



Development Aid as a Foreign Policy Tool

China's Unique Approach to Foreign Aid and its Implications for Global Power Dynamics

Author: Julia-Katharina Ohm

Supervisors: Prof. Dr. Caspar van den Berg and Alexandre C. Belloir

Capstone Project

BSc. Global Responsibility & Leadership

Campus Fryslân, University of Groningen

June 5th, 2023

Abstract

This paper examines China's approach to foreign aid as a tool for diplomacy and its implications for global power dynamics. Through a literature review and an analysis of three studies on the relationship between foreign aid, given by China, and voting alignment, at the United Nations General Assembly (UNGA), the paper explores to what extent Chinese aid is different from the traditional Western donors and to what extent this threatens Western hegemony. The results show that if total aid is considered there is no statistical significance in Chinese foreign aid influencing UNGA voting alignment. This shows the importance of distinguishing the type of foreign aid provided. Furthermore, to highlight the complexity of these dynamics the paper explores how foreign influences have different effects depending on the political systems of the recipient country, with autocracies being very influenced by grants and democracies by Other Official Flows. The discussion explores issues such as worries about the decline of US hegemony, the divergent perspectives of China and the West, the relationship between political alignment and natural resources, ramifications for culture and norms, and the difficulties brought on by the lack of transparency in Chinese aid. The results underline the need for a comprehensive understanding of China's aid strategy, its effects on recipient nations, and the consequences for the dynamics of world power. In order to manage the changing dynamics of international diplomacy and promote open and informed decision-making, the article stresses the significance of further research.

Keywords: China, foreign aid, voting alignment, US hegemony, Western countries, political alignment, natural resources, cultural implications, transparency.

TABLE OF CONTENTS

Introduction	4
Defining Foreign Aid	9
Background Knowledge	11
The History of Foreign Aid	11
Export-Import Bank of China and the China Development Bank	12
World Bank and International Monetary Fund	14
Theoretical Framework	16
Neo-Marxist Theory and Official Development Aid	16
Literature Review	19
Methodology	21
United Nations General Assembly	23
Discussion	28
Conclusion	33
References	34

Introduction

The landscape of foreign aid has undergone significant changes in recent years. Nontraditional donors such as China have emerged as central players alongside the West, which has historically dominated the foreign aid sector. Therefore, the rise of nontraditional donors poses a threat to Western hegemony (Parida, 2020). China becoming one of the most significant nontraditional donors, signifies a shifting power dynamic in the domain of foreign aid. However, the rise of China has been met with Western critique, particularly its new approach to aid emphasizing concerns about democracy, human rights, transparency, and accountability (Tharoor, 2022). However, Raess et al. (2022) argue that China is not reinventing foreign aid but rather utilizing the established system in its own way.

According to Bräutigam (2011), Chinese aid comes with unique characteristics that enable China to wield aid as a tool for political influence and soft power. China's approach to foreign aid is guided by eight principles (Wilson Center Digital Archive, 1964). These principles reflect a south-to-south collaboration, emphasizing that China views recipient nations as equals, given China's recent development and shared experiences with the challenges faced by aid receiving countries (Parida, 2020). For instance, the first principle emphasizes mutual and equal benefit, aiming for win-win partnerships that respect the choices of both China and the recipient country. The second principle emphasizes respecting recipient countries' sovereignty and acknowledging political diversity and different development models. This approach, devoid of conditions, contrasts the Western most important foreign aid institution, the World Bank (WB) and International Monetary Fund (IMF), which attach conditions, such as good governance, democracy, and compliance to the Washington Consensus, to aid (Raess et al., 2022). Therefore the Chinese approach stands out as an attractive alternative for countries, as it follows a

no-strings-attached policy, fostering mutual political gain. China does not require recipient nations to make significant internal reforms in exchange for aid, in striking contrast to the West, which frequently imposes these requirements (Nowak, 2015).

Despite its attractiveness, the West critiques entanglement with Chinese foreign aid, due to a fear of it being connected to supporting autocratic regimes and undermining democratic processes by providing financial assistance to governments with a history of bad human rights (Tharoor, 2022). They claim that this enables oppressive regimes to maintain power, further deteriorating democratic values and human rights within those nations. Furthermore, Chinese aid is criticized due to its lack of transparency (Bräutigam, 2011). Contrary to Western donors, the Chinese government does not share information about the amount of aid provided, attached conditions, or specific projects, making it difficult to obtain accurate data on its foreign aid activities. This lack of data hinders a comprehensive assessment of the true size and impact of Chinese aid, as existing information largely relies on Western estimations. The lack of transparency further complicates the understanding and analysis of the implications of Chinese aid on the broader landscape of foreign aid.

The growing importance of China as a nontraditional donor in the foreign aid landscape raises questions about its compatibility with the existing norms on how aid should be provided and its implications for global power dynamics. This thesis aims to examine the alignment of Chinese aid and politics on an international scale, arguing that both Chinese and Western foreign aid share a common goal of gaining global influence through aid, via different means. Western countries primarily rely on politically-driven Official Development Aid (ODA), offering loans with favorable terms to promote their foreign aid policies (Raess et al., 2022). In contrast, China, as a new donor, prioritizes economic interests by predominantly utilizing Other Official Finance

(OOF), which entails commercial-oriented aid with loans given at closer market rates. The outrage surrounding China's presence in the traditionally Western-dominated foreign aid scene stems from the perceived threat it poses to Western hegemony. China's increasing influence, coupled with its different approach to aid framed around economic gain rather than political motives, disrupts established norms and power dynamics within the international aid community (Bräutigam, 2011). This shift has led to concerns about the potential weakening of Western hegemony and the reconfiguration of global power relations.

The influence Chinese aid has on a global scale can be examined by analyzing voting patterns at the UNGA (United Nations General Assembly), specifically if countries change their allegiance after having received financial aid from China. Extensive research has been conducted on aid influencing votes at the UNGA with the common consensus that it has a longstanding history, dating back to the early years of the organization (Alexander & Rooney, 2019). Building upon this historical context, this analysis examines the impact of China's foreign aid on the behavior of aid recipients within the UNGA. By examining voting patterns at the UNGA, particularly if countries change allegiance after receiving financial aid from China, an attempt of assisting Chinese global influence can be made.

This results in the research question: *How does China's approach to foreign aid as a tool for diplomacy and influence differ from that of Western countries, and to what extent is it a threat to the current world order of Western hegemony?*

The reason the paper compares the Western region to a single country, China, is that the West as a whole better encompasses old donors and how aid is traditionally given (Mahbubani,

2010). Although the focus revolves around the hegemony, which is mainly established by the United States and its dominant role in the foreign aid sector, it is important to acknowledge its ties to Europe, and other Anglo-Saxon states (Australia, Canada, and New Zealand) regarding global policies. By solely focusing on the United States, the full scope of cooperation and shared influence among these countries would be overlooked. According to Mahbubani (2010), "One of the least understood (and surprisingly least studied) phenomena is how the West often functions as a single entity on global issues. On fundamental challenges, Western nations work together. This is powerful solidarity. " This observation highlights the aspect of Western countries' ability to act collectively and present a united front when facing significant global challenges. This is especially important in light of the paper's focus on Western and China's cultural and societal differences between modern and traditional donors.

