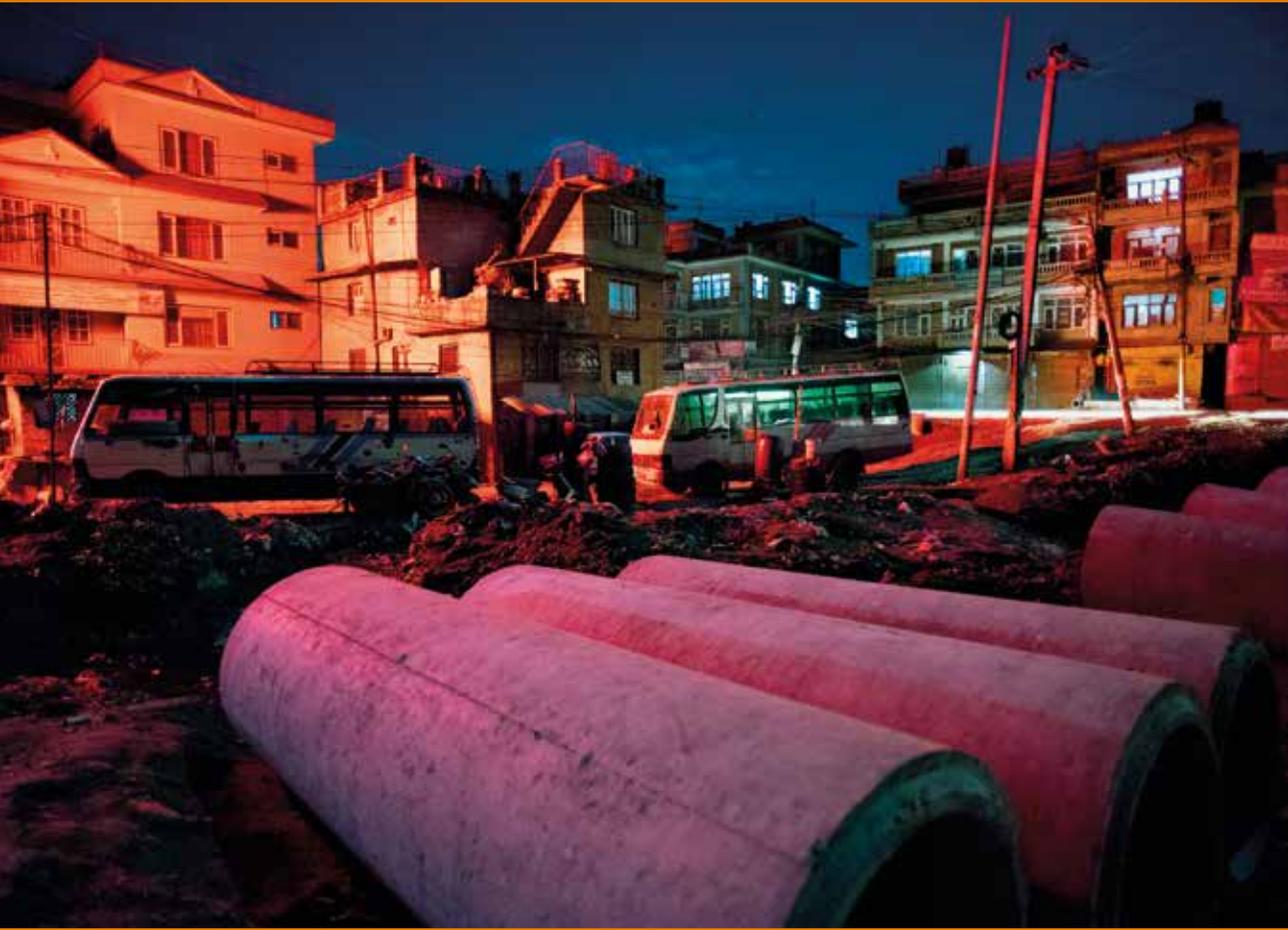


EMERGING ECONOMIES AND THE CHANGING DYNAMICS OF DEVELOPMENT COOPERATION



IDS Bulletin

Transforming Development Knowledge

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Transforming Development Knowledge

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Emerging Economies and the Changing Dynamics of Development Cooperation

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Introduction: Beyond Aid – The Future of Development Cooperation

Jing Gu¹ and Naohiro Kitano²

Abstract This introduction explains the rationale behind this issue of the *IDS Bulletin*, and identifies the key issues and research questions addressed by the contributors. In so doing, it identifies the emerging outlook of future international development cooperation, such as the new model, approaches, and characteristics of international development cooperation embodied by the traditional and emerging donors. This introduction notes the economic, political, and development trajectories of international development cooperation, and explores how the changing dynamics affect the future of these partnerships. It also presents the central argument that runs throughout the studies; namely, that whilst the ‘emerging economies’ have excited worldwide attention, and scholarly and policy interest, there has been an over-concentration on a limited number of ‘emerging donors’, particularly the BRICS economies, a consequential neglect and underestimation of the importance of the wider range of ‘new donors’, and a pressing need for a more holistic approach to analysis and understanding.

Keywords: development cooperation, global partnership, knowledge creation, emerging donors, BRICS, China, India, Indonesia, Japan, Mexico.

This issue examines the breadth and diversity of what have come to be termed ‘emerging donors’, and seeks to provide a counter to a debilitating asymmetry in the existing conventional analysis, understanding, and policy approach to these donors. The respective studies in this *IDS Bulletin* explore this in the context of an evolving international understanding of development assistance that seeks to move ‘beyond aid’ to encompass wider economic development as a key component of equitable, inclusive, and innovative sustainable growth. The premise for moving ‘beyond aid’ is that ‘conventional development aid is inadequate to address the bottlenecks to growth in many developing and emerging market economies’ (Lin and Wang 2017: 1) with the prescription that

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we need to go well beyond aid and purposefully combine aid, trade, and investment, using all financial instruments available and introducing new and innovative ones to meet the challenges of eliminating poverty and transforming industrial structures toward green and emission-reducing development (*ibid.*: 1).

Heiner *et al.* usefully explain that

as an umbrella term, beyond aid describes different aspects of the transformation of development cooperation. The transformation is particularly pronounced in four dimensions where aid is decreasing in relative importance: the proliferation of actors, the diversification of finance, the shaping of rules and policies, and the sharing of knowledge for development (Heiner, Klingebiel and Paulo 2014: 2).

This issue of the *IDS Bulletin* is a result of a unique collaboration between the Japan International Cooperation Agency (JICA) Research Institute and the Institute of Development Studies (IDS). This collaboration is itself grounded in a shared belief in the value of examining the rapidly changing international development assistance system by applying a wider and holistic lens encompassing the increasingly broad number of 'new' donors. The central argument and thread running through this issue is that whilst the 'emerging economies' have generated worldwide attention, scholarly and policy interest, there has been an over-concentration on a limited number of the 'emerging donors', a consequential neglect and underestimation of the importance of the wider range of 'new donors', and a pressing need for a more holistic analysis and understanding. This collection of studies dedicated to highlighting the actual and potential contribution of a wider range of donors is intended to help compensate for this imbalance in the existing literature, contribute to scholarly understanding, and offer informative insights for practical policy deliberation.

The key themes of this issue include:

- the need to acknowledge, explain, and understand more deeply the nature and significance of a broader spectrum of donors; i.e. a truly holistic perspective and approach, evidenced in this issue in the geographical range of countries covered such as India and Indonesia;
- the utility of applying innovative analytical methods, models, and frameworks to help explain the complexities of these cooperation relationships;
- the importance of domestic experience, and efficient and effective policy administration as conditioning, and in some instances determining, factors in the formulation and implementation of the development cooperation approaches of donors;
- the growing significance of cooperation between 'new donors' themselves, beyond high-profile groups such as the BRICS (Brazil, Russia, India, China, and South Africa); and

- the need for a continuing process of data reassessment and updates to underpin continuing research.

Almost two decades have passed since the ‘new’ providers of development cooperation called ‘emerging donors’ (who later came to be called ‘new development partners’ or ‘providers of South–South cooperation’) began to attract the attention of ‘traditional donors’. Initially, ‘emerging donors’ were regarded as ‘rogue aid providers’ (Dreher and Fuchs 2011; Naim 2009). Since that initial phase, however, there has been a steady accumulation of scholarly works that have enriched our understanding of the ‘emerging donors’ (Woods 2008; Rhee 2011; Watson 2014). Consequently, the focus has expanded to cover development assistance activities by BRICS countries as a whole, and comprehensive comparisons of the various features of ‘emerging’ and ‘traditional’ donors have been elaborated on as their economic and political roles have solidified (Gu 2017).

More recently still, analysis has refocused to counterbalance the conventional wisdom of treating the BRICS as a homogeneous group. This approach has moved to deconstruct this rather homogenised approach to understanding this group of economies in order to explore and explain the various heterogeneous dimensions – elements of variability that are also a component characteristic of the group’s evolution – and the implications of this for the BRICS’ own development, as well as for their impact on the wider international system and development assistance community (Gu, Shankland and Chenoy 2016). Moving beyond the BRICS, the latest acronymic group branded by the former Goldman Sach’s economist Jim O’Neill, the person to whom authorship of the BRICS acronym is attributed, are the so-called MINT economies of Mexico, Indonesia, Nigeria, and Turkey (BBC 2014).

Despite the extensive and growing literature, analysis, and debate, the current status of knowledge still seems to leave many blind spots, stopping short of asking many relevant questions necessary to delve deeper into the realities of ‘emerging donors’, and to facilitate cooperative and mutually beneficial relationships between the two camps. For instance, ‘emerging donors’ have received perfunctory attention, leaving their diverse uniqueness virtually unexplored. Especially, there is a paucity of scholarship focused on the realities of the development cooperation undertaken by many emerging powers other than the BRICS countries. Even more challenging, there is insufficient empirically-based evidence about the realities of BRICS development cooperation. For example, we are yet to understand the impact of this cooperation, although the rising prominence of emerging donors is keenly felt on the side of ‘traditional donors’ by its volume of development assistance, and thus it has been one of the main focal points of the debate. The difficulty in assessing the volume of development assistance from emerging donors may arise from the fact that their notion of ‘development cooperation’ is different from that of Western donors (Bräutigam 2011; Gu 2015); for example, with respect to the role of the state (Gu *et al.* 2016a, b). This definitional

cleavage is of increasing importance when more emphasis is placed on the role of development cooperation as a 'catalyst' to invoke private sector resources for development.

Added to this, our knowledge regarding the contribution of 'emerging donors' to the improvement of good governance in developing countries seems sobering. For example, the endeavour by India or emerging democracies such as South Africa, Indonesia, and East European countries for the consolidation of democratic governance in other developing countries has received relatively less attention. One can speculate that behind this paucity of scholarship lies the unwritten assumption that the lessons for development emanate and flow only from Western advanced countries, assuming away the possibility that developing countries can be reliable sources of knowledge and experience relevant for the economic, political, and social development of fellow developing countries. In other words, the normative concerns that have always informed the study of 'emerging donors' were the product of the overestimation by 'traditional donors' of the superiority of their development assistance.

All in all, the task of delving deeper into the 'emerging donors' is made difficult by the very dichotomy of 'emerging and traditional donors'. First, it obscures the enormous diversity in each camp. We can reasonably raise the question of whether the BRICS countries are the representative examples of 'emerging donors'. Second, it emphasises the static picture of the characteristics and the differences of each camp, and obscures the dynamic nature of donors and development cooperation. Lastly, the dichotomy of 'we' and 'they' deflects us from introducing the often neglected but nonetheless important viewpoint: the viewpoint of the recipient of development cooperation.

Bearing that in mind, this collection of studies seeks to remedy these deficiencies of the current status of knowledge about 'emerging donors', by asking the following questions: how diverse are 'emerging donors'? What are the realities of development cooperation by medium-sized emerging powers other than the BRICS? What is the actual picture of the cooperation of 'emerging donors' for the improvement of good governance? How are 'emerging donors' changing over time, and how do they utilise their experience of being the development assistance recipients to elaborate a distinctive understanding of, and practical policy approach to, international development assistance? How do the 'traditional donors' and recipients behave and react to the 'emerging donors'?

Recently, the scholarly and practical debate on 'emerging donors' has gained renewed currency, stimulated by the establishment of the Asian Infrastructure Investment Bank (AIIB) and the BRICS' New Development Bank (NDB), which was initially seen as a head-on challenge to the existing international order of development cooperation. The rationale behind this *IDS Bulletin* is that the examination of the

above-mentioned questions will contribute to a holistic assessment of the impact of the rise of the new development partners, and will avoid the conventional terminology and thinking characterised by continuing usage of the framing of ‘we and they’ or ‘self and others’.

Over the last decade, the global development landscape has changed rapidly. There has been a complex mix of economic globalisation and anti-globalisation, new principles, processes and practices, fresh multilateral institutions and agencies, international dialogue, and cooperative agreements, with their centre of gravity in the global South, as well as the global compacts on sustainable development and climate change. This has led governments, practitioners, and academics alike to ask whether it is indeed time to move development policy and practice ‘beyond aid’. As noted above, this term is best understood in terms of the evolution and application of a broader notion of development assistance to embrace wider economic development and sustainable growth, including multilateralised financing, premised on principles of equity, inclusivity, and partnership (Reisen 2015).

At the centre of this evolution, China and other emerging powers have emerged as critical players (Mawdsley 2012). They have rapidly expanded the financing programmes of their development cooperation and launched new multilateral initiatives and South–South cooperation (Stuenkel 2013). From discourse to cooperation modalities to new institutions, the emerging powers have served as an influential driver of shifting development paradigms (Qobo and Soko 2015). Furthermore, as a result of its overseas activity, development finance has diversified beyond official development assistance (ODA), entering recipient countries through other channels such as investment and trade.

What are the prospects for a post-2015 global partnership? (Hackenesch and Janus 2014). With the growing role of China, including its ‘Silk Roads’ initiative (Gu *et al.* 2014; Gu 2015), and other non-traditional donors such as India (Mawdsley and McCann 2011), many have asked what the future of development cooperation might look like and whether a new SDG global partnership might be possible. With this increasing diversity of actors and flows, the development community now faces difficult questions about how to move forward and ‘beyond aid’ together, in meaningful and effective partnership.

As a consequence, this issue of the *IDS Bulletin* examines the diverse providers of development cooperation from various viewpoints. The contributors provide a rich and varied menu of studies around the issue’s central themes, bringing fresh insights and understanding into today’s rapidly changing domain of development cooperation. The subjects covered in the various articles range from exploring the importance of knowledge in the development cooperation experience of emerging economies such as Indonesia; the challenges involved in the policy formulation and implementation of triangular cooperation within a sometimes contradictory set of processes embedded in

South–South cooperation (Quadir 2013); the dynamics of ‘two-way interaction’ between donors and recipients in chains of knowledge creation; and an important reassessment and updating of the critical data upon which estimates of China’s foreign aid disbursements are made and understood in international comparison.

A key aspect of these studies is the authors’ development and application of fresh analytical approaches with which to deconstruct the complexities of their subjects. For example, Akio Hosono’s article deploys an ‘Indonesian model’ through which to assess the effectiveness and wider applicability to development cooperation; Naohiro Kitano’s article utilises the tool of ‘regularity’ in the reassessment of China’s gross disbursements of concessional loans; and Yasutami Shimomura and Wang Ping develop a hypothetical model to explain in detail the processes by which ‘knowledge creation’ by emerging donors, during the time they receive development assistance, becomes a core component of their approach to development cooperation. Each of the studies provide new perspectives into the specific aspects being addressed by the authors. However, in looking across the studies, one is struck by a common theme, namely the importance the contributors attach to understanding development cooperation as a dynamic relationship; as an interactive process between the partners, requiring a carefully analytical deconstruction of the complex processes at the heart of these evolving relationships. This is perhaps more evident if we introduce each of the articles in a little more detail.

The article by Akio Hosono, entitled ‘Potential and Challenges for Emerging Development Partners: The Case of Indonesia’, assesses the possible gains as well as the challenges of development cooperation for new development partners, and examines the experience and approach of Indonesia as its case study. The major distinctive features of Indonesia’s aid pattern could be summarised as flexible and pragmatic, with significant emphasis on technical cooperation, and without a strong regional or specific-country focus. The particular interest of the study is in the component of the knowledge of emerging partners in development cooperation. Hosono’s main argument is that there is an enormous potential impact to be realised from the accumulated knowledge of the global South, but only if it is mobilised to its fullest extent. To achieve this goal, the author argues that a critical issue is ‘to identify and make available knowledge that is valuable to those countries that need it’. In addition to this potential, the article also notes the significant challenges involved.

The importance of the knowledge component of emerging partners in development cooperation is also the central focus of the article by Yasutami Shimomura and Wang Ping, ‘Chains of Knowledge Creation in the Evolution of New Donors’. In this closely argued account, the authors examine and assess the relationship between aid receiving and giving. The study illustrates the importance of recognising and explaining the way that aid recipients have created knowledge during

the time they receive aid, and the potential contributions of emerging donors based on their ‘knowledge creation’ during this receiving of aid. Drawing on a number of interesting and valuable case studies, the authors’ analysis finds that there is ‘two-way interaction’ that operates in the donor–recipient relationship which contributes to the process of knowledge creation. Based on this important insight, the study concludes that sharing this experience and knowledge of receiving aid with other developing economies can offer an important source of strength as traditional donors essentially lack this source of influence.

The study provides an important contribution to our understanding of the way that emerging economies as recipients of aid ‘nurture’ the knowledge they gain through these chains of knowledge creation, and then seek to apply it to other countries through their own financial and technical cooperation. Also investigating development cooperation primarily with a focus on it being a relationship, Jin Sato’s article, ‘Triangular Cooperation in East Asia: Challenges and Opportunities for Japanese Official Development Assistance’, presents a critique of the way that triangular cooperation works in practice, assessing the balance sheet of potential benefits and challenges it presents. The study addresses an important issue by seeking to explain the ability of East Asian economies to transform ODA institutions. Whilst there is diversity across the policy and practice of Japan, China, and South Korea and these have been subject to substantial discussion and critique, it is perhaps surprising that their combined cooperative relationships have been much less examined. The study focuses on the experiences of JICA, centring on the political dimension and policy formulation, and explains what Sato argues is the ‘central importance’ of power for our closer understanding of how development assistance relationships begin, sustain, and evolve.

Drawing upon case study evidence, the author argues that triangular cooperation represents a new means by which some donors aim to keep their relationships with emerging powers. Where this operates, the analysis indicates that South–South cooperation, including triangular cooperation, is inherently contradictory due to the realities of power embedded in it, and that primarily this is ‘an effort by the North to support South–South cooperation’. The study argues that co-financing rather than triangular cooperation offers a potentially more fruitful avenue to respond to this challenge. Sato’s study argues that co-financing cooperation can have a positive impact on development cooperation efficiency and effectiveness. However, the study indicates that JICA’s experience demonstrates how constraints can operate, for example, in the requirement for prior administrative clearance and a rapid turnover of staff that work to disrupt policy continuity.

Naohiro Kitano’s article, ‘Estimating China’s Foreign Aid Using New Data’, provides an important update and corrective to earlier assessments. The stated aim of the study is to provide ‘updated estimates of China’s foreign aid volumes between 2001 and 2014’.

This serves as a proxy for China's ODA defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), and can be used to compare the results with the ODA of other DAC members. It applies a modified methodology to estimate the gross disbursements of concessional loans in the period under review. The principal finding is that there may be a 'weak regularity' within a cumulative amount of the framework loan agreement, the project loan agreement, and the gross disbursement of concessional loans.

Working from this fresh data, the study provides fresh insight and understanding into China's foreign aid volumes in 2012 and 2013. Kitano's study convincingly demonstrates that China's foreign aid volumes were rather less than had previously been assessed. This carries implications for the comparative ranking of disbursements of concessional loans. The analysis indicates that, whilst China was ranked number six for these years, the more accurate ranking is at tenth in 2012 and ninth in 2013. This study provides an analytical update and represents an important adjustment carrying substantial weight in deepening our knowledge and understanding for the comparative assessment of ODA disbursements, multilateral aid, and administrative budgeting for grants and loans.

Reflecting the aim of this issue of the *IDS Bulletin* to broaden the focus of development cooperation and the 'new donors', the article by Neil Renwick entitled 'Emerging Economies, Disaster Risk Reduction, and South-South Cooperation: The Case of Mexico' examines the contribution of Mexico to reducing the risk of natural disasters. Mexico is a so-called 'MINT' emerging economy with a high-risk exposure to disaster. The study explains Mexico's substantial commitment to domestic disaster risk reduction and effective engagement in regional and global disaster risk management and development cooperation. The finding of the article is that Mexico's story not only has many important positive aspects to contribute to South-South cooperation knowledge-sharing and international development cooperation, but it also demonstrates the continuing challenges of financing, administration, and politics for emerging and developing economies.

The role of the emerging economies in development cooperation attracts widespread interest, and the questions of how these economies can contribute and how far this is distinctive have generated substantial debate. The key interest of Hiroaki Shiga's article, 'India's Role as a Facilitator of Constitutional Democracy', is in analysing governance in developing countries. The core research question that Shiga poses is 'How can the unique experiences, institutions, norms, and ideas of developing countries contribute to the development and good governance of other developing countries?'. In an illuminating study that challenges conventional wisdom and offers a new perspective, the article provides a forensic analysis of the principal characteristics of Indian democratic governance and, particularly, constitutional government.

Building upon the important insights into India's political infrastructure and political culture, the study then moves on to explore and assess India's role in democratic facilitation and promotion in the context of development assistance. The central argument being put forward through the study is that India's constitutional system and qualities of governance place it in a 'unique' position to contribute to good governance in other developing countries. This role and its significance, it is argued, has been largely 'underestimated' in the conventional literature and wisdom. Challenging this established viewpoint, the article details the extensive countervailing evidence of India's development cooperation; for example, in its provision of constitutional articulation and drafting.

Following on from this study of India, two articles broaden the analytical scope. The first of these, by Geovana Zoccal Gomes and Paulo Esteves, addresses the impact of the BRICS group of economies as a component of South-South cooperation. Entitled 'The BRICS Effect: Impacts of South-South Cooperation in the Social Field of International Development Cooperation', the article considers the effect of South-South cooperation in the established principles and practices of development cooperation, globally and locally. Using an innovative application of a mode of analysis, combining the Bourdieusian concept of social fields with current international relations perspectives, the article works from the premise that international development cooperation is better understood and explained as a social field. In this respect, the authors argue that emerging economies such as the BRICS offer South-South cooperation as an alternative model for development.

The second article broadening the scope of analysis is 'Perspectives on the Global Partnership for Effective Development Cooperation' by Xiaoyun Li, Jing Gu, Samuel Leistner, and Lídia Cabral. The article seeks to identify the reasons behind global development cooperation and the challenges which arise. The authors argue that the Global Partnership for Effective Development Co-operation (GPEDC) created a unique opportunity to combine the advantages and different approaches of North-South and South-South cooperation. The study presents a distinctive critique of GPEDC, putting forward a strong case that the GPEDC has been weakened by a lack of support from both the North and South, resulting from a lack of trust and because of misconceptions among the partner countries. The article specifically explains the withholding of support for the GPEDC by the rising powers, by applying a perspective highlighting the difference between South-South cooperation and the approach of Southern development assistance within it, and North-South cooperation with ODA by the OECD-DAC. The authors argue that the bedrock of a convincing analysis of effective development cooperation and the contribution of the emerging economies is, necessarily, the availability of reliable, testable data contributing to a deeper and more convincing foundation for both scholarly and policy understanding.

Based on the fresh insights and new understanding offered by these studies, this issue of the *IDS Bulletin* helps to advance the scholarly study of the new providers of development cooperation, firstly, by critically reviewing the conventional wisdom and, secondly, by introducing new perspectives. More fundamentally, this issue questions the explicit and implicit underlying assumptions in examining the issue of development cooperation: namely, the dichotomy of 'traditional' and 'emerging' donors, and the dominance of superior knowledge, technologies, institutions, and experience of Western countries. The underlying hope is that this *IDS Bulletin* will also contribute to the enhancement of a better mutual understanding of 'traditional' and 'emerging' donors, and thus to the constructive engagement of both camps; for example, in terms of a continuing process of dialogue on knowledge-sharing, financing, and inclusive growth.

Notes

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Potential and Challenges for Emerging Development Partners: The Case of Indonesia*

Akio Hosono¹

Abstract Emerging development partners can play an extremely important role in international cooperation because they have accumulated valuable experience and knowledge identifying and implementing their own development solutions. The potential impact of accumulated knowledge of the South could be enormous – if it is fully mobilised. The objective of this article is to gather insights into the potential and challenges in development cooperation for new development partners by drawing from a case study on Indonesia. Indonesia is a member of the G20 and a pioneering emerging development partner that is mainstreaming knowledge-centred South–South cooperation. The ‘Indonesian model’ is found to be flexible and pragmatic, with a significant emphasis on technical cooperation and without a strong regional or specific-country focus. The country’s experiences and its innovative use of South–South and triangular cooperation (SSTC) might be considered valuable for other emerging development partners looking for a modality of effective SSTC.

Keywords: emerging development partners, South–South cooperation, triangular cooperation, development cooperation, knowledge-sharing, Indonesia.

1 Introduction

Recent literature on development has recognised the importance of accumulation of knowledge and capabilities (Cimoli, Dosi and Stiglitz 2009) as well as the creation of a learning society (Stiglitz and Greenwald 2014) in order to achieve transformation, and inclusive and sustainable growth. From this point of view, the role of new development partners (often called ‘emerging donors’)² in international development cooperation may be extremely important due to the accumulation of valuable experience and knowledge in identifying and implementing development solutions, as well as overcoming difficulties and constraints that developing countries face (Hosono 2013). As such, the potential impact of accumulated knowledge of the South could be enormous – if it is fully mobilised.

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The objective of this article is to gather insights into both the potential benefits and challenges of international development cooperation for new development partners by drawing from a case study of Indonesia. As a member of the G20 and a pioneering emerging country, Indonesia has been taking initiatives to strengthen cooperation among the countries of the South. This article will first provide an analytical perspective and discuss key issues related to cooperation with other countries of the South (Section 2). It will then consider three dimensions that are crucial for emerging development partners in making such cooperation effective: (1) identifying and making valuable knowledge and experience available for transfer to the rest of the South; (2) establishing institutional frameworks or systems for international cooperation to smoothly share such knowledge and experience; and (3) taking advantage of triangular cooperation involving traditional donors to scale up South–South cooperation. Each of these three dimensions will be discussed in Sections 3, 4, and 5. Finally, some concluding remarks will be presented in Section 6.

This article focuses on the knowledge/technology component of emerging partners in development cooperation, or South–South cooperation (SSC). It recognises that SSC also has other components, including significant financial assistance, but these components are not the focus of this study. The article also focuses on the specific experiences of Indonesia. This country is one of the most important new development partners³ and has become a pioneer in South–South cooperation. Indonesia's involvement in SSC can be traced back to 1955 when the country hosted the Asia–African Conference in Bandung. The country has effectively scaled up SSC, on many occasions, through triangular cooperation (TrC). Therefore, the country's knowledge and experience in relation to the three dimensions mentioned above could provide us with valuable clues for formulating strategies of addressing challenges to fully realise the potential impact of the knowledge of the South. In addition, Indonesia's aid patterns have some distinctive features: the country promotes technical cooperation ahead of economic/financial cooperation and does not have a strong country focus among recipient countries, apart from some exceptional cases such as Timor-Leste. Nevertheless, among the several regional groupings to which Indonesia belongs, the Association of Southeast Asian Nations (ASEAN) remains the highest priority in Indonesia's South–South cooperation (NCT and JICA 2012: 79).

2 Analytical perspective and key issues

As mentioned in Section 1, this article examines three dimensions that are crucial for emerging development partners to effectively cooperate with the other countries of the South: identification of valuable knowledge to be shared, institutional frameworks or systems for international cooperation to share such knowledge, and scaling up of SSC through global, multilateral, and triangular initiatives. These three dimensions are closely related, and this article discusses them in a holistic manner. Each of them is discussed below from an analytical perspective.

2.1 Knowledge and development experience

The outcome document of the Busan High Level Forum on Aid Effectiveness held in November 2011, *Busan Partnership for Effective Development Co-operation* (henceforth, the Busan outcome document) (OECD 2011), emphasises the importance of South–South cooperation and triangular cooperation (SSC/TrC, also abbreviated in Indonesia as SSTC). It does so in terms of knowledge-sharing for sustainable development.

The recent literature emphasises that investment in knowledge tends to be suboptimal for society, especially in the South (Iizuka, Hosono and Katz 2016). Against this backdrop, the considerable and diverse knowledge accumulated in the South that has not been provided by the traditional donors may be essential for development – experiences that were created or developed almost exclusively in the South. Examples of such knowledge include the broad range of appropriate technologies and intermediate technologies such as technologies for agriculture in tropical climates that cannot be developed in the North. Similarly, knowledge related to production based on ‘natural capital’ such as aquaculture, agroforestry, livestock, and so on is key for sustainable development (Iizuka *et al.* 2016). Sustainable housing using traditional architecture and design and sustainable materials is a good example of this in the case of Indonesia. It also includes knowledge related to ‘bottom of the pyramid’ (BoP) and inclusive businesses (Kato and Hosono 2013).

In summary, the potential impact of knowledge accumulated in the South could be enormous – if it is fully mobilised. It is critical to achieving the goals and targets of the Sustainable Development Goals (SDGs). Therefore, a key issue is to identify and make available knowledge that is valuable to those countries that need it.⁴

2.2 The national system of development cooperation

New and emerging development partners need effective national systems for international cooperation. These could be multi-layered from decision-making level to the administrative and coordination level, and to field implementation-level experts and organisations, who will be the direct providers of knowledge.⁵ As Mawdsley stated,

the administration of foreign aid and development cooperation requires trained personnel, legal frameworks, budget lines and management, monitoring and evaluation systems and so on... The management of external assistance also requires attention to the balance of responsibilities and power between different domestic institutions, and the coordination of their relevant activities (2012: 93).

However, there is no standard model of national system of development cooperation.

Even among traditional donors, national systems are diverse. Mawdsley (2012: 94–98) compared national systems of emerging development partners, finding great differences between them.

The key issue here is to establish and strengthen national systems of development cooperation along with the dynamism of SSC by addressing challenges and costs, in order to make development cooperation as effective as possible.

2.3 Global, multinational, and triangular initiatives to scale up SSC

The efforts towards development cooperation by emerging development partners could be supported by global, multinational, and triangular initiatives. In this regard, the Busan outcome document recognised 'that many countries engaged in South–South cooperation both provide and receive diverse resources and expertise at the same time, and that this should enrich cooperation without affecting a country's ability to receive assistance from others' (OECD 2011: 10). It then highlighted the four factors essential in strengthening the sharing of knowledge and mutual learning: (1) scaling up the use of triangular approaches to development cooperation; (2) making fuller use of South–South and triangular cooperation, recognising the synergies they offer; (3) encouraging the development of networks for knowledge exchange, peer learning, and coordination among South–South cooperation actors; and (4) supporting efforts to strengthen local and national capacities to engage effectively in South–South and triangular cooperation (*ibid.*: 10).

The key issue here is how to scale up SSC effectively through TrC, and global initiatives for knowledge-sharing in the South.

2.4 Research questions

Each of the key issues mentioned above is related to the basic research questions of this article, drawing on the case of Indonesia. They are as follows: (1) How was valuable knowledge identified and made available to beneficiary countries through Indonesia's development cooperation? (2) How was a national system of development cooperation established and strengthened in the country, in a way that kept in step with the dynamism of its SSC to address challenges and costs, in order to make the cooperation as effective as possible? (3) How has the development cooperation of Indonesia effectively been scaled up?

3 Knowledge and development experience: how to identify and make it available

3.1 The changing context, national vision of cooperation, and identification of knowledge to be shared

The first initiative towards policy mainstreaming of South–South cooperation/triangular cooperation in Indonesia began in 2009 when the Jakarta Commitment presented SSTC as one of the key pillars of Indonesia's development effectiveness agenda in its strategic vision (NCT 2012: 12; JICA 2013: 6). SSTC was further elevated onto the Indonesian domestic development agenda following the Jakarta Commitment (JICA 2013: 6).⁶ In 2010, SSTC became part of the National Medium-Term Development Plan (RPJMN). As discussed in Section 4, a new inter-ministerial coordination body of SSTC, the National Coordinating Team on SSTC (hereafter, NCT) was established. Thus, inclusion of SSTC in the RPJMN definitively

clarified its domestic function: SSTC plays an important role in promoting domestic development, which was a necessary process in gaining domestic support. With the establishment of NCT, the institutional setting was re-defined, though it was not a fully fledged solution (JICA 2013: 6–7).

In this new context, the National Seminar on South–South Cooperation was held in 2010. According to the resulting NCT document (NCT 2012: 13), Indonesia’s vision for SSC was for a better partnership for prosperity based on the principles of equality, mutual respect, non-conditionality, experience and knowledge-sharing, comparative advantage, demand-driven, mutual benefit and opportunity, and sustainability. A policy document and its implementation plan of SSTC – called Grand Design (GD) and Blue Print (BP) – were drafted in 2011. The BP mentioned the focus of Indonesia’s cooperation policy in the first period of GD (2011–14), and flagship programmes were defined based on need, global challenges, and the ability to contribute to national development target achievement (NCT 2012: 17).⁷

It is important to note that most of the flagship programmes are based on knowledge that was created or developed in the context of the diverse local conditions of Indonesia: a broad range of appropriate technologies and intermediate technologies are essential components, such as technologies for agriculture in tropical climates, disaster risk management, and maternal and child health. These cases, together with many others, demonstrate Indonesia’s vision of sharing knowledge created or developed endogenously in the process of overcoming difficulties that constrain the development process in the country.

The Vice-Minister of National Development Planning, Dinarsyah Tuwo, as the person in charge of international cooperation, reconfirmed this vision in his speech in March 2012, in which he pointed out that,

It is a great momentum for us to maximise the impact of the cooperation which certainly in the previous experiences has contributed to so many development issues. Now, it has showed that South–South and Triangular Cooperation provide a significant support to the sharing knowledge and experiences that have been acknowledged extensively in the international forums and development cooperation context (Dinarsyah Tuwo 2012: 2).

In the same speech, the Vice-Minister emphasised the changing international context: ‘As we are all aware, the global and regional position of our Government is becoming more strategic and significant since Indonesia became a member of the G-20, and has graduated to be a middle-income country’ (Dinarsyah Tuwo 2012: 2).

It was within this context that Indonesia led a global initiative to prepare an innovative platform of knowledge-sharing and announced its new vision of international cooperation. The announcement was made

on the occasion of an international conference, the Bali High-Level Forum, Country-Led Knowledge Hubs, in July 2012. The then Vice President of Indonesia Mr Boediono announced that Indonesia was ready to be a knowledge hub in three areas: development, governance and peace-building, and macroeconomic management for sharing knowledge with other countries. This initiative is a relevant case in which a country identifies the priority area of knowledge-sharing in response to the changing context of international cooperation.

3.2 Organisations in which knowledge is embodied: centres of excellence⁸

Knowledge that has been identified as being of importance for SSTC can then be shared with other countries of the South. The main actors of this process are organisations in which knowledge is embodied. In practice, these organisations constitute an essential part of the national system of cooperation, which will be discussed in Section 4. In spite of their importance, their functions are not properly discussed in the existing literature.⁹ The Nairobi outcome document of the High-Level United Nations Conference on South–South Cooperation in 2010 encouraged United Nations organisations to assist developing countries in enhancing or establishing centres of excellence in their respective area of competence.¹⁰

In the case of Indonesia, many such organisations are referred to as ‘implementing agencies’, mostly under the line ministries. The Vice-Minister of National Development Planning stated that,

the Government of Indonesia has committed to support process by sharing the success from the development programmes that for so many years have been supported by development aid. These programmes have been modified and developed further using the local knowledge and expertise. And we expect that this kind of mechanism can also be implemented in the knowledge sharing process (Dinarsyah Tuwo 2012: 3).

Organisations that implemented such programmes were able to create, develop, or adapt knowledge while taking into consideration local conditions, and have, therefore, experiences and capabilities of mutual learning and co-creation of innovative solutions when they share the knowledge through SSTC.

The 2012 NCT document (2012) listed more than 50 organisations as implementing agencies, many of which are internationally well known and could be considered as centres of excellence or prospective centres of excellence. Some of these outstanding centres are listed in Table 1.¹¹ Actual examples of SSTC by these and other centres are listed and explained in *Indonesia’s Capacities on Technical Cooperation* (NCT 2012) and *Indonesia’s Development: Knowledge through Japan’s Cooperation for South–South and Triangular Cooperation* (JICA 2014).

Table 1 Implementing agencies (centres of excellence or prospective centres of excellence)

Centres of excellence	Centre's expertise (knowledge and technology)
Agency for Agricultural Extension and Human Resource Development (AAEHRD)	Leading organisation for training in agriculture and horticulture sectors with its Education, Training and Extension Centres.
Center for Research on Engineering Application in Tropical Agriculture (CREATA, Bogor Agricultural University)	Leading organisation for development and application of engineering sciences to create appropriate technology for development of sustainable tropical agriculture.
Main Centre of Brackishwater Aquaculture Development (MCBAD)	Aquaculture technology for brackish environments focusing on shrimp, fish, swimmer crabs and mud crabs, bivalves, and seaweed.
Gondol Research Institute for Mariculture (RIM)	Mariculture technology such as hatchery and culture, brood-stock transportation, finfish breeding, and so forth.
People Centered Business and Economic Institute (IBEKA)	Leading organisation (Indonesian NGO) in the field of micro-hydro power as well as social development, training programmes, biogas, and clean water supply.
Research Institute for Human Settlement (RIHS)	Appropriate technology for sustainable low-cost housing, technology of developing local building materials, technology of clean water and sustainable sanitation in tropical areas, and planning of earthquake-resistant buildings.
Sabo Technical Center	Technology and knowledge on mitigation of sediment-related disaster damage, pyroclastic flow management and integrated sediment-related disaster management, and so forth.
Center of Brantas River Basin	Leading organisation for river basin development and management. Technology for water management, including flood control, and water distribution to meet the needs of irrigation, electricity, watershed management, land rehabilitation and so forth.
Bio Farma	The only vaccine manufacturer in Southeast Asia that produces all complete vaccines needed for the Expanded Program on Immunization (EPI) in one location.
Electronics Engineering Polytechnic Institute of Surabaya (EEPIS-ITS)	Vocational education and applied technology in the field of electronics engineering; also renowned for its excellence in the field of robotics as well as information technology.

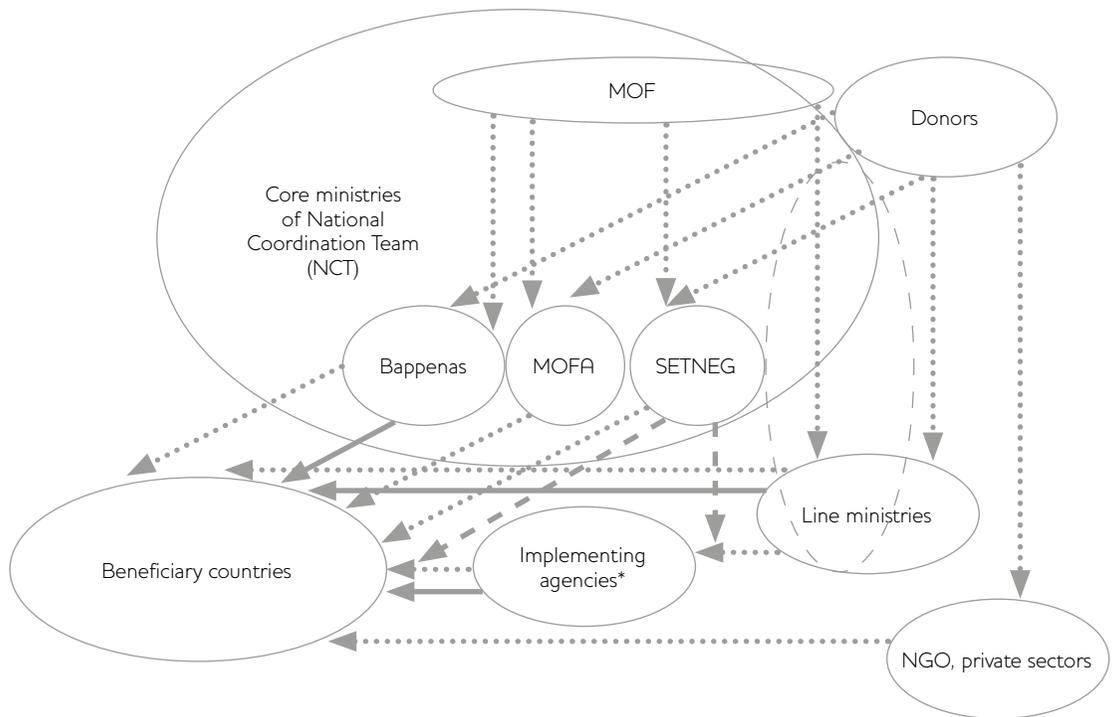
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4 Institutional frameworks for international cooperation and formation of the 'Indonesia model'

4.1 The formation of institutional frameworks: experiences and challenges

Indonesia's institutional framework for international cooperation is a national system resulting from several initiatives that have been taken in different circumstances. The fundamental baseline of Indonesia's commitment to South–South cooperation can be traced back to the 'Asian–African Conference' in 1955 held in Indonesia, widely known as the 'Bandung Conference'. The conference established the concept of the South and of cooperation among developing countries, or South–South cooperation, for the first time. So, it can be said that SSC has its origin in Indonesia's initiative (JICA 2011: 5), together with initiatives from other countries of the South. Its commitment to SSC was renewed with the establishment of the Non-Aligned Movement Centre for South–South Technical Cooperation (NAM-CSSTC) in

Figure 1 Institutional framework of Indonesia's SSTC



Notes *Including centres of excellence; dotted arrowed lines: budget flow; dashed arrowed lines: logistic support; solid arrowed lines: knowledge-sharing.

