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New Powers for Global Change?

**Challenges for International
Development Cooperation:
The case of China**

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Introduction

The emerging powers of the South (above all China, India, and Brazil), countries that have come to be known as “rising powers,” are altering the constellations of power at the global level. The new regional and global self-perception of these countries poses a number of new challenges to the new global economic and political order, dominated as it presently is by the Western industrialized countries. The powerful economic boom underway in these countries has created a new dynamic, and the large developing countries have altered and intensified their regional and international engagement. In the context of the ongoing debate on the development engagement of the rising powers, it has become common to speak of “new donors,” of “non-DAC donors,” or of “emerging donors.” These countries do not perceive themselves as “donors,” preferring instead to speak of a South-South cooperation on equal footing and to the mutual benefit of the partners concerned.

China is undoubtedly the main actor in this process of global change. China increasingly sees itself no longer as a recipient of development aid but as a global player, as a rising economic power, and as an equal partner in a multipolar world order. One sign of China’s new economic potency and political ambitions may be seen in the foreign-exchange reserves it holds - in 2006 the world largest - as well as in the growing influence it wields in regional and international forums. Assuming regional and global responsibility for poorer countries is part and parcel of China’s altered international engagement.

The present article is concerned with the opportunities and challenges created by the altered structure and dynamic of international development cooperation which the rise of the new powers has entailed. The article identifies China as the driving force behind these developments. China is the key to success or failure in efforts to integrate and engage in a dialogue with the South’s new rising powers. These countries must be seen as central actors in efforts to reach the Millennium Development Goals (MDGs), and thus to achieve global, sustainable growth. A coherent development strategy must be rooted in an understanding of the structural changes that international development cooperation is currently undergoing - and here we must focus our attention in particular on China’s strategies and approaches if we are to come up with a realistic assessment of the opportunities available to create common scopes of action.

1 The structurally altered donor community

Even though the 20th century was familiar with bilateral relations involving financial and material assistance that went beyond the classic North-South configurations, the phenomenon of South-South cooperation has taken on new forms, in both qualitative and quantitative terms.

At the very latest, the late 2004 tsunami disaster made it plain that the donor community had changed. New donors proved willing to help, and an unparalleled volume of humanitarian aid was mobilized: If no more than 16 countries responded officially to the humanitarian disaster in Bosnia, the number of countries responding to the tsunami disaster totaled 92.

Traditionally, the donor community has been represented by its Western members who at the same time have seats on the OECD’s Development Assistance Committee (DAC). At present the DAC is made up of 22 member countries, the European Commission, and eight countries with observer status.¹ Even though these coun-

tries continue to account for the lion’s share of official development assistance (ODA), the donor landscape has in fact expanded.

While the regional engagement and investment activities of most of the rising powers continue, their supraregional development engagement is also on the increase. This is most clearly evident when we look at China’s growing presence on the African continent, as was illustrated by the summit of the Forum on China-Africa Cooperation (FOCAC) held in Beijing on November 4 and 5, 2006.

At present China and India constitute the greatest challenge for the development policies pursued by the Western nations (see Messner/Humphrey 2006: 10). First, the development engagement of the rising powers is stirring up fears that it might undercut the political conditionalities defined by the DAC donors. Second, the rising powers are now better positioned in the global governance framework, in particular as actors in multilateral cooperation, and this translates out into a loss of power for the Western donor countries and at the same time calls

¹ The member states are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxemburg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, the UK, and the US. The OECD

countries with observer status are: the Czech Republic, Hungary, Iceland, South Korea, Mexico, Poland, Slovakia, and Turkey (see Harmer/Cotterrell 2005: 7).

for an altered framework for the formulation of common goals for global governance.

This growing development engagement of the rising powers (defined deliberately in the most comprehensive way) is giving rise to the following questions:

- In what ways are the rising powers influencing existing donor structures?
- What shape is their development engagement taking on (in both conceptual and regional terms)?
- What challenges does this engagement of the rising powers pose for the international community?
- What chances may this process entail for a sustainable development policy?