This paper aims to make the following contribution to existing literature: First of all to add to the body of literature on new donors and their political and economic interests which are pursued through giving aid. Especially, since in accordance with Raess, et al. (2022) there appears to be a gap in the literature, on the political implications of Chinese aid, and how it affects global foreign aid policy decisions. Most studies that can be found in this field focus on China's influence on the African continent and how aid is used to gain influence in specific regions. However, remarkably little research has been done on Chinese aid flow on a global scale. The second contribution to the existing literature is highlighting the significance of China's commercially focused approach to foreign aid. By differentiating between economic and politically tied aid, this perspective offers a comprehensive understanding of China's aid strategy, beyond the political dimension. It emphasizes the importance of commercially oriented aid

assistance in advancing China's economic interests and exerting political influence on a global scale.

The thesis first gives an introduction, which also defines foreign aid. This is followed by the background knowledge that first tells the history of foreign aid followed by an introduction to the Export-Import Bank of China and the China Development Bank which is then compared to the Western equivalent, the World Bank and International Monetary Fund. Furthermore, a theoretical framework will be defined where the connection between Neo-Marxist theory and foreign aid is drawn. In addition, the literature review and methodology are given, which is followed by an analysis of voting patterns at the UNGA. The findings are then further examined in the discussion section, followed by the conclusion.

Defining Foreign Aid

Foreign aid consists of a variety of financial flows, as seen in Figure 1. It is a subcategory of Global Development Finance (GDF), which describes the overall landscape of financial flows that aims to further global development (Bräutigam, 201). Due to the focus on China and the West, thus primarily considering nations as actors, the paper will only consider official GDF, which is provided by governments or international institutions. Official GDF can be split into further two categories, ODA and OOF. ODA is a concessional loan that has more favorable terms than a normal commercial market rate loan and is considered to be the “golden standard” of the “Development Assistance Committee”¹ (DAC) as it is favored by traditional donors such as the WB and IMF. DAC defends ODA as a "flow of official financing administered with the

¹ DAC plays a major role in establishing the rules and norms for how foreign aid is conducted. Its 31 members are mostly from the northern hemisphere with the exception of Japan, South Korea, New Zealand, and Australia, resulting in a US-Eurocentric paradigm in defining foreign aid rather than a global approach (DAC, 2003).

promotion of the economic development and welfare of developing² countries as the main objective (DAC, 2003)". ODA can be further split into grants, which is a fund given without repayment, and concessional loans, which is money lent with a low interest rate and longer repayment period in order to make loans more accessible. It is important to note that anything that does not classify as a grant, is a loan with varying interest rates and repayment terms.



Figure 1: Flowchart of different Global development finance. Source: Bräutigam, 2011

Official foreign aid which does not meet the requirement of ODA falls under OOF. It consists of export credits, which help finance the sale of goods or services to the international markets (USOECD, 2017). It can be broken down into concessional loans, which are loans still given below market rate but are higher than ODA concessional loans, and loans given at market rate. OOF is defined as being commercial-oriented aid that follows economic interests rather than political ones. OOF is the preferred method by new donors such as China since loans given

² In the field of development studies there is a wide acknowledgement that the term developed and developing are considered to be controversial since it implies an overall hierarchy of mainly the West being developed and the rest of the world having to catch up. However, due to the majority of literature still using these terms and simplicity the paper will continue using these terms.

near or at market rate aim to promote their own countries' investment. Infrastructure projects are often financed through OOF due there more commercial nature and donor countries being able to employ contractors and workers from their own countries and therefore also gain their own commercial interest.

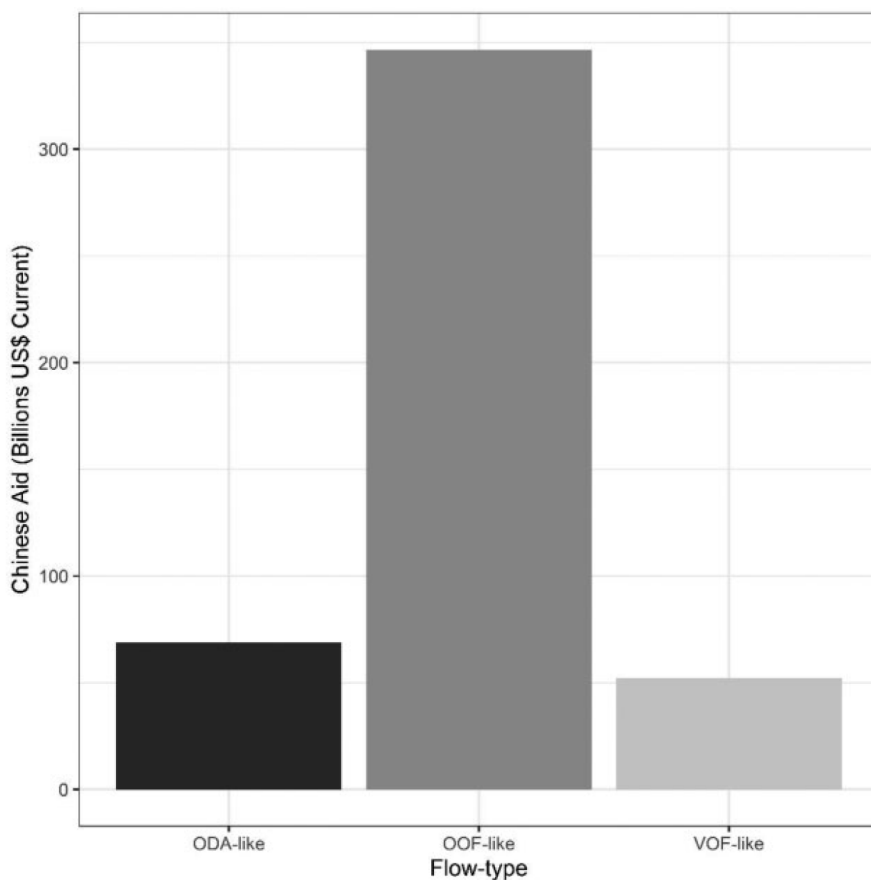


Figure 2: Chinese aid by OECD–DAC definitions (2000–2014). Source: Raess, et al., 2022

As seen in Figure 2 China does provide ODA type of foreign aid however it appears insignificant next to the nearly 400 billion US dollars provided in Chinese foreign aid. Vague Official Fiance (VOF) is a new category established by the WB to refer to Chinese foreign aid which lacks information on whether to classify it as ODA or OOF (World Bank, 2017).

Therefore through the paper OOF will be referred to as Chinese aid and ODA as mainly Western aid.

Background Knowledge

The History of Foreign Aid

Development Aid started after the Second World War, with the Marshall Plan being the first project by the USA (Mughanda, 2011). The United States was in the privileged position of not being severely impacted by the Second World War on their land and was in the financial position to help Europe develop (National Archives, 2021). However, with the start of the Cold War, the United States entered into a hegemonic rivalry with the Soviet Union (AP Central, 2022). During the bipolar order, foreign aid was used as a political and strategic tool to gain influence within other countries. When the Soviet Union collapsed and thus also lost the Cold War, the United States was able to establish a near hegemony across the globe, also resulting in their dominance in the foreign aid sector through collaboration with European countries in the WB and IMF (AP Central, 2022). However, nowadays China has increased global influence which is also evident in the foreign aid sector. This threatens the United States hegemony, especially when considering China as being culturally and historically closer to Asian countries and the African continent (Luce, 2021).

