

China's distinct approach to facilitate multilateral cooperation

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China with a population of 1.3 billion has placed itself as the second largest economy of the world while in terms of purchasing price parity it is the single largest contributor to world growth in last 11 years. Despite being a communist state, it has shifted from a centralist to market based multilateralist. At domestic growth and development front, China achieved all MDGs in 2015 and is moving almost on track the SDGs and has successfully lifted more than 850 million people out of poverty. It has been struggling to bring remaining people mostly below the upper middle income (373 million) out of poverty (US\$5.5 a day).¹

Shift in China's approach from centralist to multilateral cooperation

Since its accession to the World Trade Organization (WTO) in December 2001, China adopted a pro-active approach to multilateralism; practically, Beijing has done away with 7000 tariff lines, quotas and other trade barriers.²

This is in fact is a paradigm shift in China's approach in recent years as there has been a strong protectionist regime in China; to accede to WTO, China had agreed to rules and procedures of WTO which were framed even without China's say as prior to acceding to WTO China has different trade rules based largely on the bilateral and regional approach. China's accession to WTO itself exhibits that the country in a bid to facilitate multilateral cooperation has accepted the rules which were drafted without its consultation.

To strengthen, regional and multilateral cooperation, China has also played a key role in establishing Shanghai Cooperation Organization (SCO) and its expansion taking Pakistan too in the fold with other countries in the region, in setting up Asian Infrastructure Investment Bank (AIIB), and the New Development Bank.

Harriet (2019)³ writes that Beijing aligning with international community has gained economic power and influence that can strengthen the rules based global regime, though its adherence to this system is selective but it could be leveraged as a constructive player.

China is moving towards multilateralism as some experts believe Beijing is a great beneficiary of the multilateral global system while the United States and few others seem retreating from the rules based global system.

¹ World Bank Update on April 08, 2019, <https://www.worldbank.org/en/country/china/overview>

² Zhou, Xizhou (2019); China's Commitment to Global Institutions, Caixin Global, 16th September 2019. <https://www.caixinglobal.com/2019-09-16/opinion-chinas-commitment-to-global-institutions-101462561.html>

³ Moynihan, Harriet (2019): 'Engage China to Uphold Multilateralism – But Not at Any Cost', Chatham House, 12th June 2019. <https://www.chathamhouse.org/expert/comment/engage-china-uphold-multilateralism-not-any-cost#>

China's Global Engagement under President Xi's Vision on 'Shared Prosperity'

For the last few years, Chinese President Xi Jinping has been pushing for his vision of 'Shared Prosperity' which focuses on addressing global development challenges. The vision calls for an open, inclusive, clean and beautiful world that enjoys peace, universal security and common prosperity. The 'Shared Prosperity' idea calls for treating each other as equal with respect by rejecting the power politics of the cold war and suggests a new approach to developing state-to-state relations with communication and building partnerships by rejecting confrontation.

The vision focuses on dialogued driven dispute settlement and conflict resolution while adopting zero tolerance on terrorism, respect diversity of cultures and civilizations and peaceful co-existence and multilateral cooperation to protect the planet by taking care of climate change. Shared Prosperity calls for promoting trade and investment liberalization and facilitation, and making economic globalization more open, inclusive, and balanced so that its benefits are shared by all.

For this purpose, China's approach is to invest in huge infrastructure development which is critical for developing countries being infrastructure deficit. Huge Chinese Investments in Asia, US\$ 456 Billion alone in Iran, and sufficient sums in Afghanistan, Pakistan, Bangladesh, India and other countries in the region are largely in the large-scale infrastructure development. This investment is mostly routed through the government to government (G to G) mechanism even if the sums come from the Chinese private sector.

The efforts to develop human capital and community development are somehow not visible in the Chinese approach whereas other North East countries, especially Japan through JAICA undertakes a lot of work in the community development and resilience building endeavours.

Japan's contribution to multilateral development system has increased by 66% from 2007 to 2016, counting one-fifth of gross overseas development assistance (ODA). Similarly, Republic of Korea allocates 30% of its gross ODA to multilateral development system as core contributor. China has been newly recognized as a lead provider for infrastructure building in the world through its contribution to the Asian Infrastructure Investment Bank (AIIB), the New Development Bank and the Belt and Road Initiative.

