

*Concise commentary on complex issues from different points of view.*

The UKNCC Guest Contributor Programme offers contrasting 'short, sharp reads' for those seeking a fuller exploration of key questions. This issue explores:

## ***“Is China the leader of the Global South?”***

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- *Lukas Fiala, PhD International Relations candidate at the London School of Economics (LSE) and Project Head of China Foresight at LSE IDEAS*
- *Margaret Myers, Director of the Asia and Latin America Program at the Inter-American Dialogue*
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## *Is China the Leader of the Global South?*

### *Response 1 of 3*

Understanding China's engagement across the Global South is inherently challenging. Not only is China far from a unitary actor in its manifold dealings with economic, political and social groups across sub-regions of the developing world, to define who and what constitutes the latter is equally fraught with misunderstandings and implicit hierarchies of knowledge. Yet, despite these shortcomings, the Global South and its relationship to China also retains analytic value. After all, China has long claimed to be "the largest developing country" while taking on major power responsibilities in speaking up for the developing world in international institutions. The latter arose out of the non-aligned movement during the Cold War and China's support for anti-imperial and -colonial resistance movements across Asia and Africa.

While China's claim to leadership of the Global South thus rests on shared experiences of Western imperialism, framing Beijing as an all-weather friend of the developing world, China has simultaneously become a major economic and technological power and more assertive diplomatic and military actor under Xi Jinping.

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October 2023

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Indeed, two policy areas particularly demonstrate the tightrope Beijing must walk in retaining China's image as a leader of the Global South all the while protecting China's more expansive economic and security interests. Ultimately, China's leadership ambitions will also be shaped by competing small, middle and regional powers that are more actively asserting their foreign policy strategies in an increasingly multipolar world.

### Partner or Creditor?

Firstly, the ongoing debt crisis has forced Beijing to harmonise responsibilities as a creditor with its image as a development partner. Since the advent of the "Going Out" strategy in the late 1990s, China's claim to fame across the developing world has been underpinned by the party-state's financial largesse. By encouraging enterprises to venture abroad in pursuit of natural resources and overseas markets, China has emerged as the largest sovereign creditor to developing country governments. According to [analysis from AidData](#), China has extended at least \$843 billion in international development finance over the last two decades with annual commitments of around \$85 billion, thus outpacing the US and every major power by a ratio of 2:1 or more.

Launched in 2013, the Belt and Road Initiative (BRI) accelerated these commitments with the number of annual approvals for "mega-projects" financed with loans worth \$500 million or more tripling during the first five years. Naturally, China's economic overtures have been welcomed by many cash-strapped governments across the developing world in need of closing infrastructure gaps as loans from China reduced their reliance on traditional donors such as the World Bank.

While economic engagement has enabled Beijing to curry favours with political elites across Africa, Asia, the Middle East and Latin America, it has also contributed to the growing debt burden of developing country governments. China's own economic slow-down over the past decade contributed to the unravelling of the [last commodity super cycle](#) during which many commodity exporting recipient countries of Chinese financing tied their development and repayment strategies to Chinese demand.

Existing credit risk across China's portfolio was compounded by the COVID-19 pandemic, which tied up fiscal capacity as governments embarked on pandemic-related stimulus and public health programmes, and Russia's war in Ukraine, which led to supply shocks and contributed to food insecurity and inflation. In a macro environment of rising interest rates, the Global South has thus faced an acute debt crisis which led to the establishment of the G20 Debt Service Suspension Initiative (DSSI) in May 2020. And as a major foreign creditor, China has had an important seat at the table.

Over the past two years, high-profile debt restructuring cases [such as Zambia](#) and Sri Lanka have put Beijing in front of difficult decisions. On the one hand, Chinese creditors want to minimise losses and avoid haircuts. China has even called on multilateral lenders to be included in debt restructuring, an unrealistic demand that would affect their high creditworthiness. On the other hand, Beijing has distanced its preferred bilateral approach to debt relief from the DSSI to differentiate between Western creditors – or former colonial powers – and China – an all-weather friend of the developing world. While Chinese creditors have been willing to extend repayment periods and reduce interest payments and China has [emerged as a rescue lender of last resort](#), the foul optics of opaque deals with political elites behind closed doors belied the win-win rhetoric that drove the BRI's narrative for almost a decade.

