

1 China as a global development actor: transforming the international aid landscape

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The People's Republic of China (the PRC) is central to current debates about the crisis and future of international development aid. China plays an essential role in addressing global challenges like climate change and antimicrobial resistance and has become the largest bilateral creditor and a key provider of infrastructure and technology to developing countries.

This anthology emerges from a recognition that despite the PRC's central importance to international development, a comprehensive assessment of its role, goals, and impact has been notably absent. Drawing from different contributions to the anthology, this introductory chapter covers insights about China's role in different sectors and regions. We conclude with an assessment of China's significance for Sweden's international development cooperation, and what lessons can be drawn to ensure its relevance and effectiveness in the future.

Why an anthology on China as a development actor?

Through its studies, the Expert Group for Aid Studies (EBA) seeks to generate evidence-based knowledge that can enhance the effectiveness of Swedish development cooperation. In the last decade, China has emerged as a significant development partner for many countries—a role that has become increasingly prominent as traditional Western donors, including the United States (US), have reduced their engagement in certain regions and sectors.

This raises critical questions for Swedish and European development policy: How might China fill gaps left by traditional providers? How to ensure development effectiveness and align with recipient-country priorities in a multipolar aid environment? What are the European Union’s comparative advantages and how to leverage them in dialogue with China and partner countries? In which sectors and geographical areas can Swedish aid have the greatest impact? This anthology aims to advance our understanding of China as a development actor within this evolving multilateral framework.

A comprehensive analysis of China’s approach across key sectors—including health, climate and environmental governance, gender equality, and trade and infrastructure development—is essential for informed policy formulation. Such insights will enable Swedish policymakers to identify opportunities for constructive engagement while clearly delineating areas where fundamental differences in objectives and underlying motivations preclude meaningful collaboration.

Great changes in the development landscape

The contemporary world finds itself at a critical juncture where traditional paradigms of international development cooperation are being fundamentally challenged and reshaped. We are witnessing what can only be described as a paradigm shift characterized by the emer-

gence of a multipolar world order, the relative retreat of the United States from global leadership, and fundamental questions about the future of multilateralism and traditional development cooperation mechanisms. Long-established concepts such as “the West” and “the Global South” are increasingly in flux, as new power dynamics re-shape global relationships.

The term “polycrisis” is sometimes used to describe the current convergence of global challenges where different crises feed into and exacerbate one another, including climate change and environmental degradation, stagnated reduction of extreme poverty, economic instability and inequality, democratic backsliding, pandemic health crises, and geopolitical tensions and conflicts. Political scientist Yuen Yuen Ang suggests we should instead view this moment as a “polytunity” – “a once-in-a-generation opportunity for the deep transformation of global institutions and ideas” (Ang, 2025).

Whether seen as a crisis or an opportunity, this profound transformation of the international aid landscape necessitates a fresh examination of China’s role as a development actor. From China’s perspective, the world is undergoing “great changes unseen in a century.” These changes are perceived by China’s leadership as an opportunity to assert greater global influence. What then is China’s vision for a new world order, where Beijing plays a greater role in shaping the standards and norms underpinning international development cooperation?

Critical knowledge gaps

Despite China’s prominence in development debates, significant knowledge gaps persist that this anthology seeks to address. First and foremost is the question of what constitutes “Global China”—how we should understand China’s global presence, influence, and impact across different sectors and regions (Baxter, 2025; Lee, 2022).

What are the domestic factors that shape China’s foreign policy and development practices? Who are the key actors involved in China’s

development initiatives, and to what extent do they share common interests versus pursuing divergent agendas? These questions are fundamental to predicting China's future behaviour and identifying potential areas for collaboration or competition.

Development cooperation has emerged as what might be termed a “strategic theatre” in contemporary geopolitics. Where does development aid, finance, loans, and other instruments fit into China's broader geostrategic thinking? Or should we understand China's approach as more functionally oriented—focused on specific sectors like infrastructure, agriculture, or clean energy—and driven by opportunism, individual actor interests, and commercial motives rather than grand strategic design?

The reality likely involves a complex mixture of geostrategic considerations, commercial interests, opportunism, and coincidence that varies across geographical contexts and sectors. Projects may emerge from careful strategic planning, immediate commercial opportunities, individual initiative, or simple chance. Understanding this complexity is crucial for both recipient countries seeking to engage with China and traditional donors trying to position themselves in the new landscape.

