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Title: **WHY IS CHINA SUPPORTING DEVELOPING COUNTRIES**

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WHY IS CHINA SUPPORTING DEVELOPING COUNTRIES

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Abstract: This article is devoted to the main aspects of the reasons why China is intensely supporting developing countries.

Keywords: innovation development, developing countries, coronavirus pandemic, self-isolation, remote work.

Introduction

Preface

Over the hundred years, China as a developing country has been providing foreign and economic aid to developing countries in order to protect from poverty and poorness and fulfil its future dreams in international court. According to historical evidence, in the middle of 1950s China started to provide technical and economic aid to other countries although at that time China needed itself foreign aid and it was regarded as a less-funded country. From that time, China adjusted some of the reform and adopting some policies like “opening-up doors. As a result, Chinese economy has been developing rapidly and dramatically, with the overall national strength growing notably. Yet, in spite of growing rapidly and fast speed, China is still regarded as a developing country and a low per capita income and a vast number of poor people.

China has been doing its best to provide foreign aid, to help recipient countries to strengthen their self-development capacity, enrich and improve their peoples' livelihood, and promote their economic growth and social progress. Through foreign aid, China has consolidated friendly relations and economic and trade cooperation with other developing countries, promoted South-South cooperation and contributed to the common development of mankind. In my opinion, It is the best way for China distributing its investment to developing world and making with them strong relationship as a result enrich itself with foreign trade and cooperation. Take an example, a few year ago, China spent about \$10 billion in Central Asia to find natural resources and investigate scientific

research in pharmaceutical field. In today's day they have strong relationship with China, and China is buying most proportion of natural resources. On the other hand, Chinese market is taking control of Central Asian markets. Every year China is selling its goods and products and services, the proportion of selling products comprise 65% of Central Asian GDP. Some people said that this seems to be “Sinking Russia, Rising China” the reason why China is gradually replacing the role of Russia in this area such as in the field of oil, gas, natural resources and pipelines and long term investment. Adhering to equality and mutual benefit, stressing substantial results, China's foreign aid has emerged as a model with its own characteristics.

China's foreign aid began in 1950, when it provided material assistance to the Democratic People's Republic of Korea and Vietnam, two neighboring countries having friendly relations with China. The scope of China's aid extended from socialist countries to other developing countries, along with the improvement of China's foreign relations. In 1956, China began to aid African countries. In 1964, the Chinese government declared the Eight Principles for Economic Aid and Technical Assistance to Other Countries, the core content of which featured equality, mutual benefit and no strings attached, hence the basic principle for China's foreign aid was formulated. In October 1971, with the support of other developing countries, China resumed its legal seat in the United Nations, established relations of economic and technical cooperation with more developing countries, and funded the Tanzania-Zambia Railway and other major

infrastructure projects. In this period, China overcame its own difficulties, and provided maximum assistance it could afford to other developing countries in their efforts to win national independence and to develop national economy, thus laying a solid foundation for its long-term friendly cooperation with developing countries. China's economic cooperation and trade with other developing countries extended from economic aid to multi-form and mutually-beneficial cooperation among more developing countries. China has adjusted the scale, arrangement, structure and sectors of its foreign aid in accordance with its actual conditions and political position. Over the years China strengthened its foreign assistance to the least developed countries, paid more attention to the economic and long-term effects of aid projects, and provided aid in more diversified and flexible ways. China conducted multi-form technical and managerial cooperation with recipient countries, such as managing aid projects on behalf of recipient countries. After adopting the future cooperation models, some already-completed productive projects accomplished more than traditional technical co-operation in improving enterprise management and production level. Through adjustment and consolidation, China's foreign aid embarked on a development road which suits better to China's actual conditions and the needs of recipient countries. Over the last decades, China government took a series and crucial of measures to reform and emerge its foreign aid mechanism into developing world, focusing on diversifying the sources and ways of funding. According to Chinese governmental statistics. In 1993, the Chinese government established "the Foreign Aid Fund for Joint Ventures and Cooperative Projects" with parts of the interest-free loans repaid to China by developing countries. The fund was mainly used to support Chinese small and medium-sized enterprises and young entrepreneurs to build joint ventures or conduct cooperation with the recipient countries in the production and operation spheres. This kind of situations helped Chinese young leaders to find an alternative way to emerge business atmosphere. In some

countries, more young talented leaders can't operate its business in the international courts. I think for this reason is that their country's role in international sphere doesn't play well. In my view, to those whose countries strength is emerging into foreign atmosphere, the whole ways and chances are created for their population. Take an example, the export-Import bank of China, provided more medium and long term investment with lower interest loans to some developing countries, effectively expanding its foreign funding sources as a foreign aid in 1995. Over the last years. Chinese cooperation with African countries is notably increasing. Some centuries ago most of the African countries were controlled by France, but in these days China is reforming in this place and is expanding its role with foreign aid big unforeseeable notable effects.