Export-Import Bank of China and the China Development Bank

China's banking industry experienced significant reforms in the middle of the 1990s with the help of international development aid, modernizing its banking structure, and establishing

government-owned policy banks. As a result, China has become able to make investments abroad, join new markets, and establish business ties with other countries. Before the reforms, China's banking system was centrally planned and state-owned, causing it to be inefficient (Xu, 2020). The government used banks to fund state-owned enterprises. These projects had no financial viability, which led to non-performing loans and financial losses for the banks.

Recognizing the need for reform, China relied on foreign development aid to finance and help build a new banking system. These projects were financed by international organizations such as the Asian Development Bank but also the WB. Both provided technical help, financing, and policy advice. This led to the introduction of market-oriented mechanisms and the restructuring of state-owned banks (Kafayat Amusa et al., 2016). The result of the modernization led to reform, making China's banking system more effective and competitive. This significantly contributed to the economic expansion of the nation. Additionally, it made it possible for China to invest abroad, strengthening its economic relations with other nations (Xu, 2020). These particular changes were brought about by forming three new banks: The export-Import Bank of China (China Eximbank), the China Agricultural Development Bank, and the China Development Bank. China's Exim Bank is a state-owned policy bank that supports China's foreign trade and investment, whereas China's Development Bank is a policy bank that is an extension of the State Council of China. The division of responsibility allowed for target financing leading to the new establishment of an economic and trade strategy (BRICS Policy Center, 2018). This change has ultimately allowed China to enter the mineral and natural resources market in addition to investment in developing countries. Furthermore, the China Exim Bank and the CDB play a key role in realizing China's Belt Road initiative, with the aim to establish a global network in order to improve trade ties between Asia, Africa, Europe, and the

Middle East (Larsen et al., 2023). This is accomplished through projects such as roads, railways, ports, and telecommunications networks. This has allowed China to expand into new markets and strengthen its economic ties. The initiative is seen as one of China's important foreign aid policy strategies. Thus its success will be dependent in large part on the policy banks' continued support.

In order to understand the difference between China and the traditional Western approach it is also important to examine the different lending systems. China predominantly uses OOF, which is typically provided by government-owned policy banks (China Eximbank and CDB). OOF can be viewed as an investment rather than an act of charity, as it allows countries such as China to strategically extend their economic influence, forge international partnerships, and further their national initiatives such as the Belt and Road Initiative. The West is mainly represented by WB and IMF followers of the principles of ODA, which are supposed to reduce poverty and assist in social development. On one hand, the Western approach to aid is often criticized for its condition and use to establish dominant power. On the other hand, Chinese loans are criticized mainly for promoting their own economic interest and expanding their global interest. These distinct lending systems reflect the different priorities and strategies of China and the West in their foreign aid policies.

World Bank and International Monetary Fund

Two significant events that occurred after World War II shaped the structure of foreign aid in the West. The first was the Marshall Plan's execution, a US-sponsored initiative to rebuild Europe after World War II. The second is the creation of international institutions: WB, IMF, and the United Nations (UN). These international organizations have had a significant impact on

power dynamics including how aid is allocated. The WB and IMF were established as the two main pillars of the Bretton Woods system, which was set up to provide global economic stability (Masters & Chatzky, 2019). It was created as a response to the economic devastation that European countries faced post World War II and to help rebuild war-torn Europe and the “underdeveloped world” through loans and financing infrastructure projects (Haslam et al, 2021). Its main task was to stabilize the economy and international currencies by strengthening the economy in the developing world through economic reform and market liberalization. However, the Bretton Woods System collapsed in 1971, leading to the roles of IMF and WB being redesigned. The IMF went from maintaining currency stability to becoming an “international lender of last resort” (Driscoll, 1995), meaning that countries that required money to pay the international debt could use the IMF for an emergency loan. The IMF also started to focus on monitoring and assisting countries that had unstable financial situations. The WB went from being used for loans for European countries destroyed by World War II to funding projects regarding infrastructure (Haslam et al, 2021). After the 1970s, the WB and IMF focused on alleviating global poverty, which was attempted by expanded operations to hand out more loans, that were accompanied by Structural Adjustment Programs (SAPs), which was a one size fits all approach to help countries develop (Driscoll, 1995). These SAPs were highly criticized because they threatened the sovereignty of countries and the implementation was often at the expense of social programs, with the focus being on infrastructure. Because of this, the WB and IMF were called out for worsening poverty and inequality with their aim being solely to benefit Western countries rather than helping address the severe issues within the countries. As a response, the WB argued that SAPs were failing due to bad governance, reintroducing the idea of intervention in developing countries (Haslam et al, 2021). Nowadays WB and IMF focus on economic,

human, and institutional development(Driscoll, 1995). Although the IMF and WB appear to have changed and learned from their mistakes they are still met with considerable criticism today, with the main one being that the Institutions operate in a predominantly Western paradigm with the president of the IMF always coming from the European Union and the president of the World Bank always being American (Masters et al, 2019). The United States hegemony in the foreign aid sphere can be further argued when looking at voting rights in the IMF. For an act to pass it needs at least 85% approval (IMF, 2022). Being the largest shareholder, the United States owns 17.43% of the voting rights, thereby giving them veto power and preventing any decisions from being taken without their approval (Weiss, 2022). This further strengthens the arguments of the United States holding hegemony power in the foreign sections, especially in light of the IMF always acting within American interest.

Theoretical Framework

Neo-Marxist Theory and Foreign Aid

The thesis aims to understand the differences between the foreign aid provided by China and the West and how this is reflected in their intentions. This research will be conducted through the lens that donor countries give foreign aid, not as a selfless altruistic act but to serve their self-interest. This is best understood by utilizing Neo-Marxist theory as a lens, which states that foreign aid is a self-serving tool by donor countries and financial institutions that provide loans to advance their own political and economic interests (Culley, 1977). Thus, the aid that is provided does not aim to address poverty and inequality within recipient countries but rather benefits the wealthy recipients and international corporations of the donor countries.

Furthermore, Neo-Marxism states that foreign aid is often given with conditions such as privatization, deregulation, and trade liberalization, which aim to introduce a neoliberal economy within recipient countries (Sayumphu, 2022). These conditions are also of interest to foreign investors and corporations for them to increase their financial resources through for example trade relations, at the expense of local communities, where SAPs heightened inequality, political instability, and social unrest (Madhavan & Oakley, 2011). Furthermore, Neo-Marxism argues that foreign aid is used to exert political influence on recipient countries (Culley, 1977). Thus, financial aid can be used to exert pressure on the recipient to follow regulations that are advantageous to the donors, whether it be to win over political allies or acquire access to markets and natural resources.

By considering the Hobbesian state of nature, which expresses national security and self-preservation as the primary objective of the nation-state (Mughanda, 2011). Thus, foreign aid can help a country's interests in maximizing its power and increasing its security. This need for establishing hegemony can be further understood when considering the social security dilemma when a country feels threatened by the actions of another country, causing it to take more security precautions (Waltz, 1988). The only way a country does not feel threatened is if it has absolute hegemony, meaning due to being the largest power it does not feel threatened by other countries. A tool which has been used to establish hegemony and gain influence is foreign aid, indicating that through providing aid the donor country's influence with the leader of the recipient country. In addition, they also gain economic benefits, through establishing dominance, and promoting their political interests, which in the case of the west, specifically the United States, is democracy, human rights, and other certain values (Mughanda, 2011).

