

PDF hosted at the Radboud Repository of the Radboud University Nijmegen

The following full text is a publisher's version.

For additional information about this publication click this link.

<http://hdl.handle.net/2066/213998>

Please be advised that this information was generated on 2021-09-17 and may be subject to change.

From Chengdu to Kampala: The Role of Subnational Actors in China's Foreign Aid

Xuefei Shi and Paul Hoebink

Radboud University, The Netherlands

ABSTRACT

This article examines the role of subnational actors in China's foreign aid. It applies the terms of 'decentralized cooperation' and 'twinning' into the analysis of China's aid architecture, drawing a connection between aid and domestic politics. With evidence from East Africa, it argues that it is the endogenous twinning mechanism and the deep involvement of subnational actors that make Chinese aid structurally distinct from those of other donors, particularly in the area of health, agriculture and education. It finds that the involvement of subnational actors brings in more resources for the sustainability of China's aid programs, while the multiple faces and institutional capacity of subnational Chinese actors giving aid may require further examination.

Introduction

The rise of South–South Cooperation (SSC) and donors outside the OECD Development Assistance Committee (DAC) brings in new cooperation and aid modalities for international development. Emerging economy actors such as Brazil, China and India propose alternative aid under the name of SSC, challenging the dominance of traditional approaches chosen by DAC members.¹ Among them, China's aid to developing countries draws greater attention because of its linkage with sizable Chinese investment, trade and finance flows.²

Scholarship in the last decade has explored some of the most concerned issues about China's aid, such as the categorization of aid-related finance and programs,³ estimates of the size of aid (particularly to Africa),⁴ the complementarity between China's aid and those of DAC members and

CONTACT Xuefei Shi  xuefei.shi@gmail.com

¹Peter Kragelund, 'Back to BASICS? The Rejuvenation of Non-Traditional Donors' Development Cooperation with Africa', *Development and Change* 42(2), (2011), pp. 585–607; Paolo de Renzio and Jurek Seifert, 'South–South Cooperation and the Future of Development Assistance: Mapping Actors and Options', *Third World Quarterly* 35(10), (2014), pp. 1860–1875.

²Hany Besada and Ben O'Bright, 'Maturing Sino–Africa Relations', *Third World Quarterly* 38(3), (2016), pp. 655–677; John P. Tuman and Majid Shirali, 'The Political Economy of Chinese Foreign Direct Investment in Developing Areas', *Foreign Policy Analysis* 13(1), (2016), pp. 154–167.

³Because China does not categorize its aid programs to the OECD-DAC criteria, for the convenience of discussion, a broad definition is borrowed in this article, which sees China's official finance flows with development purposes as an aid. Such a definition meets the psychology of on-site Chinese aid workers the authors have interviewed as well. See Deborah Brautigam, 'Aid "With Chinese Characteristics": Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime', *Journal of International Development* 23(5), (2011), pp. 752–764.

⁴Naohiro Kitano and Yukinori Harada, 'Estimating China's Foreign Aid 2001–2013', *Journal of International Development* 28(7), (2016), pp. 1050–74; Austin M. Strange, Axel Dreher, Andreas Fuchs, Bradley Parks, and Michael J. Tierney, 'Tracking Underreported Financial Flows: China's Development Finance and the Aid–Conflict Nexus Revisited', *Journal of Conflict Resolution* 61(5), (2017), pp. 935–63.

other emerging powers,⁵ and the effectiveness of sectoral Chinese aid in public health, agriculture, education, and infrastructure.⁶ Another research area regarding China's aid is focused on its internal architecture, including its policy-making bodies, implementation bodies and their relations to polity and diplomacy.⁷ These studies have, more or less, taken a centralist viewpoint, treating the Chinese government as a unitary actor and China's aid allocation as one of the ministerial functions.

At the subnational level of the system, actors from Chinese provinces, municipalities and organizations offering public services that constitute the majority of aid implementation, and further technical services are observed to a lesser extent.⁸ The focus of this article is the ways subnational actors participate in the implementation of China's aid, and what it means for partner countries to cooperate with a Chinese province or city. To be more specific, this article seeks to provide a 'bottom-up' anatomy of China's aid system, seeing the system as decentralized, congruent with the characteristics of decentralized cooperation. Furthermore, the authors have found significant evidence indicating that subnational actors and recipient countries form a special 'twinning' relationship, a stable, long-term professional partnership between two parties. It originates from China's domestic political economy yet bears technical resemblance with the twinning practice of traditional North-South cooperation for describing a partnership between similar institutions.⁹

Subnational actors as development agents have been a topic missing in the discourse regarding China's aid. This article draws attention to three sectors of decentralized cooperation in which Chinese subnational actors play a big part: health aid, agricultural aid and educational aid. The original idea of the research comes from the authors' fieldwork in East Africa between 2013 and 2015, especially from the trip in Uganda where a disproportional influence of Sichuanese among all the Chinese aid personnel and businessmen was observed. Besides secondary literature and official news reports, the authors conducted eight semi-structured interviews in Uganda, six in Tanzania, one in Zambia and two in China. All the interviewees were to some extent related to province-led Chinese aid programs and recognized the twinning nature of their jobs. In addition, this research obtained access to government documents related to provincial overseas economic cooperation frameworks from Sichuan, Jiangsu, Shanghai, and Yunnan. By doing so, it not only reconstructs a missing link between China's aid and domestic politics as an echo to the development studies

⁵Deborah Brautigam, 'China in Africa: What Can Western Donors Learn' (report for the Norwegian Investment Fund for Developing Countries, NORFUND, August 2011); Hisahiro Kondoh, 'Convergence of Aid Models in Emerging Donors? Learning Processes, Norms and Identities, and Recipients', *JICA-RI Working Paper*, 2015, p. 106; Richard Schiere, 'Building Complementarities in Africa between Different Development Cooperation Modalities of Traditional Development Partners and China', *African Development Review* 22(s1), (2010), pp. 615–628; Anna Katharina Stahl, 'Trilateral Development Cooperation between the European Union, China and Africa: What Prospects for South Africa?' *CCS Discussion Paper*, 2012, p. 4.

⁶Ted Alcorn, 'New Orientation for China's Health Assistance to Africa', *The Lancet* 386(10011), (2015), pp. 2379–2380; Dawit Alemu, Seth Cook, and Qi Gubo, 'Chinese Agricultural Expertise Support in Ethiopia: Approaches, Motives and Perspectives', *CBAA Working Paper*, 2015, p. 114; Jamie Monson, *Africa's Freedom Railway: How a Chinese Development Project Changed Lives and Livelihoods in Tanzania* (Bloomington, IN: Indiana University Press, 2009); Bjørn H. Nordtveit, 'An Emerging Donor in Education and Development: A Case Study of China in Cameroon', *International Journal of Educational Development* 31(2), (2011), pp. 99–108.

⁷Nicola Cabria, 'Does China Plan and Evaluate Foreign Aid Projects like Traditional Donors?' *CCS Discussion Paper*, 2013, p. 6; Martyn Davies, Hannah Edinger, Nastasya Tay, and Sanusha Naidu, *How China Delivers Development Assistance to Africa* (Stellenbosch: Centre for Chinese Studies, University of Stellenbosch, 2008); Yanzhong Huang, 'Domestic Politics and China's Health Aid to Africa', *China: An International Journal* 12(3), (2014), pp. 176–198; Jianwei Wang and Jing Zou, 'China Goes to Africa: A Strategic Move?' *Journal of Contemporary China* 23(90), (2014), pp. 1113–1132.