Myths and competing narratives

A significant obstacle to clear understanding has been the proliferation of myths and competing narratives surrounding China's global role. Too often, analysis falls into the trap of comparing China's actual (and sometimes problematic) practices with idealized Western models rather than examining real-world performance and historical track record. This tendency toward stereotyping and oversimplification obscures more than it clarifies.

Moreover, such comparisons often ignore the interests, needs, motives, and agency of recipient countries and local actors. Development cooperation cannot be understood solely through the lens of donor motivations; the agency, preferences, and strategies of recipi-

ent countries and communities play crucial roles in shaping outcomes.

On the other hand, romanticization of China's development trajectory often presents an equally distorted picture, portraying China's economic transformation as a seamless success story while glossing over significant costs, contradictions, and context-specific factors that may not be replicable elsewhere. The narrative of development at "China speed" and the "Chinese economic miracle" tends to overlook environmental degradation, rising inequality, political repression, systemic human rights violations, social tensions, and the unique historical circumstances that enabled China's rapid growth—including its integration into global supply chains during a period of unprecedented globalization.

These competing mythologies create a false binary that impedes nuanced understanding of China's actual role in global development. The reality is far more complex, involving both successes and failures, beneficial partnerships and problematic dependencies. Moving beyond these one-sided narratives requires acknowledging that China's global engagement, like that of any major power, produces mixed outcomes that vary significantly across sectors and regions.

This anthology compiles insights from a distinguished group of experts, who examine various facets of China's role as a global development actor. Each chapter provides current and nuanced perspectives on Chinese practices, discourses, and policies in development cooperation, enriching the reader's understanding of China's positioning within the international context. Importantly, this work seeks to move beyond simplistic binary narratives that often characterize discussions about China—those that label the West as inherently "good" or "normal" and China as "disruptive," or "new." By the same token, it also challenges the Chinese government's narrative about China as a leader of the developing world, provider of global goods, and champion of multilateralism (Oud & Drinhausen, 2025).

Covering a wide range of themes and geographic contexts—including finance, climate action, agriculture, health, and gender—alongside regional case studies from Africa, Southeast Asia, Ukraine, and Iran, the anthology offers a comprehensive examination of China’s role in global development. It addresses critical issues, such as dependencies and debt traps, while presenting a balanced view of both the successes and shortcomings in China’s development initiatives.

The implications for Sweden and the European Union are particularly relevant, providing policymakers with insights necessary for navigating the current geopolitical landscape. This introduction synthesizes the diverse contributions within the anthology, elucidating common themes and drawing conclusions that culminate in a set of practical policy recommendations for Sweden and its European partners.

Definitions and key concepts

In the anthology, the terms “development aid” and “development finance” are used interchangeably, but it is important to clarify their distinctions. Official Development Assistance (ODA), as defined by the Organisation for Economic Co-operation and Development (OECD), refers to government aid intended to foster economic growth and welfare in developing countries. This includes grants, “soft” loans, and technical assistance, with only the “grant portion” of loans—meaning the amount provided at below-market rates—counted as ODA. Aid can be delivered bilaterally from donor to recipient or through multilateral agencies like the United Nations (UN) or World Bank, with the OECD designating specific countries and territories as eligible for ODA.

In contrast, China’s approach to international development cooperation encompasses a broader array of financial flows, including non-concessional loans, trade, and investment aimed at fostering mutual economic development with recipient countries. China’s development finance predominantly targets sectors such as industry, energy,

transport, and banking, with key recipients including Russia, Venezuela, and Pakistan. The focus is often on large infrastructure projects that enhance trade connectivity and resource access, favouring countries that are strategic partners or rich in natural resources. This strategy diverges from OECD donors, who traditionally emphasize development cooperation in accordance with the Paris declaration on aid effectiveness, which in 2005 initiated a push towards increased use of budget support and country systems. Recently, these traditional donors, including Sweden, have however also begun to adopt more transactional development cooperation models, prioritizing mutual economic benefits over solely addressing extreme poverty.