It is thus not surprising that China has begun to reframe the BRI as part of its engagement across the Global South.





With over a third of BRI infrastructure projects encountering major implementation problems, including corruption, labour violations, environmental hazards or societal resistance, Beijing has changed course to emphasise high-quality and sustainable development. In the Party Congress Report last October, the BRI received scant attention and was mentioned only in a section on a new development paradigm. In its place, Xi has been promoting the Global Development Initiative (GDI). Couched in the language of the UN Sustainable Development Goals (SDGs), the GDI advances China's understanding of development as a human right. While spanning seven areas, including food security, clean energy, smart connectivity and digital development, the GDI reflects a shift away from encouraging economically unsustainable and debt-driven "vanity projects" towards leveraging China's increasingly advanced technological ecosystem and digital connectivity as lower-cost alternatives. The emergence and enthusiastic promotion of the GDI over the past year thus reflects Beijing's buyer's remorse after decades of unregulated financing have produced unwanted externalities and affected Beijing's image as a development partner of the Global South.

### Security or Non-interference?

Secondly, besides navigating the pitfalls of debt crisis, Beijing has had to balance harmonising a more pro-active security policy with the principle of non-interference. Building on the five principles of peaceful coexistence, the latter has been a cornerstone of China's diplomatic rhetoric across the Global South, aiming to present China as a different external actor to the interventionist West. Especially popular among autocrats with little regard for human rights and democracy, Beijing soon encountered the real-world constraints of its hands-off approach. When a transnational advocacy movement called for a boycott of the 2008 Beijing Olympics due to China's support for the al-Bashir regime in Sudan during the Darfur War, China adjusted course and played a role in negotiating the deployment of a joint African Union-UN hybrid peacekeeping mission to the region. China's hasty evacuation of approximately 36,000 citizens from war torn Libya in 2011 then pushed Beijing to institutionalise security cooperation and capacity building in its bilateral and plurilateral partnership frameworks.

Since then, Xi's more assertive political rhetoric and diplomatic posturing has fostered Chinese citizens' expectations of government intervention to protect Chinese interests abroad. One of the 16 security arenas of Xi's Comprehensive National Security Concept is thus the 'Security of Overseas Interests' (海外利益安全), which includes the protection of Chinese citizens and assets, trade routes, access to resources and maritime chokepoints. This reflects the overall shift towards a more proactive security policy abroad, including contributions to UN Peacekeeping, bilateral capacity building, security and defence summits with officials from the developing world and the use of diplomatic envoys to present China as a constructive stakeholder in regional crises.

Despite this, however, Beijing has so far not found a lasting solution to insecurity abroad. From recent instability in Sudan and Ethiopia to the impact of violent extremism on BRI projects in Pakistan, China has struggled to protect citizens and investments effectively. At the heart of Beijing's conundrum lies the trade-off between becoming more involved in the provision of security while upholding a non-interventionist foreign policy rhetoric.



In response to this challenge, Chinese academics have begun to differentiate between ‘interference’ (干涉) and ‘intervention’ (干预) to legitimate China’s more proactive involvement in security issues abroad. But in the absence of a more pronounced role for the People’s Liberation Army (PLA) in securing BRI projects, Chinese firms have increasingly begun to rely on Private Security Companies (PSCs). While Beijing might see PSCs as a low-cost alternative to circumvent reputational costs associated with formal PLA deployments, the CCP will hardly tolerate the establishment of a large industry for the use of force - especially after observing the recent insurrection of Russia’s Wagner Group. While China currently operates a military base in Djibouti, the key question going forward is how Beijing will deal with ongoing security issues in the absence of more formal basing arrangements. Although many governments across the developing world have been supportive of China taking on more responsibilities in the security domain, Beijing will need to carefully balance security considerations with reputational costs before establishing other military facilities overseas.

### **Leadership in a Changing World**

China is at crossroads in its various relationships with regions of the Global South. It would be wrong, however, to reduce China’s development and security engagements to Beijing’s interests and objectives alone. All too often, China’s engagement across the Global South is portrayed through the narrow lens of US-China relations and interpreted as a choice between leadership by either Beijing or the Washington. Indeed, the reorientation of Beijing’s priorities is occurring in a world where a growing number of regional powers articulate and pursue strategic priorities more forcefully. From Turkey to Saudi Arabia and India, the emergence of a multipolar world will affect China’s relationship with developing country governments.