The use of foreign aid as a self-serving tool is well-known, as it often provides aid on

highly favorable terms with the condition of gaining political favor. However, to fully grasp the dynamics of foreign aid, it is equally important to examine OOF and their Neo-Marxist implications. ODA, commonly given by the west, has been criticized for its Neo-Colonial perspective, where recipient countries are expected to meet Western standards to receive aid. Yet, OOF, typically given by China, does not impose such requirements. Considering China's rise, it would be naive to assume that OOF comes without political strings attached. This is evident with both scholarly journals and Western news media having coined the term China's debt trap, where loans are given to countries that struggle to repay them, leading to China gaining political influence. Debt trap refers to a phenomenon where loans are given to developing countries, intending to gain political influence and strategic advantages (Sautman & Hairong, 2019). The loans are granted to countries that face financial difficulties or lack access to alternative sources of financing. However, the loans are given with high-interest rates with a short repayment period, resulting in the loans being burdensome on the country. This results in the recipient country being trapped in a debt cycle, unable to repay loans. The consequence can be that those countries fail to repay their debt, leading them to be increasingly dependent on the donor country. The debt trap can be seen as a form of Neo-Marxism due to its exploitative nature and power dynamics. Intentionally burdening the recipient country forcing them to become more dependent on the recipient nation and stuck in a debt cycle. This leads to a stark power imbalance allowing the donor country to exert significant influence in economic and political decision-making in the recipient country, which perpetuates inequality and reinforces the dominance of the donor country over the recipient (Sautman & Hairong, 2019).

To summarize foreign aid, driven by self-interest, serves as a self-serving tool for donor countries. The Neo-Marxist theory highlights how the conditions under which foreign aid is

given reinforce inequality and strengthen the dominance of donor countries. By exercising political influence and creating dependency, the donor countries reinforce their control over recipient nations. Understanding these dynamics is essential for comprehending the complexities of foreign aid and its implications in global power dynamics.

Literature Review

Foreign aid is widely believed to be given out of altruistic motivations, to reduce poverty in developing nations (World Bank, 1998). However, multiple studies have proven that old donors, who are part of the WB and IMF give aid to pursue their own economic and political interests, as also proven with the adaptation of a Neo-Marxist political framework. The emergence of new donors has resulted in a shift of the altruistic foreign aid paradigm especially with Chinese foreign aid being based on mutual benefit aiming for a win-win situation. This implies that China gives aid with the aim to also benefit from the transaction diverging from the altruistic narrative.

Thus, most literature covers the impact and effect of Chinese aid in different regions. Several studies have highlighted the strategic motivations behind China's aid policies, with the overall consensus being that the country aims to enhance its geopolitical influence and secure access to resources. Furthermore, the economic and developmental influence of Chinese aid has been well examined in different countries revealing positive and negative outcomes. Positive implications are seen in Chinese aid contributing to infrastructure development and also supporting economic growth, whereas negative consequences are seen in the potential countries falling into a debt trap and harmful effects on local industries (Madhavan & Oakley, 2011). Furthermore, many papers underline a concern that the lack of clear conditions for Chinese aid

also leads to the democratic process being undermined, one of the most critical conditions of Western aid (Mughanda, 2011).

Most literature about Chinese foreign aid is focused on the African continent. This is due to the heated discussion in the news about whether China has Neo-Colonial intentions with African countries through providing foreign aid. The reason why most literature focuses on Africa as a whole and not one country is that on the international scene, Africa often acts as one unit (Tan-Mullins et al, 2010). Several studies have been conducted on the subject of foreign aid and its effect on recipient countries. Some studies have also examined the motivations of donor countries' providing foreign aid. A study by Dreher, et al. (2016) compared the aid allocation of China and traditional Western donors in Africa. The study found that China's aid allocation was largely motivated by economic interests, while Western donors allocated aid based on recipient countries' needs and governance quality. Boone (1996) examined the connection between foreign aid and economic expansion in African nations. The study found that while foreign aid had no effect on nations with poor economic policies, it did affect economic growth in nations with strong economic policies. McGillivray (2004) also investigated how human development in Africa and foreign aid are related.

The study's findings indicated that, while foreign aid had a beneficial impact on human development overall, the impact differed among sectors. However, the literature also demonstrates that, depending on factors like the economic policies of recipient countries, Chinese foreign aid has shown positive impacts on economic growth and human development in Africa. The general consensus in the literature suggests that Chinese foreign aid raises concerns about potential neo-colonial intentions.

There have been studies done on the impact of Chinese aid on Eastern Europe and Asia, despite the fact that the majority of the research focuses on the African continent. For instance, a study conducted by Hillman (2018) analyzed Chinese-funded infrastructure projects between 2013 and 2017 including 45 countries across Europe and Asia. The results of the paper found that the Chinese funded development projects such as ports and railways in Eastern Europe have great potential to lead to economic growth in addition to creating jobs. However, the paper also addresses raised concerns about the displacement of local residents and the exploitation of natural resources. Similar results also apply to Chinese aid in Asia. Furthermore, existing literature also researches the political implications of Chinese aid. For instance, due to the lack of conditions, Chinese aid has been linked to supporting autocratic regimes in Eastern Europe and Asia, which raises concerns about the impact on human rights and democracy (Bader, 2015).

In addition, the existing body of literature on Chinese aid predominantly centers on ODA as the primary tool for political influence, primarily influenced by the Western nations' perception of aid provision (Raess et al., 2022). However, this focus tends to overlook the significant role of OOF aid, specifically commercially focused approaches, which also play a substantial part in China's foreign aid policy. China's commercially focused aid initiatives not only yield economic gains through higher interest rates but also serve as a means to exert influence and advance political interests in recipient nations. This strategic approach enables China to provide aid that aligns with its own interests. However, prior studies on Chinese foreign aid have primarily emphasized the political effects of China's assistance abroad while underestimating the importance of its economic component. By differentiating between economically and politically tied aid and highlighting the significance of commercial interest, this paper aims to present a new perspective that goes beyond the narrow focus on political

dimensions, thereby contributing to a more comprehensive understanding of China's aid strategy on a global political scale. This is also further explored by Raess, et al., (2022) study about the influence Chinese aid has on political alignment and voting patterns and its potential in changing power dynamics. However, most research focuses on the influence Chinese aid has on particular regions assessing whether the methods used by new donors are as effective as the ones used by old donors. Thus, the focus of most literature covering the topic is context specific, failing to address China's overall influence gained on a global level. To date, studies addressing Chinese influence on a global scale are rather limited, specifically those addressing the impact of Chinese aid on the alignment of recipient countries with China. However, Raess, et al. (2022), Parida (2020), and Abduli (2018) stand as notable contributions in this regard.

Methodology

The two main methods used to answer the research question are a literature review and a comparison of research papers about voting alignment at the UNGA influencing my foreign aid. This thesis employs a literature review to gain a better understanding of how Chinese foreign aid works and how it differentiates from the Western traditional donor style, possibly leading to a threat to Western hegemony. During the analysis, papers that view Chinese influence critically and research that sees new opportunities in the Chinese new donor approach were assessed. Moreover, the examination of voting patterns in the UNGA is employed to investigate the potential influence of Chinese aid on recipient countries' voting behavior, aiming to determine whether providing aid can sway their alignment to supporting the donor country. The influence on voting behavior follows the research conducted by Raess, et al. (2022), Parida (2020), and Abduli (2018), which have been identified as the main three papers to have done research on

Chinese influence on UNGA voting alignment. In addition, the results will demonstrate potential distinctions in the reception of ODA and OOF.

