

February 1, 2011

Study Group on China's Foreign Aid

[Purpose]

The purpose of this Study Group is to consider/analyze China's foreign aid comprehensively from a future-oriented perspective, and to seek out possible areas for Japan-China development cooperation based on Japan's experience in development aid cooperation.

China's presence in development cooperation (economic cooperation) has grown rapidly in recent years. China's involvement in developing countries, above all its assistance to non-democratic states, has at times been a cause for concern and alarm within the international community. In addition, insufficient information is available on China's development aid because China is not a member of the Organization for Economic Co-operation and Development (OECD). Accordingly, discussions among the international community on China's foreign aid are frequently based on anecdotal information, exacerbating the aforementioned concern and alarm.

The perspectives of Western countries have thus far been heavily reflected in the OECD, a central actor in the international aid community, and other international institutions. As China's aid expands, the relative weight of non-Western actors in the donor community continues to rise, boosted also by South Korea's attainment of official membership on the OECD's Development Assistance Committee (DAC) in January 2010. This suggests the possibility of mutual stimulation between "Western" and "non-Western" trends in the international aid community. Bearing this as well as Japan's experiences as a latecomer donor country in mind, it is critical that we regard Japan-China aid cooperation as a strategic element in the two countries' relations.

In accordance with the above views, this project will actively pursue intellectual

exchange between experts from both Japan and China well-versed in development aid policy and will conduct survey/research activities over a two year period (FY2010-2011). This research will be of pioneering academic significance in Japan in ascertaining the true status of China's foreign aid, much of which remains hidden behind an opaque veil. At this same time, this research will likely contribute greatly to forming "soft assets" of value to Japan's foreign policy.

[Overview of activities]

This Study Group will place its primary focus on drafting a "systematic layout" of China's foreign aid. There are five specific points to be covered:

- (1) Foreign aid philosophy and policies
- (2) Foreign aid schemes and structures
- (3) Evaluation of foreign aid record
- (4) Compatibility of international development aid regimes and China's foreign aid
- (5) Potential for Japan-China development aid cooperation

The Study Group held its first meeting in August 2010, and has held a total of four Study Group meetings (including presentations by visiting lecturers) as of January 2011. We are also continuing to collect and translate relevant Chinese-language materials as necessary, and to prepare basic bibliographies and information packets on China's foreign aid. We plan to compile an interim report on the first fiscal year's results by the end of March 2011.

We intend to invite researchers from China during the next fiscal year.

[Study Group members]

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