In this context, many governments across Asia, Africa, Latin America and the Middle East will try to reap developmental benefits from playing off China and the US against each other.

In such a world, the question is less about whether China will be seen as the leader of the Global South and more about what kind of temporary coalitions China and other emerging powers will decide to form in pursuit of national and collective interests. The recent enlargement of BRICS - a cooperation forum including Brazil, Russia, India, China and South Africa - is a testament to the widespread appeal among rising powers and developing countries in forming a counterweight to US- and Eurocentric international order. It now remains to be seen how governments across the Global South will engage China in its newfound role as a major power.

## About the Author

Lukas Fiala is a PhD International Relations candidate at the London School of Economics (LSE). His research examines China's defence industry, military strategy and emerging security relationships with countries in the Global South. He is also the Project Head of China Foresight, the China-focused research programme at LSE IDEAS, the LSE's foreign policy think-tank.



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## *Is China the Leader of the Global South?*

### *Response 2 of 3*

China is positioned, both in its own view, and that of many others, as the de facto leader of the Global South, despite varied and evolving views of China across much of the globe. China maintains this status even as other large developing countries and much of the Global North aim to compete with Beijing in the developing world, bringing either economic or values-based propositions to bear.

As it stands, no other Global South country (and few in the Global North) compares to China in terms of economic and diplomatic outreach in developing regions—the product of decades of intensive Belt and Road-related and other engagement. China's economic activity is evident in every corner of the globe, and with governments of all political leanings, including among Taiwan's diplomatic allies. In the Latin American region, China has quickly established itself as the top export destination for South America—and now as a would-be economic ally for the five countries in Central America and the Caribbean that have cut ties with Taiwan since 2017.

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Moreover, China's activity in the Global South, whether carried out by Chinese companies, government bodies, or party organisations, extends even to the most local of administrative levels. This includes expansive and sometimes decades-long engagement in small towns in Latin America, Africa, and elsewhere, in pursuit of various types of project development. China's fifteen-year-long outreach in the Coquimbo region of Chile has yet to produce notable commercial or economic outcomes, but China's diplomatic, commercial, educational, and provincial representatives continue to engage there in pursuit of strategic infrastructure and mining deals.

Interestingly, rather than eroding amid the Covid-19 pandemic, China's local networks were fortified, as Chinese commercial and public sector representatives carried out their country's pandemic relief efforts. Chinese embassies, companies, party organisations, quasi-governmental bodies, provincial and municipal governments, sister cities and provinces, and overseas Chinese communities were employed in the delivery of PPE in the Latin American region. By employing these on-the-ground networks, China was able to ensure hundreds of "touch points," maximise visibility, and adopt a relatively nimble approach to aid distribution.

At the same time, Beijing is actively reshaping the international environment in ways that other aspiring leaders of the Global South have yet to do. China's calls for de-dollarisation (and corresponding renminbi internationalisation) have taken hold in many parts of the developing world. After having featured for years in Chinese financial policy, talk of de-throning the dollar dominated discussions at the 2023 Johannesburg BRICS Summit. China's efforts to develop alternatives to U.S.-led development banks have also borne fruit. The New Development Bank, or BRICS Bank, is positioned to lend more than ever this year, denominating at least some of its loans in member currencies.

Importantly, China also clearly views itself as a member and leader of the Global South, frequently portraying Chinese assistance and the China model as a viable alternative to the U.S. and the broader Western-led global order. China has additionally sought a leadership role in Global South groupings and institutions. The expansion of the BRICS was largely led by China, as Beijing has sought to grow the group's role in Global South agenda-setting.

China's role in the Group of 77 is also notable. China remains committed to and financially supportive of the grouping of developing countries, even though it isn't a formal member.

### **Disaggregating the Global South**

Whether China's views are gaining traction in the developing world is an important indicator of its supposed leadership. Certain countries and communities in the Global South are more receptive to China's engagement and messaging than others, of course. But in many cases, China has tapped into long-standing frustrations about Western approaches on Covid-19 relief, access to international decision-making bodies, U.S. dollar dominance, and traditional models of development assistance, among other issues. In Latin America, China's growing presence increasingly defies U.S. dominance—a welcome development for some leaders, including those that have been targeted by the United States and its allies for committing human rights violations and weakening democratic institutions.