⁸The few research works on non-central Chinese actors include: Zhimin Chen, Junbo Jian, and Diyu Chen, 'The Provinces and China's Multi-Layered Diplomacy: The Cases of GMS and Africa', *The Hague Journal of Diplomacy* 5(4), (2010), pp. 331–356; Chuan Chen and Ryan J. Orr, 'Chinese Contractors in Africa: Home Government Support, Coordination Mechanisms, and Market Entry Strategies', *Journal of Construction Engineering and Management* 135(11), (2009), pp. 1201–1211; Gordon C. Shen and Victoria Y. Fan, 'China's Provincial Diplomacy to Africa: Applications to Health Cooperation', *Contemporary Politics* 20(2), (2014), pp. 182–208; Yi-Chong Xu, 'Chinese State-Owned Enterprises in Africa: Ambassadors or Freebooters', *Journal of Contemporary China* 23(89), (2014), p. 822–840.

⁹Marina Bergen Jensen, Carsten Nico Hjortso, Jasper Schipperijn, Abdul Rahim Nik, and Kjell Nilsson, 'Research Capacity Building through Twinning: Experiences from a Danish-Malaysian Twinning Project', *Public Administration and Development* 27(5), (2007), p. 382.

literature such as Lancaster's categorization of domestic forces that define foreign aid,¹⁰ but a link at least in theory between aid modalities of China and international donors.

The aim of this article is to sketch a bottom-up framework of China's aid architecture and understand the importance of the participation of subnational actors in development cooperation from the perspective of decentralization. It attempts to introduce two concepts from the Western development theories into the analysis of China's aid. Thus, a literature review on decentralized cooperation and twinning in a global context is provided first. Following that, it draws a connection between China's aid system and the country's reality of decentralization, illustrated by the case study of Sichuanese in Uganda. Further demonstrations of how China's domestic political economy can be connected to its aid strategy by the instrument of 'twinning' are given with more examples from health, agriculture and education sectors.

The article argues that China's aid system is decentralized and that it is the endogenous twinning character that structurally differentiates the Chinese aid from those of other donors. The framework provided here can be analytically useful for future debate on the effectiveness of China's aid and overall overseas development programs. Lastly, this article investigates the more technical side of China's aid, which does not mean that it, therefore, undermines the strategic importance of China's aid. The authors hope that research on the technical side can contribute to addressing the overemphasis of value judgment and the deficiency of proper theories in the China-in-Africa studies.

Decentralized Cooperation and Twinning in a Global Context

Decentralization is not a rare practice in the Western development cooperation. As for the EU development cooperation, it can be broadly referred to as development cooperation carried out by any sort of non-state actors other than agents of central governments, including 'decentralized public authorities, rural and village groups, cooperatives, trade unions, teaching and research institutions, non-governmental development organizations.'¹¹ The World Bank, however, tends to confine the main bodies of decentralized cooperation to local governments and authorities, who are responsible for partnership formalization with local governments and authorities from various geographical areas. Regions, provinces (states) and municipalities from Spain, Belgium and Germany endorse this narrow and more common definition of decentralized cooperation as well.¹² In addition, there are NGO-subsidy schemes in countries like the Netherlands, especially in the area of green technology promotion, which may fall into the definition of decentralized cooperation.¹³

In general, decentralized cooperation can be realized by as many means as locally available, such as 'exchange of people and know-how, monetary or in-kind contributions (including advisory services, supplies, and training)' as well as North-South decentralization support and private sector investment.¹⁴ Most of the activities derived from the foreign relations that local governments and organizations have maintained, in particular, those related to urban governance and development. In fact, contemporary scholarship traces the origin of decentralized cooperation back to the post-war

¹⁰Carol Lancaster, *Foreign Aid: Diplomacy, Development, Domestic Politics* (Chicago, IL: University of Chicago Press, 2007), p. 18.

¹¹Dialogue on Democratic Development, 'Lomé IV Convention as Revised by the Agreement Signed in Mauritius on 4 November 1995', accessed September 15, 2016, http://archive.idea.int/lome/bgr_docs/lomeiv.html.

¹²Bert Janssens, *Winning through Twinning—Municipal International Cooperation in Flanders (Belgium)* (Brussels: Association of Flemish Cities and Municipalities (VVSG), 2013); Unai Villalba, Yolanda Jubeto, and Luis Guridi, 'Participation and Gender in Latin America: Perspectives from Decentralized Cooperation and Local Human Development Approaches', *Community Development Journal* 49(2), (2014), pp. 228–244; DAAD, 'Our activities in development cooperation', July 15, 2018, accessed March 28, 2019, <https://www.daad.de/der-daad/unsere-aufgaben/entwicklungszusammenarbeit/aufgaben/en/37671-our-activities-in-development-cooperation>.

¹³Paul Hoebink and Lau Schulpen, 'From Plains and Mountains: Comparing European Private Aid and Government Support for Private Aid Organizations', in *Private Development Aid in Europe*, eds. Paul Hoebink and Lau Schulpen (Hampshire & New York, NY: Palgrave Macmillan, 2014); Lau Schulpen, *The NGO Funding Game: The Case of the Netherlands* (Nijmegen: CIDIN, Radboud University, 2016).

¹⁴Hafteck, 'Decentralized Cooperation,' p. 336.

city-to-city cooperation (C2C) in Europe in the 1950s and the city sisterhood in the US in the 1960s.¹⁵ Almost at the same time, the call for Third World solidarity forced southern local governments into action for cooperation.¹⁶ The tide of transnational migration, at last, necessitated the exchange of development knowledge between municipalities at both ends of the migration route.¹⁷

Besides C2C, decentralized cooperation further gains momentum from the changing landscape of global development cooperation, which brings in innovated mechanisms of aid delivery because of a neoliberalist re-orientation in donor countries that leads to the devolution of powers, the rise of localism, and privatization.¹⁸ Against this background, local governments and organizations such as private contractors, NGOs, consulting companies, and other professionalized institutions are able to participate in development cooperation through a budgetary support system and subsidy schemes. Hafteck observes in addition that with regard to the comparable advantages of local governments, and their associations in the new landscape, they have better professional experiences (in particular in urbanization) and less fund dependency.¹⁹

A particular decentralized mechanism with relation to professional cooperation is twinning, found in both C2C and institutional-based programs. Twinning is a city and organization sisterhood,²⁰ while at the same time a more effective form of technical assistance for its focus on institutional cooperation. It can be defined as a stable, long-term, professional partnership between a recipient institution in a developing country and a more mature institution in the same field from the developed world, which 'on occasion has proved to be an effective means of transferring know-how, training staff and building up management capabilities.'²¹ Twinning in this sense is more than a city sisterhood. It can occur between two subnational governments, between two city governments, and between two professional public companies or institutes.

As concluded by Jones and Blunt, and Ouchi, the key aim of twinning is to achieve sustainable institutional capacity building, particularly in areas of technical assistance and policy making, in which twinning can facilitate knowledge sharing, supply a wide range of goods and services in the long run, and provide highly flexible activities because of strong institutional interaction.²² The latter distinguishes twinning from normal short-term, single-tasked technical assistance, training or advisory services. As far as subnational levels are concerned, twinning gives decentralized public institutions 'incentives of involvement in development cooperation,' and mobilizes them into the network of aid agencies and contractors, leveraging more resources for aid.²³

So far, this article is not suggesting that the Western theory and practice of decentralized cooperation and twinning are directly applicable to China's aid system. Yet, it is reasonable to believe that there are at least two ways in which a Chinese version of decentralized cooperation and twinning bears some technical resemblance to the more traditional one. From this respect, it can

¹⁵Christian Michelsen Institute, «*Twinning for Development*»: *Institutional Cooperation between Public Institutions in Norway and the South* (Oslo: Norwegian Ministry of Foreign Affairs, 1998); Hafteck, 'Decentralized Cooperation,' Fumika Ouchi, *Twinning as a Method for Institutional Development: A Desk Review* (Washington DC: WBI, 2004).