Referring to the example of China's development engagement, what follows will examine the chances and challenges implied by this phenomenon for the developing countries. The first step will be to outline China's conception of development policy, in order then to look into the specific role China currently plays in Africa. Even though China may certainly not serve as an example for the policies of all the rising powers, the approach taken to deal with China's growing engagement may nevertheless be seen as exemplary for future forms of cooperation with other rising powers in the field of development cooperation.

2 China as a rising power

Since China started to open in the late 1970s, the country's economic output has increased roughly 50-fold. In the last 15 years China has posted persistently high rates of economic growth averaging some 10% p.a. In 2006, for instance, China had a GDP of roughly US\$ 2.2 trillion, making it the world's fourth-largest economy; and with exports amounting to US\$ 772 billion, it was at the same time the world's third-largest trade nation. Although China's economic reforms have served to reduce the number of the country's poor, nearly half of the population (according to UNDP, 46%) lives in poverty, i.e. from less than US\$ 2 per day. The boom's shadow side is developing in parallel to the country's economic successes: A rise in the Gini coefficient for China to a level of over 0.4 points to growing income inequalities and harsh disparities between the urban and rural population. While in 2005 the urban population earned an average annual income of roughly US\$ 1417, the corresponding figure for the rural population

was US\$ 440. A typical migrant worker has a yearly income somewhere between US\$ 37 and 100. In other words, China is and remains a developing country - measured in terms of its population, the world's largest.

China's status as an actor in the process of global change is reflected in its growing influence in international institutions. This influence became palpably manifest in 2001, when China was accepted for membership in the World Trade Organization (WTO). China of course also has a permanent seat on the UN Security Council (with veto power) and a growing presence in regional and international economic and financial organizations. It is a member of both the World Bank and the International Monetary Fund, where it enjoys a privileged special status. It is likewise a member of the governing bodies of the Asian Development Bank and the African Development Bank. China has long been a member of UN organizations like the Food and Agriculture Organization (FAO), the Educational, Scientific and Cultural Organization (UNESCO), and the World Health Organization (WHO).

The growing power China wields in the international governance system is based on the country's policies of economic modernization and opening - in short, on a "going global strategy" that started out with a combination of exports, investments, and gradual liberalization of the country's markets and ultimately led to China's accession to the WTO in 2001. Its specific combination of financial and political power has made it possible for China to engage internationally and to become an attractive economic-cooperation partner for many developing countries.

Hence, China's potential as a donor country is based on its high economic growth and its strong presence in international institutions. The most salient feature of China's financial power must be seen in the level of the foreign-exchange reserves it holds: by November 2006, China accumulated US\$ 1 trillion in currency reserves, making them the world's largest. And it is precisely these reserves that enable the Chinese government to offer credit on favorable terms to other developing countries.

While China does still receive development aid,² its recipient status has changed constantly over

² The *Gesellschaft für Technische Zusammenarbeit* (GTZ) refers to China as one of the most important partners of German technical cooperation: At present some 35 projects and programs are underway there, and the annual volume of this cooperation

the course of recent years: In net terms, the multilateral aid provided to China has declined to close to zero (in 2003 China received US\$ 612 million net in multilateral ODA, a figure that had shrunk to US\$ 39 million in 2004). On the other hand, in 2004 bilateral cooperation of DAC members with China rose to US\$ 1.6 billion. This trend, though, is likely to reverse when in 2008 Japan, presently China's most important donor, ceases to provide soft loans to China. China's perception as a recipient of development cooperation is on the decline - with the country coming more and more to be acknowledged as a "global development player"³; the UN World Food Programme, for instance, has already concluded the procedure reclassifying China as a donor country.

3 China's development policy

International engagement in the form of development assistance is not at all a new phenomenon in China's foreign policy: "China has one of the oldest articulations of foreign aid policy, including in comparison to DAC donors." (Cotterell/Harmer 2005: 7) As early as the 1950s China was involved in providing aid goods, e.g. in 1951 to India. In 1967 China built the Zambia-Tanzania rail link, one of the era's largest infrastructure programs. In 1964 then Prime Minister Zhou Enlai formulated a set of guidelines for China's development assistance e.g. the principles of noninterference in internal affairs, politically equal relations based on mutual benefit, and the principle of solidarity and cooperation among the countries of the South. China recently reaffirmed these principles in its newly

amounts to Euro 18 million. Not only in Germany has a debate got underway on whether China should continue to receive development aid. Critics have come out against any further transfers to China, and according to Jeffery Sachs: "China no longer needs development aid. In future China should not be a recipient country, it should be a donor country." (FAZ 27 March 2006).