This raises a pertinent question: how much of China's international development finance qualifies as ODA or development aid? The OECD and AidData define and calculate these contributions differently, leading to varying assessments of China's overall impact. In a recent study, AidData finds that China's lending portfolio has reached 2.1 trillion USD, which is several times more than previous estimates. Moreover, in contrast to the image of China as focusing on infrastructure development in low-income countries, infrastructure investments and Belt and Road Initiative (BRI) projects only make up a minority of China's overseas financing, and the main bulk of overseas lending now goes to upper-middle-income and high-income countries rather than, as previously, to low-income countries (Parks et al., 2025).

The central challenge in evaluating China's role as a development actor is its lack of transparency and limited adherence to the OECD Development Assistance Committee (DAC) standards. This opacity complicates assessments of China's financial contributions, making it difficult to classify them consistently within the framework of traditional development aid.

Significance for Sweden

For Sweden, China's emergence as a major development actor presents both challenges and opportunities that require careful navigation. The year 2025 marked the 75th anniversary of diplomatic relations between Sweden and the PRC. Swedish development cooperation with China began in 1979 and concluded thirty years later as China transitioned to middle-income status with significantly improved living conditions for much of its population. Sweden's development cooperation emphasized democratic governance, human rights, environmental protection, and sustainable development through partnerships between Swedish and Chinese universities, government institutions, municipalities, and civil society organizations.

China remains an important trading partner for Sweden, with Swedish businesses maintaining a historically strong presence in the Chinese market. However, operating conditions have become increasingly challenging due to slower economic growth, intensified competition, a deteriorating political climate, and rising geopolitical tensions.

Sweden's approach to China

Sweden's dialogue and cooperation with China have evolved alongside China's emergence as a global power. In 2019, the Swedish government published "Approach to matters relating to China" (Government of Sweden, 2019), outlining Sweden's comprehensive approach to China relations "in light of China's growing influence in the world and the new implications, opportunities, and challenges this brings." The document addresses nine key areas:

- Security and defence policy.
- Trade and economics.
- Climate and environmental issues.

- China as a multilateral actor.
- Human rights.
- China as a development actor.
- Technology, innovation, and digital transformation.
- Research and education.
- Culture and media.

Regarding China's role in international development, the government mainly noted that it is essential that China adheres to the Paris Declaration principles of aid effectiveness and collaborate with OECD-DAC, and that Sweden will encourage China's participation in donor coordination mechanisms and the Global Partnership for Effective Development Cooperation (GPEDC).

Fundamental ideological differences and bilateral tensions

For Sweden, China's emergence as a major development actor presents both challenges and opportunities that require careful navigation. A primary challenge stems from the contrasting political systems of the two countries: Sweden being a liberal democracy while China is an autocratic one-party state. This fundamental difference generates conflicting perspectives on human rights, democracy, rule of law, gender equality, and good governance—issues that have long been central to Swedish development assistance.

China actively resists and challenges the notion of universal human rights, both domestically and internationally at the UN (see Sebastian Haug and Marina Rudyak's chapters). For China, non-interference and state sovereignty constitute the most fundamental principles for international relations; therefore, development assistance should remain disconnected from governance issues. These divergent views create significant tensions in bilateral relations, tensions that have intensified in recent years.

At the heart of the strained relations is the case of Swedish publisher Gui Minhai, abducted by Chinese agents in Thailand in 2015 and sentenced to ten years in prison in 2020 for allegedly “illegally providing state secrets to foreign entities.” That same year, amid rising tensions, Sweden’s Post and Telecom Authority banned Chinese companies Huawei and ZTE from its 5G development, leading Huawei to sue the Swedish government. Additionally, China halted the approval of export licenses for essential artificial graphite to Sweden.

Further damaging China’s image in Sweden are issues such as the repression of Xinjiang’s Muslim population, the crackdown on Hong Kong protests, and support for Russia’s war in Ukraine. While Western attitudes towards China have generally deteriorated, this shift has been particularly pronounced in Sweden, with Swedes ranking among the most critical toward China in PEW surveys (Pew Research Center, 2024). Until recently, Sweden was one of only three EU countries with visa restrictions for travel to China. However, in November 2025, Sweden was granted visa-free travel privileges, indicating a possible thaw in relations.

