



New Strategic thinking of a New World

LSE

THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE

**LECTURE 3 : CHINA AND THE GLOBAL SOUTH
DR. ALVARO MENDEZ**

1 INTRODUCTION

2 CHINA & THE GLOBAL SOUTH – EARLY YEARS

3 RECOGNITION: ONE-CHINA POLICY, UN & WTO

4 CHINA & THE GLOBAL SOUTH UNDER XI JINPING

5 CONCLUSION

* Uzbekistan & Turkmenistan are covered in the slides that you will see in Moodle

Welcome to my first lecture

Dr. Alvaro Mendez a.mendez@lse.ac.uk

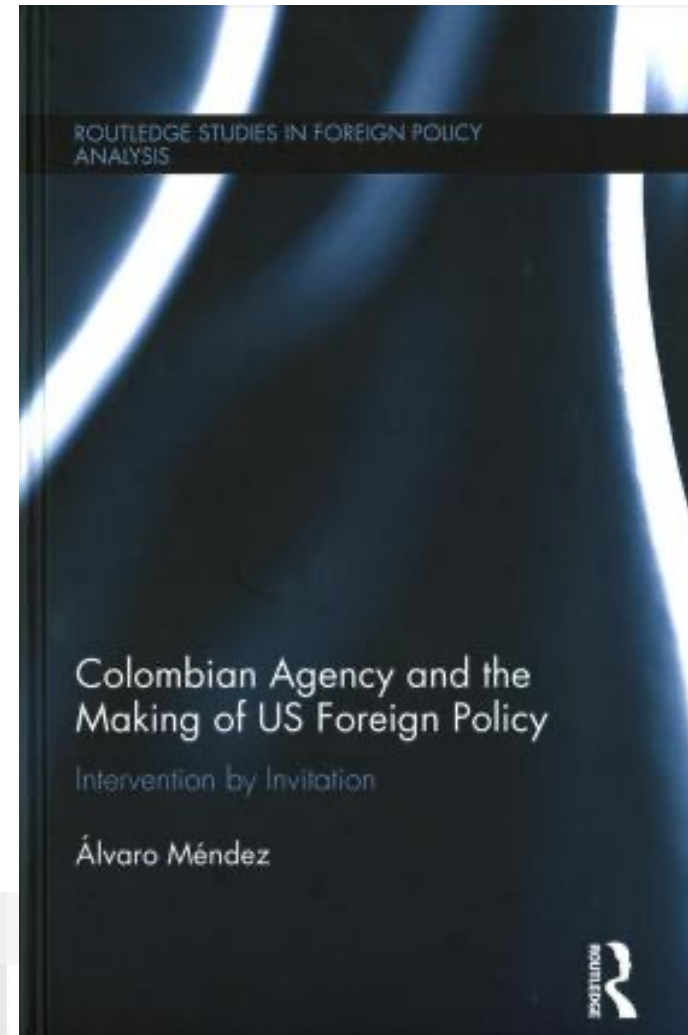


SciencesPo



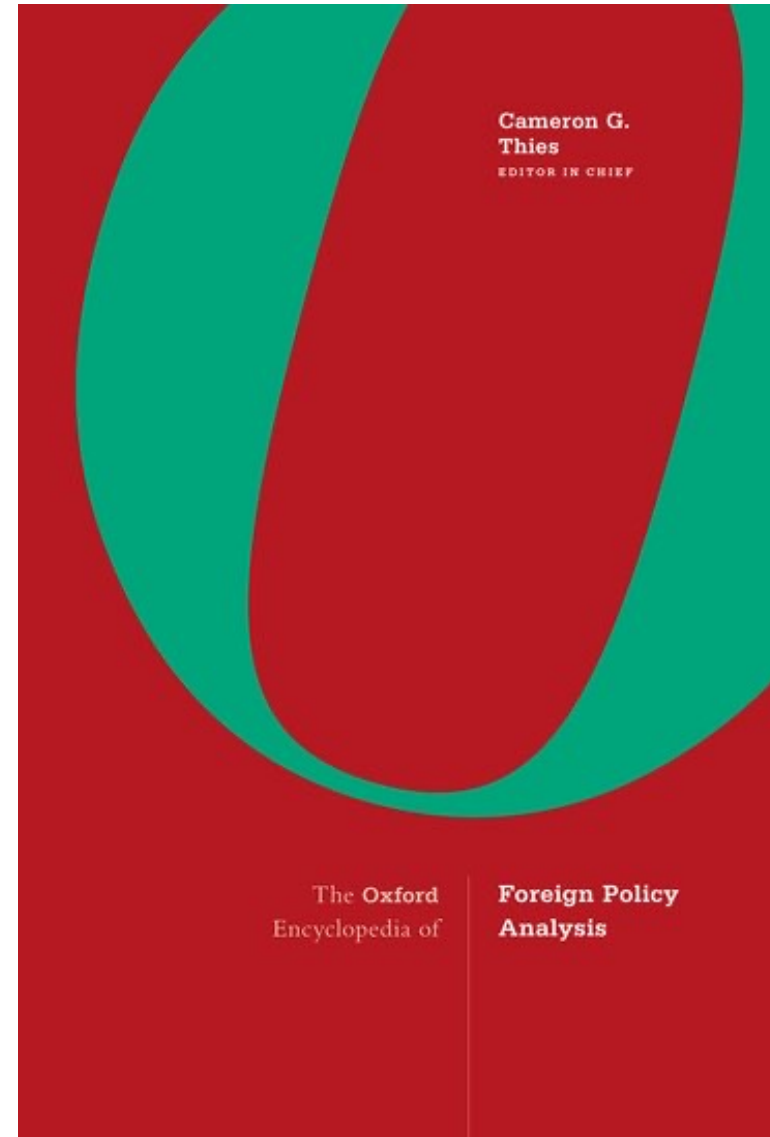
Publications
2017

“Colombian
Agency & US
Foreign Policy”