³ This is shown e.g. by the UK's initiative aimed at increasingly integrating China into international structures. The British Department for International Development (DFID) has launched, in China, a "Global Development Player" program aimed at weaning China from its aid program (as conceived, by roughly 2012). In the meantime there are plans to initiate a more effective cooperation between the two governments, specifically in countries where both the UK and China are engaged, e.g. in Ghana or Tanzania. Alongside this initiative, DFID has discussed the possibility of giving China observer status for the DAC "peer review" of DFID's 2006 aid program (see Cotterell/Harmer 2005: 26).

unveiled Africa strategy, which will be looked into in more depth below.

It would therefore appear reasonable to speak of a qualitatively and quantitatively *altered* Chinese development policy, though not of one that is wholly new. It is difficult to depict the process of quantitative change, since China does not publish any data on the development aid it provides. There are no reliable data available on the volume of aid provided by China. Nor is there any way to determine what share of the total volume of US\$ 10 billion that China pledged at the review summit for the Millennium Development Goals should be classified as concessional aid (see Manning 2006: 6). China's approach to the ODA it provides recently occasioned EU commissioners Peter Mandelson and Benita Ferrero Waldner to call on China, in the EU's new China Strategy, to provide more transparency on the activities and priorities of its development policy (see FT 24, Oct. 2006).

It is evident that the number of development projects in which China is engaged has increased substantially and that this trend is likely to continue - an assumption that was recently confirmed at the Chinese-African summit of the Forum on China-Africa Cooperation (FOCAC) held in November 2006 in Beijing. China's president Hu Jintao announced the country's intention to double, by 2009, the development aid it provides (though without providing concrete figures). China, he stated, would provide, over the coming three years, US\$ 3 billion in low-interest loans and US\$ 2 billion in export credits. In 2005 alone, Chinese direct investment for Africa had a total volume of US\$ 280 million. This figure is now set to be increased to US\$ 1.9 billion. 16 agreements between 12 Chinese companies and African governments and companies were signed on the sidelines of the summit (see China Daily online, 08 Nov. 2006). A special US\$ 5 billion fund is currently being set up to promote Chinese investment in Africa (see dpa, 04 Nov. 2006).

China has become an important donor nation, and the aspiring country's ambitions may now be said to extend beyond purely economic aspects. China engages in South-South cooperation both for economic reasons and with a view to geopolitical considerations: "The construction of a coalition of interests among developing countries, with China as a natural leader, is a key feature of China's embrace of multilateralism." (Alden 2005: 4) In this connection China is calling for a greater political involvement of the developing countries in UN institutions. As the

Chinese foreign ministry's White Paper on Africa Policy notes, "China is devoted (...) to making the UN play a greater role, defending the purposes and principles of the UN Charter, establishing a new international political and economic order featuring justice, rationality, equality and mutual benefit, promoting more democratic international relationship and rule of law in international affairs and safeguarding the legitimate rights and interests of developing countries." (FMPRC 2006: 3)

One concrete step on the road to implementing this policy approach may be seen in the creation of an "International Poverty Reduction Center in China" (IPRCC), an initiative that emerged from a cooperation between UNDP and the "China State Council Leading Group Office for Poverty Alleviation and Development" (LGOP) in 2005. The initiative's objective is to strengthen cooperation and information-sharing between policymakers, scientists, and development workers in the field of poverty reduction. One of the initiative's aims is to intensify the dialogue between China and other developing countries as well as between China and international development agencies.

The forms of this cooperation cover a number of highly disparate fields, and not all of the measures involved qualify as ODA according to OED criteria. These measures are mainly concentrated in three fields: infrastructure projects, debt relief, and humanitarian aid.