Source Author's own, based on NCT and JICA (2012).

Jakarta in 1995 at the initiative of the governments of Indonesia and Brunei Darussalam, with the aim of pooling and collecting all resources and abilities available in developing countries for mutual support to accelerate national development in each country (JICA 2014: 2).

Following the development of the basic concepts of SSC at the Bandung Conference, Indonesia's engagements in SSC and SSTC began in 1981. The Coordinating Committee of International Cooperation (CCITC) was established as the coordinating body of SSTC, headed by the Cabinet Secretariat (currently the State Secretariat) as the core institution. However, after the Asian financial crisis in 1998,

the national coordination mechanism almost collapsed due to the decline of activities because most of the national budget at that time was diverted to domestic development and even after the country's recovery from the crisis, the lack of national coordination continued (JICA 2013: 6).

In re-establishing the institutional framework for a national system, important momentum was provided by the Jakarta Commitment in 2009. This reiterated the significance of 'SSTC as one of the key pillars of Indonesia's development effectiveness agenda in the strategic vision'

(JICA 2013: 6). A year after the Jakarta Commitment, two important steps were taken: (1) SSTC became part of the National Medium-Term Development Plan (PRJMN), which clearly pointed out the ‘necessity of articulating a long-term vision of how Indonesia optimises the utilisation of SSTC’ (JICA 2013: 6); and (2) a new inter-ministerial coordination body of SSTC, the National Coordination Team on South–South and Triangular Cooperation (NCT), was established by ministerial decree from the National Development Planning Agency (Bappenas) in 2010. The NCT consists of four core ministries: Bappenas, the Ministry of Foreign Affairs (MOFA), the Ministry of State Secretariat (SETNEG) and the Ministry of Finance (MOF). These two decisions could be considered milestones in the establishment of the current national system of international cooperation in the country. Two years later, the Directorate of International Development Cooperation was established in Bappenas to lead the initiative and chair the Technical Committee of NCT. This institutional framework is illustrated in Figure 1.

The NCT is organised based on the following structure:¹² The Steering Team works at the decision-making level, with Bappenas and the MOFA as chairs. At the technical level (or administrative and coordination level), the Technical Committee is organised with the Director of International Development Cooperation of Bappenas as its chair and directors of the four institutions of SETNEG, MOF, MOFA, and Bappenas as Vice-Chairs. Under the Technical Committee, three working groups were set up: Working Group 1 on Institutional Framework; Working Group 2 on Programme and Funding; and Working Group 3 on Monitoring, Evaluation, and Knowledge Management.

The implementation mechanisms of SSTC have been placed under the NCT. Eleven line ministries participate in technical cooperation. They are SETNEG, the MOFA, the Ministry of Agriculture (MOA), the Ministry of Trade, the Ministry of Forestry, the National Family Planning Agency (BKKBN), the Ministry of Public Works, the Ministry of Communications and Information Technology, the Ministry of National Education, and the Ministry of Health. Under these ministries, there are many organisations referred to as ‘implementation agencies’ in NCT documents (NCT 2012).

As line ministries and the implementing agencies under their jurisdiction are the direct actors engaging in SSC, the coordination between NCT and line ministries at both the decision-making level and technical coordination level, and the coordination between the line ministries and implementation agencies at the implementation level in the field is considered essential in strengthening the national system of SSC. Furthermore, strengthening of the mechanisms to facilitate SSC at the implementation level appears to be crucial in effectively promoting Indonesia’s international cooperation. This could be one of the major challenges in enhancing the Indonesian capacity for SSC.

4.2 The relationship between technical cooperation and economic/financial cooperation

It is important to notice that so far, the Indonesian government has promoted technical cooperation (Technical Cooperation among Developing Countries, TCDC, the term used in Indonesian documents) ahead of economic/financial cooperation (Economic Cooperation among Developing Countries, ECDC, the term used in Indonesian documents). There is an intention to consider ECDC at a later date (NCT and JICA 2012: 23). Reasons for this stance of the government are, among other things, that ECDC requires the participation of various stakeholders, including the private sector; some parties have been reluctant to provide loans to other countries because of the financial crisis Indonesia suffered (NCT and JICA 2012: 23).

The NCT and JICA (2012) study states in this regard that,

it is important to consider the Indonesian way of ECDC, taking into account of what is needed by the private sector that could not be supplied by the existing private sector. It is worth considering the strategic utilization of EXIM bank for the purpose of domestic development in relation to SSC in the long run (NCT and JICA 2012: 23).¹³

However, the study mentions that, in order for the Exim Bank to provide ECDC, the 'government's clear policy and adequate funding are crucially needed' (NCT and JICA 2012: 84). In this regard, the NCT presently 'focuses on TCDC, but would like to include ECDC in SSC in future' (NCT and JICA 2012: 82).

4.3 Outstanding features of the 'Indonesian model'

Although there is a large amount of literature on China and India, beyond these two major Southern providers, literature dealing with Asian emerging donors is scarce.¹⁴ As such, it is not easy to identify rigidly distinctive features of Indonesia's development cooperation. However, two recent studies appear to be relevant for this purpose. Kondoh *et al.* (2010) focus largely on 'aid patterns', a term that refers to the institutionalised orientation of the aid policies and institutions that are specific to an individual donor (Kondoh *et al.* 2010: 5). Although the present article does not aim to make a strict comparative analysis between Indonesia and other emerging donors, the conceptual framework of aid patterns utilised in the study provides a useful analytical perspective in highlighting some of the outstanding features of Indonesia's SSC compared to that of other major Asian emerging donors. This article also referred to a comparative study on Thailand, Brazil, and Indonesia by NCT and JICA on the management of SSC (NCT and JICA 2012).

From the 'aid patterns' analytical perspective, at least the following characteristics of Indonesia's pattern (or model) can be identified.¹⁵ First, the basic approach of the Indonesian model could be considered flexible and pragmatic. As was discussed previously, SSC concepts can

be traced back to the Bandung Conference and a commitment to SSC has been reconfirmed on different occasions. However, its institutional framework, including the orientation of cooperation policies, has been flexibly enhanced in response to changing contexts. Second, Indonesia's model promotes technical cooperation ahead of economic/financial cooperation. Third, a regional preference or a specific-country focus has not generally been observed in the Indonesian model, apart from some exceptional cases such as Timor-Leste. Fourth, it scales up SSC, in many occasions, through triangular cooperation.

As a result, the Indonesian model can be said to have a strong emphasis on technical cooperation, and its international cooperation could be considered to be a 'knowledge-centred' approach.

5 Scaling up of knowledge-centred SSC

5.1 Efforts to address the challenges of scaling up

As was previously mentioned, since the Jakarta Commitment in 2009, efforts have been aimed at strengthening the institutional framework to scale up SSC. In the same year, a workshop on South–South technical cooperation organised by the MOFA, SETNEG, NAM-CSSTC, and JICA identified the following three challenges to SSC in Indonesia: (1) mainstreaming SSC in the National Policy; (2) enhancing human resources for international cooperation; and (3) improving the quality of SSC (Shimoda and Nakazawa 2012: 155).

5.2 Scaling up SSC through TrC

The Busan outcome document (OECD 2011) highlighted the importance of TrC in scaling up SSC, emphasising that the sharing of knowledge and mutual learning be strengthened by scaling up, where appropriate, the use of triangular approaches to development cooperation.

In the context of Indonesia, some challenges – particularly related to budgets and funding – could be addressed by the triangular approach. Scaling up SSC typically depends, first, on financing often significant fixed costs incurred in developing and testing innovative technological interventions and, second, on keeping variable costs low so that an expanded scale of activities fits within the country's resource constraints (Hosono 2013: 240).

However, scaling up SSC through TrC extends far beyond addressing the financial constraints. One approach is to scale up through Southern centres of excellence that specialise in particular fields. The Northern partner in a triangular cooperation programme provides assistance in strengthening such centres in the Southern partner, which in turn can share knowledge and cooperate with other developing countries (the beneficiaries of triangular cooperation). The benefits come from the creation of knowledge by centres of excellence, from the adaptation of global knowledge to developing countries' conditions, and from cost savings when assistance is extended by the centres to other developing countries (Hosono 2013: 241–42). Furthermore, these centres of

excellence may obtain additional benefits from this approach. The mutual learning process enables them to achieve a deep understanding of the potential and challenges of beneficiary countries and to establish a reliable network of specialists (Hosono 2013: 248). These centres may be able to accomplish a pivotal role in scaling up SSC through TrC.¹⁶

In this regard, it is important to note that Indonesia rather prefers to use the word 'share' in order to maintain an equal partnership, and the country is reluctant use the word 'teach' to other countries (NCT and JICA 2012: 23). Indonesia's view is that 'Remembering the experiences of a recipient country, Indonesia could learn from recipient countries through SSC and be a spokesperson for developing countries at G20 as a representative of Asian developing countries' (NCT and JICA 2012: 23).

As stated in Section 3 of this article, 'many centres of excellence were established in Indonesia, and the knowledge acquired in these centres was considered as an asset that was well adapted to the local context of Indonesia' (JICA 2011: 7). Some of these assets are deeply rooted in the Indonesian context, but are able to be transformed into technologies applicable to other developing countries since they were being adapted from a society closer to other developing countries (JICA 2011: 7–8).¹⁷

It is worth noting that in the case of Indonesian and Japanese triangular cooperation, a 'Model of Triangular Cooperation' with a set of principles as a guideline of TrC has been established through day-to-day operations of engagement between the two countries and communication with other developing countries (JICA 2013: 10–11).¹⁸ This model could be considered innovative and promising in addressing the challenges of TrC, including managing transaction costs, while assuring effectiveness, a demand-driven approach, and quality of knowledge transfer.

The partnership programme (PP) of the Southern partner and the Northern partner could be one of the more structured approaches to dealing with the challenges of SSTC, such as high transaction costs, supply-driven bias, duplication and so on. The PP modality promoted by Japan provides a common framework within which a Southern provider country (or pivotal country) and Northern development partner country can jointly implement cooperation for beneficiary countries, while also allowing the two countries to share their knowledge and experience in aid management. The PP has resulted in a more coordinated and systematic modality of knowledge-sharing, due to joint planning and periodic consultation between the two countries and to a combination of cooperation schemes, such as triangular training programmes, third-country experts, joint projects, and others (Hosono 2013: 249). The Japan–Indonesia Partnership Programme (JIPP) was set up in 2003, under which annual meetings have been held.

Germany, another major partner country for Indonesia's SSTC through the German development agency GIZ, supported the formation of the Aid Information Management System (AIMS) in Indonesia. In addition

to Germany and Japan, some other countries have recently started SSTC with Indonesia.

International organisations have started initiatives to support Indonesia's SSTC. UNDP has supported Bappenas through the Enhancing Capacity for Better Aid Management project (ECBAM-UNDP). The World Bank has facilitated South–South knowledge exchange through the Global Distance Learning Network (GDLN) in many countries, including Indonesia, and more recently through the South–South Experience Exchange Facility (Shimoda and Nakazawa 2012: 154).

5.3 Scaling up SSC through regional, multilateral, and global networks

A new and innovative platform for knowledge-sharing called the Community of Practice (CoP) was established in 2013. The preparation of this global initiative was led by the Government of Indonesia. It is a web-based knowledge-sharing platform for practitioners of SSTC in which Indonesia, the World Bank, JICA, UNDP and the Asian Development Bank (ADB) participate. The platform enables the practitioners to exchange ideas, post knowledge, and learn from one another (JICA 2013: 16). This platform is an outcome of the Bali High-Level Forum, Country-Led Knowledge Hubs.¹⁹

6 Concluding remarks

The answers to the three research questions derived from the analytical perspective of this article could be summarised as follows.

Regarding the identification and availability of knowledge to be shared, efforts have been made in Indonesia to identify such knowledge through the lens of the country's national vision of international cooperation in response to changing contexts. First, flagship programmes are defined based on need, global challenges, and the ability to contribute to national development target achievement. Most flagship programmes are based on knowledge that has been created or developed in the context of the diverse local conditions of Indonesia. More recently, the country announced new priority areas for SSTC such as governance and peace-building, macroeconomic management, and development, thereby identifying its comparative advantage. The National Coordinating Team listed more than 50 implementing agencies as organisations in which knowledge is embodied and can be shared. Each of the organisations could be considered a centre of excellence or prospective centre of excellence in its respective areas. As such, the country recognises its strength and potential for knowledge-sharing in changing international contexts. Efforts have been made to ensure that the knowledge identified is sharable and knowledge management for SSTC has been introduced.

As for the establishment of an institutional framework for a national system of international cooperation, important steps have been taken to create a National Coordinating Team through the ministerial decree of Bappenas, consisting of four core ministries. At the same time, SSTC is now being mainstreamed, thus becoming part of the National

Medium-Term Development Plan. Although further enhancement and strengthening of the institutional framework is still needed, these two decisions could be considered a milestone in steps towards a fully fledged national system. From a comparative perspective with other Asian emerging development partners, the major distinctive features of Indonesia's aid pattern or the 'Indonesian model', as discussed previously, could be provisionally summarised as flexible and pragmatic, with significant emphasis on technical cooperation, and without a strong regional or specific-country focus.

Regarding the scale-up of SSC through TrC, several new initiatives have been carried out. For example, it is worth noting that in the case of Indonesian and Japanese triangular cooperation, a 'Model of Triangular Cooperation' with a set of principles as a guideline of TrC has been established.

Based on these findings, we could highlight the role of Indonesia as a pioneering emerging development partner in mainstreaming knowledge-centred SSC. This approach could tentatively be called the 'Indonesian model', which is flexible and pragmatic, while being responsive to changing context. It places an emphasis on technical cooperation, working without a strong regional or specific-country focus. The experiences of Indonesia with these outstanding characteristics might be considered valuable for other emerging developing partners looking for a modality of effective SSTC. However, the country's experiences with its 'Indonesian model' approach deserve a more in-depth analysis, especially in comparison with other emerging development partners. Moreover, the perspective from recipient countries could be essential in any further study of Indonesia's approach.

Notes

- * An earlier version of this article was produced as a JICA-RI Working Paper.
- 1 Japan International Cooperation Agency (JICA) Research Institute, Tokyo.
- 2 Regarding use of the term 'emerging donors', see Mawdsley (2012: 4–5, 186).
- 3 Indonesia has taken several initiatives to strengthen SSC. Among the most relevant initiatives is the Bali High-Level Forum, Country-Led Knowledge Hubs hosted by Indonesia, World Bank, JICA, and UNDP in 2012.
- 4 For basic literature and discussion of knowledge, transformation and South–South cooperation, see Hosono (2013, 2015).
- 5 For basic literature and discussion of emerging donor aid patterns, see Kondoh *et al.* (2010).
- 6 The Jakarta Commitment was formulated by the Government of Indonesia as an agreement document on aid coordination for development effectiveness in 2009. It touched upon SSTC as one of the key pillars of Indonesia's development effectiveness agenda in its strategic vision (JICA 2013: 6).

- 7 The flagship programmes are as follows: (1) Agriculture, food security, and social protection; (2) Disaster risk management; (3) Democratisation and good governance; (4) Trade and industry; (5) Infrastructure; (6) Human development (health, education, population, gender); (7) Indonesia's commitment for Palestinian development.
- 8 For centres of excellence, see Hosono (2013).
- 9 See for example, Mawdsley (2012).
- 10 UN (2011: 18).
- 11 These institutions were selected as examples by the author. For more details, see NCT (2012) and JICA (2014).
- 12 Based on Ministerial Decree of Bappenas No. KEP.51/HK/03/2013 dated 25 March 2013 (JICA 2013: 7).
- 13 The Exim Bank was established by the Government of Indonesia in 2009 in order to support the overseas transactions of Indonesian firms. The Exim Bank has both a commercial wing and an official development assistance (ODA) wing with the intention of expanding ODA business by supporting government programmes over the long term. However, as a commercially operating entity, the Exim Bank cannot take risks associated with providing concessional loans to developing countries with high 'country risks' (NCT and JICA 2012: 84).
- 14 Kondoh *et al.* (2010: 3) pointed out that, when a Japan Bank for International Cooperation (JBIC) research project was conducted in 2010 to explain the aid policies and performances of six major Asian emerging donors, there was no substantial literature examining Asian emerging donors in detail.
- 15 Kondoh *et al.* (2010: 5) stated that the term 'aid pattern' has similarities to 'aid model' and can be expected to show patterns, idiosyncrasies, and aid activity characteristics of each emerging donor. In reference to this distinction, this article uses the term 'Indonesian model'.
- 16 For discussion on scaling up SSC, see Kato (2012, 2013).
- 17 As a good example of SSTC, the 'Triangular Cooperation [of Timor-Leste, Indonesia and Japan] on Road Sectors [in Timor-Leste]' was acknowledged by JICA (2013: 22). It was made up of components designed to produce tangible results: trainings in Indonesia, follow-up missions to Timor-Leste, and a final seminar. An important feature of this cooperation was the strong ownership of the governments of Timor-Leste and Indonesia. The triangular cooperation projects of Afghanistan, Indonesia, and Japan in agriculture, health, and community development may be considered another relevant example of SSTC (see JICA 2013: 24).
- 18 An explanation of this model has been elaborated by the author based on JICA (2013: 10–11).
- 19 For details of the Bali High-Level Forum, Country-Led Knowledge Hubs, see Choensni and Schulz (2013: 81–84).

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Chains of Knowledge Creation in the Evolution of New Donors*

Yasutami Shimomura¹ and Wang Ping²

Abstract This article highlights the importance of contributions of emerging donors based on their knowledge creation during the time they receive aid, focusing on the two-way interaction between donors and recipients. A hypothetical model was developed to illustrate the two-way interaction in the process of knowledge creation, combining local and foreign knowledge, or explicit and tacit knowledge. Drawing on three detailed case studies, the article shows how four former aid recipients – China, Indonesia, Japan, and Thailand – nurtured the acquired knowledge, developed their own approach to development cooperation, and applied it to other countries. The study emphasises that created knowledge is a source of strength for emerging donors and can contribute in a unique manner to the development agenda in the era of the Sustainable Development Goals, because traditional donors basically lack this knowledge.

Keywords: explicit knowledge, tacit knowledge, external knowledge, local knowledge, knowledge creation, aid receiving, two-way interaction, emerging donor.

1 Objective and analytical framework

So-called ‘emerging donors’ attract worldwide attention, as they rapidly expand their activities and make considerable changes in developing countries, as well as in the international aid community. Taking into account the recent trend, this article attempts to cast new light on the possible contributions of emerging donors based on their knowledge creation during periods of receiving aid.

One notable difference between traditional and emerging donors is their experience of receiving aid. Sharing the experiences of receiving aid with other developing countries could be a source of strength, because traditional donors essentially lack this source of influence. In this context, Japan is exceptional, as it received aid for a much longer period than Western donors did. Japan received external assistance for nearly 20 years, in the form of US assistance programmes of relief and rehabilitation between 1946 and 1951 and World Bank loans

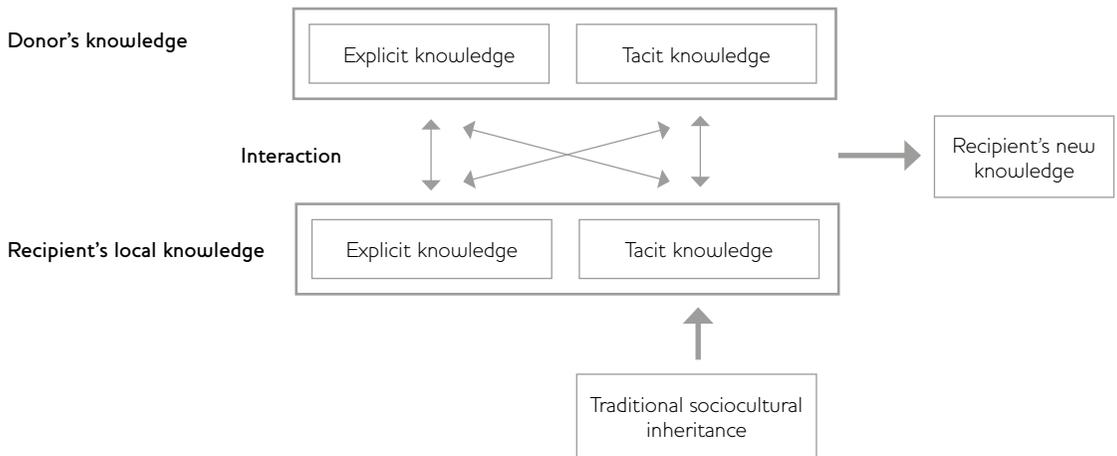
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Figure 1 The process of recipient's knowledge creation



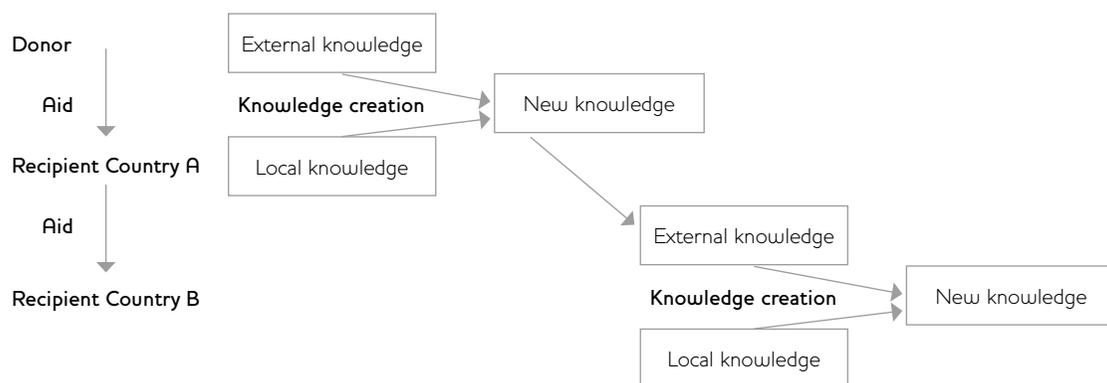
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between 1953 and 1965. In the meantime, Japan started its own aid programmes. Japan's participation in the Colombo Plan (1954) was a gateway into technical cooperation. In those days, Japan was an emerging donor as well as a major recipient.

One basic question that arises is: 'how does recipient experience count?' (Sato 2013: 1). The objective of our article is to address the relationship between aid receiving and giving, highlighting the fact that aid recipients create knowledge during the time they receive aid. This created knowledge could inform the emerging donors' own aid programmes and could be a unique contribution to development and poverty reduction. This article proposes a hypothetical model in which the knowledge created by emerging donors during the period when they receive aid is at the centre, and it verifies the proposed hypothesis through three case studies. The article analyses the experiences of two emerging donors, China and Thailand, and one emerging donor-to-be, Indonesia.³ It also deals with Japan, a former emerging donor in the 1950s and 1960s. Policy implications are drawn in the concluding section, based on the analysis.

Let us start by examining the notion of 'knowledge creation'. The traditional concept of knowledge is 'explicit knowledge' that 'can be clearly stated' (Polanyi 2009: 22), and can be expressed in words and numbers. Explicit knowledge can be transmitted easily and systematically. As Michael Polanyi pointed out, however, there is another type of knowledge, i.e. 'tacit knowledge'. A typical example of tacit knowledge is the medical doctor's capacity to identify diseases through the careful observation of a patient's appearance. This article regards knowledge as the composition of explicit and tacit knowledge.

Figure 2 Chain of knowledge creation



Source Authors' own.

According to Ikujiro Nonaka, new knowledge is created through ‘the continuous conversion of tacit knowledge and explicit knowledge’ (Nonaka and Konno 2003: 56–57; Nonaka 2006: 13–14). Taking into consideration Nonaka’s way of thinking, this article examines the process of knowledge creation by the aid recipient based on the following three hypotheses. First, knowledge is created as the result of the interaction between *local* knowledge and *foreign* (or donor) knowledge, which is absorbed by the aid recipient during aid implementation (see Figure 1); a new type of knowledge is expected to evolve through this interaction. It is neither a simple learning process nor a one-way knowledge transfer from a donor to the recipient, contrary to the standard idea of technical cooperation. Second, a new knowledge evolves through the interaction between *explicit* and *tacit* knowledge (see Figure 1). A donor’s knowledge is assumed to be largely explicit, as it is communicated through various written documents such as plans, directories, and manuals, although we do not exclude cases where a donor’s tacit knowledge, which is based on the practical experiences of aid experts, plays an important role. On the other hand, tacit knowledge is assumed to be the overwhelming factor in local knowledge, as a substantial part of local knowledge tends not to be expressed in formal ways. Third, the created knowledge, which is the output of interactions between local and foreign knowledge, as well as explicit and tacit knowledge, could play a vital role in the aid-giving activities of emerging donors (see Figure 2). In this regard, it is important to notice that local knowledge is embedded and deep-rooted in the recipient’s traditional socioeconomic inheritance and differs from one society to another. This leads to the diversity of new donors, as the features of a new donor’s aid-giving reflect diverse local knowledges. Moreover, as is shown in Figure 2, a ‘chain of knowledge creation’ could occur among aid recipients through the donor–recipient interface. More specifically, Country A creates its knowledge during the aid-receiving period and utilises, as an emerging donor, the accumulated knowledge in its own aid programmes in relation to Country B. This process could be reproduced by Country B as a new aid provider.

The notion of chains of knowledge creation is different from the simple idea of knowledge diffusion. While technical cooperation usually assumes a one-way transfer of the best practice found in donor countries or the international aid community (Arndt 2000: 158–60), this view seems to fail to take into account a recipient's ownership. On the contrary, our article emphasises, as mentioned above, the two-way interaction between donors and recipients in the process of knowledge creation; in this regard, emerging donors are better positioned, as they have created their own knowledge through such two-way interactions during their aid receiving.

The next task of this article is to check how the hypothetical model of knowledge creation/transfer can explain the reality of emerging donors' activities through a set of in-depth case studies. The three adopted cases are from four Asian countries at different stages of maturity as aid providers: one traditional donor and former emerging donor (Japan); two emerging donors (China and Thailand); and one emerging donor-to-be (Indonesia). The aim of testing using in-depth case studies is to show that the model works in all three different types of aid providers.

2 Case studies

2.1 Case A: The evolution of trinity development cooperation in China

2.1.1 China's Grand Aid and its two origins

China has emerged as a major donor since the turn of the century. The salient feature of China's foreign aid is its persistent pursuit of close linkages between aid, direct investment, and trade in its engagement with developing countries. The importance of this mode of development cooperation has been repeatedly stressed by Chinese officials and researchers, as shown below. Liu Xiangdong, Deputy Minister of Foreign Trade and Economic Cooperation, once argued that the synthesis of aid, direct investment, and trade can play an important role in the economic development of both the recipient countries and China (Liu 2011). Based on a series of arguments along this line, Zhou Baogen, an economist at the Research Institute for Fiscal Science, launched the idea of Da Yuanzhu (Grand Aid) or the concerted promotion of aid, trade and investment, in which aid works as a catalyst to facilitate investment and trade (Zhou 2010a; Wang 2013: 126–77). Such a characteristic of China's foreign aid, or economic cooperation in Chinese terms, has attracted the attention of the international aid community.

In our opinion, the so-called Chinese model of foreign aid or economic cooperation has emanated from two different ways of thinking: local and foreign. The local one, which appeared in China in the early 1990s, is called Da Jingmao (Broad-Based Strategy of Foreign Trade and Economic Cooperation). The foreign way is the New Asian Industries Development (AID) Plan, which was launched by Japan's Ministry of International Trade and Industry in 1987. In our view, the so-called Chinese model, like Zhou Baogen's Da Yuanzhu, was formulated combining these local and foreign policy strands. The purpose of the

following sections is to illustrate how the Chinese way of thinking about aid policy has evolved.

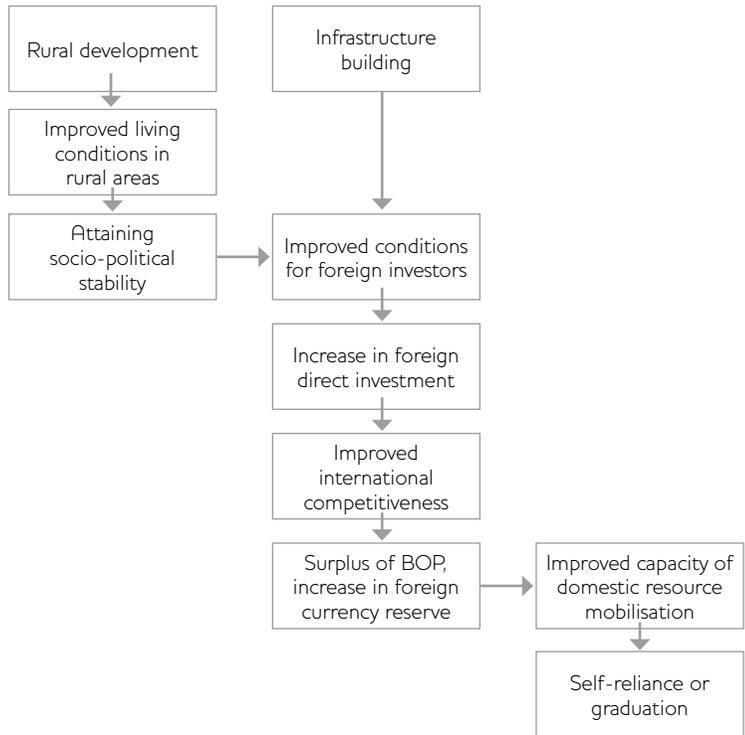
2.1.2 China's broad-based strategy of foreign trade and economic cooperation

In 1992, Wu Yi, Minister of Foreign Trade and Economic Cooperation, proposed the notion of Da Jingmao (Broad-Based Strategy of Foreign Trade and Economic Cooperation), stressing the integration of various instruments for economic cooperation including aid, direct investment, and trade. Wu officially launched Da Jingmao in 1994, at the International Symposium on China's Foreign Trade Strategy in the 1990s. Da Jingmao was authorised as a state strategy of China's foreign trade.

Our literature review shows that the strategy had been deeply rooted in the policy debates between Chinese technocrats in the 1980s. The existence of such debates is evidenced by an article by Ji Chongwei, who was a high-ranking official in the Research Center of Economic, Technological, and Social Development, a thinktank under the State Council. In his article from 1988, which dealt with the path to an outward-oriented economy, Ji urged further integration between economic cooperation from abroad and China's own external engagement. In this context, Ji expressed his support for the idea of synthesising China's trade, investment, and economic/technical cooperation (Ji 1988). His article implies that the original idea of Da Jingmao had already been discussed by his fellow technocrats in pursuit of effective measures for achieving the goal of 'reform and opening-up'. To put it differently, such an idea had already been shared in the late-1980s by the reform-oriented technocrats whose central policy agenda was to promote Chinese exports.

As the Chinese government fully recognised the huge potential of developing countries as markets for Chinese exporters, they began to accelerate the linking of various instruments of economic cooperation (Liu 1998: 140–41). Spearheading China's export promotion, Da Jingmao was expected to contribute to the acceleration of reform and opening-up that was urged by Den Xiaoping in his influential speeches during his Southern Tour of January 1992. Da Jingmao outlined China's approach to economic cooperation, emphasising the close linkages between aid, investment, and trade. The idea, emanating from the discussions of Chinese technocrats, was the Chinese local intellectual output. This was also explicit knowledge, as the idea was detailed in various official documents. At the same time, it is assumed that Da Jingmao, like other policy debates in the era of reform and opening-up, reflected the cultural inheritance of China. China's approach to reform and opening-up is usually described as gradual and experimental (Bell, Khor and Kochhar 1993: 2–5). This is in contrast to the 'big bang' approach, or the Bretton Woods institutions' theoretical prescription for the former Soviet Union and Eastern Europe (Sachs 1993: 48–57; Koen and Philips 1993: 2–4). Most importantly, there was no detailed blueprint (Prasad 2004: 2). Their common practice of patiently examining the results of pilot projects in some localities

Figure 3 Path to self-reliance/graduation: 'Aid to end aid'



Source Authors' own.

before applying them nationwide obviously came from China's highly pragmatic traditional wisdom. To put it another way, the Chinese way of thinking about policy is rich in tacit knowledge, and Da Jingmao is no exception. In our view, the notion of Da Jingmao is accompanied by both explicit and tacit knowledge. While the Chinese approach to foreign aid emerged from within, reflecting China's own culture, it also drew considerably on the experience gained when China received aid from Japan, as shown below.

2.1.3 The influence of Japan's 'trinity development cooperation'

Since the mid-1990s, Chinese scholars and experts of economic cooperation have intensively studied Japan's aid giving, in an attempt to draw out hints for China's resurging foreign aid. A lot of Chinese literature in the late 1990s and around the turn of century (Zhang 1994; Ou Yang 1998; Jin 2002; Wang 2005) essentially shared the following three views on Japan's aid. First, Japan's aid had positive effects on the development of China and other Asian countries. Second, the effectiveness of Japan's aid came from its win-win approach, which intended to contribute to the aid recipient's economic development as well as the promotion of Japan's exports. Third, the linchpin of Japan's win-win approach was the notion of 'trinity development cooperation' or close linkages between aid, direct investment, and the promotion of

exports from the recipient countries. Such views have been adopted by current Chinese policymakers.

The concept of trinity development cooperation was announced in 1987 by Japan's Ministry of International Trade and Industry (MITI) under the title 'New AID Plan,' as 'comprehensive economic cooperation packages with the trinity of aid, direct investment, and import from developing countries' (MITI 1987: 166–69, 1988: 176). The objective was to promote the export-oriented industries of Asian countries, in particular Association of Southeast Asian Nations (ASEAN) members, who were desperately pursuing a transformation of their export structure from primary goods to the products of labour/technology-intensive manufacturing (Shimomura 2013: 156; Shimomura and Wang 2013: 118). To attract direct investment of export-oriented industries, aid-funded infrastructure construction was considered to be crucial. This rationale is illustrated in Figure 3. Trinity development cooperation was an example of explicit knowledge, as detailed explanations were available in MITI's various documents.

Our literature review shows that many Chinese foreign aid experts were interested in the notion of trinity development cooperation, from which they drew hints for China's own foreign aid policy. Zhou Baogen, who proposed the idea of Grand Aid, referred to Japan's trinity development cooperation (Zhou 2010b). While Da Jingmao stressed the integration of aid, direct investment and trade, it lacked the feature of a win-win approach, unlike Japan's New AID Plan. Jin Xide of the Chinese Academy of Social Sciences claimed that in the middle of the 1990s China began to connect recipient needs with China's own economic interests, taking into consideration trinity development cooperation (Jin 2004). It also attempted to connect Da Jingmao and Prime Minister Zhou Enlai's emphasis on 'mutual benefit' in his 'Eight Principles for Economic Aid' in a speech in Accra, Ghana, in January 1964 (Wang 2013: 131); the result was the evolution of the Chinese win-win aid approach. In our view, Japan's trinity development cooperation furnished Chinese foreign aid experts with the opportunities to re-examine and improve China's own economic cooperation strategy. The interaction between the Chinese and Japanese economic cooperation strategies was a process of knowledge creation.

2.2 Case B: Creation of knowledge from coastal industrial estate management

2.2.1 Thailand's transformation from a major recipient to a new donor

Thailand, once a major aid recipient, has emerged as a new donor since the mid-1990s, having established in 1996 the Neighboring Economies Cooperation Fund, the present title of which is the Neighboring Countries Economic Development Cooperation Agency, under the Ministry of Finance; Thailand International Cooperation was also established in 2004. Nowadays, Thai leaders, in both public and private sectors, are keen to make financial as well as technical assistance to neighbouring Myanmar, utilising their experiences of receiving aid. In

their efforts, centre stage is given to the Eastern Seaboard Development Plan, a gigantic coastal industrial complex located southeast of Bangkok. This case study explores a chain of knowledge creation in which Thailand intends to utilise the knowledge that was created and accumulated during the period it received aid from Japan in its engagement with Myanmar.

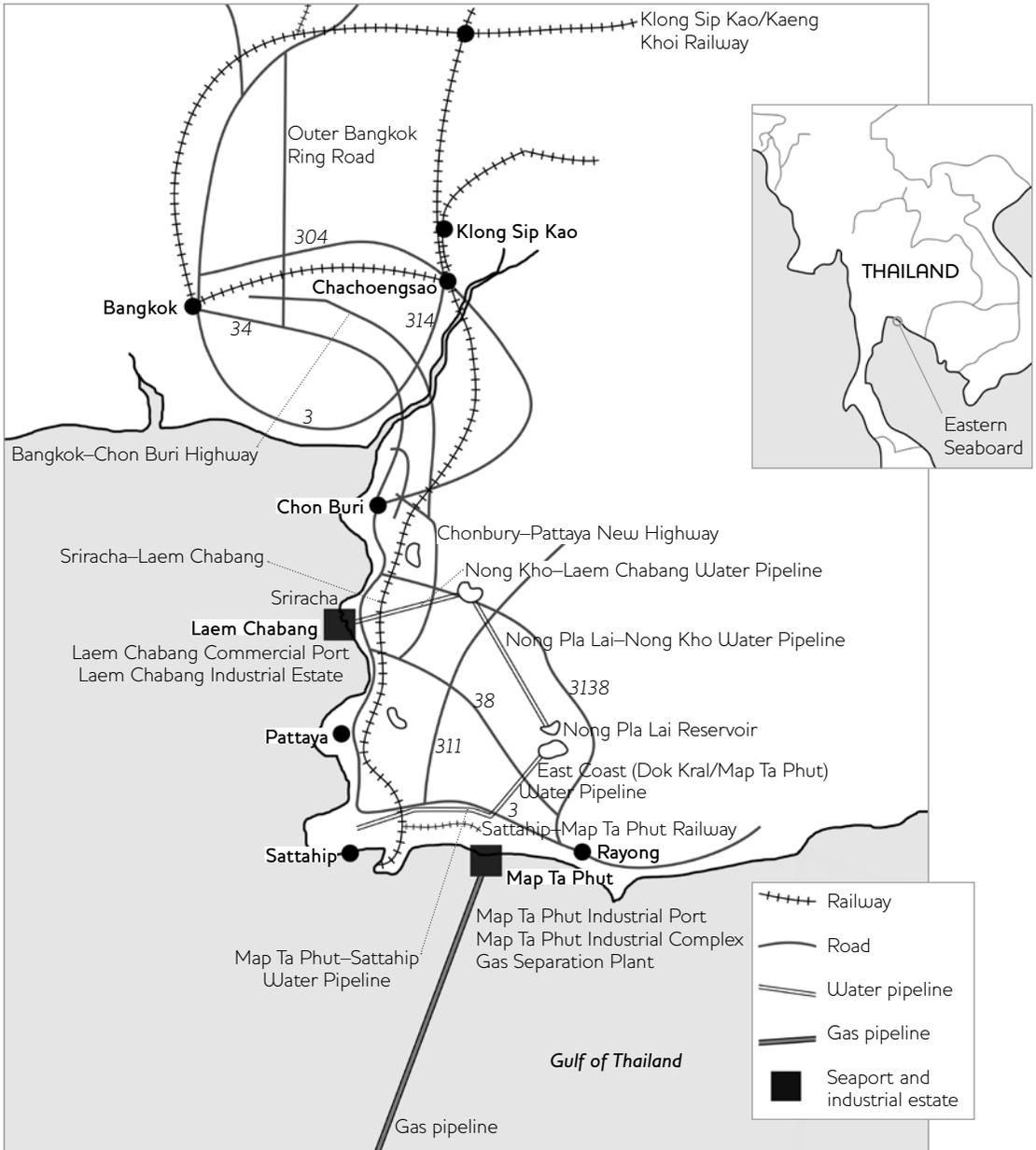
2.2.2 The Eastern Seaboard Development Plan and knowledge creation

The objective of the Eastern Seaboard Development Plan (ESDP) was to build a coastal industrial complex composed of two deep seaports and accompanying industrial estates at Laem Chabang and Map Ta Put in the southeast of Bangkok. The plan also included the construction of a dam and water pipeline system, railways, and roads (Mieno 2013) (see Figure 4). The ESDP was adopted in the Fifth Five-Year Plan (1982–86), suspended at the end of 1985 due to fierce disputes among the Thai leaders and strong objection from the World Bank, resumed one year later, and finally completed by the early 1990s with technical and financial assistance from Japan totalling ¥180bn. Even before its completion, the ESDP became a magnet for foreign direct investment, particularly because a lot of Japanese manufacturers began to look for production sites abroad in an attempt to overcome the adverse effects of the sharp yen appreciation resulting from the Plaza Accord of 1985. By early 2007, the ESDP area had attracted 14 private industrial estates (there were also two aid-funded ones) with more than 1,300 factories; most of them were export-oriented and around 500 were automotive-related. Most importantly, 360,000 jobs were created (Shimomura 2013: 158). Referring to the fact that the ESDP generated 16 per cent of Thailand's GDP in 2010, the National Economic and Social Development Board (NESDB) labelled ESDP as 'the success story of Japan–Thailand cooperation' (NESDB 2013).