Current policy direction

In her February 12, 2025, Foreign Policy Declaration, Swedish Minister for Foreign Affairs Maria Malmer Stenergard emphasized the growing need for international cooperation at the intersection of technology, innovation, trade, and security. She noted that while Asia-Oceania represents the world’s fastest-growing economic region—with China as the second-largest global economy and technological leader—the country’s authoritarian governance and expanding geopolitical ambitions present significant challenges (Malmer Stenergard, 2025).

The government supports dialogue and cooperation with China where possible and aligned with Swedish interests and values, particularly in promoting fair trade and addressing climate change. However, Sweden will continue working with EU partners to address hu-

man rights violations, ensuring that Sweden-China relations remain “anchored in a European strategy and close transatlantic cooperation.”

The Swedish Government’s aid reform agenda, “Aid for a New Era—Freedom, Empowerment and Sustainable Growth,” positions development assistance as a key foreign policy tool for advancing Swedish interests. Compared with earlier development policy frameworks, the agenda places greater emphasis on promoting and safeguarding national interests and on aligning development cooperation more closely with foreign and security policy objectives. The agenda also emphasises that development cooperation should be concentrated to the neighbouring region and Ukraine. A new thematic area on migration was introduced focusing on decreasing irregular migrants and refugees and on return and repatriation. By integrating aid policy with foreign affairs, security, trade, climate, and migration policies, Sweden aims to strengthen its global influence while maximizing aid effectiveness. Development cooperation should also focus on synergies between development aid and trade to leverage Swedish businesses, entrepreneurship, and trade opportunities (Ministry of Foreign Affairs, 2024).

Key insights

The chapters in this anthology explore a diverse array of perspectives on China’s role as a development actor. This diversity reflects the multifaceted ways in which China influences global development, both thematically and geographically, as well as the varied backgrounds and viewpoints of the contributing authors. In this section, we summarize key insights from the anthology, highlighting four prominent themes: the geopolitics of development, China’s growing role as a global standard-setter and norm entrepreneur, the implications of dependencies and debt traps, and the evolving landscape of donor practices.

The geopolitics of development

China uses development assistance to strengthen its relations to countries in the Global South, which is of strategic importance to Beijing, both in terms of securing access to raw materials and as a way to gather support for its political agenda. China's entering into the international development scene has made other donor countries inclined to focus more on the strategic aspects of development. International development has partly become a battleground for the geopolitical struggle between China and the West. This geopolitical struggle is highlighted in many of the volume's contributions, as is the securitization of international development.

Jingdong Yuan points out that China's development finance predominantly targets infrastructure projects that enhance trade connectivity, resource access, and power generation. China's aid focuses on strategic partners, traditional allies, countries in key locations, or those rich in critical minerals and oil. Similarly, Assem Abu Hatab and Franklin Amuakwa-Mensah write that China's agricultural development engagement in Africa, while generally bringing development benefits for the continent, is driven by self-interest to secure its own food supply.

Countries that are dependent on China for development financing are unlikely to criticise China and more likely to support China's position in multilateral fora such as the UN as shown in Marina Rudyak's chapter. This serves to strengthen China's global image. David Bandurski explains that a key element of China's strategy lies in achieving "discourse power" or information dominance, which is integral to its comprehensive national power. China invests heavily in influencing global narratives across a multitude of media channels, languages, and regions—ranging from Southeast Asia to Africa. The importance of China's international image is also reflected in Lisa Eklund's analysis of how China increasingly emphasises gender equality in its foreign policy to enhance its global legitimacy, despite China's modest financial contributions to gender equality initiatives.

Similarly, Karl Hallding describes how China presents itself as a responsible leader in the green transition, while its climate finance serves dual purposes—both environmental goals and geopolitical influence. By supporting climate projects, China strengthens diplomatic ties, shapes markets, and encourages policy alignment over time. Furthermore, China’s shift from fossil fuels to green energy is a strategic bet on future growth in electrification value chains—from critical minerals to power electronics and software—securing its role in the global energy transition and expanding its geopolitical influence.

Another example of how China connects development cooperation with its geopolitical goals is China’s engagement with Ukraine. Helena Legarda and Abigaël Vasselier note that despite Ukraine’s delicate diplomatic balancing act between East and West, China has sought to preserve trade relations and influence Moscow indirectly while positioning itself for involvement in Ukraine’s future reconstruction.