In quantitative terms, the first of these fields accounts for the largest budget share; this is handled in different ways, including e.g. provision of interest-free or highly concessional credits for infrastructure projects (for cooperation between Chinese and African companies). According to President Hu Jintao, this package of concessional credits/loans is to amount to a total of US\$ 10 billion for 2006-2008. This form of cooperation is for the most part tied to orders from Chinese companies and involves access to resources.

Debt relief was targeted mainly on highly indebted African countries, with some 31 such countries benefiting from cancellation of roughly US\$ 1.3 billion in debt (Cotterell/Harmer 2005: 16) between 2000 and 2002. Prospects of further debt relief were held out for other African countries at the FOCAC summit.

In the third field, humanitarian aid, above all emergency aid in cases of natural disaster, China provided some US\$ 83 million in relief following the tsunami in 2004. Since then the volume of this aid has risen to US\$ 145 million. Compared

to the sums China previously made available, this is a very high volume of aid: Between 2000 and 2003 China had provided a total volume of humanitarian aid amounting to no more than US\$ 9 million.

Even though China conducts some of its activities via multilateral organizations like the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR), 95% of Chinese funds are provided on a bilateral basis (see Cotterell/Harmer 2005: 19). At the operational level, the Chinese Ministry of Commerce (MOFCOM) is responsible for providing bilateral assistance, which is also coordinated by the Ministry of Foreign Affairs (MFA). MOFCOM is likewise in charge of taking receipt of bilateral development assistance to China. While MOFCOM is responsible for regional and country-specific coordination as well as for overseeing development projects (quality and time coordination), MFA is in charge of the overall budgeting work for Chinese development aid.

From the Chinese perspective, three central interests appear to be of significance:

- China's image as a responsible, aspiring nation that is increasingly engaged at the global level.
- Stepped-up economic cooperation (trade and investment). These activities have thus far been dominated by bilateral agreements designed to secure for China access to resources and export markets.
- Development engagement as an expedient in the Peoples Republic's diplomatic rivalry with Taiwan (one-China policy).⁴

All three strands of Chinese interests can be clearly illustrated with reference to the PR China's Africa policy. While it is true that China is also engaged in East Asia and Latin America,⁵ the African continent currently tops the economic and development agenda of China's South-South cooperation.

4 China in Africa

China's presence on the African continent is attracting growing attention among the international community; the reason is that China's in-

⁴ In connection with the Taiwan conflict China has used aid funds as an instrument designed to further its "one-China policy" (see Cotterell/Harmer 2005: 8).

⁵ See Nueva Sociedad 203: China-América Latina: una relación económica diferenciada.

terests in Africa have - despite historical ties⁶ - undoubtedly changed dramatically. This development is best recognizable when we take a look at economic cooperation: The volume of trade between China and Africa quadrupled between 2001 and 2004. The volume of this trade, which amounted to US\$ 10 billion in 2001, rose to some US\$ 40 billion in 2005, and estimates are that it will continue to rise in the coming five years to US\$ 100 billion.⁷ Some 700 Chinese companies are active on the African continent, and they employ thousands of Chinese workers. The majority of these companies are involved in building infrastructure, in particular roads and housing as well as large-scale projects like airports. One striking aspect here must be seen in prestige projects like soccer stadiums that China has built in African capitals.⁸ Some 20 000 Chinese are working in Algeria alone. In 2005 Chinese direct investment in Africa totaled US\$ 900 million. Following the US and France, China has now become Africa's third-largest trade partner.

China's imports from Africa consist chiefly of natural resources, oil in particular: Some 30% of Chinese oil imports stem from Africa, and oil accounts for some 60% of China's imports from Africa. Africa is becoming increasingly important as a source of supply for China, and the country has little room for maneuver when it comes to its supply of energy resources. The main reason for this state of affairs is that the capacities of the big producer countries (Russia, Saudi Arabia etc.) are not sufficient to supply the world's third-largest oil importer (see Müller 2006). Sudan, Angola, and Nigeria are the main suppliers of the African oil that China so urgently needs. Nine of the ten African countries from which China imports appreciable quantities of goods are resource-rich states. Aside from oil, China imports industrial raw materials such as coltan, cobalt, platinum, and diamonds from Africa. The most important subregions for Chinese imports include East and Southern Africa, which account for a share of 31%, and West Africa (26%).