¹⁶Wilbur Zelinsky, 'The Twinning of the World: Sister Cities in Geographic and Historical Perspective,' *Annals of the Association of American Geographers* 81(1), (1991), pp. 1–31.

¹⁷Ulrike Devers-Kanoglu, 'Municipal Partnerships and Learning—Investigating a Largely Unexplored Relationship,' *Habitat International* 33(2), (2009), pp. 202–209; Edith van Ewijk and Isa Baud, 'Partnerships between Dutch Municipalities and Municipalities in Countries of Migration to the Netherlands; Knowledge Exchange and Mutuality,' *Habitat International* 33(2), (2009), pp. 218–226.

¹⁸David J. Hess, *Localist Movements in a Global Economy: Sustainability, Justice, and Urban Development in the United States* (Cambridge, Mass.: MIT Press, 2009); Gerrit Jan Schep, *Local Challenges to Global Change: A Global Perspective on Municipal International Cooperation* (The Hague: Sdu Publishers, 1995).

¹⁹Hafteck, 'Decentralized Cooperation'.

²⁰Steinar Askvik, 'Twinning in Norwegian Development Assistance: A Response to Jones and Blunt,' *Public Administration and Development* 19(4), (1999), pp. 403–404.

²¹Lauren Cooper, 'The Twinning of Institutions: Its Use as a Technical Assistance Delivery System,' *World Bank Technical Paper* 23, (1984), p. 6.

²²Merrick L. Jones and Peter Blunt, "'Twinning' as a Method of Sustainable Institutional Capacity Building,' *Public Administration and Development* 19(4), (1999), pp. 381–402; Ouchi, *Twinning Desk Review*.

²³Christian Michelsen Institute, *Twinning for Development*, p. 37.

be appropriate to apply Western-originated concepts into the analysis of the parallel system in China. First, Chinese aid is implemented in a decentralized way, involving subnational actors such as provincial governments, city governments, local hospitals, local professional institutes, and local universities. These subnational actors are responsible for the formalization of relationship with foreign governments or counterparts in their respective fields. Second, twinning in the Chinese context aims to provide long-term, stable relationships of technical cooperation as the traditional donors do. The major difference is that, while in the North–South decentralized cooperation the twinned partners at both sides are mirror-like (i.e. city to city, university to university, and hospital to hospital), China’s decentralized cooperation can be bilaterally asymmetric. For example, a Chinese provincial medical team can build a relationship with a national government, not with a hospital in this recipient country. This difference can be traced back to China’s domestic policy and makes the formation of twinning in China more complicated than in the traditional donor countries.

Interpretations of Decentralized Cooperation and Twinning in China

During the 1980s when traditional donors started to adopt the philosophy of decentralization in their aid architecture due to the neoliberal reconfiguration in domestic governance and the devolution of powers, fundamental changes occurred simultaneously in China’s aid system in accordance with general political reforms in the historically unitary state. After several rounds of reforms,²⁴ China’s foreign (development) cooperation is now highly decentralized with numerous subnational actors from provinces, regions, municipalities and industries, in which a twinning mechanism exists ‘with Chinese characteristics.’ Both decentralized cooperation and twinning in China share some basic elements (especially in terms of technical cooperation and institutional capacity building) with those of traditional donors and other emerging donors.

There are a limited number of publications, however, concerning decentralized cooperation and twinning in China. The internal structure and the implementation mechanisms of China’s aid have been interpreted in ways that are related to decentralization but are not exactly the same. The first interpretation regards China’s aid as a contracting system.²⁵ For example, decentralized actors may participate in foreign aid via contracting projects; this interpretation is unitary and vertical because it emphasizes the authority of central agencies and fails to recognize the autonomy of contractors.

The second interpretation tries to conceptualize decentralized cooperation into multi-layered diplomacy, particularly between China’s border provinces and neighboring countries.²⁶ This interpretation identifies the role of decentralization in the formation of foreign relations of China’s provincial units, which takes into consideration the term ‘horizontal cooperation’²⁷ between provinces and their foreign partners. It nonetheless overlooks the participation of local enterprises in decentralized cooperation and overemphasizes the diplomatic dimension of decentralized cooperation.

Moreover, a critical pluralist interpretation is introduced in studies regarding the relationship between Chinese actors at different administrative levels. Gill and Reilly bring into focus the conflict of interest between the central government and Chinese SOEs, arguing that the rationale behind the foreign operation of SOEs may not always be in line with, and even undermine, the diplomatic goals of the central government.²⁸ Varrall also notices that China’s aid policymaking at the central

²⁴Hong Zhou, ‘China’s Foreign Aid Reform’, in *Transformation of Foreign Affairs and International Relations in China 1978–2008*, ed. Y. Wang (Leiden & Boston, Mass.: Brill, 2011).

²⁵Ping Ai, ‘From Proletarian Internationalism to Mutual Development: China’s Cooperation with Tanzania, 1965–95’, in *Agencies in Foreign Aid: Comparing China, Sweden and the United States in Tanzania*, eds. Göran Hydén and Rwekaza Mukandala (Hampshire: MacMillan Press, 1999), pp. 187–192; Cabria, ‘Does China Plan?’.

²⁶Chen et al., ‘Multi-Layered Diplomacy’; Mingjiang Li, ‘Central–Local Interactions in Foreign Affairs’, in *Assessing the Balance of Power in Central–Local Relations in China*, ed. John Donaldson (Abingdon: Routledge, 2016), pp. 209–228; Tim Summers, ‘China’s “New Silk Roads”: Sub-National Regions and Networks of Global Political Economy’, *Third World Quarterly* 37(9), (2016), pp. 1628–1643.

²⁷ILO, *City-to-City and South-South and Triangular Cooperation* (Geneva: International Labour Office, 2013).

²⁸Bates Gill and James Reilly, ‘The Tenuous Hold of China Inc. in Africa’, *The Washington Quarterly* 30(3), (2007), pp. 37–52.

level is 'hotly contested' by 'competing actors' varying agendas.²⁹ Shen and Fan draw a typology of medical assistance in the form of medical teams twinned between Chinese provinces and African countries.³⁰ They make an observation about the differences between provinces in terms of their economic and social development and put into question the potential of province-led aid programs. The problem of the pluralist interpretation is that it neglects the coordinating role of central policymakers in the process of decentralizing cooperation, particularly in the context of China's partially designed, fiscal-only decentralization reform. The same problem also impels Shen and Fan to ask the less-understood 'rationales behind these province-country pairings.'³¹ To address these problems, this article introduces in the next section an original decentralized analysis of China's aid system, with evidence from subnational Chinese actors' engagement in Africa.

Before drawing a precise map of decentralized cooperation in China, the authors believe a domestic twinning mechanism for poverty alleviation in China itself is especially worth mentioning. Understanding the twinning exercises at home can give a general idea of how decentralization has drawn various subnational actors in China into the development game.

