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A comparative analysis of Chinese and UK's aid policy to Pakistan

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Chapter I Introduction

Section 1.Literature review

1. Literature on Aid Theory

Aid between nations is a means of diplomacy. The research on this phenomenon mainly includes the four different research perspectives : the perspective of international relations, the perspective of international economics, the perspective of international development, and the perspective of sociology. These four different theoretical perspectives have different interpretations of the motives behind the act of foreign aid between countries.

The discipline of international relations tends to explore the motivation considerations of countries in foreign aid. According to the different perspectives of the three main schools of international relations theory, different motivations can be deduced. Some scholars have summarized the analysis of foreign aid from various perspectives. One scholar have explored the different diplomatic strategic considerations of various countries when conducting foreign aid from the perspective of international relations.^① One scholar explain the foreign aid phenomenon in international politics from the perspectives of realism, idealism, and activism^②. International Political Economics focuses on the economic utility of countries' international aid. Different scholars have come to different conclusions, and some scholars believe that foreign aid will have different effects in different countries^③; Some scholars, when conducting case studies of South Asian countries, found that if the government has a high level of repayment for aid, then there will be no correlation between foreign aid and the economic growth of recipient countries.^④ The International Development Discipline explores how to promote the social progress of underdeveloped recipient countries by using aid. These social progress include improvements in health conditions, improved education, and a stable political situation. Addison's research explores the impact of foreign aid in

^① "Foreign Aid and International Relations" Zhou Hong China Social Science Press .Beijing 2002

^② "Foreign Aid from the Perspective of International Political Science Theory" Liu Yun, Teaching and Research, 2005, Issue 10, pp83-88

^③ 'The effect of foreign aid on economic growth in developing countries' EMEkanayake. Journal of international Business and Cultural Studies.

^④ 'FOREIGN AID AND ECONOMIC GROWTH IN SOUTH ASIA'.W.R.D.Weerasingha, A.M.M.Mustafa.Proceedings of the 8th Annual International Research Conference, 25, NOV, 2019

promoting the formation of social policies in underdeveloped countries. The author believes that improving the social policies in underdeveloped countries through aid is of great significance to improving the social status.^⑤ Some scholars use quantitative analysis to explore whether international aid is helpful to recipient countries. ^⑥One research systematically introduce the development and evolution of international development assistance and it also introduced the specific situation of China's international development assistance.^⑦ There are also scholars who personify the country from a sociological point of view. For donor countries and recipient countries, the process of international assistance is an act of mutual exchange of interests between the two sides.^⑧

2 Literature on China's official aid to Pakistan

China's foreign aid began since the founding of the People's Republic and has a history of more than 70 years. Some scholars have focused on the changing policy of Chinese foreign aid.^⑨ Some are interested in Mechanism Changes ^⑩and Historical Development^⑪ and other perspective of China's foreign aid. Other scholars also discuss about the current overall strategy of China's foreign aid^⑫ and Future Development Directions^⑬ But so far there is no academic monograph on China's foreign aid to Pakistan. Research on China 's aid to Pakistan can be found in some academic articles or books about the overall description. Although there

^⑤ "Aid, Social, Policy and Development" Tony Addison, Miguel Nino-Zarazua, Finn Tarp Journal of International Development / Volume 27, Issue 8

^⑥ "Does Social Spending Improve Welfare in Low-income and Middle-income Countries?" Fiseha Haile,Miguel Nino-Zarazua International Development / Volume 30, Issue 8

^⑦ "Introduction to International Development Assistance" Li Xiaoyun et al. Social Science Literature Press 2009 Beijing

^⑧ "Explanation on the Social Exchange Theory of Foreign Aid" Ding Shaobin et al. "International Political Research" 2007 Issue 3, pp38-55

^⑨ 'China 's Foreign Aid and Investment diplomacy, volume II' John F. Copper. First published 2016 by PALGRAVE MACMILLAN; China 's Foreign Aid: Theory and Practice "Ren Xiao; Liu Huihua. Shanghai People's Publishing House 2017 · Shanghai

^⑩ "China's Foreign Aid Mechanism: Status Quo and Trends" Huang Haibo "International Economic Cooperation 2007 Issue 6

^⑪ " Review and Prospect of Sixty Years of China's Aid to Foreign Countries "Zhou Hong "Diplomatic Review" No. 5 of 2010

^⑫ "A Strategic Analysis of China's Foreign Aid" Bai Yunzhen's "World Economy and Politics" No. 5 of 2013 Issues

^⑬ "China's Foreign Aid Ways and Innovation", Mao Xiaojing, "International Economic Cooperation," Issue 3, 2012, pp. 89-91

"Belt and Road Initiative" and China's Transformation of Foreign Aid' Bai Yunzhen, "World Economy and Politics, 2015, No. 11, pp. 53-71" and other analyses.

is few research on China 's foreign aid to Pakistan, due to Pakistan 's important position in China 's overall diplomatic layout, There are endless research about the economic collaborations between China and Pakistan, and these research perspectives include the study combining China-Pakistan economic relationship with the “Belt and Road” initiative^⑭, Combining with the China-Pakistan Economic Corridor^⑮ and the potential risks in future economic cooperation between the two countries^⑯ and so on. These studies are not directly related to China's assistance to Pakistan, but they provide us with a background of the current bilateral relationship between China and Pakistan, which can help us understand China's assistance to Pakistan deeply.

There are limited sources of data on China's foreign aid to Pakistan. The Chinese government published "China's Foreign Aid white paper"^⑰ and "China Foreign Aid white book (2014)"^⑱, they are the basis for studying China's foreign aid policy, In addition, the website^⑲ of China International Development Cooperation Agency(CIDCA) also has some official announcements on China's foreign aid. However, the government currently lacks detailed data about foreign aid to different recipient . The main data source for the study is AIDDATA.²¹ and other relevant international research databases.

3 Literature on UK's official assistance to Pakistan

UK is the first country which engaged in foreign aid. The research data on UK's aid to Pakistan mainly falls into two categories. The first category include the scholars do the overall research on UK's foreign aid, including historical development²² and institutional change²³ and others. These studies provide an inquiring background for the study of UK's aid

^⑭ “Belt and Road” and the construction of the China-Pakistan Economic Corridor Chen Lijun, “Contemporary World”, Issue 1, page 55, 2017

^⑮ "China-Pakistan Economic Corridor Construction: Progress and Challenges" Liu Zongyi "International Studies" 2016 Issue 3 123

^⑯ "Political Risks and Control of Chinese Enterprises' Investment in Pakistan" Huang He Etc. "International Outlook" No. 2, 2017, pages 132-148

^⑰ China's Foreign Aid White Paper http://www.cidca.gov.cn/2018-08/06/c_129925064_2.htm

^⑱ "China's Foreign Aid (2014)" White Paper http://www.cidca.gov.cn/2018-08/06/c_129925028.htm

^⑲ Website: <http://www.cidca.gov.cn/>

²¹ Home; <https://www.aiddata.org/>

A web page about China's foreign aid special data

<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

²² UK's International Development Policies-A history of DFID and Overseas Aid 'Barrie Ireton, first published 2013 by PALGRAVE MACMILLAN

²³ The Legal Framework for UK Aid After Brexit 'Ambreena Manji. Current Legal Problem, Vol, 72, NO. 1

policy to Pakistan. In addition, there are some evaluation reports on the effectiveness of the current UK's aid to Pakistan²³ And policy report²⁴.etc.

Data on UK foreign aid are published on the official website of the UK's Government's Department for International Development (DFID, Department for International Development)²⁵ is the main source of information for Chapter III. UK is an Organization for Economic Co-operation and Development (OECD) Member, one of the duties of the Development Assistance Committee (DAC) of the OECD is to discuss and evaluate the foreign aid of member states²⁶.

Section 2 Definition of Concept

1 Definition of the concept of aid.

In the broad sense, foreign aid is a very broad concept. From the perspective of actors, the donors and recipients are mainly sovereign states. In addition, international intergovernmental and non-governmental organizations, multinational companies and individuals can be the actors. Aid channels: Foreign aid includes unilateral and multilateral approaches. A unilateral aid channel refers to the direct assistance provided by one government to another government, which is the most traditional and main method of international assistance at present. Multilateral assistance includes the transfer of aid materials by donors to a changeable intergovernmental organization, which organizes the overall planning and assistance of the recipient country. For example, the member countries of OECD (Economic Cooperation and

(2019), pp. 37-57; "UK's Foreign Aid: Policy and Management" Huang Haibo and Fang Hui, "International Economic Cooperation"; Comparative Study of Regulation Systems "Sun Tongquan; Zhou Taidong waiting. Social Science Literature Press 2015 · Beijing

²³ For example: 'DFID Pakistan Floods Monitor' 2013

<https://www.gov.uk/government/collections/dfid-pakistan-floods-monitor>

'UK aid: Changing lives, delivering results in Pakistan' 2011

<https://www.gov.uk/government/publications/uk-aid-changing-lives-delivering-results-in-pakistan>

'Helping girls get an education' 2013

<https://www.gov.uk/government/case-studies/helping-girls-get-an-education>, etc.

²⁴ 'DFID Pakistan evaluation strategy' 2011

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/67485/dfid-pk-eval-strat.pdf, etc.

²⁵ DFID official web:

<https://www.gov.uk/government/organisations/department-for-international-development>.

²⁶ OECD-DAC website: <http://www.oecd.org/dac/development-assistance-committee/>

Development) sometimes give part of their aid materials to the DAC (Development Assistance Committee), and the DAC use them aid the recipient countries. In addition, the World Bank and some United Nations agencies also undertake similar responsibilities. In terms of aid content, foreign aid includes food aid, health aid, grants, concessional loans, and material aid.

This dissertation studies on the official aid from China and the UK to Pakistan, so both the donor and recipient is government. Among various forms of state-based definitions of foreign aid, ODA (official development assistance) is a definition generally accepted by developed countries. The DAC (Development Assistance Committee) defined ODA as follows: The target countries for official development assistance include only the list of recipient countries developed by the Development Assistance Committee²⁷ and multilateral institutions²⁸; ODA providers must include international Official agencies or their implementing agencies, including central and local government; each aid must be managed with the main objective of promoting economic development and welfare in developing countries, be of a preferential nature, and provide at least 25% of grants (based on 10% Reference interest rate settlement)²⁹. The UK is a member of the OECD, and ODA accounts for the majority of the UK's government's foreign aid. This dissertation takes the UK-Pakistan ODA as the research object. China is still a developing country and is not a member of the OECD. When conducting foreign aid, part of the aid in the form of interest-free loans and concessional loans does not meet the 25% grant requirement. Part of the aid is in the form of interest-free loans or concessional loans. These loans occupy a very important position in China's assistance to Pakistan. Therefore, when studying China's official aid, we cannot simply use the definition of ODA to analyze China's foreign aid. The definition of China 's assistance to Pakistan in the

²⁷Development Assistance DAC List of ODA Recipients developed by the Commission: These countries include all low- and middle-income countries that issue GNI per capita issued by the World Bank, but G8 member states, EU member states, and Except for countries that have explicitly joined the EU. The list also includes all least developed countries (LDCs) as defined by the United Nations. This list is revised every three years and the next revision will take place in 2020. Source: Countries in the <http://www.oecd.org/development/financing-sustainable-development/development-finance-standards/daclist.htm>

²⁸Eligible international counterparts see:

<http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/OECD-ODA-Single-Table-2020-for-2019-flows.xlsx>

²⁹Official development assistance – definition and coverage

<http://www.oecd.org/development/financing-sustainable-development/development-finance-standards/officialdevelopmentassistance/definitionandcoverage.htm>

text is in accordance with the scope of the “China ’s Foreign Aid White Paper” (China ’s foreign aid funds are mainly three: unpaid assistance, interest-free loans, and concessional loans³⁰) as the standard.

2. Definition of the period of official assistance

The research period for China and UK's official assistance to Pakistan is from 2001 to the present.

Section 3 Research Significance

1. Explore the motivation behind the foreign aid phenomenon.

Both UK and China are important donors to Pakistan. The UK is the first country in the world to provide official assistance and Pakistan is the largest recipient of foreign aid to the UK in recent years. As a former colony of the UK, Pakistan is currently the third largest source of immigrants in the UK (2018)³¹. China is Pakistan ’s largest official financial flow (OFF)country today,Pakistan is the second destination of Chinese OFF. China and Pakistan currently cooperate deeply in the economic field. Pakistan is an important member in China ’s “Belt and Road” initiative. And this cooperation has a great cooperation potential. Both China and UK have close foreign relations with Pakistan, but these two sets of bilateral relations have different foundations and also show different characteristics. By observing these two sets of foreign aid based on different types of bilateral relations, we can find different aid contents and different aid motives behind the content. Through these different aid motives, you can more comprehensively summarize the policy consideration and the logical behind foreign aid which act as an tool of economic diplomacy .

2 Find experiences that China can learn from.

As a developing country, China started from a net aid receive and became a net aid export

³⁰China ’s Foreign Aid White Paper (Chinese) http://www.cidca.gov.cn/2018-08/06/c_129925064_3.html

³¹Migrant in the UK: An Overview '
<https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-an-overview/>

country recently.³² The history of this country as a net aid exporter is not long. Although there have been 70 years of aid experience, due to the China's aid policy has experienced several major changes during this period, it has not formed a stable aid mechanism and policy. Since the beginning of the new period, under the guidance of building a "community with a shared future for mankind", China has attached greater importance to foreign aid. At present, foreign aid is in a rising period. In contrast, the UK has a more mature aid system and a more stable aid policy. Analyzing the experience and lessons of aid from the two countries will help China to develop successful foreign aid policy with Chinese characteristics by absorbing UK's aid experience.

3 Implications to the future assistance of the international community.

In the study of international politics, foreign aid, as a means of economic diplomacy, is not an important research object. The ultimate proposition of international politics is to analyze the issues of war and peace in the international community, and the security directly related to war and peace. Military and national strength are the focus of attention. But now, the category which the international politics focus is becoming more diverse. Although the international community has experienced some "anti-globalization" phenomena including Brexit, political populism and trade protectionism in Western countries in recent years, it does not affect the trend of globalization. Within this background, crises that occur within a country will most likely spread to neighboring countries and the world. Effective use of foreign aid can help underdeveloped development from multiple perspectives, including providing food, developing education, improving health conditions and improving infrastructure. Development unevenness among countries is the root of a series crisis in the worldwide which including food losses, corruption, and refugee crises, and so on. As one of the Least Development Countries(LDC) in the world today, by observing the actual effectiveness of Chinese and UK's aid in Pakistan and the improvement of Pakistan society conditions. We can find the successful experience which can help the international community to find a way to reduce and eventually eliminate the existing uneven development

³²net aid amount = export aid amount-receiving aid amount, if the net aid amount is greater than 0, it is called a net aid exporting country; if the net aid amount is less than 0, it is called a net aid Receiving country.

in the world through foreign aid.

Section 4 Research Methods

1.Data analysis method

Collects data on official aid to Pakistan since the 21st century in the UK and summarizes official aid from the two countries. These data can directly reflect the amount of aid to Pakistan and the proportion of various components of the two countries since the 21st century, so as to summarize the similarities and differences in the projects of the two countries foreign aid and the changing trends of the two countries aid to Pakistan.

Comparative analysis method

The comparative analysis method is the key method used in the conclusion of this dissertation. Through a comparative analysis of the aid behavior of the two countries, we can find out different characteristics reflected when China and the UK, the two countries with very different national conditions, give the foreign aid to the same country.

2.Analytical method of international relations

The perspective of international relations analyzes the motivation behind the behavior of foreign aid in this country from the perspective of state actors. As a means of economic diplomacy, foreign aid serves the country's overall diplomatic goals. This is agreed by the three main research schools of international relations. The differences between the three schools are different when looking at international diplomatic goals. When analyzing the content of China and UK's assistance to Pakistan, this dissertation uses the perspective of realism in international relations based on different characteristics of assistance. This reflects the different phenomenon of the two countries in their aid to Pakistan. But we can infer that the two country both has the same logic under the different aid characters.

Section 5 Acronym

CIDCA (China International Development Cooperation Agency)
CPEC (China-Pakistan Economic Corridor)
DAC (Development Assistance Committee)
DFID (Department for International Development)
LDC (Least Developed Countries)
OBOR (One Belt And One Road)
ODA (Official Development Aid)
OECD (Organization for Economic Co-operation and Development)
OFF (Official Financial Flow)
TOC (Total official Commitment)
VOF (Vague Official Finance)
WB (World Bank)

Chapter II Analysis of China's aid to Pakistan in the 21st century

This chapter analyzes China's aid to Pakistan in the following aspects. The first section will specifically introduce the mechanism of China's foreign aid, in order to introduce the complete process of China's foreign aid policy from discussion to generation, implementation and final evaluation. The second section briefly introduces the history of China's foreign aid to Pakistan since the 21st century, and summarizes the characteristics of China's foreign aid to Pakistan from the data. Section 3 uses international relations theory to explore the motivation behind China's aid to Pakistan. After the research in this chapter, we can comprehensively understand China's foreign aid to Pakistan since the 21st century.

Section 1 China's current official assistance mechanism

Like the composition of other administrative organs' operating mechanisms, the Chinese foreign aid mechanism mainly includes decision-making bodies, implementing agencies, supervision and evaluation agencies, and related laws and regulations. There are three main agencies directly related to China's foreign aid: in order of importance are China International Development Cooperation Agency (Abbreviation in the text is CIDCA), the Ministry of Commerce and the Ministry of Foreign Affairs. Other institutions such as the Ministry of Finance, the Ministry of Education, the Export-Import Bank and other institutions also perform a small number of foreign aid functions.

1. Decision-making organization

The newly established CIDCA in 2018 plays an important role in the development of China's foreign aid. According to the agency's official website, its responsibilities include: formulating foreign aid strategic guidelines, plans, and policies, coordinating and coordinating major foreign aid issues and making recommendations, advancing foreign aid reform, preparing foreign aid programs and plans, determining foreign aid projects, and monitoring Evaluation of implementation, etc. The specific implementation of foreign aid is

still undertaken by the relevant departments according to their division of labor. ³³We can find that CIDCA is the main decision-making body of China's foreign aid. In short, the formulation of strategic guidelines and the determination of foreign aid projects reflect its decision-making power, and the implementation of monitoring and evaluation reflects the agency's monitoring and evaluation functions. China International Development Cooperation Agency replaced the previous Ministry of Commerce as the department that assumed responsibility for decision-making, supervision and evaluation.

2. Executing agency

China's foreign aid is mainly responsible for the relevant units of the Ministry of Foreign Affairs and the Ministry of Commerce. Although China established China International Development Cooperation Agency in 2018, the agency is currently not directly responsible for specific project bidding, fund management and other specific implementation work. The Ministry of Commerce is responsible for the specific implementation of foreign aid, organizing and implementing complete sets of projects, technical assistance projects, material projects, human resources projects, and other types of foreign assistance projects, and selecting and implementing enterprises to undertake relevant implementation tasks. To undertake the implementation tasks of foreign aid projects, enterprises must obtain the qualification of implementing enterprises and participate in bidding competition. ³⁴ The participation of the Ministry of Foreign Affairs in the implementation of foreign aid is mainly reflected in the handover of aid materials or direct distribution of materials by the Ministry of Foreign Affairs and the embassies and consulates stationed in various countries, as well as the assistance of Chinese enterprises responsible for aid projects in local work.

3. Evaluation agency

In the history of China's foreign aid development, there has always been a lack of a specific evaluation mechanism for foreign aid. And in December 2014, Article 35 of the "Administrative Measures for Foreign Aid (Trial)" stipulates: The Ministry of Commerce

³³CIDCA: Institutional functions <http://www.cidca.gov.cn/zyzz.htm>

³⁴Introduction of Chinese Foreign Aid <http://fec.mofcom.gov.cn/article/ywzn/dwyz/>

established a foreign aid project evaluation system to evaluate the implementation of foreign aid projects.³⁵ The Ministry of Commerce promulgated and implemented the "Regulations on the Evaluation of Foreign Aid Projects"³⁶ on January 8, 2016, which provides in principle provisions on the content and index system of the project evaluation, organizational management, evaluation procedures and the application of results. However, there are no clear regulations on the evaluation model and evaluation quality. In addition, for the application of evaluation results, it only mentions the convergence of the project database of the Ministry of Commerce to find common problems to improve the policy. It is not as clear as the developed countries such as the UK. The evaluation report must be open to public supervision. After the establishment of the International Agency for International Development Cooperation, the supervision and evaluation functions of the Ministry of Commerce are assigned to the former.