Quite aside from China's interest in expanding its trade relations, at present the African countries are the main partners of China's development cooperation. According to the Chinese fi-

nance ministry, all 53 African countries are recipients of Chinese development assistance. China has carried out some 700-800 projects in 48 African countries, most of them in agriculture, fisheries, infrastructure, and training of skilled personnel. While the form in which this aid is provided varies from country to country, in most cases preference is given to concessional loans and soft credits.

In addition, Chinese-African cooperation also takes on the form of joint ventures and technical-level project cooperation, with China dispatching technical experts and most projects being carried out by Chinese companies. The majority of technical-cooperation projects - some 44% of all technical projects - are located in West Africa. One important element of partnership is cooperation in the field of health care. Since 1963 nearly 20.000 Chinese nurses and doctors have been sent to Africa. At present there are roughly 1.100 Chinese doctors active in Africa. There are plans to intensify this medical cooperation in the future, and the focus will be on e.g. provision of anti-malaria drugs and training of local medical personnel (on this and what follows, see Gu 2005: 16ff.).

China provides education measures in the form of scholarships, and at present some 15 000 students from 52 African countries have scholarships to study in China. Nineteen Chinese universities maintain relations with 23 universities in Africa. China is also conducting training programs via the "African Human Resources Development Fund," which has thus far served to train a total of some 7.000 Africans. Beijing set up the African Human Resources Development Fund with a view to training personnel to improve administration in Africa. Up to 10.000 Africans are set to receive support from the fund within the coming three years.

The debt relief China has provided for African countries has amounted to some US\$ 1.2 billion. China, for instance, participated in the international debt-relief initiative for highly indebted poor countries (HIPC), although it restricted its involvement to countries that have diplomatic relations with China. Most of the countries set to benefit from the initiative are African. Moreover, China has raised its capital share in the African Development Bank (ADB) by US\$ 300 million.

The altered weight Africa now has in the ranking of Chinese interests is mirrored in the fact that in January China published a comprehensive paper on the principles and objectives of its Africa policy. Under the title "China's Africa Policy," the

⁶ For an outline of the history of China in Africa, see *Der Überblick* 4/2005: 33.

⁷ By comparison, the volume of trade between the EU25 and Africa amounted to roughly US\$ 180 billion in 2004.

⁸ Gu refers to these as "attention grabbing" projects (Gu 2005).

paper sets out the principles and objectives of China's policy in the fields of business, culture, health, social affairs, and peace and security. China has based its Africa policy on five principles of peaceful coexistence: "sincerity, equality and mutual benefit, solidarity and common development – these are the principles guiding China-Africa exchange and cooperation and the driving force to lasting China-Africa relations." (FMPRC 2006: 2) According to the paper, political and economic exchange is to be characterized by "mutual benefit" and "reciprocity." This is to be effected on the basis of a strict separation between economic cooperation and political conditionalities. However, the key criterion for the establishment and development of China's external relations is and remains the "one-China principle" (i.e. isolation of Taiwan) - a principles that is applied in China's relations with African states and regional organizations as well. The policy of noninterference in the internal affairs of another state remains the guiding principle of China's foreign policy. In the Chinese view, outside intervention of any kind needs to be legitimized by a UN⁹ Security Council resolution.

As far as its development cooperation with Africa is concerned, China generally emphasizes its solidarity with Africa as well as the import role the African continent plays for peace and development throughout the world. China continues to define itself as a developing country, underlining that it is consequently interested in seeing the interests of the developing countries appropriately represented. China and Africa, it is noted, are determined to strengthen the role of the UN and to safeguard the goals and principles of the UN Charter, without losing sight of the need to democratize international relations and to promote the legitimate rights and interests of the developing countries (FMPRC 2006: 3)

Western observers have pointed out that China's trade relations with Africa at the same time serve to secure the support of the African developing countries, which account for over one quarter of the UN member states, within international institutions. Cultivation of diplomatic relations is therefore an important element of China's Africa strategy: The past two years alone

have seen over 100 meetings between high-ranking Chinese and African politicians and business representatives (see Tull 2006).

