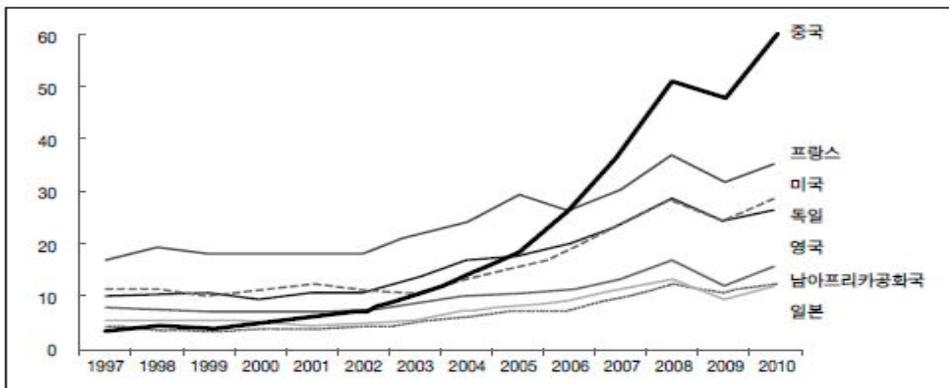
<Fig. 4-1> Trade Volume between China and African Countries



Source: Statistics Bureau of China

<Fig. 4-2> Trade Volume involving African Countries

(Unit: USD1bil)



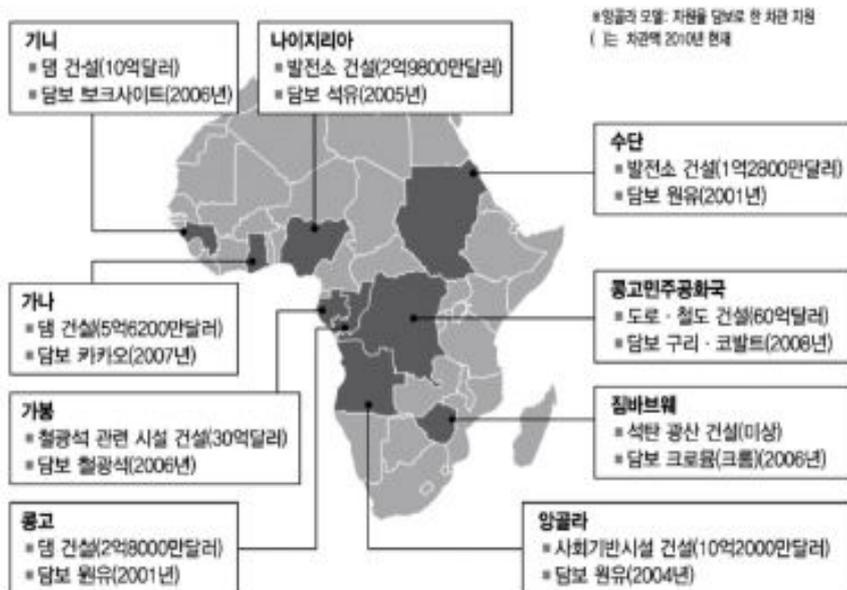
Source: World Trade Atlas. Data reproduced.

China trading with African countries has some peculiarities in economic cooperation, eventually leading to the drastic increase in trade volume. According to an OCED report issued on Year 2010 and titled “How China is Influencing Africa’s development”<sup>84</sup>, China’s foreign aids to the African countries are based upon what is called ‘Angola Model’, pivoted upon financing SOC projects on condition of economic support to China (see <Fig. 4-3>). This involves the process where the Chinese private companies are entitled to perform construction projects and exporting industrial products, eventually dominating the African market with the unmatched price competitiveness, on condition of the African countries redeeming the amount financed in the form of resources. This represents that China’s foreign aids to the African countries ‘feed the donor country back’ in the form of increasing trade volume, the eventual benefit that China enjoys.

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<sup>84</sup> Martyn Davies, “How China is Influencing Africa’s development”, *Background Paper for the Perspectives on Global Development 2010 Shifting Wealth*, OECD DEVELOPMENT CENTER