Publications 2018

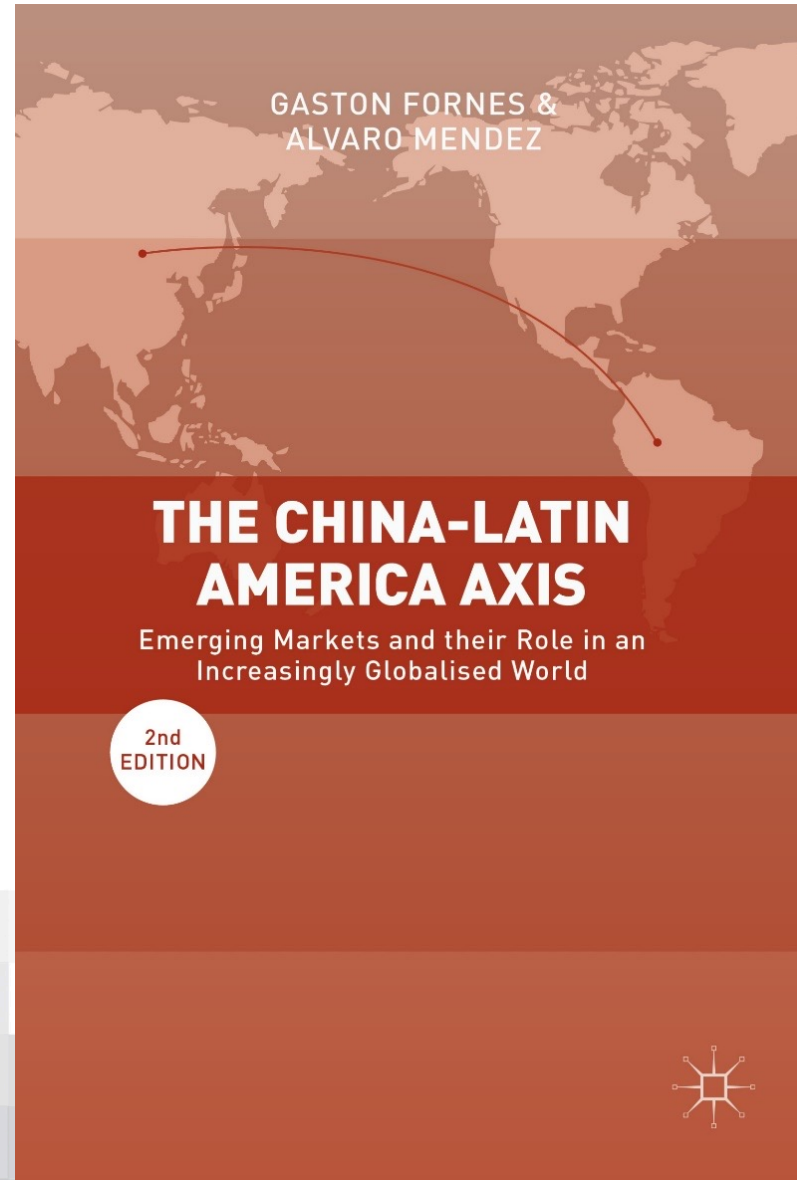
“Global
Governance in
Foreign Policy”



A black circle with a white border containing the text 'Publications 2018' and '“The China & Latin America Axis”' in white.

Publications
2018

“The China &
Latin America
Axis”



Mendez, Alvaro. (2019). Latin America and the AIIB: Interests and Viewpoints. *Global Policy* doi:10.1111/1758-5899.12733 (JIF = 1.197). Q3



Latin America and the AIIB: Interests and Viewpoints

Alvaro Mendez

Abstract

This essay gives insight into the interaction of the Asian Infrastructure Investment Bank (AIIB) with Latin America and the Caribbean (LAC). The AIIB has expressed a clear interest in LAC, accepting eight countries as 'prospective' members pending paying-in their capital, but LAC shows almost no stamina. It is the world's only region lacking even one paid-in member. So long as Beijing backs the request, prospective membership only requires writing a few letters. But LAC's inertia in officially joining, by passing legislation and making their capital contribution, is puzzling, given the benefits that lie untapped. The likeliest cause is their own culture of sheer negligent short-sightedness ('let's do it *mañana*'). This tendency to adjourn the acid test of action could be mitigated if countries in the region adopt long-term non-partisan National Development Plans to strengthen their institutional policy-making capacity. For their part, the AIIB's Governors and Beijing, despite their initial keen interest in LAC, have had to give up nudging and adapt themselves to the Latin Americans' labile perception of time in order to conserve their public image. They must remind LAC that only paid-in members receive financial benefits.

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Publications
2020
“New
Development
Assistance”

GOVERNING CHINA IN THE 21ST CENTURY
Series Editors: Zhimin Chen · Yijia Jing

“In New Development Assistance (NDA): Emerging Economies and the New Landscape of Development Assistance scholars Yijia Jing, Álvaro Méndez and Yu Zheng have presented an outstanding collection bringing together some of the finest thinking on development assistance. Each contribution by a respected scholar, practitioner or policy-maker gives a readable account of the new vision of inclusive international development assistance from the standpoint of its impact on the Global South. In an era of monumental changes in the landscape of development assistance, this timely book will shape debates in the field for years to come”
—Enrique García, Former President of CAF – Development Bank of Latin America.

This book explores the changing face of development assistance. China’s One Belt, One Road development program is the largest international investment scheme in history, surpassing the Marshall Plan by an order of magnitude. In 2017, a group of top scholars from Fudan, the London School of Economics, and other institutions like the Institute of Development Studies, Australian National University, and World Bank gathered to share findings and ideas about the nature of New Development Assistance. A compilation of their findings, this book will be of interest to NGOs, policymakers, and academics.

Yijia Jing is a Changjiang Scholar, Seaker Chan Chair Professor of Public Management, and Dean of the Institute for Global Public Policy of Fudan University. He is editor-in-chief of *Fudan Public Administration Review* and co-editor of *International Public Management Journal*.