4 .Related laws and regulations

At present, the main laws and regulations related to China's foreign aid mainly include (in chronological order):

The "Administrative Measures for Complete Set of Foreign Aid Projects (Trial)"³⁷ adopted in December 2008 is the first document that specifies specific provisions for China's foreign aid projects;

The "Administrative Measures for Foreign Aid (Trial)"³⁸ adopted in December 2014 is currently the most important document on foreign aid. Its content is to regulate the management of foreign aid and improve the effectiveness of foreign aid, in accordance with relevant laws and administrative regulations;

³⁵ Administrative Measures for Foreign Aid (Trial)
<http://www.mofcom.gov.cn/article/b/c/201411/20141100799438.shtml>

³⁶ Regulations on the Evaluation of Foreign Aid Projects
<http://fec.mofcom.gov.cn/article/ywzn/dwyz/zcfg/201908/20190802893595.shtml>

³⁷ Administrative Measures for Complete Set of Foreign Aid Projects (Trial)
<http://yws.mofcom.gov.cn/article/m/a/200901/20090105998107.shtml>

³⁸ Administrative Measures for Foreign Aid (Trial)
<http://www.mofcom.gov.cn/article/b/c/201411/20141100799438.shtml>

The "Administration Measures for the of Complete Foreign Aid Projects (Trial)"³⁹ and the "Administrative Measures for the Project of Foreign Aid Materials (Trial)"⁴⁰ approved by the Ministry of Commerce on December 9, 2015; Complete Foreign Aid Projects⁴¹ refer to the aid projects constructed by China in the aided countries, Material projects⁴² refer to materials aided by China in the recipient countries. These two documents respectively provide detailed regulations on the implementation of complete sets of projects and material projects in China's foreign aid;

The "Provisions on the Administration of Procurement of Foreign Aid Projects (Trial)"⁴⁴ adopted by the Ministry of Commerce on December 28, 2015, stipulates specific provisions for procurement in the process of foreign assistance;

The "Administrative Regulations on the Evaluation of Foreign Aid Projects" ⁴⁵adopted by the Ministry of Commerce, which came into effect on January 28, 2016, specifically introduced the principles and procedures that the Ministry of Commerce should adopt when evaluating foreign aid, and established an annual foreign aid assessment The provisions of the plan;

The "Administrative Measures on the Use of Foreign Aid Signs (Trial)" ⁴⁶approved by the Ministry of Commerce on April 27, 2016 requires China to conduct foreign aid to strengthen the management of aid signs;

The "Administrative Measures on Foreign Aid (Draft for Comments)"⁴⁷ issued by China International Development Cooperation Agency on November 13, 2018 is currently the most

³⁹ *Administration Measures for the of Complete Foreign Aid Projects (Trial)*
<http://yws.mofcom.gov.cn/article/m/a/201601/20160101225874.shtml>

⁴⁰ *Administrative Measures for the Project of Foreign Aid Materials (Trial)*
<http://yws.mofcom.gov.cn/article/m/a/201601/20160101225871.shtml>

⁴¹ Complete Foreign Aid Projects refer to the provision of complete equipment and engineering facilities for production, living and public services to the recipient through the organization or guidance of all or part of the construction, installation and trial production under foreign aid funds After long-term quality assurance and supporting technical services assistance projects. Article 2 of the "Administrative Measures on Completed Foreign Aid Projects (Trial)"

⁴² Material projects refer to aid projects in which China provides general production and living materials, technical products or individual equipment to recipients under foreign aid funds, and undertakes necessary supporting technical services. Article 2 of "Administrative Measures on Foreign Aid Materials Project (Trial)"

⁴⁴ "Ministry of Commerce Notice No. 484 on Printing and Distributing the "Provisions on the Administration of Procurement of Foreign Aid Projects (Trial)"
<http://yws.mofcom.gov.cn/article/gzdongtai/201601/20160101228852.shtml>

⁴⁵ "Regulations on Evaluation and Management of Foreign Aid Projects" (Shangyuanfa (2015) No. 487)
<http://fec.mofcom.gov.cn/article/ywzn/dwyz/zcfg/201908/20190802893595.shtml>

⁴⁶ *Administrative Measures on the Use of Foreign Aid Signs (Trial)*
<http://yws.mofcom.gov.cn/article/m/a/201607/20160701359008.shtml>

⁴⁷ *Administrative Measures on Foreign Aid (Draft for Comments)*
http://www.cidca.gov.cn/2018-11/13/c_129992970.htm

clear introduction to the principles, implementation, monitoring and evaluation, and definition of responsibilities of foreign aid in China, but the document It is still in the stage of soliciting opinions;

On January 1, 2020, the "Administrative Measures on the Use of Foreign Aid Signs"⁴⁷ issued by China International Development Cooperation Agency further refined the use of China's foreign aid signs on the basis of the previous "Administrative Measures on the Use of Foreign Aid Signs (Trial)" At the same time, it will change the unit that supervises and manages the use of China's foreign aid from the Ministry of Commerce to China International Development Cooperation Agency.

5. Summary

The current decision-making body for China's foreign aid is China International Development Cooperation Agency. The executive agencies are mainly related units such as Agency for International Economic Cooperation of the Ministry of Commerce and the embassies and consulates of the Ministry of Foreign Affairs. The monitoring and evaluation agency is mainly China International Development Cooperation Agency. The document is mainly the 2014 "Administrative Measures for Foreign Aid (Trial)", and the "Administrative Measures for Foreign Aid (Draft for Comment)" in 2018 will become the new guidance document for China's foreign aid.

Section 2 Content analysis of China's official assistance to Pakistan since the 21st century

This Dissertation studies China's assistance to Pakistan after 2000, and the most detailed data source is currently based on the report "China's Global Development Footprint"⁴⁸ and the

⁴⁷'National Agency for International Development Cooperation of the People's Republic of China'
http://www.gov.cn/zhengce/zhengceku/2020-01/19/content_5470666.htm

⁴⁸Aiddata 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

“AidData's Global Chinese Official Finance Dataset”⁴⁹ published by the AIDDATA website. Interpreting this report, first understand the four terms in the report related to the flow of funds between countries: The first term is the total official commitment (TOC), which includes ODA, other loans whose official investment does not meet the ODA grant standard, and undetermined. The second word is the ODA mentioned above; the third word is Vague Official Finance (hereinafter referred to as VOF), VOF refers to the part of the TOC in uncertain classification, the fourth. The term is Other Official Flow (OOF). OOF refers to non-concessional or low-concession loans (less than 25%) that are mainly used for commercial purposes. The amount of TOC is equal to the sum of OOF, ODA and VOF. Based on the data in the report, this section will conduct research in the following aspects: First, locate China's overall foreign aid based on China's ODA data for Pakistan. The overall data is the most intuitive feature of foreign aid and can reflect Pakistan's foreign aid importance in the system. It is worth noting that, while analyzing ODA, because I asked the limitations of the ODA concept mentioned above in analyzing China's foreign aid to Pakistan, TOC is also our research object. In the second part, we divide foreign aid projects and amounts into different types and analyze their characteristics. The third part introduces different sectors of TOC according to the amount.

1. The ODA and TOC from China to Pakistan

⁴⁹AidData's Global Chinese Official Finance Dataset, 2000-2014, Version 1.0
<https://www.aiddata.org/data/chinese-global-official-finance-dataset>

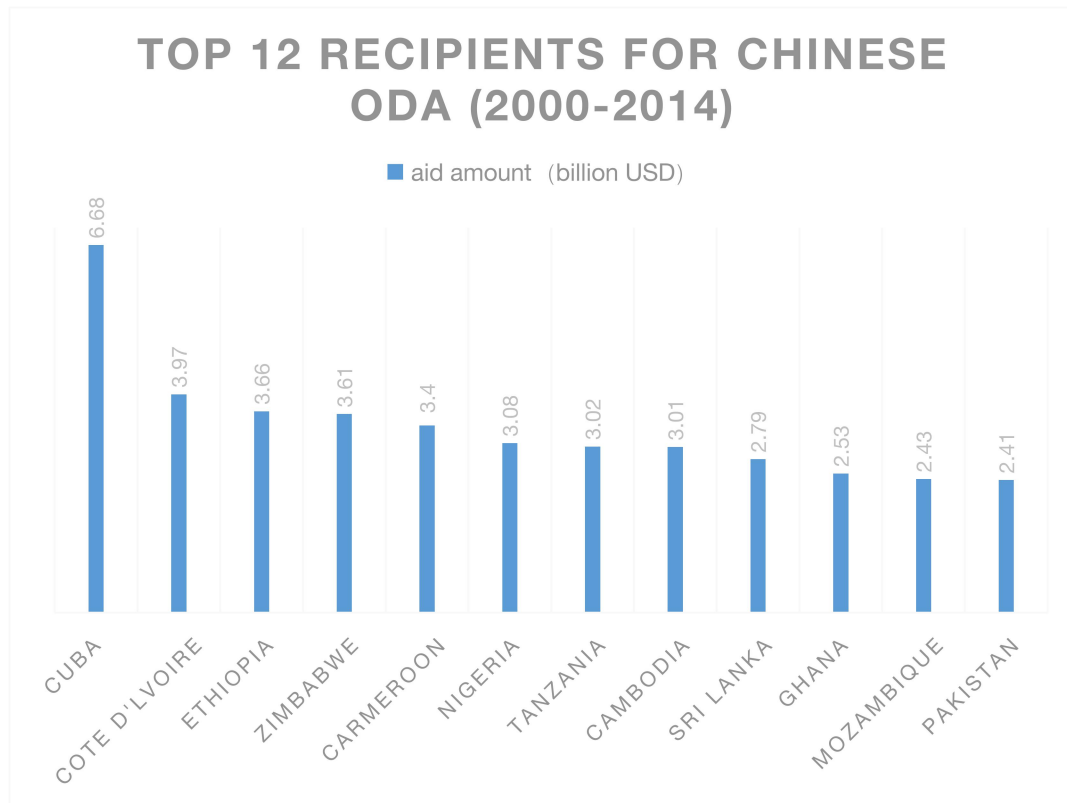


Chart 1 Top 12 recipients for Chinese ODA⁵⁰

As Chart 1 shows, we can see that Pakistan is the 12th recipient of Chinese ODA between 2000-2014, the amount of it is 2.41 billion USD (current rate). But the gap is not huge between Pakistan and the countries which are in a higher rank. As we mentioned before, it is not comprehensive if we only see the ODA amount as the Chinese foreign aid. So in the Chart 2 behind we can see the Pakistan's rank of TOC.

⁵⁰SELF-MADE, data from Aiddata: 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

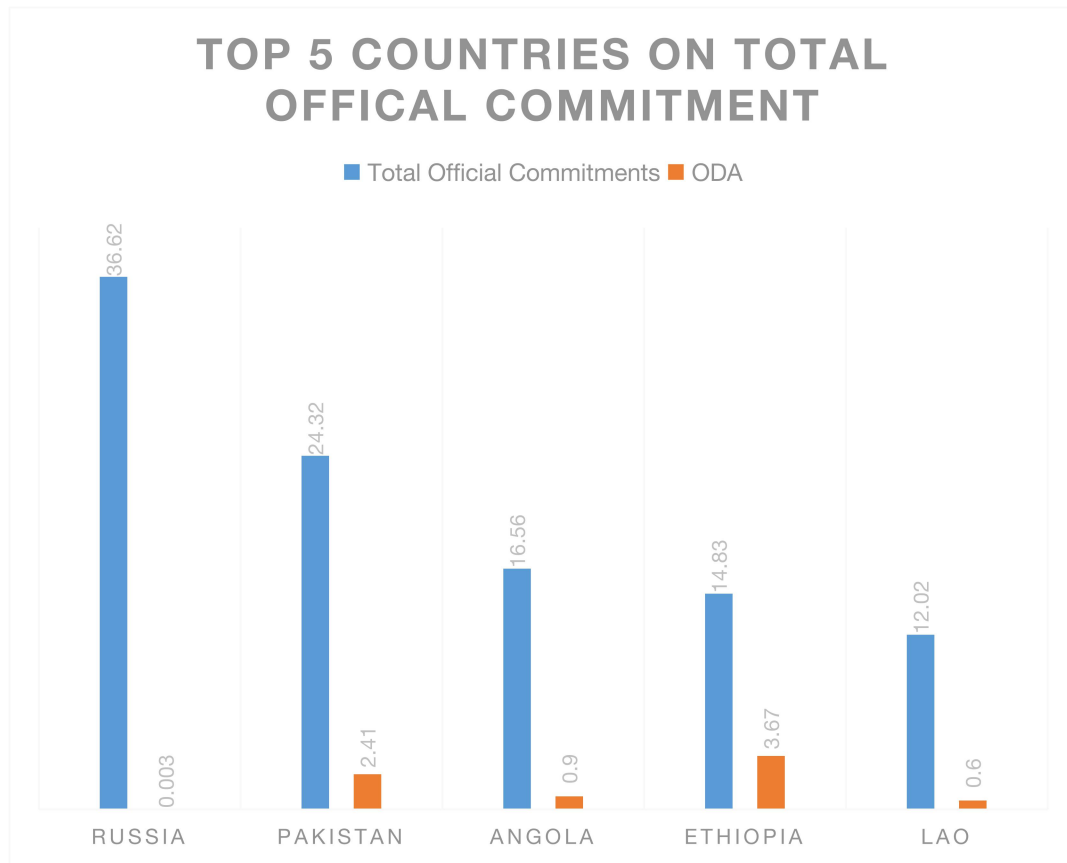


Chart 2 Top 5 countries on total offical commitment⁵¹

We can see that the amount of TOC from China to Pakistan is 24.32billion USD(current rate). It is second recipient of TOC and the amount is less than Russia, the amount of TOC to Russia is the most mainly because China has signed several huge contracts with Russia, most of these contracts are for Russia to sell oil and gas to China. The is quite different compare with the TOC to Pakistan. Russia's TOC structure is very different from Pakistan's TOC.

⁵¹SELF-MADE data from Aiddata: 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

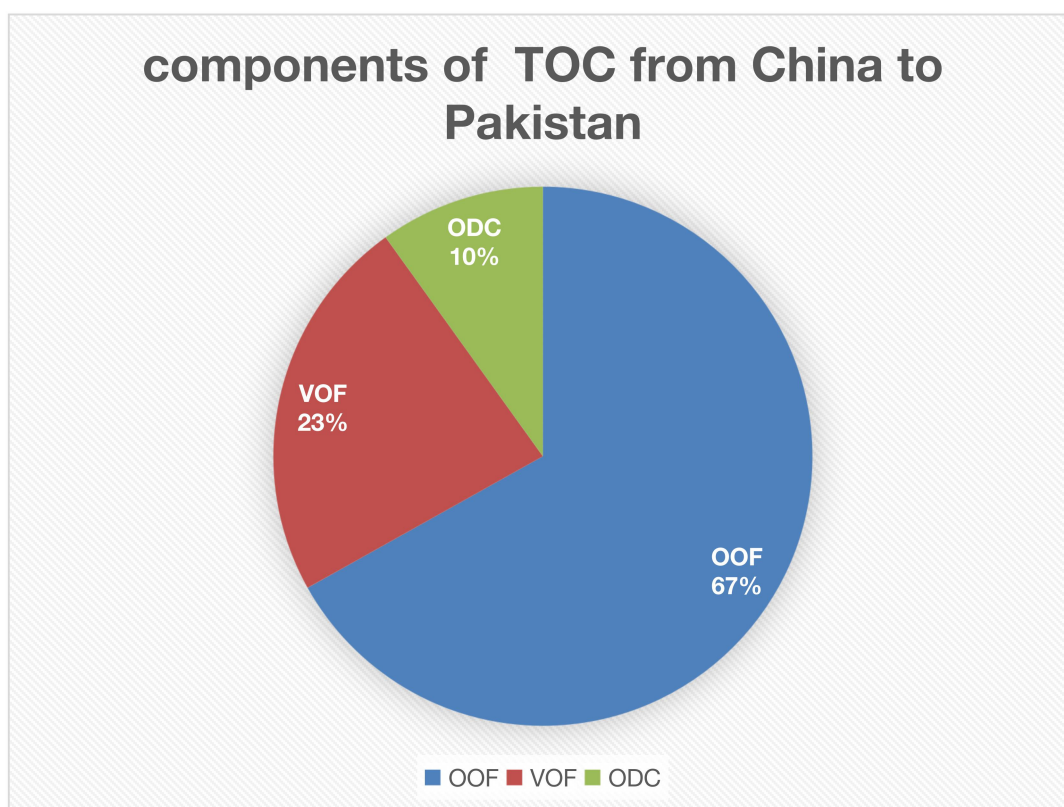


Chart 3 components of TOC from China to Pakistan⁵²

According the database, from 2000-2014, the amount of VOC is 24.32 billion USD, among this number, the OOF is 16.26 billion USD, VOF is 5.64 billion USD, ODA is 2.41 USD. ODA is only ten percent of the VOC.

2 According to the division of different sectors, analyze ODA and OFC

⁵²SELF-MADE, data from Aiddata: 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

NUMBERS OF PROJECTS IN DIFFERENT SECTORS

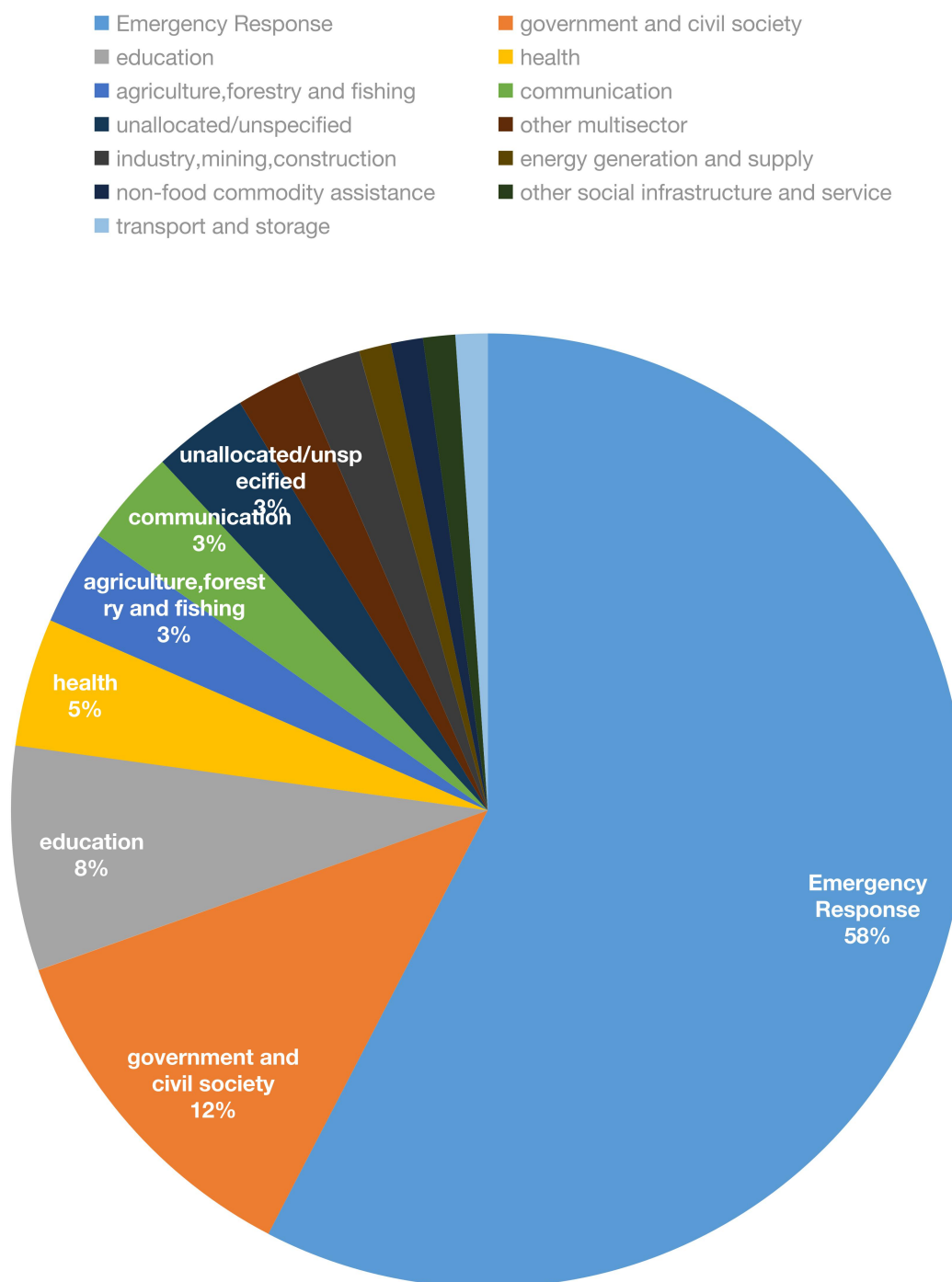


Chart 4 numbers of projects in different sectors⁵³

⁵³SELF-MADE, data from Aiddata: 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