The achievements of the ESDP are attributed to two aspects of knowledge. First, the ESDP emanated from the innovative idea of the coastal industrial estate, which had been developed in Japan in the 1950s. It was innovative because most of the large industrial areas, such as the Great Lakes in the US and the Ruhr region in Germany, were located inland in those days (Takeuchi 1984: 160–61). A coastal industrial estate had a big advantage because it enabled a drastic reduction in transportation costs due to its geographical closeness to ports. The technology for coastal industrial estate construction was provided by Japanese advisors and consultants as a set of explicit knowledge in a traditional pattern of technical transfer from donor to recipient.

Second, and more importantly, the ESDP furnished the Thai leaders with a chance to develop/create their own art of large-scale development project management. Their mission was to construct a gigantic infrastructure project in an orderly manner and without notable corruption. The Thai government suffered from serious challenges but successfully overcame them (Shimomura 2013: 107–11). Challenges were caused primarily by the World Bank's grave concern about the

Figure 4 Locations of ODA loan projects in Eastern Seaboard Development Plan



Source JICA.

fiscal burden of such a gigantic investment. The Bank urged the Thai government to drop the construction of two ports and utilise the existing ones, including the river port of Bangkok. The Bank's sceptical position was shared by a group of Thai macroeconomists and provoked fierce disputes among technocrats about the macro- and microeconomic feasibility of the plan. The Thai technocrats thoroughly re-examined the project's feasibility, the balance of payment sustainability, and so

on. In spite of the disputes, the plan was duly completed, although with some delay due to the suspension. Although one major component, a natural gas-based fertiliser plant, was abandoned, the result of an ex post evaluation showed that the project could have suffered a large loss if realised owing to an appreciation of the yen and the slump in the international price of fertiliser (JBIC 2000: 81–82). Most importantly, there was no notable news of corruption.

The Thai government's achievement of coping with challenges is primarily attributed to the fact that the rivalry and fierce disputes between the supporters and critics worked as an effective mechanism of checks and balances. It worked well in spite of the lack of developed separation of the three powers. Prime Minister Prem Tinsulanond took advantage of the rivalries and played the rivals off against each other by exploiting their fears of each other. In this context, it should be stressed that technocrats could concentrate on pursuing professional and rational arguments, owing very much to the prime minister's political insulation from pressure groups such as politicians and generals. Moreover, in conjunction with the aforementioned rivalries, the role of the free press contributed to transparency in policymaking. The combination also effectively prevented serious corruption, as technocrats were afraid of leaks to the press by opponents. Thailand in those days had its own functional mechanism of checks and balances, as tacit knowledge (Shimomura 2013: 114–20). It could be labelled checks and balances 'Thai-style'. In our view, the checks and balances Thai-style, being complemented by political insulation and the free press, took advantage of faction rivalry among the Thai leaders.

The effective administration of the ESDP, in our opinion, can be attributed to the combination of tacit and explicit knowledge. Obviously, the art of getting things done Thai-style in the case of the ESDP is far from textbook theory. In other words, there appears to be a kind of tacit knowledge deeply embedded in the Thai sociocultural system. At the same time, the art of getting things done in the Thai way was complemented by the explicit knowledge of the worth of political insulation and the free press.

2.2.3 Thailand's cooperation with Myanmar's Dawei Special Economic Zone

The basic concept of the Dawei Special Economic Zone (DSEZ) is the construction of a deep sea port with industrial estates in south-east Myanmar. As the first modern coastal industrial complex in the Bay of Bengal, the DSEZ is expected to become the engine of Myanmar's export-oriented industrialisation. Thai leaders are keen to assist Myanmar to realise the DSEZ, recognising the basic similarities between the DSEZ and the ESDP. What part of their ESDP experience could be relevant and useful? According to the NESDB's interpretation, it is the 'policy and implementation mechanism' of the Eastern Seaboard Development Committee (ESDC), which was chaired by the prime minister. The ESDC (a part of the NESDB), had the authority and responsibility to supervise, examine, monitor,

and evaluate the implementation of individual projects and to make strategic decisions.

When President Thein Sein of Myanmar visited the ESDP area in 2012, Arkhom Termpittayapaisith, NESDB Secretary-General, strongly recommended the introduction of an ESDC mechanism in the DSEZ (Termpittayapaisith 2013). The organisational structure of the Myanmar–Thailand Joint Working Mechanism was established in November 2012, in accordance with the experience of the ESDC. Thailand, an emerging aid provider, transferred to a neighbour the essential features of its success in coastal industrial estate management, which was developed during the time it was receiving aid.

2.3 Case C: A series of development endeavours in the downstream of the Tennessee Valley Authority

2.3.1 The four stages of the case

This case is composed of four stages. The first stage (between the US and Japan) starts with Japan's learning of the model of the Tennessee Valley Authority (TVA)⁴ from Harvard University geographer Edward Ackerman, who visited Japan as a staff member of the General Headquarters of the Supreme Commander for the Allied Powers in the early post-war era (Sato 2011: 83–85). Being heavily impressed by the TVA model, a group of Japanese policymakers attempted to apply the model to their regional development plans. Although the attempts were basically aborted due to various bureaucratic impediments (Mikuriya 1989: 270–72; Sato 2011: 90), one of the applications, the Aichi Water Canal Project ('Aichi Canal'), which was a part of the Kiso River Comprehensive Development Plan, completed the job using World Bank loans and took the role of incubator of the Japanese approach to the TVA model. More specifically, the Aichi Canal, which had been implemented in the 1950s and 1960s, was recognised as Max Weber's 'ideal type' of comprehensive regional development by Japanese development engineers. It evolved afterwards as a landmark of Japan's approach to aid. The second stage (between Japan and Indonesia) is Japan's assistance to the Brantas River Basin Development Plan ('Brantas Plan') of Central Java, Indonesia. In Tsuneaki Yoshida's view, the plan was designed with the experience of the Aichi Canal in mind, and the basic concept of the Aichi Canal emanated from the TVA model (Yoshida 2006; Nissanke and Shimomura 2013: 25–30). The third stage (also between Japan and Indonesia) is the evolution of the concept of 'one river, one plan, one management'. This concept, which emphasises integration, was created through a collaboration between Indonesian and Japanese engineers, according to Yoshida's interviews with Japanese engineers⁵ who were in charge of the Brantas Plan. The final stage (between Indonesia and participants of the International Conference on Water and Environment held in 1992) led to the establishment of Integrated Water Resources Management (IWRM), a regional institute in Asia. The basic philosophy of IWRM was developed by fully taking into account the achievements of the Brantas Plan.

2.3.2 The TVA and the Aichi Canal

The linchpin of the TVA model is 'integration' (Sato 2011: 81). A large-scale dam was located at the centre of the river basin development model. The achievements of the TVA were introduced to Japan in the early post-war era by a group of New Dealers who were influential at the General Headquarters of the Allied Powers; among them Harvard scholar Ackerman was particularly influential. The intention of the New Dealers was to promote reform and democratisation in rural areas in Japan through the dissemination of the TVA model (Sato 2011: 78–79). In response, a group of Japanese policymakers of the Economic Stabilization Board were attracted by the TVA as a symbol of democracy (Mikuriya 1989: 269; Sato 2011: 83–87). Based on their study of the TVA, this group began to seek ways in which to apply this model to regional development plans. However, serious institutional constraints, endemic in the Japanese bureaucratic system, prevented their attempt (Sato 2011: 88–91). The realisation of an integrated plan like the TVA required the delegation of power and authority to a single organisation in charge (Sato 2011: 80–83). It was difficult, however, to meet the requirement in Japan's public sector, where several line ministries had claimed their share of the decision-making power in line with their own missions, principles and vested interests in the area of river basin development. This constraint caused tremendous difficulty for TVA-type integration.

Although the attempted application of the TVA model failed, the achievement of the Aichi Water Canal Project, a part of the Kiso River Comprehensive Development Plan in central Japan, became an incubator for the landmark of Japan's aid. The Aichi Canal, a community-based project, was initiated on the proposal of a farmers' group from the Chita Peninsula, Aichi Prefecture, whose area had suffered from water shortages for a long time. The Aichi Canal was composed of irrigation, a portable and industrial water supply, and hydropower generation. The Aichi Canal was planned in 1949 and financed by a World Bank loan (in 1957) for the amount of US\$4.9 million or 4 per cent of the total cost (Nissanke and Shimomura 2013: 27). The canal was completed in 1961. The Aichi Canal Public Corporation, an implementation agency, was established in 1955 and played the central role in planning, implementing, and managing the canal project.

It should be noted that according to Atsushi Shimokobe, a leading architect of long-term land development plans in Japan, pre-modern Japan had an idea similar to the comprehensive drainage management concept of the TVA. In the Edo era, rivers were managed in a comprehensive manner, as a total system controlling upstream and downstream. Given the existence of local and tacit knowledge of drainage management, it was possible for the Japanese stakeholders to accept the idea of the TVA-type model of comprehensive regional development (Shimokobe 1994: 12, 163–67), although the institutional constraints mentioned above hindered the wider application of the

TVA-type model in Japan. The Aichi Canal emerged as the only case that could cope with the institutional constraints and became an origin of Japan's model of comprehensive regional development, based on the interaction between Japanese traditional tacit knowledge and the external explicit knowledge of the TVA model.

2.3.3 The Brantas River Basin Development Plan of Central Java

The experience of the Aichi Canal provided an ideal example for the Brantas Plan of Indonesia. Implementation of the Brantas Plan started in the 1950s and lasted for more than 40 years. In the beginning, the South Trungagung Irrigation Project was constructed (1959–61) using Japan's reparation scheme. Being highly impressed by the success of that project, the Government of Indonesia instructed Nippon Koei, the Japanese consulting firm in charge of the Trungagung Irrigation Project, to prepare a master plan for the comprehensive development of the Brantas River Basin (Nippon Koei 1981; Okaji 1990). Since the 1960s, Japan has provided financial and technical assistance for the construction of 31 projects (nine multi-purpose dams, six barrage projects, eight irrigation projects, six river improvement projects, and two volcanic debris control projects) in the catchment area of 12,000sq km. The total amount of aid has been nearly ¥170bn (Fujimoto 2013).

Nippon Koei has continuously held contracts for planning, designing, and advisory services for construction for the past four decades. While Nippon Koei itself did not participate in the Aichi Canal and it was not in a position to directly inherit the knowledge created through the implementation of the Aichi Canal, the Japanese irrigation and rural development engineers, including those from Nippon Koei, were inspired by the Aichi Canal and attempted to disseminate the experiences (Kato 2013). The Nippon Koei engineers developed the essential features of the Aichi Canal and applied them to the Brantas River Basin, making the following achievements (Yoshida 2006, 2013).

The Indonesian and Japanese engineers worked jointly and closely, sharing the same cognitive model based on the case of the Aichi Canal. The outcome of the long-term commitment from Nippon Koei is significant in the field of human capital development. The Brantas office, which was established in 1965 in Malang, East Java, played a crucial role in Nippon Koei's development of human capital. The Brantas office repeatedly hosted workshops, seminars, and forums for the Indonesian engineers and technicians in order to transfer theoretical and practical knowledge. By 1990, the graduates of the Brantas School reached 7,000, and Brantas alumni effectively contributed to the dissemination of knowledge nationwide (Fujimoto 2013: 184–85, 192; Yoshida 2013).

2.3.4 One river, one plan, one management

'One river, one plan, one management' is the philosophy of the Brantas Plan. Apparently, 'one river' refers to the Brantas River. 'One plan' is composed of a series of four master plans under Japanese aid. 'One management' refers to the Brantas office, which was established in 1965

as the Plan Implementation Unit with independent authority covering broad areas of project implementation from budget administration to staff recruitment. What was unique about the Brantas Plan was that one charismatic figure, Suryono, led the organisation for 14 years from its inauguration (Fujimoto 2013). Many Japanese participants, both public and private, give their highest evaluation of his capability and leadership (Fujimoto 2013; Yoshida 2006, 2013). Suryono's strong leadership and long-term commitment, together with the full delegation of power from the Indonesian and Japanese governments, enabled the integration and effective coordination of this gigantic plan.

How did the idea of 'one river, one plan, one management' evolve? Two former Nippon Koei engineers, Messrs Marusugi and Sawatani, state clearly that the concept was raised by Suryono around 1990, and that the Nippon Koei staff did not directly contribute to the evolution (Yoshida 2013); the philosophy evolved from within. The thinking of the Japanese irrigation and rural development engineers was gradually shared by the Indonesian engineers over the four decades of working and living together, and the shared cognitive model between the Indonesian and Japanese participants finally led to Suryono's remark of 'one river, one plan, one management,' through the interaction between the engineers of the two countries. It was tacit knowledge because it was not expressed in a concrete and definite manner. Here we have another case of knowledge creation based on the experiences of receiving aid.

2.3.5 Integrated Water Resources Management

In 1992, the International Conference on Water and Environment was held in Dublin. The main subject was how to improve the management of river water resources in developing countries. The outcome of the conference was the launch of the concept of Integrated Water Resources Management (IWRM). The proposed concept of IWRM reflects, to a large extent, the achievement of the Brantas Plan, which is widely known internationally, and particularly in Asia, as a valuable reference case. Moreover, the lesson of the Brantas Plan was adopted by the Asian Development Bank as a model for water policy (Yoshida 2006; Nissanke and Shimomura 2013: 29). The Asian Development Bank, together with the Japanese government, established the Network for Asian River Basin Organization (NARBO) with the participation of around 50 organisations in charge of river basin management in Asia. Assuming the mission of disseminating the achievements of the Brantas Plan, the NARBO nominated a high-ranking Indonesian official as its first Secretary-General (Yoshida 2013). The locally developed knowledge of 'one river, one plan, one management' was finally transformed into internationally shared explicit knowledge through NARBO's various documents.

3 Comparative summary and policy implications

This article has addressed the relationship between receiving and giving aid, based on a hypothetical model highlighting the aid recipient's knowledge creation, or the evolution of a new development knowledge. It tested the plausibility of the hypothesis through three in-depth case

studies of four East Asian aid recipients, namely China, Indonesia and Japan in the 1950s and 1960s, and Thailand. These cases show that the aid recipients created new knowledge of their own during the period they received aid through their interaction with the donors, by combining local and foreign knowledge, or tacit and explicit knowledge. The aid recipients also nurtured the acquired knowledge and attempted to distribute it around the developing world through financial and/or technical cooperation.

The article confirmed that all the four recipients share the above behaviours. While such similarities are the main findings from the case studies, the article also found China's uniqueness in comparison with others. China created knowledge in its pursuit of a more sophisticated aid strategy; China had a long history of aid-giving by the time it acquired Japanese knowledge. In contrast, others were interested in domestic sector management, for example comprehensive rural development and coastal industrial estate management. Afterwards, they began to utilise the newly created knowledge in their external aid. The latter case is likely to be more usual in the developing world.

How are these findings relevant to the current development agenda in the era of Sustainable Development Goals (SDGs)?

A new partnership or collaboration with new actors, including emerging donors, has emerged as a central policy agenda in the international development community, as was emphasised in the Busan Partnership for Effective Development Co-operation in 2011 (OECD 2011). It was further developed in the SDGs, which are 'based on a spirit of strengthened global solidarity' (UN 2015). The new partnership between traditional and new actors could work effectively, if the latter's comparative advantage is identified and appreciated correctly. As for the emerging donors, a source of their strength is that an important part of their knowledge has been formulated through the experience of receiving aid; this is unique to emerging donors. They could contribute to the stock of knowledge in development cooperation and the global development agenda in their own ways. One crucial agenda item in the era of SDGs is how to effectively utilise emerging donors' experiences with knowledge creation.

Notes

* An earlier version of this article was produced as a JICA-RI Working Paper.

1 Hosei University, Japan.

2 Guandong University of Finance and Economics, China.

3 Indonesia recently started its technical transfer programme. One notable example is the assistance to the democratisation of Myanmar.

4 The Tennessee Valley Authority was established by Congress in 1933 to address a wide range of environmental, economic, and technological issues. By the end of the Second World War, the TVA had become the nation's largest electricity supplier. Electricity drew

industries into the region, providing desperately needed jobs (www.tva.gov/About-TVA/Our-History).

- 5 Interviews with the two former Nippon Koei engineers, Mr Kazuo Sawatani and Mr Yuzo Marusugi, which were conducted by Professor Tsuneyuki Yoshida on 5 July and 6 July 2013 (Yoshida 2013).

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Estimating China's Foreign Aid Using New Data^{*†}

Naohiro Kitano¹

Abstract This article presents updated estimates of China's foreign aid between 2001 and 2014 as a proxy for China's official development assistance (ODA) as defined by the OECD-DAC, and to compare this with the ODA of other DAC members. China's net foreign aid increased from US\$5.2bn in 2012 to US\$5.4bn in 2013, but dropped to US\$4.9bn in 2014. Since 2013, China has ranked at number nine. Its bilateral foreign aid has ranked at number six, alongside Japan and France, since 2012, while multilateral foreign aid has been relatively less significant. It is estimated that net disbursements of preferential export buyer's credits decreased from US\$4.9bn in 2012 to US\$4.7bn in 2013, increasing to US\$6.1bn in 2014. China has increased the volume of its foreign aid, improved the quality of it, and diversified the fields of aid activity. It is important for the international community to carefully examine the magnitude of China's foreign aid.

Keywords: China, foreign aid, development finance, ODA, concessional loans, OECD-DAC.

1 Introduction

This article aims to present updated estimates of China's foreign aid volumes between 2001 and 2014 as a proxy for China's official development assistance (ODA) defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), and to compare the results with the ODA of other DAC members. I draw on budget data from the websites of 50 departments² and from other relevant organisations within China, as well as from other relevant sources of information. The estimation process I have chosen to use has been modified from the one proposed in the previous work of Kitano and Harada (2014)³ so that I have been able to revise and update the previous estimates for the period between 2001 and 2014.

The previous work showed that China's net foreign aid has grown rapidly since 2004, reaching US\$7.1bn in 2013. The share of bilateral

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aid is much larger than that of multilateral aid. The results have presented a relatively realistic view of China's foreign aid; its ranking had been moderate, ranking below number 13 until 2008, before moving rapidly up to number six in 2012. As a point of reference, the net disbursement of preferential export buyer's credits was estimated to have been US\$7.0bn in 2013.

What distinguishes this estimate from the Chinese government's official figures and other estimates is that as a practical definition of China's foreign aid it first introduces the concept of net and gross disbursements of foreign aid (net and gross foreign aid), in a way that is as comparable as possible to that for the net and gross disbursements of ODA. Secondly, the estimate includes multilateral aid within the total aid; and thirdly, disaggregated department-level budget data sets are used to estimate grants and interest-free loans as well as multilateral aid.

The results of the previous work were presented on a number of occasions and a number of comments and suggestions were offered. Some examples of these are as follows: an estimate of 0.072 per cent as China's net ODA/GNI (gross national income) ratio⁴ in 2012 may be too high; the expected annual growth rate of China's foreign aid in the previous scenario, which is 15 per cent, is too high and should be level with the gross domestic product (GDP) growth rate; it is important to capture the volume of development finance and include not only foreign aid but also other official flows.

I have incorporated some of those comments and suggestions into the present article. For example, in the previous work the annual rate of increase in gross disbursements of concessional loans provided by the Export-Import Bank of China (China Exim Bank) was simply assumed based on the average annual rate of increase of 33 per cent from 2006 to 2011. To incorporate the above-mentioned comments on net ODA/GNI ratio and the expected annual growth rate of China's foreign aid contained in the previous work, I have introduced a modified process for estimating the gross disbursements of concessional loans in 2012, 2013, and 2014. I found that there might be weak regularity within a cumulative amount of the framework loan agreement ('the framework agreement'), the project loan agreement ('the loan agreement'), and the gross disbursement of concessional loans: the cumulative amount of the gross disbursements of concessional loans in a given year is similar to that of the loan agreement signed two years ago, which is in turn similar to that of the framework agreement from one year prior to that. This weak regularity has been used to estimate the gross disbursements of concessional loans in this article.

As a result of introducing this modified estimation process, it was found that China's foreign aid volumes in 2012 and 2013 were significantly smaller than the previous estimates – China's ranking was number ten in 2012 and number nine in 2013, rather than number six as it was estimated in the previous work. Furthermore, the estimate made in

2014 implied that China's foreign aid had decreased from 2013. If these results are close to accurate, the current estimates provide improved knowledge on China's foreign aid budget data for grants and loans, and for comparison of China's foreign aid with DAC member countries.

The rest of this article proceeds as follows: Section 2 will review recent official documents and relevant literature. Section 3 will reiterate the definition of China's foreign aid as a proxy for ODA. Section 4 will show the estimation process I employed in this article. Section 5 will present the revised and updated estimates of China's net and gross disbursements of foreign aid (net and gross foreign aid) through the estimation process, and compare the results of this article with the estimates given in the previous article, the official figure given by China, and the DAC's estimates. Section 6 will compare the results with the net and gross disbursements of ODA extended by DAC members. Section 7 concludes.

2 Recent official documents and relevant literature

The 2011 White Paper on China's foreign aid (Information Office of the State Council 2011) was published in 2011, and was then followed by 'the 2014 White Paper' (Information Office of the State Council 2014) released in 2014. The 2014 White Paper stated that the aggregate amount of China's foreign aid from 2010 to 2012 was RMB89.34bn (US\$13.7bn).⁵ Even though the 2014 White Paper provided more information than the 2011 White Paper, there is still room for improvement; for example, the 2014 White Paper does not present the annual amount of China's foreign aid, the disaggregated amount by country and sector, or the consolidated amount of all forms of assistance described in the document as being covered not only by the foreign aid budget but also other budget items.

In November 2014, the Ministry of Commerce (MOFCOM) released 'Measures for the Administration of Foreign Aid (For Trial Implementation)' (MOFCOM 2014).⁶ According to MOFCOM, this was the first comprehensive departmental regulation on the management of foreign assistance.⁷ In this document, the term 'foreign aid' refers to those activities which provide economic, technical, material, human resources, and administrative support to recipient countries, supported by the Chinese government's 'financial resources for foreign aid'. The forms of foreign aid outlined in this document are similar to those in the 2011 and 2014 White Papers: namely, grants, interest-free loans, and concessional loans. The regulations stipulate that MOFCOM is, in conjunction with the relevant departments under the State Council, responsible for formulating mid- to long-term foreign aid policy and country aid strategies, which shall be implemented upon approval. MOFCOM is responsible for collecting, collating, and preparing statistical material on foreign aid. The release of this document is a significant step towards enhancing China's institutionalisation of aid mechanisms. However, due to the definition of 'foreign aid' mentioned above, MOFCOM was unable to consolidate other relevant forms of assistance covered by other budget items, such as 'international organisations'. In Section 3, the

Table 1a Process of estimating China's net and gross foreign aid (RMB million)

Year	Final account of central-level public budget expenditure for foreign aid (1)	Sum of final account of central-level general public budget expenditure for foreign aid and gross disbursement of concessional loans (2)	Outstanding amount of two preferential facilities (3)	Cumulative amount of framework agreement for concessional loans (4)	Framework agreement for concessional loans (5)	Cumulative amount of concessional loans signed (6)	Concessional loans signed (7)	Gross disbursement of concessional loans (8)=(2)-(1)	Cumulative disbursement of concessional loans (9)	Repayment of concessional loans (10)	Net disbursement of concessional loans (11)=(8)-(10)	Outstanding amount of concessional loans (12)
2001	4,711		5,000					1,060	3,803	19	1,041	3,784
2002	5,003	6,200	8,000					1,197	5,000	78	1,119	4,903
2003	5,223	6,500	10,300					1,277	6,277	133	1,144	6,047
2004	6,069	7,600	13,700					1,531	7,808	199	1,332	7,380
2005	7,470	9,400	18,300					1,930	9,738	274	1,656	9,035
2006	8,237	11,500	22,900					3,263	13,001	380	2,883	11,918
2007	11,154	17,400	32,000					6,246	19,247	500	5,746	17,664
2008	12,559	17,600	43,400					5,041	24,288	628	4,413	22,077
2009	13,296	22,100	57,100	73,550	13,409	59,400	10,830	8,804	33,092	781	8,023	30,101
2010	13,611	25,600	84,600	88,434	14,884	73,479	14,079	11,989	45,081	974	11,015	41,116
2011	15,898	29,400	120,000	104,956	16,522	88,402	14,923	13,502	58,583	1,281	12,221	53,337
2012	16,695			123,310	18,339	104,817	16,416	14,447	73,030	1,847	12,600	65,937
2013	17,049			143,666	20,356	122,874	18,057	15,458	88,489	2,296	13,162	79,099
2014	18,457			165,448	21,781	142,737	19,863	16,231	104,720	3,110	13,121	92,220
Rate of increase												
2002	6%		60%					13%	31%	309%	8%	30%
2003	4%	5%	29%					7%	26%	71%	2%	23%
2004	16%	17%	33%					20%	24%	50%	16%	22%
2005	23%	24%	34%					26%	25%	38%	24%	22%
2006	10%	22%	25%					69%	34%	39%	74%	32%
2007	35%	51%	40%					91%	48%	31%	99%	48%
2008	13%	1%	36%					-19%	26%	26%	-23%	25%
2009	6%	26%	32%					75%	36%	24%	82%	36%
2010	2%	16%	48%	20%	11%	24%	30%	36%	36%	25%	37%	37%
2011	17%	15%	42%	19%	11%	20%	6%	13%	30%	32%	11%	30%
2012	5%			17%	11%	19%	10%	7%	25%	44%	3%	24%
2013	2%			17%	11%	17%	10%	7%	21%	24%	4%	20%
2014	8%			15%	7%	16%	10%	5%	18%	35%	0%	17%

Note Figures in bold were extracted from publicly accessible statistics and information; those in italics were obtained from graphs, those highlighted in grey were critical figures estimated by the setting of assumptions, and the remaining figures, neither in bold, italics, nor highlighted in grey were calculated from other columns.

Sources Finance Yearbook of China 2002 and 2003;⁹ Chinese government relevant websites, etc.

	Subsidies for concessional loans (13)	Outstanding amount of preferential export buyer's credits (14)=(3)-(12)	Net disbursement of preferential export buyer's credits (15)	Repayment of preferential export buyer's credits (16)	Gross disbursement of preferential export buyer's credits (17)=(15)+(16)	Grants and interest-free loans by MOFCOM (18)	Grants by other departments and relevant organisations (19)	Scholarships for foreign students from other developing countries by the Ministry of Education (20)	Final account of central government public budget expenditure for international organisations (21)	Sum of final account of department public budget expenditure for international organisations (22)	Sum of final account of department public budget expenditure for international organisations: Adjusted (23)	Year
	47	1,216	1,216		1,216	4,240	141	94	1,831	1,831	549	2001
	54	3,097	1,881		1,881	4,503	150	100	2,014	2,014	604	2002
	66	4,253	1,156		1,156	4,701	157	104	2,215	2,215	665	2003
	82	6,320	2,068		2,068	5,462	182	121	2,437	2,437	731	2004
	109	9,265	2,944		2,944	6,723	224	149	2,681	2,681	804	2005
	158	10,982	1,717	122	1,839	7,413	247	165	2,949	2,949	885	2006
	285	14,336	3,354	310	3,664	10,039	335	202	3,244	3,244	973	2007
	374	21,323	6,987	425	7,412	11,303	377	332	3,568	3,568	1,070	2008
	345	27,000	5,677	632	6,309	11,966	399	437	3,622	3,622	1,087	2009
	478	43,484	16,485	926	17,411	11,839	462	534	4,316	4,338	1,959	2010
	773	66,663	23,179	1,110	24,289	15,178	510	613	4,833	4,292	1,985	2011
	972	97,329	30,666	1,477	32,142	17,014	666	1,034	7,230	4,984	2,667	2012
	1,068	126,232	28,903	2,218	31,121	15,206	659	1,125	5,619	7,979	4,501	2013
	1,231	163,705	37,473	2,849	40,322	14,203	674	1,301	7,372	7,363	2,211	2014
	16%	155%	55%		55%	6%	6%	6%	10%	10%	10%	2002
	21%	37%	-39%		-39%	4%	4%	4%	10%	10%	10%	2003
	24%	49%	79%		79%	16%	16%	16%	10%	10%	10%	2004
	33%	47%	42%		42%	23%	23%	23%	10%	10%	10%	2005
	45%	19%	-42%		-38%	10%	10%	10%	10%	10%	10%	2006
	81%	31%	95%	155%	99%	35%	35%	22%	10%	10%	10%	2007
	31%	49%	108%	37%	102%	13%	13%	65%	10%	10%	10%	2008
	-8%	27%	-19%	49%	-15%	6%	6%	32%	2%	2%	2%	2009
	38%	61%	190%	47%	176%	-1%	16%	22%	19%	20%	80%	2010
	62%	53%	41%	20%	40%	28%	10%	15%	12%	-1%	1%	2011
	26%	46%	32%	33%	32%	12%	31%	69%	50%	16%	34%	2012
	10%	30%	-6%	50%	-3%	-11%	-1%	9%	-22%	60%	69%	2013
	15%	30%	30%	28%	30%	-7%	2%	16%	31%	-8%	-51%	2014

definition of foreign aid proposed in this article will be compared with MOFCOM's official definition.

The DAC (OECD 2015) estimated China's gross concessional flows for development cooperation, including bilateral cooperation and developmental funds channelled through multilateral organisations. The former was estimated based on the budget data (the final accounts of central-level public budget expenditure for foreign aid) from China's Ministry of Finance, while the latter was estimated based on information from those multilateral organisations. My estimates have two differences with the DAC's estimates: firstly, the net disbursements of concessional loans have been included; secondly, as was the case for multilateral foreign aid, budget data from the Chinese government rather than information from multilateral organisations was used so that bilateral and multilateral foreign aid data could be compiled in a coherent manner.

A number of relevant articles concerning China's foreign aid have been published. Similar to the estimates by DAC, some of the articles analysed China's aid activities based on official data from the Chinese government and information from relevant sources (Lancaster 2007; Brautigam 2009; Kobayashi and Shimomura 2013; UNDP China 2013). These attempts, however, only estimated bilateral gross foreign aid. Some other articles have tried to capture not only foreign aid but also other types of development finance (Lum *et al.* 2009; Wolf, Wang and Warner 2013; Strange *et al.* 2014). Hwang, Brautigam and Eom (2016) have constructed a commitment-based database of Chinese loans in Africa between 2000 and 2014, granted mainly by the China Exim Bank, China Development Bank (CDB), and Chinese contractors. Several pieces of literature have focused on sectoral analyses in specific regions (Brautigam 2015; Gransow 2015).

3 Definition of China's foreign aid

Following Kitano and Harada (2014), in this article China's foreign aid is defined as the net and gross disbursements of foreign aid (net and gross foreign aid) consisting of: (1) grants and interest-free loans⁸ managed by MOFCOM; (2) grants managed by other departments responsible for foreign aid; (3) scholarships provided by the Ministry of Education to students from other developing countries; (4) the estimated amount of interest subsidies on concessional loans which is deducted from the total amount of aid; (5) the net and gross disbursements of concessional loans as bilateral foreign aid; and (6) multilateral foreign aid, which is defined as the cumulative amount of expenditure by departments and other relevant organisations with a budget for international organisations, adjusted by the DAC-defined coefficients for core contributions.

What distinguishes these estimates from MOFCOM's official definition of foreign aid is that the MOFCOM definition does not cover points (3), (4), (6) or part of (2) above. Further, MOFCOM's official figures are aggregated amounts and in the case of grant and interest-free

Table 1b Process of estimating China's net and gross foreign aid (RMB million)

Year	Bilateral: Grants and interest-free loans (A)=(18)+(19)+(20)-(13)	Bilateral: Net disbursement of concessional loans (B)=(11)	Bilateral: Net foreign aid (C)=A+(B)	Multilateral: Government expenditure for international organisations (D)=(23)	Total: Net foreign aid (E)=(C)+(D)	For reference: Net disbursement of preferential export buyer's credits (I)=(15)	Year	Bilateral: Grants and interest-free loans (A)	Bilateral: Net disbursement of concessional loans (B)	Bilateral: Net foreign aid (C)	Multilateral: International organisations (D)	Total: Net foreign aid (E)	For reference: Net disbursement of preferential export buyer's credits (I)
2001	4,429	1,041	5,470	549	6,019	1,216	2001	535	126	661	66	727	147
2002	4,699	1,119	5,818	604	6,422	1,881	2002	568	135	703	73	776	227
2003	4,896	1,144	6,040	665	6,705	1,156	2003	592	138	730	80	810	140
2004	5,684	1,332	7,016	731	7,747	2,068	2004	687	161	848	88	936	250
2005	6,987	1,656	8,643	804	9,447	2,944	2005	853	202	1,055	98	1,153	359
2006	7,667	2,883	10,550	885	11,435	1,717	2006	962	362	1,323	111	1,434	215
2007	10,290	5,746	16,036	973	17,009	3,354	2007	1,353	755	2,108	128	2,236	441
2008	11,638	4,413	16,051	1,070	17,121	6,987	2008	1,675	635	2,310	154	2,464	1,005
2009	12,457	8,023	20,481	1,087	21,567	5,677	2009	1,824	1,174	2,998	159	3,157	831
2010	12,358	11,015	23,374	1,959	25,333	16,485	2010	1,825	1,627	3,452	289	3,742	2,435
2011	15,528	12,221	27,749	1,985	29,733	23,179	2011	2,403	1,891	4,295	307	4,602	3,587
2012	17,741	12,600	30,342	2,667	33,008	30,666	2012	2,811	1,996	4,807	422	5,229	4,858
2013	15,923	13,162	29,085	4,501	33,586	28,903	2013	2,570	2,124	4,694	726	5,421	4,665
2014	14,946	13,121	28,067	2,211	30,277	37,473	2014	2,433	2,136	4,569	360	4,928	6,100
							Share percentage						
							2013	47%	39%	87%	13%	100%	86%
							2014	49%	43%	93%	7%	100%	124%

Year	Bilateral: Grants and interest-free loans (A)=(18)+(19)+(20)-(13)	Bilateral: Gross disbursement of concessional loan (F)=(9)	Bilateral: Gross foreign aid (G)=A+(F)	Multilateral: Government expenditure for international organisations (D)=(23)	Total: Gross foreign aid (H)=(G)+(D)	For reference: Gross disbursement of preferential export buyer's credits (J)=(17)	Year	Bilateral: Grants and interest-free loans (A)	Bilateral: Gross disbursement of concessional loans (F)	Bilateral: Gross foreign aid (G)	Multilateral: International organisations (D)	Total: Gross foreign aid (H)	For reference: Gross disbursement of preferential export buyer's credits (J)
2001	4,429	1,060	5,489	549	6,038	1,216	2001	535	128	663	66	729	147
2002	4,699	1,197	5,896	604	6,500	1,881	2002	568	145	712	73	785	227
2003	4,896	1,277	6,173	665	6,838	1,156	2003	592	154	746	80	826	140
2004	5,684	1,531	7,215	731	7,946	2,068	2004	687	185	872	88	960	250
2005	6,987	1,930	8,917	804	9,722	2,944	2005	853	236	1,088	98	1,186	359
2006	7,667	3,263	10,930	885	11,815	1,839	2006	962	409	1,371	111	1,482	231
2007	10,290	6,246	16,536	973	17,509	3,664	2007	1,353	821	2,174	128	2,302	482
2008	11,638	5,041	16,679	1,070	17,749	7,412	2008	1,675	725	2,400	154	2,554	1,067
2009	12,457	8,804	21,261	1,087	22,348	6,309	2009	1,824	1,289	3,112	159	3,271	924
2010	12,358	11,989	24,347	1,959	26,307	17,411	2010	1,825	1,771	3,596	289	3,886	2,572
2011	15,528	13,502	29,030	1,985	31,015	24,289	2011	2,403	2,090	4,493	307	4,800	3,759
2012	17,741	14,447	32,188	2,667	34,855	32,142	2012	2,811	2,289	5,099	422	5,522	5,092
2013	15,923	15,458	31,381	4,501	35,882	31,121	2013	2,570	2,495	5,065	726	5,791	5,023
2014	14,946	16,231	31,177	2,211	33,388	40,322	2014	2,433	2,642	5,075	360	5,435	6,563

Source Author's own.

loans, they are most likely commitment-based. Additionally, in the case of concessional loans, they are most likely to be framework agreement-based rather than disbursement-based.

4 Process used for estimating China's foreign aid

This section will outline the process I used to estimate China's net and gross foreign aid from 2001 to 2014, which was based on the definition presented in Section 3. Comprehensive spreadsheets were compiled in order to make the most of statistics and information from a large number of sources in a systematic way. Tables 1a and 1b present a detailed summary of the estimation process.

The figures in bold were extracted from publicly accessible statistics and information, those in italics were obtained from graphs, those highlighted in grey were critical figures estimated by the setting of assumptions, and the remaining figures (neither in bold, italics, nor highlighted in grey) were calculated from other columns. Figures from 2001 to 2011 and those from 2012 to 2014 were estimated using a different process. As mentioned in Section 1, at various seminars comments were offered on the net ODA/GNI ratio and the expected annual growth rate of China's foreign aid as discussed in the previous work; these comments have been incorporated into the current estimation process. It was found that there might be weak regularity in terms of time lag among cumulative amounts of the framework agreement, loan agreement, and gross disbursement of concessional loans: the cumulative amount of gross disbursements of concessional loans in a given year is similar to that of the loan agreements signed two years ago, which is similar to that of the framework agreement from one year prior to that. This weak regularity was then used to estimate the gross disbursements of concessional loans in 2012, 2013, and 2014, as follows.

Column (1), 'Final account of central-level public budget expenditure for foreign aid', was obtained from the Finance Yearbook of China for 2002 and 2003, and the website of the Ministry of Finance.¹⁰ Column (2), 'Sum of final account of central-level public budget expenditure for foreign aid and gross disbursement of concessional loans', was obtained from a bar graph.¹¹ Column (3), 'Outstanding amount of two preferential facilities'¹² by China Exim Bank was inferred from a line graph without scale.¹³ The figures for 2009 and 2012 in column (4), 'Cumulative amount of framework agreement for concessional loans', are given from the 2011 and 2014 White Papers (Information Office of the State Council 2011, 2014). Then, I first estimated the figure for 2010 in column (5), 'Framework agreement for concessional loans', assuming the figure for 2010 in column (18), 'Grants and interest-free loans by MOFCOM' as the commitment-based amount of grants and interest-free loans in 2010, and multiplied it by the ratio of the cumulative amount of the framework agreement for concessional loans (RMB49.76bn) divided by the cumulative amount of grants and interest-free loans by MOFCOM (RMB39.58bn) from

2010 to 2012, as stated in the 2014 White Paper. I then estimated figures for 2009, 2011, 2012, and 2013 using the inferred rate of increase between 2009 and 2013, which was 11 per cent.¹⁴

Regarding the figure for 2014, in order to incorporate one of the comments mentioned in Section 1 that the expected annual growth rate of China's foreign aid in the previous scenario, which was 15 per cent, was too high and should be at the level of the GDP growth rate, the annual rate of increase in 2014 was assumed to be 7 per cent, which was the same range of China's GDP growth (7.3 per cent in 2014). The figure for 2009 contained in column (6), 'Cumulative amount of concessional loans signed', was given as RMB59.4bn, based on Hu and Huang (2012). I then inferred the figure for 2009 in column (7), 'Concessional loans signed', through multiplying the figure for 2009 in column (6) by the ratio of the figure for 2009 in column (5) divided by the figure for 2009 in column (4). The figures from 2010 to 2014 in column (7) were inferred by assuming the rates of increase to be set by 30 per cent, 6 per cent, 10 per cent, 10 per cent, and 10 per cent for 2010, 2011, 2012, 2013, and 2014 respectively, based on the weak regularity mentioned above.