Alvaro Mendez is co-director of the Global South Unit and a Senior Research Fellow at the London School of Economics. His most recent publications include: *Global Governance in Foreign Policy* (Oxford University Press, 2018); and *The China-Latin America Axis: Emerging Markets and their Role in an Increasingly Globalised World* (Palgrave, 2018).

Yu Zheng is a Professor at the School of International Relations and Public Affairs, Fudan University. He is the author of *Governance and Foreign Investment in China, India, and Taiwan: Credibility, Flexibility, and International Business* (University of Michigan Press).

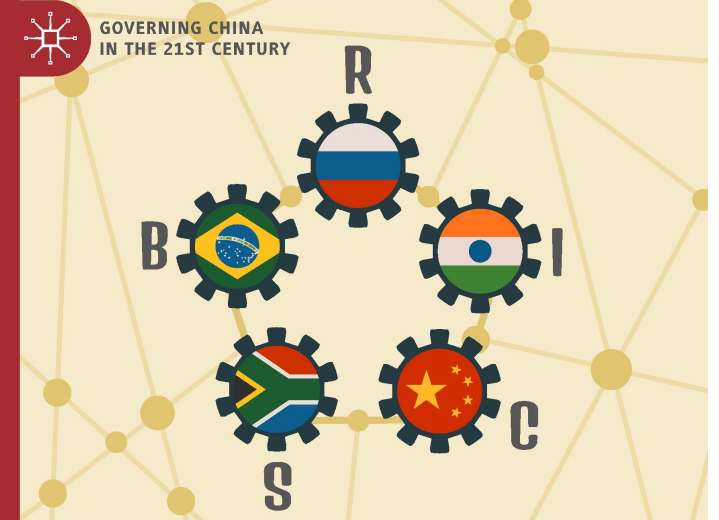


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**GOVERNING CHINA
IN THE 21ST CENTURY**

New Development Assistance
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**New
Development
Assistance**

Emerging Economies and the
New Landscape of Development Assistance

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Publications
2020

“Sustainable
Banking – Role
of MDBs in
SDGs”



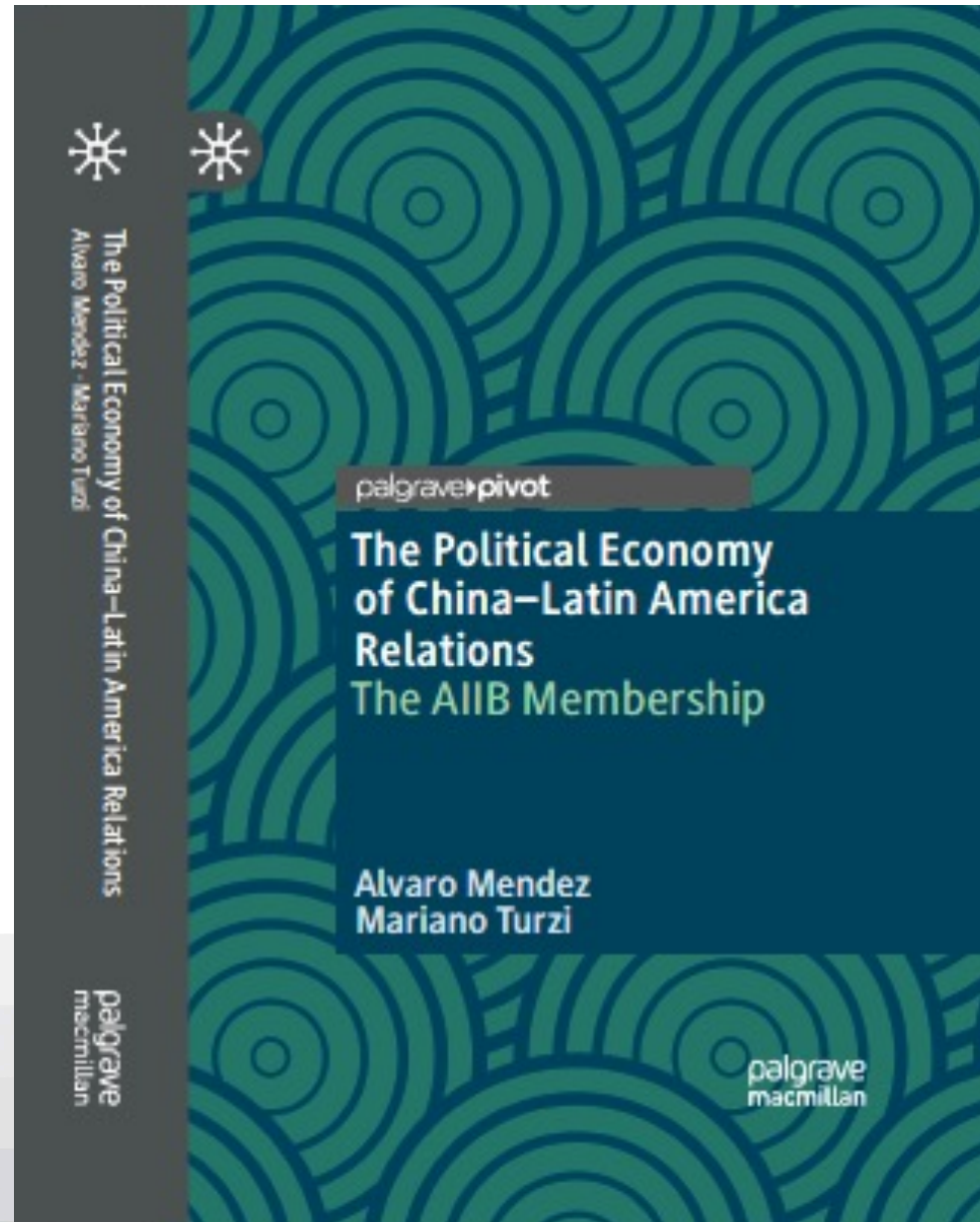
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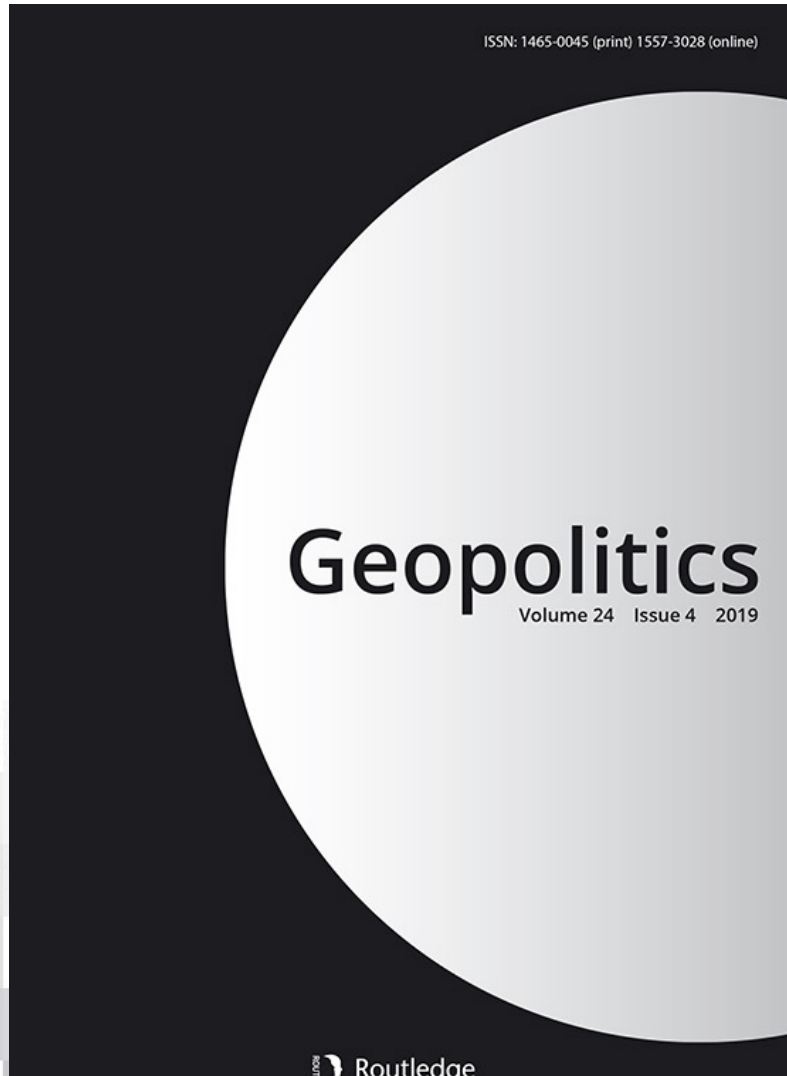
Sustainable Banking: The Role of Multilateral Development Banks as Norm Entrepreneurs