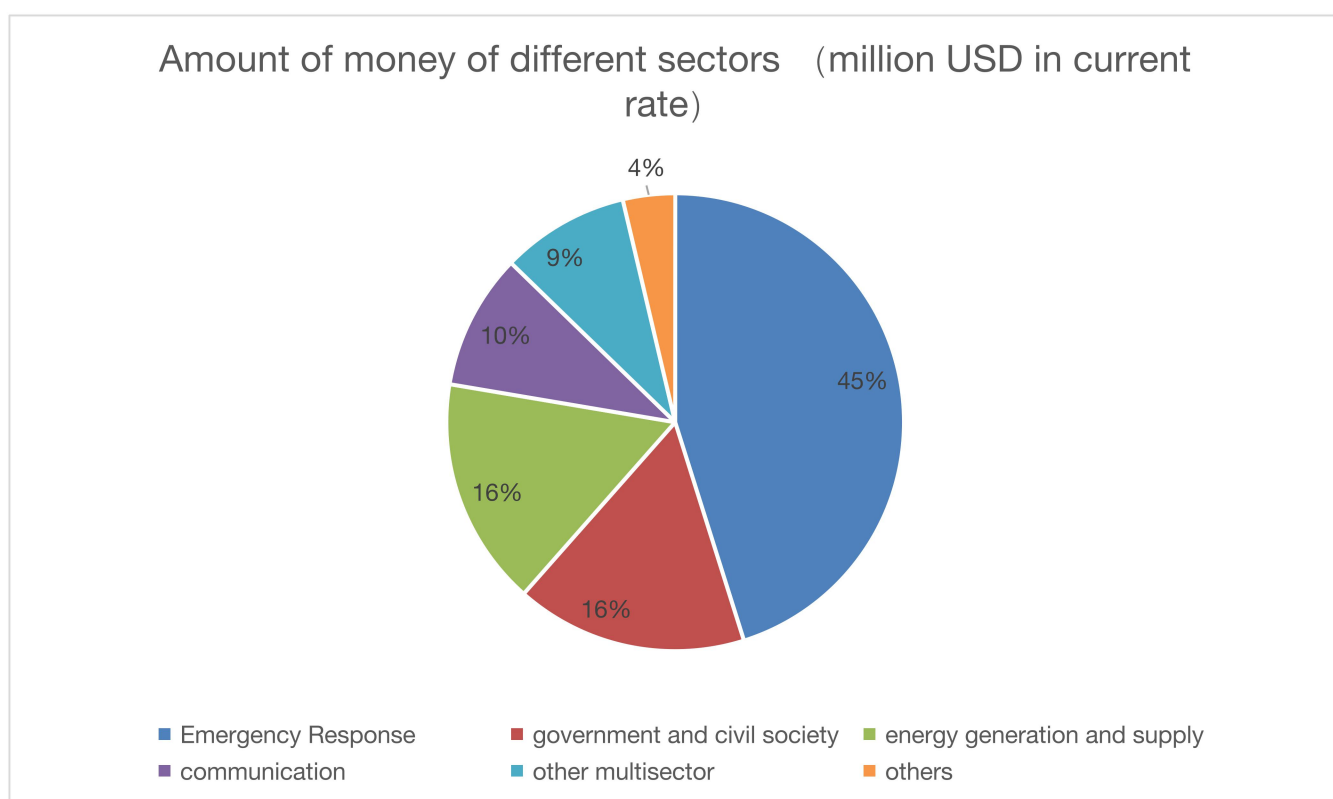


Chart 5 Amount of money of different sectors

According the Chart 4 and Chart 5, the three biggest parts are Emergency response(45%),government and civil society,energy generation and supply.

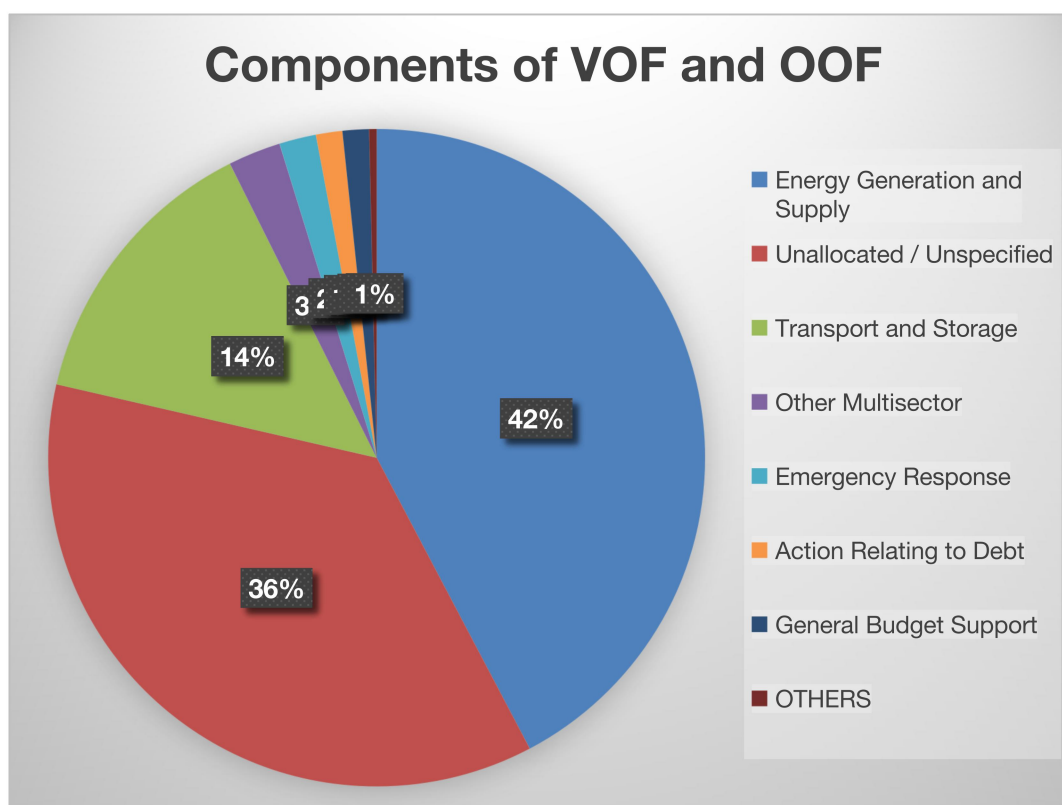


Chart 6 Components of VOF and OOF⁵⁴

Chart6 shows that in China's OOF and Pakistan's OOF and VOF, the largest part is Energy Generation and Supply, accounting for 42%; followed by unspecified component , accounting for 36%; third is transport and storage, accounting for 14%.

By observing the six pie charts above, we can summarize several characteristics of China's foreign aid to Pakistan:

1. China 's ODA to Pakistan is mainly emergency assistance, accounting for about half of the total, followed by improvement of civil society and the energy industry, each accounting for 15%; it can be seen that ODA is mainly humanitarian, followed by the energy industry;

2. China's ODA in Pakistan accounts for a relatively low percentage of OFC, only 10%, and some of OOF and VOF, which account for 90%, are also of assistance nature.

3. The most important part of China's OFC to Pakistan is the energy industry (42%) and transportation (14%).

All in all, in terms of absolute funding, China 's most important form of aid to Pakistan is concessional loans. This part of loans is mainly concentrated on the construction of infrastructure such as the energy industry and transportation. Although the absolute number is large, this part is not in the category of ODA because of the low proportion of grants (below 25%). Within the scope of ODA, China 's assistance is mainly focused on humanitarian aspects such as emergency rescue and improvement of people 's livelihood, and part of it is also used in the energy industry.

Section 3 Motivation analysis of China's aid to Pakistan

⁵⁴SELF-MADE, DATA from Aiddata: 'China's Global Development Footprint'
<https://www.aiddata.org/china-official-finance?ref=china.aiddata.org>

Foreign aid is an integral part of the country's foreign policy. While analyzing foreign aid, it is necessary to understand the development of bilateral relations between the donor and recipient countries, and to combine the history and latest developments in the relationship between the two countries to be able to analyze the national foreign aid policy more comprehensively. Considerations behind.

1. Motivation of foreign aid policy from the perspective of international relations

According to realist theory, the state of the international community is Hobbesian, the international system is in a state of anarchy, and the external goal of all countries is to fight for national interests. Because of the lack of security by the world government, countries can only guarantee their own security by enhancing their own strength, as Hans Morgan Saw said: "Regardless of the ultimate purpose of international politics, power is always the purpose at hand ... It may be based on religious, philosophical, or social ideals to set goals."⁵⁵ Foreign Aid also serves power. In another article, he specifically summarized the political theory of foreign aid, and he concluded three conclusions: according to the specific situation, different amounts and quality of six forms of foreign aid (humanitarian aid , Livelihood assistance, military assistance, bribery, assistance for international prestige, and assistance to promote economic development), different forms of foreign aid are around the overall goal of this foreign policy; the use of foreign aid is indispensable in political policy.⁵⁶ In a word, from the perspective of realism, foreign aid has the following characteristics. As a kind of foreign policy, foreign aid is driven by national interests. The foreign aid is not based on morality. This dissertation will analyze the motivation of China's aid to Pakistan from a realist perspective.

2 Introduction to China-Pakistan Relations

Pakistan is one of the first non-socialist countries to establish diplomatic relations with China.

⁵⁵Hans Morgansau (US) *Politics Among Nations: The Struggle for Power and Peace* Translated by Xu Xin et al. Peking University Press, Beijing, 2007, seventh edition, page 15

⁵⁶Hans Morgenthau "A Political Theory of Foreign Aid" *The American Political Science Review*, Vol. 56, No. 2 (Jun., 1962), pp. 301-309

After the establishment of diplomatic relations between China and Pakistan in 1951, the development of relations between the two countries can be roughly divided into the following stages.

The first stage of ordinary diplomatic relations between countries (1951-1961). At the beginning of the establishment of diplomatic relations between the two countries, the depth of exchanges between China and Pakistan was relatively limited. This was affected by the international situation at that time. China had close diplomatic relations with India at the beginning of its founding, and India has always been the biggest threat to Pakistan's national security; on the other hand, Pakistan implemented a pro-Western policy in the 1950s and often stood on the front line with the United States on multilateral diplomatic occasions in the United Nations. On issues related to China's core interests, such as the Taiwan issue and the restoration of the legal seats of the United Nations, they often stand in opposition to China. In this case, the two countries do not have deep exchanges.

The second stage is from the establishment of diplomatic relations to true friends (1961-1971). In 1961, Pakistan supported China on the issue of the restoration of China's legal seat in the United Nations. This is a sign of the transformation of Sino-Pakistan relations, which also reflects the respective international relations of the two countries. Environmental changes. In the early 1960s, China was in an unprecedented isolation state. The original socialist camp was split into two camps, Moscow and Beijing, due to the deepening rift between China and the Soviet Union. There are few, and most of them are North Korea. Romania has the same effect as an insignificant party like the Japanese Communist Party. On the other hand, apart from discussing hostage issues, the Sino-US ambassadorial talks have not made progress on other issues. Therefore, the relationship between China and the Western camp led by the United States is still tense, and the honeymoon relationship between China and India is gone forever. However, China and India have great differences on the Tibet issue and the Dalai Lama's stay in India. At the same time, Pakistan began to realize that the Western camp that it has been relying on does not regard it as an equal partner country. In the face of India's long-term security threats, the Western countries cannot really provide protection for Pakistan. Pakistan is urgently looking for an equal and powerful partner. Under this circumstance, from 1961 until China successfully resumed its legal seat at the United Nations in 1971, the

bilateral relationship between China and Pakistan has been transformed and consolidated.

The third stage is from true friends to good friends (1971-2000). After 1971, the cooperation between the two countries began to deepen. During these thirty years, China has continuously provided Pakistan with economic, technical and material assistance. China has also vigorously provided support for Pakistan's infrastructure construction. During this period, Pakistan has built some large factories and highways. China has actively cooperated with Pakistan in defense to help Pakistan build a stronger defense force. Pakistan has also actively spoken out for China in the international community. When China was in friction with the Soviet Union and India, Pakistan has always been in solidarity with China. Pakistan has also made tremendous contributions to China's improvement of relations with the United States. Culturally, Pakistan belongs to the "Islamic world"; politically, Pakistan is an "old ally of the United States." Pakistan's dual identity has played an important role in China's foreign relations.⁵⁷ Pakistan played the role of "middleman" in the initial exchanges between the two countries. The secret visit of Kissinger, the assistant to the US President's Security Affairs, to China before the establishment of diplomatic relations between China and the United States is the condition provided by Pakistan.

In the fourth stage, from good friends to "Iron Brothers" (2000-present), Chinese President Xi Jinping pointed out that when meeting with Pakistani Prime Minister Sharif in the Great Hall of the People on November 8, 2014, China and Pakistan are hardcore friends and all-weather strategic partners.⁵⁸ Actually China have become de facto "iron brothers" before 2014. In 2001, Chinese Premier Zhu Rongji visited Pakistan and started the construction of aid to Pakistan's Gwadar Port, railways and highways. Before the exchange between China and Pakistan in 2000 Has always been characterized by "political ups and downs." Although the two countries have close cooperation in security and politics, economic cooperation between the two countries is very limited. This is caused by the national conditions of China and Pakistan and between China and Pakistan. The constant traffic is determined. After the reform and opening up in 1978, China's economic development has advanced by leaps and bounds.

⁵⁷ Cheng Xiaohu: "Evolution of China-Pakistan Relations: 1962 ~ 1965", in "South Asian Studies", No. 4, 2009.

⁵⁸ Xi Jinping meets with Pakistani Prime Minister Sharif: China and Pakistan are hardcore friends https://www.guancha.cn/politics/2014_11_08_284311.shtml

By 2000, China had become the world's top ten economies, and China's export-oriented economy had the need to develop trade with neighboring countries. Pakistan China's economic development has been tepid, and domestic infrastructure construction is seriously inadequate. In this case, since 2001, China The country has begun to increase investment in Pakistan's infrastructure, making transportation between China and Pakistan more convenient, injecting vitality into Pakistan's economic development, and continuously increasing trade between China and Pakistan. In 2013, China proposed the "Belt and Road" initiative, and Pakistan actively responded China also regards Pakistan as a key country along the Belt and Road. The China-Pakistan Economic Corridor between China and Pakistan can be regarded as a leading project in the "Belt and Road" . Today China and Pakistan have close economic relations with China's previous economy in Pakistan. Investment is inseparable. After 2000, China gradually developed the "politically hot and economically cold" Sino-Pakistan relations to "politically hot and economically hot". China started in 2007 and has been Pakistan's largest trading partner until today. The economic relationship between the two countries is expected to develop further in the future.

3 Politics and security

The politics and security in international politics are two inseparable parts. China's assistance to Pakistan has three main considerations in terms of politics and security. First, there are serious terrorist threats in Pakistan. In the middle of the year, terrorist attacks in Pakistan killed 63,919 people, including 20,469 civilians. And terrorist activities are almost all over the country. ⁵⁹In recent years, Chinese investment in Pakistan has continued to grow, and more and more Chinese-funded enterprises have taken root in Pakistan, and a considerable portion of their workers are Chinese expatriates. Terrorism is a threat that cannot be ignored for the personal safety of Chinese capital and labor in Pakistan. On the other hand, Pakistan's Kashmir region borders on China's Xinjiang region, so terrorist forces may also directly pose a security threat to China's mainland.

⁵⁹SATP: Data sheet of Pakistan's Terrorist
<https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan>

Second, Pakistan's geopolitical importance to China. India has long regarded Pakistan as its main enemy and China as its largest imaginary enemy. In recent years, India has advocated China's threat theory with the United States, Japan and other countries, paying close attention to China's diplomatic trends, especially those related to South Asia, especially the "Belt and Road" initiative and the China-Pakistan Economic Corridor. On the one hand, India has a negative attitude towards joining these projects. On the other hand, India has launched its own projects and promoted international cooperation with other countries (such as Japan) to jointly develop the port of Trincomalee in Sri Lanka in the north of Sri Lanka. The Chinese-backed Hambantota developed Iran's Chabahar port against Gwadar port under CPEC. In the area of security, India has strengthened its cooperation with the United States, Japan, and Australia (referred to as the "four countries") to conduct a four-sided security dialogue to counter China's rise.⁶⁰ China hope India could join in, but it is difficult to see the change of Indian attitude in a short time. Therefore, cooperation with Pakistan is crucial for China to open up strategic space westward.

Third, the model effect. Pakistan is one of China's most important partners in the "Belt and Road" initiative. CPEC is an important project of OBOR, and China's assistance to Pakistan will help CPEC and other Sino-Pakistan cooperation projects succeed. If Pakistan makes significant economic progress after rejoining OBOR, it will provide a development model for China's OBOR and dispel the doubts of countries that are still watching.

4 Economy

Pakistan is currently one of the closest partners with China. Pakistan is currently China's only all-weather strategic partner country. In recent years, Pakistan has actively responded to a series of diplomatic activities carried out by China in the new era, including the Asian Investment Bank and the "Belt and Road" initiative. China and Pakistan are building the "China-Pakistan Economic Corridor". The economic cooperation between China and Pakistan will continue to deepen in a certain period of time. China's aid to Pakistan and the economic cooperation between China and Pakistan are mutually reinforcing. The economic

⁶⁰ Mala Sharma: *India's Approach to China's Belt and Road Initiative—Opportunities and Concerns* https://brill.com/view/journals/cjgg/5/2/article-p136_3.xml?language=en#note-FN000065

consideration of China's assistance to Pakistan is to promote the current cooperation between China and Pakistan in the economic field. So why does China value economic cooperation with Pakistan so much?

Geopolitical advantage: In the early 20th century, the UK's geographer Halford Mackinder pointed out in *The Geographical Pivot of History*: "India, Mangi (or Southern China) Once protected by the unparalleled Tibetan barrier; the effectiveness of this barrier, apart from the Sahara Desert and the polar ice, may be unmatched in the world. But later, in the barbaric Marco Polo era and India In the Timurids era, this barrier was overcome by a bypass."⁶¹ "McKind's so-called passage to overcome this barrier is a narrow corridor located in the border zone between China, Pakistan and the three countries today. Pakistan's status as a transportation hub has become increasingly important for China's westward development. Indus highway and Karakorum highway, Pakistan provides China with the most convenient land trade channel to Central Asia and West Asia. In addition, the two ports of Gwadar and Port Qasim are connected to the Arabian Sea and close to the Strait of Hormuz, the port of the Persian Gulf. The development of these ports by China imports oil from the Middle East to China It provides a new route, which is not only economically significant but also strategic.

Location advantage: The direction of China-Pakistan cooperation mainly comes from the west of China, especially Xinjiang is a region directly connected to Pakistan. By investing in Pakistan, China can transform its capital advantage into development advantage. Promoting the economic development of Pakistan is conducive to strengthening the economic cooperation between the provinces of western China and Pakistan, providing new opportunities for solving the development of the western region, and promoting the overall coordinated development of the east and west. Promoting the close connection between the two economies of China and Pakistan through the "Belt and Road" strategy can create a favorable situation in which China's domestic internal drive and external pull work together for coordinated development. Driven by the " Belt and Road " flagship project of the " China-Pakistan Economic Corridor " , the two strategies of the " Belt and Road " and " Western Development " can have a common point of convergence, and will definitely

⁶¹ Mackinder, H. J. " *The Geographical Pivot of History.*" *The Geographical Journal*, vol. 23, no. 4, 1904, pp. 421 – 437. JSTOR, www.jstor.org/stable/1775498. Accessed 7 June 2020.

drive the overall development of the region.

Economic potential: The economic structures of the two countries are complementary. Pakistan's economic development is constrained by the lack of energy, resources, technology, capital and other production factors, and its growth is relatively slow. At the same time, Pakistan's population exceeds 200 million. It is an important country in South Asia after India, and Pakistan has a high fertility. This means that Pakistan's age structure is young and has a large number of young laborers, but the lack of economic development has led to domestic employment problems. Compared with Pakistan, China has cash technology and production capacity and sufficient financial support. If China uses advanced economic power to help Pakistan, it will effectively promote Pakistan's domestic economic development. Through the related projects of the "Belt and Road", China is currently undergoing industrial upgrading, and there is a large amount of excess capacity. At present, China is trying to transfer its production capacity to Pakistan, taking advantage of the local cheap labor, and China is gradually forming an industrial chain and industrial park in the local area. To promote the economic development of the entire region and connect it with the pace of China's economic development. All in all, China's capacity transfer and technical capital support to Pakistan are beneficial to the economic development of both countries.

5 Humanism

Pakistan is a developing country with a large population and the world's first poverty reduction effort after many years. According to the World Bank's standard of US \$ 1.9 per day, Pakistan's poverty rate is 3.9% (2015)⁶². However, Pakistan is subject to the country's economic strength and is relatively vulnerable to natural disasters; Pakistan's health level is not high, with an infant mortality rate of 5.21% (2017), ranking 25th globally, China's 1.2%, and the United States 0.58% , 0.43% in the UK and 0.2% in Japan⁶³; Pakistan's education level is not high, the number of development plans in the United Nations. In the human development report of Pakistan, Pakistan's education index ranks 146th out of 187 countries participating in the statistics; in addition, Pakistan is one of the countries with the most

⁶² World Bank: Poverty & Equity Data Portal <http://povertydata.worldbank.org/poverty/country/PAK>

⁶³ CIA world factbook:COUNTRY COMPARISON: INFANT MORTALITY RATE
<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2091rank.html>

serious gender inequality in the world. In Pakistan, selective abortion of female fetuses is not Rare. Between 2000 and 2014, more than 1.2 million female abortions occurred in Pakistan.⁶⁵This inequality that began before birth will continue until the end of life. Pakistan 's ability to fight disasters, health, education, and gender equality require a series of social problems, including aid from countries including China.

