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Deutsches Institut für
Entwicklungspolitik



Years | 1964–2014

German Development
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A new partnership between China and Germany in support of international development

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The Current Column

of 9 October 2014

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Bonn, Beijing, 9 October 2014. The planned bilateral governmental consultations between China and Germany on 10 October will provide Germany's Federal Minister for Economic Cooperation and Development, Gerd Müller, with an important opportunity to start a new phase of engagement. We argue that this event can be used to design a new development partnership. Four years ago, the development cooperation path between China and Germany came to an end. After a long period of intense collaboration, the German government decided to phase out development cooperation with one of its most important partner countries at the time.

The rationale for this decision was plausible: development cooperation should be provided for those countries that are in need of international support to reduce poverty. This decision by the German government was a clear political signal. China's impressive development progress over the past three decades has dramatically changed the country's economic and political stance in the world. China swiftly transitioned from being a poor country to a global economic "power house" with – amongst other things – the largest foreign exchange reserves in the world and its own space programme. Despite the impressive progress in terms of poverty reduction and economic growth, China still faces a number of substantial challenges (remaining poverty, rising inequality, a number of ecological issues, etc.). Against the background of China's success, shouldn't it be in a position to deal with these challenges on the basis of its own resources, since there is no questioning China's financial capacity and rich basis of knowledge? Indeed, to look at China as a country dependent on incoming aid would be totally misleading. The times for a traditional aid cooperation approach based on bilateral projects in support of the partner country have passed. However, to look at the graduation of emerging economies as an automatic trigger for phasing out development aid is misleading as well.

The main point here is the following: in general terms, we observe not a decreasing but an increasing demand for international cooperation. Presently, the global threat of Ebola (besides the definite humanitarian reasons to focus on such an important topic!) illustrates the need for global actions. A number of fundamental global issues cannot be tackled without more, and better, international cooperation. Issues including international inequality, ecological sustainability and security call for collective action that is beyond the capacities of national governments. It would be a missed opportunity not to make use of the expertise, networks and tools of development actors.

Hence, we see a more than valid foundation for re-thinking the Chinese-German collaboration in support of international development. Regarding long-term interests, both countries should be interested in using all possibilities for partnerships in support of global development.

What should a new partnership look like? First, a future partnership should give policy dialogue enough space. Dialogue would provide the best opportunity to identify areas for consensus-building and joint action. Since perspectives are quite often different, a good level of trust and regular brainstorming are needed. Just think about the ongoing discussions on a new set of global development objectives or the ways in which traditional donors and South-South cooperation providers (such as China) can interact: this kind of dialogue could provide such a platform.

Second, policy dialogue requires in-depth analysis and inputs. This is why joint research and policy advice formats are increasingly important – to sharpen not only the agenda on a global level but also in countries and regions. For example, a jointly organised panel discussion by the China International Development Research Network, other Southern think tanks and the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) in the context of the first Global Partnership for Effective Development Cooperation High-Level Meeting earlier this year was one of the rare possibilities to have an open debate on China's role in South-South cooperation; not least because the Chinese government did not participate in the meeting.

Third, a new engagement should focus on thematic partnerships, which need to be identified jointly. There is a strong interest in China, for instance, to collaborate on sustainable urbanisation issues. The issue is crucial for China's rapid urbanisation process and equally important to other developing regions. Another area of partnership approaches might be peace and security, especially on the African continent. China and Germany strongly support the African Union in its efforts in the area of conflict mitigation and management. Thus, it would be quite appropriate to look for common perspectives and approaches and make them effective for international development in the long-term interests of both countries.

Germany and China should also have the possibility to develop concrete and tangible activities. This might include possibilities for joint activities based on thematic partnerships, for example in sub-Saharan Africa. China might be, for example, a good input provider for the implementation of projects in a number of countries.