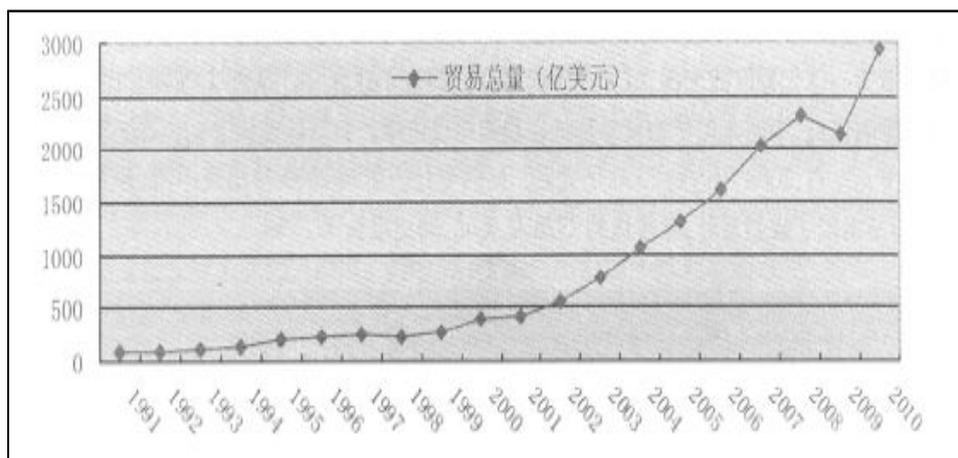
<Fig. 4-3> Chinese Investment on African Resources based upon “Angola Model”



Source: Frontier Advisory analysis, OECD Report. Data reproduced

Trading with the South-east Asian countries is much of the same as China upped trade volume with the region since '00. Refer to the following <Fig. 4-4> for China-ASEAN trade volume topping USD 300 billion (as of '10), the overachievement of what then-Premier Wen Jiabao promised (USD 200 billion). Chinese-ASEAN FTA is a factor as well, as the region claimed the fourth spot in the rank of ‘countries trading most with China’, trailing Europe, US and Japan and chasing Japan by a narrow margin.

<Fig. 4-4> China-ASEAN Trade Volume



Source: Communist Chinese Customs House

<Table. 4-3> Notable Trade Partners of China '10

(Unit: USD100mil)

	Volume		Export		Import	
	Amt	Rank	Amt	Rank	Amt	Rank
Europe	4797	1	3112	1	1684	2
US	3853	2	2833	2	1020	6
Japan	2977	3	1210	5	1767	1
<b>ASEAN</b>	<b>2927</b>	<b>4</b>	<b>1382</b>	<b>4</b>	<b>1545</b>	<b>3</b>
Hong Kong	2305	5	2183	3	122	-
Korea	2071	6	687	6	1384	4
Taiwan	1453	7	296	-	1156	5

Source: 中国海关统计，引自《国际贸易》2011年第2期第70页“进出口商品主要国别(地区)统计”

On top of being one of the notable trade partners, the ASEAN region is also on the rise as a brand-new source of energy and raw materials, as represented in <Table. 3-8>. Investing in the next largest amount on ‘mining and natural resources development’, China imports significant amount of natural resources from ASEAN countries of Indonesia, Thailand and Malaysia, listed in order of trade volume, as the mineral, animal / vegetable fats, plastics · rubber imported from Indonesia accounts for 73.4% of the total trade volume with the nation. With Thailand and Malaysia trading the same items by the significant proportion (41%, 33.1%), it is evident that China was able to realize the goal of establishing a brand-new source of energies and raw materials.

## (2) Soft Power Effect of China’s foreign aid

Boasting its role of ‘Responsible Superpower’ with by the peculiar means of ODA, China in on course for expanding foreign aid, filling the ‘opening in the wall’ created over the course of rapid political and economic development.

There are some issues that China should overcome, however, such as Sinophobia and ‘colonization issues’ raised by those doubting Chinese Soft Power entering Year 2013.

Where Sinophobia is evident is nowhere but the African continent, the region that China has built up relationship with ten different nations based upon ‘Angola model’. Doubting the pragmatality and effect of the China’s foreign aid barely transferring technologies over the course of the involvement in SOC projects by Chinese private businesses, African nations now argues that the manufacture industry has been hit hard by the Chinese undersold bargains. What backs this is an OCED report issued on ’11, as evidenced by <Table. 4-4>, describing the inverse proportion between Chinese

investments in mining facilities and manufacture industry, one of the essential secondary industries for development of a nation.

<Table. 4-4> Contribution ODA Industry to GDP, 2000-2008<sup>85)</sup>

	% Share ODA GDP	2000	2005	2008
African Developing Economies	Industry	35.5	38.8	40.7
	Manufacturing	12.8	11.6	10.5
	Mining & Utilities	18.4	23.0	25.8
Eastern Africa	Industry	18.6	20.6	20.3
	Manufacturing	10.4	10.3	9.7
	Mining & Utilities	3.1	3.6	3.7
Middle Africa	Industry	50.4	57.9	59.8
	Manufacturing	8.2	7.3	6.4
	Mining & Utilities	39.3	47.9	50.5
Northern Africa	Industry	37.8	45.0	46.0
	Manufacturing	12.8	11.3	10.7
	Mining & Utilities	19.5	28.2	29.8
Southern Africa	Industry	32.7	31.7	34.5
	Manufacturing	18.4	17.9	18.2
	Mining & Utilities	11.7	11.2	13.1
Western Africa	Industry	39.8	36.7	37.4
	Manufacturing	7.8	6.0	5.0
	Mining & Utilities	29.3	27.7	29.6