⁶⁵ DAWN: *Pakistan's 'gone girls'* <https://www.dawn.com/news/1191470>

Chapter III Chinese Foreign Aid in Gawdar port—the case study on Modern Chinese Foreign aid to Pakistan

This chapter selects the typical case of China's foreign aid to Pakistan and the impact on Gwadar port to prove the characteristics of the assistance and the motivation for the assistance in chapter 2. Since the 21st century, economic cooperation between China and Pakistan has continued to deepen, and the scale of foreign aid and the number of projects have also continued to expand. To analyze the relationship between China's aid to Pakistan and China's economic cooperation with Pakistan, this research selects the interaction between China's foreign aid and economic cooperation during the construction of Gwadar Port, and analyzes the characteristics of China's foreign aid and motivation, then prove the internal logic of China's official aid to Pakistan.

Section 1 Overview of Gwadar Port

1. Overview:

Gwadar Port is a port city located in Gwadar district of Balochistan Province in southwestern Pakistan. Located on the coast of the Arabian Sea, near the Strait of Hormuz. In Balochistan, the word "GWADAR" is a combination of two words-Gwad means wind, Dar means portal or gate, so "Gwadar" means "wind gate" ⁶⁵Gwadar is the name of the city of Gwadar Port and also the name of its region. Gwadar Port is the seat of Gwadar district's government and is the most important city. The population of Gwadar Port is 90762 (2017)⁶⁶ . Gwadar Port has a tropical desert climate, with a large temperature difference between summer and winter and low precipitation.

2. Strategic significance

⁶⁵ University of Michigan: Pakistan & Gulf Economist, Volume 22 Economist Publications, 2003. p. 16

⁶⁶ Gwadar District Census:
http://www.pbs.gov.pk/sites/default/files/bwpsr/balochistan/GWADAR_BLOCKWISE.pdf



Chart 7 Location of Gwadar Port⁶⁷

The advantages of Gwadar Port as a deep-water port. Currently, Pakistan has two major international deep sea ports: Karachi Port and Qasim Port. In the next few years, their capacity expansion plan is unlikely to keep up with the expected increase in demand, so a third port is needed to fill the gap⁶⁸.

The unique geographical location of Gwadar Port. Gwadar Port is located on the coast of the Arabian Sea, near the border between Pakistan and Iran, 170 kilometers from Chabar port of Iran, and 600 kilometers from the Strait of Hormuz at the mouth of the Persian Gulf. The Persian Gulf is an important channel for the Gulf countries to export crude oil, and the Gulf countries are the main source of Chinese oil imports. China is the world's largest oil importer, with an average daily import of 101,000 barrels of crude oil (2019 data)⁶⁹. Most of China's oil imports (82%) need to pass through the Strait of Malacca to reach the South China Sea⁷⁰. Dependence on the Strait of Malacca strengthens the vulnerability of China's oil imports. China is trying to build a new energy channel from strait of Hormuz to Gwadar Port, and then from Gwadar Port to Xinjiang, China via pipeline or land transportation.

⁶⁷ Google Map: Gwadar

<https://www.google.com/maps/place/Gwadar,+Balochistan,+Pakistan/@25.1946237,62.2539393,12z/data=!3m1!4b1!4m5!3m4!1s0x3ebee23e2649061d:0x19fc28d08cb2e100!8m2!3d25.2460129!4d62.2861215>

⁶⁸ <http://www.gwadarport.gov.pk/about%20us.aspx>

⁶⁹ 'China's crude oil imports surpassed 10 million barrels per day in 2019'

<https://www.eia.gov/todayinenergy/detail.php?id=43216>

⁷⁰ 'China's Energy Insecurity Glaring In South China Sea Dispute'

<https://www.forbes.com/sites/sarahsu/2016/09/02/china-energy-insecurity-south-china-sea-dispute/#8fb591f2eeca>

3. main risks

3.1 The economic development level of Balochistan is backward



Chart 8 Location of Balochistan in Pakistan⁷¹

Balochistan, which belongs to Gwadar Port, is located in southwestern Pakistan with an area of 347,000 square kilometers and a population of 12.34 million⁷². Balochistan is the largest province in Pakistan and the province with the least population. Most of Balochistan has a tropical desert climate. Natural resources have been the pillar of the province's economy, which mainly include natural gas, coal, and minerals. In addition, agriculture and animal husbandry also account for a certain proportion. Other industries include horticulture, fisheries, etc. Due to the low level of industrial and infrastructure development, Balochistan's manufacturing industry is underdeveloped, which accounting for only a small proportion. Balochistan has a long history and many ancient ruins, but because of the low level of infrastructure construction and the unsafe situation in the region, tourism has not been fully developed.

In addition, there is a serious corruption problem in Balochistan. Balochistan's overall level of economic development is low, but the main officials in the province “live a life like the

⁷¹ This image is downloaded from Google

⁷² Pakistan Archive 'DISTRICT_WISE_CENSUS_RESULTS_CENSUS'

<https://web.archive.org/web/20170829164748/>

http://www.pbscensus.gov.pk/sites/default/files/DISTRICT_WISE_CENSUS_RESULTS_CENSUS_2017.pdf

Arab royal family”⁷³. Some officials, including former chief minister Nawab Aslam Raisani, have been accused of corruption by the National Accountability Bureau in Pakistan⁷⁴. Corruption of officials in Balochistan has an adverse effect on the improvement of people's living standards and will exacerbate the instability of Balochistan.

The low level of economic development means that when foreign investors invest in Gwadar Port, they need to pay more capital to create a modern economic development environment.

3.2 Regional separatism

The main races of Balochistan are Balochistan and Pashtun, accounting for 52% and 36% of the population respectively (according to the preliminary census in 2011)⁷⁵. In addition, although Balochs account for the majority in Balochistan Province, Balochs are a minority nationality in Pakistan, accounting for 3.6% of the total population. The Punjabi account for the majority of the population nationwide, with Punjabi accounting for 44.7% of the total population⁷⁶. As a minority in Pakistan, Balochist separatism has a long history. At present, Balochistan regional separatism has two voices: radical and moderate. The radicals believe that the Balochs should get rid of the rule of the Pakistani Federal Government and establish a country ruled by the Balochs. The famous Balochist independent movement leader Hyrbyair Marri once said: "Baluchistan is not the name of a race, but should be the name of a country. We have a unique culture, history and great people. This country (Baluchistan) should not be under the rule of others, we cannot be slaves of others⁷⁷." Representative organizations of the radicals include the Balochistan Students Organization (BSO), Balochistan Liberation Army(BLA) and Baluchistan Liberation Army People's Liberation Front(BLF). The activists are mainly violent rebellions and terrorist acts. The moderates urge Balochs to achieve greater autonomy. They still join the mainstream political arena of Pakistan and want to legally and

⁷³DAWN 'Baloch ruling elite's lifestyle outshines that of Arab royals'

<https://www.dawn.com/news/704521/balochistan-ruling-elites-lifestyle-outshines-that-of-arab-royals>

⁷⁴THE NEWS:'NAB approves probe against Raisani for amassing wealth illegally'

<https://web.archive.org/web/20140918062330/http://www.thenews.com.pk/Todays-News-2-273100-A-B-approves-probe-against-Raisani-for-amassing-wealth-illegally>

⁷⁵DAWN:The tricky demographics of Balochistan <https://www.dawn.com/news/708123>

⁷⁶CIA world factbook: Pakistan introduction

https://www.cia.gov/library/publications/resources/the-world-factbook/geos/print_pk.html

⁷⁷ Rehana Saeed Hashmi: 'Baloch Ethnicity: An analysis of the issue and conflict with state' in JRSP, Vol. 52, No. 1, January-June, 2015 P76

peacefully defend and fight for autonomy within the framework of the Constitution. Representatives of moderates include Balochistan National Party (BNP) and other political parties that have proposed to expand the power of self-government through legal means. In response to Balochist's separatist tendencies, the federal government has continuously compromised and made commitments⁷⁸.

Whether they are moderates or radicals, they both have a distrustful attitude towards the Pakistani federal government. A direct consequence of this distrustful attitude is suspicion and resistance to the decisions made by the federal government. During the construction of Gwadar Port, the federal government has always played a leading role, and the local government of Balochistan often can only accept it passively. In 2010, the local government objected to the agreement signed by the federal government and the Singapore International Port Corporation. This opposition has had a certain impact on the implementation of the following agreement.

This kind of opposition is not groundless. This opposition is mainly based on three reasons: First, during the implementation of the agreement, the interests of the original residents have not been fully guaranteed. Due to the lack of skilled employments in Gwadar Port, the Federal Government of Pakistan has requisitioned a large amount of land during the construction of Gwadar Port, restricting the people's sea operations and introducing skilled labor from other provinces. This seems to have negatively affected the lives of local residents of Gwadar Port. According to an official in the Gwadar region: "The government's plan has made the lives of the residents miserable, and they have even begun to move away⁷⁹". "In addition, Balochistan failed to take a slice of the revenue directly from Gwadar Port. Pakistan transferred the lease right of Gwadar Port to the Chinese overseas port holding company. The two parties reached an agreement that granted China 91% Port profit and Islamabad only 9% of the shares, and Balochistan will not receive any income⁸⁰.

⁷⁸ Rehana Saeed Hashm: 'Baloch Ethnicity: An analysis of the issue and conflict with state' in JRSP, Vol. 52, No. 1, January-June, 2015 P81

⁷⁹ 'National Ambitions Meet Local Opposition Along the China-Pakistan Economic Corridor' <https://www.crisisgroup.org/asia/north-east-asia/china/national-ambitions-meet-local-opposition-along-china-pakistan-economic-corridor>

⁸⁰ 'National Ambitions Meet Local Opposition Along the China-Pakistan Economic Corridor' <https://www.crisisgroup.org/asia/north-east-asia/china/national-ambitions-meet-local-opposition-along-china-pakistan-economic-corridor>

Another reason is that in the process of signing relevant agreements, the Balochistan local government knows very little about the details. A senator from the former Balochistan local government pointed out in the Karachi News that the mysterious transfer of the government to Gwadar Port is not only illegal, but also violates the principles of federalism. The current 50-year lease with Chinese port operators does not even comply with the basic procedures of Pakistan's laws and constitutions. This is a flagrant violation of national laws, as well as the revised version of the Code of Good Conduct for Fiscal Transparency, including the International Monetary Fund⁸¹. Similarly, in 2007, the federal government also signed the agreement with Singapore International Port Corporation without discussing with the local government of Balochistan .

The third reason is that the inflow of labor from other provinces during the construction of Gwadar Port has caused local residents to worry. Senator Mir Kabir Ahmed Mohammed Shahi, the member of ruling National Party of Balochistan, asked the government to enact laws to protect local people in the province from the influx of new immigrants. Sardar Akhtar Mengal, leader of the Balochistan National Party (BNP) and former Balochistan chief minister, objected to the CPEC project, because he considered unacceptable without the consent of the local people , so the signing of the agreement "has not made local people full of confidence", and such a development project that violates the rights of local people cannot be recognized. Dr. Abdul Malik Baloch, the current chief minister of Balochistan province, said that CPEC did not gain anyone's trust, which further exacerbated Balochist's fear of it⁸². Therefore, when investing in Gwadar Port, foreign capital should consider and handle the relationship with the local government of Balochistan. While cooperating with the Federal Government of Pakistan, it should not make Balochistans disappointed, otherwise it would bring risks to foreign Investment .

3.3 Security issues

Affected by complicated history, ethnic and religious reasons, Pakistan's terrorist activities have been rampant. Balochistan has become the province with the most serious terrorism

⁸¹ 'The Gwadar deal'<https://www.thenews.com.pk/print/97926-The-Gwadar-deal>

⁸² 'CPEC: A Bad Deal for the Baloch People?'
<https://thediomat.com/2015/12/cpec-a-bad-deal-for-the-baloch-people/>

problem in Pakistan in recent years. Since the 21st century (after 2001), Balochistan has suffered 7742 deaths from terrorist activities, accounting for 12.1% of the national death toll (63790). In the past five years, this proportion has risen to 37.2% (1603 out of 4313)⁸³. Much higher than the percentage which Balochistan population accounts for about 5% of Pakistan's total population.

The nationalist conflict in Balochistan is the main cause of terrorist activities in Balochistan. The nationalist conflict in the province began in 2006, when Nawab Akbar Bugti, the leader of nationalism and tribal leader, died. Since then, nationalist groups such as the Balochistan Liberation Army (BLA) and the Balochistan Liberation Front (BLF) have begun to attack government targets and Punjab settlers. In 2016, the Pakistani army claimed that the rebellion in Balochistan was under control. According to reports, nationalist groups in Balochistan only had "isolated activities" on the border between Pakistan and Afghanistan⁸⁴. today, the terrorist groups continue to carry out terrorist activities in Balochistan⁸⁵.

The security issues in Balochistan directly affect China's presence in Balochistan. After the The Consulate General of the People's Republic of China in Karachi was attacked in November 2018, the Balochist separatist organization warned the Chinese government not to seize the natural resources and land of Balochistan in the name of the China-Pakistan Economic Corridor, otherwise they will again Launch an attack⁸⁶. On May 11, 2019, a terrorist attack occurred in Gwadar's only five-star hotel. The armed group "Balochistan Liberation Army" posted a message on social media "Twitter", saying that four members were dispatched to launch the attack. The Balochistan Liberation Army had previously planned many attacks in Balochistan, which was listed as a terrorist organization by the Ministry of the Interior of Pakistan in April 2006⁸⁷. The organization also stated that the target of the attack was "Chinese and other foreign investors", It is believed that Chinese investment

⁸³South Asia Terrorism Portal: <https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan>;
<https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan-balochistan>

⁸⁴ 'PAKISTAN. TREATMENT OF BALUCHI ETHNIC MINORITIES IN BALUCHISTAN. NOVEMBER, 2017'
http://coi-mra.gov.ge/en/2017/11/27/pakistan-treatment-of-baluchi-ethnic-minorities-in-balochistan-november-2017/#_ftn7

⁸⁵ US Department of State: "National Human Rights Report 2019: Pakistan"
<https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/pakistan/>

⁸⁶ BBC: The Baluchistan Liberation Army behind the attack on the Chinese Consulate General in Karachi <https://www.bbc.com/zhongwen/simp/world-46327854>

⁸⁷ Xinhuanet reported on May 13, 2019:
http://www.xinhuanet.com/world/2019-05/13/c_1210131880.htm

in the region is a colonial act⁸⁸.

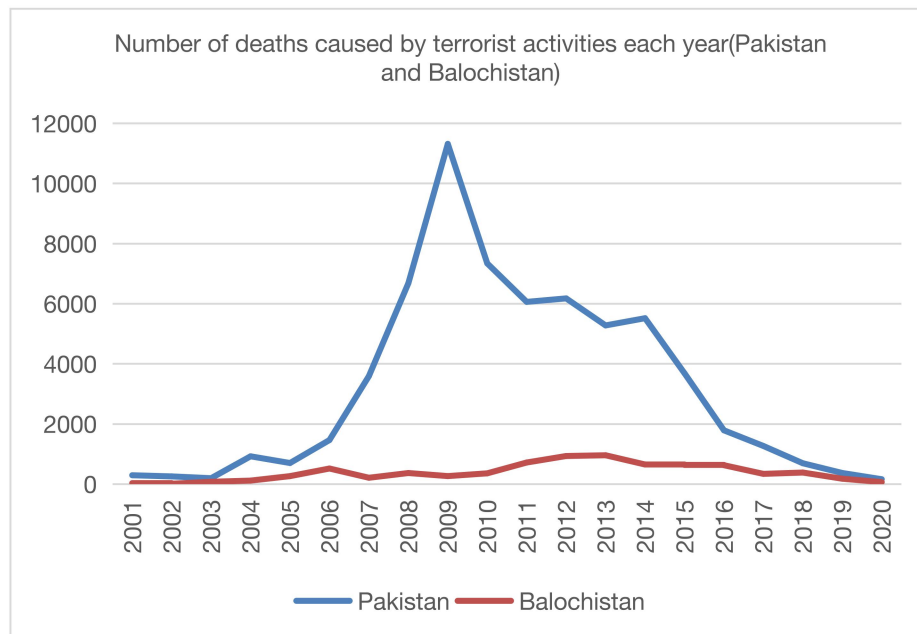


Chart 9 Number of deaths caused by terrorist activities⁸⁹

3.4 Educational issues

The educational level of Balochistan is very low, which would bring long-term risks to foreign investment here. According to a report in Karachi News in 2020: in UNICEF statistics, 60% to 70% of children in Balochistan are out of school. 78% of school-age girls and 67% of school-age boys are out of school. One of the main reasons for so many out-of-school children is the long distance between school and family. In addition, Balochistan has a serious shortage of teachers in basic education and public libraries ⁹⁰.

For a long time, the problem that a large number of children are out of school has the most important impact on economic development is the lack of high-level labor. This poses a dilemma for foreign investors: should we hire local labor? If you hire local labor, you will face difficulties in recruiting people in many positions that require relative-high technical or cultural level; if you hire labor elsewhere because the local labor level does not meet the requirements, it will increase labor costs and may cause local People's resistance to foreign

⁸⁸ FT Chinese website reported on May 13, 2019:
<http://www.ftchinese.com/story/001082711?full=y&archive>

⁸⁹SELF-MADE:South Asia Terrorism Portal:
<https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan;>
<https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan-balochistan>

⁹⁰ 'Challenges of education in Balochistan'
<https://www.thenews.com.pk/tns/detail/600564-challenges-of-education-in-balochistan>

capital.

For foreign capital, Gwadar Port has such phenomena as economic development level, industrialization level, low infrastructure construction level and education level, and poor security environment. These risks mean that it is kind of difficult for foreign capital to succeed. It not only requires a large amount of capital investment, but also develops a suitable development path based on regional conditions.

Section 2 Development History

1. Obscurity (before the 21st century)

Historically, Gwadar has been a sparsely populated fishing village. It was not well-known until 1954 that the US Geological Survey discovered the Gwadar Port as a deep-water port when surveying the coast of Balochistan. But at the time, Gwadar Port was owned by Oman and was its overseas enclave. To this end, Pakistan bought the area for 3 million pounds in September 1958, which also ended Oman's control of the area for more than 200 years. But for a long period of time, this port has not been developed.

The government built a small port here from 1988 to 1992, but no important ship docked here. Since then, due to political turmoil and domestic financial problems, the construction of Gwadar Port has been short of funds⁹¹.

2. Start gradually (2001-2007)

This situation has only improved in the 21st century. In 2001, China agreed to invest one-fifth of the construction of the first phase of Gwadar Port and sent 450 engineering and technical personnel to participate in the construction⁹². On March 22, 2002, Pakistan, aided by China, The first phase of the Gwadar Port project officially started⁹³. The Gwadar Port Phase I project is mainly built with the aid from the Chinese government. China provided Pakistan

⁹¹"Dawn News" article "Gwadar Port: 'Historical Milestone'"

<https://www.dawn.com/news/297994/gwadar-port>

⁹² Xinhua News Agency: "China's huge investment to resurrect Gwadar port still needs to face five challenges" <https://www.imsilkroad.com/news/p/16725.html>

⁹³ Ministry of Foreign Affairs of the People's Republic of China: Vice Premier Wu Bangguo attends the groundbreaking ceremony of the first phase of the Gwadar Port Project in Pakistan https://www.fmprc.gov.cn/web/gjhdq_676201/gj_676203/yz_676205/1206_676308/xgxw_676314/t5512.shtml

with US \$ 198 million in financing in the form of free assistance, preferential loans and low-interest loans. Pakistan is responsible for the remaining nearly \$ 50 million in financing. The Chinese side also provides related technical and construction support. The first phase of the project includes three multi-function berths (602 meters long), one maintenance berth (100 meters long), 4.35 kilometers long waterway and supporting engineering and equipment⁹⁴. By 2006, the construction of the first Phase of Gwadar Port was completed.

3. Fall into stagnation (2007-2013)

Although China was a major investor and builder in the initial construction of Gwadar Port. However, in the tender for the Gwadar Port Operator on December 4, 2006, Singapore International Port group (PSA) was "unexpectedly" selected as the Gwadar Port Operator by the Gwadar Port Authority (GPA), defeating China and winning the right to operate this important port⁹⁵. Agreement stipulates that PSA will be in 40 years of operation, during this period will be exempt from corporate tax. Pakistan has also eliminated all tariffs on any equipment imported for 20 years to develop the port. In addition, PSA estimates that the project's investment in 40 years will be between US \$ 5 billion and US \$ 8 billion. It is expected that the port will generate between US \$ 17 billion and US \$ 31 billion in revenue during the same period⁹⁶.