For now, at least, China is seen in a generally favourable light by most in the developing world, though with some variation among countries. In a 2023 Pew Research study, 34, 48, and 33 percent of adults surveyed in Argentina, Brazil, and Mexico, respectively, viewed China unfavourably, as compared to 83 percent in the United States and 79 percent in Canada.







Indeed, views have remained generally positive across the Global South, whether they reflect appreciation for China's economic contributions, its talk of developing country solidarity, growing diplomatic outreach, or merely Beijing's willingness to thumb its nose at the West and its institutions. In contrast to the Global North, a majority of developing country interviewees have supported China even as Chinese officials tighten their grip on Chinese society, and even amid some very public Belt and Road-related fallout, including Ecuador's ongoing Coca-Codo Sinclair Dam controversies and other, less-than-optimal project outcomes.

At the same time, countries in Latin America do not appear to be looking to China for direction on matters of policy or economic interest. Most in the region would appear to see China as a critical economic partner rather than a model for their future economic or social development.

Even Cuba, which has maintained strong, ideologically based ties to China for decades, has rejected China's offers to assist with economic and political reform on the island.

But none of this prevents China from taking up Global South causes in international organisations, or imagining a Global South-inclusive (and China-supportive) global order in its foreign policy white papers, including the recent "A Global Community of Shared Future: China's Proposals and Actions." Nor will shifting views of China reduce its already expansive economic influence. Even those that who reject China's stance on global governance, a "shared future," human rights, internet governance, and other matters, will still frequently find themselves in a position of considerable economic dependence on China, with likely implications for at least some types of domestic and foreign policy making.

### **The Other Contenders**

China's global economic footprint (and resulting influence) is such that it has prompted countries in both the developed and developing worlds to upgrade their own Global South-facing initiatives, or else hastened initiatives underway. The Partnership for Global Infrastructure and Investment ([PGII](#))—the latest in United States-led C7+ initiatives—aims to boost infrastructure and other investment in low- and middle-income countries, but with project quality and shared values front of mind. The European Union's [Global Gateway](#) is similarly focused on economic partnerships and principled investment in the developing world.

Indeed, at present, nearly all the original members of the BRICS—Brazil, Russia, India, China, and South Africa—would also appear to be vying for some degree of leadership of, or else support from, the broader Global South. India, which has surpassed China as the world's most populous nation, is leading the G20 this year.



It resolved to confer with “fellow-travellers in the Global South” when developing this year’s G20 agenda. India also continues to pursue United Nations Security Council permanent membership, with recent support from the United States and the United Kingdom, where it would presumably bring developing country viewpoints to bear.

Additionally, in a bid to upgrade India’s overseas outreach, Indian External Affairs Minister S. Jaishankar made a trip to Guyana, Colombia, Panama, and the Dominican Republic in April 2023. This visit marked the second time in less than twelve months, and third time in less than two years, that India’s Minister of External Affairs visited the Latin America and the Caribbean—a region previously “relegated to the far corners of Indian foreign policy,” according to Hari Seshasayee, advisor to the Panama Ministry of Foreign Affairs.

Under President Lula de Silva, Brazil also sees itself as playing a more prominent role in global affairs, after years of relative isolationism. Lula has suggested a role for Brazil in climate leadership, and even as an arbiter of peace in the Russia-Ukraine war.

Brazil also pledged to advance issues of import to the Global South during its own G20 presidency in 2024, following India’s lead.

Whereas China’s musings on Global South leadership border on the philosophical, Russia’s overtures have mostly sought support for Putin’s views on Ukraine, as a war “unleashed by the West,” while also aiming to widen the chasm between the developed and developing worlds. In a video address during the recent BRICS summit in Johannesburg, Putin defended his actions in Ukraine, while also accusing the West of sabotaging Global South efforts to stabilise food prices, and decrying the “blitzkrieg” imposed on Moscow’s economy by Washington and its allies.

### **Enduring Influence?**

The extent of China’s continued appeal to the Global South will of course depend on numerous factors, including China’s own economic health; the interests and aspirations of Global South nations, which are varied, viewing China through drastically different lenses;

and whether the United States, Europe, and other members of the Global North can advance PGII, Global Gateway, and other projects in a timely manner. In the longer-term, China’s influence will also be determined by its hard and soft power capabilities.