Figures from 2002 to 2011 in column (8), 'Gross disbursement of concessional loans', were calculated by subtracting column (1) from column (2). Figures for 2001 came from the China Exim Bank 2001 Annual Report in which annual gross disbursements from concessional loans from 1996 to 2001 were recorded. Figures from 2012 to 2014 were inferred by assuming the rate of increase in column (7) as 7 per cent, 7 per cent, and 5 per cent for 2012, 2013, and 2014 respectively, based on the weak regularity mentioned above. Column (10), 'Repayment of concessional loans', was estimated using data in column (8) by assuming that a condition of the loan was a 15-year repayment period with a five-year grace period. Column (11), 'Net disbursement of concessional loans', was obtained by subtracting column (10) from column (8). Column (12), 'Outstanding amount of concessional loans', was calculated by adding this year's figure in column (11) to the previous year's figure in column (12). Column (13), 'Subsidies for concessional loans', was estimated by assuming that one third of the interest rate difference between the lending rate of concessional loans and the RMB benchmark loan interest rate has been subsidised by the government.

Figures from 2001 to 2011 in column (14), 'Outstanding amount of preferential export buyer's credits', were calculated by subtracting column (12) from column (3). Those from 2012 to 2014 were derived by subtracting the outstanding amount of export buyer's credits in each annual report of the China Exim Bank from the sum of the outstanding amount of export buyer's credits and preferential export buyer's credits. Figures in column (15), 'Net disbursement of preferential export buyer's credits', were calculated by subtracting the previous year's figure from the current year's figure in column (14). Column (16), 'Repayment of preferential export buyer's credits', was estimated using data in

column (14), and assuming the loan conditions of a 15-year repayment period with a five-year grace period. Column (17), 'Gross disbursement of preferential export buyer's credits', was calculated by adding column (15) and column (16) together.

There are 11 departments and other relevant organisations that have the budget sub-item, 'Foreign aid (20203)', while 50 have the budget sub-item, 'International organisations (20204)' under the budget item, 'Foreign affairs (202)' for at least one year between 2010 to 2014. The figures in column (18), 'Grants and interest-free loans by MOFCOM' between 2010 and 2014 were obtained from the final departmental accounts on public budget expenditure from MOFCOM. Figures between 2001 and 2009 were derived through the assumption that 90 per cent of the final account of the central-level public budget expenditure for foreign aid column (1) was appropriated to and implemented by MOFCOM (Grimm *et al.* 2011). Figures from 2010 to 2014 column (19), 'Grants by other departments and relevant organisations', consist of the National Health and Family Planning Commission (the former Ministry of Health), which has jurisdiction over the Chinese medical teams working abroad, and several other departments.¹⁵ Figures from 2010 to 2014 were obtained from the foreign aid expenditure in the final accounts of the relevant departments. It was assumed that from 2001 to 2009, grants for other departments were 3 per cent of the final account of central-level public budget expenditure for foreign aid (see Annexe Table A1).

Column (20), 'Scholarships for foreign students from other developing countries by the Ministry of Education', was estimated based on the assumption that two-thirds of foreign students receiving Chinese government scholarships are from other developing countries. Thus, in the final accounts of the Ministry of Education from 2008 to 2014, two-thirds of the total expenditure for scholarships for foreign students studying in China (budget second sub-item (2050602) was identified as foreign aid. The ratio of scholarships for foreign students from other developing countries divided by the final account of central-level public budget expenditure for foreign aid (column (1)), which was 2 per cent in 2008, was used to estimate the figures from 2001 to 2007.

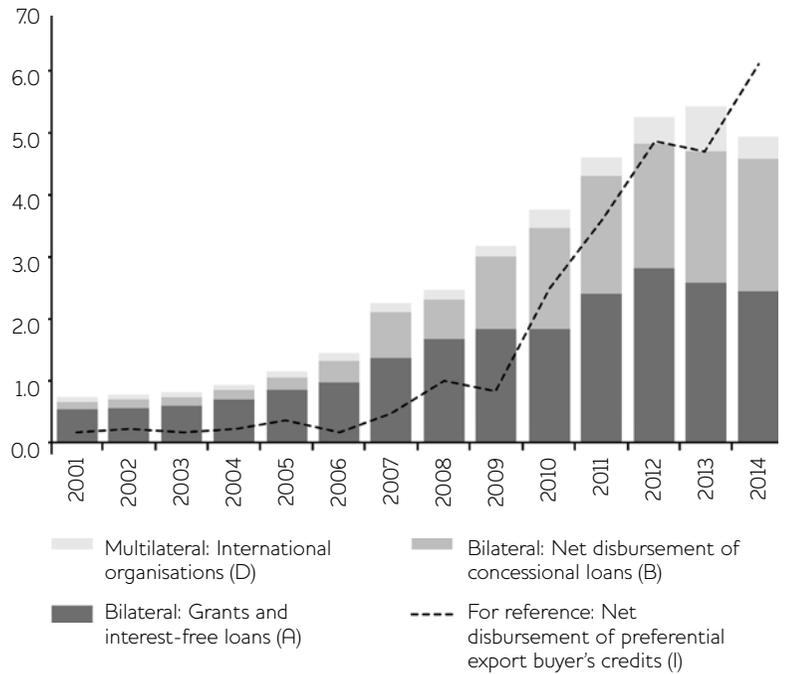
In relation to China's multilateral foreign aid, the DAC defines multilateral ODA as contributions to multilateral agencies on the DAC List of ODA-eligible international organisations. If an agency's core-funded activities are only in part development-related, the coefficients for core contributions are determined to assess the share which corresponds to their development activities. The DAC (OECD 2015) estimated China's development-oriented contributions to and through multilateral organisations as a three-year average between 2011 and 2013 mainly based on the websites of multilateral organisations. Referring to the DAC's estimates, I attempted to estimate China's multilateral foreign aid based on China's budget information.

Column (21), 'Final account of central government public budget expenditure for international organisations', was obtained from the website of the Ministry of Finance¹⁶ and covers figures from 2007 to 2014. I assumed that from 2001 to 2007, budget expenditure for international organisations had increased annually by 10 per cent, which is an actual average rate of increase between 2008 and 2013, reached through back calculation from 2007. Column (22), 'Sum of final account of department public budget expenditure for international organisations', shows the sum of the final account of public budget expenditure from 2010 to 2014 for 50 departments and other relevant organisations described above. It is assumed that the figures from 2001 to 2009 are equal to those in column (16). Based on Table 49.3 in OECD (2015), I have selected 20 listed multilateral organisations and verified China's annual contributions from 2010 to 2014 based on publicly available documents such as the annual reports for each organisation. I have attempted to identify 12 out of the 50 departments within the Chinese government which are responsible for the above-mentioned multilateral organisations. Except for the Ministry of Public Security (MPS), these departments are among the top 12 departments in terms of budget expenditure amounts for 2014.

Next, using the publicly available documents from multilateral organisations, I compared the sum of the annual contributions derived for each respective department with each department's final accounts of public budget expenditure for international organisations. In some cases, the former was larger than the latter; this is possibly attributable to a lack of budget figures for particular years. There were also cases where the former was smaller than the latter because a department's accounts may have included budget expenditure for other international organisations which I have not been able to identify. Thus, I have checked each year's budget expenditure figures for each department and adjusted them where necessary. Finally, I calculated the core contributions for each department using the coefficients in the DAC List of ODA-eligible international organisations. As for the other 38 departments, I assume a coefficient for core contributions of 30 per cent. The estimates from 2010 to 2014 are shown in column (23), 'Sum of final account of department public budget expenditure for international organisations: Adjusted' (for details, see Annexe Table A2). The figures from 2001 to 2009 were estimated by using the figures in column (22) and assuming a coefficient for core contributions of 30 per cent.

Based on the estimation process described above, column (A) in Table 1b, 'Bilateral: Grants and interest-free loans', was derived by adding columns (18), (19), and (20), and deducting column (13). Column (B), 'Bilateral: Net disbursement of concessional loans', is equal to column (11). Column (C), which is the sum of columns (A) and (B), shows the bilateral net foreign aid, while column (D), 'Multilateral: Government expenditure for international organisations' presents the estimated amount of multilateral foreign aid which is equal to column (23). Column (E), 'Total net foreign aid', equals the sum of columns (C) and (D). Column (F), 'Bilateral: Gross disbursement of

Figure 1 China's estimated net foreign aid (US\$ billion)



Source Tables 1a and 1b.

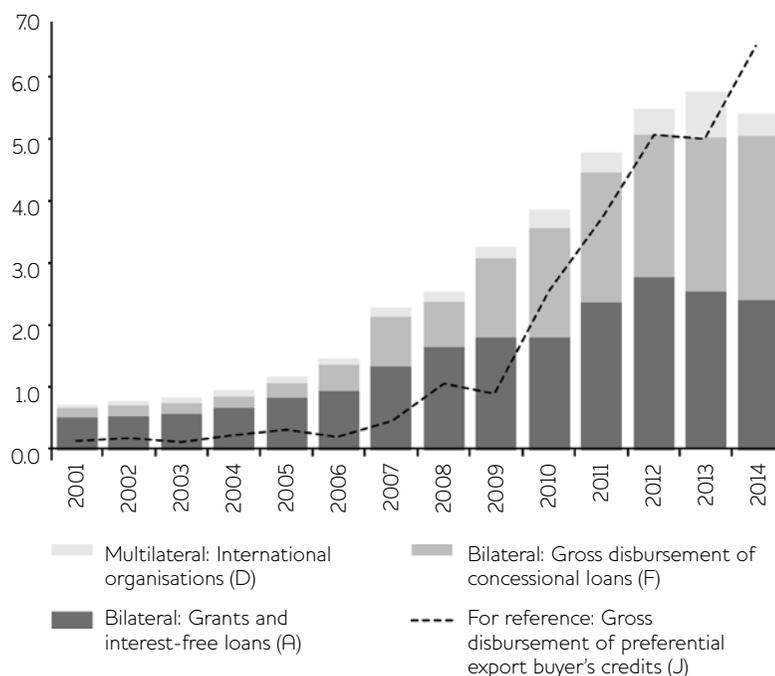
concessional loans', is equal to column (9). Column (G), 'Bilateral: Gross foreign aid', which is the sum of columns (A) and (F), shows the gross bilateral foreign aid and column (H), 'Total: Gross foreign aid', equals the sum of columns (G) and (D).

Finally, the net and gross disbursements of preferential export buyer's credits are listed in column (I) which is equal to column (15) and in column (J) which is equal to column (17).

5 Results of the estimation

Figures 1 and 2, which are derived from Tables 1a and 1b, depict China's estimated net and gross foreign aid in US\$ terms. Net foreign aid is estimated to have been US\$5.2bn in 2012, US\$5.4bn in 2013, and US\$4.9bn in 2014. Compared with the previous estimates of Kitano and Harada (2014), figures were either upwardly or downwardly revised from 2001 to 2013. In particular, the previous estimate of the net foreign aid in 2012 and 2013 amounting to US\$5.7bn and US\$7.1bn was downwardly revised to US\$5.2bn and US\$5.7bn respectively due to the fact that net disbursements of concessional loans were significantly downwardly revised from US\$2.6bn to US\$2.0bn in 2012 and from US\$3.5bn to US\$2.1bn in 2013 respectively as a result of the introduction of the modified estimation process.

These results show several findings: first, it is rather surprising that net foreign aid has increased steadily since 2001; however, it decreased in

Figure 2 China's estimated gross foreign aid (US\$ billion)


Source Tables 1a and 1b.

2014 when compared with 2013. Looking at the figures in detail, the grants and interest-free loans in bilateral foreign aid were downwardly estimated for two consecutive years from 2012 to 2014. The 'Audit results of budget implementation and other government revenues and expenditures of the Ministry of Commerce for the year 2014' issued by the National Audit Office (NAO)¹⁷ pointed out the reasons why MOFCOM's final account on public budget expenditure for foreign aid consisting of grants and interest-free loans was smaller than the original public expenditure budget in 2014, which were: that verification of feasibility studies of part of the projects at the project approval stage were not sufficient, that there were time differences between the planned and actual disbursement schedules of some projects, and in some cases that project budgets were released late. The NAO audit report did not provide any further evidence on this issue. However, there is some secondary evidence. For example, at the media briefing on 'Measures for the Administration of Foreign Aid (For Trial Implementation)' organised by MOFCOM, its officials emphasised the same point: the importance of management of the approval stages of the project.¹⁸ This suggests that some projects might perform unsatisfactorily because of a lack of sufficient verification of the feasibility of studies in the approval stages, which may have partly caused a downward trend in grants and interest-free loans.

Second, the rate of increase in the gross disbursements of concessional loans dropped from 75 per cent in 2009 to 13 per cent in 2011: it then

Table 2 Ranking on DAC members' net ODA and China's net foreign aid

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Amount in 2014 (US\$bn)
1	US	33.10													
2	Japan	Japan	Japan	Japan	Japan	UK	Germany	Germany	France	UK	Germany	UK	UK	UK	19.31
3	Germany	France	France	France	UK	Japan	France	UK	Germany	Germany	UK	Germany	Germany	Germany	16.57
4	UK	Germany	Germany	UK	Germany	France	UK	France	UK	France	France	France	Japan	France	10.62
5	France	UK	UK	Germany	France	Germany	Japan	Japan	Japan	Japan	Japan	Japan	France	Japan	9.27
6	Netherlands	Spain	Netherlands	Netherlands	Canada	Sweden	Sweden	6.23							
7	Spain	Italy	Italy	Sweden	Italy	Sweden	Spain	Spain	Netherlands	Spain	Sweden	Netherlands	Norway	Netherlands	5.57
8	Sweden	Sweden	Sweden	Canada	Canada	Spain	Sweden	Italy	Sweden	Canada	Canada	Australia	Netherlands	Norway	5.09
9	Denmark	Canada	Norway	Italy	Sweden	Canada	Canada	Canada	Norway	Sweden	Australia	Sweden	China	China	4.93
10	Italy	Spain	Canada	Spain	Spain	Italy	Italy	Sweden	Canada	Norway	Norway	China	Canada	Australia	4.38
11	Canada	Norway	Spain	Norway	Norway	Norway	Norway	Norway	Italy	Australia	China	Norway	Australia	Canada	4.24
12	Norway	Denmark	Belgium	Denmark	Denmark	Denmark	Australia	Australia	China	China	Italy	Switzerland	Italy	Italy	4.01
13	Switzerland	Belgium	Denmark	Switzerland	Belgium	Australia	Denmark	Denmark	Denmark	Belgium	Spain	Italy	Switzerland	Switzerland	3.52
14	Australia	Australia	Switzerland	Belgium	Switzerland	Belgium	China	China	Australia	Italy	Switzerland	Denmark	Denmark	Denmark	3.00
15	Belgium	Switzerland	Australia	Australia	Australia	Switzerland	Belgium	Belgium	Belgium	Denmark	Denmark	Belgium	Belgium	Belgium	2.45
16	China	China	China	Portugal	Austria	Austria	Austria	Switzerland	Switzerland	Switzerland	Belgium	Spain	Spain	Spain	1.88
17	Austria	Austria	Finland	China	China	China	Switzerland	Austria	Finland	Finland	Finland	Korea	Korea	Korea	1.86
18	Finland	Finland	Austria	Finland	Finland	Ireland	Ireland	Ireland	Austria	Austria	Korea	Finland	Finland	Finland	1.63
19	Ireland	Ireland	Ireland	Austria	Korea	Finland	Finland	Finland	Ireland	Korea	Austria	Austria	Austria	Austria	1.23
20	Portugal	Portugal	Korea	Ireland	Ireland	Korea	Korea	Korea	Korea	Ireland	Ireland	Ireland	Ireland	Ireland	0.82
21	Korea	Korea	Greece	Korea	Greece	Greece	Greece	Greece	Greece	Portugal	Portugal	Portugal	Portugal	NZ	0.51
22	Greece	Greece	Portugal	Greece	Portugal	Portugal	Portugal	Portugal	Portugal	Greece	Greece	NZ	Poland	Poland	0.45
23	Luxembourg	Luxembourg	Luxembourg	Luxembourg	NZ	Poland	Luxembourg	Luxembourg	Luxembourg	Luxembourg	NZ	Poland	NZ	Portugal	0.43
24	NZ	NZ	NZ	NZ	Luxembourg	Luxembourg	Poland	Poland	Poland	Poland	Poland	Luxembourg	Luxembourg	Luxembourg	0.42
25	Poland	Czech	Czech	Poland	Poland	Poland	NZ	NZ	NZ	NZ	Luxembourg	Greece	Greece	Greece	0.25
26	Czech	Poland	Poland	Czech	0.21										
27	Iceland	Iceland	Iceland	Slovak	0.08										
28	Slovak	Slovak	Slovak	Iceland	Slovenia	0.06									
29				Iceland	0.04										

Sources: OECD.Stat (<http://stats.oecd.org/>) and Tables 1a and 1b.

continued to decrease to 5 per cent in 2014. This can be attributed to the change in the estimation process.¹⁹

Third, as for multilateral foreign aid, final accounts on public budget expenditure for international organisations by the Ministry of Finance increased in 2013 and decreased significantly in 2014 (see Annex Table A2). This was due to the fact that China had already completed the capital increase for the World Bank's 2010 shareholding realignment: Selective Capital Increase (SCI) for the International Bank for Reconstruction and Development (IBRD) – a reform of voting power.²⁰

In 2014, the share of bilateral foreign aid is much larger, at 93 per cent, than that of the previous year due to a six percentage point decrease in multilateral foreign aid. The proportion of concessional loans to total foreign aid is 43 per cent. The difference between net foreign aid (Figure 1) and gross foreign aid (Figure 2) is still minimal, since the repayment of concessional loans was a relatively low 3 per cent of outstanding loan amounts in 2014.

As a reference point, the net disbursements of preferential export buyer's credits, which some recipient countries treat as ODA, are estimated to have totalled US\$4.9bn in 2012, US\$4.7bn in 2013, and US\$6.1bn in 2014. The revised figure in 2013 was substantially smaller than the previous estimate, which was US\$7.0bn and was a decrease from the previous year. The figure in 2014 exceeded the amount of total net foreign aid. If this figure is combined as net concessional flows, the totals are estimated to have reached US\$11.0bn in 2014.

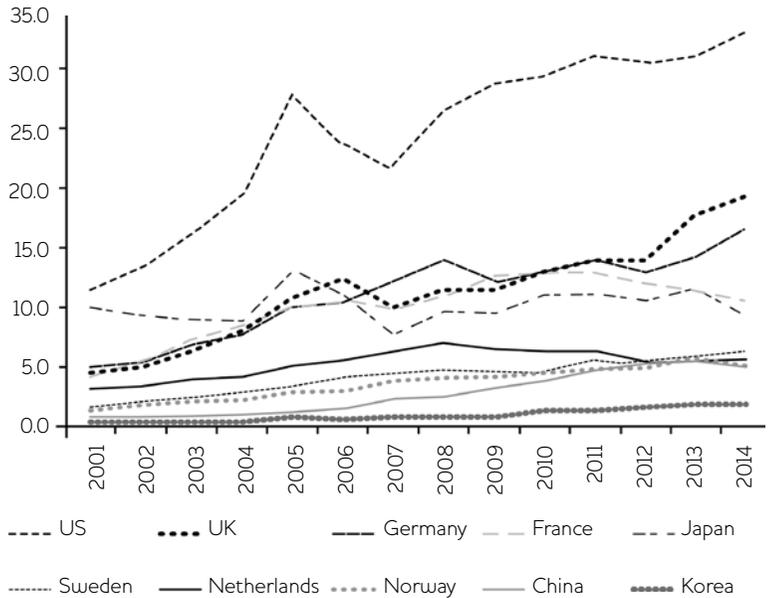
6 Comparison with selected DAC members

This section will compare the previously stated estimates of China's foreign aid with the ODA to DAC members. Table 2 shows the ranking in terms of net ODA and net foreign aid.

In the previous estimates, China was ranked at either number 16 or number 17 until 2006, then moved up to number 14 in 2007 and to number 11 in 2011. China then sat at number six in both 2012 and 2013. However, the results of this article suggest that China actually moved up to number ten in 2012 and to number nine in 2013. In 2014, China kept its ranking at number nine just behind Norway, Sweden, and the Netherlands. China's net ODA/GNI ratio in 2012 was estimated as 0.066 per cent which is smaller than the previous estimate of 0.072 per cent. The ratio then dropped to 0.060 per cent in 2013 and 0.049 per cent in 2014. With regard to the ranking, China was ranked at 29 in 2014.²¹

Figure 3 compares the trend of China's net foreign aid to trends in net ODA provided by a selected group of DAC members: France, Germany, Japan, the Netherlands, Norway, South Korea, Sweden, the UK, and the US. China's level of net foreign aid was similar to that of South Korea, the second Asian member of the DAC, until 2005 when it increased sharply as China began to catch up with high-ranking countries.

Figure 3 Comparison of DAC member's net ODA and China's net foreign aid (US\$ billion)



Source OECD.Stat (<http://stats.oecd.org/>) and Tables 1a and 1b.

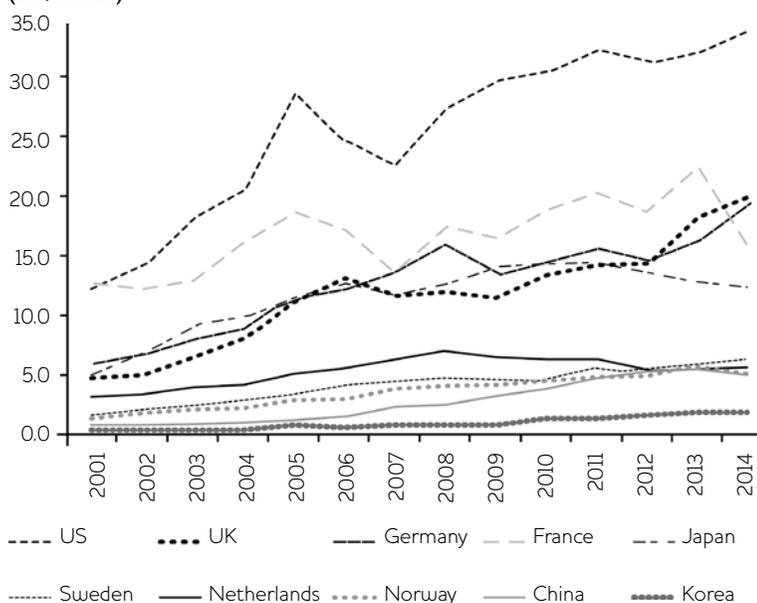
In terms of gross ODA shown in Figure 4, China's gross foreign aid is almost equal to its net foreign aid which was estimated to have decreased between 2013 and 2014, as shown in Figure 3. Until 2013, Japan was second to the US but in 2014, it went down to fourth position.

7 Conclusion

This article has attempted to revise and update the estimates of China's foreign aid from 2001 to 2014, and to compare the results with the ODA of DAC members based on the previous work. The results have presented an unexpected view of China's foreign aid. Net foreign aid is estimated to have decreased from US\$5.4bn in 2013 to US\$4.9bn in 2014. My estimates of 2012 and 2013 were significantly smaller than the previous estimates which were US\$5.7bn and US\$7.1bn respectively. However, those figures need to be used with considerable caution which may overestimate or underestimate the actual figures depending on the rate of increase in gross disbursement of concessional loans.

Since 2013, China has been ranked at number nine, while in terms of net bilateral aid, its ranking has been number six, next to Japan and France, since 2012. Importantly, the net disbursements of preferential export buyer's credits are estimated to have totalled US\$4.7bn in 2013 and US\$6.1bn in 2014. My estimate for 2013 was also significantly smaller than the previous estimate which was US\$7.1bn and was a decrease from the previous year.

With the announcement of a number of new initiatives and commitments, the Chinese government has recently engaged more

Figure 4 Comparison of DAC member's gross ODA and China's gross foreign (US\$ billion)

Source OECD.Stat (<http://stats.oecd.org/>) and Tables 1a and 1b.

proactively in international development. The 13th Five-Year Plan (2016–2020)²² stated in Chapter 53 entitled ‘Assume International Responsibilities and Obligations’ that China will increase the amount of foreign aid and improve the ways in which it is offered; offer more advice and training; expand foreign cooperation and aid in the field of science, technology, education, medical care, disaster prevention and mitigation, environmental governance, the protection of wild fauna and flora, and poverty alleviation; step up the provision of humanitarian aid; actively implement the 2030 Agenda for Sustainable Development; and actively participate in the peacekeeping operations of the United Nations. It seems that China has not only increased its foreign aid volume, but has also improved its quality and diversified fields of aid activities while trying to align with global agendas such as the Sustainable Development Goals (SDGs). On the other hand, some countries receiving loans from China are at particular risk of debt distress (Hurley, Morris and Portelance 2018). It is therefore important for the international community to carefully examine the magnitude of China’s foreign aid.²³

Lastly, I would like to outline a number of future research topics relating to my work. The first possible area of research is the disaggregation of China’s foreign aid by regions/countries and sectors. As described in Section 2, some of the previous literature has focused on estimating China’s development finance for specific regions such as Africa. A combination of estimates based on both budget data and project-level data might be a direction towards a more comprehensive estimation.

The second research topic is to estimate foreign aid based on the DAC's revised system for measuring development finance. At the DAC High Level Meeting (DAC-HLM) held in December 2014,²⁴ DAC members agreed to modernise the reporting of concessional loans by introducing a grant equivalent system. The Principles of ODA modernisation on Private Sector Instruments and the boundaries of ODA in the field of peace and security were also agreed by DAC members at the DAC-HLM in February 2016. The final research topic aims to estimate China's development finance in accordance with the definition of Total Official Support for Sustainable Development (TOSSD), which has been under discussion in the international community.²⁵

Notes

- * An earlier version of this article was produced as a JICA-RI Working Paper.
- † This article is part of the JICA Research Institute's research project, 'Comparative Study on Development Cooperation Strategies: Focusing on G20 Emerging Economies'.
- 1 Director, JICA Research Institute, Japan International Cooperation Agency (JICA) (Kitano.Naohiro@jica.go.jp).
- 2 In this article, 'departments' refers to ministries, commissions, administrations, institutions, and offices under the State Council.
- 3 Kitano and Harada (2014) originated during the process of writing Kitano (2014). It was later published in the *Journal of International Development* (Kitano and Harada 2016). In this article, the terms 'Kitano and Harada (2014)', 'the previous work', 'the previous estimates', 'the previous scenario', or 'the previous article', all refer to Kitano and Harada (2014).
- 4 'Regarding the ranking in terms of net ODA/GNI ratio, China (0.07) is 29th in 2012' (Kitano and Harada 2014: 11, footnote 27).
- 5 Here the three-year average for exchange rates of US\$/RMB6.5147 is used. This consists of a grant of RMB32.32bn (US\$5.0bn), interest-free loans of RMB7.26bn (US\$1.1bn), and concessional loans of RMB49.76bn (US\$7.6bn).
- 6 As to the United Nations Development Programme (UNDP) China's unofficial translation not being proofread by MOFCOM, see www.cn.undp.org/content/china/en/home/library/South-South-cooperation/measures-for-the-administration-of-foreign-aid-.html.
- 7 See MOFCOM's media briefing on this regulation, <http://english.mofcom.gov.cn/article/newsrelease/press/201412/20141200851923.shtml>.
- 8 According to the 2011 and 2014 White Papers (Information Office of the State Council 2011, 2014), in a similar manner to grants, the disbursements of interest-free loans, which have a tenure of 20 years, including five years of use, a five-year grace period, and a ten-year repayment period, are 100 per cent financed by central government expenditure. For this reason, and for the convenience of estimation, interest-free loans were treated as though they were grants. Thus, the amount of the above-mentioned debt relief for interest-free loans was not included in the total amount of aid.

- 9 See <https://tinyurl.com/y7n2sty9> [in Chinese].
- 10 See <http://yss.mof.gov.cn/zhengwuxinxi/caizhengshuju/> [in Chinese].
- 11 This bar graph was uploaded as part of a presentation on the website of UNESCAP Sub-Regional Office for East and North-East Asia (SRO-ENEA). See www.unescap.org/sites/default/files/Session1_Li_China.pdf.
- 12 China Exim Bank's two preferential facilities consist of concessional loans and preferential export buyer's credits.
- 13 This line graph was included in a presentation uploaded on the website of the China International Contractors Association. See www.chinca.org/cms/html/files/2013-12/16/20131216102948872930302.pdf [in Chinese].
- 14 I estimated this rate at which the cumulative amount of the framework agreement for concessional loans from 2010 to 2012 in column (5) is nearly equal to the corresponding figure (RMB49.76bn) in the 2014 White Paper.
- 15 Regarding the relationship between MOFCOM and other departments and the Ministry of Finance, the 2011 White Paper (Information Office of the State Council 2011) stated that the Ministry of Finance manages foreign aid expenditure in its budgets and final accounts system, while MOFCOM and other departments under the State Council that are responsible for the management of foreign aid handle financial resources for foreign aid in their own departments in accordance with their respective jurisdictions.
- 16 See <http://yss.mof.gov.cn/zhengwuxinxi/caizhengshuju/> or http://yss.mof.gov.cn/zhengwuxinxi/caizhengshuju/index_1.html [in Chinese].
- 17 See www.audit.gov.cn/n5/n25/c67488/part/31322.pdf [in Chinese].
- 18 See MOFCOM's media briefing on this regulation at <http://english.mofcom.gov.cn/article/newsrelease/press/201412/20141200851923.shtml>.
- 19 In the previous estimates, it was assumed that the annual rate of increase in gross disbursement of concessional loans was set at 33 per cent for 2012 and 2013; this assumption was based on the fact that the average annual rate of increase from 2006 to 2011 was 33 per cent.
- 20 See www.mof.gov.cn/zhengwuxinxi/caizhengshuju/201507/t20150716_1330771.html and [http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22553921/DC2010-006\(E\)Voice.pdf](http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22553921/DC2010-006(E)Voice.pdf).
- 21 See 'Development aid in 2015 continues to grow despite costs for in-donor refugees' on the OECD website, www.oecd.org/dac/stats/ODA-2015-detailed-summary.pdf.
- 22 See People's Republic of China (2016).
- 23 Regarding the preliminary figures of estimation beyond 2014, please refer to Kitano (2017, 2018, and forthcoming).
- 24 The DAC High Level Meeting, Final Communiqué, 16 December 2014, www.oecd.org/dac/OECD%20DAC%20HLM%20Communique.pdf.
- 25 As for the ongoing discussion on TOSSD, see www.oecd.org/dac/financing-sustainable-development/tossd.htm.

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Annexe

Table A1 Grants by other departments and relevant organisations (RMB million)

Year	National Health and Family Planning Commission (NHFPC)	Ministry of Science and Technology (MOST)	National Development Reform Commission (NDRC)	Ministry of Education (MOE)	Ministry of Agriculture (MOA)	Ministry of Civil Affairs (MOCA)	State Oceanic Administration (SOA)	State Administration of Cultural Heritage (SACH)	All-China Women's Federation (ACWF)	Red Cross Society of China (RCSC)	Subtotal
2001											141
2002											150
2003											157
2004											182
2005											224
2006											247
2007		23		8							335
2008		61		6							377
2009		42		20							399
2010	401	45		10				1	5		462
2011	426	73		10				2			510
2012	474	74	100	11				3	5		666
2013	509	72	62	11	0.44			1		3	659
2014	540	82	40	6	0.02	0	2	1	2		674

Notes 1. This table is a breakdown of column (19) 'Grants by other departments and relevant organisations' in Table 1a.

2. Figures in bold were extracted from publicly accessible statistics and information; those not in bold were estimated.

Sources Figures from 2010 to 2014 were obtained from the foreign aid expenditure shown in the final accounts of the relevant Chinese government department websites.

Table A2 Process of estimating China's multilateral foreign aid

Year	Total (C)=(A)+(B)	Subtotal (A)=Sum from (1) to (12)	Ministry of Foreign Affairs (MOFA) (1)	Ministry of Finance (MOF) (2)	People's Bank of China (PBC) (3)	Ministry of Commerce (MOFCOM) (4)	Ministry of Agriculture (MOA) (5)	National Health and Family Planning Commission (NHFPC) (6)	Ministry of Human Resources and Social Security (MOHRSS) (7)	Ministry of Education (MOE) (8)	Ministry of Environmental Protection (MEP) (9)	State Forestry Administration (SFA) (10)	Ministry of Industry and Information Technology (MIIT) (11)	Ministry of Public Security (MPS) (12)	Subtotal for other departments and relevant organisations (B)	
																US\$ million
2010	641	621	403	116	0	28	30	16	10	12	2	2	3	0	19	
2011	664	640	401	121	0	31	31	21	14	12	2	2	4	0	25	
2012	790	760	411	236	0	31	25	22	13	15	2	2	4	0	29	
2013	1,288	1,260	583	491	50	40	27	22	13	21	4	4	4	1	28	
2014	1,199	1,158	864	83	37	43	39	34	23	21	5	5	4	1	40	
Adjusted																US\$ million
2010	289	284	47	116	43	28	19	13	6	7	2	2	1	0	5	
2011	307	301	47	121	43	31	20	17	8	7	2	2	1	0	6	
2012	422	415	48	236	43	31	16	18	8	9	2	2	1	0	8	
2013	726	719	73	491	50	40	17	18	8	13	4	4	1	1	7	
2014	360	350	97	83	37	43	24	28	14	13	5	5	1	1	10	
																RMB million
2010	1,959	1,926	321	784	294	188	131	88	42	47	11	11	7	1	33	
2011	1,985	1,944	304	783	281	202	128	110	55	47	11	12	9	1	41	
2012	2,667	2,619	304	1,489	275	196	100	114	48	56	11	15	9	3	48	
2013	4,501	4,456	452	3,039	308	245	106	112	50	79	25	25	9	6	45	
2014	2,211	2,147	597	507	229	261	148	170	85	79	28	28	9	6	63	

Notes 1. This table is a breakdown of column (23) 'Sum of final account of department public budget expenditure for international organisations: Adjusted' in Table 1a. The information presented here is incomplete.

Sources The websites of 50 departments and relevant organisations, and Table 49.3 in OECD (2015).

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Emerging Economies, Disaster Risk Reduction, and South–South Cooperation: The Case of Mexico

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Abstract The emerging economies differ from each other in various economic, political, and cultural ways, but hold a broad understanding and approach on key challenges of sustainable development, climate change mitigation, and disaster risk reduction (DRR). This approach contributes to advancing South–South cooperation (SSC). This article focuses on the approach of these economies to DRR, using the case of Mexico to examine this question. Mexico, one of the world’s most vulnerable countries to natural disasters, has been applauded by leading international DRR figures for its commitment and practical response to DRR. The article explores this DRR response and what Mexico’s story has to offer to other countries in the context of SSC and its emerging role in international development cooperation (IDC). It argues that Mexico’s DRR story has many important positive aspects to contribute to SSC knowledge-sharing and IDC, but it also illustrates continuing challenges of financing, administration, and politics for emerging and developing economies alike.

Keywords: emerging economies, disaster risk reduction, Mexico, South–South cooperation, international development cooperation, human security.

1 Introduction

It is the fortieth anniversary of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA) in 2018. The decades since the inception of BAPA have seen South–South cooperation (SSC) play an increasingly important role in the global cooperation architecture. The 2nd High-Level United Nations Conference on South–South Cooperation (HLCSSC) takes place in Argentina in March 2019. SSC is ‘the process by which two or more developing countries initiate and pursue development through the cooperative exchange of multidimensional knowledge, resources, skills and technical know-how through different types of cooperation’ (Delica-Willison 2011: 4). Disaster risk reduction

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(DRR) is central to making SSC work coherently and effectively, climate change adaptation, and sustainable development. This has been long recognised internationally, with the World Bank's Global Facility for Disaster Reduction and Recovery (GFDRR) explaining the critical relationship between SSC and DRR as far back as 2008:

South–South Cooperation is inspired by a spirit of mutual solidarity as well as a shared and enlightened self-interest in providing real benefits for the most vulnerable people. South–South Cooperation also fosters developing country leadership and ownership of the disaster risk reduction agenda (GFDRR 2008: 1).

As the 2017 *World Risk Report* argues, 'disasters prevent developmental progress, and a lack of developmental progress increases disaster risk. In order to break this vicious circle, strategies for disaster risk reduction must in future be an integral component of comprehensive strategies for sustainable development' (Bündnis Entwicklung Hilft 2017: 15). DRR is a vital response to the risk of natural disasters. DRR is

aimed at preventing new and reducing existing disaster risk and managing residual risk, all of which contribute to strengthening resilience and therefore to the achievement of sustainable development... DRR is the policy objective of disaster risk management, and its goals and objectives are defined in disaster risk reduction strategies and plans (UN 2016: 1).

This article explores the contribution of emerging economies to DRR. It does so with specific reference to Mexico, a so-called MINT (Mexico, Indonesia, Nigeria, Turkey) emerging economy and widely regarded as an exemplar of DRR practice and commitment. In the view of the United Nations Office for Disaster Risk Reduction (UNISDR), 'Mexico has a solid track record in managing and anticipating disaster risks and has a lot of expertise to share with other countries' (Leoni 2016: 1). Specifically, the article addresses the questions: 'How do emerging economies approach DRR and have they distinctive stories to share that can contribute to the further development of South–South cooperation as a practical multi-stakeholder approach to sustainable development?' As Jim O'Neill has argued:

The BRIC countries... are already closely watched. The group I'm studying for this project [a 2013 BBC Radio 4 special report] – let's call them the MINT economies – deserve no less attention. Mexico, Indonesia, Nigeria and Turkey all have very favourable demographics for at least the next 20 years, and their economic prospects are interesting (O'Neill 2013).

This selection illustrates one of the central aims of the present article, namely, to highlight and showcase the wider range of emerging economies. Mexico is chosen for five reasons: (1) its high risk of natural disasters; (2) the country's national protection system, described by Robert Glasser, the then special representative of the UN Secretary-General for Disaster

Risk Reduction and the then head of UNISDR, as ‘a shining example of how to manage the threats posed by hazards’ (UNISDR 2017b: 1), a multi-stakeholder system bringing together government, the private sector, civil society organisations, and international organisations; (3) the engagement of Mexico with global and Latin American policy fora and action programmes, exemplified in its hosting of the 2017 Global Platform for Disaster Risk Reduction; (4) Mexico’s dual role as both recipient and provider of international development cooperation assistance; and (5) the continuing, substantial challenges of DRR facing Mexico despite its substantial investment, political commitment, and operational progress. As such, this article argues Mexico’s story of DRR contributes a practical experience to the evolving understanding, narrative and future orientation of SSC as the HLCSS takes stock and prepares to take SSC to the next stage of its development and to the global SSC epistemic community.

Strengthening DRR is a key component of the interlocking, mutually reinforcing global ‘universal’ compacts on climate change and sustainable development. Clearly, this is a two-way process; progress at the global level requiring advances made at regional, national, and societal levels and a critical flow of knowledge resources between the emerging economies and supra-state structures, processes, and agencies. This article argues that the role and impact of emerging economies, many of which are the most exposed to natural disasters, are central to the realisation of the aims and objectives of these global pacts. The emerging economies have brought with them distinctive approaches to development grounded in their own historic experiences. These economies offer different principles of partnership, equity and mutuality, and sovereign non-interference in their relations with other developing economies as well as focusing their commitment to South–South cooperation and to South–North–South triangular cooperation on technical assistance and infrastructure capacity building (Stuenkel 2013; Gu, Shankland and Chenoy 2016). A key point, however, is that, while the ‘emerging economies’ share a number of common characteristics, interests, and aims, there is a danger in overstating these shared features and understating important elements of heterogeneity. Beyond the homogenising acronymic branding lies a landscape of rich diversity in the way these economies understand and promote development domestically and internationally and in their approach to DRR. In the present article, the relationship between consolidating elements and those of diversity is in creative rather than destructive tension. Given the welter of recent commentary on the emerging economies, it is easy to forget that they are a recent addition to the pantheon of systemic agencies and are on a steep learning curve to define their own response to their ‘rise’, relations with each other, and relations with the established Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) system.