After that, PSA's operation in Gwadar Port was not smooth. On December 8, 2010, the Supreme Court of Pakistan heard the challenge of the local government of Balochistan to this agreement signed by the government and PSA previously. The Chief Minister of Balochistan Mohammad Aslam Raisani hopes to terminate the previous agreement signed by the central government and PSA. He believes that this agreement is "unilateral", and PSA has neither brought trade nor expanded the size of the port. Salahuddin Mengal, who represents Balochistan, believes that the federal government did not consider the interests of Balochistan when signing the agreement with PSA, so they asked the Supreme Court to order the federal

⁹⁴ Embassy of the People's Republic of China in the Islamic Republic of Pakistan:
<http://pk.mofcom.gov.cn/article/jmxw/200602/20060201601928.shtml>

⁹⁵ People's Daily article on December 19, 2006 "Singapore defeated Hong Kong to win the operation rights of Gwadar Port" <http://military.people.com.cn/GB/42967/5189056.html>

⁹⁶ Reuters: 'UPDATE 1-Singapore's PSA takes over Pakistan's Gwadar port'
<https://uk.reuters.com/article/singapore-pakistan/update-1-singapores-psa-takes-over-pakistans-gwadar-port-idUKISL16944320070206>

government to terminate the agreement⁹⁷ .

In August 2012, the Federal Government of Pakistan began negotiations with PSA to terminate the previously signed contract worth US \$ 750 million. There are two main reasons for the early termination of negotiations between the two parties. First, in the face of the tension in Baluchistan where Gwadar Port is located, PSA's investment was blocked and it failed to achieve its original goal, so the port construction rate was not as fast. On the other hand, Balochistan has always been dissatisfied with the agreement signed by the Federal Government and PSA. In 2010, after the Chief Minister of Balochistan and others challenged the agreement, the Supreme Court issued an order to stop the sale of land in Gwadar to foreign countries , which also hinders the implementation of the agreement⁹⁸.

The Pakistani Cabinet approved the transfer of Gwadar from Singapore Port International Corporation to a state-owned Chinese company on January 30, 2013⁹⁹. Since then, the construction of PSA in Gwadar Port has officially ended. At this stage, due to local resistance and the PSA's fail for building Gwadar Port as planned, the Gwadar Port's construction during this period was almost stagnant.

4. Get back on track (2013-present)

In February 2013, Pakistani President Zardari announced that " The Gwadar Port Operation Agreement has been formally granted to China. The agreement has been transferred from the Singapore Port Authority to China Overseas Port Holdings Company(COPHC). The signing of this contract is for our people Opened up new opportunities ... This provides new impetus for Pakistan-China relations¹⁰⁰."

This marks the beginning of China's second phase for aiding to Gwadar Port. This time, the construction of Gwadar Port has become an integral part of China's construction of CPEC. After the previous construction, Gwadar Port already has a certain development foundation.

⁹⁷Reuters 'Pakistan court hears challenge to PSA port deal'

<https://www.reuters.com/article/pakistan-port/pakistan-court-hears-challenge-to-psa-port-deal-idUSSGE6B703320101208>

⁹⁸THE EXPRESS TRIBUNE: 'Singapore port operator on way out of Gwadar'

<https://tribune.com.pk/story/419578/singapore-port-operator-on-way-out-of-gwadar/>

⁹⁹THE EXPRESS TRIBUNE: 'Gwadar Port handed over to China'

<https://tribune.com.pk/story/509028/gwadar-port-handed-over-to-china/>

¹⁰⁰ Singapore Times reported on February 18, 2013:

<https://www.straitstimes.com/asia/china-takes-control-of-pakistan-port-from-singapore>

China's new round of construction in Gwadar covers more areas and aspects. In addition to the construction of port facilities, it also includes aid construction in education, health, and infrastructure. In addition, China has also begun the construction of Gwadar Smart City. The new round of Gwadar Port construction has been continuously improved with the support of China's strong funds. (And China also put some aid on the other region around Gwadar port. To be consistent with the above, without assistance, China 's assistance to Gwadar Port also includes assistance to the area around Gwadar Port.)

Section 3 China's aid construction in Gwadar Port

The second section briefly introduces the historical development process of Gwadar Port. By observing the historical development process of Gwadar Port, China keep providing foreign aid to Gwadar port in most of the 21st century (except 2007-2013)along with the construction activities .Therefore, the construction process of Gwadar Port and the process of China's aid in Gwadar Port are largely coincident. This section will mainly discuss the Chinese aid projects in Gwadar Port based on the second section.

1. Development History

According to the time sequence of China's aid construction, it can be divided into two stages: The first stage (2001-2007), in the first stage, China provided Pakistan with US \$ 198 million in financing in the form of free assistance, concessional loans and low-interest loans, with Pakistan's investment of US \$ 50 million, and China's investment accounted for approximately 75%. At this stage, China's main investment includes the construction of Gwadar's port facilities.

The specific composition of China's 198 million US dollars of funds is as follow¹⁰¹:

Specie of funds	Amounts(million USDs)	percentage
Buyer credit	60	30.3%

¹⁰¹From: Unsa Jamshed: Ph.D. Dissertation
Pakistan's Relations with China: A Study of Defence and Strategic Ties during Musharraf Era (1999-2008)
P148.

Consumer loan	58	29.2%
Interest-free loan	31	15.7%
Grants	18	9.1%

Table 1: composition of China's funds in Phase I of Gwadar construction

The construction of the first phase mainly revolved around the construction of the port, and at the same time, the future development of other aspects of construction was also conceived. During Musharraf's fifth visit to China in 2006, he stated that he was ready to work with China to build an oil pipeline from Gwadar to Xinjiang, which will allow China to more easily import from Saudi Arabia, Iran and North Africa Petroleum¹⁰² then Prime Minister Aziz added that the feasibility study on this program has been Start¹⁰³. This idea of building an energy pipeline in Gwadar Port has been retained to this day.

At the end of 2006, Gwadar Port signed an agreement with Singapore International Port Company on the transfer of the operation rights of Gwadar Port through public bidding. In 2007, the management of Gwadar Port was officially handed over to Singapore International Port Corporation, and the first phase of China's aid and construction on Gwadar Port ended.

The second phase (2013-present) The second phase of China's assistance in the construction of Gwadar Port is part of the China-Pakistan Economic Corridor. The China-Pakistan Economic Corridor is one of the key projects in the Belt and Road Initiative. Initially planned to invest 46 billion US dollars, by 2017, the total investment plan has grown to 62 billion US dollars¹⁰⁴.

During President Xi Jinping's state visit to Pakistan in April 2015, the leaders of the two countries agreed to build a "1 + 4" economic cooperation centering on the corridor construction, focusing on energy, transportation infrastructure, Gwadar Port, and industrial cooperation. The layout of the China-Pakistan Economic Corridor as a major and advanced project of the "Belt and Road" initiative has thus entered a comprehensive promotion stage¹⁰⁵.

¹⁰² Syed Fazl-e-Haider, "Local Market China's Growing Stake in Pakistan," Economy in Focus, Daily Times, December 11-17, 2006

¹⁰³ Syed AM Nawaz Gilani, "55 Years of Pak-China Relation," The Post, May 27, 2006

¹⁰⁴ 'CPEC investment pushed from \$55b to \$62b'
<https://tribune.com.pk/story/1381733/cpec-investment-pushed-55b-62b/>

¹⁰⁵ Chinese Government Joint Statement of the People's Republic of China and the Islamic Republic of

President Xi Jinping's statement listed Gwadar Port construction with energy, transportation construction and industrial cooperation as the four main aspects of China-Pakistan economic cooperation, it illustrates the important position of Gwadar Port in the economic cooperation between China and the Pakistan.

Table 2 Main projects of China in the Gwadar constuction Phase II ¹⁰⁶

NO.	Name of projects	Expense(Million USDs)	Sources of funds	Executive Department(Pakistan)	Executive Department(China)
1	Gwadar East-Bay Expressway	168	Interest-free loan	GPA	CCCC
2	New Gwadar International Airport	230	Grants	CAA	CCCC
3	Construction of Breakwaters	123	Chinese Government Concessional loan&Grants	GPA	COPHC
4	Dredging of berthing areas&Channels	27	Chinese Government Concessional loan	GPA	COPHC
5	Development of free zone	32	Unknown	EPZA&GIED A	COPHC
6	Pak-China Friendship	100	Grants	GDA	CGICOP

Pakistan on the establishment of an all-weather strategic cooperative partnership (full text)
http://www.gov.cn/xinwen/2015-04/21/content_2850064.htm

¹⁰⁶SELF-MADE: China Net: 'Several projects landed in Gwadar to help the development of China-Pakistan Economic Corridor' http://news.china.com.cn/2019-11/06/content_75377693.htm;
<http://cpec.gov.pk/gwader>
<http://www.gwadarport.gov.pk/project.aspx>

	Hospital				
7	Pak-China Technical and Vocational Institute at Gwadar	10	Grants	GPA	CGICOP
8	Gwadar port Smart City Master plan	4	Unknown	GPA	CCCC
9	China - Pakistan Gwadar Faqir Primary School	0.4	Grants	Unknown	CFPD
10	Gwadar Port 300 MW Coal-fired Power Plant Project	542.32	Investment of Chinese state-owned enterprises	MWP	CCCC
11	Necessary Facilities of Fresh Water Treatment, Wa ter Supply	130	Grants	GDA	COPHC

Abbreviation: Pakistan:

EPZA, Export Processing Zone Authority

GDA, Gwadar Development Authority

GIEDA, Gwadar Industrial Estate Development Authority

GPA, Gwadar Port Authority

MWP, Pakistan Ministry of Energy

PCAA, Pakistan Civil Aviation Authority

China:

CCCC, China Communications Construction Company

CGICOP, China Gansu International Corporation for Economic and Technical Cooperation¹⁰⁷

CFPD, China Foundation for Peace and Development

COPHC, China Overseas Ports Holding Company Limited

2. Project Introduction

The first phase of Chinese projects in Gwadar is mainly the construction of the first phase of Gwadar Port. The second phase of the project is relatively scattered, with 11 main projects. The following will briefly introduce the project overview from project investment, purpose, and contractors.

Gwadar Port Phase I Port Construction Project: On March 15, 2002, China Communications Corporation, a subsidiary of CCCC, as the general contractor, signed the "Pakistan Gwadar Port Project Phase I Construction and General Contracting with the Port and Shipping Authority of Pakistan "Contract", the total investment of the project is 298 million US dollars, undertaken by China Harbour Engineering Co., Ltd. (CHEC). On March 20, 2007, the opening ceremony of Gwadar Port was officially held¹⁰⁸. The project is of excellent quality and is hailed as a new milestone in China-Pakistan friendship¹⁰⁹.

Gwadar East Bay Expressway Project: The goal of the East Bay Expressway is to become the main link of the port and its duty-free zone to the national highway network, connecting Gwadar Port with the main trunk lines of the national highway network to achieve the transit of import and export goods smooth transportation of logistics. The total planned investment

¹⁰⁷It is a State-owned enterprise, established in 1984, mainly engaged in foreign engineering contracting, China's top 500 enterprises, with overseas branches in Pakistan.

http://www.cgicop.com/col_about1/index/

¹⁰⁸ State-owned Assets Supervision and Administration Commission of the State Council
<http://www.sasac.gov.cn/n2588025/n2588124/c4023232/content.html>

¹⁰⁹ Fudan University 2018: "China-Pakistan Economic Corridor Chinese-funded Park Construction" page 36

of the project is 168 million US dollars. The source of funds is the interest-free loan provided by China. Project time (November 22, 2017-October 2020)¹¹⁰.

New Gwadar International Airport Project (NGIA): The project includes the construction of New Gwadar International Airport and the construction of related facilities of the new airport. The completed airport would be able to handle ATR 72, Airbus (A-300), Boeing (B- 737), Boeing (B-747) and other aircraft suitable for domestic and international routes. The total planned investment of the project is 230 million US dollars, and the source of funds is grants provided by China Government. The project was laid by the Prime Minister of Pakistan on March 29, 2019, and the project will start on October 31, 2019¹¹¹. After the completion of the new airport, it will be the largest airport in Pakistan. Compared with other airports such as Karachi Airport (3,700 acres), Islamabad International Airport (3,600 acres), Lahore Airport (2,800 acres), New Gwadar Airport will occupy 4,300 acres¹¹². The project is executed by the Pakistan Civil Aviation Authority (PCAA), PCAA handed over the construction of the airport to China Communications Construction Corporation¹¹³.

Breakwater project construction: In order to build berth facilities on the east side of the existing multi-purpose terminal (4.200 kilometers), a breakwater of 1.200 to 1.500 kilometers in length must be built. The planned investment for the breakwater construction is US \$ 123 million. The source of funding is the mix of Chinese grants and concessional loans. The project is still in the review stage¹¹⁴.

Anchorage dredging project: This project is also for the expansion in the east bay area of Gwadar Port. Expansion of the East Bay area requires continuous access to the original port berths, and clearing the channel provides protection for access to the berths. The project is planned to invest US \$ 27 million. The source of funds is concessional loans provided by China, and it is still in the review stage¹¹⁵.

Free Trade Zone Opening Project: The project mainly includes infrastructure development in

¹¹⁰CPEC: <http://cpec.gov.pk/project-details/32>

¹¹¹CPEC: <http://cpec.gov.pk/project-details/33>

¹¹² 'Pakistan's Gwadar International Airport will be the largest in the country'
<https://gulfnews.com/world/asia/pakistan/pakistans-gwadar-international-airport-will-be-the-largest-in-the-country-1.63033953>

¹¹³ AIRPORT TECHNOLOGY:
<https://www.airport-technology.com/projects/new-gwadar-international-airport/>

¹¹⁴ CPEC :<http://cpec.gov.pk/project-details/34>

¹¹⁵ CPEC :<http://cpec.gov.pk/project-details/35>

free zones and export processing zones. At present, Gwadar Industrial Zone has established Gwadar Port Free Zone, GIEDA Industrial Zone and EPZA Export Processing Zone. The project content includes the development of infrastructure for these industrial areas, such as passages, internal roads, water, natural gas, electricity, customized facilities, fences, security, some warehouses, offices and other related infrastructure. Project planning funds of 32 million US dollars¹¹⁶. In November 2015, Pakistan transferred the right to use 2281 acres of Gwadar Port Free Trade Zone land to COPHC, leased for 43 years. Provided the required land for Gwadar Free Zone¹¹⁷. In January 2018, the construction of the first phase of the free trade zone was completed and the Zone was officially opened¹¹⁸.

China-Pakistan Friendship Hospital Project: This project aims to establish the most advanced medical facilities in the city of Gwadar port. This hospital project plans to occupy 68 acres. One sixth of the medical building (50 beds per bed) and nearly 20% of the residential buildings have been completed. According to the proposed project, the remaining medical buildings, nursing and auxiliary medical institutions, medical schools, central laboratories and other related facilities will be built, and medical equipment and machinery will be provided. It is planned to invest 100 million US dollars, and the source of funds will be grants from the Chinese government. The project laid the foundation stone on December 16, 2019¹¹⁹.

Pak-China Technical and Vocational Institute at Gwadar: This project aims to establish an advanced vocational technical school in Gwadar Port. The Gwadars should be the main stakeholders in the city of Gwadar port. Their participation in the operation and management of deep-sea ports, industry, commerce and urbanization is the key to all long-term development plans. The project was proposed to shape and enhance the cultural qualities of Gwadar residents and develop their skills to participate in the development of port cities. The project is planned to invest US \$ 10 million and lay the foundation with December 16, 2019¹²⁰. Both the project and the China-Pakistan Friendship Hospital project were undertaken

¹¹⁶ CPEC: <http://cpec.gov.pk/project-details/36>

¹¹⁷ Global Times reported on November 11, 2015: <https://world.huanqiu.com/article/9CaKrkJRmGy>

¹¹⁸ "The official opening of Gwadar Free Trade Zone" <http://www.sinotf.com/GB/zmq/2018-02-01/wOMDAwMDMwMjIwOQ.html>

¹¹⁹ CPEC: <http://cpec.gov.pk/project-details/38>

¹²⁰ CPEC: <http://cpec.gov.pk/project-details/39>

by China Gansu International Economic Cooperation Corporation¹²¹.

Gwadar port Smart City Master plan project: According to the new Gwadar Smart City Master Plan, in the long run, Gwadar's population will exceed to 2 million, and highly-paid foreign professionals account for 80% of the population. In 2019, Prime Minister Imran Khan proposed a blueprint for the development of smart cities. The blueprint will include high-paying jobs, a tax-free environment, high-tech industries, large shopping centers, luxury resorts, man-made islands and Pakistan's largest international airport. Gwadar will become the third largest city in Pakistan's economy¹²². The execution unit of this project is China Communications Construction Corporation (CCCC)¹²³, a total investment of 4 million US dollars, the content is to develop a plan to build Gwadar Smart City¹²⁴.

China-Pakistan Faqir Primary school Project: It is located in the Faqir district of Gwadar, southwest of Balochistan, Pakistan. It is the only primary school in the region. The primary school was funded by the CFPD for US \$ 400,000. It was officially handed over on September 1, 2016 under the witness of Pakistani Prime Minister Sharif. Gwadar has a population of about 85,000, and educational resources are very rudimentary and lacking. According to the Foundation's investigation, there are only one or two public primary schools in relatively good conditions in the city, and there are no primary schools in the Faqir region. In order to be educated, local children have to go far away to study, while most people can not receive the education¹²⁵." In 2018, the elementary school was upgraded to a middle school with about 600 students. In order to meet the growing demand for education development, the CFPD decided to expand the school, which will be put into use by October 2020¹²⁶. Although the CFPD is a non-governmental organization, in fact, both the chairman and deputy chairman of the foundation are current or former government officials¹²⁷, and the leader

¹²¹ "Chinese aid to Pakistan Gwadar Port Hospital Project held the groundbreaking ceremony"

http://www.cgicop.com/col_gsji/index/

¹²² 'Perks of Gwadar Smart City Master Plan'

<http://cpecinfo.com/perks-of-gwadar-smart-city-master-plan/>

¹²³ Commerce Ministry of China:

<http://www.mofcom.gov.cn/article/i/jyjl/201702/20170202521888.shtml>

¹²⁴ Chinese Embassy in Pakistan: <http://pk.chineseembassy.org/eng/zbqx/CPEC/t1627114.htm>

¹²⁵ "Faquhar Primary School: Enhancing People's Communication"

<http://production.cid.siz.yt/zh-CN/china-pakistan-primary-school-bonding-people-through-education-1>

¹²⁶ "Multiple projects landed in Gwadar to help the development of the China-Pakistan Economic Corridor"

http://news.china.com.cn/2019-11/06/content_75377693.htm

¹²⁷ Communist Party of China News Network:

department is the Ministry of International Department of the Central Committee of the Communist Party of China¹²⁸, therefore, we can consider the aid activities implemented by the CFAD as the Chinese official foreign aid.

Gwadar Port 300 MW Coal-fired Power Plant Project : The project was laid on November 5, 2019 in Gwadar, and was jointly developed by China Communications Construction Company and Tianjin Energy Investment Group Co., Ltd. After the project is completed, it would greatly ease the power shortage in Gwadar and improve the reliability and safety of power consumption¹²⁹. The project plans to invest 543 million US dollars (another news reported that the amount is 430 million US dollars)¹³⁰, which was funded by China Communications Construction Corporation and started construction on November 4, 2019¹³¹. The infrastructure construction level in Gwadar region is low and the energy supply is severely in short supply. The completion of this project will alleviate the current power shortage problem in Gwadar region. The project is also a part of CPEC energy construction. CPEC plans to increase the power supply of Pakistan by 10 million kilowatts¹³².

Necessary Facilities of Fresh Water Treatment, Water Supply: The project includes the construction of water supply, distribution system, desalination plant, sewage collection system and sewage treatment plant in Gwadar's master plan. The purpose of the project is to meet the future water and sewage treatment systems required by Gwadar Port and its related industries and the city itself. The total planned investment is 130 million US dollars, and the source of funds is Chinese grants¹³³. The project will start in 2016¹³⁴. Gwadar is a desert town suffering from chronic drinking water shortages¹³⁵.

<http://cpc.people.com.cn/n/2014/0829/c388510-25565872.html>

¹²⁸ CFPD official website Introduction: <http://www.cfpd.org.cn/listlm.aspx?clmld=250>

¹²⁹ "Multiple projects landed in Gwadar to help the development of the China-Pakistan Economic Corridor" http://news.china.com.cn/2019-11/06/content_75377693.htm

¹³⁰ Xinhuanet reported on November 5, 2019

http://www.xinhuanet.com/english/2019-11/05/c_138530508.htm

¹³¹ CPEC: <http://cpec.gov.pk/project-details/5>

¹³² PAKISTAN: 300MW COAL POWER PLANT INAUGURATED IN GWADAR'

<https://www.iea-coal.org/pakistan-300mw-coal-power-plant-inaugurated-in-gwadar/>

¹³³ CPEC: <http://www.cpec.gov.pk/project-details/37>

¹³⁴ Reconnecting Asia:

<https://reconnectingasia.csis.org/database/projects/gwadar-port-freshwater-treatment-and-supply/0f78a83b-c61b-4a6a-8a36-b86eafd2c84d/>

¹³⁵ The Diplomat: 'What's Happening at Pakistan's Gwadar Port?'