Chinese provinces are related to each other in a domestic twinning system. It is generally referred to as twinning assistance (*duikou zhiyuan*). Article 64, The 1984 Law on Regional National Autonomy (*minzu quyu zizhi fa*) explains twinning assistance as it should 'help and facilitate national autonomous regions to develop their economy, education, science and technology, culture, health and sports.' Most relevant studies so far have focused on the roles of twinning assistance in poverty reduction and the resolution of inter-ethnic conflict.³²

The institutional foundation of twinning assistance was laid during China's domestic reform starting in the late 1970s. A 'de facto' fiscal federalism in China³³ created policy possibilities for the formation of twinning, which granted policy and fiscal autonomy on low political issues for subnational governments. The bureaucratic incentive structure in China has further consolidated the continued operation of twinning assistance. Local officials may hope to secure their promotion by fulfilling Center-assigned political tasks with local resources.³⁴ As a result, twinning assistance becomes an exchange of central-local interests. Subnational governments swap provincial and city budget to help facilitate economic development in poorer regions and fill in the shortage of loyal cadres. The budget can cover both horizontal fiscal redistribution and dispatching personnel and material aid. In return, officials in charge anticipate political favors from the central government. From 2010 to 2013, up to 19 provinces provided approximately 28.47 billion CNY in aid funds, financed 1,925 construction projects, and sent out more than 3,000 technicians and party cadres to the Xinjiang Uyghur Autonomous Region.³⁵

Twinning is easily customized. A more developed province can be twinned with more than one partner, and the partner is not necessarily selected from the same administrative level. For instance, at the provincial level, the Beijing municipality is twinned with Inner Mongolia, Shanghai with Yunnan, Jiangsu with Shaanxi, Zhejiang with Sichuan. Meanwhile, Beijing is twinned with Hotan

²⁹Merriden Varrall, 'Domestic actors and agendas in Chinese aid policy', *The Pacific Review* 29(1), (2016), pp. 21–44.

³⁰Shen and Fan, 'Provincial Diplomacy'.

³¹*Ibid.*, p. 190.

³²Carla Freeman, 'From "Blood Transfusion" to "Harmonious Development": The Political Economy of Fiscal Allocations to China's Ethnic Regions', *Journal of Current Chinese Affairs* 41(4), (2012), pp. 11–44; Barry Sautman, 'Paved with Good Intentions: Proposals to Curb Minority Rights and Their Consequences for China', *Modern China* 38(1), (2012), pp. 10–39; Wei Shan, 'Explaining Ethnic Protests and Ethnic Policy Changes in China', *International Journal of China Studies* 1(2), (2010), pp. 509–530.

³³Yongnian Zheng, 'De Facto Federalism and Dynamics of Central–Local Relations in China', *Discussion Paper/China Policy Institute, The University of Nottingham*, 2006, p. 8; Shanta Devarajan, Stuti Khemani, and Shekar Shah, 'The Politics of Partial Decentralization', in *Does decentralization enhance service delivery and poverty reduction?* eds. Ehtisham Ahmad and Giorgio Brosio (Cheltenham, UK; Northampton, MA: Edward Elgar, 2009), pp. 102–121.

³⁴Lynette H. Ong, 'Fiscal Federalism and Soft Budget Constraints: The Case of China', *International Political Science Review* 33(4), (2012), pp. 455–474; Petra Persson and Ekaterina Zhuravskaya, 'The Limits of Career Concerns in Federalism: Evidence from China', *Journal of the European Economic Association* 14, (2016), pp. 338–374.

³⁵Xinyilun duikou yuanjiang qidong 3nian' [Three Years after a New Round of Twinning Assistance to Xingjiang], *People's Daily*, September 23, 2013, p. 6.

(*hetian*) city, Karakax (*moyu*) county, Lop (*luopu*) county from Xinjiang. Correspondingly, a less developed partner may be twinned with more than one aid giver. For instance, the landlocked Guizhou province is twinned with several coastal cities at the same time, such as Dalian, Qingdao, Shenzhen and Ningbo, while Xinjiang and Tibet are receiving aid from all provinces with a Han people majority. Moreover, not only more developed cities but also SOEs can be a giver in the system. The total investment Xinjiang received from central SOEs from 2010 to 2013 amounted 238.2 billion CNY.³⁶

In addition to political motivations, twinning assistance brings tangible economic returns for the givers. Accompanied by various aid funds, project construction, investment opportunities, and the dispatch of party cadres are contractors from giver provinces. For instance, more than 1.74 trillion CNY was invested in China's Western Development Program (*xibu dakafa*) from 2000 to 2008,³⁷ in which companies from Shanghai have been investing in the manufacturing industry in Kashgar (*kashi*) city, Xinjiang, a prioritized assistance partner of Shanghai municipality.³⁸ The most controversial case of the economic motivation of twinning assistance still comes from Xinjiang, where twinning became subject to identity-based political patronage.³⁹ Xinjiang and Shandong formed a special pair in the year of 1996, a year after Wang Lequan, a Shandong native, was appointed as party secretary in Xinjiang. Since then, businessmen and contractors from Shandong have flooded into Xinjiang's market. A young man from Aksu (*akesu*) city had complained that 'Aksu is entirely in Wang Lequan's hands: the taxis of Aksu must join his son-in-law's corporation ... and all electric poles are imported from a friend's company in Shandong.'⁴⁰

From Chengdu to Kampala: Sichuanese People in Uganda

Twinning and its following economic ramifications are not exclusively domestic. Decentralization at home pushes subnational Chinese actors to go abroad, twin with and cluster in the destination countries. When conducting field research on China's aid projects in Uganda in 2014, the authors noticed that there was a cluster of Chinese aid workers and private companies from the province of Sichuan. Unlike the Special Economic Zones (SEZs) across the continent that have been initiated by Beijing's centralized overseas trade and cooperation program,⁴¹ the Sichuanese cluster seems to have grown in a natural process, that is, their coming to Uganda was not centrally planned, but has followed certain economic laws that are applicable in other African countries too.

The first group of Sichuanese people arrived in Uganda during the 1970s to carry out aid programs of constructing and maintaining a rice farm and an ice plant. When a new bilateral agreement on economic and technical cooperation was signed between Entebbe's new government and Beijing in 1987, Sichuan International Cooperation Co. Ltd (SICC)—the first Chinese provincial company going overseas—obtained its first major infrastructure contract in Uganda to rehabilitate a 1,281 km road. By 1991, SICC had become one of the largest contractors in Uganda, constructing more than 20 road projects and buildings for governments and international organizations across the country. However, SICC's major business in Ugandan ended in 1997 due to a fatal failure in the expansion project of Nalubaale Hydroelectric Power Station (known as Owen Falls Dam) in Jinja. Though failed, SICC's presence had introduced other companies from Sichuan province to Uganda as subcontractors, such as Chongqing International Construction Corporation

³⁶*Ibid.*

³⁷Freeman, 'Blood Transfusion'.

³⁸Science and Technology Commission of Shanghai, 'Tuidong keji yuanjiang xiang zongshen fazhan' ['Advance Technical Assistance to Xinjiang'], July 20, 2012, accessed September 15, 2016, <http://www.stcsm.gov.cn/uploads/jdbd/browser/index.html>.

³⁹David L. Wank, 'Bureaucratic Patronage and Private Business: Changing Networks of Power in Urban China', in *The Waning of the Communist State*, ed. Andrew G. Walder (Berkeley, CA: University of California Press, 1995), p. 153.

⁴⁰Sebastian Veg, 'Chinese Intellectuals and the Problem of Xinjiang Perspectives', *China Perspectives* 3, (2008), p. 145.

⁴¹Deborah Bräutigam and Xiaoyang Tang, "'Going Global in Groups": Structural Transformation and China's Special Economic Zones Overseas', *World Development* 63, (2014), pp. 78–91.

(CICO), which started as a sub-contractor of SICC's Nalubaale project and was soon able to sustain its own road construction business in the country.

