

Development Competition is Heating Up: China's Global Development Initiative and the G7 Partnership for Infrastructure and Global Alliance on Food Security

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Economic development issues are becoming increasingly geopolitical, as the form and importance of [today's agreement](#) in Turkey on grain exports between Russia and Ukraine demonstrates. While today's crucial agreement and [the war of food security narratives](#) between Russia and the West rightly grab the latest headlines, outside of the media spotlight development competition is also heating up between China and the West.

China's Foreign Minister Wang Yi is traveling this month, visiting Myanmar, Indonesia, Thailand, the Philippines, and Malaysia, hosting cooperation dialogues with Vietnam and Cambodia, and following a recent visit to eight Asia-Pacific island nations. Advancing the achievements of China's new Global Development Initiative (GDI) [is one of the objectives](#) of the trip.

The Asia trip is a week after the G7 announcement of its new Global Partnership for Infrastructure Investment (GPII), which itself fell a day after China's hosting of [18 heads of state in Beijing](#) for a High-Level Dialogue on Global Development. The GPII announcement also follows a [G7 announcement](#) on a new Global Alliance for Food Security (GAFS) in May.

Coincidence? Unlikely. Two and a half years of pandemic and the impacts of the Ukraine war leave both immense development needs and a [vacuum](#) in global leadership, which both sides want to fill.

What do we know about the GDI and the GPII?

Neither are truly new—the GDI was proposed by President Xi in 2021, and the GPII is a repackaged version of the Build Back Better World plan proposed by President Biden last year. There are some more details, although still sparse, on what these initiatives will entail.

This June, the Chinese government launched a Global Development Report with the [Center for International Knowledge on Development](#) think tank, framing the report as an “important step in the GDI, a useful reference for countries to pursue development as well as intellectual support for global development.”

The well-researched report reviews progress on the Sustainable Development Goals (SDGs) and lays out five principles for global development: a people-centered philosophy, development-first, leave no country and no person behind, harmony with nature, and a commitment to multilateralism. It then proposes eight priority areas to underpin the GDI, including poverty reduction, health, food security, financing for development, green and low carbon development, promoting industrialization in developing countries, digital economy, and connectivity.

If this is to underpin the GDI, what is noteworthy about the report?

First, unlike the [Belt and Road initiative](#), it is normative in nature—the principles, priorities, and other sections lay out much more of a model for development and development cooperation than simply a project finance plan. It puts forward both a positive vision of development, and some sharp criticisms of the West wrapped up in more technical analysis, such as the lack of progress on sustainable consumption and production, on climate financing, and on the gap in vaccines.

Second, the content is well chosen to appeal to developing countries. While much of this is standard development fare that could come from the World Bank or the United Nations Development Programme, there are points highlighted in the report that are designed to get a particularly positive response from developing countries, beyond standard development fare. These include the focus on development-first, which responds to a strong sentiment from many G77 countries that the West now cares only about climate, conflict, and migration (President Xi's speech also talked about “building political consensus to ensure that everyone values development”). The choice of priorities also reflects issues that are immediately important for G77 countries (food security, health, financing) as well as those that are important for them, but often much less so for Western donors in the longer-term, such as industrialization.

The report also reflects China's lack, currently, of a strategic stance on the role of the state, public administration, and accountability issues: it has strong sections on global governance while missing any analysis on domestic trust, corruption and redress of grievances. It does however include sections on the role of civil society organizations and academia in achieving all 17 SDGs. The omission would no doubt be explained on sovereignty grounds—but just as these issues have been central to China's thinking on its own development, they will be important overseas.

It has few details on financing, although the associated speeches mention transforming and expanding the South-South Cooperation Assistance Fund and increasing financing to the United Nations Peacebuilding Fund. It mentions debt only in the context of multilateral development bank climate financing, and not with relation to China's own financing. The examples of specific bilateral or multilateral agreements and programs are surprisingly minor, supporting the sense that China has not yet worked out what this will mean, beyond the normative level.

What about the GPII and GAFS?

The [GPII](#) is explicitly framed as an infrastructure facility, but has a normative side to it too—it is offered as a “values-driven, high-standard, transparent financing mechanism.” It will focus on climate, health, digital technology, and gender. What else is noteworthy?