2 Brief review of the literature

There is a vast, growing, and wide-ranging literature directly and indirectly associated with DRR. The body of academic, governmental and intergovernmental, civil societal, and press literature encompasses

a broad range of DRR topics, issues, and challenges, many of which intersect with the literature on climate change and sustainable development, generating a range of emerging issues (Sudmeier-Rieux *et al.* 2017). The range of topics include: the relationship between human security and DRR (HSN 2017; FAO and UNTFHS 2016; Renwick 2016; Kitaoka 2015; Futamura, Hobson and Turner 2012; Hobson, Bacon and Cameron 2014; JICA 2010); the terminology of DRR as a key implementation instrument for Sendai Framework benchmarking indices (UN 2016); provisions, implementation, and monitoring of the Sendai Framework on DRR (UNISDR 2015a, 2015b), for example with respect to: health (Aitsi-Selmi and Murray 2015); gender (UNISDR 2018; Lovell 2014; Enarson and Dhar Chakrabarti 2010); food security (FAO and UNISDR 2017; WFP 2012; de Haen and Hemrich 2007); infrastructure investment (GPDRR 2017); financing (UNISDR 2017c; VOICE 2013); DRR synchronisation with climate change and sustainable development structures, processes, and agencies of action (JICA 2018a, 2017; UNISDR 2015b; Mitchell 2012); displaced persons (iDMC 2017); managing DRR at the global, regional, national, and sub-national levels and local governance (Yao 2016; Al-Nammari and Alzaghlab 2015); 'smart' agriculture (FAO 2015); the impact and potential of emerging technologies (AIDF 2016); private–public partnership, the contribution of business and best practices, for example, through the work of ARISE, the Private Sector Alliance for Disaster Resilient Societies (ARISE 2017; UNISDR 2013, 2014, 2017a); South–South knowledge transfers (Aboubacar 2014); DRR and conflict zones (International Alert 2015; ODI 2013; Ferris 2010); the need for greater citizen DRR awareness and participation and civil societal engagement (Ruiz-Rivera and Melgarejo-Rodríguez 2017); and the role of cities and urban centres, a good example being the initiative to develop resilient mountain cities (UNISDR 2015c).

Key findings in this literature are a need to ensure effective governance at the global, regional, and national levels and recognition of the importance of the emerging economies and SSC. DRR is framed by the distinctive approach to sustainable development and its intersection with climate change brought by the growing economic and political importance of emerging economies. The emerging economies promote a broadly common approach to 'inclusive' and 'innovative' sustainable development and global economic growth grounded in principles of equity, mutuality, reciprocity, and partnership and backed by new structures and agencies (such as the Asian Infrastructure Investment Bank reifying these principles into practical project support). This approach both reflects and contributes to processes of SSC and technical cooperation (Gu 2015, 2017). The literature indicates a deeper aspect related to the emerging and developing economies and their call for the reform of the funding and managerial principles and practices of the World Bank and International Monetary Fund (IMF) to better reflect the shifting importance of the emerging and developing economies.

Despite the juggernaut of writing projecting common purpose and implementation progress, the literature also contains writings that run counter to the prevailing wisdom that the holistic approach weaving together the troika of DRR, climate change mitigation, and sustainable development is translating into a changed approach on the ground. A survey by Peters identified a range of challenges:

- ‘the confines of institutional mandates’,
- ‘the lack of an evidence base to guide policy and programming’,
- ‘fear of the unknown’,
- ‘lack of funding for experimentation and trialing new or unproven approaches’,
- ‘practical concerns around accessibility and operational security’,
- ‘a tendency to prioritise peace and security over DRR’ in fragile and conflict-affected contexts (2017: 10).

Illustrative of this literature are commentaries expressing concern about financing for DRR and particularly disaster recovery preparedness. For example, Francis Ghesquiere, Head of the GFDRR, and Jo Scheuer, Director for Climate Change and Disaster Risk Reduction in the United Nations Development Programme’s (UNDP) Bureau for Policy and Programme Support, have argued that ‘With limited time and resources, however, adequate preparedness for these common events is often neglected in developing countries. The result is a pattern of deficient recovery that is imperiling sustainable development, and leaving millions of the most vulnerable behind’, and explained international efforts to address this challenge, including by the World Bank’s GFDRR–UNDP–European Union, Japan, and Luxembourg (Scheuer and Ghesquiere 2017).

The sixth of the seven Sendai Framework’s global targets is to ‘Substantially enhance international cooperation to developing countries through adequate and sustainable support to complement their national actions for implementation of the present Framework by 2030’ (UN 2015: 1). The issue of DRR finance is also raised with respect to DRR in fragile and conflict-affected states, Peters and Budimir arguing that there is a ‘funding blind spot’ when it comes to these countries (2016: 1). An important 2013 analysis of 20 years of DRR financing exposed critical weaknesses. A GFDRR and Overseas Development Institute (ODI) study (Kellet and Caravani 2013) found that money spent on DRR constitutes a small share of aid funding. For every US\$9 that had been spent on disaster response, only US\$1 had been allocated to prevention and preparation and, for every US\$100 of development assistance, 40 cents was invested in protecting that aid from the impact of disasters. Moreover, funding originated from a few donors – the World Bank, Asian Development Bank, and Japan – and the main recipients were middle-income countries, particularly China, and Indonesia. Particularly concerning was the finding

that the funding had primarily been directed into protecting economic assets rather than people (Kellet and Caravani 2013: vi).

3 Natural disasters and human security

Natural disasters and the impact of climate change strike at the very heart of human security. Human security seeks to promote freedom from fear and want and freedom to live in dignity. The Commission on Human Security's definition of human security is 'to protect the vital core of all human lives in ways that enhance human freedoms and human fulfilment' (CHS 2003: 4). This impact of natural disasters and climate change is experienced disproportionately, with the poorest in society and women hardest hit; in other words, those most dependent on natural resources for their livelihoods. These sections of society are those with the least capacity and least pillars of resilience to respond to such events. In particular, it is women who often experience greater risks and consequential burdens in conditions of poverty and unequal access and participation in DRR, climate change, and sustainable development governance and responses, limiting and weakening the effectiveness of implementation strategies. The challenge of natural disasters and DRR also has an important intergenerational dimension (Caruso 2014), including short- and long-term consequences for mental and physical health and development, displacement, insecurities of income, food, shelter, sanitation, exploitation and abuse, and education. An important component of this experience is the disorienting impact on an individual's sense of time and space. This is most evident in post-traumatic stress disorder (PTSD). Trauma arising from natural disasters is especially potent because they traumatise large groups of people simultaneously, giving rise to feelings of individual and collective anxiety and guilt among survivors, in some cases giving rise to suicidal tendencies (Lau *et al.* 2010: 504). Such trauma is defined both by the experience of being in the event itself and by a person's or population's reactions to it (APA 2013; Babbel 2010).

The case for recognising a close link between human security and DRR is evident in the literature. According to the Human Security Network:

At its core, human security reinforces the notion that peace and security, human rights, and development are interlinked and mutually reinforcing. It is about protecting people from threats to their life, safety, fundamental rights and dignity... Strengthening all three pillars of human security can contribute to greater resilience to disaster risk, decrease the vulnerability of people in vulnerable situations, and speed up recovery processes. A human security approach has a strong potential to help mitigate the multidimensional consequences of disasters and strengthen the capacities of communities to manage these risks (HSN 2017: 1).

This argument has been made in more detail by the President of the Japan International Cooperation Agency (JICA), Shinichi Kitaoka, in his Keynote Speech at the Third UN World Conference on Disaster Risk Reduction in 2015. In this address, President Kitaoka made the

important point that the human security–DRR relationship is not, as many commentaries seem to imply, solely about how DRR can contribute to enhanced human security but is also about how a human security approach and understanding can contribute to more effective DRR: ‘I believe that by making the human security approach more explicit in our disaster risk reduction efforts, we will be able to better plan and prepare for disaster prevention without leaving the most vulnerable people behind’ (Kitaoka 2015: 1).

4 Mexico, DRR and SSC

4.1 Mexico’s natural disaster profile

As noted in the Introduction, Mexico’s DRR experience has been regarded as a good example to other countries of how to establish an effective DRR response. The Mexican government has recognised this and contributes its story to South–South knowledge-sharing and action programmes through regional and global fora, and networks. The point of departure is the nature of the multiple natural threats facing Mexico. Owing to the nature of its geographical location, topography and anthropomorphic history, Mexico has high exposure to a wide spectrum of hazards, raising the threshold of threat to human security. These hazards include earthquakes, volcanoes, tsunamis, hurricanes, wildfires, floods, landslides, and droughts. Mexico’s Disaster Risk Profile underlines this high-level exposure and risk, with over 30 per cent of Mexico affected every year by disasters (Leoni 2016; Pérez-Campos *et al.* 2008). Mexico ranks 94th on the 2017 World Risk Index. The Index calculates the risk posed to 171 countries worldwide by means of a multiplication of risk and vulnerability. The 2017 Report presents a five-year perspective for the period 2012–16 (Bündnis Entwicklung 2017: 40).

4.2 Human security impact

Climate change critically affects Mexican DRR and human security (Ruiz-Rivera and Lucatello 2017). This was recognised by the Mexican government itself in a 2009 submission to the UN Secretary-General addressing climate change and human security, which argued that ‘impacts, magnitude and projected persistence of environmental, social and economic phenomena derived from climate change turn this issue in[to] a priority matter that has direct repercussions in all abovementioned security spheres’ (UN 2009: 1). More recently, the current president, Peña Nieto, has recognised that ‘Climate change is creating new risks and we need to rethink the way we produce and consume, the way we are doing things, as the challenges ahead are big’ (UNISDR 2017b). Mexico is the 14th largest greenhouse gas emitter in the world, and the second largest in Latin America. Natural disasters impact upon over 30 per cent of Mexico every year, ranging from 7,000 seismic shocks to hurricanes, volcanic eruptions, floods, and forest fires. Mexico is experiencing significantly more severe droughts, floods, and storms including hurricanes. Simultaneously, rainfall is decreasing, exacerbating the development of arid zones, degrading agricultural land, lowering production, weakening incomes, and providing additional impetus for rural depopulation and increased urbanisation.

The impact on Mexican human security has been high. In the period 1970–2009, Mexican data estimates that around 60 million people were affected by natural disasters in the country (World Bank 2012). A decade ago, a study of the impact of Mexico's natural disasters at the municipal level demonstrated 'a significant impact from natural disasters on reducing the Human Development Index and also on increasing poverty levels' (Rodríguez-Oreggia, de la Fuente and de la Torre 2008: 17). Mexican insecurities arising from natural disasters are broad and complex. In addition to the intensity of human loss and suffering and detrimental impact upon children's psychology, Mexicans confront the loss of employment and income, dignity and status, with a disproportionately adverse impact upon women, indigenous peoples and the poorest at their most vulnerable in the *favelas* around Mexico City. Compounding this experience is the economic cost, loss of human capital, and destruction of communications, transport and essential public services infrastructure; agricultural degrading and industrial dislocation; and ecological devastation.

4.3 Mexico's DRR approach

What is it that Mexico's DRR offers to SSC? The response of Mexico to DRR has been described as a 'shining light' and an 'icon of risk management' (UNISDR 2017b: 1). In the view of Robert Glasser, the then special representative of the UN Secretary-General for Disaster Risk Reduction, 'The way Mexico manages disaster risks shows the effectiveness of its civil protection system and its enormous capacity to mobilise and unite all Mexicans against disasters' (UNISDR 2017b: 1).

The Mexican National Civil Protection System (SINAPROC) was created in 1986. The galvanising factor was the 1985 earthquake that devastated the country, causing 10,000 deaths and thousands more casualties; the earthquake impacting most severely on Mexico City. SINAPROC was created as an inclusive and multi-level system integrating stakeholders from all over the country and from the three levels of government, the private and social sectors, academia, and scientific organisations. Its initial objective was to provide an institutional framework for the improved coordination of emergency response and worked with UNISDR and the World Bank to establish the new system (World Bank 2013a, 2013b).

Since inception, SINAPROC has seen an evolutionary progression of its risk assessment, early warning, preparedness, and disaster risk financing functions. The system's administrative structure has been strengthened and coordination made more effective. Emergency response plans have been more clearly elaborated and supported by training provision in strategic sectors, particularly at the federal level. In addition, the system has been technically upgraded with the deployment of a grass-roots early warning system, a system that would prove its worth in the capital during the September 2017 earthquake, with invaluable seconds of warning given to the population.

In terms of generalising from Mexico's experience, the country's story of DRR response and resilience-building provides a significant example, and potentially transferrable, model of effective DRR financing for SSC, albeit with important warning caveats. The context for this is the present government's setting of four national foreign policy priorities to include international development cooperation (IDC). The country's 2013–18 National Development Plan states that 'cooperación internacional para el desarrollo, como una expresión de solidaridad y, al mismo tiempo, un medio para impulsar al bienestar y la prosperidad' ['Foreign policy will be based on international development cooperation, as an expression of solidarity and, at the same time, a means to promote wellbeing and prosperity of our country and the international community'] (Government of Mexico 2013: 99). Mexico's IDC is coordinated by the Mexican Agency for International Development Cooperation (AMEXCID), basing its activities on the Law on International Development Cooperation (LIDC).

As noted above, a central issue in DRR has been finding the funding necessary to tackle the varied and complex implementation challenges, a challenge recognised in the Sendai Framework and in the Fifth Session of the Global Platform for Disaster Risk Reduction, held in Cancún, Mexico, in May 2017. For some governments, such as Bolivia, the root of this problem is the historical legacy of environmental and economic debasement left to the developing countries of the global South by the excessive emissions of advanced economies of the North. In this perspective, climate change mitigation and DRR are issues of global justice and the controversial arguments advocating a 'climate debt':

Developed countries are thus responsible for compensating developing countries for their contribution to the adverse effects of climate change... Failure to honour payment of financing and compensation constitutes an 'adaptation debt' owed by developed countries to developing countries. Excessive use of atmospheric space: An emissions debt. As well as causing adaptation harm, developed countries' historical and current excessive emissions are limiting atmospheric space available to developing countries (GoB 2009).

According to one estimate, Mexico's share of global 'climate debt' was 0.72 per cent in 2010 and remained unchanged in 2015 but declined to 0.67 per cent in October 2017, and the country was ranked 23rd out of 199 countries (163 full reporting; 36 estimated; USA declining share 33.6 per cent, China increasing share 17.59 per cent, Japan stabilised share 4.80 per cent). Mexico's climate debt per capita, accumulated since 2000, has increased from US\$105 in 2010, to US\$291 in 2015 and totalled US\$377 in October 2017 ranking it 62nd in the global list (Andersen 2017).

Mexico's response to DRR financing has attracted international attention and centres on FONDEN, its Fund for Natural Disasters, to support disaster relief and reconstruction. A World Bank review of FONDEN

in 2012 concluded that 'FONDEN now provides one of the most sophisticated disaster financing vehicles in the world' (World Bank 2012: vi). FONDEN became operational in 1999. Funds from FONDEN could be used for the rehabilitation and reconstruction of: public infrastructure at the three levels of government (federal, state and municipal); low-income housing; and certain components of the natural environment (e.g. forestry, protected natural areas, rivers and lagoons). The financing system operates through two main programmes: for reconstruction and for prevention. Both programmes operate under the financial responsibility of BANOBRAS, Mexico's state-owned development bank. Since its inception, the government has steadily moved the focus and funding for FONDEN to emphasise prevention rather than post-disaster risk management.

However, despite the political plaudits, this funding story also illustrates the fundamental challenges faced by many emerging and developing countries in maintaining their commitments. The shift to prevention has not yet been fully implemented. The OECD undertook a review of the Mexican National Civil Protection System in 2012, noting the strengths of the system, a number of weaknesses, and areas for strengthening the system (OECD 2013). Yet, early signs of concern with the system emerged in 2014, as Mexico's federal auditor heavily criticised the government for spending less on disaster preparation and prevention than on reconstruction. This concern has continued to escalate as budgetary cuts have eaten into DRR funding and impacted adversely on the system. In 2017, Enrique Guevara, a former head of Mexico's National Centre for Disaster Prevention (CENAPRED) argued that 'We should be investing more in prevention. Firstly because you save lives, and secondly you save money' (Stargardter 2017: 1).

This takes us to the heart of the issue of DRR implementation for emerging economies such as that of Mexico. Some years ago the 1992 American presidential economy was defined by the slogan 'It's the economy stupid!'. So too today, as Mexico's economic circumstances, political priorities, and tensions of governance are potentially derailing substantive advances made since the devastating 1985 earthquake. Mexico's economy is heavily dependent on oil revenues, financing about 20 per cent of Mexico's federal budget. A decline in oil prices has cut income, created budgetary shortfalls, and necessitated budgetary cuts. Consequently, disaster budgets have been halved in recent years. In 2017 alone, budgets for disaster and civil protection efforts were reduced by 25 per cent, from about 8.6 billion pesos (US\$475 million) in 2016 to 6.4 billion pesos. The budget for FOPREDEN, the fund for the prevention of natural disasters, was reduced by 50 per cent. FONDEN, the fund for disaster relief, lost 25 per cent of its budget. At CENAPRED, expenditure fell by 20 per cent between 2012 and 2016, and a senior official claimed that this damaged the upkeep of a national risk atlas and lowered morale at the institution. In the light of these cutbacks the Mexican Congress issued a highly critical report concluding that 'the state is relinquishing its responsibilities to its population, given inevitable and unknowable disaster risks' (Stargardter 2017).

The economic condition also led to criticism that the government had failed to provide the necessary funding to ensure early warning systems were as robust as technically possible, specifically the earthquake early warning system giving Mexico City's inhabitants sufficient time to evacuate buildings before tremors arrive. The system needs more monitors to detect even more tremors. For the 7.1-magnitude earthquake in September 2017 (USGS 2017), as noted above, although the system provided some warning, the system's director stated that better detection could have given Mexico City's residents up to five seconds more warning that day, with many locals stating that they heard the alarm only once the ground began shaking. The government, and specifically the president, stands accused of having rejected funding requests to upgrade the system. In addition, even with regard to disaster reduction, concern has been raised over the effectiveness of the decentralisation mitigation works. Given Mexico's high risk, provincial and municipal projects have been limited in number, due to lower prioritisation and particularly as a result of a critical technical and administrative undercapacity to identify risk and propose concrete measures. This is especially the case in those sub-regions of the country facing the highest level of risk (Saldana-Zorrilla 2015). While President Nieto has acknowledged the need for more funding and has called for this to be provided by Congress, the concerns over the system run contrary to the picture provided by Luis Felipe Puente, head of SINAPROC, who has argued that

It has taken us some time to build it but it works, is efficient and involves all Mexicans. Today, Civil Protection works at the Federal, State and Municipal levels and is supported by strong legal instruments and good monitoring systems. It is a vital system to help us face not only natural emergencies but any threat that can put our country in danger (Leoni 2016: 1).

In terms of South–South cooperation and the sharing of Mexico's experience, while the internal strategic development was being implemented, Mexico developed important mechanisms for multilateral cooperation, for example with respect to tropical storm forecasting. The government was an active participant in the Hyogo Framework for Action 2005–15 for the formulation of strategies and policies for disaster risk management. This laid the foundation for the country's regional multilateral cooperation during this period through the Regional Platform for Disaster Risk Reduction in The Americas organised by UNISDR (the Sixth Regional Platform to be held in Cartagena, Bolívar, Colombia in June 2018) and, post-2015, through the Regional Action Plan for the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030 in the Americas. As is the case with many other emerging economies, they are simultaneously new providers and recipients of international development assistance (Renwick 2016).

As a middle-income country recipient, 'it is a recipient of technical, academic and financial cooperation (mostly non-concessional) from

other countries and multi-lateral organisations'² (González 2017: 3). As a provider it contributes to 'South-South Cooperation (CSS) in bilateral, regional, triangular schemes (in association with another provider to reach a third country)' (*ibid.*: 3). Mexico provides funding resources in extra-budgetary funds or public trusts for international cooperation purposes with three primary SSC objectives: (1) to offer financial support and strengthen cooperation programmes and projects; (2) to contribute to international development through technical cooperation, exchange of experiences (experts) and knowledge; and (3) to improve the effectiveness of public policies (capacity building). This IDC commitment is based on the National Fund for International Cooperation for Development (FONCID) and Sectoral Research Fund SRE-CONACYT and a range of joint funds: Mixed Fund for Technical and Scientific Cooperation Mexico-Spain, Joint Cooperation Fund Mexico-Chile, Joint Fund of Cooperation Mexico-Uruguay and Joint Cooperation Fund Mexico-Germany; and on multilateral funds with international organisations: Mexican Fund for International Cooperation for Development with Ibero-America (FOMEXCIDI-SEGIB), Mexican Fund for Cooperation with Latin America and the Caribbean (through the Organization of American States (OAS)), and Mexico Fund for the OAS. Together, these funds helped underwrite 101 cooperation projects. In 2015, 74 per cent of Mexico's IDC was its contribution to international organisations, 11.4 per cent for scholarships for international students, 7 per cent for financial cooperation, 3.9 per cent for technical cooperation and 0.2 per cent for humanitarian assistance (González 2017: 5-6).

Triangular cooperation forms an important component of Mexico's SSC. With respect to Japan, for example, an important DRR project has been the El Salvador-Mexico-Japan TAISHIN (Earthquake-Resistant Popular Housing) project. This ran in two stages: December 2003-November 2008 and May 2009-April 2012. Nonetheless, bilateral cooperation remains a central pillar of Mexico's IDC. For example, in 2017, the Japan-Mexico Joint Programme (JMPP) prioritised 'Assistance in Cooperation Policy for International Development' and the goal of triangular cooperation (JICA n.d.).

Project work included knowledge and skills transfers in adolescent sexual and reproductive health. Cooperation also included a major programme to promote Scientific-Technical Cooperation and for the Strengthening of Capacities to face Climate Change. This programme includes assessment of the Diversity and Development of the Sustainable Use of Genetic Resources of Mexico, Development of the Aquaponics System Combined with Open Cultivation Adapted to the Arid Zones for the Sustainable Production of Food.

This Mexico-Japan bilateral cooperation in 2018 includes an important DRR project: Assessment of the Risk of Large Earthquakes and Tsunami in the Mexican Pacific Coast for Disaster Mitigation. This US\$4 million project (2016-21) focuses on the occurrence of large

earthquakes and tsunamis on the Mexican Pacific coast, with emphasis on the state of Guerrero, a region 140km in length very likely to experience a major earthquake in the near future. The project is intended to better inform the civil protection authorities of the state and to develop an educational programme with an emphasis on disaster prevention for the construction of more resilient communities (JICA 2018b).

5 Conclusions

This article has addressed the central questions of ‘How do emerging economies approach DRR and have they distinctive stories to share that can contribute to the further development of South–South cooperation as a practical multi-stakeholder approach to sustainable development?’ It has explained the global DRR challenge and, having established a human security–DRR analytical approach, explored emerging economies and their contributory potential for DRR in the context of the evolving process of SSC. The article argued that the emerging economies are important drivers of DRR and the wider processes of SSC. The study’s key findings are:

- The emerging economies offer an important new contribution of knowledge and practical experience to South–South cooperation, both in general terms and in relation to DRR.
- These economies, as a collective grouping, are highly diverse but demonstrate common principles, perspectives, and approaches to sustainable development, climate change adaptation, and disaster risk reduction.
- Their experiences as simultaneously recipients and providers of international development assistance, humanitarian aid and disaster relief support offers a very distinctive way of evolving their South–South, triangular, and technical cooperation.
- There is, however, a danger in over-homogenisation of this experience; BRICS members have their own particular ways of approaching the global agenda, as do MINT economies.
- Nonetheless, the global frameworks, action plans, regional platforms, and national strategies in DRR demonstrate an overall coherence of purpose and coordination of practice.
- Mexico’s practical experience illustrates what can be achieved positively in national, regional, and global DRR cooperation, offering a story of multi-stakeholder engagement for other economies facing natural disaster threats.
- Although the positives of Mexico’s DRR story are clearly important, perhaps even more telling are the continuing financial, administrative, and political challenges that remain in building resilience, protecting people, and strengthening human security from the threat of natural disasters.

Notes

- 1 Coventry University.
- 2 Quoted text in this paragraph has been translated from Spanish using Google Translate.

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India's Role as a Facilitator of Constitutional Democracy*

Hiroaki Shiga¹

Abstract How can the unique knowledge, experiences, institutions, norms, and ideas from developing countries contribute to the political, economic, and social development of other developing countries? This question is worth asking, as ongoing discussions regarding emerging donors have failed to explore the possible contribution of developing countries to governance issues through the utilisation of their unique resources. This article examines the realities and potential of India's contribution to the enhancement of democratic governance in developing countries. It argues that India's enduring experience with constitutional democracy has attracted attention from other developing countries, particularly those who are tackling the daunting challenge of consolidating democracy in tandem with the projects of building a coherent nation and legitimate and functioning state within the inherently hostile environment of an ethnically and religiously divided society.

Keywords: India, emerging donor, democratic governance, democracy promotion, constitution, constitutional democracy.

1 Introduction

How can the unique experiences, institutions, norms, and ideas of developing countries contribute to the development and good governance of other developing countries? This question has been left unexplored in the ongoing discussions about the so-called 'emerging donors' that have gained impetus since the mid-2000s. Worse still, we have witnessed persistent speculation that, through their alleged indifference and negligence of 'good governance' issues such as democracy, rule of law, human rights, and anti-corruption, emerging donors are spoiling the concerted efforts of traditional donors to improve governance in developing countries (Naim 2007).

A notable exception to the general lack of interest and research into developing countries' positive contributions to governance issues is the recent attention in Western literature given to the role India plays in facilitating democratic governance. I would argue, however, that

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conventional literature fails to duly evaluate the holistic picture of India's contribution to the promotion of democracy. My main argument is that India's enduring experience of constitutional democracy offers an attractive model for other developing countries facing the triple challenge of building a legitimate state, a cohesive nation with a sense of national unity, and a sustainable democracy, and that India's potential as a promoter of democratic governance is promising.

2 Review of conventional literature

2.1 Background on the recent attention given to India

Since the 2010s, Western observers have begun to pay more attention to India's role in the enhancement of democratic governance. A major factor that facilitated this increase in attention was the slowdown of the global trend towards democratisation in the 2000s. Contrary to the Western euphoria that saw democracy gain a 'near universal normative acceptance' (McFaul 2004), the 'Third Wave of democratisation' (Huntington 1993) lost momentum in the 2000s. Many countries failed to consolidate their democracy and some slid back to authoritarianism. Currently, we are witnessing a world where 'the resilience of undemocratic regimes and the trend towards authoritarianism has become the global rule' (Burnell and Schlumberger 2011: 3). The democratisation of Iraq by force in 2003 was fatal to Western-led efforts for the promotion of democracy as it 'tarnished its reputation beyond repair' (Whitehead 2009: 215). Western countries were driven into a situation in which they could not go back to the excessive self-confidence of the 1990s but nonetheless were not able to discard the normative commitment to the promotion of democracy (Whitehead 2009: 225). Thus, Western countries began to look for a reliable partner to help reverse the 'trend towards authoritarianism'.

It was exactly at this time that Western policymakers and academics interpreted several signs from the Indian government as showing a significant change in the Indian traditional diplomatic posture towards the promotion of democracy. Before the 2000s, India never presented itself in the international arena as an active and principled promoter of democracy.² 'Non-interference' had been one of the main pillars of Indian diplomacy and aid policy (Kondoh *et al.* 2010), and India carefully eschewed the role of 'proselytising' an authoritarian regime into a democratic one.³

The first sign of change appeared in its neighbourhood policy. In the face of protracted socio-political instability and civil war in Nepal, India proactively engaged in the peaceful settlement of the civil war and democratisation of Nepal in cooperation with Western nations including the United States.⁴ In 2005, India showed another sign of change by taking the lead in establishing the United Nations Democratisation Fund (UNDEF) in cooperation with the United States; since then it has been the second-largest contributor only after the United States. In his address at the launch ceremony of UNDEF, the then Indian prime minister, Manmohan Singh, emphasised the significance of democracy in facilitating development:

Poverty, illiteracy or socioeconomic backwardness do not hinder the exercise of democracy. Quite the contrary, our experience of more than fifty years of democratic rule demonstrates how democracy is a most powerful tool to successfully overcome the challenge of development... India has been sharing its rich experience, institutional capabilities, and training infrastructure with nations that share our values and beliefs and request our assistance. We are prepared to do much more, both as active participants in the Democracy Fund and in the Community of Democracies (Singh 2005).

Singh's depiction of democracy as the 'most powerful tool' in overcoming the challenge of development was interpreted by Western observers as a remarkable change in India's long-standing commitment to 'non-interference' and as a sign of proactive engagement in the Western-led enterprise of democratisation. It was expected on the Western side that 'shared values and adherence to democracy' would work as 'natural common ground for closer cooperation' in the promotion of democratic governance (Kugiel 2012: 1).

2.2 Review of conventional literature

Against this background, much of the conventional literature is motivated by the same research question: 'Will India be a reliable Western partner in the promotion of democracy?' The title of a publication by Carothers and Youngs (2011), *Looking for Help: Will Rising Democracies Become International Democracy Supporters?*, succinctly describes the shared concern of Western authors. However, the prognosis in the conventional literature is gloomy. They are almost unanimous in concluding that India will not be a principled partner in promoting democracy, at least in the near future, and that the Indian model of democracy is not attractive due to its defective nature.

An example of this comes from Burnell and Schlumberger (2011: 11) who criticise India's commitment to the promotion of democracy as still being quite weak. They argue that in order for the Western-led promotion of democracy, which was tarnished in Iraq, to regain international legitimacy, regional actors such as India should stand at the front line; they also argue that India's initiative in South Asia will be an important barometer for determining whether democracy or authoritarianism would be a dominant direction in the future. Likewise, Grävingsholt *et al.* (2011: 1) argue that India is making no significant contribution to the enhancement of democracy in its neighbourhood and hardly acts as a democratic counterbalance to China and Russia. In sum, the literature argues that India still does not contribute in a visible manner to the West's concerted effort to undertake a counteroffensive against the 'trend towards authoritarianism' (Burnell and Schlumberger 2011: 3) by proselytising undemocratic regimes.

To date, there has been only a limited assessment of those Indian activities for the promotion of democracy that fall within the category of development aid (South-South cooperation). Many commentators

discuss India's comparative advantage in delivering democracy assistance and recommend that India's rich experience in organising and monitoring elections should be shared with other developing countries (Faust and Wagner 2010: 4; Kugiel 2012). No reference is made to India's development aid for institution-building or capacity development, which are both indispensable for democratic governance.

Regarding the possibility that India could serve as an 'exemplar' of democracy for other developing countries and thus differentiate itself both from a 'crusading and domineering West and a cynical China' (Mohan 2011), the assessment in conventional literature is also pessimistic. For example, Faust and Wagner point to Indian 'political deficiencies' such as clientelism, patronage, and corruption, and argue that 'only a credible domestic assault on bad governance will be able to promote the basis of [India's] international soft power' (2010: 4).

3 Causes of the underestimation of India's role in the promotion of democracy

Both the reality and the potential of India's role in democracy promotion are underestimated in the conventional understanding. The defects in conventional literature are twofold: first, conventional literature tends to focus narrowly on the role of a foreign state in the 'proselytising' of authoritarian regimes into democracy; this leaves India's active development aid for the consolidation of democracy, as well as its potential to serve as an 'exemplar' of democracy, virtually unexplored.

Second, conventional literature employs a minimalistic definition of democracy that places weight on the right of people to choose their leaders by means of regular, free, and fair elections (Diamond 2009: 21). This narrow definition of democracy, which leaves the imminent danger of majoritarian democracy and the importance of the sound development of constitutional democracy in divided societies unattended, unfortunately excludes India's contribution to democracy promotion. For, as we shall see later, constitutional democracy is the very mode of democracy for which India has been serving as a model for other developing countries.

3.1 Problems in the scope of research

The first defect in conventional literature relates to its scope, as it fails to assess the holistic picture of India's contribution to democracy promotion.

In general, as an external actor, a state can contribute to the enhancement of democratic governance in other countries in various ways (see Table 1). A state can cajole, prod, or even pressure authoritarian regimes into democratising, or it can mediate negotiation among conflict parties and thus facilitate democratic transition. After the transition, a state can facilitate democratic consolidation by assisting with institution-building and capacity development within various organisations, which is essential for democracy to function. There is an abundance of policy instruments available: a state can employ

Table 1 Multiple ways to contribute to democratic governance

Type		Example	Phase	Nature of state action
Active promotion of democracy	<i>Vis-à-vis</i> undemocratic regimes	Exerting pressure on the leadership of undemocratic regimes by sanctions, etc.	Democratic transition	Strategic and diplomatic
		Mediation and brokering of democratic transition		
		Assistance to anti-government political parties, non-governmental organisations, and mass media		
<i>Vis-à-vis</i> democratic / democratising regimes	Assistance to democratic institution-building and democracy-related capacity development of government and civil society organisations	Poland's assistance to Ukraine, Belarus, Moldova, and Georgia (Petrova 2012).	Democratic consolidation	Development aid (South–South cooperation)
		Provision of expertise and materials necessary for democratic procedures (i.e. elections)		
		Japan's election assistances		
Serving as a model of democracy	Unique norms, ideas, institutions, and practices are studied and emulated by other countries	India's role as a model of constitutional democracy	Democratic transition and consolidation	No state action required

Source Author's own.

military intervention or economic sanctions, or extend development aid. Much less focused, but nonetheless an important contribution to the enhancement of democracy, are cases where a state serves as a model to garner interest and be studied and emulated by other countries.

In conventional literature on the various options, the focus tends to be on the phase of democratic transition – a revolutionary phase of democratisation in which the incumbent authoritarian regime is toppled

and power is transferred to the democrats. They regard visible measures for facilitating democratic transition, such as diplomatic pressure, sanctions on authoritarian regimes, or direct support for democratically minded forces, as evidence of a principled commitment to the cause of global democratisation.

The unfortunate consequence of this tendency to focus on the more radical measures is that much less attention has been paid to those methods that facilitate the long and difficult process of democratic consolidation after transition,⁵ not to mention India's role as a model of democracy for other developing countries. This has a pernicious effect on the fair evaluation of India's role, as development aid for democratic consolidation is India's main field of activity. Moreover, being able to serve as a model of democracy is the most distinctive aspect of India's contribution to the enhancement of democratic governance in other developing countries.

3.2 Definitional problems with 'democracy' and 'democratisation'

3.2.1 Importance of an inclusive and pluralistic democracy

The second problem with the conventional literature of democracy promotion is that its evaluation of Indian activities and resources for the promotion of democracy is based on an inadequately narrow definition of the term 'democracy' to be promoted. My argument here is that it is necessary to extend the definition of democracy by departing from the minimalist one advanced by Robert Dahl. Dahl's concept of democracy, or 'polyarchy', is made up of two components: people's participation in politics through free and periodic elections, and freedom of political speech (freedom of public contestation) (Dahl 2000). It is clear that these two components are vital for democracy; however, they are the *minimum* requirements of democracy. The problem is that Dahl misses the indispensable elements for tackling the daunting challenge prevalent in many developing countries: that democracy must be consolidated in tandem with the projects of nation-building and state-building within the inherently hostile environment of a divided society.⁶ Here, nation-building refers to the creation of common national identities that serve as a locus of loyalty that trumps attachments to tribe, region, or ethnic group (Fukuyama 2015: 39). Also, state-building is defined as the creation of a political organisation that possesses a monopoly on legitimate coercion and exercises that power over a defined territory (Fukuyama 2015: 9–10).

In a divided society, the ethnic, cultural, and religious minorities are doomed to be constant minorities in the political scene, no matter how many times 'free and fair elections' are implemented; the minorities are therefore virtually marginalised from the political decision-making process. In other words, the interchangeability of the majority and the minority is not guaranteed through the electoral process. From the viewpoint of minorities in such situations, elections, parliament, and laws are nothing more than instruments of the 'tyranny of majority', if the majoritarian will expressed through elections is deemed omnipotent

in legislative and political decision making. Worryingly enough, Jon Elster's concern that after democratic transitions in Eastern European countries, 'dictatorship by communists was just replaced by majoritarian dictatorship' (Elster 1992: 19) is now becoming a reality in many other countries. In such situations, the cleavage between the majority and the minorities would be hard to overcome, and any sense of national unity beyond parochial ethnic or religious group identities would be difficult to form, thus making the projects of nation-building and state-building remote goals. Indeed, this is the very problem that dominates politics in many 'fragile' or 'failed' states.

In this regard, it is worth noting that India emphasises the importance of *inclusive and pluralistic* democracy to make democracy sustainable and enduring. The former prime minister, Manmohan Singh, said that both authoritarianism and *majoritarianism* are an aberration, and that:

Our commitment to democracy is conjoined with a commitment to the deeper values of pluralism and liberalism. India's embrace of diversity as an essential ingredient of our democracy what today is characterised as multiculturalism is deeply rooted in our culture... This is a model of democratic practice that has great relevance to this fractured world, in which we often hear seductive arguments equating ethnicity or language or religion with nationhood. Such flawed hypotheses do not create states or civilisations. Democracy cannot be based on exclusion; it has to be inclusive because it celebrates plurality... Multicultural nations like ours, will remain the targets of the protagonists of bigotry because our societies invalidate their thesis (Singh 2004).

This notion of inclusive and pluralistic democracy, which embraces ethnic, religious, and cultural diversity, is the defining characteristic of Indian democracy and a model that has been emulated by other developing countries striving for the triple challenge of nation-building, state-building, and the consolidation of democracy. The point to be noted here is that India itself has long been, and still is, facing this daunting challenge of building a functioning and legitimate state, coherent nation, and sustainable democracy. It means that India has been, and still is, grappling to overcome the malfunction and corruption of the government, exclusion and marginalisation of particular groups, and the resultant activation of parochial ethnic and religious identities, communal violence, and secessionist movements. In other words, India's historical challenge has been to translate the ideal of constitutional democracy as epitomised in the Indian Constitution into practice and to realise an inclusive and pluralistic democracy.

3.2.2 Importance of prudent constitutional design

Having said that, inclusive and pluralistic democracy is a vague notion. It needs to be institutionalised in a constitution and duly exercised through actual implementation, interpretation, and reinterpretation of the constitution. Focusing on constitutions is important, as

democratisation never fails to be accompanied by the drafting of a new constitution. Additionally, a constitution is critical for the future of a country not only as it establishes a government framework and new rules of the political game, but also as it stipulates the defining characteristics of a newly established state, polity, and nation. Especially, it is a powerful instrument to inscribe a particular version of 'We, the People' in a divided society that is grappling with the definition of its unity (Malagodi 2010: 57).

The imminent problem in drafting a new constitution is that democratic transition does not necessarily guarantee the formulation of a constitution that works as a solid base for an inclusive and pluralistic democracy. Worryingly, in many developing countries Elster's concern for 'majoritarian dictatorship' becomes a reality during the process of constitutional drafting. The advent of the so-called 'constitutional nationalism' is a manifestation of such danger. 'Constitutional nationalism' is a term that was coined by Robert Hyden in his examination of the situation in the newly independent republics of the former Yugoslavia, and is defined as 'a constitutional and legal structure that privileges the members of *one* ethnically defined nation over other residents in a particular [polyethnic] state' (Hyden 1992: 655, emphasis added). Under this regime, a nation is defined not in civic terms but in the ethnic or religious terms of the dominant majority group; this results in the legal, political, social, and cultural exclusion and alienation of other minorities. In other words, constitutional nationalism undermines the creation of an inclusive and pluralistic democracy.

The danger of 'constitutional nationalism' is especially imminent in India's neighbouring states of Nepal (Malagodi 2013a: 1), Bhutan, and Sri Lanka. For instance, in Nepal's first democratically drafted constitution, which came into force in 1990, the Nepali nation was defined in the ethno-cultural terms of the dominant ethnic group, namely, Hinduism, the Shah monarchy, and the Nepali language, in defiance of the country's remarkable ethno-cultural, religious, and linguistic diversity.⁷ As Malagodi put it, the 1990 Constitution provided 'a homogenising vision of how Nepalis ought to be' (Malagodi 2010: 76). Worse still, no institutional measures aimed at protecting minorities, such as a federal system, reservation of seats in parliament for minorities, or affirmative action, were adopted in the Constitution. As a result, minorities felt that they were excluded and marginalised. The government was blamed for discriminating against and excluding many social groups on the basis of ethnicity, religion, or language (Malagodi 2013a: 3). The Constitution was accused of institutionalising and legitimising discrimination and exclusion of minorities, and thereby failing to guarantee fundamental rights, in particular, the right to equality. Thus, the Constitution progressively became an embattled document. Political instability was exacerbated, and civil war ensued when the Communist Party of Nepal (Maoist) launched an armed struggle against the government in 1996, claiming to rectify the inequality prevalent under the Constitution.

This example testifies to the importance of prudent constitutional design as a means of ensuring the smooth functioning of inclusive and pluralistic democracy by entrenching the protection of minorities. More concretely, a civic rather than an ethnic definition of the word ‘nation’; a guarantee of a minority’s cultural, religious, and linguistic rights; the separation of powers; an independent and active judiciary; the separation of state and religion; and self-government by minorities via federal arrangements, are vitally important. Furthermore, to rectify the situation where marginalised people are substantially deprived of the opportunity to participate in the political and judicial processes, constitutionally entrenched measures for their empowerment are indispensable.

