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## **A bigger global role for China?**

**By Martin Khor**

**China seems to be preparing to play a bigger role in global economic affairs, but not at the cost of giving up its developing country status.**



Rice fields and city meet in fast-emerging China, which is still a developing country (Brent Lewin/ Bloomberg).

After years of being rather low key in economic and social affairs at the United Nations, it looks as if China is now ready to upgrade its role in the future.

This is the impression I got after taking part in a conference on Transformative Global Governance: China and the United Nations, at Shanghai on 13 – 14 January 2014 .

For decades China has been careful not to assert itself at the forefront of the UN's economic and social affairs, focusing instead on its own economic development, and insisting that it is a poor or average developing country.

It has played an active role as part of developing country groupings, particularly the Group of 77 and China, which is the umbrella body for over 130 developing countries.

In recent years there have been calls especially by Western leaders for China to play a "leadership role" in international affairs. And a debate has been taking place in China itself on how to respond to this.

The Shanghai conference debated this as its central theme. The meeting was organised by UNITAR (the UN institute for training and research) and the UN Association of China and several Chinese research institutes.

But equally telling, it was hosted by and held at the China Executive Leadership Academy Pudong, which is a leading institution which trains senior government bureaucrats and officials of the Chinese Communist Party, thus giving the workshop a high-level official stamp.

Participants included senior officials of the Foreign Ministry, Chinese international affairs scholars, diplomats and academics from foreign countries including the US, European and African countries, and high-level UN staff including senior advisors of the UN Secretary General, the head of the UN's political affairs department, and representatives of UNCTAD and UNDP.

In my session, I gave the view that China is still very much a developing country and its high standing as the world's number two economy and number one trading nation is due more to its large population.

In per capita terms, China is average, being Number 90 to 100 out of 200 countries in terms of per capita income, human development index, and carbon dioxide emissions.

At the same time, in absolute terms, China has become economically important and its actions significantly influence the global economy and environment. Thus, the calls for it to contribute more.

It would be best for China and for the developing world if the country remains, in identity and behaviour, firmly within the family of developing countries, while taking a leadership role in advocating the cause of these countries and their development aspirations.

A question was raised as to how to respond to calls for China to increase its contribution in global affairs. My response, which received support from those present, was that it depends on what contribution was being asked of China, and what are the related conditions.

Many developed country leaders and diplomats when asking China to play a greater role are asking it to give up its status as a developing country, and to take on the obligations of a developed country.

Such obligations may include slashing tariffs and helping to create new rules at the WTO and taking on similar commitments on reducing climate-related emissions as the developed countries. Agreeing to this may constrain the country's "policy space".

At the same time, China is not being offered a corresponding increase in power in global governance. For instance, China's share of quota (and voting weight) in the IMF and World Bank has risen only slightly, and not in line with its increasing weight in global GNP.

But it is asked to contribute loans to the IMF for recycling to countries in debt crisis, which in recent years have been in Europe. China has provided US\$100 billion.

Also, China is being called on to provide aid to other developing countries, and attach conditions similar to the aid provided by developed countries.

China is already providing massive amounts of loans and grants to many developing countries, usually without the many conditions of Western aid. South-South aid is also provided by India, Brazil and others, but on a basis of solidarity rather than obligation.

There are implications for other developing countries if China were to agree to give up its developing country status. Many of them, including Malaysia, have higher GNP per capita than China. If China gives up its status, they too will be pressurised to take on same obligations as developed countries.

If the developed countries are willing to cede some of their privileged positions of dominance in decision-making in global institutions, and open up the space for China and other developing countries, this would be most welcome.

There are few signs that this will be forthcoming anytime soon. Thus the “democratic deficit” in global governance continues.

China should thus take a leading role, through the G77 and China, to expand the power of developing countries in global affairs.

At the Shanghai conference, most of the Chinese participants indicated that their country is now ready to assume a greater role, pointing for example to its increasing share in the UN budget and in the UN’s peace-keeping activities.

However all of them stressed that China is a middle income developing country, citing the existence of 150 million poor people, and wide imbalances between the urban and rural people. It was definitely not willing to be considered a developed country.

The Chinese participants also showed great interest in the issue of global governance, voicing dissatisfaction at how developing countries as a whole are still very under-represented in decision-making and influence in global institutions and in economic and social affairs.

I was also struck by the attitude of the UN officials and Western diplomats and thinkers.

Almost all of them were impressing on the Chinese how important it is for China to be a leader in the UN and global affairs.

Perhaps there is a perception that China can fill in the monetary void caused by the decline in funds from cash-strapped Western countries.

It could be more than that, however. China has not been very assertive at the UN previously, and there is a willingness among UN officials to see a more active role for it in the future.

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