China is the largest developing country and is outside the Development Assistance Committee (DAC) of the Organization of for Economic Cooperation and Development (OECD) countries. China has started a slow but steady process of giving aid to the developing countries largely in Africa. In 2001, Chinese development aid has been 1.8% of the total contribution of DAC donors. It has grown at an average rate of 21.8% annually. In 2013, China contributed 3.9% in aid of the global development assistance. This is 6.6% of the total assistance provided by the DAC countries and 26% of the total U.S. foreign aid.

China's approach of multilateral cooperation for development is somewhat different from that of the traditional ODA approach. The ODA is basically an aid driven process while China focuses on trade and investment backed by some aid too; it thinks largely beyond aid which

means directing the recipient countries towards trade and investment, especially in infrastructural projects that provide jobs and opportunities for development on a long-term basis.

In ODA Model, the donors separate aid from trade and private investment that somehow make the recipient countries dependent on aid; and hence they do not exploit their competitive advantage in trade and investment. China has the leverage to use its competitive advantage in infrastructure and manufacturing due to low cost of production (cheap labour and other inputs), huge foreign exchange reserves, big domestic market, as compared to the industrial countries.

China is among leading contributors/funders of the world which fund the multilateral agencies but Beijing feels that is being treated somehow discriminatorily. Despite being a defender of multilateralism, China has been given a limited and not enough role at the International Monetary Fund (IMF), though its role has been accepted as emerging economy which the Chinese leadership believe that the **'not enough role to emerging economies'** will fail the multilateral global system run by the International institutions.

So, in nutshell, Chinese approach to multilateralism is somewhat different from those countries which spend direct in communities. They do support governments in the developing countries but they support projects by nonprofit sector and private sector to build resilience of the communities.

How China's approach is viewed?

There are mixed views on China's approach to multilateral cooperation. As long as China's multilateral approach to cooperation and development is concerned, global analysts, though some categorize Chinese approach as selective towards the multilateral cooperation, believe that Beijing largely is a multilateralist. China's approach is to build, to develop and to benefit together in a conflict free businesses friendly environment. The leadership in China expresses commitment toward environmental sustainability and financial disciplines as part of the multilateral cooperation regime.

When the United States withdrew from the Climate Change commitment, China expressed its willingness to play its global role in this arena too. Beijing urged the countries across the world to commit to the Paris Agreement. China realizes that it is one of the biggest emitters of carbon dioxide and it has been on track in terms of meeting its target.⁴

China is the third largest contributor to the United Nations after the U.S. and Japan and the second largest contributor to UN peacekeeping budget and the largest contributor of peacekeeping forces which expresses Beijing's commitment towards diplomatic and peaceful solution of the conflict.

⁴ UN Environment (2018), Emissions Gap Report 2018, p. XVII,
<https://www.unenvironment.org/resources/emissions-gap-report-2018>

Though China acceded to WTO very late, it has emerged as protector of the international trade disputes settlement body while the United States is hindering the process of the appellate mechanism. China plays a serious role in multilateral trade negotiations on reforms under the auspices of the United Nations and in its agreements reflect the spirit of acceptance of other's rights in trade with China.

Despite its active participation in the global initiatives China is seen with some sort of suspicion by the West as if it along with Russia may create an authoritarian model of governance where human rights violations and deficit of democracy prevail and internet remain in control by a controlled governance model that cause a compromise on accountability, transparency and human rights.⁵

China has its own point of view regarding the international order as it feels that it does not reflect the realities of our lives; it should reflect greater multipolarity, globalization and technological change without giving monopoly to some vested interests.⁶

Pakistan fully backs China's approach to multilateral cooperation and President Xi's 'Shared Future Prosperity Vision and has closely been working with China on China Pakistan Economic Corridor (CPEC) which is not just a mega road and rail connectivity project but it also focused on agriculture, power generation and setting up small economic zones along the CPEC route.

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⁵ Piccone, T. (2018), China's Long Game on Human Rights at the United Nations, Washington, DC: Brookings Institution, https://www.brookings.edu/wp-content/uploads/2018/09/FP_20181009_china_human_rights.pdf

⁶ Parton, C. (2019), China—UK Relations: Where to Draw the Border Between Influence and Interference? RUSI Occasional Paper, February 2019, London: Royal United Services Institute, p. 30