by  Alvaro Mendez^{1,2,*}  and  David Patrick Houghton³ 



Mendez, Alvaro, & Alden, Chris. (2021). China in Panama: From Peripheral Diplomacy to Grand Strategy. *Geopolitics*, Vol. 26 (838-860)

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GEOPOLITICS
2021, VOL. 26, NO. 3, 838–860
<https://doi.org/10.1080/14650045.2019.1657413>

 **Routledge**
Taylor & Francis Group

 Check for updates

China in Panama: From Peripheral Diplomacy to Grand Strategy

Alvaro Mendez^{a,b} and Chris Alden^c

2022

Journal of Business Research 146 (2022) 277–287



Contents lists available at [ScienceDirect](https://www.sciencedirect.com)

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres



How sustainable banking fosters the SDG 10 in weak institutional environments

Fernando Úbeda^a, Francisco Javier Forcadell^b, Elisa Aracil^{c,d}, Alvaro Mendez^{e,f,*}

Nueva Revista
DE POLÍTICA, CULTURA Y ARTE

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LA UNIVERSIDAD
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AMÉRICA LATINA

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GP Opinion / The New Development Bank and Uruguay: A Win-Win Deal

The New Development Bank and Uruguay: A Win-Win Deal

By Alvaro Mendez - 13 June 2022 | DEVELOPMENT, INEQUALITY AND POVERTY



*This is part of in a new collection of commentaries from the **Emerging Global Governance (EGG) Project** on the New Development Bank's evolution. Browse the series [here](#). Alvaro Mendez argues that Uruguay's accession to the NDB has numerous benefits for both the country and the Bank.*

In July 2020, upon arrival the current president of the New Development Bank (NDB), Marcos Troyjo took the decision to recruit new members.

From the Journal

DEVELOPMENT, INEQUALITY AND POVERTY



Do you remember the first map of the world that you ever saw?

Was it an Atlantic view of the world or a Pacific view of the world? (Latin Americans normally see the globe from an Atlantic perspective).