Another window opened for Sichuan's agribusinesses to 'go out'—to invest in Africa—at the end of the 1990s. Before that, the primary players in agricultural aid were the Chinese Ministry of Agriculture (MOA) and its affiliated state-owned agricultural enterprises. In 1997, China started to send experts to the SSC initiative under the FAO National Food Security Program. Sichuan province has been active in the SSC program, and Uganda is its third partner country. The Chinese FAO team that arrived in Uganda in 2012 was made up of 31 members, including 25 from Sichuan. Around the same time, another Sichuan company Huaqiao Fenghuang Group (HFG) constructed and began operating a Chinese aquaculture technology demonstration center in Uganda. This project was one of the 14 agro-technology demonstration centers (ATDCs) in Africa that were envisioned in the Forum on China–Africa Cooperation (FOCAC) summit in November 2006. The ATDC in Uganda has been so far the only center that focuses on fish farming.

Although SICC was not successful in its pursuit of long-term investment in Uganda, a growing cluster of Sichuan agro-enterprises may be positioned to reach this goal. This cluster, highlighted by the Sichuan agro-industrial park, was initially made possible by the efforts of the Chinese FAO team, whose goal was focused on building diplomatic and political ties rather than on provincial and financial profit.

The Sichuan team was not only responsible for the technical work of agriculture. It is also expected to take the home province's interest into consideration while fulfilling its (inter-) national duties for the FAO program. In the Uganda case, the MOA is nominally the team's direct supervisor, but it is officials from the Sichuan provincial departments of commerce and agriculture that evaluate team members' performance and ultimately control their future career paths. As a result, the agricultural expert team in Uganda has a strong incentive to combine its foreign aid role with scoping out Uganda's agribusiness potential for their home province's investment interest.

The Chinese FAO team thus became an intermediary between China's foreign aid program in Uganda and, over time, Sichuan's agricultural 'Going Out' cluster in Uganda. The following timetable gives a clear view of the team's role as an agribusiness intermediary in the span of two years (see Table 1).

The Sichuan agricultural industrial park was located in the Luweero District, north to Kampala. It was designed to have five to seven agro-enterprises from Sichuan at the first phase, covering the production of rice, cotton, mushroom and chicken, as well as the delivery of farming machinery, which met Uganda's demand of prioritized areas and overlapped with the knowledge the Chinese experts brought in to Uganda in the last two years.⁴² In 2016, three of the experts from the first FAO team were recruited into the second team and were at the same time employed by the industrial park. Moreover, the department of agriculture of Sichuan province paid and sent an extra

Table 1. Timetable of Uganda–Sichuan interactions 2012–2014

October 2012	FAO team (from Sichuan) arrived in Uganda.
Early 2013	The idea of developing a 'Going Out' cluster was introduced by the FAO team and Sichuan government, which was generalized later as 'Experts as pioneers, Governments as platforms, Enterprises as performers' (<i>zhuanjia tanlu, zhengfu datai, qiye changxi</i>).
August 2013	A delegation from Uganda's ministry of agriculture visited Sichuan and requested further assistance on agro-tech and capacity building.
September 2013	A delegation from Sichuan provincial department of agriculture visited Uganda. The idea of an agro-industrial park was introduced by the delegation.
June 2014	Uganda's minister of agriculture visited Sichuan. Yibin city and Masaka District became sister cities. Two agreements were signed: a second FAO team to Uganda and a Sichuan agro-industrial park in Uganda.
August 2014	The first FAO team's mission ended in Uganda.
December 2014	A Ugandan delegation visited Yibin city.

⁴²The park is being constructed by Kehong Uganda, a joint venture of five companies from Sichuan.

official to Uganda as a program coordinator for the relations between the park, Sichuanese experts and the local governments, as well as supervising the use of the funding from Sichuan provincial government. The authors even observed a ‘siphon effect’ of the establishment of the industry park, which has attracted individual Sichuanese businessmen leaving their trade business behind in neighboring countries in order to start a modernized farm in the park with experiences gained from their life as farmers back in Sichuan.

Companies from Sichuan, either state-owned or private, have been the pioneer in China’s ‘Going Out’ strategy. Not only in Uganda but across the whole African continent can Sichuan companies be found in the sectors of construction, light industry, agriculture, and mining. Tanzania, Angola and South Africa are another three major destinations, where projects undertaken by Sichuan companies include a coal-iron mining complex and the affiliate processing facility in Tanzania, the reparation of Boavista railway in Luanda, Angola and HFG’s investment in South Africa. However, only in Uganda has Sichuan maintained a continuous political and economic influence over the last 30 years. Infrastructure and agriculture have been the two prioritized areas at the early age of China’s ‘Going Out,’ and a clear continuity of how Sichuan’s engagement with Uganda grows deeper by following a ‘twinning aid first, business later’ trajectory. Moreover, with the help of a multilateral aid platform, Sichuan companies are able to expand in the local market at an unprecedented scale, outpacing their rivals from other Chinese provinces. In today’s Uganda, though facing competitors from other provinces in China, from Chinese central SOEs, and from contractors of other countries, Sichuan and Chongqing companies, known as ‘the Legion of Chuan-Yu’ (*chuanyu juntuan*), are dominating the commercial contracting market because of their long-time local experience.

A framework of decentralized cooperation and twinning in china

The previous sections have explained a variety of definitions and scopes of decentralized cooperation in the global context. Following the observations of the ways in which subnational actors become participants in China’s aid system (Sichuan in Uganda), this article is able to identify the missing links between current research and the reality of China’s decentralized cooperation—a term that, to the best of the authors’ knowledge, has never been used for any preceding analysis of China’s foreign aid system. Contextualizing this term into a Chinese political economy enables this article to depict an inclusive and cross-institutional framework of aid provision in China, as decentralization (and twinning) is the common denominator of China’s domestic politics and aid policy.

The Scope of Decentralized Cooperation

Structural similarities exist between China’s domestic twinning assistance and foreign aid in institutional foundations, bureaucratic incentives and economic considerations. The two parallel systems become further comparable by the considerable number of development experts and social workers from subnational levels. Additionally, findings from fieldwork show that the word twinning (*duikou zhiyuan/yuanzhu*) has become the default for Chinese aid workers introducing the history and merit of their programs. Considering the same political economy in which domestic twinning emerges, this article defines the scope of decentralized cooperation in China as development cooperation formalized by subnational actors with coordination from central agencies. The subnational actors include provincial-level governments (provinces, municipalities and autonomous regions)⁴³ and local city governments. Furthermore, decentralized cooperation in China is connected to a special delivery mechanism called twinning. Decentralized cooperation may not significantly increase the volume of China’s foreign aid except for subnational subsidies for

⁴³There is even a special economic and paramilitary provincial unit, Xinjiang Production and Construction Corps (XPCC or Xinjiang Bingtuan), participating in the decentralized cooperation. For the convenience of discussion, we mainly use ‘province’ to refer to all the provincial units in China in this paper.

implementers. It is seen as a way of aid allocation, and under such a point of view, most of China's aid programs have the element of decentralized cooperation at the implementation stage, which can be the very nature of China's aid architecture.

Most typical decentralized cooperation takes place in sectoral aid such as health, agriculture and education, as the majority of implementers (hospitals, agricultural research institutes and universities) are organized at the subnational level while the corresponding ministries are merely made of a limited number of non-technical bureaucrats. The overseas medical teams, which started to be sent out in 1963, are perhaps the most well-known example of decentralized cooperation. There are in general more than 40 Chinese medical teams from 23 provinces and municipalities working in African countries, and each Chinese province has been twinned with at least one African country, for instance, Yunnan with Uganda and Henan with Zambia.⁴⁴

Technical cooperation in agricultural aid projects run by MOA has been structured similarly. Since 2006, the Chinese have funded 25 ATDCs in Africa. Even though the ATDCs are constructed as turn-key projects, the MOA assigns the selection of agricultural experts to a local government and a local department of agriculture. As a result, most of the 25 centers in Africa have contracts with teams from Chinese provinces. For example, Chongqing sent a team to Tanzania; a Hubei team is in Mozambique, and a Sichuan team in Uganda.