So far, at least, China would seem well positioned to continue setting the course for much of the developing world, whether in the form of economic support or through its ongoing process of reimagining and overhauling the institutions that comprise the global order. Indeed, many in the developing world remain supportive of China’s efforts to elevate issues of interest in shaking up the status quo—even if Beijing is doing so with its own political and economic interests front of mind (Global South markets are critical to China’s process of re-industrialisation). At the very least, most would seem willing to wait and see if China will deliver on its promise of mutual gains and a “community of common destiny for mankind.”

## About the Author

Margaret Myers is director of the Asia & Latin America Program at the Inter-American Dialogue and an adjunct researcher with the Núcleo Milenio sobre los Impactos de China en América Latina (ICLAC). She has published extensively on China's relations with the Latin America and Caribbean region. The Political Economy of China-Latin America Relations and The Changing Currents of Trans-Pacific Integration: China, the TPP, and Beyond, her co-edited volumes with Dr. Carol Wise and Dr. Adrian Hearn, respectively, were published in 2016. Myers has testified before the House Committee on Foreign Affairs and the Senate Foreign Relations and Finance Committees on the China-Latin America relationship and is regularly featured in major domestic and international media.

She is a member of the faculty at Georgetown University and the Johns Hopkins School of Advanced International Studies. Myers previously worked as a Latin America analyst and China analyst for the US Department of Defense, during which time she was deployed with the US Navy in support of Partnership of the Americas. Myers was a Council on Foreign Relations term member. She was the recipient of a Freeman fellowship for China studies, a Fulbright Specialist grant to research China-Colombia relations in Bogotá, and a Woodrow Wilson Center fellowship.



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## *Is China the Leader of the Global South?*

Dr Rebecca Nadin, Director of the Global Risks and Resilience programme at ODI and head of ODI's global China 2049 initiative

October 2023

### *Response 3 of 3*

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In a recent article, [Chaguan](#) in The Economist wrote that "China has launched a new, concerted campaign to present itself as a natural leader for the developing world." Other observers argue that initiatives such as the Belt and Road Initiative, Global Development Initiative and Global Security Initiative demonstrate that China is seeking to be a leader of the Global South. The Times of India unsurprisingly ran the headline 'China poses as leader of the Global South', in reference to the address given by Chinese Vice-President Han Zheng at the 78th UN General Assembly in New York on September 22. In his speech Vice President Han Zheng declared:

"China will remain a member of the big family of developing countries. As the largest developing country, China is a natural member of the Global South. It breathes the same breath with other developing countries and shares the same future with them. China is firm in upholding the legitimate rights and interests of developing countries."



There are several questions here. How has China's relationship with the Global South evolved? Why is engagement so important to China? Does China see itself as a leader? And if China is the leader, what is it aiming to lead the 'Global South' to do?

### **China's evolving relationship with the Global South**

It is important to note that China's engagement in South-South Cooperation – China's preferred nomenclature for its relationships with the Global South – is not new. In the early 1950s China was already providing military and food aid to several neighbouring countries, including North Korea and Vietnam. At the 1955 Bandung Conference, then Premier Zhou Enlai committed China to a path of non-aggression and non-interference in the affairs of other Asian and African countries: a landmark event seen by China as an important step in giving a voice to emerging nations and outlining that they had a future in world politics, inside or outside the Cold War alliances. Since then, China has taken on the role of ideological champion, aid donor, lender and investor to countries across the Global South, from Africa to Asia.

By 1974, and at the height of the Cold War, China's strategy evolved to establishing ideological blocs against superpower politics. During a speech to the 6th Special Session of UN General Assembly, then Vice Premier Deng Xiaoping outlined China's new foreign policy direction by setting out Mao Zedong's 'Three Worlds Theory'. This policy was designed to issue a resounding rejection of superpower politics and is a message that China continues to invoke. The Three Worlds Theory identified the USSR and the USA as the first world, their industrialised allies as the second world, and all other developing countries and non-aligned nations as the 'third world'. (Where China itself wanted to be seen was not always clear: somewhere between the second and third world, depending upon the issue of the day.) The basic premise was that the second and third worlds should unite to promote a peaceful and just international order – and form an opposition to hegemonism.