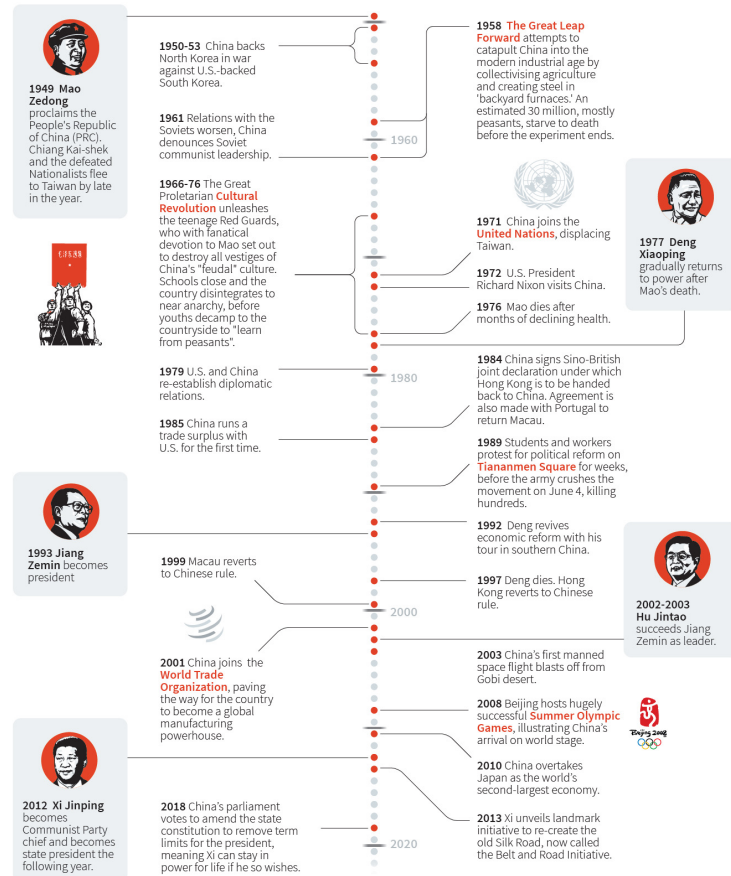






People's Republic of China @70

China celebrates the 70th anniversary of the Communist Party's rise to power, when Mao Zedong's communist forces defeated Chiang Kai-shek's nationalists to control the territories in 1949.



Source: Reuters

C. Inton, 01/10/2019

REUTERS

On 1 October 1949, the PRC is created



1949 Mao Zedong
proclaims the People's Republic of China (PRC). Chiang Kai-shek and the defeated Nationalists flee to Taiwan by late in the year.

The “fall” of mainland China to communism in 1949 led the United States to suspend diplomatic ties with the PRC for decades.

Dec 8, 1949 CE: Two Chinas

On December 8, 1949, the government of the Republic of China moved its capital to the island of Taiwan, signaling a communist victory in China's Civil War and beginning the "Two Chinas" issue.



Chiang Kai-shek

General Chiang Kai-shek led the forces of the Republic of China (ROC) during the Chinese Civil War. In 1949, the ROC moved its capital to Taipei, Taiwan, where Chiang served as president until his death in 1975.



1950-53 China backs North Korea in war against U.S.-backed South Korea.



Early Cultural Diplomacy

Asia and the Pacific Regional Peace Conference (1952)



Asia and the Pacific Regional Peace Conference (1952)



50,000 attended this conference in Beijing in 1952

Most countries in the global South attended this conference (some Western countries too)

It was China's first attempt to attain diplomatic recognition

(very successful)



Chinese People's Association for Friendship with Foreign Countries (1954)



中国人民对外友好协会
Chinese People's Association for
Friendship with Foreign Countries

In 1954 the PRC created the *Chinese People's Association for Friendship with Foreign Countries* (CPAFFC) a putatively unofficial agency “to carry out foreign relations work ... [and to] serve as a link in the friendly relations between the Chinese people and ... the world” ([Sutter, 2011: 70](#)).

1950's



People's leaders of all countries

各國的人民領袖

Geguede renmin lingxiu



Long live the unity of the peaceful, democratic,
socialist camp!

1958

和平，民族，社会主义阵营团结万岁！

Heping, minzhu, shehui zhuyi zhenying tuanjie wansui!



