

The US and China duke it out over development

by Stephen Howes

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Anka Lee has recently been appointed US Deputy Assistant Secretary of Defense for East Asia. On a visit to Australia a couple of years ago, he gave an interesting talk when he was USAID's Senior Advisor on China which you can catch on the Development Intelligence Lab's podcast, [The Readout](#).

In it, Lee outlined five things that China is doing that, according to the US government, hurt the international development effort, the five "categories of PRC action that we find most detrimental". Here they are – I'm summarising, but as much as possible using his language. According to Lee, and presumably USAID, China is:

1. modelling itself as an exemplar of authoritarian development;
2. enabling illiberal practice through the use, refinement and export of technology and tools;
3. intervening in the political and economic practices of foreign countries, especially in BRI (Belt and Road Initiative) areas, through elite capture, strategic corruption and the use of corrosive capital;
4. shaping international institutions in a way that is more consistent with its foreign policy objectives, prioritising certain things and undermining other things in international agreements, defining development as only economic development; and
5. silencing voices globally through coercion, for example, in Hong Kong.

It's quite a list, and one that goes well beyond the conventional "debt trap" narrative, which is presumably wrapped into the third point. Lee also spoke about the US response. The work USAID does, said Lee, "will be about demonstrating which model of governance is the most effective in improving lives".

Lee said that the US aid agency was developing a policy on countering China's influence. I can't find it on the USAID website, which makes the Lee podcast even more useful. There is though a USAID "[Countering Chinese Influence Fund ...](#) which will invest a total of \$300 million in programs that will advance national-security goals in the areas of governance, cybersecurity, commercial engagement, and stabilization / resilience in the Asia, Western Hemisphere, Africa, Eastern Europe, and Middle East regions to build more resilient partners that are able to withstand pressure from the CCP and other malign actors".

And now China has responded in kind with a blistering 5,000 word essay posted on

the Chinese Foreign Affairs website in April this year, “[The hypocrisy and facts of the United States Foreign Aid](#)”. This essay’s opening sentence summarises its argument:

The United States has always prided itself as the world’s largest foreign aid donor. However, in fact, US foreign aid has always taken maximizing the interests of the U.S. as its fundamental starting and ending point, while ignoring the practical interests and long-term development of recipient developing countries. Being selfish, arrogant, hypocritical and ugly, and wantonly interfering in other countries’ internal affairs for its own benefits, US foreign aid brings about seriously negative impacts on world peace and development.

You get the idea. Some of the document is just rhetoric (“In the name of foreign aid, the United States greedily ‘sucks blood’ from developing countries”), but there are also more specific critiques and criticisms, such as:

- “During the cold war, the main goal of US foreign aid was to stop the spread of communism and to consolidate US hegemony. After the 9/11 attack, the goal of U.S. foreign aid shifted to global anti-terrorism to ensure the national security.”
- “During the Trump administration, withdrawing from the Paris Agreement on climate change and World Health Organization for a time ... undermine[d] the international development cooperation.”
- “USAID is widely rated by developing countries as the organization they are least willing to cooperate with.”
- “The United States ranked third from the bottom globally [in the latest CGD aid assessment ranking] in terms of aid quality and performs particularly poorly in terms of recipient country ownership and aid localization.”

The US is also criticised for its tendency to announce but then under-fund global initiatives, such as the [Build Back Better World](#) infrastructure initiative, and for unproductively imposing economic and political reform agendas on recipient countries.

The Chinese article also goes beyond aid to critique America’s broader role in the global economy, highlighting the risks from the dominance of the US dollar, the US role in global food markets (including past food embargoes) and its promotion of arms sales.

It’s fascinating, if disturbing, to watch China and the US duke it out over international development. As recently as 2009, then US Secretary of State Hillary Clinton [praised China](#) for its massive and rapid poverty reduction. That’s unimaginable now.

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In 2013, ODI characterised the current aid era as an “era of choice”. A decade on, while countries can still receive aid from both the US and China, it is looking more like an era of development confrontation. I guess that is only to be expected in the new Cold War.

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