In the following years, the ideological rhetoric and opposition to hegemonism shifted focus to the USA and the West, and China expanded its support to economic and technical cooperation.

After China's 2001 accession to the World Trade Organization (WTO), its Strategy of "providing duty-free treatment to least developed countries and demanding no market access from acceding ones" further strengthened South-South Cooperation, and distinguished it from the traditional North-South model. For example, China claimed its participation in WTO's 'Aid for Trade' initiative enabled least developed countries to better integrate into the global economy by focusing on strengthening infrastructure and capacity building for other developing countries. This was followed in 2002 by the launch of Jiang Zemin's signature 'Going Out' strategy, which led to an extensive programme of outward foreign direct investment which has only grown in recent years.

Under President Hu Jintao, China's foreign policy shifted to a multi-directional approach, with renewed emphasis on the Global South. During this period, China's engagement focused particularly on trade, private investment, security government loans and infrastructure, as well as legal and law enforcement training, through the expansion and creation of regional frameworks for cooperation, such as the Forum on China-Africa Cooperation (FOCAC), the China-Community of Latin America and Caribbean States (CELAC) and the China-Pacific Island Countries Economic Development and Cooperation Forum (CPICEDCF) among others.

While China's engagement with the Global South has a long history, what is new is China's desire to strengthen and institutionalise its strategic cooperation with the South on a range of issues.





Under President Xi Jinping, China's commitment to South-South Cooperation has grown both in terms of rhetoric and policy, with the launch of the Belt and Road Initiative, Global Security Initiative, Global Development Initiative, Global Civilization Initiative, and the creation of two new multilateral institutions: the New Development Bank and Asian Infrastructure Investment Bank. China's engagement with countries through these and other institutions covers a wide range of areas: from the ideological to climate change, international law and finance, security, food and energy security, and human rights.

**Why is Global South engagement so important to China?**

As with many countries – and despite Beijing's rhetoric to the contrary – China's engagement with the Global South has long been integral to its domestic, geopolitical and geoeconomic interests.

*Geopolitics, geoeconomics and a new model of international relations*

Firstly, engagement with the Global South helps China deliver on its domestic goals.

If the Chinese Communist Party is to meet its commitment to forge a strong, democratic, culturally advanced, harmonious and modernised socialist country with a 'world-class' military by 2049, creating a favourable external environment for those ambitions is key. In his 2017 speech 'Working together to build a better world', China's President Xi Jinping laid out his vision for doing this: by managing great power relations, securing China's periphery, ensuring "cooperation among developing countries" and "building a new model of international relations and a community of a shared future for mankind".

Building this 'new model of international relations' is a key reason for China's engagement with the Global South. In world of complex threats and risks, from Covid-19 to climate change, the rise in artificial intelligence, new energy competition and the Russian invasion of Ukraine, Beijing sees the need to enhance its international discourse power, establish new norms, amplify its voice in world affairs and garner support for its strategic priorities, such as its territorial and maritime claims – especially at the UN (with mixed results).

For all of this the Global South is key: it comprises 152 developing countries out of 193 UN member states.

China views the creation of regional organisations and initiatives such as the Global Security Initiative, Global Civilization Initiative, and Global Development Initiative as a testing ground for the export of its political and economic governance models and an opportunity to delegitimise the USA by translating criticism of China into universal 'historical wrongdoing of the West'. On 14 September 2023 China went a step further in outlining its vision for the future with the publication of the "Proposal of the People's Republic of China on the Reform and Development of Global Governance", which outlined its vision for China-led reform of the global governance system.

China argues that these initiatives offer a Chinese approach to lasting peace, greater development and closer cooperation in the world, and also provide an important platform for deepening South-South Cooperation.



For example, China claims that the Global Development Initiative should be seen as a framework for helping developing countries to improve their economies without ‘stringent’ Western conditions, thus pushing back on the universal definition of human rights in favour of respect for national circumstances, with the right to develop at its core. Beijing describes ‘development with Chinese characteristics’, stressing it is providing developing countries with a new alternative to Western approaches, citing its own rapid growth as evidence enough of the success of the Chinese development model.

In addition to China’s geopolitical interests, cooperation with the Global South is important to China’s twin (but seemingly contradictory) objectives of building comprehensive connectivity and economic self-reliance. Enhanced South-South Cooperation, through programmes such as the Belt and Road Initiative and the Global Development Initiative, aims to strengthen trade relationships with neighbouring countries, by developing new export markets and upgrading its production lines.