Having said that, as James Madison sarcastically said (1788), a constitution itself is a mere ‘parchment barrier’ that is too meagre to check and contain the arbitrariness of the political strongmen or majoritarian will expressed through elections. Hence, constitutional democracy must be exercised through the vibrant implementation of constitutional provisions: the separation of powers as a system of checks and balances must be well functioning, and, above all, the courts must be bold enough to challenge the democratic government when its behaviour is unconstitutional and infringes on minority rights. In summary, the inculcation and maintenance of sustainable norms and cultures of constitutional democracy is a *sine qua non* for the consolidation of inclusive and pluralistic democracy (Harbeson 2013: 88).

4 India’s unique role as a facilitator of constitutional democracy

As the discussion so far suggests, inclusive and pluralistic democracy should be a form of democratic governance for developing countries that consolidates democracy and makes it sustainable. In order for inclusive and pluralistic democracy to be consolidated, it must be institutionalised in a constitution and duly implemented. This means that contributions to the promotion of democratic governance in developing countries must be discussed and evaluated accordingly. From this perspective, two facts are important for examining India’s unique role as a facilitator of democratic governance.

The first point to be noted is that India’s constitution is one of the oldest of any developing country and is virtually the only constitution that has been vibrantly implemented almost without suspension or significant amendments to its fundamental structure. The remarkable experience of Indian constitutional democracy is widely studied, utilised, and referred to by many developing countries, especially by neighbouring states and African countries. The second fact is that India has been offering assistance for constitutional drafting to other developing countries, thereby making the most of its own experience with constitutional democracy. These two facts will be explored further in the following sub-sections.

4.1 The attractiveness of Indian constitutional democracy

The attractiveness of Indian constitutional democracy is evident in the fact that the country's experience is often referred to and utilised in other developing countries. Overall structures, individual provisions, institutions, case law, and the underlying ideals and norms of the Indian constitution have been studied by the constitutional drafters of countries such as South Africa, Tanzania, Uganda, Nepal, Bhutan, and Malaysia. For example, the Constitutional Commission of Uganda chose four foreign constitutions that they then referred to when drafting the new Ugandan constitution in the late 1980s – the Indian constitution was the only one from a developing country (Odoki 2005: 83). Not only was the Indian constitution studied but some institutions were emulated and introduced by other countries. For example, public interest litigation (PIL), an Indian constitutional innovation and powerful institution for the empowerment of the marginalised in accessing judicial procedures, was introduced in South Asian countries such as Bangladesh, Nepal, and Bhutan as well as African countries such as South Africa, Kenya, Uganda, Zambia, and Tanzania (Oloka-Onyango 2015). In addition, case law accumulated in the course of the implementation of the Constitution and judgments by the Indian Supreme Court are often referred to and cited in the judgments of courts in other countries.⁸

Needless to say, the common historical experience of being colonised and governed by the British Empire and the resultant proximity between the legal systems partly explains the above-mentioned flow of knowledge and experiences between India and the adjacent countries and anglophone African states. In particular, neighbouring states had been exposed to the British model of legal and political institutions as revised in the Indian context, and as a result this Anglo-Indian model was the institutional framework with which many leaders of those states were most familiar and comfortable (Go 2002).

However, a more important factor in explaining the attractiveness of Indian constitutional democracy is that the Indian Constitution was virtually the first constitution designed to tackle the challenge of building a thriving democracy, coherent nation, and functioning and legitimate state *simultaneously*. The Indian Constitution was adopted in 1950 and is one of the oldest constitutions of any developing country. The constitution is the fruit of deliberations by constitutional framers facing the imminent danger of failing to create an 'Indian' nation and democracy, and the dismemberment of the state. It is a well-balanced hybrid of imported and indigenous components, and it opened up an 'innovative period of alternative constitutional arrangements shaped by the difficulties of underdevelopment and cultural diversity' (Klug 2000: 11). The constitution introduced the parliamentary system of its colonial master, whereas the Bill of Rights was adopted mainly from the constitution of the United States. In contrast, affirmative action measures to empower minorities and the poor were largely home-grown. For example, PIL was created and developed out of a series of case law formulated from the judgments of the Supreme Court of India.

Another important factor is that Indian constitutional democracy has survived under the inhospitable conditions of multiple ethnic, religious, and cultural cleavages and a hierarchical social structure. The Indian Constitution has been exercised almost uninterrupted since its adoption in 1950. The only interruption of Indian constitutional rule was the 21-month period of a State of Emergency from June 1975 to March 1977 declared by Indira Gandhi's administration. However, the events after the 'Emergency' demonstrated the resilience of Indian democracy: the Congress Party suffered a crushing defeat in the election in 1977, and the prime minister herself lost her seat in the Parliament. As Hewitt observed, 'the sheer decisiveness through which the Indian electorate reaffirmed its commitment to an elected parliament, gave the event widespread international coverage, and became part of the mystique of India as the world's largest democracy' (Hewitt 2008: 13). The separation of powers functions well, and the Supreme Court is sometimes bold enough to declare parliamentary laws to be unconstitutional and thus null and void. PIL is actively utilised in favour of the marginalised. In this sense, it would not be an exaggeration to argue that India is virtually the sole example of a developing country that has been operating successfully under a constitutional democracy for such a long time. The prudent structure of the Indian Constitution and its long-standing and vibrant implementation have raised its status to one of the most studied constitutions in the world (Khilnani, Raghavan and Thiruvengadam 2013: 12–13).

4.2 India's support for the promotion of constitutional democracy

The attractiveness of Indian constitutional democracy as a relevant model is a solid foundation for India to continue to promote constitutional democracy, especially constitutional drafting in other developing countries. To begin with, in 1947 the Indian government dispatched B.N. Rau, a member of the Indian Constituent Assembly and a father of the Indian Constitution, to Rangoon to assist with the drafting of a democratic constitution (Gupta 2013: 85). Since then, India has assisted with constitutional drafting in Nepal, Sri Lanka, South Africa, Uganda, and Tanzania. Most recently, India helped with the drafting of Bhutan's first constitution in 2008 by dispatching K.K. Venugopal, a senior advocate of the Supreme Court of India, to assist. Moreover, in 2014 the Indian External Affairs Minister Sushma Swaraj pledged India's continuous support for the constitutional drafting process in Nepal. A noteworthy fact is that in many cases India was the only developing country to extend assistance of this kind. For example, its support for the making of a constitution in Uganda in the late 1980s was provided in conjunction with Australia, Canada, Denmark, West Germany, the United Kingdom, and the United States, which are all developed countries (Odoki 2005: 34).

Supporting constitutional drafting in other countries is an inherently difficult endeavour, since a constitution is a country's most fundamental legal and political document and hence its drafting is a politically sensitive process in which the presence of foreign advisors could easily

be interpreted as infringement of constitutional autonomy. This is particularly true of India's engagement in constitution-making in other countries, because of its intimidating size and power, as well as India's previous 'Indira Doctrine' – an interventionist foreign policy toward its neighbours. One of the most illustrative incidences of how difficult it is for India to engage in the constitutional affairs of its neighbours was the intervention by the then prime minister, Indira Gandhi, in the ethnic conflict in Sri Lanka. In 1987, India brokered a peace agreement between warring parties and put pressure on Colombo to relinquish the constitutionally entrenched 'Sinhalese-first policy' and to accept a constitutional amendment to accommodate the demand of ethnic minority Tamils. The Indian 'advice' was to introduce an India-like decentralised governance system to expand the autonomy of Tamils, as well as to elevate the Tamil language to the status of an official language alongside Sinhalese (Jacobsohn and Shankar 2013: 196). The Sri Lankan government's reticent acceptance of India's 'advice' elicited violent protests by the majority Sinhalese, which resulted in the reoccurrence of civil conflict. After the adoption of the Gujral Doctrine in 1996, in which India pledged a new neighbourhood diplomacy designed to foster mutual trust among South Asian countries, India abstained from taking a high-handed policy of interventionism in order to win the confidence of neighbouring countries that it would no longer conduct 'big stick diplomacy'.

Having said that, India cannot afford to be indifferent to the constitutional arrangements of its neighbours, as it duly recognises that 'constitutional nationalism' would bring about political and social destabilisation in adjacent countries and thus threatens India's own security. Therefore, the dilemma for India is that it must eschew any high-handed actions that could be interpreted by recipient countries as India's undue intervention in domestic affairs, while at the same time it must make sure that its neighbours formulate a solid constitutional foundation for an inclusive and pluralistic democracy.

However, the conditions favourable to India strengthening its engagement are being put into place. First, inclusive and pluralistic democracy is steadily being adopted in neighbouring countries. For instance, in Nepal, the argument that the majoritarian democracy adopted in the 1990 Constitution should be replaced by more inclusive and pluralistic democracy has gained impetus, and, as a result, elements of 'constitutional nationalism' in the 1990 Constitution were substantially eradicated from the Interim Constitution adopted in 2007 (Malagodi 2013b).

Second, in neighbouring countries where antipathy and vigilance against India is still prevalent, a willingness to learn from the Indian experience is growing. This is partly because these countries have begun to learn from the bitter experiences of constitutional nationalism in the past. For instance, legal experts in Nepal are increasingly ready to learn from the Indian experience of constitutional democracy. The

argument given by Bipin Adhikari, dean of the Kathmandu University School of Law, seems to suggest this change. He argues that most of the important modern examples of success in getting a new democratic constitution through an elected constituent assembly, *including an Indian one*, have some common features, such as the presence of a charismatic leader and a leading political party, and a common commitment to constitutional democracy (Adhikari 2010, emphasis added).

In a country where anti-Indian sentiment is still prevalent, it is meaningful that an influential legal expert such as Adhikari has advocated the need to learn from the Indian experience. This change might be a reflection on the constitutional nationalism embodied in the 1990 Constitution, which was built on ‘the rejection of the Indian-style constitutional approach to socio-cultural diversity’ (Malagodi 2010: 78). The hand has also been outstretched by the Indian side: Indian constitutional lawyers went to Kathmandu to share the Indian experience and recommended that their Nepali counterparts learn from the Indian failure to manage affirmative action programmes designed to empower the estranged ethnic minorities in Darjeeling (Malagodi 2010: 70).

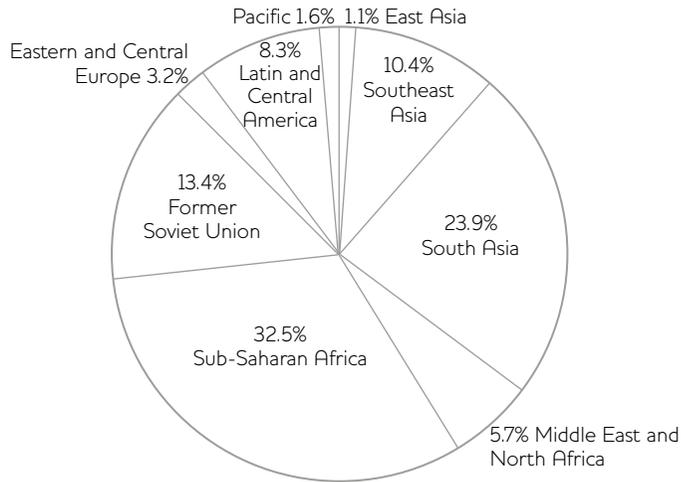
The growing interest in the Indian experience is not limited to South Asian countries. For instance, in 2012 an international seminar was convened in Zambia to discuss the potential of PIL with financial assistance from the India-funded UNDEF. It was argued in the seminar that PIL has a high potential to realise the right to health care for vulnerable and disadvantaged groups, such as those infected with HIV/AIDS, and that it provides a useful avenue for improved access to justice (SALC 2012).

In summary, there are growing prospects for Indian constitutional democracy to be a promising model for democratic governance, and thus it would be an important resource that India could mobilise for the enhancement of democratic governance in developing countries. India’s recent diplomatic effort to impress upon its neighbours its abdication of the role of ‘gendarme of South Asia’ and the increasing readiness on the side of recipients to accept Indian engagement would enable Indian assistance to assume a more apolitical and technical nature, and thus further enhance the attractiveness of Indian constitutional democracy.

5 India’s long history as a promoter of democracy

India has long been an active provider of South–South cooperation in the field of democracy promotion with the participation of a wide range of organisations. The flagship programme for Indian technical assistance is the Indian Technical and Economic Cooperation (ITEC) programme, established in 1964. It is managed by the Ministry of External Affairs (MEA), and various government organisations and institutions offer a series of training courses to accommodate trainees from other developing countries.

Figure 1 Regional distribution of trainees accommodated by the Bureau of Parliamentary Studies and Training, 2010–15



Source Author's own, calculated from Bureau of Parliamentary Studies and Training data.⁹

Among these organisations, the Election Commission of India (ECI) has the longest history and was active before the establishment of the ITEC. Indeed, election in India, or ‘the largest democracy in the world’ (Nehru 1963: 457), is the ‘world’s biggest carnival of democracy’ (Chand 2014) in terms of its scale and complexity. Making the most of their expertise in election management, the ECI has been a supporter of democratic elections in other developing countries and has been extending assistance for many history-making elections, such as Ethiopia’s first general election in 1954 and Cambodia’s first general election after the Paris Peace Accord in 1991. In addition, the ECI facilitates the exchange of experiences among developing countries facing the challenges of under-representation of women and minorities who are disadvantaged in exercising their right to vote (PTI 2013).

It is notable that numerous countries are the beneficiaries of Indian democracy promotion assistance. For example, during the period from 2010 to 2015, the Bureau of Parliamentary Studies and Training offered training and internship programmes for 566 participants from 87 countries. Sub-Saharan African countries (e.g. Kenya, Tanzania, Uganda, and South Africa) are the largest beneficiaries, followed by South Asian countries (e.g. Sri Lanka, Bangladesh, and Afghanistan), countries from the former Soviet Union (e.g. Belarus, Lithuania, Uzbekistan, and Ukraine) and Southeast Asian countries (e.g. Myanmar, Cambodia, Indonesia, and the Philippines) (see Figure 1).

6 Conclusion

This article has demonstrated that India plays a unique role in facilitating democratic governance in other developing countries by making the most of its own experiences with constitutional democracy. Moreover, it has explored the possibility of assistance for constitutional

drafting, which is one of the least explored issues in the literature on the promotion of democracy, good governance, law and development, and development aid.

The implications of these findings are that the unique experiences, norms, and institutions of developing countries can be more attractive than those provided by advanced countries, as they are born out of developing countries and are continuously tested in relation to the ongoing challenges that many developing countries commonly face.

In Western literature, a long-standing and entrenched belief that Western expertise is based on superior knowledge, science, and institutions that are universally applicable has been brought under critical investigation (Mawdsley 2012). A sober examination and fair recognition of India's role in the promotion of democracy would be a good starting point for further investigation into the huge potential of developing countries in facilitating political, economic, and social development in fellow developing countries. There is much evidence that a network of knowledge transfer and sharing among developing countries has been created (Shimomura and Wang 2015), and future research is warranted.

Notes

* An earlier version of this article was produced as a JICA-RI Working Paper.

- 1 Senior Research Fellow, JICA Research Institute.
- 2 One reason for this position relates to India's diplomatic aspiration to garner support from other developing countries and thus to take a leadership role in the developing world as a 'spokesperson of the global South'. Presenting itself as an ardent promoter of democracy was not a good policy since it was reminiscent of crusading Western interventionism, and thus attracted displeasure from the leaders of the undemocratic regimes prevalent in developing countries. The other reason is that India had been obliged to remain engaged with whichever government was exercising authority in any country in its neighbourhood, whether they were democratic or undemocratic (Saran 2005).
- 3 However, India sometimes joined concerted international efforts to demand democratisation. For instance, India's long-standing denouncement of apartheid in South Africa was apparently a demand for democratisation. Also, the Indian government expressed support for democratic leader Aung San Suu Kyi and demanded the military junta democratise in the face of *coup d'état* in Burma in 1988.
- 4 Pratap Mehta remarked that India promoted Nepalese democracy 'more constructively than the thousands of foreign consultants who are distorting that troubled country's internal negotiating process' (2011: 108).
- 5 It is clear that the study of democratisation is shifting its focus from democratic transition to democratic consolidation. Nonetheless, studies on democracy promotion have failed to change their focus accordingly.

- 6 In a divided society, political decision-making on important public policies is hampered by the lack of mutual trust among ethnic groups (Choudhry 2008: 5).
- 7 Nepal has 92 languages, 102 caste and ethnic groups, and 10 religions (Malagodi 2010: 56).
- 8 For instance, the judgment of South Africa's Constitutional Court in 2002 cited the rulings of the Indian Supreme Court in PIL in dealing with the question of whether courts can enforce the socioeconomic rights of South African citizens.
- 9 http://164.100.47.194/bpstnew/Participants_Details.aspx.

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Triangular Cooperation in East Asia: Challenges and Opportunities for Japanese Official Development Assistance

Jin Sato¹

Abstract The article examines the potential contribution of triangular cooperation (TrC) as an emerging form of foreign aid. By reviewing the Japanese TrC practices, it addresses some critical questions from the perspective of national interests, development impact, and ownership. Under the declining trend of foreign aid as a form of resource transfer to the global South, future TrC should address questions beyond the realm of technical cooperation. The article claims that the primary function of TrC is to maintain donor relationships with emerging powers that are graduating from aid recipient status, while highlighting its potential and limitations for promoting TrC among China, South Korea, and Japan.

Keywords: triangular cooperation, East Asia, national interests, Japan, technical assistance.

1 Introduction

What role can triangular cooperation (TrC)² play amidst the declining impact of official development assistance (ODA) relative to other sources of international transfers? What implications does TrC offer in light of the rising presence of new donors in East Asia such as South Korea and China? If ODA is included in foreign policy derived from donor countries' national interests (Gulrajani 2017), what implications are there for TrC that transfers substantial leverage to a third party? Exploring these questions from the perspective of Japanese foreign aid is the central topic of this article.

The declining proportion of ODA accompanies the general rise of developing countries' economic power in global production. Today, developing countries as a whole produce about half of world economic output, up from about a third in 1990 (UNDP 2013). Perhaps more relevant to this article is the fact that the landscape of foreign aid is

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increasingly influenced by new donors, including China, Saudi Arabia, and Brazil, which were primarily aid recipients until the 1990s. In fact, many of these countries have a long tradition of foreign assistance; the designation 'new donors' is used here simply to denote that their impact has become significant enough to catch the attention of the traditional Western donors.

In response to these trends, aid communities led by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) have not only increased their efforts to coordinate with each other through such mechanisms as a sector-wide approach, but they have also started to explore ways to involve former aid-recipient countries as resource providers in project planning, financing, and implementation. TrC emerged in this context. One important role expected in ODA today for a country such as Japan, which has used ODA not only as a development tool but more importantly as a diplomatic tool, is for developed countries to maintain their connections with middle-income countries that are graduating from ODA recipient status (Lancaster 2010). As will be discussed later in this article, this appears to be the main motivation for traditional donors to engage in TrC.

This article makes three claims pertaining to TrC: (1) TrC is a new practice invoked by some donors such as Japan and Germany primarily to maintain their relationships with emerging powers; (2) Given the historical emergence of South–South cooperation as an additional *alternative* to North–South aid, the promotion of South–South cooperation, at least in part via TrC, contains inherent contradictions, because it is, in principle, an effort by the North to support South–South cooperation; and (3) China and South Korea may be too close to each other in various aspects of development cooperation, which points to co-financing rather than TrC in technical cooperation. How one addresses the latter two challenges will determine the future of TrC in East Asia.

A brief justification of the treatment of South Korea towards the end of the article may be needed. The conventional understanding of TrC is to have a Northern country teaming up with a pivotal country (usually from the South) and a Southern recipient country. South Korea joined the DAC in 2010 and is technically a 'Northern' country, yet the key element of TrC is to combine strengths of countries at various stages of development, possessing a varied aid portfolio to offer. Thus, the relative relation between countries is what matters and not the absolute classification as North or South. It is in this context that I treat South Korea as a pivotal country making up a critical part of TrC.

2 A brief literature assessment

While there is a proliferation of literature on South–South cooperation and emerging donors in general, only a few have treated directly the question of TrC. Among the few, Fordelone (2011) argued that although TrC is widely practised around the world, further efforts in ownership, alignment, and harmonisation are required to promote further development effectiveness. Schaaf (2015) focuses on the rhetoric and

reality of ‘partnership’, which is a central concept embedded in TrC, to highlight pitfalls including reductions in effectiveness, difficulties in implementation and conflicts of interest.

However, because the implementing agencies often undertake and fund most of these TrC-related works, research tends to focus more on technical and managerial issues than on political ones.³ Most research treats TrC as an enhanced form of South–South cooperation, and it is viewed in a positive light. Furthermore, the literature mostly deals with the evolution and potential of this new scheme, often as something separate from the conventional bilateral aid that donors have been utilising.

As McEwan and Mawdsley (2012: 1186–87) claim, however, ‘strategic and political motivations of different actors – northern, pivotal and recipient – are still poorly understood’ and ‘[p]olicy-oriented analyses of TDC [Trilateral Development Cooperation] are generally reluctant to confront explicitly the inherently political nature of “development” and the uneven power relations between different actors enrolled within it’ (McEwan and Mawdsley 2012: 1187). This article agrees with these authors that the question of power is central to understanding how aid relationships begin, sustain, and evolve.

By ‘power’, I mean the ability to influence the behaviour of others. However, unlike the conventional assumption that nations compete for power and hegemony in international politics, the field of foreign aid has an inherent complication because its aim is in empowering others to some extent. The topic of triangular cooperation is even more complicated, since it has a nested structure of power relations within the group of three. Exclusive focus on the collaborative aspect of the ‘triangular’ should not obfuscate the effects it may create in changing or maintaining the relationship between the three.

Alongside an increasing tendency to emphasise security issues under the Abe administration in Japan, there has been a strong tendency to emphasise ‘national interests’ reflected in the ODA (Gulrajani 2017). Because of the conservative budget, particularly in comparison to the expanding defence budget, there is increasing political pressure in Japan to recover the explicit link between ODA and national interests to justify spending taxpayer money; this political pressure is due in large part to the Japanese private sector’s interests. TrC is an interesting theme to be discussed in this context, as TrC is apparently a scheme that at least partially hands over initiatives to pivotal middle-income countries. The relevant question coming to the fore is how national interests factor into TrC calculations.

In short, the literature has shortcomings in the relative absence of (1) the critical and political analysis of triangular cooperation; (2) the recipient countries’ perspectives; and (3) the role of the private sector in the implementation processes, which bypasses the inner workings, project identification and funding.

3 Triangular cooperation in practice

3.1 TrC's placement in aid policy

While Japan is one of the few countries along with Spain and Germany that has explicitly stipulated TrC policies, this does not mean that TrC is given a high place in ODA policy at large (Lengfelder 2016). How much importance is given to TrC in the Japanese government's present ODA policy? The ODA Charter of 2003, which has the highest authority, touches explicitly on the role of South–South cooperation under the subheading 'Basic Principles (5): Partnership and Collaboration with the International Community', as follows:

Japan will actively promote South–South cooperation in partnership with more advanced developing countries in Asia and other regions. Japan will also strengthen collaboration with regional cooperation frameworks, and will support region-wide cooperation that encompasses several countries (MoFA 2003: 3).

In which areas does Japan find the benefit in TrC? The official brochure on TrC produced by the Japan International Cooperation Agency (JICA) highlights two points (JICA 2009). The first point is the recognition that South–South cooperation is an effective tool for developing countries, as countries placed at a similar level of development can offer more relevant ideas based on their own development experience. Additionally, Japan had an emotional rationale for being an aid recipient in the past, which offered moral strength in its justification for engagement with South–South cooperation (Sato 2013). It is in this context that Japanese development experts have started to tap into Japan as an aid recipient to extract lessons for developing countries today, particularly since the 2000s.⁴

3.2 Trends in TrC by JICA

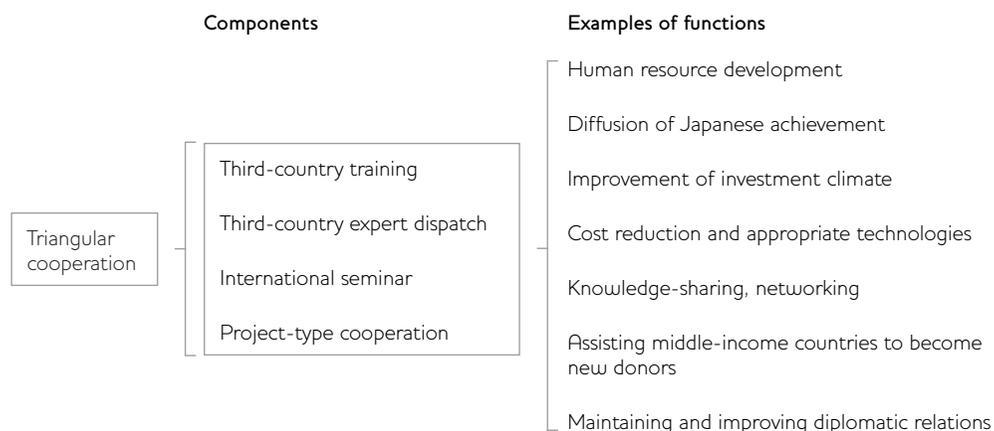
Table 1 illustrates the distribution of trainees who participated in JICA's Third Country Training Program (TCTP), which amounted to

Table 1 Number of TCTP participants (by region, 2011)

		Number of TCTP participants trained (by regional origin)					Total
		Asia–Pacific	LAC	Middle East	Europe	SSA	
Number of TCTP participants received	Asia–Pacific	885	15	50	0	279	1,229
	LAC*	16	598	0	0	96	710
	Middle East**	78	0	647	0	472	1,197
	Europe	30	0	28	6	0	64
	SSA***	0	0	0	0	381	381
	Total	1,009	613	725	6	1,228	3,581

Notes *Latin America and the Caribbean; **Middle East includes North Africa; ***Sub-Saharan Africa.
Source JICA (2011).

Figure 1 Elements of Japanese TrC



Source Author's own, based on MoFA (2013).

3,581 participants in the year 2011. The TCTP is a technical Japanese ODA cooperation scheme that takes place in developing countries with trainers from neighbouring regions. It is funded by JICA. The idea is not just to reduce training costs but also to make the particular technology relevant and appropriate to the beneficiaries' level. Table 1 demonstrates the general tendency of training targeted at participants in their own region, with JICA's main activity concentrated in the Asia–Pacific region. One should also note that a large number of participants from Africa are trained in the Asia–Pacific region as well. The training's content tends to focus on issues particularly relevant to the region such as tropical diseases, energy conservation, agricultural techniques, and environmental management.

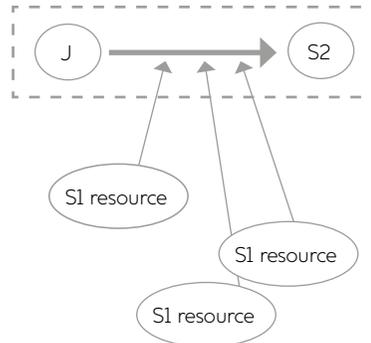
3.3 Patterns of triangular cooperation

Most of JICA's TrC consists of third-country training, where training is conducted in pivotal countries with JICA's funding and support (see Figure 1). Very small numbers of dispatched experts from pivotal countries add to the list of TrC activities occurring. There are four basic patterns of TrC; while the schematic patterns below do not necessarily form the shape of triangles, the figures represent the way multiple parties are jointly implementing aid projects.

1. Bilateral TrC integrating Southern country knowledge

This is a pattern wherein JICA mobilises knowledge resources from Southern country partners, either through TCTP or third-country expert dispatch in the field, where Japan may not have a comparative advantage relevant to the needs of the beneficiary countries (see Figure 2). Capacity Development for Public Administration in Ghana was one such project where resources from Singapore, Malaysia, and South Africa were called on to improve Ghana's Civil Service Training Centre (Honda, Kato and Shimoda 2013). This pattern's success depends on the extent to which pivotal countries could join forces in enhancing the effectiveness of technical assistance to the beneficiaries.

Figure 2 Bilateral TrC integrating Southern country knowledge



Notes J = Japan; S1 = pivotal countries; S2 = beneficiary countries. The inputs represented in the arrows can range from financial contributions to technical transfers to human resources.

Source Honda (2013).

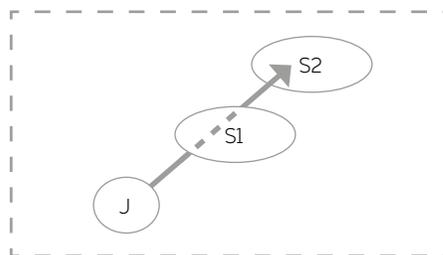
2. Dissemination of best practices information

This is the most standard form of TrC conducted by JICA (see Figure 3). The training and dispatch of experts are the typical instruments. This pattern can also expand into a regional network of knowledge dissemination. Examples include JICA's assistance both in finance and substance to the Kenya Forestry Research Institute, which then offered a vocational training programme in Senegal's Vocational Training Center; these activities were built on previous bilateral cooperation with Japan (Honda *et al.* 2013). This scheme gives more initiative to the pivotal countries and may evolve into a broader programme of nurturing pivotal countries into becoming donors beyond just assistance to a particular sector.

3. Support for South–South cooperation organisational capacity development

By dispatching technical cooperation experts to Southern country partners, this pattern expects those partners to disseminate knowledge to other Southern country partners (see Figure 4), in the expectation that eventually partner countries become donors. Examples of this

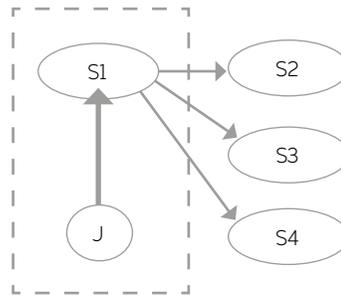
Figure 3 Dissemination of information on best practices



Notes J = Japan; S1 = pivotal countries; S2 = beneficiary countries.

Source Honda (2013).

Figure 4 Support for South–South cooperation organisational capacity development



Notes J = Japan; S1 = pivotal countries; S2, S3, S4 = beneficiary countries.
Source Honda (2013).

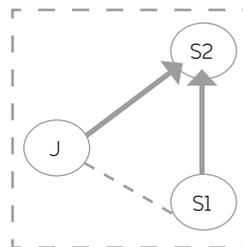
pattern include JICA’s assistance to Indonesia in its effort to strengthen capacity to provide South–South cooperation (Shimoda and Nakazawa 2012). This is another form of TrC that gives more initiative to pivotal countries, but with more explicit intentions on the pivotal side to become future donors operating projects in multiple recipient countries.

4. Collaborative support by Japan and its Southern development partners

This is a pattern wherein JICA and its Southern country partner(s) jointly support a beneficiary country through equal partnership(s) (see Figure 5). This type of collaborative work is sought with new donor countries that have already developed their own expertise and resources to become donors by themselves. An example of this is JICA’s collaboration with Brazil in assistance for the Mozambique ProSavana Project. This scheme is possible only between an emerging donor that has independent capacity to implement projects on its own. Because of the nearly equal participation by both donors, coordination efforts on the ground become critical.

In short, most of the TrC by JICA is an extension of the bilateral cooperation that had previously been conducted in the pivotal countries. They are extended efforts to tap into the resources nurtured during bilateral times. This is the key feature of TrC that determines the range

Figure 5 Collaborative support by Japan and its Southern development partners



Notes J = Japan; S1 = pivotal countries; S2 = beneficiary countries.
Source Honda (2013).

of activities in the Japanese ODA context. TrC, therefore, is more of a scheme to maintain relationships with middle-income pivotal countries that otherwise graduated from Japanese assistance as beneficiary countries. It has not been utilised enough as an opportunity to increase Japan's aid portfolio (i.e. the menu of what Japan can offer as aid) by learning from the pivotal countries.

4 Incentives for cooperation

Why then do countries bother to play the role of a pivotal country? Given that major emerging countries such as Brazil, China, and India are all regional powers having the capacity to conduct aid on a bilateral basis, one may wonder why such countries would bother to engage themselves with TrC.

Knodt and Piefer (2012) addressed this issue systematically. They made the point that even among the new donors, a distinction should be made between countries that have significant geopolitical importance in the global economy, such as Brazil, China, India, Mexico, Indonesia, and South Africa, and relatively smaller providers such as Thailand, Chile, Malaysia, Colombia, and Vietnam (Knodt and Piefer 2012: 38). For the regional powers, engaging with traditional donors through ODA may be a single tool among many to establish their status; trade, investment, and military power may work more effectively towards such a goal. However, for the rest of the pivotal countries, ODA can be a vital connection to maintain and enhance their economic and political relationships with other developing countries. The incentives to engage in TrC differ accordingly. Below is the analysis of incentives based on the donor's position in the triangle.

Knodt and Piefer (2012) highlight two motivations for these new donors to engage in TrC: (1) reducing political tension through the presence of a third party; and (2) capacity building to become donors.

First, in countries where political tensions resurge periodically, such as those between Thailand and Cambodia, the presence of traditional donors helps soften the tension in implementing projects in such beneficiary countries. Through such incentives, the new donors aspire to become regional leaders. By including a third party as a catalyst, pivotal countries can lessen otherwise sensitive political tensions and build strategic regional and inter-regional alliances through the TrC mechanisms.

Second, many new donors have the incentive to become independent donors in the future by learning how to plan and implement projects through collaboration with traditional donors. As aid officers of the Thailand International Cooperation Agency (TICA) told me,⁵ it is sometimes efficient to learn from jointly implementing projects in a third beneficiary country to become independent and capable donors. The presence of this incentive demonstrates that foreign aid is not just about meeting needs or providing resources, but more about the actual mechanism of delivery, which requires skills and experience.

On the other hand, the new donors' eagerness to establish independent donor status comparable to the DAC donors may create challenges, as some new donors still fall short in the financial and human resources needed to meet expectations. The TICA, for example, is an entity within a key pivotal country aiming to establish itself as a leading donor in Southeast Asia. However, as TICA officials admitted themselves, their budget is extremely limited, which hinders their ability to establish a truly equal partnership with traditional donors.⁶ The cost-sharing ratio between JICA and its partner countries is one important indicator. A survey conducted by Japan's International Development Center in 2010 reported that the burden shared by the pivotal countries ranged from 30 per cent to 50 per cent for Thailand, 50 per cent for Singapore and Malaysia, and about 15 per cent for the Philippines (IDC 2010).

Regarding incentives for traditional donors, as was recently announced by the prime minister, Abe Shinzo, in his trip to several Latin American countries, Japan made a commitment to provide ODA to countries that have already reached 'graduation' status from a traditional standard based on per capita income. This will probably include Japanese support for such middle-income countries to assist their neighbours, that is, the seeds of the triangular scheme. This announcement reveals the traditional donors' incentives in triangular cooperation: some of the traditional donors prefer to rely on ODA mechanisms to maintain their diplomatic relationships with middle-income countries, which are increasing their presence in the global economy. Unlike countries in Southeast Asia, which have strong economic relations with Japan, many countries in Latin America will have weaker ties with Japan if all ODA pulls out from the region. For traditional donors, maintaining connections through ODA with middle-income countries can be a strong incentive.

More questionable are the incentives for the beneficiary countries. In principle, few countries will turn down offers of assistance.⁷ Perhaps the only real incentive may be the traditional donors' financial guarantees that stabilise the projects implemented, mainly by the pivotal countries. Yet, if beneficiary countries have already established bilateral relations with existing donors, there is no clear reason why they should pursue a 'triangular' form of foreign assistance. It is for this structural reason, as this article addresses below, that each beneficiary country's ownership becomes questionable.

5 Critical questions for the triangular approach

Given foreign aid's political nature and the institutional requirements for sustaining the aid business, we must ask the following questions to analyse whether TrC has the potential to become a major option in foreign aid. Three issues stand out: (1) national interests, (2) development impact, and (3) ownership. These are by no means arbitrary (Ashoff 2010).⁸ The first question on national interest is particularly serious in Japan, where causal relationships between taxpayer money and its contribution to benefits in Japan are increasingly voiced under declining public expenditure trends. The second question on development impact

is an obvious one that requires little explanation. While the promotion of partnerships should be valued, its development impact should be assessed separately. Finally, the question of ownership: who controls the process of TrC projects? We shall examine each of these below.

5.1 The national interest question

One of the key questions posed regarding the triangular approach in the Japanese context is its connection with national interests. Under the new ODA Charter of 2015, which stipulated securing 'national interests' for the first time as an important goal of development cooperation, the Abe administration has been emphasising how offering a varied menu of international assistance can help enhance Japan's national interests. TrC can easily be classified into the types of cooperation that contribute to national interests through maintaining human channels with middle-income pivotal countries, and more importantly include them structurally in the traditional donors' aid regime. In Japan's case, it has been common practice to hire a foreign consultant who has been working with the Japanese counterpart to carry out projects on behalf of the Japanese staff (MoFA 2013).⁹ It is expected that the utilisation of foreign resources can further enhance Japanese national interests in certain areas (such as improving the investment climate in Africa through using foreign consultants who know more about the African context).

5.2 The development impact question

The evaluation of development impacts is one topic that should be addressed in discussing each scheme's desirability. Evaluation faces further challenge because most triangular projects by Japan consist of technical assistance emphasising knowledge transfer and training, the impacts of which are difficult to quantify. Given that there are no standard ways to measure the development impact of triangular cooperation, JICA discloses only quantitative trends using the number of Japanese experts dispatched to pivotal countries and the number of trainees as measurement instruments (Honda 2013). In reality, however, many projects are pre-designed by consultants of donor countries in close consultation with the recipient country governments.

Such realities aside, international recognition of triangular cooperation's effectiveness seems to be on the rise. The Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP) have high regard for this scheme's potential effectiveness (OECD 2011; UNDP 2004). Moreover, Japanese TrC projects were awarded the South-South Cooperation Award from the United Nations (UN) in November 2012 during the South-South Cooperation Expo. We need to examine more closely the nature of the power structure among the nations in which TrC plays a role.

5.3 Ownership question

One of the repeated critiques in aid administration is 'fragmentation': aid received in many small pieces from many donors inviting less competition, which can reduce the total effectiveness of development

efforts (Frot and Santiso 2010). From the perspective of administrative efficiency, TrC is complicated, which leads to the question of ownership. In the German Agency for International Cooperation (GIZ) Conference on Triangular Cooperation, 19–20 September 2013, I addressed this question to the floor: ‘Has there ever been a triangular project initiated by the recipient country?’ There was no response from the audience. One cannot overgeneralise from this lack of response, but it is still plausible to infer that there has not been a triangular arrangement undertaken on the recipient country’s initiative. Reasonably enough, there is no particular reason why a recipient country should make the arrangement triangular rather than bilateral. Li and Bonschab agree that ownership is one of the central challenges for effective triangular cooperation: ‘It often seems that donors prefer profound discussions among themselves, before, in a second step, they look for a recipient country for implementation’ (2012: 187).

My interview with a senior GIZ officer found that German citizens in general emphasise philanthropy and aid to alleviate poverty.¹⁰ Germans will support such initiatives even if their feedback on national interests is unclear. Under such circumstances, it is hard to justify continuous investment into countries that have already graduated from low-income status. TrC in this sense is a device to justify continuing commitment to middle-income countries, giving them a new role as pivotal countries to benefit their poorer neighbours.

The three questions highlighted above set a certain limitation on how the existing structure of inequality can be reduced among the stakeholders of three countries. While the technologies being transferred in the process of TrC originate from a country that is closer in their development stage, there is no explicit mechanism to uplift the position of the beneficiary country.

6 Implications for East and Northeast Asia

6.1 A perspective on Chinese aid

As we have seen, Japanese foreign aid’s central feature is its strong engagement with the private sector from policy formulation to implementation (Sato 2018). Research undertaken in the recipient countries of Chinese aid have found that the private sector also plays a significant role in formulating development projects (Sato *et al.* 2011).

Perhaps one of the most highlighted trends affecting the ODA landscape is the rise of China as an economic superpower. Some consider Chinese aid a threat, not because of China’s increasing volume of investments, but rather because of the alternative norms and principles it posits towards beneficiary countries. China is widely viewed as providing aid ‘without Western lectures about governance and human rights’ (*The Economist* 2010). Chinese loans, for example, include the condition that a proportion must be spent on Chinese contractors, equipment, and services, thereby providing capital for Chinese exports (Park 2011). While the tying of aid may therefore result in mutual

benefits, a key aspect of partnership, it contradicts the definition of ODA, for which the main objective should be economic development and welfare. It also arguably creates more benefits for the donor than for poor people in the recipient country. Little progress was made at Busan¹¹ on the issue of tied aid, beyond agreeing a commitment to make progress towards an unspecified deadline (Oxfam 2012).

Many commentaries on Chinese aid lack empirical foundation and are often based on subjective impressions. However, a firmer ground has begun to be prepared. A recent study by Kitano and Harada (2014) found that the total volume of Chinese aid has increased sharply since 2004, with a rate of increase of 24 per cent until 2011. China's net foreign aid dropped from US\$5.2bn in 2013 to US\$5.0bn in 2014 but rose to US\$5.4bn in 2015 (Kitano 2017). Although its ranking in terms of aid volume had been lower than one would expect, China increased rapidly to number six in 2012. Given its constant growth rate, the total amount of China's aid is expected to surpass the top-tier DAC members in the next few years.