<https://thediplomat.com/2017/06/whats-happening-at-pakistans-gwadar-port/>

Section 4 Chinese Official Assistance in Gwadar

The third section mainly introduces the history of China's construction in Gwadar in the 21st century and the brief introduction of major projects. The research object of this section is not the same as the previous section. It is only include the aid activities in this section. Construction is a more general term. It refers to all Chinese projects in the construction of Gwadar Port, including not only China's official aid projects but also Chinese commercial investment in Gwadar Port, normal interest rate loans and other commercial activities. The “aid” selected here is based on the definition of China's official aid in the introduction. This definition is different from the ODA concept of OECD. When we do the research on China's aid, we treat all economic activities with official background and preferential nature as Official aid. This section summarizes some of the characteristics of these aids by observing the phenomenon of Chinese aid in Gwadar.

1. The content of the official aid projects

The 12 projects constructed by China and Pakistan in the Gwadar region since the 21st century, can be divided as five aspects :**Transportation construction(5)** includes Gwadar Port Phase I, Gwadar East Bay Port Expressway, New Gwadar International Airport Project, Breakwater There are five construction projects, including anchorage dredging projects; **Urban construction (2)**includes the development of a free trade zone and Gwadar Port smart city construction plan; the **Energy sector construction(1)** is the Gwadar 300,000-kilowatt coal-fired power plant project ; **Education Aspects (2)**include the China-Pakistan Faqir Primary school Project and the Pak-China Technical and Vocational Institute at Gwadar; **Sanitation(2)** includes Necessary Facilities of Fresh Water Treatment,Water Supply and the China-Pakistan Friendship Hospital. In the above twelve projects, the source of funds for free trade zone development and the smart city construction plan is unknown, and the Gwadar 300,000-kilowatt coal-fired power plant project funds resource is invested by Chineses state-owned enterprises. The remaining nine projects all have different forms of official Chinese aid.

In terms of aid forms, China's aid to Gwadar includes concessional loans, interest-free loans

and grants. China's total direct investment in Gwadar is US \$ 1534.72 million; of which, direct investment is US \$ 660.3 million; grants are US \$ 488.4 million; interest-free loans are US \$ 199.9 million; undetermined amount is US \$ 159.0 million; concessional loans are US \$ 27 million (Note: 1. The amount of preferential loans and interest-free loans is not equal to the amount of aid. For free loans, the aid amount is the amount of the interest calculate in normal interest rate, for the concessional loan ,the amount of aid is the normal interest minus the interest in the actual interest rate. Because the details of the relevant contract have not been disclosed so the amount of aid cannot be calculated. ; 2. The contract details of the breakwater project have not been disclosed, and it is impossible to know the proportion of grants and preferential loans in the funds.)

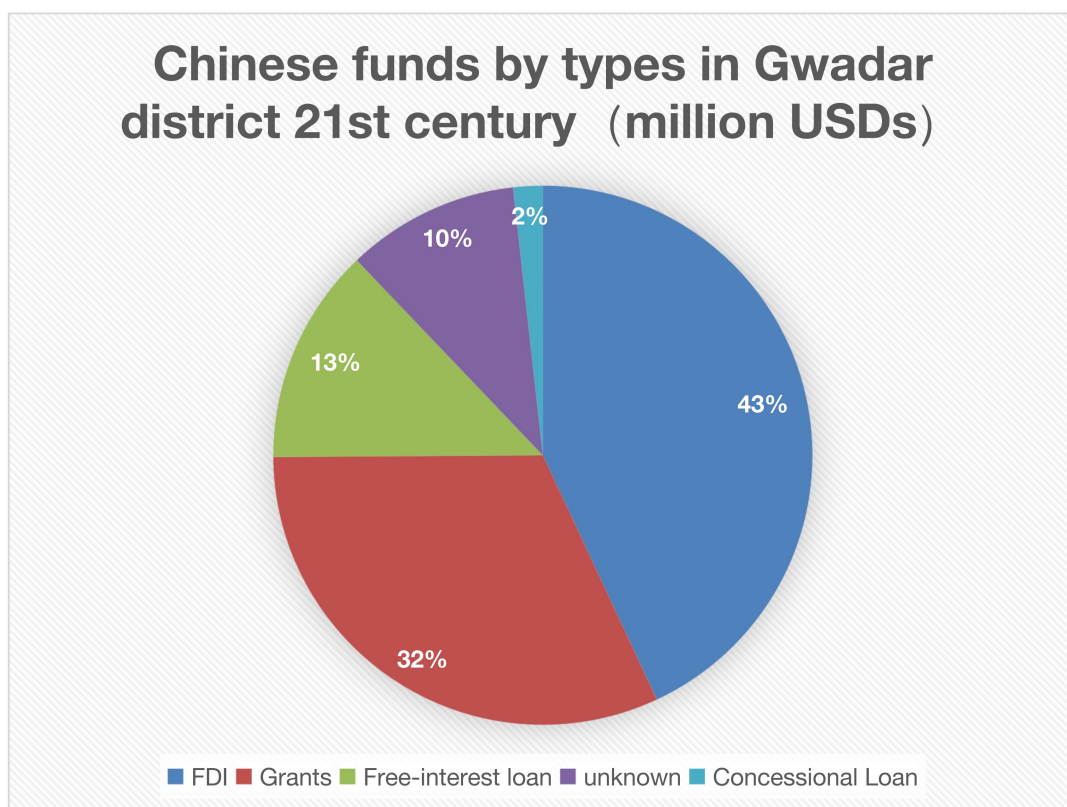


Chart 10: Chinese funds by types in Gwadar district 21st Century¹³⁶

2. Characteristics of Chinese aid:

2.1 China's official aid to Gwadar port is diverse.

In the past, China's aid in Pakistan was mainly concentrated in the industrial production sector, humanitarian assistance in emergency situations, and infrastructure construction. Today,

¹³⁶ This Chart is made by Author based on the the data in table 2

China is building primary schools ,hospital and vocational schools in the Gwadar region, which means that the types of Chinese foreign aid are becoming more diverse.

2.2 China's assistance to Gwadar has a strong correlation with China's economic construction in Gwadar.

Of the twelve projects in China in the Gwadar region, nine project are include aid funds and five of the funds are entirely composed of official Chinese grants.

2.3 The proportion of China's aid in Gwadar is relatively high. From 2001 to 2014, China's aid to Pakistan accounted for about 10% of the total official Financial flows; since the 21st century, Chinese grants alone have accounted for nearly one third of official Financial flows in Gwadar's port .

Section 5 Motives of Chinese Official Assistance in Gwadar Port

The previous part of this chapter introduced the overview and development history of Gwadar Port, Chinese construction and foreign aid in Gwadar Port. By observing the objective phenomenon described above, this section discusses China's motive for choosing Gwadar Port, then discusses China's motive for assistance in Gwadar Port.

1. China's motivation to choose Gwadar Port

1.1 Gwadar Port may become a new trade transit point.

Gwadar Port is located on the southwest coast of Balochistan, Pakistan, about 460 kilometers east of Karachi, about 120 kilometers west of the Pakistan-Iranian border, and south of the Arabian Sea in the Indian Ocean. It is located near the throat of the strategically important Persian Gulf, and tightly connects the throats of several important sea routes from Africa and Europe via the Red Sea, the Strait of Hormuz, and the Persian Gulf to East Asia and the Pacific. Gwadar Port is also an ideal estuary for landlocked countries and regions such as Afghanistan and Central Asia. A large number of transshipment goods destined for

Afghanistan and Central Asia can enter and exit through Gwadar Port. These are beneficial to Pakistan and even the entire South Asia and Central Asia regions. Economic prosperity¹³⁷. As a potential trading center, Gwadar Port can also be able to provide new impetus for the development of western China in the future. Take Xinjiang Kashi City in western China as an example. Its distance to Gwadar Port is 1500 kilometers, compared to 3500 kilometers to the east coast of China. At present, China and Pakistan are working together to build a railway and pipeline project from Gwadar Port to Xinjiang.

1.2 It can open new energy channels for China in the future.

Gwadar Port will be the starting point for China's new energy transportation routes. In November 2016, Gwadar Port was officially opened. The energy artery will start from Gwadar. After the China-Pakistan Economic Corridor would be all unblocked in the future, the time for oil and other energy from Saudi Arabia to Shanghai, China will be shortened from 25 to 30 days to 12 days, and the time to reach Kashi, Xinjiang will be shortened To 5 days¹³⁸. In addition to saving time and cost, this new energy channel would also have the unique strategic significance for China. At present, 80% of China's oil imports need to pass through the Strait of Malacca. For China, considering the military presence of the US Navy and its allies in the vicinity, the safety of this oil passage would not always be guaranteed. Once the energy channel from Gwadar Port to Xinjiang, China, is opened, it would enhance the risk resistance of China's oil imports.

1.3 Military potential.

Although this view has not received any official recognition from China Government, many scholars believe that Gwadar Port will occupy an important position in China's future global military deployment due to Gwadar Port's special location advantages and geographical conditions as a deep-water port. Some scholars pointed out that China's aid in Gwadar port shows China's grand military strategy, and also shows that Gwadar port carries China's

¹³⁷ "Gwadar Port-The Bright Pearl of China-Pakistan Economic Corridor"
http://www.cidca.gov.cn/2018-08/28/c_129941571.htm

¹³⁸ "Gwadar Port-The Bright Pearl of China-Pakistan Economic Corridor"
http://www.cidca.gov.cn/2018-08/28/c_129941571.htm

“Chinese dream” of becoming a world power through global trade influence¹³⁹. For India, if China has the plan for the militarization of Gwadar Port is not important. What is important is that China has in fact operated this port. China's construction in Gwadar Port is alerting India in two aspects: First, it will enhance Pakistan's military strength. The Gwadar Port project is said to make the Pakistan Navy a force that can compete with regional navies. The Pakistani government has designated the port area as a "sensitive defense zone". Once completed, Gwadar Port will be one of the world's largest deep sea ports. Secondly, it will also enhance China's influence in the Indian Ocean. The port also provides China with a strategic stronghold in the Arabian Sea and the Indian Ocean. Its presence in the Indian Ocean will further enhance its strategic influence on major countries in South Asia, especially Bangladesh, Nepal, Pakistan and Sri Lanka, which will prompt India People in turn strengthen their navy¹⁴⁰. In response, India is developing in Chabahar, Iran, which is around 100 kilometers from Gwadar Port. With China's participation in the construction of Gwadar Port and India's intervention in Chabahar Port, these two ports are likely to become strategic competitors in the region¹⁴¹.

2. China's motivation for Aid to Gwadar port

2.1 Reduce Pakistan's debt burden

During the construction of Gwadar Port, the Chinese government have been the main investor for a long time, and these funds are mainly provided to Pakistan in various forms of loans. The huge amount of loans has caused some suspicion in the international community. In 2019, Joseph Dunford, chairman of the Joint Chiefs of Staff of the United States, pointed out that Pakistan's current debt to China exceeds US \$ 10 billion. This is a manifestation of China's “predatory economics” and is intended to enhance China's international influence. He compared the loans from China to Pakistan with those from Argentina, Djibouti and Sri

¹³⁹ John F. Copper: 'China's Foreign Aid and Investment Diplomacy, Volume II: History and Practice in Asia, 1950-Present' PALGRAVE Macmillan 2016. P67

¹⁴⁰ Jamestown Foundation: 'GWADAR: CHINA'S NAVAL OUTPOST ON THE INDIAN OCEAN' <https://jamestown.org/program/gwadar-chinas-naval-outpost-on-the-indian-ocean/>

¹⁴¹ 'A great game begins as China takes control of Gwadar port' <https://www.thenational.ae/a-great-game-begins-as-china-takes-control-of-gwadar-port-1.381352>

Lanka. He called these loans "predatory loans." These countries will pay a heavy price for borrowing¹⁴².

China's investment in Pakistan has been accompanied by various forms of foreign aid. This approach proves the "prosperity, harmony and common development" ideology that China upholds in the development of economic relations with Pakistan¹⁴³. Chinese Ambassador to Pakistan Yao Jing pointed out that China always provides aid and loans to Pakistan at the same time. The purpose of the aid is to make Pakistan's financial stability and economic development. The "all-weather strategic cooperative partner" of honor and disgrace has been providing support and assistance to the each other for more than half a century¹⁴⁴. The existence of China's foreign aid has actually refuted the international negative evaluation of China's loans to Pakistan.

2.2 Aid in infrastructure construction such as health, transportation, education and energy will help the development of Gwadar.

China's investment in Gwadar has economic considerations. If it would not be able to obtain economic returns from the construction of Gwadar port, then China's investment here will be unsuccessful. Gwadar district is facing a series of problems: a weak economic foundation; a population of less than 100,000, and lack of high-level labor. China's aid in infrastructure construction such as health, transportation, education, and energy will improve Gwadar's economic development foundation and also benefit Chinese capital in Gwadar for long-term development.

2.3 Serving China-Pakistan bilateral relations

In the second chapter, we briefly introduced the development of bilateral relations between China and Pakistan. The Sino-Pakistan friendship has a profound historical foundation. This friendship has continued to be developed and deepened in the 21st century, and it is now

¹⁴² Live Mint March 15, 2019:

<https://www.livemint.com/news/world/pak-owes-10-bn-debt-to-china-for-gwadar-port-other-projects-top-us-general-1552666074599.html>

¹⁴³ Open up a new journey of cooperation and win-win'

<https://www.fmprc.gov.cn/web/zyxw/t1256527.shtml>

¹⁴⁴ Chinese Embassy in Pakistan: <http://pk.chineseembassy.org/chn/zbgx/t1718188.htm>

reaching the closest stage in history. After China proposed the “Belt and Road” initiative in 2013, Pakistan responded positively. Based on their respective developments background, the two countries proposed the China-Pakistan Economic Corridor in the same year. After the China-Pakistan Economic Corridor was proposed, the two sides actively carried out economic cooperation in all aspects from energy and infrastructure construction on this basis. As an integral part of economic diplomacy, China's foreign aid to the Gwadar region also directly serves bilateral relations with the two countries. In addition, a considerable portion of China's foreign aid in the Gwadar region directly benefits the Pakistanis. One aspect is to enhance China's influence in Pakistanis directly, and further promote the overall development of relations between the two countries.

2.4 Facilitating local residents in Gwadar

The residents of the Gwadar region where Gwadar Port is located are mainly Balochs. Although they occupy a majority in the local area, they are ethnic minorities nationwide. For a long time, the Balochists believed that as a minority, they had suffered unfair treatment and were dissatisfied with the Pakistani federal government mainly dominated by the Punjabi. There is still regional separatism and even terrorism. On the development of the Gwadar region, the federal government does not seem to be able to fully take into account the interests of Baloch. From the beginning of the development of the Gwadar Port project, Balochists were dissatisfied with the government's actions. In response, the Balochistan People's Liberation Army planned a terrorist attack against Chinese engineers in 2004¹⁴⁵. Fifteen years later, at the luxurious nine point of Gwadar Port, a similar terrorist attack occurred again. Since the federal government of Pakistan built Gwadar Port on a large scale, local people have never been truly satisfied with the government's policies. Although China is Pakistan's "iron brother", because of its "non-interference in internal affairs", China would not attempt to interfere in Pakistan's internal affairs. From a long-term perspective, to successfully develop Gwadar Port into a modern international port, China must win the understanding and support of local people and allow them to truly participate in the construction of Gwadar

¹⁴⁵ DW news on 24th, March, 2004

<https://www.dw.com/zh/%E4%B8%AD%E5%9B%BD%E9%80%A0%E7%9A%84%E5%B7%B4%E5%9F%BA%E6%96%AF%E5%9D%A6%E6%B8%AF%E5%8F%A3/a-2417484>

region.

From this perspective, China's aid to Gwadar is on the right path. For example the construction process of the Guadal-Faqir primary School Project was welcomed by local residents. An old man named Muhammad is not wealthy. After learning of this news, he proactively stated that he has a private land and can donate to the government to build a primary school for free. He said he believe that China can really help them and realize their children's school dreams¹⁴⁶. Pak-China Technical and Vocational Institute at Gwadar will also upgrade the Population quality in Gwadar region in the future, so that more locals can participate in hometown construction. In addition, China's aid in Gwadar also improves the living standards of local people in terms of energy, health and water resources.

2.5 Provide development momentum for SOEs and consume excess capacity

All Chinese aid projects in Gwadar Port are connected with local government agencies in the Gwadar region, but in actual construction, Chinese state-owned enterprises are responsible for specific engineering construction, which provides new impetus for these Chinese state-owned enterprises.

2.6 Achieving a win-win situation through assistance

China's aid to Gwadar is a typical example of understanding China's foreign aid policy. Through aid to Gwadar, China hopes to promote Gwadar's economic development in the future while also providing new impetus for China's economic growth. Reach a win-win situation. This embodies the "symbiosis" idea that China's foreign aid is aimed at developing together with the aid countries¹⁴⁷. If aid in the Gwadar region is successful, it will become a typical example of China's aid model.

¹⁴⁶"Fauhar Primary School: Enhancing People's Communication"

<http://production.cid.siz.yt/zh-CN/china-pakistan-primary-school-bonding-people-through-education-1>

¹⁴⁷ "China's Foreign Aid: Theory and Practice" Ren Xiao, Liu Huihua. Shanghai People's Publishing House Shanghai 2017. Pages 257-261

Chapter IV Analysis of UK's aid to Pakistan in the 21st century

As an OECD member country, the UK uses the concept of ODA in aid. As mentioned above, this dissertation only studies the ODA part when studying UK's aid, so the following UK's official aid and UK's ODA can be interchanged. UK's official aid has a long history, originating from aid to various colonies during the colonial period. The UK is a major aid country. According to 2018 data, the UK is the fourth largest official aid country in the world, after the United States, Japan and Saudi Arabia¹⁴⁸. Pakistan is currently the largest recipient of UK's foreign aid. This chapter will provide an overall analysis of UK's aid to Pakistan. The first section introduces the current foreign aid mechanism of the UK; the second section introduces the overview of UK's aid to Pakistan in this century; the third section will be based on the reality discuss.

Section 1 The current official assistance mechanism of the UK

The official mechanism of the UK is mainly based on four acts. These four acts are: “International Development Act 2002”, which is the basic document of the official assistance mechanism of the UK. It defines the definition and scope of UK's aid; aid agencies and Responsibilities and methods of assistance¹⁴⁹. “Reporting and Transparency Act 2006” requires the government to publish an assistance report every year. This report should include the overall level of assistance of the UK's government and the effectiveness of aid based on poverty reduction and sustainable development¹⁵⁰. “International Development (Gender Equality) Act 2014” increased the UK Department of National Development's responsibility to ensure and promote gender equality when carrying out aid, and requested that the government's annual aid report should include an assessment of the effectiveness of aid in promoting gender equality¹⁵¹. “Official Development

¹⁴⁸ OECD (2020), Distribution of net ODA (indicator). doi: 10.1787/2334182b-en (Accessed on 31 May 2020)

<https://data.oecd.org/oda/distribution-of-net-oda.htm#indicator-chart>

¹⁴⁹ UK general public Acts: “International Development Act 2002”

<https://www.legislation.gov.uk/ukpga/2002/1/contents>

¹⁵⁰ UK general public Acts: “Reporting and Transparency Act 2006”

http://www.legislation.gov.uk/ukpga/2006/31/pdfs/ukpga_20060031_en.pdf

¹⁵¹ UK general public Acts: “International Development (Gender Equality) Act 2014”

<http://www.legislation.gov.uk/ukpga/2014/9/section/1>

Assistance Targets Act 2015”, the act establishes a goal that the UK's government should provide 0.7% of gross national income for foreign aid each year¹⁵². In addition, the analysis of the UK's foreign aid system also includes some parliamentary documents and descriptions of official aid on government websites.

1. Decision mechanism

UK's foreign aid decision-making bodies include the Ministry of Finance and the Department for International Development (DFID). According to the ‘*Definition and administration of ODA*’ which published by UK Government, the Secretary of State for International Development should have ultimate responsibility for oversight of the UK’s ODA and the Department should have final sign off of all ODA.¹⁵³

Fund distribution: Parliament is the UK's legislature, it is responsible for providing funds for government departments¹⁵⁴, but it is not specifically responsible for specific fund allocation and management. The Ministry of Finance of the UK is responsible for the ODA budget of the UK, and the accounting staff of the various aid departments are responsible for managing the ODA funds of each department¹⁵⁵. Therefore, although DFID is the main executive department of ODA in the UK, it is not responsible for the management of all ODA funds. Like other assistance executive departments, DFID only manages the ODA funds of this department. Other government departments carrying out aid have decision-making power over their aid budgets and are not subject to the leadership of DFID¹⁵⁶.