This increased economic connectivity is an attempt to address some of the economic imbalance between eastern and western China, bridging the gap between inward and outward investment, and managing excess capacity in key sectors, especially heavy industry such as cement, coal and steel.

By 2020 China accounted for more than USD 78 billion in FDI stock to developing countries along the Belt and Road; the total amount of debt owed to China by developing countries was USD 142.95 billion. Developing countries accounted for 38.8% of Chinese Belt and Road Initiative investments. For example, Indonesia and Vietnam, top trade partners to China in 2020, were also the top recipients of China’s overseas foreign direct investment among developing countries along the Belt and Road Initiative.

*Maintaining its status as a developing country*

Finally, China recognises that its status as a ‘developing country’ is in part dependent on how it is perceived and accepted by Global South.

This means it is particularly sensitive to criticism in the international arena. The flurry of recent speeches reinforcing China’s status as a developing country – including Han Zheng’s speech to the UN General Assembly, mentioned above – are a case in point.

With a projected GDP of USD 18 trillion for 2023, China’s status as a developing country is coming under increasingly vociferous opposition from all sides. Critics – largely from the USA – argue that developing country status gives China benefits such as lower annual UN budget assessments and access to international finance, as well as an unfair advantage in international negotiations. (Under the UN climate convention’s principle of ‘common but differentiated responsibilities’, for example, China as a developing country is not held to the same climate finance responsibilities and contributions as other countries, despite being the world’s current largest emitter of CO<sub>2</sub>. China, meanwhile, argues that it will provide assistance to foreign countries only within its ability as a developing country. China’s Special Envoy on Climate Change, Xie Zhenhua, noted that “China is willing to, *though not obliged to*, help developing countries enhance their adaptability through South-South cooperation.” -italics author’s own.)

Recent events have pushed China to reinforce itself as a developing country. On 8 June 2023 the US Senate Committee approved the "Ending China's Developing Nation Status Act", backing the "PRC Is Not a Developing Country" Act which was unanimously passed by the US House of Representatives in March of the same year. This unanimous decision requires the US Department of State to change China's status in international organisations in which the United States participates from a 'developing' to 'developed country'. In addition, US Senator John Barrasso has sponsored a bill to change China's status as a developing country in international organisations and end lending to the Chinese Communist Party from multilateral development banks, including the World Bank and Asian Development Bank.

It is not just Western governments that criticise China's positioning of itself as a developing country. Speaking on behalf of the Association of Small Island States in 2022, Antigua and Barbuda's Prime Minister Gaston Browne called on major greenhouse gas emitters such as China and India to contribute funding to compensate poor countries for the consequences of climate change.

Given this call by developing nations to include China and India among countries financially accountable for emissions, it is perhaps not surprising that China has gone to great lengths to reinforce its status as a 'developing country'.

### **Is China a leader of the Global South?**

This brings us back to the original question: Is China a leader of the global South? But what is a leader? If leadership is a set of behaviours used to steer countries to align their collective direction, then China can be seen as seeking this role. And if leadership is about transformation, then Beijing is certainly aspiring to see significant change in the current international economic and world order. China's steadily increasing diplomatic engagement, outward investment and lending over the past decades have created new development trends, built new institutional relationships and are being used to shape political discourses across the Global South.

China uses its interactions with the Global South to reinforce its position as a developing country on key issues such as climate change and trade, whilst seeking great power recognition in other domains.

In doing so, China is forging a very different international architecture to what came before. How the Global South responds remains to be seen – but much of the commentary around China's engagement implies China's dominance and misses the point that these countries do have agency when dealing with China. This agency in turn shapes China's presence and engagement in the Global South. One thing remains certain: where the West sees risk, China sees opportunity. Where the West seeks to reinforce the existing establishment, China is creating new ones.





## About the Author

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Rebecca lived in China for more than 16 years, working for the British Embassy and British Council and then as Director of the Adapting to Climate Change in China Project, the largest climate risk policy project of its kind in China. Her current focus is on tracking Chinese outward investment and geostrategic approach, particularly in Africa, the Middle East, Central Asia and Southeast Asia. She holds a PhD in Chinese foreign policy in Central Asia.



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