In a similar vein, Andrew Small describes how China’s engagement with Iran is far more explicit now than previously and China is now by far the main importer of Iranian oil. While China used to avoid being too strongly associated with countries that are under Western sanctions, China now takes the role of the leader of an “anti-hegemonic” bloc.

Western donors have tried to balance China’s increasing influence in the Global South with its own policies. Europe launched the ambitious investment plan Global Gateway in 2021, but so far, only a small part of the investments has materialized. Marina Rudyak argues in her chapter that to position the Global Gateway primarily as a counterweight to China’s Belt and Road Initiative is counterproductive, since this is not the priorities of the partner countries. Instead, focus should be on offering sustainable solutions to the needs of the recipients.

The US withdrawal from international development and the dramatic downsizing of USAID — the world’s largest aid agency — under the Trump administration fundamentally disrupted the global development landscape, creating significant funding gaps in areas such as global health and humanitarian assistance. The extent to which China could exploit this vacuum to expand its influence in the Global South has generated considerable debate among scholars and policymakers. Michael Schiffer observes that China has already increased development finance in some regions abandoned by the US. However, Lewis Husain argues that despite China’s recent commitment of 500 million USD to the World Health Organization (WHO) over five years, there is limited evidence that China will sustain existing programs at previous funding levels. This selective engagement extends to other sectors. Jiayi Zhou emphasizes that China cannot serve as a replacement for climate finance flows from the Global North to the Global South. Similarly, Jingdong Yuan highlights China’s institutional limitations, arguing that it lacks the experience and infrastructure necessary to replicate USAID’s humanitarian aid model. Nevertheless, China will no doubt make the most of the US withdrawal, likely pursuing opportunities that align with its own development priorities and geopolitical interests.

Dependencies and debt traps

China’s role as the primary trading partner for numerous developing countries and major investor in others has created new forms of economic dependency. Åsa Malmström Rognes examines China’s increasing economic influence in Southeast Asia, where it has overtaken Japan’s role as the region’s dominant trading partner and creditor. Multiple authors (Yuan; Hatab & Amuakwa-Mensah; Rudyak; Husain) analyse China’s development financing across Africa, highlighting how China leverages economic relationships to advance strategic objectives.

Marina Rudyak demonstrates this dynamic through her findings of a strong correlation between Chinese development finance flows and

recipient countries' UN voting patterns. China's dominance in production of key components creates additional layers of dependency. Karl Hallding illustrates how China's green finance initiatives can establish dependence without explicit policy conditionalities through strategic choices in hardware, software, technical standards, and extended service contracts. Similarly, Legarda and Vasselier highlight how Ukraine's defence industrial dependence on China became problematic when China began restricting drone and component exports to Ukraine in September 2024. Andrew Small notes Iran's growing reliance on China, observing that Iran has accepted dependency due to limited alternatives.

The extent to which China's development finance creates unsustainable debt burdens remains contentious, with contributors offering diverse perspectives. Lewis Husain emphasizes the critical juncture facing many low- and middle-income countries now entering principal repayment periods, raising questions about how Chinese financial institutions will balance debt recovery with borrowers' social welfare and health priorities.

Jingdong Yuan identifies multiple contributing factors to debt distress in heavily indebted countries, including insufficient institutional capacity in recipient nations, corruption among political elites, and shifting economic conditions. He notes that China's lending practices diverge from traditional donors: rather than debt forgiveness, China typically employs debt rescheduling and rollover mechanisms.¹

Michael Schiffer discusses the well-known case of Sri Lanka, where Sri Lanka's inability to repay its loans resulted in China gaining operational control over both the Hambantota Port and Mattala Rajapaksa International Airport, demonstrating the concrete consequences of fundamentally different lending practices between China and Western institutions.

¹ While this is predominantly the case, there are examples of Chinese debt relief (cancellation of interest-free loans). See Wang and Moses, 2022.

China as global standard-setter and norm entrepreneur

China has long abandoned its previous low-profile foreign policy, emerging as a “norm entrepreneur” promoting “Chinese values” and “solutions” internationally. Through a series of global initiatives launched since 2020—the Global Development Initiative (GDI), Global Security Initiative (GSI), Global Civilization Initiative (GCI), Global AI Governance Initiative (GAIGI), and Global Governance Initiative (GGI)—China presents itself as a responsible great power, champion of multilateralism, and provider of global common goods. The GGI, introduced in September 2025 ahead of the 80th anniversary of the United Nations, promises new solutions for enhancing global governance—with China leading the way into the new global order (Oud & Drinhausen, 2025).