A similar structure can be found in China's educational aid too. Not only every Confucius Institute (CI) is linked with at least one Chinese university (e.g. Dar es Salaam CI and Zhejiang Normal University, Dodoma CI and Zhengzhou University of Aeronautics), but other forms of cultural exchange for educational purposes are carried out by twinned Chinese organizations. For instance, the autonomous region Inner Mongolia has twinned with Seychelles for training and donation between public-funded libraries and dance troupes.⁴⁵ This twinning was under a framework called 'Ministry-and-province cultural cooperation with Africa' (*bu-sheng duikou wenhua yuanfei*), promoted by the Ministry of Culture (MOC) in Beijing. Similar to the agricultural aid, provincial departments of culture subcontracted this mission from MOC. From 2012 to 2014, in total 12 Chinese provinces and cities were twinned with 22 African countries under this framework.⁴⁶

Understanding how decentralized cooperation works enables the authors to draw a conceptual framework of China's development cooperation at a provincial level (as shown in the lower part of Figure 1), as a complement to current research that emphasizes the role of central agencies. What is highlighted is the process of how the devolution of powers in the system leads to the participation of decentralized actors in development cooperation. In this framework, public institutions like agricultural institutes, hospitals and universities are favored because they are significantly development-related and rich in personnel and experience.

At the central level, as shown in the upper part of Figure 1, the Ministry of Commerce (MOFCOM) has a leading role in formulating development cooperation policies,⁴⁷ while the diplomatic and financial decisions involve the Ministry of Foreign Affairs (MFA) and the Ministry of Finance (MOF). At the other side, specialized cooperation programs bring in, under the

⁴⁴An overview of these medical teams can be found in 'Appendix 5: Medical Teams: Chinese Provinces Twinned with African Countries,' in Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford University Press, 2009), p. 316. There are other versions of the list of medical teams in the English literature, which are in general similar to this compilation.

⁴⁵Embassy of PRC in Seychelles, 'Neimenggu daibiaotuan yu Sai wenhuabu qianshu hezuobeiwanglu' ['The delegation from Inner Mongolia signed a memorandum with the Ministry of Culture of Seychelles'], May 31, 2013, accessed April 1, 2017. <http://sc.china-embassy.org/chn/whjl/t1045862.htm>.

⁴⁶'Bu-sheng hezuo: tuidong zhongfei wenhua jiaoliu xinyinqing' ['Ministry and province in cooperation: new engine for China-Africa cultural exchange'], *China Culture*, 27 April 2015, p. 4.

⁴⁷The newly founded China International Development Cooperation Agency (CIDCA, *zhongguo guoji fazhan hezuo shu*) will probably replace MOFCOM as the central government body that administers and coordinates China's aid system. However, such a change at the top level does not affect the remaining decentralized structure and its special modus operandi in the framework.

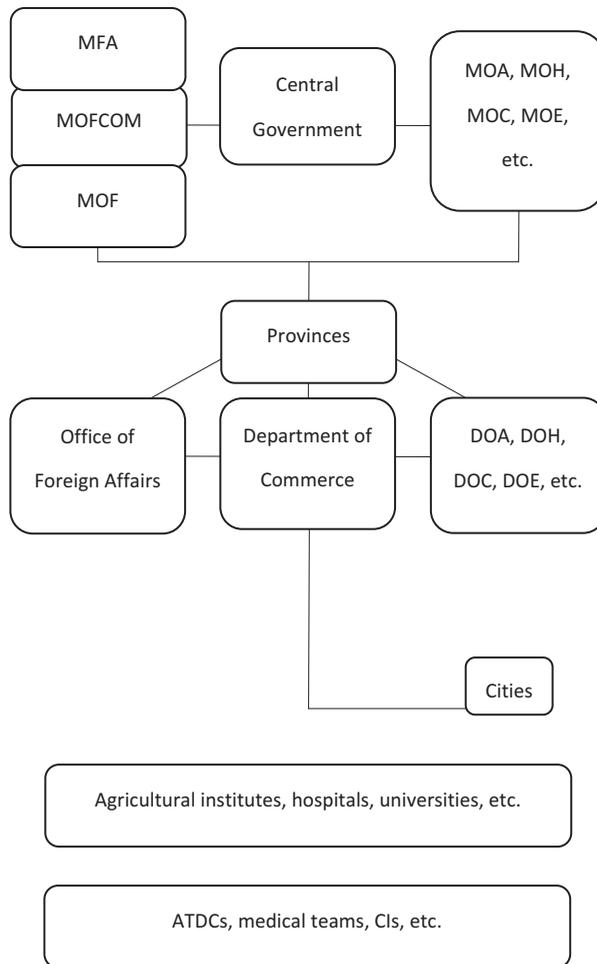


Figure 1. A conceptual framework of decentralized cooperation in China.

coordination of MOFCOM, supporting ministries such as MOA, MOC, the Ministry of Education (MOE) and the Ministry of Health (MOH).⁴⁸

The programs are then allocated to the provincial level. A mirroring bureaucratic structure takes charge at the provincial level, where the office of foreign affairs and the department of commerce (DOFCOM) coordinate and specialized departments (department of health, DOH; of agriculture, DOA; and of education, DOE) take the responsibility of selecting implementers. Sometimes the programs can be further allocated to the city level, and a city government then becomes involved in the selection of specialized institutions and experts within the city. In the end, experts from those institutions will be sent to the numerous ATDCs, medical teams and CIs around the world.

Twinning is usually molded at the provincial level, from which come the administrative orders for public institutions to join in the twinning. For instance, every two years, old members of a provincial medical team are to be replaced by newcomers from another hospital in the same province. Once chosen, the new hospital has the obligation to send doctors to the capital city of the province for a six-month-long training. The procedure is set up and monitored by DOH, with

⁴⁸Currently, the official name of Chinese MOH is National Health Commission (NHC). A similar name applies to provincial health authorities. However, in the history of People's Republic of China, MOH had been a more frequently used name. For convenience, this article uses MOH and DOH (provincial department of health) to refer to the health authorities.

the support of the office of foreign affairs. The funding for training and subsequent overseas operation is partly covered by provincial and departmental budget for foreign aid. Moreover, as a recent trend, an increasing number of cities are twinning with foreign partners as well.

The Impact of Decentralized Cooperation and Twinning in China

Lancaster categorizes four domestic political forces that shape foreign aid: ideas, political institutions, interests and the aid organization.⁴⁹ Accordingly, this article tracks down the institutional, bureaucratic and economic motivations of China's domestic twinning, which is bred in the same political culture as is decentralized cooperation. In fact, not only decentralized cooperation in China has been shaped by these forces, but it can also have a reverse impact on the political economy and foreign relations in ways of institutional and ideational change.⁵⁰

The most significant impact decentralized cooperation brings could be the effectiveness of ongoing twinning mechanism and the increasingly active participation of provincial and local actors in the delivery of China's foreign aid and the follow-up cooperation, which yields tangible economic benefits for the subnational actors and assures the sustainability of aid programs that will not be discontinued when aid flow ends.