In the 21st century. Actually since 2004, Chinese economy has been rapidly booming and showing stable growth. In the effect of economic growth, Chinese foreign aid policy has increased noticeably, with the rate of 29.4% over a period of 5 years starting in 2007. Furthermore, through investing more economical and technical assistance China has been spreading its culture and tradition. Such as 5 years ago not many people were interested in Chinese language, but in today's life style, the number of international students around the world who would like to learn Chinese language is nearly doubled even tripled. Undoubtedly, The Chinese government announced a series of well-targeted foreign aid policies at many international and regional conferences, such as the UN High-Level Meeting on Financing for Development, UN High-Level Meeting on the Millennium Development Goals, Forum on China-Africa Cooperation, Shanghai Cooperation Organization, China-ASEAN Leaders Meeting, China-Caribbean Economic and Trade Cooperation Forum, China-Pacific Island Countries Economic Development and Cooperation Forum, and Forum on Economic and Trade Cooperation between China and Portuguese-Speaking Countries, to strengthen foreign aid in the fields of agriculture, infrastructure, education, health care, human

resources, and clean energy. Apart from China is assisting to some developing countries and making them explore and find more suitable path in development way without interfering their internal affairs. In my opinion it is best strategy for China for continuing long-term trade and cooperation. Thus, Keeping pace with the times and paying attention to reform and innovation, China has been adapting its foreign aid to the development of both domestic and international situations, makes innovations in the field of foreign aid, and promptly adjusts and reforms the management mechanism, so I can say without hesitation China is improving its foreign aid work in the world among other developed countries. Chinese foreign aid policy like financial resources economic assistance are provided especially in three way: grants, free interest loans and concessional loans. Grants and free interest loan are usually provided by Chinese government whereas concessional loans are supplied by the Bank of Export and import which was designed by Chinese government. By the end of 2009, China had provided a total of 256.29 billion yuan in aid to foreign countries, including 106.2 billion yuan in grants, 76.54 billion yuan in interest-free loans and 73.55 billion yuan in concessional loans. It is interesting fact that the Chinese Foreign aid expenditure is regarded as a part of the state expenditure, it is controlled and planned under the unified management of the Ministry of Finance in its budgets and final accounts system. I would like to illustrate some statistics which are provided by the Export-Import Bank of China about concessional loans which are mainly used to help recipient countries to undertake productive projects generating both economic and social benefits and large and medium-sized infrastructure projects, or to provide complete plant, mechanical and electrical products, technical services and other materials. Concessional loans are raised by the Export-Import Bank of China on the market, and since the loan interest is lower than the benchmark interest of the People's Bank of China, the difference is made up by the State as financial subsidies. At present, the annual interest rate of China's

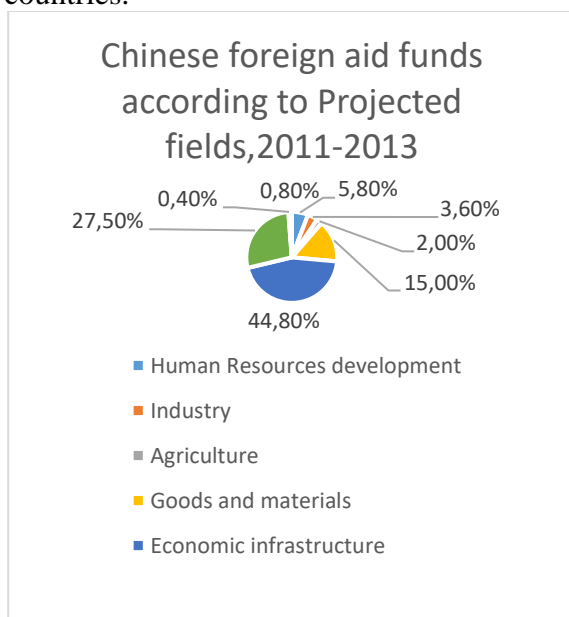
concessional loans is between 2% and 3%, and the period of repayment is usually 15 to 20 years (including five to seven years of grace). By the end of 2009, China had provided concessional loans to 76 foreign countries, supporting 325 projects, of which 142 had been completed. Of China's concessional loans, 61% are used to help developing countries to construct transportation, communications and electricity infrastructure, and 8.9% are used to support the development of energy and resources such as oil and minerals. In the modern world, China is not only providing financial or economic support but also it has been supporting to develop its modern technology in tandem with in the human recourses development atmosphere. Take in example, in my country especially in Uzbekistan, Chinese experts and scientists are providing technical guidelines on production and operation some significant projects such as investigating oil, petroleum and manufacturing and teaching our local people as managerial and technical skills. Furthermore, China's agricultural technologies is emerging our industry to assist in developing industry to grow crops like cotton, wheat fruits and vegetables and more and more and playing main role in our Gross Domestic Products. As a result of some assistance exporting fruits and vegetables has doubled in the last years. Some people say that having technical cooperation is an important indicator which helps to strengthen for this country its self-development capacity. Because it includes a wide range of fields, including industrial production and management, farming and poultry raising, medical and health care, and economic planning. As a part of foreign assistance, China is running different kinds of research and scientific investigation, multilateral or bilateral channels, especially, in the education field like building new schools or furnishing laboratory equipment and teaching materials, exchange programs among teachers and students, training teachers to become more broad minded person as well as offering governmental scholarship to those who come from less developed and developing countries. Consequently, human