Policy formulation: The DFID Development Secretary is responsible for defining and reporting on all government official development assistance. She is responsible for deciding what can be

¹⁵² UK general public Acts: “Official Development Assistance Target Act 2015”
<http://www.legislation.gov.uk/ukpga/2015/12/contents/enacted>

¹⁵³ Definition and administration of ODA: Government response to the Committee's Fifth Report of Session 2017-19 ‘Appendix 2: Government response to Committee recommendations on administration of ODA’ <https://publications.parliament.uk/pa/cm201719/cmselect/cmintdev/1556/155603.htm>

¹⁵⁴ UK general public Acts: “International Development Act 2002”
<https://www.legislation.gov.uk/ukpga/2002/1/contents>

¹⁵⁵ UK NAO: “Managing the Official Development Assistance target a report on progress” pp.7
<https://www.nao.org.uk/wp-content/uploads/2017/07/Managing-the-Official-development-Assistance-target-a-report-on-progress.pdf>

¹⁵⁶ UK NAO: “Managing the Official Development Assistance target a report on progress” pp.15
<https://www.nao.org.uk/wp-content/uploads/2017/07/Managing-the-Official-development-Assistance-target-a-report-on-progress.pdf>

counted as ODA¹⁵⁷. The country's overall aid strategy is jointly formulated by DFID and the Ministry of Finance¹⁵⁸.

2. Execution mechanism

The executive departments of UK's official assistance include DFID; the Department of Commercial Energy and Strategic Industries; the Office of Foreign Affairs and the Commonwealth; Conflict, Stability and Security Funds (CSSF); the Ministry of the Interior and the Ministry of Health and Social Care. Since its establishment, DFID has been the most important ODA department, responsible for the main part of the UK ODA. In 2019, DFID is responsible for the implementation of more than 70% of UK's ODA funds. The following figure is the proportion of ODA funds in 2019 by various UK's government departments.

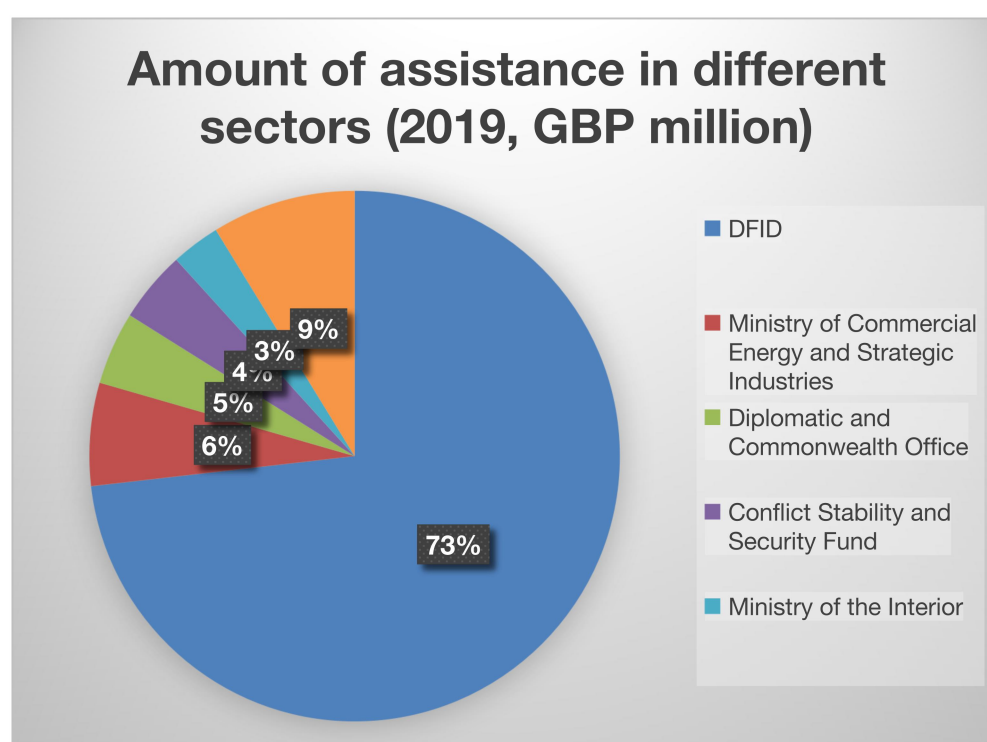


Chart 11 Amount of assistance in different sectors¹⁵⁹

¹⁵⁷ Center for Global Development: 'What Does UK Law Say on Aid?: How New Development Secretary Mordaunt Can Meet her Aid Effectiveness Pledge'
<https://www.cgdev.org/blog/what-does-uk-law-say-aid-how-new-development-secretary-mordaunt-can-meet-her-aid-effectiveness>

¹⁵⁸ UK NAO: "Managing the Official Development Assistance target a report on progress" pp.8
<https://www.nao.org.uk/wp-content/uploads/2017/07/Managing-the-Official-development-Assistance-target-a-report-on-progress.pdf>

¹⁵⁹ SELF-MADE, DATA from UK DFID: 'Statistics on International Development Provisional UK Aid spend 2019' P10

DFID, as the main executive department of UK's official aid, is also responsible for providing assistance to other aid departments while performing its foreign aid duties. The document issued by the International Development Committee of the UK's Parliament pointed out that DFID should play a leading role in the capacity building of the official development assistance management department of the UK's government and the improvement of official development assistance management standards. It should continue to send personnel to other government departments in the UK government's official development assistance program (DFID currently sends 95 staff to other departments that provide official development assistance programs) to develop skills and promote an aid culture focused on poverty reduction¹⁶⁰. DFID's assistance objectives mainly include poverty reduction, promotion of sustainable development and promotion of gender equality.

Although the amount of ODA that DFID is responsible for accounts for more than 70% of the total number of ODAs in the UK, DFID's target countries are relatively concentrated. In 2018, DFID carried out assistance in 56 countries around the world. Compared with other government departments that carried out ODA, it provided assistance to 150 countries around the world¹⁶¹.

3. Supervision mechanism and evaluation mechanism

As the UK's legislature, the UK's Parliament has the power to supervise UK's foreign aid. The parliamentary department that directly reviews UK's foreign aid is the International Development Committee (IDC) of the House of Commons. The technical department responsible for IDC's specific review is the Independent Commission for Aid Impact (ICAI), established in 2011. It is currently a specialized agency responsible for reviewing UK foreign aid. The agency is a non-departmental public agency (NDPB), not affiliated with any government department, but responsible to the Parliament. The scope of ICAI's review includes foreign assistance from all UK government departments, but not from the Scottish and Welsh Governments. ICAI's core values

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/878395/Statistics-on-International-Development-Provisional-UK-Aid-Spend-2019.pdf

¹⁶⁰ Definition and administration of ODA: Government response to the Committee's Fifth Report of Session 2017-19, pp.7

<https://publications.parliament.uk/pa/cm201719/cmselect/cmintdev/1556/1556.pdf>

¹⁶¹ UKDFID: Statistics on International Development 2018, pp.8

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857904/Statistics-on-International-Development-final-aid-spend-2018d.pdf

include accountability; feedback and learning; rigorous analysis; accessibility and transparency. ICAI's main responsibilities include three: independent evaluation and review of the effectiveness of the UK's government's foreign aid expenditures; providing materials to the Parliament and supporting the accountability of the Government to the Government; and publicizing the research results of aid to the public. ICAI cooperates with some think tanks and research companies in the process of reviewing UK's foreign aid expenditures, including Agulhas Applied Knowledge, Ecorys, Overseas Development Institute (ODI) and Intrac, etc¹⁶².

The following diagram briefly introduces the flow of the UK ICAI review on foreign assistance:

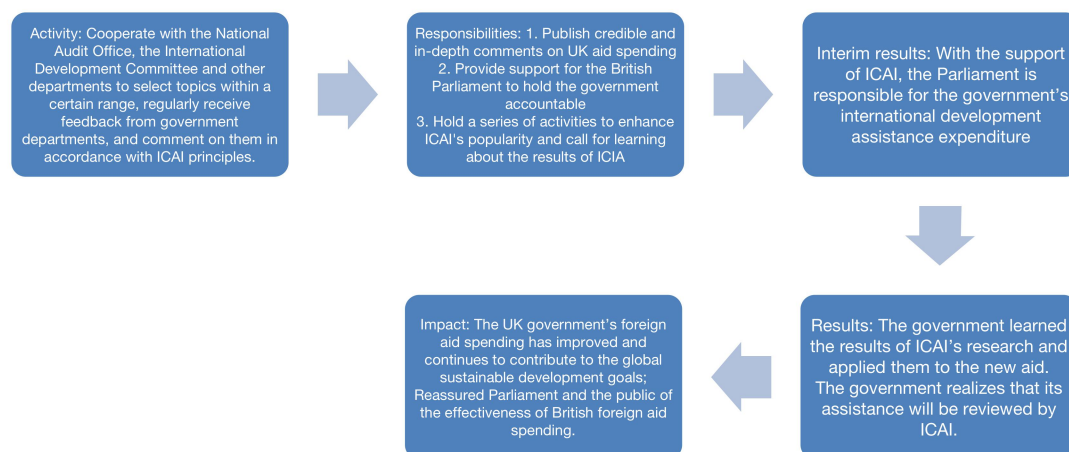


Chart 12 UK ICAI review on foreign assistance progress¹⁶³

DFID also undertakes part of the aid evaluation function. As the main department of ODA in the UK, DFID is responsible for counting the implementation of the overall ODA in the UK. Since the promulgation of “2006 Report and Transparency Act”, DFID has been responsible for publishing the international development report of ODA in the UK¹⁶⁴; in addition, DFID also tracks the foreign aid projects that have been carried out. These projects include not only DFID but all UK ODA projects¹⁶⁵.

¹⁶² ICAI: about us: <https://icai.independent.gov.uk/about-us/>

¹⁶³ SELF-MADE ICAI: about us: <https://icai.independent.gov.uk/about-us/>

¹⁶⁴ UKDFID:Collection:Statistics on International Development
<https://www.gov.uk/government/collections/statistics-on-international-development>

¹⁶⁵ <https://devtracker.dfid.gov.uk/>

Section 2 Analysis of the content of UK's official assistance to Pakistan since the 21st century

Pakistan is the largest recipient of aid from UK in recent years. According to the statistics of the UK's International Development Cooperation Agency (DFID), Pakistan has become the largest recipient of foreign aid from the UK for four consecutive years from 2015 to 2018¹⁶⁶.

1. Overview of assistance

Pakistan is the strategic focus of UK's aid. In recent years, it has been the number one target country for UK's ODA. The DFID office in Pakistan has the largest budget of all DFID country offices and plans to spend £302 million in 2019/20 (down from £325 million in 2018/19). In 2018/19, most of the budget (53%) is for human development (including health and education), and the remaining budget is for economic development (29%), governance and security (10%), and climate and environment (5%) And humanitarian assistance (3%). UK's democracy through cross-government conflict, Stability and Security Foundation (CSSF) (official development assistance for 2018/19 is £8 million) and the rule of law (2018/19) – the latter includes the improvement of Pakistan's ability to prosecute terrorists in accordance with international standards jobs. Pakistan has also received official development assistance (focusing on education and skills) managed by other UK's government departments (such as HMRC) and the Scottish government¹⁶⁷.

The following chart is the annual change of UK ODA to Pakistan in this century.

¹⁶⁶ UKDFID: Statistics on International Development 2018, pp.5
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857904/Statistics-on-International-Development-final-aid-spend-2018d.pdf

¹⁶⁷ UK parliament 'UK aid to Pakistan inquiry Launched'
<https://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/news-parliament-2017/uk-aid-to-pakistan-launch-17-19/>

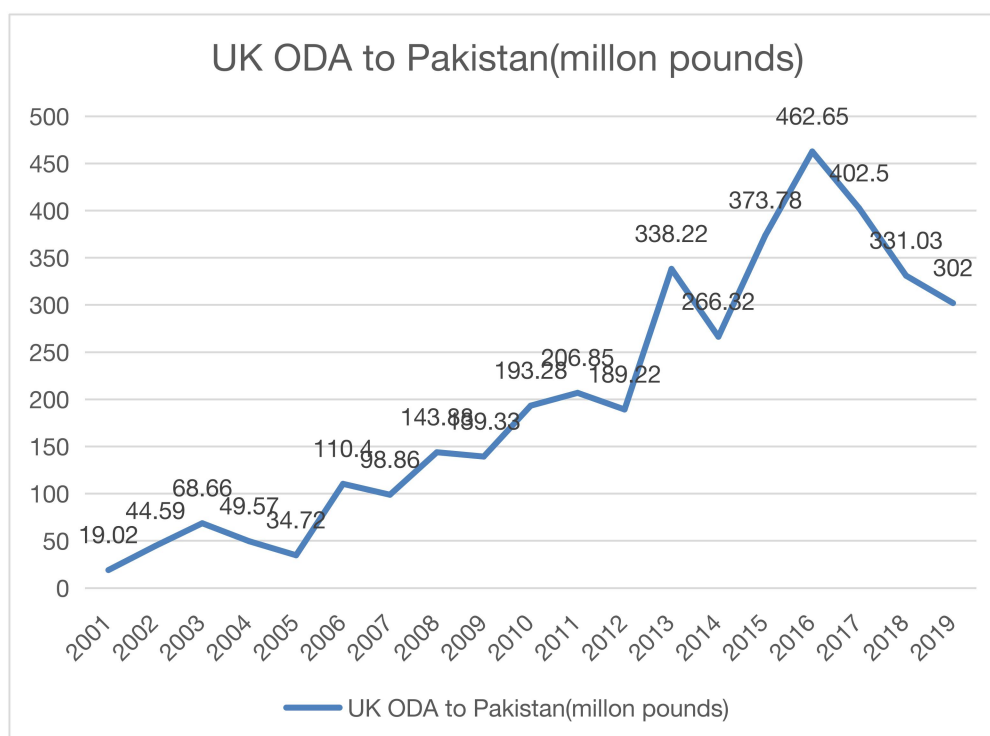


Chart 13:UK ODA to Pakistan by year¹⁶⁸

In 2001, the UK's ODA to Pakistan amounted to 19.02 million pounds. In 2016, the amount of UK's aid to Pakistan peaked at 463 million pounds. Since then, this number has continued to decline, and the amount of ODA in 2019 fell to 302 million pounds. Despite three consecutive years of decline, the UK is still Pakistan's largest source of ODA.

UK's aid in Pakistan has also received a series of results. According to a report released by DFID in 2018, UK's foreign aid has achieved remarkable results in poverty eradication and humanitarian aid, economic development and institution building:

¹⁶⁸SELF-MADE, Data resource: 2001-2005:UK national Archive: 'Statistic on International Development 2006 Edition'

<https://webarchive.nationalarchives.gov.uk/20090605201209/http://www.dfid.gov.uk/About-DFID/Finance-and-performance/DFID-Expenditure-Statistics/Statistics-on-International-Development-2006/>

2006: 'Statistics on International Development 2007'

<https://webarchive.nationalarchives.gov.uk/20090605211956/http://www.dfid.gov.uk/Documents/publications/sid2007/sid07-full-version.pdf>

2007: 'Statistics on International Development 2008'

<https://webarchive.nationalarchives.gov.uk/20090605201409/http://www.dfid.gov.uk/Documents/aboutdfid/sid2008/FINAL-printed-SID-2008.pdf>

2008: DFID:'Statistics on International Development 2004/5-2008/9'

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/67720/final-printed-sid-2009.pdf

2009-2018:DFID: 'Table A4b: Total UK Bilateral ODA by Country - Asia'

<https://www.gov.uk/government/statistics/statistics-on-international-development-final-uk-aid-spend-2018>

2019: UK Parliament:'UK aid to Pakistan inquiry Launched'

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/news-parliament-2017/uk-aid-to-pakistan-launch-17-19/>

Eradicate extreme poverty and provide humanitarian assistance: Since 2011, UK aid has delivered: primary education for more than 9 million children (of which 4.6m are girls); skills training for over 256,000 people (47% women); access to small loans for 5.8 million people (53% women); more than 1 million safer births; contributed to cash supplements for 5.2 million of the poorest women and their families; and humanitarian assistance for over 7.6 million people following natural disasters and conflict.

Economic development: The UK was integral to Pakistan's completion of a three year International Monetary Fund programme in September 2016, averting a financial crisis in 2013. Between 2013 and 2016, economic growth rose from 3.7% to 4.7%. The tax take has increased from 10% of GDP in 2013 to 12.5% in 2017.

Institutional building: The UK works at federal and provincial level to build capacity, improve public sector institutions and delivery, and tackle corruption. With UK support; citizens' budgets have been published in Punjab and Khyber Pakhtunkhwa; £160 million of bank loans have been facilitated for 30,000 small and medium enterprises; and 17 million poor people have access to digital banking. Pakistan joined the Open Government Partnership in 2016 demonstrating a commitment to greater government accountability and transparency¹⁶⁹.

2. Features

The amount is large. Due to the decline in U.S. aid to Pakistan in recent years, the amount of aid to Pakistan has fallen to US\$290 million¹⁷⁰ in 2019, compared with the UK's aid to Pakistan of £302 million in 2019. The UK has become Pakistan's largest aid provider country.

The aid field is relatively concentrated, with special emphasis on education and health. In terms of amount, the UK's expenditure on ODA in Pakistan is mainly concentrated in human development (health and education); economic development and governance and security. In recent years, aid spending in education and health has been the largest part of UK foreign aid.

¹⁶⁹ UK DFID: DFID PAKISTAN

<https://reliefweb.int/sites/reliefweb.int/files/resources/Pakistan-July-2018.pdf>

¹⁷⁰ USAID by Country-Pakistan

https://explorer.usaid.gov/cd/PAK?measure=Obligations&fiscal_year=2020

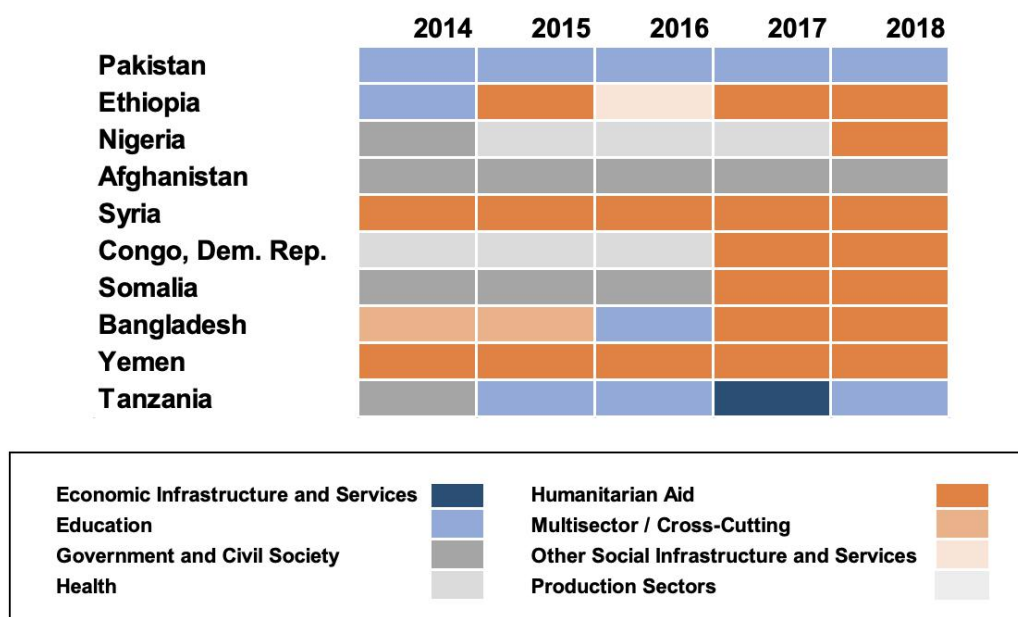


Chart 14 Top 10 recipients of UK bilateral ODA 2018, by largest sector spend¹⁷¹

The implementation process is transparent and there are many participating departments. The transparency of UK's foreign aid is very high, and every project of UK's ODA can be found on the DFID project tracking website¹⁷². In the United Nations Development Program (UNDP) aid transparency report for 2018, the DFID's aid transparency index for major UK aid agencies is as high as 90.9, second only to the Asian Development Bank (98.6) and UNDP (95.4), ranking aid agencies in all countries the first¹⁷³.