It is interesting that China is also pursuing a trilateral approach to development cooperation. Zhang and Smith (2017) convincingly document the recent trend of China's seeking partnership with the UN and Western donors by putting growing emphasis on its identity as a great power in the development sector, using trilateral cooperation to build its global image.

6.2 Possibility for collaboration?

Based on the existing practices of TrC initiated by Japan, this section examines the future possibility of establishing a triangle (or any other form of development cooperation) with Japan's neighbours: China and South Korea. Countries in East Asia, including Taiwan, have been most exposed to ODA from Japan and thus should be considered the first partners with which Japan could work. Periodic political tensions aside, there has already been a substantial record of cooperation between Japan, China, and South Korea in foreign aid. Between the Korea International Cooperation Agency (KOICA) of South Korea and JICA, there have been annual meetings held periodically since December 2010 – joint training programmes have been implemented in the fields of energy, environment, economic development policy, and disaster education. Other notable collaborations include co-financing the Climate Change Mitigation Program in Vietnam, an electronic cable extension project in Tanzania, and a road improvement project in Mozambique (Sato pers. comm. 2014).

Japanese collaboration with China is less extensive compared to that with South Korea, yet occasional meetings between the concessional loan agencies (i.e. Export–Import (Exim) Bank of China, Korea Eximbank's Economic Development Cooperation Fund, and JICA) have been held since 2010. Kitano reports that projects on the ground are also beginning, for example, in rice production in African countries,

road construction in Tajikistan and urban transport in Kyrgyzstan (Kitano 2012). Although political tensions between Japan and China have intensified recently, many upcoming joint initiatives continue to be implemented on the ground.

A wealth of experience in jointly implementing projects with South Korea and China, however, does not automatically lead to the proper utilisation of triangular modalities or any other form of development cooperation. Political tensions aside, three specific future challenges should be highlighted. First, because of their geographic and cultural proximity, it is often difficult to find areas of expertise that have complementarity. There are agricultural techniques for arid environments, for example where expertise from China can be utilised to assist countries such as Mongolia, but the list is not extensive. A similar condition applies to South Korea.

The second challenge is that the East Asian neighbours have quickly passed through the status of middle-income countries to the level that requires a partnership arrangement with Japan. Triangular cooperation, in a traditional sense, puts them in a resource-providing status, and thus may not be acceptable. Third, because the East Asian region has been going through some political tensions, development operations requiring long-term commitments may be seen as being vulnerable and thus not worth the effort to make an investment. While ODA activities should be treated independently from politics, it is undeniable that the circumstances will be heavily influenced by such ups and downs.

South Korea and China are countries that seek a certain level of recognition in the international donor community, though their styles may be different. My interview with JICA's staff¹² confirmed that one of China's key interests is establishing an evaluation scheme to defend its approach against Western criticisms.¹³ Increasing pressure to disclose various data and statistics also creates an additional motive to install an evaluation scheme that can be an effective communication tool with traditional donors and multilateral banks.

Abundant documentation asserts that both China and South Korea adopted and learned from their experiences as major recipients of Japanese foreign aid. Brautigam (2009) claimed that Chinese techniques such as allowing recipients to pay in-kind (i.e. with raw materials) were adopted from the Japanese method in the 1970s.¹⁴ The KOICA's administrative system is documented as being modelled after the JICA system (Kondoh 2013). Korean policymakers themselves do not hesitate to admit that they have 'copied' the Japanese aid system, where many of the JICA laws and regulations were translated into Korean as a basis for the KOICA (Kim and Seddon 2005: 170). The focus on economic infrastructure is another commonality among East Asian donors. In Japan, as we have seen, this inclination has a strong link to ODA and the private sector implementers.

As a vehicle for collaboration, working through international organisations can help reduce any tension when political conflicts hinder effective collaboration for development assistance. Even the recent tendency to create a new economic block by China (represented by the agreement to establish the Asian Infrastructure Investment Bank in 2015) may enhance China's accountability and transparency in implementing international development projects that must be approved collectively by this new bank. Through such regional forums, South Korea, China, and Japan could perhaps begin to list some comparative advantages, particularly in the field of technical cooperation, relevant to the poorer parts of the world.

7 Conclusion

Unlike some Western traditional donors such as the UK, which has an inclination to outsource most of its implementation to private actors regardless of their national origin, JICA has been emphasising Japan's own development experience and capitalising on such assets for the purpose of development in poorer nations. The long tradition of an intimate connection with ministries and private sectors and the utilisation of domestic firms and expertise under 'tied aid' represent one such legacy. This experience-based approach has a strong affinity to TrC, which is also experience-based; TrC is not usually made out of random combinations of three actors with respective expertise, but is rather a development of existing partnerships and the accumulated knowledge based on such partnerships.

South–South cooperation's significance will inevitably expand as the influence of non-DAC donors increases. This will have significant impact on the process of the Sustainable Development Goals (SDGs), as it expects wider participation from the actors in developing countries who were mostly outside the scope of the Millennium Development Goals (MDGs). As we have seen in the examples above, TrC is particularly suitable for including private actors as pivotal agents soliciting investments from the donor countries. It is thus critical for private sectors to integrate SDGs into their business and employment practices, particularly in the field of gender and environment where such private investments will have direct impact.

TrC will have a positive impact on the efficiency as well as the effectiveness of development cooperation in the long run, if not immediately, because its main feature is to nurture middle-income countries to become effective donors in the future. Despite such promising features, however, I found a number of reasons why this may not prevail as a dominant mode of development aid in the context of Japanese ODA. The main reasons why TrC does not quite take off on the scale that it should is because the Japanese system places more emphasis on prior clearance at the administrative level, and because personnel shift their positions every two or three years, which limits any project's smooth continuity. Despite these vulnerabilities, Japan wishes to support TrC not because of its potential effectiveness (and

cost savings), but also because it may become the pivotal mechanism to maintain connections with middle-income countries; Japan invested substantially through ODA in the past.

TrC involves three main actors. The stylised format, however, should not be the preoccupation. A more important dimension is the initiative and ownership in the configuration of multiple stakeholders. The clear point is that the development scene will increasingly be coloured by a network of actors rather than bilateral donors. If such a trend is confirmed, what we need is fertile soil to allow different combinations of resources and expertise for the purposes of international development. Various forums of human resources exchanges, interactions, and training may be a strong way to enrich this soil, which can turn into concrete triangular projects in the future, if not immediately.

As the number of donors multiplies with the increased participation of non-DAC members, what becomes increasingly important is the beneficiary countries' absorptive capacity. If TrC has the tendency to leave behind the interests of the beneficiary countries, as this article argues, traditional bilateral aid should continue to assume a key role in capacity development in less developed countries. Discussion on the way to enrich TrC should go hand in hand with the appropriate role of traditional bilateral aid, which should address more directly the needs of the poorer countries.

Notes

- 1 University of Tokyo.
- 2 'Triangular cooperation' is commonly defined as 'joint projects in development cooperation among established and newly emerged donors within the new global context' (Li and Bonschab 2012: 185). This article defines TrC as 'a partnership between DAC [Development Assistance Committee] donors and providers of South-South cooperation to implement development cooperation projects in beneficiary countries' (Fordelone 2011: 4), as DAC donors carry common norms regarding general objectives and means of development despite diversity in country allocation and preferred modalities.
- 3 Major publications by implementing agencies include Honda (2013), UN (2012), BMZ (2013), and MoFA (2013).
- 4 A typical example of a research topic along this line is the application of the *kaizen* (improvement) approach in enhancing the efficiency and working conditions of employers in developing countries (Higuchi, Nam and Sonbe 2015).
- 5 Mr Amornchewin Banchong, interview, 22 August 2016.
- 6 Mr Amornchewin Banchong, interview, 22 August 2016.
- 7 Offers to assist in emergencies such as natural disasters may be refused, particularly by middle-income countries, owing to insufficient capacity to receive and handle incoming aid in short periods of time. Thailand's initial refusal of foreign aid during the 2004 tsunami is one such example.

- 8 Ashoff (2010) highlights related risks pertaining to TrC such as lowering quality standards, neglecting beneficiary countries, increasing transaction costs and fragmentation.
- 9 The Triangle of Hope was a project (August 2009 to August 2012) to enhance the investment climate in Zambia; it was implemented by a consultant from Malaysia.
- 10 Anon., interview, 20 September 2013.
- 11 The Fourth High Level Forum on Aid Effectiveness took place in Busan, South Korea, in 2011.
- 12 Anon., interview, 20 April 2017.
- 13 While China has been severely restrictive in disclosing information on its foreign aid activities, there is a sign of change represented by its recent White Papers on foreign aid. China published its first White Paper in April 2011 and a second in July 2014 (UNDP 2014). While there is no description of specific projects, the two White Papers demonstrate the trend that China is willing to disclose more information on its aid activities.
- 14 See Watanabe (2013) for a detailed study on how China learned from its major foreign aid donors, i.e. the Soviet Union and Japan.

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The BRICS Effect: Impacts of South–South Cooperation in the Social Field of International Development Cooperation*

Geovana Zoccal Gomes¹ and Paulo Esteves²

Abstract The growing number of development stakeholders and initiatives in developing countries has added complexity to international development cooperation (IDC). Recipient countries have witnessed the increasing presence of emerging countries such as the BRICS (Brazil, Russia, India, China, and South Africa), offering South–South cooperation as an alternative model for development. We call the impact of the new practices of South–South cooperation providers on the prevailing IDC structure the ‘BRICS effect’ – an effect that ultimately destabilises established positions and interaction patterns between agents, and even between traditional donors and recipients. Combining the Bourdieusian notion of social fields with international relations (IR) perspectives on the changing geopolitics of international aid, this article discusses how the BRICS effect challenges established principles and practices from the field of IDC, indicating at least three dimensions: (1) new positions beyond the donor vs recipient dyad; (2) new modes of development cooperation; and (3) transformation of institutional architecture and governance mechanisms.

Keywords: South–South cooperation, development, international cooperation, Pierre Bourdieu, BRICS, OECD, DAC.

1 Introduction

Donors that are not members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), also known as ‘non-DAC donors’ or ‘emerging donors’, have shaken the international aid landscape in recent years. Indeed, the footprints of emerging donors within the development cooperation landscape are becoming increasingly significant. While a United Nations Economic and Social Council report estimated that in 2006 these contributions ranged from 7.8 per cent to 9.8 per cent of all international aid, the OECD reported that non-DAC countries’ contributions reached 18.7 per cent in 2014 and

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15.8 per cent in 2015 (ECOSOC 2008; OECD 2017b: 156). These figures are, at once, somewhat equivocal and highly revealing. The standards and methodologies for measuring non-DAC development cooperation contributions are extremely heterogeneous. Furthermore, many emerging donors neither report to the OECD-DAC nor share a common set of definitions or parameters.³ Development experts frequently attribute the inaccuracy of these figures to a lack of transparency on the part of emerging donors (OECD 2011b; Ciommo 2017), but while the figures may hide the true foothold of emerging donors within the development aid system, they also reveal the erosion of the system itself. Most non-DAC countries neither identify themselves as donors nor consider their development cooperation practices as equivalent to official development assistance (ODA).⁴ On the contrary, most non-DAC providers identify themselves as development partners and classify their practices under the umbrella of South–South cooperation (SSC). Against this backdrop, both the act of alluding to SSC partners as ‘emerging donors’ and the measurement activities such as those conducted by the OECD-DAC are not so much technical exercises as political attempts to subsume SSC to the existing aid structure. Hence, rather than revealing a lack of transparency on the part of SSC partners, these attempts to frame and measure SSC under the established categories of ODA are indicative of a political dispute within the development aid landscape.

This article tries to understand how the emergence of SSC partnerships has impacted upon the field of international development cooperation (IDC). To do so, we draw on Pierre Bourdieu’s sociological toolbox and the burgeoning Bourdieu-inspired approaches in international studies to assess how the rise of new agents within a given social field may transform the structures of the field itself.⁵ As Richard Ashley rightly points out, Bourdieu’s toolbox allows us to understand social structures like the social field of IDC as ‘arbitrary and contingent *effects* that are imposed in history, through practice, and to the exclusion of other ways of structuring collective existence’ (1989: 253). Indeed, this sociological approach serves to make inroads into understanding how emerging Southern development partners are being constituted as agents and authorised to play specific roles within a field structured, so far, around traditional donorship. Furthermore, Bourdieu’s toolbox allows us to address the power struggles embedded (and hidden) within such apparently ordinary and technical activities as categorisation (e.g. emerging donors, non-DAC donors) and measurement (e.g. ODA from non-DAC donors).

The concept of the social field is our entry point for assessing the impacts of SSC partnerships on established international aid structures. A social field is composed of a number of agents that interact according to different hierarchies of power. Hence, it is under constant transformation, and IDC, when understood as a social field, is no different (Fonseca 2014; Gomes 2013).⁶ In this social field, the agents have well-structured positions and a specific pattern of

relationships through which they interact with each other: official development assistance (ODA). The social relations among the agents are circumscribed by a common understanding of the rules, which can be articulated either formally or informally (Bourdieu 1990). The agents occupy hierarchical positions defined by authorised and legitimised forms of capital. Each field follows a specific logic and ascribes value to capital in distinct ways.⁷ It is the distribution of this capital that permits or restricts agents' capacity to exert power and influence on the field (Bourdieu 1990; Leander 2008).

We contend that in the last two decades we have witnessed growing competition, and sometimes even contestation, between established and emerging powers over their set positions. From the perspective of IDC, the emergence of SSC has decentred and transformed the practices adopted by traditional donors, moving the boundaries of the field of IDC away from the strict lines drawn up with the concept of ODA. In this article, we call the impact of SSC practices on the prevailing structures in the field of IDC the 'BRICS effect'.

The BRICS effect ultimately destabilises established positions and interaction patterns between agents, even between traditional donors and recipients. As this article tries to demonstrate, the BRICS effect comprises at least three dimensions: (1) the articulation of new positions beyond the donor/recipient dyad; (2) the induction of new modes of development cooperation; and (3) the transformation of the institutional architecture and governance mechanisms in the field of IDC. The remainder of this article comprises four sections. Section 2 presents a historical redescription of the field of IDC and the emergence of SSC in the light of Bourdieu's concepts. This is necessary to set the stage for the analysis we conduct in Section 3, in which we present the BRICS effect as an analytical tool and unpack the impacts of the rise of SSC upon the field of IDC. Finally, in Section 4 we seek to advance some preliminary conclusions, suggesting that the BRICS effect has eroded the established boundaries of the field of IDC, scrambling long-held positions and mixing development cooperation with a growing variety of development flows.

2 The field of international development cooperation and the rise of South–South cooperation

Even though foreign assistance activities date long before, it was only in the aftermath of the Second World War and the Bretton Woods Conference that a framework for international aid started to be drawn up. The emergence of development aid as a set of practices was conditioned by the bipolar core of the international system and by the national liberation movements at its periphery. Under these circumstances, development aid was underpinned by modernisation theories (Rostow 1960; Finnemore 1997; Rist 2008; Pieterse 2010) and became an important foreign policy tool for expanding the areas of influence of the major world powers (Antonini and Hirst 2009; Mawdsley 2012; Gu, Shankland and Chenoy 2016). Notwithstanding

their role in advancing Western interests in general and the US liberal agenda in particular (Ruggie 1982), modernisation theories also contributed to the consolidation of spatial-temporal dynamics which ultimately enabled agency within the field of IDC (Kapoor 2008). The dichotomies of centre versus periphery and developed versus underdeveloped unfolded into the positions and roles of donor versus recipient within the field of IDC. Modernisation theories reinforced an authoritative position from which former Western imperial powers could keep a quasi-tutelar position with their former colonies (Grovoqui 2001; Kothari 2005). This so-called scientific body of knowledge supported a practical belief, a 'set of instituted dogmas and doctrines' (Bourdieu 1990: 68), enabling a specific set of practices, later called official development assistance. ODA was then defined as

government aid designed to promote the economic development and welfare of developing countries. Loans and credits for military purposes are excluded. Aid may be provided bilaterally, from donor to recipient, or channelled through a multilateral development agency such as the United Nations or the World Bank. Aid includes grants, 'soft' loans (where the grant element is at least 25% of the total) and the provision of technical assistance. The OECD maintains a list of developing countries and territories; only aid to these countries counts as ODA (OECD 2015).

The establishment of ODA set the boundaries of the field of IDC, distinguishing its specific practices from other economic flows, such as trade or investments. Furthermore, the concept of ODA fixed the hierarchical positions of donor and recipient within the same field. A 'stage of development' became a vantage point from which donors could assert what policies and development paths were right for the 'less developed' recipient countries. The donorship credo embraced a notion of responsibility in which 'advanced' or 'industrialised' economies became responsible for international development and for promoting 'economic development and welfare of developing countries'. Bourdieu has called this kind of practical belief '*doxa*'. *Doxa* ultimately enables agency, generates classificatory schemas, structures positions, and guides practices, which become naturalised over time (Bigo 2011). The donorship *doxa* was gradually taken for granted and ODA became its main doxic practice.⁸ Moreover, the donorship *doxa* transformed a contingent and arbitrary choice into a necessary requirement, thereby excluding other policy options which did not follow the generally accepted credo. Considering that objective relations structure the social field and the positions occupied by agents, it is possible to argue that the field of IDC was consolidated when this system of oppositions between 'developed' and 'underdeveloped' gained force (Mawdsley 2012).

Doxa refers to the specific experience of the moment when objective order and subjective organisational principles are in a *quasi*-perfect correspondence, making the natural world and the social world seem self-evident. It represents an absolute recognition of legitimacy,

without, however, any recognition of arbitrariness, and generates a spontaneous and widely held idea of what is taken for granted. In this logic, unspoken knowledge is what constitutes social reality, meaning the fundamental structures of a social field which themselves exercise a sort of structural power over the practices within the field. The field of IDC is therefore organised around the donorship *doxa*, which establishes specific positions, responsibilities, and roles for developed and developing countries as either donors or recipients. ODA has become the key practice within the field, bringing together donors and recipients around the development credo. Through the strategic mobilisation of the forms of capital at stake, the agents engage in a constant battle for the *doxa* of a specific field (Guzzini 2000; Bourdieu 1977; Berling 2012).

The institutional structure of the field of IDC has also followed the donorship *doxa*. Indeed, since the 1960s the frontiers and practices of the field have been defined by a small group of key donors, members of the DAC. The DAC was built from an earlier institution, the Development Assistance Group (DAG), when the OECD was created. DAG was a consultation forum established in early 1960 among the main donors under the leadership of the USA during the Dwight D. Eisenhower administration. DAC replaced DAG in September 1961 with the main goal of defining and monitoring global patterns of international development in key areas.

Donation within the framework of ODA, performed along the North–South axis, has become the normal and expected behaviour of a developed country within the field of IDC. Nevertheless, the consolidation of this field is itself the result of a doxic battle. Indeed, as seen above, while donorship might be considered a by-product of the Cold War and a fixture at the heart of the international system, it was also a response for the national liberation movements that were mushrooming at the periphery. These movements not only defied colonial rule but also challenged the structural inequalities which underpinned donorship practices.⁹ At the periphery, Southern countries articulated a new narrative around the concepts of individual and collective self-reliance, emphasising autonomy or self-determination and non-intervention as key dimensions of development cooperation. This SSC narrative was articulated both as a political tool to reinforce national liberation movements and as an alternative to the emerging donorship *doxa*. Although the burgeoning field of IDC was structured around this *doxa*, it was challenged from inside by Southern countries keen to assert two new modes of development cooperation: Technical Cooperation among Developing Countries and Economic Cooperation among Developing Countries, both under the umbrella of SSC, as discussed below. Furthermore, while the donorship *doxa* articulated Southern countries' positions as recipients, the SSC narrative was a way for them to renegotiate their positions in the field of IDC, setting the limits of the donorship *doxa* while calling for more horizontal patterns of relationship.

Keen to enhance their capital and maximise their interests (whether symbolic or material) in the international arena, countries from the global South began to articulate their own strategies and initiatives, envisioning more autonomous avenues towards development: the Non-Alignment Movement, the launch of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP), the inception of the G77 and the Declaration on the Establishment of a New International Economic Order (Mawdsley 2012; Esteves and Assunção 2014; Toye 2014). The tensions between developed and developing countries gave rise to the North–South debate, through which the global South aimed to expand its influence on the rules of the international order (Hurrell and Woods 1999; Woods 1999). Under the umbrella of UNDP, the Buenos Aires Action Plan (1978) focused on the promotion and implementation of technical cooperation among developing countries, forming the first framework in which the term ‘horizontal cooperation’ was used, as opposed to the vertical notion of cooperation that traditionally predominated in North–South cooperation (UN 1978; UNDP 1994; Mawdsley 2012; Gu 2017). While the Buenos Aires Action Plan consolidated Technical Cooperation among Developing Countries as one form of SSC, the G77 recognised Economic Cooperation among Developing Countries in 1981 at the Caracas Programme of Action on Economic Cooperation among Developing Countries as another legitimate practice for fostering development among Southern countries (UN 1978; G77 1981). Even if SSC partners lacked the material capacities to implement these programmes in any significant way, the establishment of these modes of cooperation became a landmark in the field of IDC, stressing the differences between hierarchical donorship practices and the supposedly horizontal forms of SSC.

The 2000s witnessed a weakening of the imposition of conditionalities. The demise of the Washington Consensus accompanied the rise of new powers, such as China and India. In this context, policies favouring structural reforms lost ground. Moreover, even while recognising that gross domestic product (GDP) growth was an important component of development policies, new agents in the field were keen to stress the need to expand the development agenda (Stiglitz 2003). Dissatisfied with many of the results of ODA, middle-income countries kept up the pressure for increased participation and involvement for Southern countries in the field of IDC.

The Paris Declaration may be seen as an attempt to rebuild the field’s boundaries in a context of increasing contestation and declining legitimacy of donors’ practices (Esteves and Assunção 2014). Indeed, the final document of the second High Level Forum on Aid Effectiveness, which took place within the scope of the OECD, introduced the principles of harmonisation, alignment, and coordination as essential for the effectiveness of international aid. The declaration stressed the principle of ownership, highlighting the ways donors and recipient countries relate to each other (OECD 2008).

Even with greater emphasis on the principle of ownership, the donorship *doxa* was not able to redress structural asymmetries and the power games played among donors and recipients. For many developing countries, donors' practices were still seen as ways to influence or impose a predetermined agenda on recipient countries or even smaller donors (Eyben 2010). In this context, SSC was put forward as an alternative way to foster development – a set of practices free from conditionalities and based upon horizontal and mutually beneficial results.

Despite the growing relevance of SSC, it was only in 2008, at the High Level Forum (HLF) on Aid Effectiveness in Accra (Accra HLF), that these practices were recognised as a constitutive and legitimate part of the field of IDC. The Accra Agenda for Action recommended that developing countries should strengthen their capacity to conduct and manage development through strong institutions and local expertise, counting not only on traditional cooperation, but also on SSC, which was recognised as 'a valuable complement to North–South co-operation' (OECD 2008: 18).

3 The BRICS effect

During the 2000s, rising powers started to play an increasingly important role within the field of IDC. Their main impact on the field was the recognition of SSC as a legitimate set of practices. While the Accra HLF mentioned SSC for the first time, the Nairobi outcome document of the High-level UN Conference on South–South Cooperation re-established the principles of SSC in line with the concepts set forth in the Paris Declaration. If, as discussed above, the Paris Declaration can be seen as a response to the eroding legitimacy of donor practices (particularly conditionalities) and to the rise of new donors, the Accra HLF and the Nairobi outcome document constitute an attempt to introduce SSC partnerships into the donorship *doxa*. From Accra and Nairobi on, the effects of the rise of SSC within the field of IDC became more acute.

We call these movements of competition and differentiation within the field of IDC the BRICS effect.¹⁰ This analytical tool allows us to understand the multidimensional impacts generated by the rise of SSC in the field and the interplay between two distinct but articulated dynamics: competition and differentiation. For Bourdieu, competition struggles are not designed to transform the principles, but to modify the positions of the agents in the field. Struggles for differentiation, on the other hand, are aimed at transforming the current legitimate definition of reality in a given field, subverting the established order (Bourdieu 1990). By emphasising an alternative set of principles, SSC partnerships do not compete to occupy established positions; indeed, they generate an original narrative in which different positions are articulated. Meanwhile, the attempts by traditional donors to bring SSC into the established structure of the field indicate a struggle to establish a competitive environment, where traditional donors and agents of SSC play under the same rules. In any case, the interplay between

competition and differentiation decentres the entire field, challenging the donorship *doxa*, displacing the monopolistic position of traditional donors at its core and multiplying the practices considered legitimate by its agents. Hence, the BRICS effect is a multidimensional phenomenon, comprising: (1) the articulation of new positions beyond the donor vs recipient dyad; (2) the induction of new modes of development cooperation; and (3) the transformation of the institutional architecture and governance mechanisms in the field of IDC.

The creation of the Global Partnership for Effective Development Co-operation (GPEDC) is the most important outcome of the rising powers' foothold in the field of IDC. It was established at the fourth HLF on Aid Effectiveness, held in 2011 in Busan, South Korea (OECD 2011a). Reinforcing the importance of SSC agents, the meeting addressed the need to enlarge the participation of the various actors and practices in the field of IDC, highlighting at the same time the principle of 'common but differentiated responsibilities'. The main priority of the GPEDC was the inclusion and representativeness of emergent actors. The Busan Forum may be seen as the 'beginning of the end' of a development governance controlled by the West (Mawdsley 2012).

Nevertheless, it is necessary to bear in mind that despite claiming common principles for a new model of international cooperation – such as non-interference in internal matters, no conditionalities, and a demand-driven approach – SSC is not a homogeneous set of practices. As early as 2006, Richard Manning, former president of OECD-DAC, presented an effort to map out the diversity among the agents of SSC. During a lecture at the UK Overseas Development Institute, he presented four categories of emerging donors: (1) OECD members that are not part of DAC, such as Mexico; (2) new EU members, who are not part of the OECD; (3) Middle Eastern countries which are members of the Organization of the Petroleum Exporting Countries (OPEC); and (4) emerging donors that are not members of OECD, such as Brazil, China, and India (Manning 2006).

New EU members are not opposed to the current international aid system, and are looking forward to joining it, not reforming it. Arab donors have their own model, which does not correspond to but also does not cast into question the practices of OECD-DAC. Hence, the tensions over the boundaries of the field of IDC and its *doxa* are caused by the struggle of those disputing the DAC model: the fourth group demarcated by Richard Manning.

These countries position themselves as providers of a different model of development assistance, a model based on more equal partnerships that encompass not only technical and financial assistance, but also strengthened trade and investment, and on the sharing of knowledge and experiences that are closer to, and more relevant for, the low-income countries that they provide assistance to (de Renzio and Seifert 2014: 1865).

The cleavage between the OECD-based GPEDC and the United Nations Development Cooperation Forum is indicative of a process of differentiation within the field of IDC. New development cooperation providers from outside the OECD which do not identify themselves with the donor position tend to question the legitimacy of the Global Partnership. This group of new providers has put pressure on the frontiers of the field while establishing new flows of expertise, goods, and investments as legitimate practices. Northern donors are no longer alone, and ODA is no longer the only legitimate form of development assistance. While emerging powers have exerted external pressure to establish their positions and consolidate their practices, traditional donors have seen their monopolistic positions challenged and the borders of the field disputed. This has led to an effort advanced by the OECD-DAC to attract the new agents, SSC practitioners, to its own umbrella of common practices, specifically those involving quantification, monitoring, evaluation, and the Aid Effectiveness agenda.

On the one hand, OECD-DAC has established mechanisms such as the China-DAC study group in a bid to share its own practices with new agents. On the other, traditional donors such as the UK and Germany have modified their own strategies towards emerging countries, introducing new triangular cooperation programmes. It is possible to regard both of these strategies as forms of advocacy designed to align the new practices and modalities with the Aid Effectiveness agenda and to co-opt Southern agents to adjust their actions to the traditional practices from the field of IDC. This situation would seem to confirm the theoretical assumption that new agents should adapt to existing norms within the field.

These attempts to co-opt emerging countries into traditional practices can be observed in various fields, such as the climate change agenda. The failure of the Kyoto Protocol is allegedly due to the unwillingness of emerging countries to shoulder their burden of responsibility for mitigation or adaptation. The final document from COP 21, the Paris Agreement, itself builds on a bottom-up methodology, allowing countries to join efforts to address climate change, spreading the burden of mitigation and adaptation beyond just industrialised countries.

Another example from the development agenda is the construction of the Sustainable Development Goals (SDGs), based on the principle of universality. Oddly, UN Resolution A/RES/70/1, which outlines the 2030 Agenda for Sustainable Development, reaffirms the principle of common but differentiated responsibilities. Nevertheless, departing from the principle of universality, the SDGs set international goals to be met by all countries, not only from the developing world. This suggests that 'we are all developing countries now' (Esteves 2017) and that developed and developing countries must share responsibility for climate change and development.

While there seems to be a trend for the agents of SSC to adapt to the established *doxa* of the field of IDC, the actual practices and *doxa* of the field are themselves in flux. The notion of differentiation developed by Bourdieu thus appears to be the second effect brought by the increasingly strengthened agency of the BRICS in the field. Different agents are starting to develop their own patterns to deal with international development, eroding the entire field.

The concept of ODA put agents in the position of donors or recipients, where donors had responsibilities towards recipient countries and international development, demarcating the legitimised practices of the field. In October 1970, the UN called for countries to allocate 0.7 per cent of their gross national income (GNI) to ODA. However, very few countries have actually reached this goal. According to 2017 data, Norway, Luxemburg, Sweden, Denmark, and the UK are the only countries allocating 0.7 per cent or more of their GNI to ODA. Moreover, the DAC members' net ODA represented 0.31 per cent of their total GNI (OECD n.d.), one of the highest levels since 2005.

Nevertheless, this concept has been transformed over time and has lost ground in recent years. There has been an attempt to stretch the concept of ODA, which has also come to be understood as a flow that allows donors to invest in public–private partnerships, for instance, in order to lessen the risks of private investment in developing countries. Also, in-donor expenditure on refugees beyond the one-year term normally imposed has been included in calculations of ODA (Esteves 2017). Related to the dwindling importance of ODA, the struggle by emerging countries for differentiation can be observed in the formulation of a new statistical measurement framework, the Total Official Support for Sustainable Development (TOSSD). TOSSD is based on the notion of measuring all development flows contributing to sustainable development, which include private investments and non-concessional loans, making ODA just one of many other flows contributing to the achievement of the SDGs (Besharati 2017).

Surprisingly, the TOSSD proposals include the principle of mutual benefits, which is one of the SSC principles defined in the 2009 Nairobi Declaration, and which has been highly criticised by many traditional donors as a way of doing business under a rhetoric of fostering development. This indicates a remarkable transformation in the practices and *doxa* of the field, as traditional donors are having to adapt to new modes of behaviour put forward by emerging countries and SSC agreements, and not the other way around.

4 Concluding remarks: is the field of IDC in decline?

After decades of prominent discourse about development, there is no more place for innocence (Ribeiro 2007: 275).

Particularly since the end of the 1990s, the field of IDC has become a true battlefield (Esteves and Assunção 2014) in which the Western-centric

discourse on international development, grounded strongly in a belief in linear progress, has been questioned and defied. The purposes and practices considered legitimate by the ODA framework since its demarcation by the OECD-DAC are no longer seen as being as representative and credible as they were when it was first defined.

At the beginning of the 2000s, development agents had to deal with an increasingly contested field. Both the donor positions and the practices of donorship were disputed. In addition, the fundamental goals of development policies and the ways to achieve them became problematic... This *doxic* battle had a germane effect on the field, since it drew attention to its borders, problematising what would be considered legitimate practices within the international development field (Esteves and Assunção 2014: 1781).

Traditional donors now need to accommodate the major new forces operating in the field of IDC. If there ever was a clear division between developed and underdeveloped, or donor and recipient, which determined the zones of dominance in the field, now this distinction is significantly blurred. Moreover, new agents such as transnational social movements and the private sector have been incorporated into the field. Interestingly, these transformations in the configuration of the capital and relative positions in the field have not only been seen between traditional and emerging donors.

At the same time as the borders and *doxa* of the field of IDC have been challenged, the legitimacy of the agency of Southern actors has also been contested. Domestically, many of these countries still face struggles against poverty and inequality, making it hard for them to justify their new international role to their own people. Internationally, although they have devised joint strategies that have put pressure on the current order, these agents do not form a homogeneous or cohesive group.

Countries such as Mexico or South Korea, despite positioning themselves as agents of SSC, have joined the OECD and adopted its principles. This group are in a competitive struggle to increase their capital, but are not yet in a position to contest the status quo. Meanwhile, countries such as Brazil and India have repeatedly stood up against the traditional principles of cooperation. In a bid for differentiation, they are keen to challenge the value of the prevailing forms of capital, practices, and borders in the field of IDC.¹¹

Analyses focusing on struggles in the field of IDC indicate that the consolidation of SSC has brought to the fore considerable tension over the frontiers of and practices in the field. As the analysis of the BRICS effect has revealed, these tensions are manifested at the same time in terms of positions, practices, and institutional arrangements. The historical redescription shows that the practical logics, the configuration of capital relevant to the field, and the relative positions occupied by agents have been in constant transformation since the first time

the boundaries of the *doxa* in the field of IDC were set. Considering Bourdieu's (1977, 1990) indication that *doxa* is a *quasi*-perfect correspondence between the objective order and the subjective organisational principles of a social field, and bearing in mind that the field of IDC has been marked by a trajectory of constant tussles over its guiding principles, it is worth questioning whether or not the agents within the field will be able to keep its borders any wider than the *doxa* of donorship.

The field of IDC was consolidated under the dichotomy of developed versus developing countries, positioning agents as either donors or recipient countries. The positions the countries occupy in the field and the amount and type of capital they possess also inform the received assumptions about the practices in the field. This is what gives agents the authority to act and lay down the rules of the field for some but not for others.

The presence of SSC agents that do not follow traditional practices has put some strain on the *doxa* and stretched the boundaries of the field. The demand for an alternative, such as the creation of new multilateral banks, indicates that the field has become decentred. In 2016, global ODA was worth a total of US\$142.6bn, its highest level since the turn of the twenty-first century (OECD 2017a). Nevertheless, if the SDGs are to be reached, cooperation must rise from billions to trillions, but this can only be done if private investments are brought into play. Hence, contrary to what might have been expected – that new agents would adapt to the existing framework as they jockeyed for positions in the field – what is actually happening is that traditional donors are adapting to the ways of Southern agents and the new approaches they have introduced.

Notes

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- 3 For a comprehensive review of existing definitions and methods, see Silva *et al.* (2016).

- 4 Given the differences between DAC and non-DAC countries, the latter are currently trying to develop their own standards for measuring development cooperation. See Corrêa (2017).
- 5 On the value added by Bourdieu-inspired approaches in international studies, see Berling (2012), Leander (2008), and Guzzini (2006).
- 6 The social field is a sphere of action, a *locus* of social phenomena, a structured and abstract space of social positions, a space in which agents occupy distinct positions in relation to one another. It is organised around structuring axes that constitute the space of related defined positions; i.e. agents' social positions are defined in accordance with their relations (Bourdieu 1990). The field allows the social world to be divided into sub-systems, which are to some extent autonomous in their own logical practices, the result of a historical process of autonomisation. To analyse situations happening in the field it is necessary to first analyse the field itself. Nevertheless, autonomy should not be seen as a synonym of independence or an *a priori* fact. It is first and foremost a methodological principle grounded in the assumption that it is necessary to empirically define an object of study. The field always exists in a context involving other fields and its logic will be continually influenced by other fields' logics (Criado 2008; Leander 2008).
- 7 Each field ascribes different values to different kinds of capital, following a specific logic defined by the field. Capital may be material, like private property, economic capital, or a degree, but it can equally be symbolic, collectively recognised and authorised (Bourdieu 1990).
- 8 On doxic practices, see Guzzini (2006) and Leander (2008).
- 9 Dependency theory, for instance, emerged in the 1960s, and drew attention to the imperial exploitation of the periphery and the reproduction of structural inequalities. Despite its self-centred (nationalistic) perspective on accumulation, dependency theory agrees with economic development and capital accumulation. It was the alternative development thinking of the 1970s that assimilated 'human flourishing', focused on social and collective development (Pieterse 2010).
- 10 Rather than referring to the BRICS countries or BRICS as a group, the BRICS effect alludes to a general perception of the end of the unipolar moment and the establishment of alternative poles of power, economic dynamism, and normative entrepreneurship.
- 11 One reflex of this dispute is the aforementioned engagement in the Global Partnership. While Southern countries that are OECD members defend participation in the GPEDC, agents such as Brazil identify the United Nations Capital Development Fund (UNDCF) as the legitimate forum, as it is under the UN system (*cf.* Esteves and Assunção 2014).

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Perspectives on the Global Partnership for Effective Development Cooperation

Xiaoyun Li,¹ Jing Gu,² Samuel Leistner³ and Lídia Cabral⁴

Abstract The establishment of the Global Partnership for Effective Development Co-operation (GPEDC) created the unique opportunity to bring together and explore synergies between South–South cooperation (SSC) and traditional aid, or North–South cooperation. However, the GPEDC lacks support from both sides due to a lack of trust and misconceptions among partner countries. This article discusses the challenges of operationalising the GPEDC as a truly global and inclusive partnership. This is done by analysing differences between North–South and South–South cooperation and the challenges of bringing them closer. Furthermore, the particular reasons of individual SSC providers, the rising powers in particular, for withholding support for the GPEDC are identified and looked at in the context of fundamental differences between SSC and OECD-DAC aid.

Keywords: Global Partnership for Effective Development Co-operation, rising powers, South–South cooperation, China’s development aid, emerging countries.

1 Introduction

The international development community has long focused on the complex aid paradigm concerning the North–South relationship since its inception. The last decade has seen many changes in this relationship, particularly in terms of the rise of the global South. The successful development experience of China and other emerging economies, and the growing prominence of Southern voices and influences at the level of international development organisations and processes, make this change more significant and concrete. The high-level debate on aid effectiveness led by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) is a case in point. The First High Level Forum on Aid Effectiveness (HLF-1) was held in Rome in 2003

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and is considered a milestone for engaging multiple stakeholders in international development to discuss the effectiveness of development assistance. This forum and those that followed (Paris in 2005 and Accra in 2008) yielded important changes to the norms and guiding principles for delivering assistance for international development.

Yet, the emergence of new sources of development finance, including South–South cooperation (SSC), led to the recognition that this normative framework needed to be extended to new players and revised. This eventually led to a new forum for deliberating on development aid effectiveness that materialised in the establishment of the Global Partnership for Effective Development Co-operation (GPEDC) at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in 2011, held in Busan, South Korea. Despite the change in institutional structures (including through the involvement of the United Nations) and an increase in the participation of different stakeholders, the dynamics of power underpinning the global aid system, notably the dominance by the OECD-DAC, remains unchanged.

The first high-level meeting for the GPEDC was held on 15–16 April 2014 in Mexico City. More than 1,500 participants from more than 130 countries, multilateral and bilateral development agencies, as well as the private sector and non-governmental organisations (NGOs), participated in this event. In the opening session, UN Secretary-General, Ban Ki-moon addressed many critical issues relating to the development financing framework of the Post-2015 Agenda: namely, global macroeconomic policy, development aid, trade, and debt. He pointed out that some of the least developed countries were either trapped in conflict or could not benefit from the global financial market despite the importance of official development assistance (ODA). He also noted that the traditional donor–recipient relationship was changing and that the ever-increasing role of SSC offered new prospects for global development.

The president of Mexico, Enrique Peña Nieto, also expressed his wish to establish a new international development framework that was more inclusive, sustainable, and that would yield effective cooperation. Additionally, participants discussed progress made on the commitments established at the HLF-4 in Busan, which had focused on domestic financial resources, the effectiveness of SSC, middle-income country (MIC) development, and the role of the private sector in global development (Ministry of Foreign Affairs 2014). The forum finally released the document entitled *Building Towards an Inclusive Post-2015 Development Agenda* and announced 38 follow-up measures that were agreed on and committed to by different countries, international organisations, NGOs, and thinktanks during the forum (GPEDC 2014).

There has been widespread debate on the significance of this new partnership within the development community, as the outcome from the HLF-4 was criticised for being a much weaker and watered-down agreement than those in the past. This was because developing a

framework that would accommodate the diversity of stakeholders' needs required many compromises. Subsequently, it also left many loose ends (Besharati 2013). As such, it was expected that the Mexico City high-level meeting would begin a new era. However, although most of the major international development stakeholders attended the event, the initiative is still mainly coming from Western donors and this creates the fear of the emerging powers that Western donors want to attract other development donors to continue an agenda that has been failing.