resource development is ever enhancing. By the end of the 2009, China organized over 4000 training courses of different types including agriculture, communication, transportation, textile for developing countries. At present, In China approximately 15500 students is taking free education or receiving training skills in different fields from developing world. In most less developed countries China started building new hospitals and medical testing and treatment centers in order to improve the standard of living. In my view. supporting with medical aid is one of the most important factor in international policy, and China is doing best than the other countries, take an example hundreds of new hospitals are being built in African and Latin American countries by Chinese government. I think these kind of aids contributed to tackle local people`s problems and difficulties in getting medical service. Moreover, in these days China is organizing exchanging and cooperation programs among doctors to exchange practical skills and attract to do more research in this field from less developed countries. It is expected that China`s foreign medical aid will continue having a positive construction to the development of medical undertakings, improvements of the medical care infrastructure and advance of medical treatment technologies in developing countries.

* Source :white paper on China's foreign aid issued by China's Information Office of the State Council on July 10, 2014. (Xinhua/China's Information Office of the State Council)

The pie chart illustrates how much Chinese foreign aid funded between 2011 and 2013. It can be clearly seen from the pie chart is that the highest proportion of financial support was distributed in the economic infrastructure.

It is interesting fact that how the foreign aid policy is controlled ? In China all the foreign aid projects and decision making power is considered Central Government. Ever since the 1950s, with the development of foreign relations and foreign aid, agencies at various levels of the Chinese government responsible for the management of foreign aid have been gradually established and improved, and management of projects has been gradually strengthened. China is not only supporting and providing developing countries but also participating actively in international cooperation like the United Nations, WTO, and Shanghai Cooperation by doing its best support and participating in aid programs. China has been carrying out some exchanges in development assistance with many international multilateral organizations and countries In addition to developing bilateral aid, China is getting involved in trilateral and regional cooperation with some multilateral organizations and countries in capacity building, training and infrastructure construction that give full play to the advantages of all participants. I think positive results have been achieved. For a long time, China has been working together UNDP to implement “Technical Cooperation among Developing countries “program in China, as a result 6212 technicians for other developing countries have been trained and provided with modern skills in more than 22 years. After joining UNFAO (United Nations Food and Agriculture Organization) in 1996, China has been cooperating with developing countries to grow good quality agricultural products and use modern technology in farming industry by exchanging among experts from China. By the end of the 2012,This figure has doubled sharply with number of more than 700



agricultural experts and technicians to Africa, the Caribbean and the Asia-Pacific area. At present, the scope of international aid for development is being gradually expanded. South-South cooperation is developing rapidly, becoming an effective and beneficial supplement to South-North cooperation. Under the framework of South-South cooperation, China will work with all parties concerned to conduct complementary and fruitful trilateral and regional cooperation on the basis of respecting the needs of recipient countries and jointly promote the process of global poverty alleviation.

Taking into consideration shown above, I think the developed countries should help for the developing countries in some ways in order to eliminate the poverty from the world. In my view, the developed countries should concentrate on more in the field of education and human resource management in developing countries the reason why if the less developed continue receiving money from rich countries, they may not able to manage it, but if they have educated people, then can create more opportunity to develop themselves in the future. There is a fact that China has already proved how to break poverty by developing their education systems and managerial ability. Chinese foreign aid policy to developing countries may affect them to become powerful country in the modern life. China is trying to build a moderately prosperous society in an all-round way and stays committed to realizing the Chinese Dream of national prosperity and renewal, and happiness of the people. China will follow the trend of the times, which is peace, development, cooperation and win-win result, keep to the righteous viewpoint on justice and interests, respect and support developing countries' exploration of development paths suited to their own national conditions. The future expectations show that China is willing to be in line with the international community to share opportunities and chances, and make greater contribution to the development of human beings in international policy court.

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