By undertaking the construction and operation of an aid project, an expert team can attract follow-up investments and official visits from its home province. This kind of attraction may be associated with two factors. The first one is the common kinship or community identity, which has a strong cultural background within East Asia. Its influence on overseas Chinese's business pattern has been observed by many scholars, mostly on the small business network and on the low-end Chinese migrants.⁵¹ However, there are other groups of Chinese businessmen neglected by previous studies. One is those who chose to stay after an aid project had been completed, and the other is those who are currently working for a project. The credibility they have inside their old community and family as an important social capital shortens usual bargain process and lowers transaction costs, which can accelerate the materialization of a business plan. As shown in the previous section, an FAO-China agricultural team has been successful in bridging hometown companies from Sichuan with the Entebbe government, which eventually led to a Sichuan agrotechnology park in Uganda. Even the medical team in Uganda had a close relationship with them and exhibited enthusiasm in the cause, which was enhanced by the shared dialect and regional identity between Sichuan and Yunnan.

The second factor is the professional knowledge and local resources they possess. The aid experts were able to introduce their knowledge on business opportunities in the local market, mostly acquired from their professional work, back to their colleagues and other professional groups in the same industry. SICCC, once an example of the province's overseas enterprise, had partners at a smaller scale from different cities in Sichuan. Moreover, even the policymakers at home believe the 'Going Out' cluster is advantageous in three ways: a scale effect, solidarity and the experience from pioneers.⁵²

Decentralized cooperation leads to a deeper institutional engagement of the provincial and local governments in foreign relations. However, they seldom engage in economic activities directly, apart from backing their teams and companies at a political and policy level. In this

⁴⁹Lancaster, *Foreign Aid*.

⁵⁰David Louis Cingranelli, *Ethics, American Foreign Policy and the Third World* (New York, NY: St. Martin's Press, 1993).

⁵¹Françoise Bourdarias, 'Chinese Migrants and Society in Mali: Local Constructions of Globalization', *African and Asian Studies* 9 (3), (2010), pp. 269–285; Kate Meagher, 'Weber Meets Godzilla: Social Networks and the Spirit of Capitalism in East Asia and Africa', *Review of African Political Economy* 39(132), (2012), pp. 261–278; Giles Mohan, 'Social Relationships of New Chinese Migrants in Africa', *The China Monitor* 26, (2008), pp. 6–8; Yaohui Zhao, 'The Role of Migrant Networks in Labor Migration: The Case of China', *Contemporary Economic Policy* 21(4), (2003), pp. 500–511.

⁵²Baotuan jiangongsi: Sichuan minqi feizhou nongye tuohuang' ['Clustering for new companies: Sichuan companies pioneering in Africa's agriculture'], *Sichuan Online*, November 26, 2013, accessed September 16, 2016, <http://sichuandaily.scol.com.cn/2013/11/26/20131126646594471371.htm>.

way, Chinese provincial and local governments become more disposed to exert their partial autonomy in diplomatic relations with foreign countries. For instance, a local SOE from Sichuan, Sichuan International Cooperation Corporation (SICC), was the first enterprise in China undertaking foreign aid projects and overseas commercial contracts. SICC had a close relationship with the Sichuan department of commerce and was once of such importance to Sichuan that the provincial government played an active role in saving it from a crisis in Uganda in the mid-1990s by negotiating directly with the Ugandan government.

Decentralized cooperation further attracts more funds for development purposes from the provincial and local levels in China. Noting that the economic size of certain Chinese provincial units even surpasses that of several small OECD countries,⁵³ the financial and fiscal resources available in these provinces for development cooperation have been so far underestimated in the literature. As far as financing policy is concerned, a province, even a city, has its own regulations and budgets to support decentralized cooperation. An eligible expert team may receive a standardized stipend, a training subsidy and a performance bonus, as well as the continuation of salary for team members in their home institutions. Comparably, an eligible company that involves in further cooperation on behalf of the province may receive: provincial or local special fund for 'Going Out' (*zouchuqu zhuanxiang zijin*); auxiliary fund in accordance with the special fund for supporting foreign trade and investment from the central government (*zhongyang waijin zhuanxiang zijin peitao zijin*); collateral deposit subsidy (*rongzixing danbao feiyong buzhu*); interest subsidy for commercial loans from local-owned commercial banks; preferential taxation and export tax rebate rate; and business trip subsidy.

Last, but not the least, decentralized cooperation justifies the economic autonomy of subnational Chinese actors.⁵⁴ By strategically positioning decentralized cooperation in their foreign economic adventures, Chinese provinces and cities can avail themselves of the heads-up benefits from forming twinning relations with one or several destination countries. This is of extreme importance for less developed provinces to avoid direct competition in the overseas market with better-developed sister provinces which are confronted with the same economic pressure. For instance, while the better industrialized Jiangsu and Fujian provinces are able to form cooperation with Tanzania in the light industry, the less developed Sichuan province has alternatively chosen Uganda as the destination for its agro-technology. For provincial and local governments in China, promoting comparative advantages in overseas markets has become prioritized in decentralized cooperation.

Discussion

The ultimate purpose of this article is to bring into discussion the influence of neglected domestic dimension of China's aid system, which can be translated as the institutional, bureaucratic and economic settings of decentralized actors and the twinning mechanism. Compared with the better-defined global decentralized cooperation,⁵⁵ the structural role of decentralized cooperation in supporting China's aid architecture is still less than known, and many questions remain to be addressed.

It is now possible to answer the question Shen and Fan raised about the rationale behind twinning, that is, why specific Chinese provinces and African countries are twinned for the health aid, for instance, Yunnan in Uganda and Henan in Zambia. Shen and Fan suspected that there was a covert mechanism of selection and matching, unknown to the outside world. As a matter of fact,

⁵³For instance, in 2010, the GDP of Zhejiang province was equivalent to that of Austria and the GDP of Shanghai municipality was equivalent to that of Finland. See the interactive map provided by *The Economist*, accessed September 16, 2016, http://www.economist.com/content/chinese_equivalents.

⁵⁴S. Philip Hsu, 'Central-Provincial Power Relations in the Fiscal Realm of China, 1980–2014', in *Assessing the Balance of Power in Central-Local Relations in China*, ed. John Donaldson (Abingdon: Routledge, 2016), pp. 19–50.

⁵⁵Kent Eaton, Kai Kaiser, and Paul J. Smoke, *The Political Economy of Decentralization Reforms: Implications for Aid Effectiveness* (Washington DC: The International Bank for Reconstruction and Development/The World Bank, 2010); Hefteck, 'Decentralized Cooperation'.

there is none, but only what is called a ‘path dependency’ in policy-making.⁵⁶ The history of dispatching medical teams can be traced to the 1960s, when important municipalities, such as Beijing and Shanghai, became the first to send out doctors because of the relatively better development of the public health system in these metropolitan areas. To save transaction costs in training, the special twinning between Shanghai/Morocco and Beijing/Guinea was then stabilized and institutionalized. The formation of twinning between other provinces and African countries followed a diachronic fashion, which means that they were twinned through time with the principle of ‘who requested a medical team first could be twinned first.’ It may not be suitable to apply the disparity in province development today for the analysis of relations formed in the past. The same explanation of ‘inertia’ can be used for the twinning relations of agricultural expert teams and for the reasons why their twinning partners are different from those of medical teams.

Another common misconception of decentralized cooperation is to confuse it with contracted aid.⁵⁷ There is indeed a blurred line between them, depending on whether the central government or the subnational governments are the leading actors. In the decentralized cooperation of health, agro-technology and education, the actors are always subject to the administrative jurisdiction of provincial and local governments, meanwhile, in contracted aid, contractors are responsible to the central agencies that authorize contracts, which are usually related to construction projects and material assistance. For instance, the medical team stationed in the Naguru China–Uganda Friendship Hospital in North Kampala is assembled with doctors from hospitals in Yunnan province. The contracts of medical equipment in the Naguru hospital, however, were offered to China Astall Trading Co. Ltd. and China National Pharmaceutical Foreign Trade Corporation. Both companies have acquired certification from MOFCOM for contracting national aid projects, which is a separate system from decentralized cooperation.