Source: UNCTAD/UNIDO

The Chief of the Central Bank of Nigeria, one of the most resource-rich nations in the African continent, was even harsher by using the word ‘colonization’ in describing the

<sup>85</sup> Economic Development in Africa Report 2011, Special Report, UNIDO/UNICAD

Chinese involvement in the African nations, as he contributed to <Financial Times> to the effect that “the Chinese involvement in resource development and dominant Chinese industrial products made out resources of the African origin are forming together a vicious circle for the African nations getting colonized by China little by little. Being the world’s second biggest economic power, China is not dissimilar to the Western countries few decades ago, capitalizing on the African countries opening themselves up against the Chinese Imperialism”<sup>86</sup>

Trend goes in the South-east Asia as well, as China focuses on no further than ‘transportation and energy developments’ out there, accounting for 90% of Chinese GMS mentioned above. China’s foreign aid is very much of the same, lopsided to the resource-rich nation of Myanmar and economically prospective Indonesia. As for Myanmar, the greatest portion of such infrastructures as roads and harbors, most of which are built for mining and resource development, are not open to the public for the Chinese private companies capitalizing upon ‘conducting businesses out there’ under the shelter of Chinese and Burmese governments.

Few South-east Asian countries jumped into anti-Chinese action, as the Burmese president Thein Sein suspended<sup>87</sup> a dam construction project projected to be performed by a Chinese corporation in ’12 and the non-Burmese countries established Mekong River Commission (MRC) in preventing China in abusing power for reckless development of dams and bridges Mekong River (MRC News, 2010). MRC also attributes the unprecedented draught in 2010 along Mekong River to the construction of

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<sup>86</sup> Lamido Sanusi, “Africa must get real about Chinese ties”, Financial Times, March 23, 2013

<sup>87</sup> “Neighbors Grow More Wary ODA China”, The Wall Street Journal, 13, January, 2013

dams, demanding Chinese explanation on the issue.

As for the Central Asian region, China has kept expanding its mediatory influence since collapse of the Soviet Union, by tying ODA and resources procurement as the nation has done for many other counties (see <Table. 4-5>).

<Table. 4-5> Trade Between China and Members Of the SCO

(Unit: USD1mil, %)

Ctry	2001	2005	Share(%)
Russia	10,670	29,103	173
Kazakhstan	1,288	6,810	429
Kyrgyzstan	118	972	718
Tajikistan	11	158	1,368
Uzbekistan	58	680	1,067

Source: Jia Qingguo, “The Shanghai Cooperation Organization: China’s Experiment in Multilateral Leadership.” <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?ots591=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=34993> (Accessed 14 July 2013)

Central Asia is no exception to Sinophobia, the phenomenon led by Kazakhstan, the largest bearer of petroleum / natural gas in the region. Claiming the Chinese undersold bargains undermine the nation’s economy, and its natural resources are exploited by China, Kazakhstan is the Central Asian epicenter for anti-Chinese sentiment, where a shopping mall run by the Chinese owner was set fire<sup>88</sup>). Led by the young generations

<sup>88</sup> Andrew Higgins, “Sinophobia in Central Asia marks China’s economic rise”, Washington Post, Hindustan Times, September 08, 2010 <http://www.hindustantimes.com/world-news/RestOfAsia/Sinophobia-in-Central-Asia-marks-China-s-economic-rise/Article1-597835.aspx>

deprived opportunities to work due to the inflow of Chinese bargains and domestic traders and manufacturers, anti-Chinese sentiment is no longer unfamiliar to the Kazakhstani people.

As described so far, China's foreign aid is lopsided to some extent, particularly from the perspective of resource procurement, which is why it is devaluated by the conventional Western donor countries as 'non-humanitarian investment'.

Donee countries are now awakened on Chinese investment and ill-purposed support, despite China expanding the scope of ODA and trade therewith. It is thus evident that the first and foremost goal of China should be nothing but eradicating anti-Chinese sentiment, keeping itself from a 'long shot'.