While ODA is commonly associated with political ties and provided on more favorable terms, OOF, which is primarily driven by economic objectives, is not known to come with direct political requirements. However, if countries that receive OOF display a higher tendency to vote in favor of their donor country, it implies that there are implicit political considerations involved, indicating that OOF also serves as a tool for advancing political self-interest. To determine whether the results are significant the discussion will look at various subcategories of these different approaches to foreign aid, aiming to answer how both China and the West use aid as a tool for advancing their self-interest and to what extent their approach differs. One subcategory is to examine how China's lack of transparency can lead to wrong results and what implications this holds. Another is the contrasting morals behind the aid, with the West emphasizing the teaching of democratic values, while China offers non-conditional aid. This study uses a deductive method by testing a hypothesis based on an existing theory and then gathering data to either validate or disprove the hypothesis.

However, the study recognizes the importance of acknowledging biases, especially when coming from a Western cultural background, and examining biases on both sides. Especially, due to China's lack of transparency, most of the data used throughout the paper is based on estimates by Western corporations. Therefore, the study does not take any norms and values as universal but as being culturally significant.

United Nations General Assembly

The UNGA holds immense significance in the realm of international development and reflects the current political climate (Parida, 2020). Within this context, China is accused of using foreign aid as a tool to exercise soft power by influencing the votes of other countries at the UNGA. This is because China recognizes the UN as an important pillar to advance its global influence, where the aim is to exercise power through foreign aid investment to build allies and operate outside the Western-dominated spear of international order (Foot, 2014). However, buying votes at the UNGA has a long-standing history of wealthy nations using economic and political bribes to sway the votes of smaller countries. This practice was especially prominent during the Cold War when the United States and the Soviet Union were trying to win UNGA members for their respective ideologies (Alexander & Rooney, 2019). Studies have shown that voter buying is still relevant today especially when looking at the power struggles between China and the West, more specifically the United States whose votes at the UNGA are nearly in opposition to China. Between 1996 and 2007, China and the USA demonstrated a mutual voting alignment of 11.7% (Shambaugh, 2013). Showing that China sees an opportunity in advancing its rivalry against the United States in the UNGA. Furthermore, China has an interest in cultivating relationships with international organizations through its participation in the UNGA, as it can enhance support for its policies and facilitate diplomatic ties. Thus, voter buying remains a challenge, particularly the possibility of China buying votes at the UNGA has raised concerns with Western countries. Efforts, such as practicing a code of conduct, enhancing transparency, and inspecting voting patterns have been made to reduce the influence of voter buying but the challenge persists (United Nations, 2022). Numerous studies have shown that there is an existing correlation between voting patterns and interest specifically tied to aid. Due

to this, further looking into the voting patterns of the UNGA provides valuable insights into understanding the dynamic between foreign aid, and global influence, which will be done by further examining three studies conducted about China and its influence on UNGA voting behavior. All studies compared a data set with Chinese aid allocation to one about UNGA votes and by using different methods to test whether a country's alignment changes after having received Chinese aid.

Firstly, Parida (2020) conducted a study investigating the voting alignment of countries with China at the UNGA and its relationship with foreign aid. The research utilized correlation analysis and regression modeling techniques to analyze data on aid given to recipient countries, alignment with China, and other relevant factors. The dataset used included voting records of all UNGA members on UN resolutions from 1948 until 2016. The data set about Chinese aid allocations was obtained from AidData's Global Chinese Official Finance (AGCOF) database, considered one of the most accurate reflections on Chinese foreign aid from an outside source since Beijing does not reveal any official information about their aid allocations. The findings revealed a weak correlation between aid received and voting alignment with China, as indicated by the low correlation coefficient. This suggests that the relationship between aid and voting behavior is not statistically significant, with a correlation coefficient of 0.077 for total aid per capita (Parida, 2020). The results imply that other factors beyond aid, such as geopolitical considerations, trade relationships, and political systems, may exert a stronger influence on countries' alignment with China at the UNGA. It is important to note that the low probability associated with the correlation coefficient further supports the notion that aid alone may not be a significant determinant of voting behavior. Furthermore, the study indicated a negative correlation between aid per capita and alignment, indicating that increased alignment with China

leads to a decrease in foreign aid. In other words, as a country aligns more closely with China in its voting patterns, the study found that it tends to receive less foreign aid from China. This suggests that China may allocate its aid resources strategically, directing them towards countries that are less aligned with its positions or where it sees a greater opportunity for influence.

However, when further considering the implication of the result it must be noted that the study does not differentiate between OOF and ODA. By not distinguishing the paper misses valuable insights into how the aid is given and what different implications this can hold (Parida, 2020).

Secondly, Raess, et al. (2022) conducted a study to examine the index of agreement between voting patterns at the UNGA and the aid received from China. Similar to Parida, information about Chinese aid allocation was obtained from the AGCOF database. The study employed a regression analysis using Ordinary Least Squares (OLS). The findings indicated that Chinese aid, particularly OOF, leads to closer political alignment with China at the UNGA. The significance of both findings is below a p-value of 0.01 thus indicating a strong statistical relationship. Thus the study shows an increase in OOF results in a decrease in ideal point distance from China, resulting in a closer alignment between the recipient countries and China in their voting pattern. Furthermore, the study revealed that the effect OOF has on voting alignment at UNGA is great within democracies while the effect on autocracies is close to zero.

Additionally, the study's first-stage results, F-statistics, and Wu-Hausman test results provide support for the validity and necessity of the instruments employed, further strengthening the study's findings. Thus the results of the study strongly support the main hypothesis that Chinese OOF-type aid is influential in shaping voting patterns and alignment, particularly among democracies. Overall, the study concludes that Chinese OOF-type aid is a tool used for influencing recipient countries' voting behavior and political alignment in the UNGA.

Thirdly, Abduli (2018) conducted a study focusing on the factors influencing the voting patterns of both developed and developing countries at the UN. Differently from the previous studies the paper categorized Chinese aid flow into three categories: 1. ODA and OOF, 2. Program aid and project aid³, and 3. Grants and loans. Furthermore, the research specifically selected 120 developing countries based on their level of interference with Chinese aid, and their membership at the UN, with a particular focus on the regions Asia, Africa, and Latin America. The dependent variable of the study was the level of alignment with China, measured by the similarity of voting patterns with recipient countries. The main independent variable was the amount of Chinese foreign aid received per year in million US dollars. The data set included control variables such as aid provided by the United States and trade, along with other factors such as natural resources, lack of democracy, GDP, and population. The method employed was a time-series cross-sectional analysis using panel data and the same AGCOF data set about China's aid allocation as the previous two studies. The results showed that the impact of Chinese aid on alignment was statistically significant, particularly for Chinese grants. However, no statistical significance was observed for other types of aid allocation. The findings indicated that if the proportion of aid from the USA decreases, countries become less likely to vote in line with the United States. This suggests that Chinese aid weakens US hegemony by providing an alternative and weakening US control within the UNGA. Additionally, countries with high levels of Chinese exports were more inclined to vote with China, indicating that trade ties influence voting preferences. Furthermore, the study revealed that countries with significant natural resources and democracies were less likely to align with China, although the influence was not statistically

³ Project-related aid is linked to initiatives that support the social infrastructure, including those that provide emergency assistance, healthcare, and social infrastructure services. Program-aid is dedicated to providing financial assistance, food assistance, debt reduction, and other commodities assistance (Abduli, 2018).

significant. Therefore, the findings imply that alignment with China is more prevalent in less democratic countries.