In her chapter, Marina Rudyak describes how the Global Development Initiative has emerged as a pivotal strategic umbrella for Chinese development finance. Its framing around the SDGs has enabled it to resonate within the United Nations system. In achieving this, China has accomplished what it could not with the BRI: firmly anchoring its development initiative within the UN framework.

Sebastian Haug’s analysis further illuminates the fundamental differences between China’s approach to multilateralism and that of countries like Sweden. While Sweden’s approach has sought to strengthen UN autonomy and effectiveness through substantial core funding contributions, China pursues a fundamentally different strategy: emphasizing state sovereignty and control over multilateral processes and seeking to make the UN more responsive and accountable to member state preferences rather than promoting institutional independence.

Ideas and initiatives promoted by the Chinese Communist Party (CCP) increasingly make their way into UN documents and international cooperation, with phrases like “shared community of mankind” appearing regularly in international declarations and bilateral

statements. China positions itself as a “democracy that works” and as a “progressive force” against Western hegemony, and as a Global South leader challenging Northern dominance. This narrative resonates in many parts of the world by addressing perceived Western hypocrisy and global inequalities (Oud & Drinhausen, 2025).

Underpinning China’s rhetoric is its recent domestic history of dramatic poverty reduction, which bolsters its legitimacy as a leader in global development discourse. The United States’ retreat from multilateralism under Trump emphasizes China’s rising status and has provided Beijing additional space to expand its influence and present alternative models of governance and development. In that sense, “Trump is making China great again” (Garton Ash et al., 2026).

As one of the five permanent UN Security Council members (P5), Beijing occupies a unique position at the United Nations, claiming the role of an economic superpower while simultaneously asserting itself as a “developing country.” In the context of UN negotiations, China often adopts a collaborative approach, aligning itself with the Group of 77 (G77) to elevate specific points concerning human rights and non-interference in China’s “internal affairs” (Oud, 2024). This cooperative stance contrasts with the tactics employed by other powers like Russia, and more recently, the USA. As a self-proclaimed “responsible great power” and “champion of multilateralism,” China too wants a rules-based international order, albeit where Beijing leads rather than follows Western directives.

A new realignment of donor practices

China’s development cooperation is often portrayed as a contrast to Western development models. Several chapters in this volume apply such a comparative approach. Sebastian Haug compares China’s and Sweden’s UN development work models. While China’s model prioritises government-to-government cooperation, economic development, and earmarked funding, Sweden’s focus is on multilateral cooperation, good governance and core funding. However, some authors point to how Western aid has changed in recent years. As ge-

opolitical tensions rise and traditional donors perceive China's increasing influence in the Global South as a challenge, Western development practices are changing. To what extent are traditional donors adjusting aid policies in a way that makes them more similar to China's development cooperation model?

Michael Schiffer argues that over the past decade, Western development paradigms have increasingly converged with Chinese models. Major donors, notably the United States, have adopted more state-centric and infrastructure-oriented strategies, emphasizing transactional engagement with recipient governments. Initiatives such as the Biden administration's Partnership for Global Infrastructure and Investment exemplify efforts to counterbalance China's development influence amid strategic rivalry, marking a departure from the governance and social-sector priorities that dominated Western aid frameworks in the 1990s and 2000s. The transactional perspective has been particularly obvious during the second Trump administration and its "America First" approach.

Jiayi Zhou observes that many OECD countries have reallocated financing toward domestic security and defence expenditures, potentially compromising their climate finance commitments. Sweden follows this trend, having redirected significant foreign aid from other continents to support nearby Ukraine. Simultaneously, David Bandurski warns of a concerning shift in media funding: as Western donors reduce support for independent media in the Global South, China is expanding financing for state-aligned media outlets.