Long live the great unity of all nationalities

民族大团结万岁
Minzu da tuanjie wansui

1960

民族大团结
万岁

民族大团结
万岁

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中国友谊万岁

Friends from afar are coming to visit

有朋自远方来
You peng zi yuanfang lai

1961

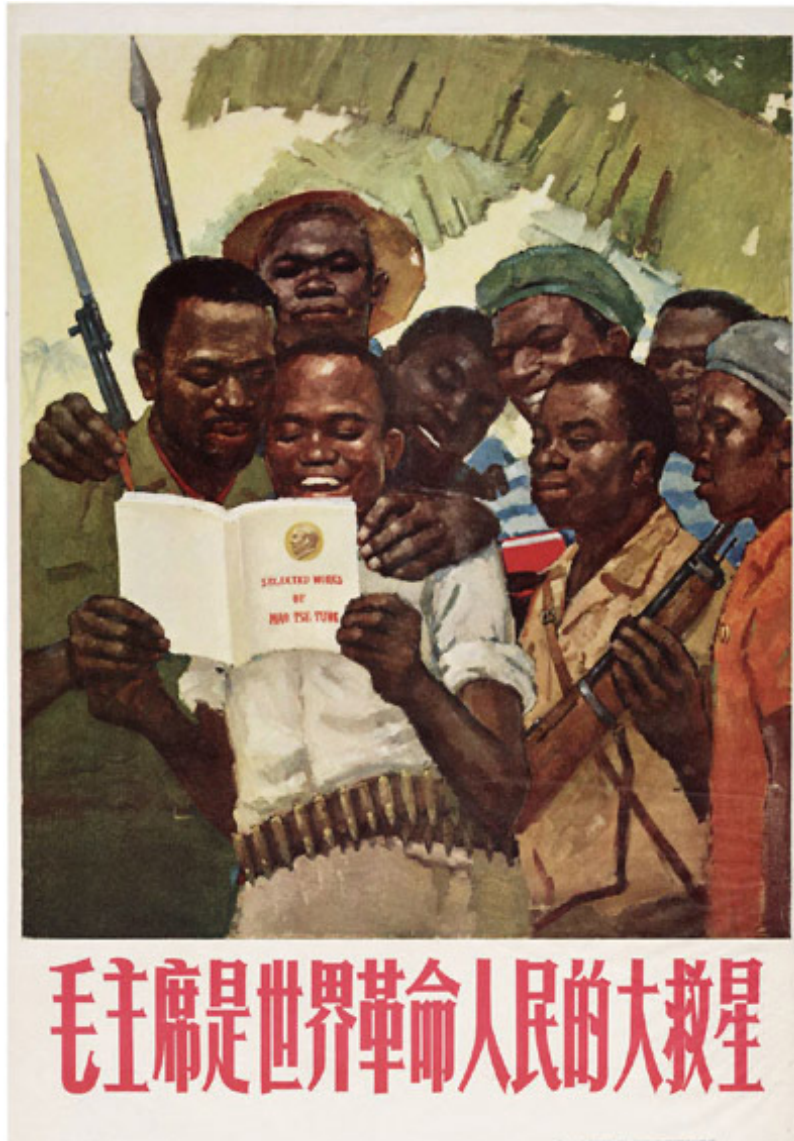
Savior

1968

救星

Qixing





Chairman Mao is the great liberator of the world's revolutionary people

毛主席是世界革命人民的大救星

Mao zhuxi shi shijie geming renminde da jiuxing

1968



我们是真正的朋友



地拉那“一手拿镐一手拿枪”业余艺术团
访华演出节目选



chinese-posters.net



革命友谊深如海

ch



**THE GLOBAL SOUTH KEY IN UN
RECOGNITION
FOR CHINA**



UN Recognition, 1971

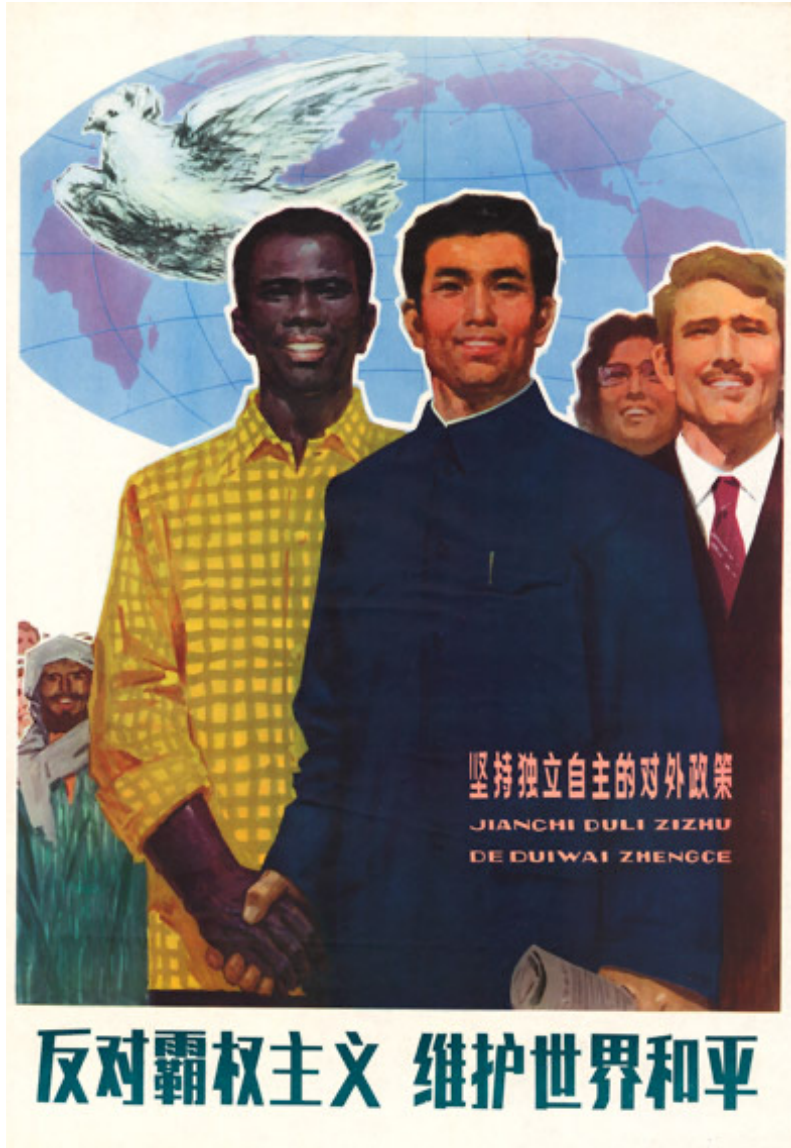
- On 25 October 1971, a large number of states voted to expel Taipei and seat Beijing at the UN.
- 76 countries voted in favour
- 35 countries voted against
- 17 countries abstained



Incredible footage from 25 October 1971

3 parts (1) US pushing a two China Policy; (2) Draft resolution by Taipei to prevent consider PRC's membership (3) PRC's Membership





More Recent Examples – this one from 1983

Oppose hegemonism, uphold world peace - maintain a foreign policy of independence and own initiative

反对霸权主义，维护世界和平-坚持独立自主的对外政策

Fandui baquan zhuyi, weihu shijie heping - jianchi duli zizhude duiwai zhengce

Important events followed the UN's recognition in 1971



- Once China became a UN Member, many important issues took place
 - ✓ US granted them Diplomatic Recognition in 1979 (many other countries did the same after that)
 - ✓ China became a member of the IMF in 1980
 - ✓ China became a member of the World Bank in 1980



ACCESSION TO THE WTO

10 Nov. 2001



The accession of China to the WTO in 2001 facilitated trade with the region when it was combined and enhanced by adoption of the strategic Go Out policy in 2001, as part of China's five year development plan.

Key events since China's WTO accession

○ **2001**

China joined the WTO

○ **2004**

China enacted the Foreign Trade Law

○ **2006**

China became the largest contributor to global economic growth

○ **2010**

China became the world's second largest economy and fulfilled all its WTO commitments

○ **2013**

China became the world's largest merchandise-trading nation

○ **2017**

China ranked the second in both accumulated outbound direct investment and inward foreign direct investment