The situation can be further complicated by the ways of how some of the aid-related central agencies are organized in China. For instance, though not strictly aid-related, the China Development Bank (CDB) can provide development finance (i.e. export credits) to destination countries.⁵⁸ What is interesting here is that the provision of finance is usually carried out, not by CDB’s main office in Beijing, but by its provincial branches. For instance, CDB Guizhou has been responsible for the bank’s financing in Kenya and Tanzania.⁵⁹ Whether this type of cooperation has any element of decentralization requires further study.

By zooming in at a subnational level, this article exhibits a different landscape of Chinese aid from the traditional national-level discourse. The geographical, demographic and economic sizes of Chinese provincial units are often as large as those of a country, which makes it rational and inevitable for them to internationalize for the pursuit of performance and interest. This research observes all the provinces in China are found to have engaged in decentralized cooperation, particularly the less developed provinces in the western part of China that are still receiving aid from the East in domestic twinning.⁶⁰ This leads the authors to question whether Chinese provinces have adequate government and expert capacity to accomplish objectives in decentralized cooperation. Take the Sichuan–Uganda twinning for example. Sichuan province, which has been a recipient in China’s domestic twinning, had in 2003 an approximate GDP per capita 5,250 USD and 4,045 USD if excluding Chengdu city and Panzhihua city. This figure was close to the GDP per capita of the Republic of Mongolia in the same year, which appears as if an economy as less developed as Mongolia were giving aid to Uganda. Bad communication in English or in local languages poses another significant challenge for the efficiency of knowledge transfer in China’s

⁵⁶Adrian Kay, ‘A Critique of the Use of Path Dependency in Policy Studies’, *Public Administration* 83(3), (2005), pp. 553–571.

⁵⁷Huang, ‘Domestic Politics.’

⁵⁸Nkunde Mwase and Yongzheng Yang, ‘BRICs’ Philosophies for Development Financing and Their Implications for LICs’, *IMF Working Paper* 2012, p. 12/74.

⁵⁹‘Zhongguo guojia kaifa yinhang zhuli Kenniya jingji fazhan’ [‘CDB helps Kenya’s economic development’], *CRI*, March 10, 2014, accessed April 2, 2017, <http://gb.cri.cn/42071/2014/03/10/7211s4458138.htm>; ‘Guojia kaifa yinhang xiang Tansangniya fangfang 3yi meiyuan daikuan’ [‘CDB authorised a 300 million USD loan to Tanzania’], *Xinhua*, December 31, 2014, accessed April 2, 2017, http://news.xinhuanet.com/fortune/2014-12/31/c_1113837900.htm.

⁶⁰For instance, Tibet is giving aid to Nepal and Xinjiang Bingtuan is giving aid to Pakistan.

decentralized aid programs. The reason for the deficiency is believed to be a lack of qualified staff and training capacity at the provincial level.

Decentralized cooperation is further confronted with competition from domestic twinning for the limited supply of human resources. Participating in overseas aid projects was once a privilege for Chinese doctors, engineers, and agronomists because of the benefits not available from domestic jobs, including better stipends, free garments, and access to rare goods.⁶¹ In comparison, party cadres who were selected for domestic twinning may have ended up in some remote areas in Xinjiang and Tibet with difficult transportation and inhospitable living conditions at that time. However, the situation has been reversed today and domestic twinning becomes increasingly attractive for those who have economic and bureaucratic motivations for participation because of improved living conditions and a shorter distance from home. This might make jobs in developing countries less attractive to Chinese experts. As a result, a Henan medical team in Eritrea had to extend their term after the completion of a two-year-long service in late 2012 due to a shortage of replacement doctors in the home province, who are now more inclined to work for the domestic medical twinning assistance for Hami city in Xinjiang.⁶² The lack of qualified human resource for decentralized cooperation could be a problem for provincial and local governments in the long run as the Chinese central government is supporting the SSC by increasing training and education quotas for the developing countries,⁶³ which may eventually be allocated to subnational levels.

Conclusion and Further Thoughts

The introduction of decentralized cooperation and twinning enriches the debate on China's development assistance with recognition of subnational actors and mechanisms. This article has presented the theoretical and practical reasons for decentralizing the delivery of aid in a Chinese political economy. In addition, it may shed some light on the effectiveness and sustainability of China's aid—unsolved puzzles due to lacking a proper framework and sufficient data—from the perspective of decentralization.

Provincial and local actors in decentralized cooperation might have their own agendas that are not always in line with those of the central government or simply could not accomplish the goals set by Beijing due to their limited capacity. Considering the conflict of interest in such a unitary system unearthed by Gill and Reilly,⁶⁴ it is possible that the forms of decentralized cooperation in the Chinese aid-system and the relative autonomy with which different actors operate might create tensions between national and subnational actors. Very little is known however on these tensions and possible political ramifications that are the result of this. These potential tensions and conflicts are thus as well an area of further research.

Decentralized cooperation mobilizes more resources from Chinese provinces and cities and extends Beijing's overseas outreach in many ways. One peculiar case related to decentralized cooperation is worth mentioning in the conclusion here to show the complexity of Chinese aid in ideology and interests. Since the 1970s, Jiangsu province has been sending medical teams specialized in traditional Chinese medicine (TCM) to the European country Malta. Besides helping the Maltese to establish a comprehensive TCM system, the purpose of this twinning is to use Malta as a gateway for TCM in the bigger European market as Malta so far is the only country in Europe that has legalized the usage of TCM in public hospitals.⁶⁵ Decentralized cooperation, in the end, could create a convenient platform for

⁶¹For instance, Chinese workers constructing the Tanzania–Zambia railway (TAZARA) purchased sugar, peanut, China-made Dacron material and bikes with their stipend from shops in Tanzania and shipped them back home. These goods were difficult to get for common people in the 1970s in China due to a quota system in its commanding economy. A full story can be found in '44nian qian, zai feizhou xiu tielu de zhongguoren' ['Chinese constructing railways in Africa 44 years ago'], *Nanfang People*, January 3, 2018, accessed March 28, 2019. <http://www.nfpeople.com/article/2487>.

⁶²Interview, member of the Chinese medical team in Zambia, Livingstone, Zambia, (16 February 2013).

⁶³For instance, in the 2015 FOCAC summit, the Chinese government announced 200,000 training opportunities and 30,000 scholarships for Africans.

⁶⁴Gill and Reilly, 'China Inc.'

⁶⁵'Ma'erta dizhonghai diqu zhongyi zhongxin yiliaodui shunli jiaojie' ['New medical team takes over the Mediterranean TCM center in Malta'], *Xinhua*, July 22, 2013, accessed April 2, 2017, http://news.xinhuanet.com/world/2013-07/22/c_116634791.htm.

business under the name of ‘people-to-people’ friendship. More in-depth case studies could be carried out in the future to add empirical strength to this analysis.

With the growing role of China in global affairs, especially the advancement of the Belt and Road Initiatives (BRI) since 2013, the coverage of China’s decentralized cooperation has greatly extended and new province-country twinning relations along the ‘silk road’ emerge. The diversity in history, culture and language among new partners will pose greater challenges than promoting just sectoral interest for China’s subnational actors in the decentralized cooperation with Chinese characteristics.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributors

Xuefei Shi is a PhD candidate at the Centre for International Development Issues Nijmegen (CIDIN), Radboud University, The Netherlands.

Paul Hoebink is Emeritus Professor of Development Studies and Development Cooperation and former Director of the Centre for International Development Issues Nijmegen, Radboud University, the Netherlands.