Despite these divergent priorities, China has also demonstrated notable adaptability since entering the international development arena. China's vehement rejection of Western accusations regarding "debt trap diplomacy" reveals its sensitivity to reputational concerns and desire to distance itself from neo-colonial perceptions. Marina Rudyak argues that the Global Development Initiative, launched in 2021, represents a deliberate departure from the Belt and Road Initiative's emphasis on mega-infrastructure projects. Through the GDI, China seeks to anchor development projects within UN frame-

works while promoting “small but beautiful” initiatives focused on poverty reduction and sustainable development. Lisa Eklund identifies another area of Chinese adaptation in its increasing emphasis on women, peace, and security.

These evolutionary changes suggest potential convergence in development approaches, as shown by Sweden’s new International Trade Strategy, which Åsa Malmström Rognes notes aims to better integrate trade and investment policies with development objectives—moving Sweden closer to China’s historically integrated approach.

Conclusions and policy recommendations

The landscape of global political dynamics has shifted dramatically over the past few decades. During the 1990s and early 2000s, the prevailing trends in international development were characterized by the ideals of democratization, globalization, multilateralism, cooperation, and openness. This period was marked by significant global initiatives such as the World Trade Organization (WTO), annual UN Climate Change Conference of the Parties (COP) meetings, the Paris Declaration on Aid Effectiveness, the Global Partnership for Effective Development Cooperation, Human Rights-Based Approaches (HRBA), and the establishment of the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs).

In stark contrast, contemporary global realities present a landscape where the established international order, along with the frameworks for aid and cooperation, face profound challenges and scepticism from multiple fronts. The current world (dis-) order is increasingly characterized by instability and unpredictability, with China and the USA each pursuing hegemonic regionalism in Asia and the Americas, focused on self-reliance and on building their own networks, standards, infrastructure, and supply chains.

As Orliande and Pornet (2025) observe in their recent work on the geopolitics of development, two parallel dynamics have led to the current rupture: on the one hand, countries in the Global South are

increasingly contesting the Western-centric norms of international development and cooperation. On the other hand, rising geopolitical rivalry has revived power politics, pushing cooperation toward a more transactional logic. These trends are reinforced by growing opposition to international solidarity in the US and parts of Europe, coupled with tighter development aid budgets amid fiscal consolidation and higher defence spending (Orliande & Pornet, 2025).

This evolution mirrors the concept of the Kindleberger Trap, which posits that global stability is contingent upon the existence of a leading power capable and willing to provide global public goods beneficial to the international community—goods such as disease prevention, climate action, and financial stability. Historically, the United States has occupied this pivotal role. However, the Trump administration's exit from key multinational agreements and institutions such as the Paris Agreement, WHO, and the United Nations Human Rights Council, has fundamentally altered the dynamics of global governance.

Can China fill the gap left by traditional donors?

In early 2025, several OECD DAC members announced cuts to ODA budgets, intensifying discussions on the future of international development cooperation and the potential role of emerging providers like China. Over the past 25 years, China's development finance has positioned itself as a significant player in international development, also enhancing its geopolitical influence. However, despite its rise as a major contributor over the last two decades, China's lending to low-income countries has declined and it is unlikely that China will fill the void left by the US, UK, Germany and other traditional providers. The dismantling of USAID nevertheless provides China with an opportunity to present itself as a reliable partner to the Global South. While it may not fully fill the gap left by the US, China can enhance its image simply by maintaining its current development finance trajectory.

Should we adapt to China or offer alternatives?

Over the past two decades, international development cooperation has become more complex and fragmented, with an increase in the number of donors and projects, a decrease in project grant sizes, and a growing emphasis on “donor country first” approaches.

According to the World Bank, earmarked funding has quadrupled while contributions through multilateral development banks has declined. More than 50% of official aid flows circumvent government systems, with eight in ten projects managed by non-government actors. This proliferation of donors raise transaction costs for recipients (World Bank Group, 2025). Traditional donors have gradually shifted their focus away from extreme poverty and human rights-based approaches. As OECD donors reduce ODA and increase defence spending, they are leveraging aid to attract private capital to promote growth and reduce reliance on development assistance, all aimed at achieving “mutual” benefits. Donors are aligning their strategies with the priorities of recipient governments, which often focus on job creation and economic growth. This shift also responds to calls from the African region and other countries for increased self-reliance and a move away from aid dependency, mirroring aspects of China’s development model.