○ **2019**

China passed the Foreign Investment Law

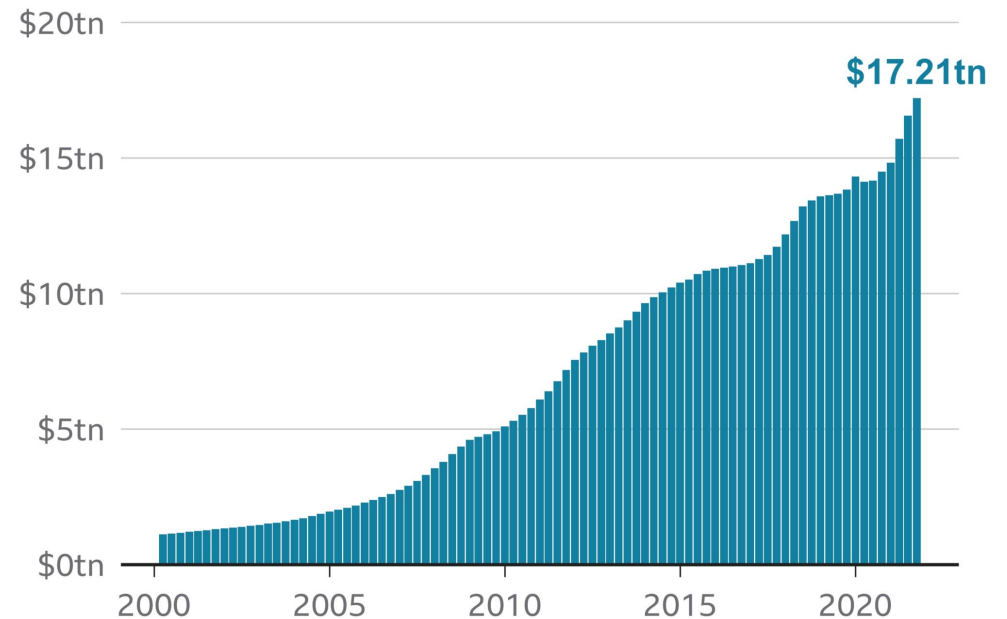
China's foreign trade

Since WTO accession, \$2010 trn



China's economic growth since 2000

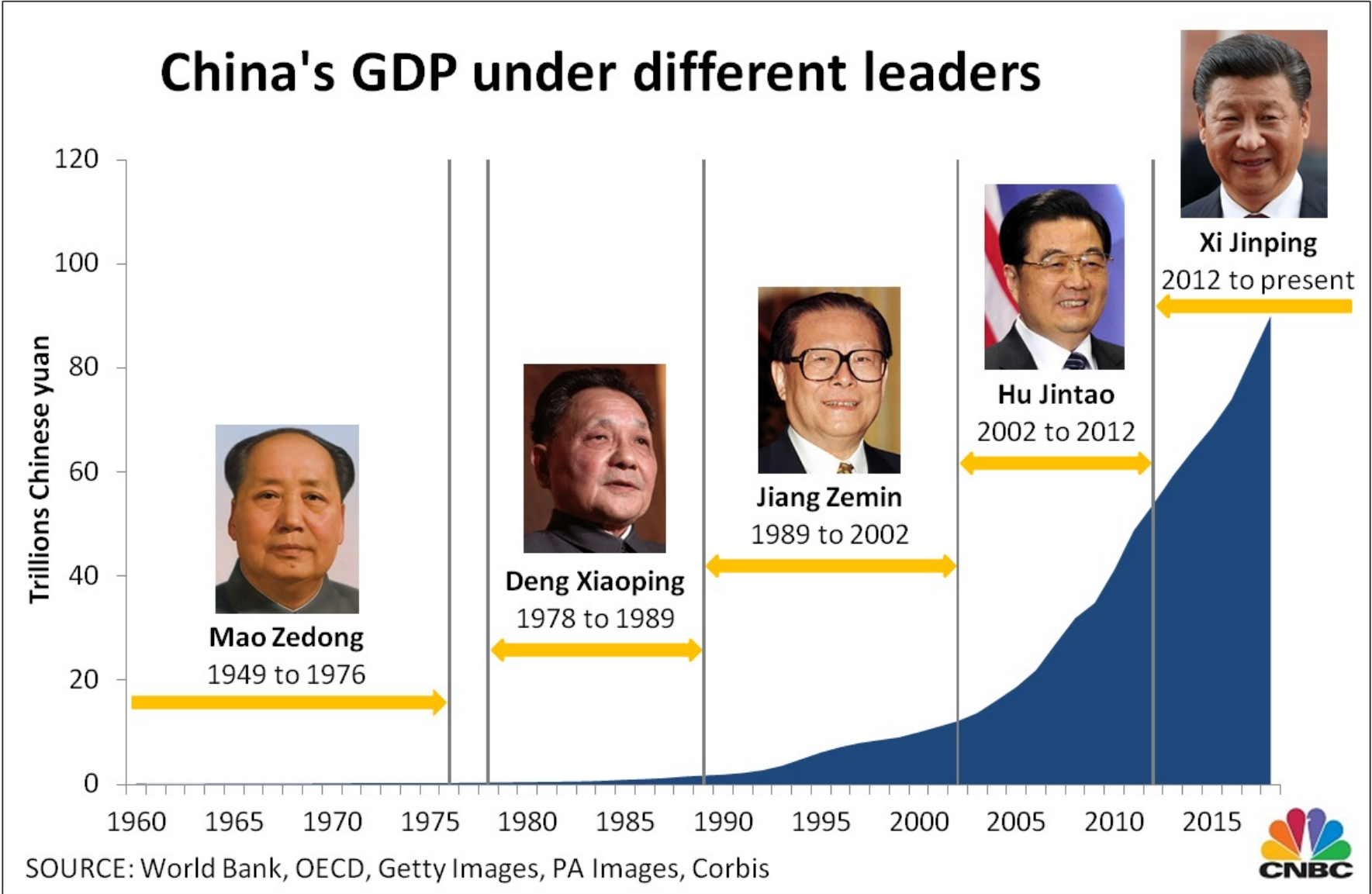
Nominal GDP in trillions of USD



Source: Bloomberg

BBC

China's GDP under different leaders



SOURCE: World Bank, OECD, Getty Images, PA Images, Corbis



March 2013 (Elected)

Xi Jinping elected Chinese president

2013/03/14

BELJING, March 14 (Xinhua) -- Xi Jinping was elected Chinese president Thursday morning at the ongoing session of the 12th National People's Congress, China's top legislature.