OECD/DCA members have expressed concern over the issue of the political conditionalities¹⁰ they set in providing loans and credits. The high foreign-exchange reserves it holds enable the Chinese government to offer African countries credit on favorable terms, and without any conditionalities. Unlike the OECD/DAC members with their "best practice" criteria,¹¹ China does not insist that any good-governance criteria or social and environmental standards must be met. This entails the risk that the ODA provided by "new donors," most of it bilateral in nature, could be used by recipient countries for ends other than sustainable development. Provision of development aid with low (or no) conditionalities could e.g. serve to delay necessary reform processes or to allow funds to be diverted for wasteful or unproductive investment (see Manig 2006).

Concerns have also been voiced regarding resource-oriented regional strategies. In many African countries, unregulated exploitation of natural resources (oil, tropical timber, coltan, diamonds) is a factor contributing to poor governance. Illegal sales of natural resources serve to sustain war economies, which in turn fuel and prolong armed conflicts. Warlords and mercenaries use illegal trade in precious natural resources like diamonds to fund their activities, and continuing armed conflict may thus prove to be a rewarding business. With companies from the West also involved in this business, intergovernmental cooperation at least should be covered by international standards. Seen from this perspective, there can be no justification for China's close economic cooperation with internationally isolated regimes like those in Sudan¹² or Ango-

⁹ When it comes to implementation, China's policy toward the UN often differs from its rhetoric. At present roughly 1500 Chinese Blue Helmets are involved in UN peace missions (including in Liberia, Côte Ivoire, DRC, Sudan). At the same time, though, China is e.g. undercutting the UN arms embargo in Sudan, effectively diminishing the UN's influence on security matters there.

¹⁰ In recent decades the developing countries have repeatedly called for an end to conditionalities, voicing their opposition to sanctions and interference in their internal affairs. It is therefore not surprising that intensified South-South cooperation is not geared to the OECD guidelines; and China e.g. engages in trade with African countries that have been isolated by the West, in this way undercutting the latter's political influence.

¹¹ Even though the DAC is not a homogeneous group, it has defined criteria for ODA: It must be provided by the state sector, its main goal must be to promote economic and social development, and it must be provided on concessional terms.

¹² 6.9% of China's oil imports come from Sudan. Since 1996 the China National Petroleum Corporation (CNPC) has invested several US\$ billion in oil

la.¹³ China's current inclination to seek to gain a foothold in countries that have been denied support - or indeed even face sanctions - by the Western community has drawn criticism from many quarters. Moreover, between 2000 and 2003 China took second place only to Russia as the most important supplier of arms to the African continent.¹⁴ There is reason to fear that African-Chinese economic relations may entail negative effects for Africa's regional stability and security.

But looking beyond these critical aspects, we cannot overlook the fact that China has contributed positively to economic growth in Africa, which exceeded 5% in 2005.¹⁵ The infrastructure measures carried out by Chinese companies serve to promote trade, boosting economic growth. While most Western countries see African post-conflict countries merely as recipients of development aid, China has discovered in Africa locations for long-term investment. Even in Sierra Leone, one of the world's poorest countries, Chinese investment is helping to rebuild an infrastructure that was largely destroyed by 11 years of conflict. Infrastructure is a key condition for economic growth as well as for reaching the MDGs.

In sum, China's presence in Africa may be said to have both positive and negative aspects. Despite all of the criticism voiced by Western countries, it is possible to identify a number of common features shared by the programmatic approaches pursued vis-à-vis Africa by the European Union and China. In 2005 the EU formulated an Africa strategy designed to place partnership with African countries on a new footing, steering clear of any discriminatory approach to the continent. Moreover, the strategy emphasizes investment in infrastructure and rural development. In other words, the goal criteria formulated by Europe and China are in many respects compatible.

concessions and the construction of pipelines, port facilities, and refineries in Sudan, easily as much as it has invested in any other country.

¹³ In 2006 Angola took Saudi Arabia's place as China's principal oil supplier. In return China has renovated the country's main airport (see FT 24 Oct. 2006).