All three studies employ different methods and in turn, have different findings. On one hand Parida's (2020) study suggests a weak correlation between foreign aid and voting alignments between China and countries that received its foreign aid. However, the study looks at aid in total and does not differentiate. In addition, the paper suggests that foreign aid alone may not be a major determining factor in shaping countries' voting behavior. On the other hand, Raess et al. (2022) findings highlight the influential role of Chinese aid, particularly OOF, in building political alignments between recipient countries and China at the UNGA. The paper emphasizes how China utilizes diplomatic strategies to grow its international influence. Thus, despite the weak correlation observed in Parida's study, the findings suggest that particularly OOF may be a significant factor in shaping voting patterns at the UNGA. However, Abduli's (2018) study highlights the complex interplay of factors, including Chinese aid, trade relations, natural resources, and political systems, in influencing voting preferences at the UNGA. The paper emphasizes the need to consider a combination of economic, political, and strategic factors when analyzing countries' alignment with China at the UNGA. Furthermore, Abduli's paper is the only one measuring the effect on how Chinese aid impacts Western influence thus addressing how China's approach to foreign aid differs from that of Western countries, raising questions about the potential threat to Western hegemony. Thus the distinction in aid practices between China and Western donors may contribute to the differing results observed in the studies, highlighting the importance of understanding China's unique approach to aid allocation and its implications. These findings highlight the importance of having a thorough understanding of the

UNGA dynamics and raised concerns about China's aid policy and its effects on the international order as a whole.

Discussion

The paper aims to answer how China's approach to foreign aid is used as a tool for diplomacy and to what extent it differs from the West. After thorough literature research and comparing three studies that examine the relationship between foreign aid and voting alignment in the UNGA, there appears to be little consensus on the extent of Chinese influence through foreign aid. However, the points discussed throughout the literature appear to be recurring themes that need to further be investigated.

The first topic is the different types of Chinese aid and the impact it has. While one study only found Chinese grants to be significant in political influence, another found OOF to be very influential. However, when discussing the implication of the studies data sets must further be examined. Raess, et al. (2022), find a high correlation between democracies and the influence of OOF, which is explained through democracies having better capabilities of taking on the responsibility of a higher loan connected to OOF. This is because democracies tend to be more transparent and accountable leading to better allocation and utilization of an OOF fund, which is also further ensured through the inclusive decision-making process of democracies (Raess, et al., 2022). Abdulie (2018) classified ODA and OOF in one category, comparing them to program-aid and project-aid in addition to grants and loans. This is a fundamentally different categorization of foreign compared to previous literature, which possibly explains the difference in findings, due to this paper employing Bräutigam (2011) definitions of GDF, which defines grants as a subcategory of ODA and not seeing it as a different classification as done by Abdulie (2018).

Furthermore, Abduli (2018) used a more compromised data set on countries, by imposing criteria thus excluding countries that would be in the other data set. The differences in the data set and methodology could explain why Abduli (2018) found grants to be the most influential type of foreign aid, with the greatest effect being on autocracies. However, if OOF works best with democracies due to their allocation capabilities, then grants might be more suitable for autocracies as they face fewer consequences for misallocation, embezzlement, and similar issues. Furthermore, Abduli (2018) does not address the implication of an absence of consequences for misallocation and embezzlement of aid in autocracies. The lack of requirements and oversight of the money flow attached to grants may enable autocratic regimes to divert funds for objectives contrary to development purposes or perpetuate corrupt practices without facing significant consequences. Especially considering that contrary to OOF with high-interest rates, grants are not required to be paid back. This finding gives validity to the Western concern that Chinese aid with no conditioning attached, particularly through the provision of grants, may inadvertently contribute to sustaining or enabling bad governance in recipient countries.

Secondly, the concern surrounding the weakening of US hegemony arises from the contrasting approaches of Chinese aid compared to the WB and IMF, which emphasize SAPs and aid conditionalities based on the concept of good governance. This fundamental difference in aid provision contributes to the fear surrounding Chinese aid and its potential impact on US hegemony and by extension the one of the Western world. Thus, although the findings of all three studies differ, they still have a significant implication in understanding the dynamic of Chinese aid and how it impacts global dynamics. Additionally, the contrasting results regarding the influence of different types of Chinese aid, such as grants and OOF, highlight the complexity of Chinese foreign aid and its different effects on political alignment. Furthermore, it highlights

how Chinese aid serves as an alternative to traditional Western aid, provided by the WB and IMF. China's aid, in particular its non-conditional grants, gives recipient nations an alternative strategy that does not prioritize structural or governance improvements. This is especially appealing to countries desiring more independence in their development strategy and those who may be wary of Western influence and conditions. This poses a challenge to Western, and especially United States hegemony within the United Nations. This is due to China's aid challenging the US' historical hegemony in determining UN resolutions and policies by offering a different source of aid to nations and influencing their voting habits. Furthermore, the United States could previously apply sanctions to countries that opposed its direction. However, with the rise of Chinese aid passing as a new alternative, the consequences of facing sanctions and losing access to global markets are reduced. As a result, there may be a change in the way that the US uses its hegemonic power because China's increasing influence in world affairs has the potential to change the way the world's power is distributed. Due to some countries' increasing reliance on Chinese aid, alliances, and partnerships may get restructured, which may lessen the leverage and influence of traditional Western donors. The paper also emphasizes how recipient countries' voting patterns are shaped by trade relations. The findings suggest that countries with close economic ties to China are more inclined to vote in favor of China's interests. This shows how economic interests and political alignment are connected, with trade links influencing how countries vote in international organizations like the UN.

Thirdly, Abduli (2018) argues that there is a link between political alignment and countries that have natural resources. According to the research, nations that have abundant natural resources are less inclined to vote with China at the UNGA. However, Abduli (2018) does not develop further into explaining the connection, due to its low significance at 1%.

Further research would be required to comprehend the underlying dynamics and possible causes. However, a possible explanation is that with foreign aid such as OOF China pursues multiple interests. One of them is the discussed political influence as demonstrated by UNGA voting alignment, however, China also seeks to gain access to natural resources, mainly due to its large factories (Abduli, 2018). Therefore countries with natural resources hold more negotiating power with China due to the countries controlling the assets China is interested in. Thus, perhaps the reason why countries with natural resources are less inclined to vote with China could be due to a slight power rebalance.

Fourthly, as defined by Bräutigam (2011), Chinese aid comes with Chinese characters. Thus when talking about the implications of Chinese aid and its cultural and normative implications that shape the aid must be addressed. Chinese aid is influenced by a unique combination of the nation's history, cultural values, and geopolitical factors, leading to it creating its new approach to aid different from how the West traditionally did it (Bräutigam, 2011). Thus China's motivations for helping other countries can be better comprehended by looking at these points. A particular instance is China's emphasis on respecting the recipient's country's sovereignty and refraining from intervening in domestic affairs. Therefore, contrary to Western donors, China does not impose political reforms or dictate certain development projects. Instead, it encourages the idea of cooperation and respect between donor and recipient. China's aid strategy may provide recipient nations with more flexibility and autonomy as an alternative to conventional Western aid agreements. In particular, Chinese aid does not call into question matters such as government, environmental sustainability, and human rights. Therefore China frequently deviates from Western standards and principles in its approach to foreign aid. Thus Chinese aid has important cultural and normative ramifications for recipient nations. Their

special characteristics lead to a deviation from Western norms resulting in variations affecting both the growth of the recipients' nations and the overall aid landscape.