## **V. Conclusion: Signification of China's foreign aid Policy**

So far represents China's foreign aid policies, with its strategic stance entangled with multiple interests, having expanded itself since late '90s and straying from the conventional DAC definition of 'Aid of pure intention in favor of economy and welfare of donee countries' for its own sake. That China's foreign aids are for few resource-rich countries in the African and Asian continents and lopsided to non-humanitarian sectors illustrate the association of ODA with 'shortage in resources', in line with the Go Out Policy and prospective conclusion of FTA. Also notable is the Chinese government granting opportunities to the Chinese private companies to take part in construction / infrastructural projects as part of the aid and capitalizing on the donee countries' markets where Chinese businesses sell industrial product in establishment of an economic tie.

As for politics, Chinese government seeks to isolate Taiwan in governance of 'One China' and boast Soft Power as part of the nation's devotion to ODA.

While analyzing the result of modern-day expansion of China's foreign aids is quite meaningful, no one can deny Chinese 'non-interrupting' approaches to the donee countries are hit hard internationally. Chinese 'Non-interruption' Principle and 'Respect of Sovereignty', despite donee countries taking advantage thereof, just undermine the global standard of ODA, not to mention Neo-colonialism arguably established by the Chinese Soft Power.

Apparently having enjoyed fruit of ODA, China should be expected to find its way to set fairer balance between donor's and donee's benefit in realization of the peaceful rising, compromising with the global ODA standard and letting the foreign aid data unveiled for

objective evaluation, all of which would thus be what matters here for the Asian giant to set itself, in the true sense of the word, 'Responsible Superpower' in realization of the Dream of China.

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## 국문초록

본 논문은 1990년대 후반 이후 중국은 왜 대외원조 규모를 급격하게 증가시켰는가에 대한 실증 분석 연구이다. 21세기에 들어서면서 국제사회는 공적개발원조의 확대를 각국에 요청하였으며, 세계의 빈곤과 자연재해에 대한 공동의 책임을 전세계에 호소하고 있다. 중국의 경우 일견 신흥원조국으로서 이러한 호소에 동참하고 있는 것으로 보인다. 그러나 여타 공여국과 달리 중국의 경우 대외원조 정책 및 그 규모의 확대는 국제사회의 관심과 우려를 동시에 야기하고 있다. 왜냐하면 중국의 대외원조 정책은 일반 공여국에 비해 복잡적이고 다층적인 전략적 수단으로 보이기 때문이다.

따라서 본 논문에서는 중국의 대외원조 정책의 확대를 다양한 각도에서 분석해 보고자 하였다. 기존에 중국의 대외원조가 에너지 부족을 해결하기 위한 자원외교로 사용되고 있다는 관점 이외에도, 외교적인 실리(대만 문제 등), 수출주도형 원조, FTA 등 여러 측면에서 접근하였고, 이에 대한 실증적인 데이터를 제시하고자 하였다.

또한 중국의 대외원조의 특성으로 중국과 선진원조국간의 원조 이념 및 정책적 차이를 비교함으로써 다양한 관점을 제공하려고 하였다. 이는 선진공여국 클럽에 가입하여 대외원조의 양적 확대와 더불어 대외원조정책의 선진화를 추구해야 하는 한국에게 있어 다양한 시각을 제공하고자 함이다.

마지막으로는 중국의 대외원조 공여액 추산 측면에서 광의의 원조와 협의의 원조로 분리하여 객관적인 지표를 제시하고자 하였다. 이는 중국이 대외원조 공여액을 공개하지 않기 때문에, 그 추정치의 오차가 매우 크며, 따라서 각종 데이터를 통해서 최대한 객관적인 수치를 제공하는데 목적을 두었다.

결론적으로는 중국의 대외원조는 국제적인 시각으로 보았을 때 적지 않은 문제점을 안고 있고 많은 부분 비판의 대상이 되고 있다. 이는 중국의 대외원조 정책 기조(基調)인 주권존중과 내정불간섭원칙으로 인해 수원국 선별에 있어서 국제원조질서에 부합되지 않는 형태로 이루어지며, 수원국의 “개발” 이외에 자국의 실리주의를 위한 도구로 사용된다는 측면에서 기인한다. 그러나 중국이 대외원조를 통해서 자국에 가져다 준 이득은 적지 않은 것으로 생각되며, 이러한 성과를 기초로 하여 차후 대외원조 공여액은 더욱 증가할 것으로 생각된다. 따라서, 중국은 화평굴기를 실현하고, 중국의 꿈 꿈(中國夢)을 이루기 위해서는 대외원조 정책에서 “義”와 “利” 사이에서의 균형을 이룰 수 있어야 할 것이며, 이런 일련의 노력을 통해서 진정한 의미로서의 ‘책임지는 강대국’ 이 될 수 있을 것이다.

**주제어:** 공적자금, 대외원조, 개발원조(ODA), 자원외교, FTA, 소프트파워, 아프리카, ASEAN, 중동

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