It has been announced at a reasonable degree of scale, USD 600 billion over five years, albeit much lower than the original Build Back Better World initiative which aimed at mobilizing USD 40 trillion by 2035. The [initial set of projects](#) are well chosen to appeal to developing country interests and signal seriousness about hard infrastructure components, including a 1,000 mile submarine telecoms cable connecting Singapore through the Horn of Africa and Egypt with France, a vaccine manufacturing plant in Senegal, and a solar power plant in Angola.

There has been [some debate](#) in the US whether the Biden Administration is [wise](#) to compete on hard infrastructure projects, or would be better leaving this domain to China as a bilateral instrument, putting its heft instead behind multilateral development bank infrastructure investments to achieve similar results at lower cost and maintain Western clout in these institutions. There is also a question about whether the GPII is answering the past challenge (the Belt and Road initiative), and not the current one in the shape of the GDI with its broader and more normative focus.

The GAFS is more targeted to the dominant current challenge of food security. Taking serious action on this issue will be very much welcomed by developing countries, for whom the food and energy price impact of the Ukraine conflict has been [a concern that affects international unity](#). Today, Russia and Ukraine [signed separate agreements with Turkey and the UN](#) that would restart grain exports from the blockaded ports of Odesa, Chernomorsk and Yuzhny. The issue of whether the invasion or the sanctions on Russia have driven the global food price crises has been the subject of an intense narrative struggle between Russia, Ukraine and its Western allies (the main cause is the war itself blocking exports from Ukraine, both existing stocks and the upcoming harvest. The sanctions do not affect food and fertilizer exports from Russia; the US and EU recently amended the original sanctions regime to make this even more clear).

GAFS was launched with the support of the African Union as well as the UN, World Bank, and other international institutions, which is a smart move in terms of including developing country participation from the outset. The World Bank made commitments of USD 30 billion in existing and new projects and Germany announced an additional USD 430 million, which brings their total this year in food aid and food security assistance to USD 4 billion. However, there has not been much additional information since the May G7 meeting on when, where, and how funds will be disbursed.

Our view is that the G7, and other Western countries, should engage on both practical, urgent delivery of better food security and infrastructure, and the normative development field. Being in the lead—and seen to be in the lead on food security issues is perhaps the key short-term economic action to take that affects cross-regional unity around the Ukraine conflict. Showing willingness to finance infrastructure at scale is important for developing country governments, but so is the contestation around what delivers best in the normative field of development.

“China language watchers” will be wary of what is meant by references to people-centered development in the GDI. But people-centered development is in fact the core of the SDGs. The West should not reject the phrase, but rather strive to demonstrate that their domestic governance and overseas cooperation deliver people-centered development better. Similarly, China should think hard about the rising opposition in Africa and other regions to its debt and employment practices and strive to deliver overseas cooperation which delivers in the medium term—not only in speed, but in strong trust between state and citizens, local employment benefits and debt sustainability.

What does heated up development competition mean for the people of the developing world?

Competition over investment can be of some benefit, to be frank. In the Cold War, some countries gained in investment and aid when they were viewed as strategic allies, and some such as South Korea even used that funding well. This equation will be important for developing countries in the coming period.

The division of the world into different economic cooperation blocks during the Cold War, Comecon and the West, was generally bad for trade gains in developing countries: decoupling is much more difficult in today's patterns of global trade and supply chains.

The costs now for the developing world are more likely to come through political and social capital domestically, and whether aid and foreign investment genuinely creates shared prosperity. During the Cold War, the spread of geopolitical contestation into the economic and development realm carried costs as leaders were supported economically based purely on their geopolitical utility, regardless of whether their rule increased inequality and benefitted or abused their own people. "He's a son of a bitch, but he is our son of a bitch," as Franklin D. Roosevelt said.

Aside from the clash of values and perceived interests, this approach is now less likely to benefit long-term interests, for both the West and China—in today's era of social media and protest, alliances with authoritarian rulers will likely have a shorter shelf life than they did in the Cold War, and this may hit China as hard as it does the West.

Can the people of developing countries reap the benefits of increased geopolitical competition in development aid this time or will they be trampled underfoot? It remains to be seen.

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