Fifthly, due to a lack of transparency, the scope of Chinese influence through foreign aid is difficult to grasp. China does not publicly release official data regarding its foreign aid initiatives, which contrasts with Western nations that frequently publish comprehensive information about their aid allocation (Tharoor, 2022). Thus it is challenging to find information about the character, scope, and recipients of Chinese aid. Due to the lack of transparency, research relies on estimation and data collection from outside sources in order to gain an understanding of Chinese aid distribution. One of the most accurate data sets the AGCOF was also used in all three analyses of the UNGA voting alignment (Abduli, 2018). Although these estimates contribute to understanding, they could contain errors, gaps, or biases. Because of the level of ambiguity and potential constraints created by relying on outside sources for data, it is difficult to determine the exact scope and impact of Chinese aid. This affects how the data should be interpreted and examined (Bräutigam, 2011). For instance, the assumption drawn based on the data must be done with caution due to deriving assumptions from incomplete data or potentially false data. Thus it is important to thoroughly evaluate the data's correctness and reliability to recognize any limitations. Furthermore, the lack of transparency might make it difficult to compare Chinese aid to Western nations or conduct cross-country assessments. The absence of comprehensive and standardized reporting practices by China hinders comparative studies and a comprehensive understanding of foreign aid.

At last, the findings of the study have important implications for decision-making by policymakers, international organizations, and recipient countries. It suggests that understanding the influence of foreign aid goes beyond voting patterns in the UNGA and involves considering

additional variables. Furthermore, it suggests that the dynamics of the UNGA are influenced by geopolitics, trade ties, and political systems, which need to be further comprehended. In addition, the advantages, disadvantages, and problems of closer connections with China should be taken into account. A thorough understanding of global dynamics, including economic incentives, trade ties, and transparency in voting patterns, is crucial for international relations and global governance. Continuous study and monitoring are necessary as these dynamics change. Historical examples emphasize the importance of understanding the financial and political incentives in manipulating voting behavior. Further research and analysis are needed to fully understand how China influences voting behavior and recipient countries' perspectives. This knowledge will inform policymakers and international actors in their decision-making process to adapt to evolving global diplomacy and promote transparency.

Conclusion

To conclude, the thesis aims to answer the research question “How does China's approach to foreign aid as a tool for diplomacy and influence differ from that of Western countries, and to what extent is it a threat to the current world order of Western hegemony?”. This was done by contrasting the different approaches to foreign aid between China and Western countries, shedding light on their different perspectives and the implications for global power dynamics. In addressing this question, the paper has delved into the perspectives of both the IMF and the WB, as representative institutions for the West, and contrasting them to China, examining their opposing views on the role of foreign aid in development and the implications for global power dynamics. The main findings of this thesis are that while the West frames foreign aid as being a pillar in helping poor countries develop, emphasizing how aid with

Western conditions can help build good governance and introduce democratic values, China, drawing from its own experience lifting millions out of poverty, offers an alternative model of development that is different from the Western trajectory. Although with applying a neo-marxist theoretical framework it can be deduced that in essence all foreign aid is used to advance the country's own interests, with China and the West using different methods to do so. However, China's new approach to aid has influenced the global landscape and thus challenged the dominance of the West. By using aid that focuses on investment, infrastructure development, and gaining access to natural resources China is able to build closer ties to recipient countries on which the West was historically dominant. This new approach makes China an attractive alternative to traditional aid, particularly when it comes to financing large-scale projects. China's influence has increased as a result, weakening long-standing Western hegemony and possibly changing the dynamics of international aid. As the paper has shown, studies have found significant evidence that Chinese aid either has a direct influence on the political landscape or an indirect effect through aid weakening Western authority. The challenge of Western dominance is heightened through the Chinese Belt Road initiative, seeking to build a network connecting Asia, Europa, and Africa presenting new economic opportunities for the Global South. These findings have significant implications for how a country should develop and under what circumstance aid should be provided.

Despite the significant evidence pointing to the impact of Chinese aid on the foreign aid landscape and the weakening of Western authority, it is crucial to acknowledge that this paper's findings are based on existing studies and may not capture the full complexity of the situation. One limitation is that due to all Raess, et al. (2022), Parida (2020), and Abduli (2018) all having different findings in their papers the overall results are contradicting thus no concrete conclusion

can be drawn from the analysis of UNGA voting patterns in alignments to China after receiving foreign aid. In addition, it is also important to point out that what countries were voting on at the UNGA was not further looked into. Thus, looking further into the agenda of what countries were voting on might have given a more comprehensive understanding due to donor countries perhaps only asking recipient nations to vote in line on certain points. Furthermore, the studies also do not take into account whether countries vote in line with China due to its influence or if it simply falls in line with their own economic and political interest. This was briefly taken into account by Abduli (2018) when talking about countries with natural resources but is not further investigated in other areas.

A possible future study to gain a deeper understanding of political alignments due to foreign aid is to also analyze voting patterns at the United Nations Security Council (UNSC), which is the main goal of maintaining peace and ensuring security. Mahbubani (2010) claims that similar to the UNGA the UNSC has been dominated by the USA, which is now being challenged by China's growing influence. However, discussions at the UNSC arguably have higher stakes with every country needing first and foremost to ensure their own safety. In addition, within the UNSC the US is clearly the strongest nation with by far the largest military power in the world. Thus by examining voting patterns at the UNSC new insight on changing power dynamics between the US and China could be observed.

However, it is clear that no single approach can effectively tackle the complex issues of how to alleviate nations' poverty. Instead, a comprehensive understanding of how to best provide aid, based on cultural differences is needed. This requires collaboration, knowledge-sharing, and learning from the experiences of different countries. Thus the emergence of new players such as China can, besides its challenges, bring new opportunities and perspectives drawing from its own

experience of drawing its country out of poverty and fostering development, which in many areas is different than the one the West went through when developing. It is crucial to cultivate cooperation, and mutual understanding among all parties involved in the foreign aid sector to navigate these challenges and work towards a more inclusive and effective approach which can be achieved by applying an interdisciplinary approach. This can be achieved by focusing on a local-global approach by examining the impact of China's foreign aid on both local and global levels. This involves analyzing how Chinese aid affects recipient countries' development, governance, and cultural dynamics at the local level, as well as its implications for global power dynamics and the broader aid landscape. This new approach would provide a comprehensive understanding of the complex interactions between local and global factors in the context of Chinese aid and its influence.

In conclusion, this thesis has highlighted the contrasting approaches of China and Western countries to foreign aid, revealing China's emphasis on investment and infrastructure development. This unique approach has challenged Western dominance, weakened their authority, and opened new economic and political opportunities for countries relying on foreign aid. While China's rise poses challenges, it also brings alternative perspectives on development. Collaboration and mutual understanding among all major players are vital to navigating these challenges and encouraging a more inclusive and effective approach to global development.

References

- African Development Bank Group. (2019). *China*. African Development Bank - Building Today, a Better Africa Tomorrow.
<https://www.afdb.org/en/countries/non-regional-member-countries/china>
- Alexander, D., & Rooney, B. (2019). Vote-Buying by the United States in the United Nations. *International Studies Quarterly*, 63(1), 168–176.
<https://doi.org/10.1093/isq/sqy059>
- AP Central. (2022). *Cold War and Global Hegemony, 1945-1991 – AP Central | College Board*. Collegeboard.org.
<https://apcentral.collegeboard.org/series/america-on-the-world-stage/cold-war-and-global-hegemony-1945-1991>
- Bader, J. O. (2015). *China, Autocratic Patron? An Empirical Investigation of China as a Factor in Autocratic Survival*. 59(1), 23–33. <https://doi.org/10.1111/isqu.12148>
- Boone, P. (1996). Politics and the effectiveness of foreign aid. *European Economic Review*, 40(2), 289–329. [https://doi.org/10.1016/0014-2921\(95\)00127-1](https://doi.org/10.1016/0014-2921(95)00127-1)

Bräutigam, D. (2011). “Aid ‘With Chinese Characteristics’: Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime.” *Journal of International Development* 23 (5): 752–64.