China’s engagement with traditional donors and multilateral organizations has evolved from learning, to promoting its alternative development finance model. Labelling China as a “new actor” or “emerging donor” that is still adapting to OECD practices is misleading; such descriptions fail to reflect its established role in the international development arena.

As the global order becomes increasingly fragmented, finding common ground for coordination and cooperation—despite fundamental differences and divergent values—becomes essential. The EU offers unique advantages, particularly through budget support, an aid modality where donors transfer funds directly to a partner government’s treasury to support national development strategies, rather

than funding specific projects. With 90% of EU and member state funding allocated as grants and 90% of Chinese funding as loans, the differing approaches provide a useful starting point for dialogues with resource-strained developing countries. Moreover, the EU28 (including the UK) has remained the largest provider of Foreign Direct Investment (FDI) to the African continent over the last 20 years, consistently outpacing both the United States and China in total investment value (African Futures and Innovation, 2025).

Both China and the EU should explore how to stimulate long-term financial flows through their development assistance, focusing on public-private and domestic-foreign partnerships, especially as direct aid becomes less influential in transitioning economies. The EU might consider adopting a strategy similar to China's by offering guarantees to its companies wishing to invest in regions like Africa and expanding blended finance options. However, Chinese development finance is typically tied to its companies and materials, raising concerns regarding local economic benefits and fair competition. OECD donors have previously moved away from tied aid due to its negative effects on aid effectiveness, often inflating costs and undermining recipient country ownership. Concerns persist regarding Chinese loan restructuring practices that could foster long-term financial dependencies.

Key recommendations for Swedish development cooperation

The insights gathered from this anthology highlight several priorities for Swedish development cooperation. Sweden should deepen its engagement with recipient countries to better understand their perspectives on different development actors and preferred cooperation modalities. A nuanced understanding of how China's development practices function in various contexts will allow Sweden to appreciate both the strengths and weaknesses of different strategies. Sweden should utilize its reputation and history of effective development assistance to carve out distinct niches in the international development

landscape, focusing on areas where Sweden excels while remaining open to learning from others, including China. As China emerges as a key development actor, navigating this landscape will require sophisticated analysis and adaptive strategies, all while respecting the preferences and capabilities of partner countries. Given Sweden's small size, despite its generous aid contributions as a percentage of GNI, it is essential to work increasingly through the EU and multi-lateral organizations in a strategic manner, particularly in relation to China.

Reframe the Global Gateway

- Transform the Global Gateway into a partnership-driven development platform, leveraging European governance, standards, and sustainable practices.
- Develop communication strategies that highlight development results rather than geopolitical competition.
- Ensure that recipient countries play a central role in defining project priorities and implementation strategies.
- Strengthen and systematize capacity to assess debt and finance flows linked to Chinese development finance, combining development and finance ministries' work with economic intelligence gathering, to build up an accurate picture of the new landscape.
- Work with multinational development banks to improve transparency and encourage Chinese involvement in multilateral lending.
- Develop programs to help partner countries effectively evaluate and manage Chinese aid with a focus on improving governance frameworks and transparency in development projects.

Invest in human rights, rule of law, and democratic development

- Increase funding for local civil society organizations and independent media rooted in service to communities, to support public participation, access to information, and accountability.
- Support partner countries in building frameworks for secure data management and digital rights.
- Communicate success stories: Launch campaigns highlighting the benefits of democratic governance over authoritarian models.
- Coordinate efforts across Nordic countries to maintain leverage in UN reform processes, emphasizing human rights and rule of law.
- Collaborate with China on initiatives promoting gender equality and reproductive health rights through platforms like UN Women. This collaboration is especially crucial given the significant reduction of US support in this area.

Formalize aid coordination dialogues and launch expert exchanges

- Initiate EU-China dialogues on development finance to facilitate practical cooperation and coordinated responses to global challenges using existing multilateral frameworks.
- Establish informal channels to build trust and identify cooperative opportunities between Swedish and Chinese development experts. Focus on specific themes which are geopolitically less contentious such as green transitions, inclusive economic development, gender equality, rights of people with disabilities, pandemic preparedness and coordinated responses to health crises.
- Co-finance projects with China only when there are guarantees of openness: utilize multilateral platforms to co-fund initiatives that adhere to transparent procurement practices, interoperable designs and robust safeguards. In cases where these conditions are not accepted, provide a European alternative.

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