At the same time, the lack of meaningful participation from China and India, as well as the suspicious attitude towards the partnership by Brazil and South Africa, strongly questions the legitimacy of the new initiative. It can even be argued that the hope of creating a new era of equal cooperation between the traditional and newly emerging development players via this new partnership did not yield the expected results. As a result of this, the transformation of this existing international development cooperation structure remains unrealised. Although this new partnership signalled a paradigm shift from '*aid effectiveness*' to '*development effectiveness*', the wide range of participation might fragment development cooperation plans, or even widen the gap.

Creating this collective forum outside the UN Development Forum might affect the legitimacy and authority of the UN in discussing global development. However, it could be understood by this that the international development architecture has changed, and the influence of the developed group has decreased. The new partnership has responded to this change and the new structure includes a wide range of stakeholders from NGOs, thinktanks, the private sector, and representatives that are more legitimate than those comprising the 24 OECD-DAC membership (Fourth High Level Forum on Aid Effectiveness 2011).

This more optimistic proposition asserts that the new partnership is a good opportunity to develop a more inclusive, sustainable, and multiple stakeholder participation-based framework that shifts from the old 'Aid Effectiveness' agenda to the new 'Development Effectiveness' agenda, which was narrow, but nevertheless provided a space not only for China, but also for other developing countries to seek their own development model independently.

In fact, the emergence of the GPEDC reflects the diversification of global power. On the one hand, historically, the domination of Western power in development cooperation has been challenged by its decreasing financial supply capacity, and a lack of effective progress in developing countries. On the other hand, the rise of emerging nations with their financial capacity and successful development experiences, especially the large-scale poverty reduction and transformation that has taken place in China, has significantly influenced the global development cooperation system (Gu *et al.* 2014; Gu, Shankland and Chenoy 2016).

Therefore, it is now the time to have a more inclusive global development cooperation structure, as an informal platform on which to exchange development cooperation experiences and lessons, that can support the global collective action taken by the UN Development Forum. In this regard, active participation from emerging development players such as China and India in this new initiative is critical. This article begins with a historical review of the evolution of the development partnership. Following this is an analysis of why China and others were reluctant to join the GPEDC. Finally, this article will provide an assessment of China's future perspective towards this new partnership and provide recommendations that should help to build a more legitimate and inclusive global development cooperation partnership.

2 The historical evolution of the development cooperation partnership

The GPEDC was primarily derived from the HLF-4, held in November 2011 in Busan. The HLF-4 concluded with an 11-page outcome document. This document called for the construction of the GPEDC. Under the facilitation of the OECD-DAC, all parties that attended the forum agreed to initiate this partnership (Fourth High Level Forum on Aid Effectiveness 2011). The OECD-DAC and the United Nations Development Programme (UNDP) agreed to provide joint secretariat support (Working Party on Aid Effectiveness 2012). The Indonesian Minister of Development Planning, Armida Alisjahbana, the Nigerian Minister of Finance, Ngozi Okonjo-Iweala, and the UK's Minister of Development, Justine Greening were proposed as co-chairs of the steering committee that would be responsible for the meetings and annual events, but the composition of both co-chairs and steering committee presented two major concerns.

Firstly, due to the vital future roles of both the recipient and emerging countries in the international development policy arena, it was agreed that it was necessary for the representatives from those two groups to be co-chairs, and to be included on the steering committee. Secondly, it was agreed that along with the increasing role of NGOs, particularly new development foundations and private sectors, new development partnerships should also include a wide range of actors. Despite the argument that this proposal would not reach the expected goal of improving aid effectiveness, the GPEDC presented a different form from previous discussions on aid effectiveness which had been dominated by the OECD-DAC members, and marked a milestone for global development cooperation governance.

Thus, the HLF-4 in Busan signified the end of the '*Aid Effectiveness*' agenda; instead, it ushered in a broad-based Development Effectiveness agenda that became the central theme of a new future development cooperation partnership. Three years after the HLF-4, a wide range of stakeholders from recipient countries, traditional development partners, NGOs, and private sector members participated in the HLF-1. Contrary to the then mounting expectations, China completely declined to

participate, India sent its diplomat stationed in Mexico City, and Brazil's delegate disagreed with the whole agenda.

Lack of an active response from the emerging actors to the HLF-1 raised the question as to why the emerging development actors were reluctant to such an open proposal that clearly offered compromises. To understand this, one needs to start by reviewing how the traditional aid architecture has developed. The emerging actors still perceive the GPEDC as representing the hidden dominance of the Western aid regime, in terms of moving from the previous '*aid*' agenda to the current '*development*' agenda without a substantive change in its character.

The HLF-4 renewed the global development cooperation architecture by establishing a new, legitimate, multiple stakeholder partnership, and more importantly, shifted the aid-focused agenda to the development-focused agenda to better reflect the changing nature of international development, especially in light of the emerging development actors. In order to better engage the active role of the emerging actors, the Busan outcome document agreed to the principles of country ownership, transparency and accountability, and inclusive partnership that would involve shared goals, but 'differentiated commitments on a "voluntary basis"' (Fourth High Level Forum on Aid Effectiveness 2011). This was a big compromise made by the Paris Club in order to 'buy-in' more stakeholders, particularly China, India, and others. China participated in the event with a relatively modest-level delegation, but emphasised the need for a different role in SSC, and remained reluctant to join the new club (Atwood 2012). Here, the HLF-4 marked its third expansion wave in the international development cooperation system that had previously been dominated by the West. This expansion indeed generated a series of impacts on the international development architecture.

First, the broad-based development issues that developing countries are interested in, replaced the issue of aid effectiveness that the most developed group was interested in. Second, the Working Party on Aid Effectiveness (WP-EFF) was formally replaced by the GPEDC. Finally, global development cooperation institutions that had been predominantly influenced by the OECD-DAC changed to become a more inclusive partnership mechanism. However, despite these positive changes, the fundamental influence of the West's development ideology still exists, which to some degree explains the reluctant attitude to the new partnership by the new development actors. This is largely because that effective voice of the developing countries and emerging actors could not only rely on legitimate governing mechanisms in order to be heard, but would also substantively depend on many other factors. The West's dominant role in international development is heavily based on its well-articulated knowledge and knowledge production system, which has lasted for over 60 years. Unfortunately, other developing countries and emerging actors have been unable to assert a similar influence. International development institutions have produced a

strong path-dependence that may be difficult to change in the short term. Hence, to a large extent, the new partnership might not be able to change the nature of the global development regime.

3 South–South cooperation and the OECD-DAC

In order to understand the unwillingness of countries which are actively engaging and promoting SSC to join and actively work within the framework of the GPEDC, it is important to highlight how the approach of the SSC differs from that of the OECD-DAC. To explore the complexity of this difference, it is important to recognise both individual cooperation and the blockages in SSC, and the problems of coordinating SSC methods with the OECD-DAC. This will be discussed further in later sections by looking at the engagement of active SSC countries as donors in the international aid system.

3.1 Reasons for a possible clash between the DAC and SSC in the GPEDC

South–South cooperation has rapidly evolved since it was first formally recognised through the recommendation of the United Nations General Assembly to create the United Nations Office for South–South Cooperation (UNOSSC) in 1974 (UN 1974). The idea behind establishing SSC was to oppose the OECD-DAC ODA which mostly focuses on monetary issues and the transfer of public funds. Yiping Zhou, the director of the Special Unit for South–South Cooperation in UNDP described the main unique characteristic of SSC compared to ODA as the following:

South–South development assistance is manifested in public and private funding or partnerships as developing countries see value in creating beneficial environments for trade, investment and development in partner countries using their full range of resources – both public and private. In this context, development assistance from one developing country to another is to be seen as a continuum from policy advice to technical assistance to pre-investment activities – all working seamlessly together to create an enabling policy, institutional, technical as well as environment [*sic*] for sustaining economic growth. Thus, public and private support to developing countries is not compartmentalized (OECD 2010).

This clearly indicates the importance of looking at SSC via different channels and the need for a global development partnership, to avoid dominance of the ODA channel over the channels SSC uses to promote development in the global South. In addition to paying more attention to the different channels, it is also important to highlight the attributes of SSC. Compared to the OECD-DAC approach, Southern development assistance is less conditional and tries to interfere less with a country's internal affairs. When it comes to channels of assistance, Southern aid tends to be more direct. Most South–South assistance is directed towards infrastructure. It is also normally more flexible and low-cost orientated; however, this might lead to lower standards such as ones that relate to environmental issues (UN ECOSOC 2008).

It seems to be a logical conclusion that several problems may arise when trying to merge these two systems. Analysing the GPEDC Mexico Communiqué reveals both the reasoning behind it and the main obstacles. The Communiqué (GPEDC 2014) continues to stress the importance of ODA as the main source of international development assistance in the shift from aid effectiveness to development cooperation.

Key points which can be found in the Communiqué (GPEDC 2014) and which indicate potential conflicting issues, are the following:

- ODA needs to remain the main source of development assistance;
- It is reaffirmed that South–South cooperation differs from North–South cooperation;
- ODA flows should stay predictable;
- Actions for countries receiving insufficient assistance are needed;
- It is stressed that global development cooperation will not be effective if support to MICs were to be phased out. However, support to MICs should not be undertaken at the expense of the support provided to countries with lower incomes.

Hence, it can clearly be seen that, even in this formal Communiqué, the MICs in particular are afraid of decreasing flows of ODA, and that the OECD-DAC would like them to shoulder more of the financial burden of ODA. The inhibition of the emerging powers to participate in a formal framework, even though the GPEDC is a long way from being institutionalised, can only be overcome when the MICs feel the security of showing international dominance as donors of development aid without fearing further decreases in ODA to their countries. Moreover, the founding of institutions in the global South such as the India–Brazil–South Africa Dialogue Forum (IBSA), the Asian Infrastructure Investment Bank (AIIB), or the New Development Bank (NDB) shows the trend of more autonomous emerging powers. Therefore, connecting the North and the South also requires active support and participation from the OECD member states in these institutions. The refusal of major donors such as the USA or Japan to join the AIIB illustrates the widening gap between traditional actors in international development assistance and the new players.

Another problem is that emerging countries may fear that their role in development assistance is put on a level with China, even when their volume of development aid contributions is much smaller. As an extreme counter-measure, this could also lead to them teaming up with China and creating a block which opposes Western donors (Li and Wang 2014).

The main concerns of the rising powers can be separated into the sub-topics of political legitimacy, attribution of responsibilities,

definition of the agenda, and trust. In terms of political legitimacy, the rising powers would prefer the UN and its structure for dealing with these issues, since the UN has a higher level of legitimacy. The attribution of responsibilities accounts for the fear of a decrease in the responsibilities of the OECD-DAC, and the fact that development cooperation should follow the common but differentiated responsibilities (CBDR) approach. Regarding definition of the agenda, it is necessary for the rising powers that the GPEDC focuses more on the framework of SSC, in particular the principle of mutual economic benefit, and focuses less on aid as only concessional financial flows. However, the trust issue might be one of the most important, since the rising powers fear that the West will try to maintain the current level of power balance, and will try to create additional burdens, or withdraw support, thus blocking the rising powers from achieving their goals (Constantine, Shankland and Gu 2015).

The draft outcome of the Second High Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC) in December 2016 in Nairobi shows how some of these problems were addressed. Key issues and solutions to be agreed on were outlined in connection to the problems between the OECD-DAC, SSC, MICs, and the rising powers. This differs to the 2014 Communiqué and is more positive regarding the role of MICs in relation to SSC. The key issues relevant for SSC and MICs in the draft outcome of the Nairobi meeting in 2016 are the following which should be seen in contrast to the Communiqué of 2014:

- The development of graduation policies for MICs which are sequenced, phased, and gradual, and represent in the best way the opportunities and challenges of MICs;
- The recommendation that MICs should start sharing their experience with low-income countries (LICs);
- The recommendation that development cooperation should address the transition challenges faced by countries joining the middle-income category;
- The recommendation that methodologies need to be devised to better account for the complex and diverse realities of MICs;
- It is noted that South–South cooperation is a complement to, and not a substitute for, North–South cooperation but it should be continued to increase accountability and transparency;
- The impact of SSC should be assessed with a view to improving, as appropriate, its quality in a results-orientated manner;
- SSC should disseminate results, share lessons and good practices, and replicate initiatives (GPEDC 2016).

Compared to the 2014 Communiqué, the expected outcome for the Second High Level Meeting seems to address more comprehensively the concerns of middle-income countries, and the clause that SSC is a complement and not a substitute to North–South cooperation is a strong statement towards the MICs and the rising powers. It is hoped that more accommodation between the two sides in this issue will lead towards improved levels of cooperation, especially in the case of China and India.

4 China's perspective on the GPEDC

Although the GPEDC has much higher legitimacy than any other previous form of development cooperation partnership initiated by the OECD-DAC in terms of representation, the follow-up Mexico City Forum was delayed for two and a half years. Funding for joint secretariat support had not been secured until the Mexico City Forum. It was clear that even within the traditional donors' group, there was still a lack of confidence that the new partnership would lead to the expected results. It can even be argued that similar to the HLF-4, the organisers neglected the differences among the different parties just in order to obtain signatures. It can be seen that, in reality, the partnership would remain on paper.

First, it had taken hard work and late-night negotiations to get China, India, and Brazil to agree to sign the HLF-4 outcome document. However, China completely declined to attend the following event in Mexico City. Despite the offer made to either compromise on shifting the agenda from aid effectiveness to development effectiveness, or on the composition of the governance structure of the new partnership, the core values of the partnership remained aid-based with mutual accountability. The new partnership can therefore be seen as a DAC-driven process, since the main initiative and methodology comes from the DAC. The big emerging economies realised that the openness of this new partnership initiated by the DAC was more so because of the growing role of emerging actors in the global economy, and the increasing difficulties that traditional donors faced in providing financial support to international development. They were afraid of being brought in to cover the bill that traditional donors have amassed over decades of failed development practices.

Despite having a unified group with very different policy approaches, they all shared a disapproval for the mainstream aid-based framework which they believed still reflected a Northern paradigm of development, and as such, they never wanted to subscribe to this. Although critiques are that China's growing role in international development largely undermines the good governance agenda that the traditional donors have generally dismissed as alternative development experiences, other emerging actors endorsed this. And so, the emerging economies took this new partnership as another type of skilful methodology that the West executed in order to reinforce the existing development regime. From the Chinese perspective, this new partnership, reinforced by the

HLF-4, signalled the further expansion of the Western-dominated international development discourse, as the West has been using a similar approach through its institutional structures and well-elaborated framework to safely 'buy-in' others in order to sustain its fundamental agenda.

Second, the emerging economies perceived the new partnership as the strategy to acquire more financial resources to share so-called '*common goals*'. Under the financial demand scenario, those most developing countries which needed financial inflows would rationally follow the call for the participation of emerging actors because aid is less costly than other forms of financial flow. In this regard, the new partnership has sufficient support from many developing countries, which creates political pressure on emerging actors, despite emerging economies' insistence that they engage with other developing countries only if there is mutual benefit through SSC, rather than from donor-recipient aid flow. Therefore, emerging actors were fearful because once they joined the new partnership, their approach to mainly engage in learning and exchange, solidarity, and mutually beneficial economic cooperation would be undermined by the donor-recipient model. Broadly speaking, politically, if they did not fulfil the '*commitment*' which is even differentiated by '*common goals*', then the leading position of China and India within the developing group may have been challenged. Subsequently, the emerging economies were afraid of being hijacked politically if they took part in this new partnership. Instead, the emerging actors identified other options such as the Global Development Forum under the UN system and the G20 Development Group, as this new partnership did not seem to offer much value.

Third, the main concern for emerging actors particularly from China, is the approach of how to promote development. China certainly welcomed the shift of aid effectiveness to development effectiveness during the HLF-4. China also appreciated multi-stakeholder participation in global development policy (Gu 2015). However, both the Busan outcome document and the Mexico City outcome still maintained the belief that developing countries need to create good conditions such as good governance, corruption-free institutions, gender equity, and other kinds of social, political, and institutional conditions. China and other emerging actors do agree to these conditions to some extent, and could also argue that these stated conditions could be achieved along with development progress or as the pre-conditions.

Therefore, the question is not so much about the structure, as it is about the approach and framework that are deeply rooted in the Western-based knowledge of development. This knowledge is very much about the marriage between neoliberalism and neo-institutionalism, based on a well-established knowledge production system which constantly generates a set of seemingly undeniable theories that create the field of development studies and produce '*independent development industries*' to justify and sustain this development business. China and other new

players may have difficulty in not only owning this process, but also sharing the cost, because under this knowledge gap, China and other players struggle to benefit from equal and mutual communication. China and other players might also insist on SSC by advocating a ‘*non-interference policy*’ towards partnership, one that does not focus on immediate institutional reforms to provide ‘*conditions*’ for development. China and others may still feel weak in this new more open partnership with its wider participation, because the OECD-DAC family has strong mechanisms for consensus and joint action through a well-established donor coordination mechanism.

Fourth, both the Busan and Mexico City forums continued to be driven by an aid-industry-based system, which was very much engaged in aid management and the continuous efforts to make financial flows to the pre-existing aid-based system. This is an essential incentive for the DAC’s agenda to support this new partnership. To justify the budget to allocate to development cooperation in the DAC, member countries would be required firstly to meet the domestic political demand, as elaborated on during HLF-4 by Hillary Clinton regarding the USA’s policies in development financing. This would not necessarily create a conflict with the commitment that the aid budget could be effective for development, but would certainly limit aid resources to prioritise effective development. This is because very often, in an effort to prioritise development in most developing countries, it means that member countries cannot meet the political, environmental, and social requirements set by traditional donor countries. The mutual accountability regarding the conditions set by donor countries and the need of recipient countries is often controversial. Although the Accra Action Plan called for using an in-country system, and it was also put forward as one of the indicators to measure aid effectiveness, the mutual accountability regarding the conditions set by donor countries and the need of recipient countries is often controversial. However, the key question was the extent to which implementation would move beyond the existing system to address concerns such as those of civil society that, without greater inclusivity and a strong rights-based approach, the Plan could simply become ‘another set of empty promises and targets’ (Better Aid Coordinating Group 2009: 16).

Lastly, emerging countries seem much more likely to create their own platform on which they feel more open and equal. Although the Development Working Group has not yet addressed the development cooperation issues of member countries, China has become more active in consulting domestically and internationally for a development agenda within the G20 Agenda (Gu 2017). The G20 will likely act as another legitimate platform for coordination or norm-setting within the new global development architecture. The thinktanks from India, China, Brazil, and South Africa initiated the Network of Southern Think Tanks (NeST) during the Mexico City Forum; however, the NeST was seemingly unhappy to be included as part of the follow-up actions outlined by the forum. The recently concluded South–South

Cooperation Conference in Delhi, India signalled the commitment from the South to move beyond the traditional SSC paradigm, and the beginning of a systematic development framework and accountability system SSC. Along with the process of operationalising the NDB and the AIIB, the emerging players will have a variety of mechanisms to discuss global development issues.

5 India's perspective on the GPEDC

To understand the perspective of India on the GPEDC, it is important to see the evolution and scope of Indian development cooperation. India's development cooperation approach is mainly based around SSC, and some of its main features are the principle of mutual benefit and the demand-led nature of India's development cooperation. India tries to pursue real partnership through development cooperation. However, principles like these are not formalised and articulated in India's policy sphere (Chaturvedi *et al.* 2014).

When compared to China and Brazil, India seems to be more of a minor player in international development cooperation. Most of the academic studies and international attention has been targeted on these two rather than on India which has followed the principles of SSC since its independence in 1948, and has always provided a share to help fellow developing countries. Therefore, India's increasing activity in development assistance and cooperation can be seen as a desire for global recognition. India hereby follows the approach of Brazil and China and wants to be called a development partner rather than a donor, which is also consistent with most of the other emerging powers. India's ambition to fulfil a larger international role was also supported by its ability to promote the blocking of processes in institutions such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). India could do this by consolidating the group of developing countries together with Brazil and South Africa. India actively offers its approach to share each other's strength rather than only offering altruism as an alternative to the normative approach of the DAC donors (Chaturvedi 2012).

Since India follows the approach to be a so-called 'development partner', it avoids engagement in a process such as the GPEDC, thus not ending up in a situation where a close political relation or partnership with the DAC or accepting its principles might imply that India sees itself as a donor country. This is connected with the overall issue that emerging powers which are getting stronger might end up in the situation that traditional donor countries and their respective taxpayers stop seeing them as developing countries, and start reducing aid for them (Zimmermann and Smith 2011).

One of the most sensitive issues for India connected to this was already visible during the Busan process. India, together with Brazil and China, made it clear that under no circumstances do they want any monitoring from the Northern DAC countries, since such monitoring

could later make them accountable in terms of their accomplished aid. Even though monitoring would be a huge improvement for global development, it could not be implemented at all due to the heavy resistance of India, China, and Brazil back then (Atwood 2012).

There are several reasons why India rejects a higher level of participation in international frameworks or partnerships in particular outside of the UN framework. India is a country which has experienced high levels of growth since it opened up its economy in the early 1990s, and the increasing volume of technical assistance indicates that it will be able to rise in the foreseeable future to becoming a major development partner. However, India still faces huge levels of poverty in some of its rural and even urban areas, and a reduction in international aid received would have dramatic consequences for the country's population and food safety. However, even without further engagement in partnerships such as the GPEDC, India will slowly lose its status and reputation as a developing country and will be more measured in crude economic terms. For example, India was already the biggest source of Greenfield Investment in Hungary in 2014 and 2015. Total foreign direct investment (FDI) from India just to Hungary is already close to US\$1.5bn (HIPA 2016). The same happens in the UK where India became the third largest source of FDI in 2015 (*The Times of India* 2016). With such huge numbers of financial outflow from India, it is likely that the motivation of Western donors to maintain their current levels of aid might decrease.

Furthermore, Indian development assistance strongly follows the principles of SSC. India does not hide that it sees a main purpose in development aid to be a strategic measure to establish economic relations and to allow its small and medium-sized enterprises (SMEs) to enter and penetrate foreign markets. The SSC principle that development assistance should have mutual benefits is clearly visible in the case of India. There is also no visible interest in following the DAC approach which includes giving unconditional aid. As a recipient of aid which mainly relied on loans, India fosters its approach of extending lines of credit. Its focus tends to be more on providing capacity-building measures or technical assistance than on giving out aid, and if it gives out aid it is more targeted towards its neighbouring states to establish strong political and economic relations.

Nevertheless, it is still important to distinguish India's case from China's. India's development cooperation is unique most of all because of six factors: '(1) It is sustainable and inclusive; (2) based on India's development experience; (3) without conditionalities; (4) demand driven; (5) based on mutual gains, and (6) contributing to India's soft power' (Chaturvedi *et al.* 2014: 4).

Those principles are close to China's principles, as both countries base their principles on the 1953 'Five Principles of Peaceful Coexistence' (Li *et al.* 2014) and the 1955 Bandung conference which can also be

seen as a launching point for SSC long before it was officially recognised by the UN. However, there are still some differences between China's and India's development principles. China and India each follow their own path to provide development assistance. China is addressing the hard infrastructure gap which can again be seen by the establishment of the AIIB, while India addresses more the issue of capacity building. The latter approach helped India to avoid the international focus and the problems for China which came with it. Nevertheless, both countries lack a strong bilateral and possible trilateral development strategy, and establishing joint projects might be a strong catalyst for regional and global development (Li and Zhou 2016).

If the GPEDC wants to involve India as an active actor, the current framework will possibly not provide a solution. In addition to not monitoring its activities, India will continue to insist on not having binding principles. Therefore, changing the GPEDC more towards a knowledge platform and increasing the weight of SSC compared to traditional ODA might facilitate a change in the current situation. First of all, India wants to be seen as what it is: a strong, growing economy which, nevertheless, still struggles with poverty and is highly dependent on aid in some sectors. The current gridlock can only be overcome if Western donors can guarantee that India will be able to maintain the current levels of aid it receives.

6 Brazil as a fading Southern power

Until recently, the Brazilian government was keen to affirm its Southern identity and separation from a space perceived as dominated by the hegemonic North, including the GPEDC. Over the last decade, Brazil has frequently been depicted as a rising power or as an emergent Southern influence in a changing geopolitical order. This happened in a context of economic prosperity in Brazil that helped to boost the country's stance in foreign affairs. The construction of the Southern identity also reflected a particular party-politics configuration in Brazil where the leading left-wing ideology of the Workers' Party (PT) was favourable to a counter-hegemonic role in foreign politics and, as part of that, greater engagement with Southern nations and diversification away from traditional Northern partners, such as the USA and Europe. Recently, however, Brazil's Southern power identity seems to be fading away for reasons to do with (again) domestic politics, the state of the Brazilian economy, and the underwhelming performance of the country's SSC.

Brazil rose to prominence in international development from the mid to late 2000s with an active foreign policy towards the South steered by a charismatic president, Lula da Silva, who took an active role in the country's diplomacy (Amorim 2010). Brazil's ascendancy in international development is illustrated by the exponential increase in resources and pledges for development cooperation in the late-2000s, the consolidation of a place on the side of the likes of Russia, India, and China (that collectively with South Africa make up the so-called 'BRICs'), the successful bids for the leadership of international governing bodies,

such as the Food and Agriculture Organization of the United Nations (FAO) and the WTO (currently headed by Brazilian nationals), and the internationalisation of Brazilian businesses, with new trade and investment deals going hand-in-hand with SSC, particularly in Africa.

Although committed to multilateralism (Visentini and Silva 2010) and the ‘minilateralism’ of fora such as the BRICS, IBSA, or the Community of Portuguese Language Countries (CPLP), Brazil’s Southerly-bent foreign policy has emphasised the country’s unique contribution to international development through South–South relations that comprise diplomacy, technical cooperation, and business (White 2010, 2013). Brazil’s claimed successful public policies and technological innovations were deemed particularly fit for other developing countries, particularly within the tropics where affinities were greatest (Cabral and Shankland 2013). Also, Brazil’s SSC was more than a charitable endeavour between donor and recipient, but was described as a mutually beneficial affair between partners (Abreu 2013), much like China and India portray their engagements with developing countries.

Foreign policy activism waned under the presidency of Dilma Rousseff and the budget for technical cooperation was first frozen and then slashed. The economic downturn put significant pressure on the government and eventually led to the president’s removal from office. In the meantime, Brazilian businesses abroad had been struggling with a less favourable environment (e.g. the fall in commodity prices) and were further weakened by the political crisis that eventually led to President Rousseff’s impeachment in 2016.

The new conservative government, led by President Michel Temer, that abruptly took office in 2016, announced major policy turns. Regarding foreign policy, the Southern identity rhetoric has been replaced with the reinforcement of alliances with traditional Northern nations – such as the USA – and a stronger narrative on business and bilateralism (MRE 2016). China and India are still viewed as strategic partners, although some have talked about ‘Braxit’, the voluntary (or altogether forced) exit of Brazil from the BRICS club (Simha 2016). Even if Brazil remains in the club, the counter-hegemonic soft power element will surely vanish on the Brazilian side. As for Africa, the new foreign ministry sees it as a big and expanding market that needs to be engaged with pragmatically, and with clear benefits for Brazil, leaving behind the compassionate rhetoric and diplomatic extravagances of previous PT-led governments (MRE 2016). Indeed, the new minister of agriculture, Blairo Maggi, noted when taking office that Brazil cannot distribute its agricultural technology to Africa for free (Ramos 2016).

Brazil’s commitment to multilateralism and to Southern solidarity (even if the latter has been topped with a generous dose of rhetoric), may be at stake and this may compromise the country’s contribution to sustainable global development.

6.1 Why Brazil's Southern identity remains important

There are at least two reasons why Brazil's Southern identity remains important (Cabral 2017). One concerns geopolitics and counterweighting the world's hegemons – being the USA or China – in international development. Brazil's Southern assertion has been part and parcel of a campaign for democratising global governance and the reinforcement of multilateralism. With regard to sustainable global development specifically, Brazil has demonstrated considerable engagement with the process, leading to the ratification of the SDGs, and its SDG position paper (Ministry of External Relations 2014) highlights areas of contribution to sustainable development and the role played by SSC in that process.

Indeed, the second reason concerns the uniqueness of Brazil's potential engagement with other developing or Southern nations through SSC. It is not the win-win formula that makes Brazil an exceptional partner – China and India have proved to be much more skilled in practising win-win cooperation. The uniqueness of Brazil as an international development partner results from the country's own development trajectory and its experiences with holistic social policies, deliberative democracy, and technological innovations that constitute key references for global development, and have indeed been emphasised in Brazil's pre-Temer contribution to the formulation of the SDGs. Many of these experiences have a distinctive Southern (in the sense of non-conformist and non-conventional) flavour that the current conservative government risks failing to acknowledge or understand.

Yet, the transfer of Brazil's appealing innovations into other contexts is not straightforward. The socio-political fabric that generated these innovations, such as a particular state-society dynamic, is not easily replicable. It should not be taken for granted that Brazil's agrarian structures have a similar match in Africa and hence call for similar struggles. And one should not assume that the institutional machinery of African governments (and indeed social checks and balances) can cope with the types of technological innovations (such as those which have resulted from the establishment of a massive continental-size research corporation) and multi-dimensional social experiments (as Brazil's equally massive social protection programmes) that Brazil has managed to generate.

Furthermore, getting over-enthusiastic about Brazil's uniqueness and success may be counterproductive. Asserting Brazil's unique contribution should not be about celebrating Brazilian ways and trying to emulate them, but it should be about reflecting on Brazil's domestic trajectories and how they were generated, and the lessons emerging from this. Reflecting and reflexivity are the key words, and this requires a considerable change in attitudes by those at the front line of Brazilian official and non-official diplomacy (being state or non-state actors). The presumption of South-South affinities has often been taken too far, particularly *vis-à-vis* Africa, with an over-confident reliance on the

Brazilian brand, that has compromised the ability to engage with the needs, aspirations, and perspectives of partners in other countries.

The future of Brazilian SSC and how it will relate to the other rising and Southern powers in international development is uncertain. Thus far, the study of Brazilian cooperation has been confined to a particular historical moment of Brazilian politics (and diplomacy) that has led to the categorisation of Brazil as an unquestionable Southern power. It remains to be seen whether our understanding of Brazil's position in international development – with its Southern turn, its solidarity diplomacy, its SSC principles, and warm relationship with other emerging powers – will need to be revised, once, in a climate of greater political stability, the Brazilian government clarifies its international development policy.

7 Conclusions and recommendations

The international aid system was born out of the ruins of the Second World War, with aid or ODA as a main operational instrument and channel of influence. During the Cold War era, the system mainly used ODA to support allies. After the Cold War, the allocation of ODA began to shift to the countries beyond the scope of Cold War alliances, and became more strongly guided by poverty alleviation and development concerns. It was at this stage that the international aid system began to focus on aid effectiveness, and eventually moved to the post-aid framework that emerged with the establishment of the GPEDC at the HLF-4. However, despite the changing form and increasing participation of multiple stakeholders, the current system is the result of continuous expansion of Western-based aid at different times under different geopolitical contexts. The shift from an initial belief in the modernisation model for development to the current marriage of neoliberal and neo-institutionalist models for poverty reduction has not resulted in a substantive change of the *'conditional development approach'* that has applied to developing countries through the aid-based paradigm.

A central argument in relation to the international development assistance system has been the relationship between aid, growth, and development, so that aid can be properly directed and managed in areas such as health and basic education. The HLF-4 sought to examine progress in the quality of aid with regard to the relationship between aid and development, which was measured by meeting the Millennium Development Goals (MDGs), particularly poverty reduction targets. The agenda eventually shifted to a focus on development effectiveness, emphasised by the GPEDC. The attempt to increase the voice of multiple stakeholders in international development cooperation policy was a bold, if unavoidable, initiative. However, the lack of experience and non-aid resources by DAC members would make it difficult for the GPEDC to adopt a truly new approach. Instead, aid has remained the main instrument driving the GPEDC agenda.

It is widely agreed that the GPEDC is a more open and legitimate platform for discussing international development cooperation than

previous ones (Li 2017). However, there is also the view that the DAC remains very influential in setting the procedures, instruments, and mechanisms for monitoring and evaluating the performance of development interventions. Disappointingly, the involvement of key players like China in the definition and design of these procedures and mechanisms has not been sought or encouraged.

As a result, China and other emerging players have not actively engaged with the GPEDC. In order for that to change, the GPEDC needs to demonstrate a more internationally inclusive approach and global legitimacy. This may require a stronger connection with the UN Development Financing Forum and with the G20 Development Working Group. Furthermore, the GPEDC also needs to gain a better understanding of how diverse international players institutionally manage their development cooperation programmes, to ensure it gets the right stakeholders in order to get an effective response.

China's remarkable development trajectory has been acknowledged by the international community. Furthermore, recently new cooperation frameworks such as triangular Africa–China–UK, Africa–China–USA, and Africa–China–Bill & Melinda Gates Foundation cooperation illustrate the convergence between China and individual traditional donors and their willingness to promote global development in a cohesive way. Despite the dominant role of the DAC in the normative framework for international development, the practice of cooperation has undergone significant changes. This creates a momentum for new influential players such as China, India, or Brazil (though the latter's predisposition towards other Southern players is currently unclear), to play their important role in the global governance of international development cooperation. However, the emerging powers need to consider carefully how to engage effectively with upcoming GPEDC fora, and particularly what appropriate level of political and institutional representation should be sent to these policy spaces.

Notes

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- 3 Technopolis Group, Brighton, UK.
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Glossary

- AAEHRD** Agency for Agricultural Extension and Human Resource Development [Indonesia]
- ACDF** All-China Women's Federation
- ADB** Asian Development Bank
- AID** Asian Industries Development
- AIIB** Asian Infrastructure Investment Bank [China]
- AIMS** Aid Information Management System
- AMEXCID** Mexican Agency for International Development Cooperation
- ASEAN** Association of Southeast Asian Nations [Indonesia]
- BAPA** Buenos Aires Plan of Action
- BKKBN** Badan Kependudukan dan Keluarga Berencana Nasional [National Family Planning Agency, Indonesia]
- BoP** bottom of the pyramid
- BP** Blue Print
- BRICS** Brazil, Russia, India, China, and South Africa
- CBDR** common but differentiated responsibilities
- CCITC** Coordinating Committee of International Cooperation [Indonesia]
- CDB** China Development Bank
- CENAPRED** National Centre for Disaster Prevention [Mexico]
- CGD** Center for Global Development [USA]
- CNPq** Conselho Nacional de Desenvolvimento Científico e Tecnológico [National Council for Scientific and Technological Development, Brazil]
- CoP** Community of Practice [Indonesia]
- CPLP** Community of Portuguese Language Countries [Portugal]
- CREATA** Center for Research on Engineering Application in Tropical Agriculture [Indonesia]
- DAC** Development Assistance Committee
- DAC-HLM** Development Assistance Committee-High Level Meeting
- DAFC** Department of Aid to Foreign Countries
- DAG** Development Assistance Group
- DRR** Disaster Risk Reduction
- DSEZ** Dawei Special Economic Zone [Myanmar]
- ECBAM-UNDP** Enhancing Capacity for Better Aid Management-United Nations Development Programme
- ECDC** Economic Cooperation among Developing Countries
- ECI** Election Commission of India
- ECOSOC** United Nations Economic and Social Council [USA]
- EEPIS-ITS** Electronics Engineering Polytechnic Institute of Surabaya [Indonesia]
- EPI** Expanded Program on Immunization
- ESDC** Eastern Seaboard Development Committee [Thailand]
- ESDP** Eastern Seaboard Development Plan [Thailand]
- FAC** Future Agricultures Consortium [UK]
- FAO** Food and Agriculture Organization of the United Nations [Italy]

FAPERJ Fundação Carlos Chagas Filho de Amparo à Pesquisa do Estado do Rio de Janeiro [Carlos Chagas Filho Foundation for Research Support of the State of Rio de Janeiro, Brazil]
FONCID National Fund for International Cooperation for Development [Mexico]
FONDEN Fund for Natural Disasters [Mexico]
GD Grand Design
GDLN Global Distance Learning Network
GDP gross domestic product
GFDRR Global Facility for Disaster Reduction and Recovery
GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit [German Corporation for International Cooperation]
GNI gross national income
GPEDC Global Partnership for Effective Development Co-operation [USA]
HLCSSC High-level United Nations Conference on South–South Cooperation
HLF High Level Forum
IBEKA People Centered Business and Economic Institute [Indonesia]
IBRD International Bank for Reconstruction and Development [USA]
IBSA India–Brazil–South Africa Dialogue Forum
IDC international development cooperation
IRI-PUC Instituto de Relações Internacionais-Pontifícia Universidade Católica do Rio de Janeiro [Institute of International Relations-Pontifical Catholic University of Rio de Janeiro, Brazil]
ITEC Indian Technical and Economic Cooperation
IURM Integrated Water Resources Management
JBIC Japan Bank for International Cooperation
JICA Japan International Cooperation Agency
JIPP Japan–Indonesia Partnership Programme
JMPP Mexico–Japan Joint Programme
KOICA Korea International Cooperation Agency
LIC low-income country
LIDC Law on International Development Cooperation [Mexico]
MCBAD Main Centre of Brackishwater Aquaculture Development [Indonesia]
MDG Millennium Development Goal
MEA Ministry of External Affairs [India]
MEP Ministry of Environmental Protection [China]
MIC middle-income country
MIIT Ministry of Industry and Information Technology [China]
MINT Mexico, Indonesia, Nigeria, and Turkey
MITI Ministry of International Trade and Industry [Japan]
MOA Ministry of Agriculture [China, Indonesia]
MOCA Ministry of Civil Affairs [China]
MOE Ministry of Education [China]
MOF Ministry of Finance [China, Indonesia]
MOFA Ministry of Foreign Affairs [China, Indonesia]
MOFCOM Ministry of Commerce [China]

MOHRSS Ministry of Human Resources and Social Security [China]
MOST Ministry of Science and Technology [China]
MPS Ministry of Public Security [China]
NAM-CSSTC Non-Aligned Movement Center for South–South Technical Cooperation [Indonesia]
NAO National Audit Office [China]
NARBO Network for Asian River Basin Organization
NCT National Coordination Team on South–South and Triangular Cooperation [Indonesia]
NDB New Development Bank [China]
NDRC National Development Reform Commission [China]
NESDB National Economic and Social Development Board [Thailand]
NeST Network of Southern Think Tanks [India]
NHFPC National Health and Family Planning Commission [China]
ODA official development assistance
ODI Overseas Development Institute [UK]
OECD Organisation for Economic Co-operation and Development [France]
OECF Overseas Economic Cooperation Fund [Japan]
OPEC Organization of the Petroleum Exporting Countries [Austria]
PBC People’s Bank of China
PIL public interest litigation
PP partnership programme
PT Partido dos Trabalhadores [Workers’ Party, Brazil]
PTSD post-traumatic stress disorder
RCSC Red Cross Society of China
RIHS Research Institute for Human Settlement [Indonesia]
RIM Research Institute of Mariculture [Indonesia]
RMB renminbi [Chinese currency]
RPJMN Rencana Pembangunan Jangka Menengah Nasional [National Medium-Term Development Plan, Indonesia]
SACH State Administration of Cultural Heritage [China]
SAIIA South African Institute of International Affairs [South Africa]
SAIS-CARI School of Advanced International Studies-China Africa Research Initiative [USA]
SCI Selective Capital Increase
SDG Sustainable Development Goal
SETNEG Ministry of State Secretariat [Indonesia]
SFA State Forestry Administration [China]
SINAPROC Mexican National Civil Protection System
SME small and medium-sized enterprise
SOA State Oceanic Administration [China]
SRO-ENEA Sub-Regional Office for East and North-East Asia [Korea]
SSC South–South cooperation
SSTC South–South and triangular cooperation
TrC triangular cooperation
TCDC Technical Cooperation among Developing Countries
TCTP Third Country Training Program
TDC Trilateral Development Cooperation

TICA Thailand International Cooperation Agency
TOSSD Total Official Support for Sustainable Development
TVA Tennessee Valley Authority
UFMG Universidade Federal de Minas Gerais [Federal University of Minas Gerais, Brazil]
UN United Nations
UNAIDS Joint United Nations Programme on HIV/AIDS [Switzerland]
UNCTAD United Nations Conference on Trade and Development [Switzerland]
UNDCF United Nations Capital Development Fund
UNDEF United Nations Democratisation Fund
UNDP United Nations Development Programme [USA]
UNESCAP United Nations Economic and Social Commission for Asia and the Pacific [Thailand]
UNISDR United Nations Office for Disaster Risk Reduction
UNOSSC United Nations Office for South–South Cooperation [USA]
UNU-CPR United Nations University Center for Policy Research [Japan]
WIPO World Intellectual Property Organization [Switzerland]
WP-EFF Working Party on Aid Effectiveness [France]
WTO World Trade Organization [Switzerland]

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