¹⁴ China's low production costs and relatively low-tech products enable it to supply developing countries that lack the funds they need to purchase weapon systems from Western countries (see Klenske 2006: 21).

¹⁵ See the OECD study: *The Rise of China and India: What's in it for Africa?* Paris 2006.

The African countries themselves are best able to compare the development engagement shown by China and the Western countries. In view of the fact that many African countries have benefited from their new trade and development partner, they are unable to understand Western criticism of China's development engagement in Africa. To cite Kenya's foreign minister as an example: "I find it outrageous that this question of China keeps coming up, especially in the international domain, when it is in the interest of Kenya to work on strengthening relations with China (...) You can call it a scramble for Africa, but a scramble for Africa with which we are willing negotiators." (FT 2006: 3). After all, Kenya's foreign minister went on, Western countries, from the US to Germany, trade with China, and Kenya would be stupid if it did not do the same (see FT 2006: 3).

5 Conclusion: Integration and dialogue

In view of the global changes outlined above, the greatest challenge will be to engage the rising powers in a constructive dialogue on sustainable development. The international community can benefit from a development that, first, sees the successful developing countries becoming less and less dependent on ODA and, second, places them in a position to provide ODA of their own. Efforts to harmonize development policy should not be intensified only in the EU; indeed, in the future they should also include "emerging donors" like China. Only on the basis of measures leading to the adoption of DAC criteria will it be possible to effectively and reasonably coordinate development aid and, above all, to reach agreement on a joint agenda governing the provision of ODA. This dialogue should be rooted in a learning process among equals, in a commitment of all of the actors involved to the MDGs and the coherent development policies that follow from it. Ultimately, China and the other rising powers (above all India and Brazil) will have to be integrated into international initiatives designed to contain the risks posed by our globally interdependent world. Development of joint principles and standards linking the traditional and new centers of power is the sine qua non for a multipolar world order.

From the perspective of the rising powers, though, this process of integration should take place not at the OECD level but at and through the UN. With a view to seeing development aid provided less on a bilateral and more at the multilateral level, some UN organizations have al-

ready started to develop cooperation with the governments of the "emerging donors," the aim being to build new partnerships together with them (see Cotterell/Harmer 2005: 19). At the international level, a number of concrete steps have already been taken toward dialogue with and integration of the rising powers. In February 2005 DAC and UNDP organized a forum on "Partnerships for more Effective Development Cooperation" which was also attended by Chinese representatives. Among the issues emphasized was the need to create a space for dialogue of "mutual benefit" as well as to provide support for South-South cooperation - and the DAC has since set up a "Centre of Cooperation for non-members." In the future, efforts should be undertaken to strengthen initiatives of this kind with a view to intensifying cooperation between "old" and "new" donors and promoting coordination of development cooperation. In this context the 2005 Paris Declaration on Aid Effectiveness may be seen as a good example of an initiative with a thrust in this direction - although it should be noted that implementation continues to be a voluntary project left up to sovereign states.

In the future, it would be particularly important to undertake efforts to intensify the dialogue between China, the African nations, and the Western countries on measures designed to prevent conflict and to preserve peace as well as to suppress the trade in small arms and the illegal exploitation of natural resources. Coming on the heels of the Forum on China-Africa Cooperation summit of November 2006, the G8 summit set

to be held this summer in Germany could prove to be a good opportunity to advance cooperation between Europe, China, and Africa.

6 Chance to enlarge the donor community

Intensified South-South engagement for regional and global development should be envisioned as a chance. The "emerging donors" could offer an alternative to the established donor-recipient structures, helping to reshape development policy as one component of a global structural policy by making available their own experiences as recipients of development aid. Moreover, the challenge of integrating China could serve to exert positive pressure on the DAC to give a more precise definition of its approaches to conditionality and coherence.

However, steps in the direction of a global responsibility toward poorer countries will have a chance of proving successful only if they are accompanied by economic, political, and social reforms in both the recipient countries and the new donor countries. The same principles should remain in effect here: poverty alleviation, reduction of income disparities between poor and rich, good governance, and efforts to combat corruption, the objective being to promote development, democracy, and peace.

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