Bräutigam, D. (2012). Chinese Development Aid in Africa: What, where, why, and how much?. In J. Golley & L. Song (Eds.), *Rising China: Global Challenges and Opportunities* (Chapter 13). Australian National University Press.

BRICS Policy Center. (2018). *China Development Bank (CDB) - brq*. Brq.
<https://bricspolicycenter.org/en/china-development-bank-cdb/>

Carter, D. B., & Stone, R. W. (2014). Democracy and Multilateralism: The Case of Vote Buying in the UN General Assembly. *International Organization*, 69(1), 1–33.
<https://doi.org/10.1017/s0020818314000186>

Culley, L. (1977). Economic Development in Neo-Marxist Theory. *Sociological Theories of the Economy*, 92–117. https://doi.org/10.1007/978-1-349-03157-3_4

DAC (Development Assistance Committee). 2003. Official Development Assistance. OECD Glossary of Statistical Terms. OECD: Paris.
<http://stats.oecd.org/glossary/detail.asp?ID=6043>

- Dreher, A., & Fuchs, A. (2015). Rogue aid? An empirical analysis of China's aid allocation. *Canadian Journal of Economics/Revue Canadienne D'économique*, 48(3), 988–1023. <https://doi.org/10.1111/caje.12166>
- Driscoll, D. D. (1995). *The IMF and the World Bank: How Do They Differ?* IMF. <https://www.imf.org/en/Publications/Other-Statistical-Electronic-Products/Issues/2016/12/30/The-IMF-and-the-World-Bank-How-Do-They-Differ-276>
- Foot, R. 2014. "Doing 'Some Things' in the Xi Jinping Era: The United Nations As China's Venue of Choice." *International Affairs* 90 (5): 1085–1100.
- Gilpin, R. G. (2016). *The political economy of international relations*. Princeton University Press.
- Haslam, P., Schafer, J., & Beaudet, P. (2021). The International Financial Institutions. In P. Haslam, J. Schafer, & P. Beaudet (Eds.), *Introduction to International Development: Approaches, Actors, Issues and Practice* (4th ed., pp. 273-302). Oxford University Press.
- Hillman, J. E. (2018). *China's Belt and Road Is Full Of Holes*. Csis.org. <https://www.csis.org/analysis/chinas-belt-and-road-full-holes>

IMF. (2022, October 24). *IMF Quotas*. IMF.

<https://www.imf.org/en/About/Factsheets/Sheets/2022/IMF-Quotas>

Kafayat Amusa, Nara Monkam, & Viegi, N. (2016, April 26). *How and why China became Africa's biggest aid donor*. The Conversation.

<https://theconversation.com/how-and-why-china-became-africas-biggest-aid-donor-57992>

Luce, E. (2021). *World Bank and IMF face fight for survival during US-China rivalry*.

FinancialTimes; Financial Times.

<https://www.ft.com/content/de0f9916-8de2-4ba8-b97e-f514bd5da511>

Mahbubani, K. (2010). *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*. ReadHowYouWant.com, Limited.

Madhavan, G., & Oakley, B. (2011). Too much of a good thing? Foreign aid and pathological altruism. *Pathological altruism*, 237-244.

Masters, J., & Chatzky, A. (2019). *The World Bank Group's Role in Global Development*.

Council on Foreign Relations.

<https://www.cfr.org/backgrounder/world-bank-groups-role-global-development>

Masters, J., Chatzky, A., & Siripurapu, A. (2019). *The IMF: The World's Controversial Financial Firefighter*. Council on Foreign Relations.

<https://www.cfr.org/backgrounder/imf-worlds-controversial-financial-firefighter>

Mcgillivray, M. (2004). *Is Aid Effective?* <https://www.oecd.org/dev/34353462.pdf>

Mughanda, M. (2011). Inquiry on self interested foreign aid: Insights from the ODA-migrations link in SSA countries. *African Journal of Political Science and International Relations*, 5(4), 164-173.

National Archives. (2021). *Marshall Plan (1948)*. National Archives.

<https://www.archives.gov/milestone-documents/marshall-plan>

OECD. (2023). *Development Assistance Committee (DAC)*. Oecd.org.

<https://www.oecd.org/dac/development-assistance-committee/>

OECD. (2023). Oecd.org.

<https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm>

Parida, S. (2020). Chinese foreign aid: An analysis of patterns and causes of recipient UNGA voting alignment.

- Raess, D., Ren, W., & Wagner, P. (2022). Hidden strings attached? Chinese (commercially oriented) foreign aid and international political alignment. *Foreign Policy Analysis*, orac010.
- Sautman, B., & Hairong, Y. (2019). *The “Chinese Debt Trap” and its Sri Lanka Example*. <https://archives.hkust.edu.hk/dspace/bitstream/9999/47809/1/IEMS-Thought-Leadership-Brief-no29.pdf>
- Sayumphu, R. (2022). *Foreign Aid and Neoliberalism*. <https://www.asianvision.org/wp-content/uploads/2022/06/220624-AVI-Perspective-Issue-2022-N-02-ROS-Sayumphu.pdf>
- Tan-Mullins, M., Mohan, G., & Power, M. (2010). Redefining ‘aid’ in the China–Africa context. *Development and Change*, 41(5), 857-881.
- Tharoor, I. (2022). *China has a hand in Sri Lanka’s economic calamity*. Washington Post; The Washington Post. <https://www.washingtonpost.com/world/2022/07/20/sri-lanka-china-debt-trap/>
- United Nations. (2022). *General Assembly Adopts Landmark Resolution Aimed at Holding Five Permanent Security Council Members Accountable for Use of Veto* | UN Press. Un.org. <https://press.un.org/en/2022/ga12417.doc.htm>

USOECD (2017). *Export Credits*. U.S. Mission to the Organization for Economic Cooperation & Development.

<https://usoecd.usmission.gov/mission/oecd/our-engagement/export-credits/#:~:text=Export%20credits%20are%20used%20to,institutions%20cannot%20or%20will%20not.>

Waltz, K.N. (1988). The origins of war in neorealist theory. *Journal of Interdisciplinary History*, 18(4), 615-628.

Weiss, M. A. (2022). *The International Monetary Fund Overview*.

<https://sgp.fas.org/crs/misc/IF10676.pdf>

Wilson Center Digital Archive. (1964). The Chinese Government's Eight Principles for Economic Aid and Technical Assistance to Other Countries.

<https://digitalarchive.wilsoncenter.org/document/chinese-governments-eight-principles-economic-aid-and-technical-assistance-other-countries>

World Bank. (2017). *Where does Chinese development finance go?* World Bank Blogs.

<https://blogs.worldbank.org/opendata/where-does-chinese-development-finance-go>

World Bank. (1998). *Assessing Aid: What works, What doesn't, and Why?*.

Xu, I. (2020). Policy and institutional reforms of China's economic aid: motives and implications. *Economic and Political Studies*, 8(2), 224-245.

<https://doi.org/10.1080/20954816.2020.1728832>