September 2013 (BRI Speech)



Belt Road Initiative BRI

**The GLOBAL SOUTH KEY
FOR THE BRI**

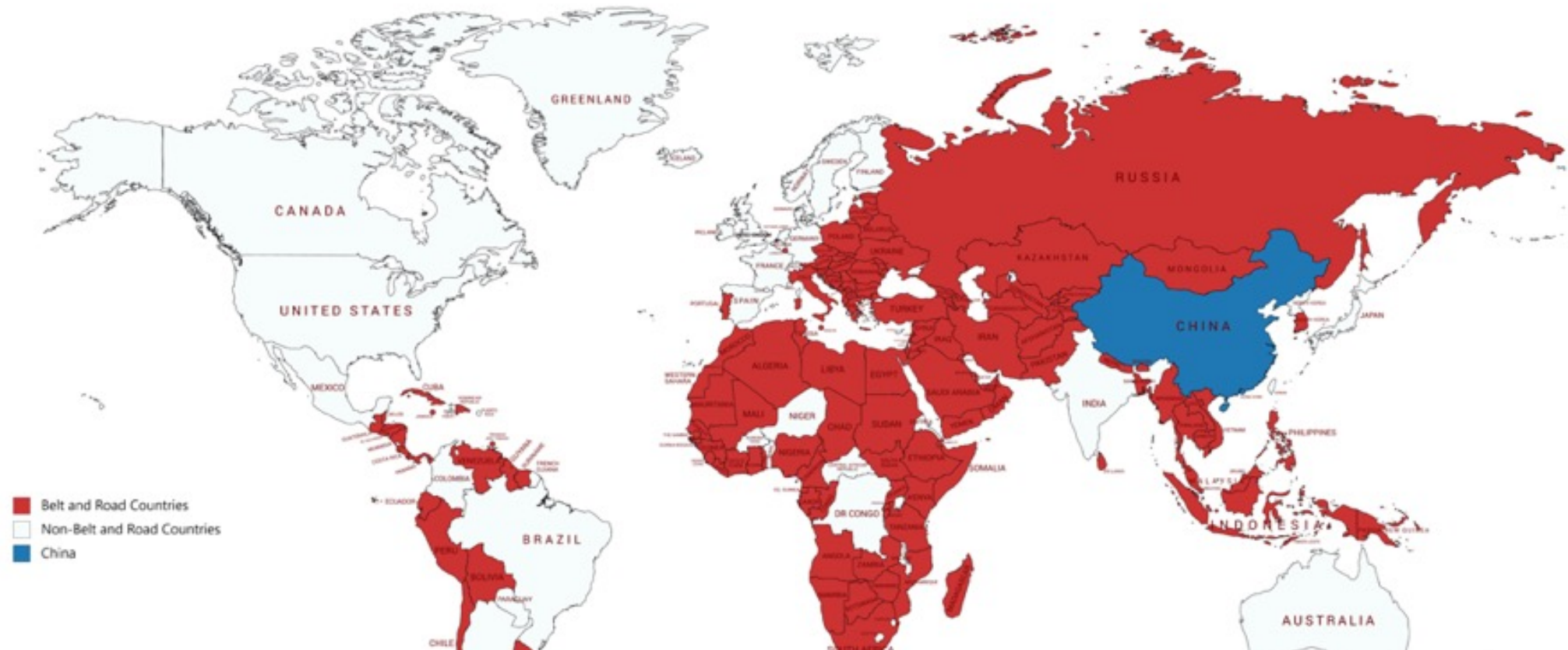
What is the Belt and Road Initiative (BRI)?



- China's Belt and Road Initiative (BRI) (一帶一路) is an ambitious programme to connect Asia with Africa, Europe and Latin America via land and maritime networks along six corridors with the aim of improving regional integration, increasing trade and stimulating economic growth.

The BRI and the Global South

WORLD



BRI: SREB & MSRI



Important Key Meetings around the BRI

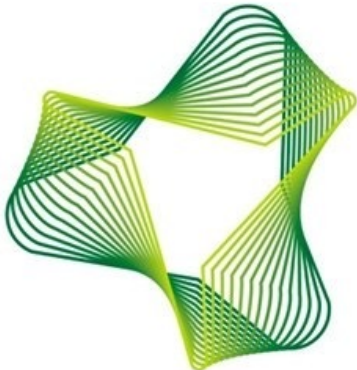


- **Silk Road Economic Belt (SREB):** September 2013 in Kazakhstan
- **Maritime Silk Road (MSRI):** October 2013 in Indonesia (AIIB & NDB mentioned)
- **First** BRI Summit: May 2017 in Beijing (BRI formally presented to the world)
- **Second** BRI Summit: April 2019 in Beijing - Xi Jinping showcases the advances of BRI (some see weaknesses)
- **Four** BRI Summit: December 2020 (virtual)
- **Fifth** BRI Summit: June 2021 (Hybrid)

Funding for the BRI



Silk Road Fund
丝路基金



**New
Development
Bank**



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

WINNERS



So Dr. Mendez Who are the Winners?

This a very difficult question – no general agreement. In my opinion:

- ✓ Countries in the global South are getting more political attention than they used to get from the US & Europe
- ✓ They are getting more financial aid (loans & trade)
- ✓ They are getting more infrastructure
- ✓ They are getting critical support (e.g. Vaccines)

LOSERS



So Dr. Mendez Who are the losers?

This a very difficult question – no general agreement. In my opinion:

- ✓ **Countries in the global South are getting too politically involved with China (e.g. Zimbabwe)**
- ✓ **They are getting more debt (sometimes impossible to pay; e.g Venezuela)**
- ✓ **They are getting infrastructure projects they don't need (e.g. Sri Lanka)**
- ✓ **They are getting less effective vaccines at high prices (e.g. Sinovac \$21USD x 2 doses vs. Pfizer at \$14 x 2 doses; or Astra Zeneca at \$5 x 2 doses)**

Beijing has sold 386 million doses to the region, with 226 million doses delivered, but it has merely donated 2 million

What is the West doing about it? Too little? Too late?



**ANY
QUESTIONS?**