The monitoring and evaluation system is sound. The first section provides an overall introduction to the monitoring and evaluation system of UK's foreign aid. There are two oversight agencies of UK's foreign aid, the Accountable Commonwealth International Development Committee and the ICAI responsible for providing materials for the International Development Committee. In the process of ICAI's review and evaluation of the UK's foreign aid expenditures, it cooperated with some other think tanks and consulting companies. These institutions are independent from the government, which ensures that the impact of aid agencies can be maximized during the review

¹⁷¹From: DFID: 'Statistics on International Development 2018' page 40
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857904/Statistics-on-International-Development-final-aid-spend-2018d.pdf

¹⁷² <https://devtracker.dfid.gov.uk/>

¹⁷³ UNDP: The Transparency of Aid 2018 <http://www.publishwhatyoufund.org/the-index/2018/>

process. Research independence and objectivity. The International Development Committee, which is responsible for ultimate accountability, is under parliament and is part of the legislature. This is independent of the government department as the executive, ensuring that the accountability process can be conducted fairly and objectively. At the same time, DFID, as the main implementation department of the UK's ODA, also played an important role in the evaluation process. As the main implementation department, it used its first-hand information and research facilities to track the project and publish the ODA in the world from time to time. Aid project evaluation report. All in all, the UK's aid monitoring and evaluation system has achieved both detailed and open evaluation materials and open and fair review process.

Section 3: Analysis of the Motivation of UK's Aid

The first two sections introduce the UK's foreign aid system and the overview of UK's aid to Pakistan in this century. This section will discuss the motivation of UK's aid to Pakistan. Regarding the motives of the UK's aid to Pakistan, the UK's government released "UK's aid: responding to global challenges faced by national interests" and introduced the current four main objectives of UK's foreign aid: the UK's development strategy. "UK's aid: responding to global challenges for national interests." "Outlines four priorities: 1) strengthening global security; 2) resilience and crisis response; 3) promoting global prosperity; 4) solving extreme poverty¹⁷⁴. These four goals are all focused on the goals that UK's aid is expected to accomplish in the recipient countries. At the same time, foreign aid should also serve the national interest. Former UK's DFID Minister Penny Mordaunt stated in January 2018: "Development policy will not exist in a vacuum, this will be a joint response to the challenges and opportunities we are facing as a country Part of this. This new proposal will provide a clear 'win-win'¹⁷⁵ for the UK and the world's poorest countries. "Combining the UK's aid to Pakistan, it can be found that UK's aid in Pakistan can be political, economic, security and humanitarian in winter. Four aspects to analyze.

¹⁷⁴ UKDFID 'UK aid: tackling global challenges in the national interest' P3
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/478834/ODA_strategy_final_web_0905.pdf

¹⁷⁵ Central for Global Development: 'Aid in the National Interest: When is Development Cooperation Win-Win?'
<https://www.cgdev.org/blog/aid-national-interest-when-development-cooperation-win-win>

1. Politics

Pakistan was once a UK's colony and is now a member of the Commonwealth. The UK's Foreign Secretary commented on the bilateral relationship between the UK and Pakistan in 2011. The UK hopes to see Pakistan develop and maintain a democratic future. This is not through our intervention in the sovereignty decisions of Pakistan and its parliament and government, but by helping to strengthen These decisions provide the framework for the institutions. These decisions should be made in a multiple and legal manner in a responsible manner... UK is a founding member of the Friends of Democracy Pakistan and provides support to the Pakistan Election Commission¹⁷⁶.

The political motives of UK's aid to Pakistan can be considered from both micro and macro aspects. At a micro level, the UK is trying to improve Pakistan's current political system through aid. During this improvement, Pakistan will inevitably absorb the UK's experience. Pakistan's political system will be more similar to that of the UK's political system, which will benefit the UK and Pakistan. Future relationship development; from a macro perspective, when the UK formulated the Aid Target Act in 2015, it established that the UK will become the world's "leader" in foreign aid. This pursuit of leadership status is also the UK's attempt to pass The country's foreign aid around the world is a manifestation of its own international influence. All in all, UK's aid to Pakistan hopes to have an impact on Pakistan's political system at the political level; on the other hand, as part of the overall strategy of UK's foreign aid, it is also for the purpose of enhancing the global influence of UK.

2. Economy

The report released by DFID pointed out that UK's aid in Pakistan will help improve Pakistan's investment environment, support economic growth, and create better conditions for UK's companies to invest and trade¹⁷⁷. Similar to the economic motivation for China's assistance to Pakistan in Chapter 2, UK also sees the huge potential of Pakistan's economic development in the

¹⁷⁶ UK Government: Speech "UK's relationship with Pakistan is here to stay"
<https://www.gov.uk/government/speeches/UKs-relationship-with-pakistan-is-here-to-stay>

¹⁷⁷ UK DFID:DFID PAKISTAN
<https://reliefweb.int/sites/reliefweb.int/files/resources/Pakistan-July-2018.pdf>

future. Pakistan has a population of more than 200 million, including a large number of young people. Pakistan has great economic complementarity for China, especially for the UK. If the market can be expanded in the growing economy of Pakistan, it will inject new impetus into the UK's economic development. Similar to the China-Pakistan Economic Corridor, the UK launched the ODA project called "Pakistan Economic Corridor Plan" in 2015. This project is the second largest project¹⁷⁸(2018) for Pakistan ODA to Pakistan, after the study in Chapter 5. Case Punjab Education Improvement Program.

At present, the UK is one of Pakistan's main trading partners. In 2018, Pakistan's total exports were about 23.6 billion US dollars, and exports to the UK were about 1.729 billion US dollars. It is the third largest destination country for Pakistan's exports, second only to The United States (\$3.802 billion) and China (\$1.818 billion). The total import value was US\$60.16 billion, the UK's exports to Pakistan were US\$865 million, ranking 15th, and China ranked first with about US\$14.545 billion. The UK has a trade deficit of about US\$860 million with Pakistan¹⁷⁹. In the future, economic cooperation between the UK and Pakistan still has a lot of room for development.

3. Security

Pakistan has always been the hardest hit by terrorist activities. The second chapter illustrates Pakistan's current severe security situation. Pakistan's national security is being attacked by racism, regional separatism and terrorism. Investigating its root causes, development issues are an important reason for these issues, while population issues are a key factor restricting Pakistan's economic development and social stability.

Although the population growth rate has declined, the current 2% population growth rate still makes Pakistan one of the fastest growing countries outside Africa. According to the latest data in 2020, Pakistan's population has exceeded 220 million¹⁸⁰. The rapidly growing population has

¹⁷⁸ UK DFID:DFID PAKISTAN

<https://reliefweb.int/sites/reliefweb.int/files/resources/Pakistan-July-2018.pdf>

¹⁷⁹ WITS: Pakistan profile

<https://wits.worldbank.org/CountryProfile/en/Country/PAK/Year/2018/TradeFlow/Export/Partner/by-country>

¹⁸⁰ Source: WORLD METERS: <https://www.worldometers.info/world-population/pakistan-population/>

caused some intellectuals to worry. Pakistani writer Zaid Hussain wrote in the "Dawn News": "The population explosion presents the most serious challenge to the socio-economic stability and security of this country. 60% of the population under the age of 30 have no job opportunities This is simply a disaster. What is most worrying is that this population explosion and its impact have not attracted the attention of political leaders engaged in fierce power struggle... Such a high population growth rate and huge youth expansion and significantly reduced economic opportunities make it more difficult to deal with radical and radical threats. There may be no direct link between radicalization and poverty, but some studies have shown that illiteracy is one of the main reasons that attract youth to extremist religious groups. Illiterate and unemployed people provide ready-made volunteers for radical organizations of various colors... At the same time, a large population growth is one of the factors that cause environmental degradation.¹⁸¹" "Washington Post" also thought about this phenomenon¹⁸², Pakistan's 2017 census made many officials, including government officials, began to pay attention to population growth issues, family planning policy has been carried out nationwide. Although Muslim education encourages childbearing, saying that Allah will take care of all children, the pressures of real life still cause some people to consider practical issues when giving birth. According to the current fertility rate, Pakistan's population growth will continue for a long time. Education is of great significance in changing people's concept of fertility and ensuring social stability while population growth. The DFID's assistance report on Pakistan pointed out the significance of the UK's ODA in improving the security situation in the UK. DFID is helping Pakistan become a more prosperous and inclusive country, which will help millions of poor people have a better future (including children and marginalized groups currently in slavery) and improve Pakistan's stability and Safety. There are some extremism, illegal immigrants and criminals in Pakistan, all of which may pose a danger to the UK, and through the development of various aspects of Pakistan through the work of DFID will help the UK to avoid these risks¹⁸³.

Pakistan is one of the main sources of immigrant population in the UK. According to the 2011

¹⁸¹ DAWN: "Exploding population bomb"

<https://www.dawn.com/news/1354793/exploding-population-bomb>

¹⁸² The Washington Post: "A disaster in the making': Pakistan's population surges to 207.7 million"

https://www.washingtonpost.com/world/asia_pacific/a-disaster-in-the-making-pakistans-population-h-as-more-than-doubled-in-20-years/2017/09/08/4f434c58-926b-11e7-8482-8dc9a7af29f9_story.html

¹⁸³ UK DFID: DFID PAKISTAN

<https://reliefweb.int/sites/reliefweb.int/files/resources/Pakistan-July-2018.pdf>

UK's Census, Pakistani-UK's people are the second largest minority group in the UK, with approximately 1.17 million people¹⁸⁴. The security and stability within Pakistan may affect UK's national security in an indirect or direct manner. Although the UK hopes that aid will ultimately protect the UK's mainland from danger. But at present, such incidents have not been completely eliminated. On November 29, 2019, a 28-year-old man named Usman Khan stabbed three people near London Bridge and wounded two others. Eventually he was killed by police on London Bridge. The attacker was a Pakistani immigrant from UK had previously been imprisoned for contact with Islamic extremist groups¹⁸⁵. Some Pakistani-UK's people have also become elites in UK's society. The current UK's Chancellor of the Exchequer, Richie Sunak, is an example. Assistance in education and economics is one of the ways to reduce terrorism and the rise of extreme forces from the source, but the cycle is longer and requires long-term efforts by the UK.

4. Humanitarianism

Pakistan is currently facing a series of social problems, and the basic rights of a considerable number of people cannot be guaranteed. On the other hand, limited by the level of economic development, the state has limited ability to respond to major natural disasters and terrorist crises and other man-made crises.

With regard to basic human rights, the education rights of Pakistani citizens and the rights of women and children urgently need to be guaranteed. Currently, nearly one third of Pakistan's population lives in poverty (more than 60 million people), and women are the most affected. 22.6 million children do not go to school, and half of the country's population, including two-thirds of women, do not have literacy skills. One-fifth of eleven-year-old children die before their fifth birthday, 9700 women die each year in childbirth, and 44% of children under five years of age are stunted¹⁸⁶. These phenomena are an important reason why UK provides assistance to Pakistan in education and health.

Due to its special geographic location and natural environment, Pakistan is a country plagued by

¹⁸⁴ Office for National Statistics:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/2011censusquickstatisticsforenglandandwales/2013-01-30#main-language>

¹⁸⁵ BBC: 'London Bridge: Who was the attacker?' <https://www.bbc.com/news/uk-50611788>

¹⁸⁶ UK DFID: DFID PAKISTAN

<https://reliefweb.int/sites/reliefweb.int/files/resources/Pakistan-July-2018.pdf>

natural disasters. The north and west of Pakistan are vulnerable to earthquakes, while the Indus basin in the territory is a flood-prone area during the summer. In addition, Pakistan often suffers from natural disasters such as floods caused by heavy rains, landslides, droughts and insects. In addition to natural disasters, terrorist activities also have a high frequency in Pakistan¹⁸⁷. The situation in neighboring Afghanistan has been unstable for a long time, generating a large number of refugees every year (2.7 million refugees in 2018), and Pakistan is the second largest recipient of refugees in the world (1.4 million refugees nationwide in 2018)¹⁸⁸. Due to the low level of economic development and the serious unemployment problem in Pakistan, the influx of large numbers of refugees has exacerbated the already existing social problems.

The low level of social development has made it difficult to fully guarantee the basic rights of Pakistani citizens. Natural disasters, terrorist activities and the influx of large numbers of refugees have exacerbated the existing problems of people's livelihood in society. These factors make Pakistan urgently need humanitarian assistance from other countries.

In this chapter, we will introduce the current international aid system of the UK in the first section, and briefly introduce the UK's foreign aid to Pakistan since the 21st century in the second section from the facts. Through the introduction of the first two sections, the third section starts with a realistic perspective of the theory of international relations, and specifically discusses the motivation of the UK's aid to Pakistan.

¹⁸⁷ ADRC: 'COUNTRY REPORT OF PAKISTAN'

https://www.adrc.asia/countryreport/PAK/2015/PAK_CR2015A.pdf

¹⁸⁸ Source: UNHCR 'Global Trends: Forced Displacement in 2018' pp.3
<https://www.unhcr.org/5d08d7ee7.pdf>

Chapter V Case study: Punjab Education Sector Program II

The largest part of the UK's government's assistance to Pakistan is education, which is not exactly the same as the overall distribution of UK's ODA. In the overall ODA distribution in the UK, education expenditure ranks sixth, after health, disaster relief, financial assistance, and government and civil society¹⁸⁹. It can be seen that the priority of education assistance in Pakistan is. Among these educational aid projects, the largest investment in current funding is the second phase of the Punjab Education Support Project (PESP II).

Section 1 Project Introduction

This section will describe the PESP II from the project's objectives, start and end dates, budget, content, and current results five aspects.

1. Project goal

increase enrollment rate and enhance teaching outcomes including literacy and arithmetic, especially for girls who have been long-term marginalized in primary and secondary education in Punjab. All children in public schools (including 6 million elementary and 4 million middle school students) and children attending Punjab Education Foundation (PEF) (approximately 2.2 million), including 50% of the girls Benefit from a project¹⁹⁰.

2. Project duration and budget

The project started on February 22, 2013, and plans to end on March 31, 2021. Almost 90% has been completed. The total project budget is around 387 million pounds¹⁹¹.

3. Project content

The project content of PESP II mainly has nine components:

¹⁸⁹ <https://devtracker.dfid.gov.uk/>

¹⁹⁰ UKDFID: "Punjab Education Support Programme II" <https://devtracker.dfid.gov.uk/projects/GB-1-202697>

¹⁹¹ UKDFID: "Punjab Education Support Programme II" <https://devtracker.dfid.gov.uk/projects/GB-1-202697>

A. Financial aid to improve access to and quality of education in government schools through the School Education Department (SED) and its allied institutions including Quaid-e-Azam Academy for Educational Development, Punjab Curriculum and Text Book Board, Punjab Examination Commission and the Programme Monitoring and Implementation Unit.

B. School Construction and Rehabilitation Programme (SCRCP) to build additional classrooms and missing facilities and rehabilitation of existing government schools. This component is delivered by the commercial firm IMC Worldwide, through financial aid to the GoPb, and an Accountable Grant with The Citizen's Foundation. Third party verification of construction is undertaken by the commercial firm Cardno.

C. Financial aid to the Punjab Education Foundation (PEF) to improve access to and quality of education in Punjab's low fee private school sector through an Education Voucher Scheme (EVS), New Schools Programme (NSP), and Foundation Assisted Schools (FAS) programme.

D. Targeted support to PEF to tackle social exclusion and inequality by identifying and enrolling out of school children in the 11 lowest-performing priority districts in Punjab.

E. Financial aid to the GoPb Special Education Department for an inclusive education programme to provide formal schooling opportunities to children with mild disabilities.

F. Financial aid to the Punjab Education Endowment Fund (PEEF) to provide scholarships for talented female students from poor households in 16 districts to study at intermediate level; and for male and female students to study at tertiary level.

G. A technical assistance (TA) component to deliver the programme and manage key components through a commercial supplier - comprising Cambridge Education and Delivery Associates - providing support to the GoPb, the Chief Minister's Education Roadmap process and other partners in the PESP II programme.

H. Advancing Action for Adolescent Girls (A3G) for 20,000 out of school adolescent girls in three of the lowest performing districts of South Punjab through an accountable grant with the NGO Idara-Taleem-o-Aagahi (ITA).

I. A programme performance evaluation component led by Oxford Policy Management (OPM)¹⁹².

4. Achievement

Enrolment and access: 1.6 million more children in government schools since 2012.

Public private partnerships: 1.45 million more students enrolled in PEF supported schools.

Increased student attendance by more than 10% points from 79% in September 2011 to 90.8% in August 2019.

Increased teacher attendance by 10% points from 85% to 95.5% (equivalent to over 40,000 more teachers in the classroom each day).

Over 50,000 scholarships awarded to girls from low income households for higher secondary and tertiary education.

Over 20,000 out of school adolescent girls in the most marginalized districts of Punjab provided with second chance education and vocational skills opportunities¹⁹³.

In a word, the PESP II is mainly work on three main field: the enrollment of the out of school students, the gender equality in education and the teaching performance.

Section 2. Project Background

After introducing the Punjab education support project, this section will provide a background introduction to the project, including the selection of the status of educational aid in the UK' s assistance to Pakistan, the state of education in Punjab and the introduction of policies.

1. The status of education in UK aid to Pakistan:

Since the 21st century, educational aid has been playing an important role in UK's aid to Pakistan. DFID 's " Summary of DFID Work in Pakistan 2011-2016 " published in 2015 explains the importance of educational assistance: Pakistan' s education system is facing huge challenges, and the country' s youth population is increasing. Within 20 years, the number of

¹⁹² DFID: 'Annual review (4) 202697 (Published - February, 2020)' http://iati.dfid.gov.uk/iati_documents/53982819.odt

¹⁹³ DFID: 'Annual review (4) 202697 (Published - February, 2020)' http://iati.dfid.gov.uk/iati_documents/53982819.odt

young Pakistanis will exceed the entire UK's population. As more and more people with better reading, writing and math skills join the workforce, each full year of additional education in the population increases economic growth by 1 percentage point. If these young people are educated, healthy and capable of working, they will provide a lot of talent and productivity, which will unlock the huge demographic dividend of Pakistan's potential. The report then listed education as a priority target for DFID's assistance in Pakistan¹⁹⁴.

2. The current state of education in Punjab. Punjab is located in the east of Pakistan and borders Punjab in India. The population is about 110 million (2017), and the population growth rate is 2.13% (average from 1998 to 2017), the lowest among the states of Pakistan¹⁹⁵. Punjab adult average education years is 5.41 years (2018) . The number of years of education in Punjab is close to the national data of Pakistan, far lower than developed countries and lower than those of the two largest developing countries, China and India. Detailed data comparison is shown in the table below

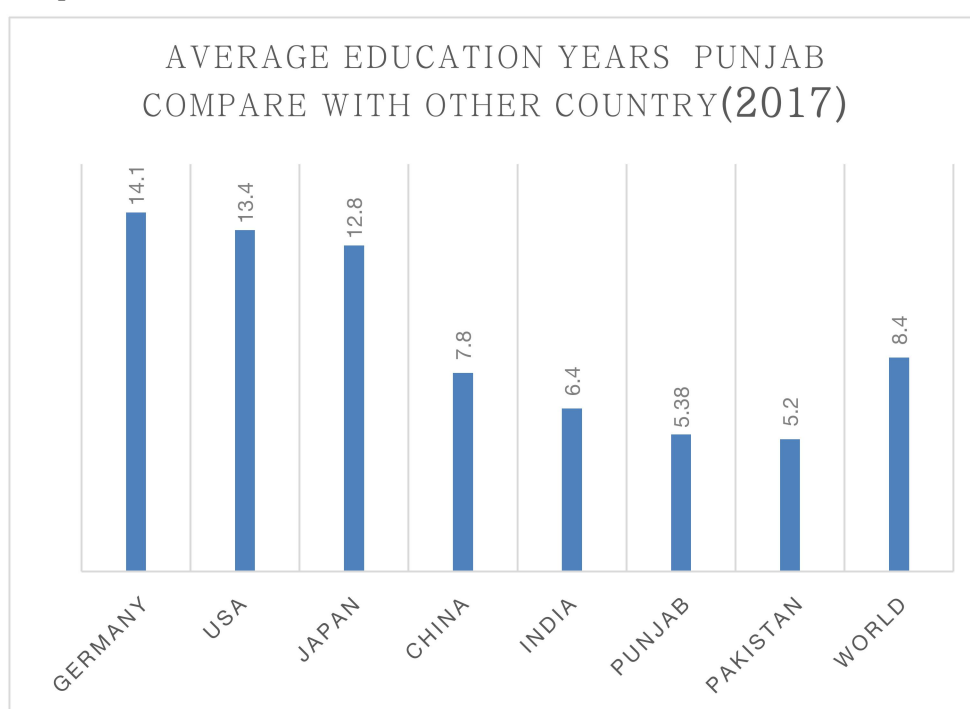


Chart 15 Average education years:Punjab compare with other country¹⁹⁶

¹⁹⁴ DFID: "Summary of DFID's work in Pakistan 2011-2016"

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/412393/Pakistan-summary.pdf

¹⁹⁵ Pakistan Bureau of Statistics 'DISTRICT_WISE_CENSUS_RESULTS_CENSUS_2017'

https://web.archive.org/web/20171013092156/http://www.pbscensus.gov.pk/sites/default/files/DISTRICT_WISE_CENSUS_RESULTS_CENSUS_2017.pdf

¹⁹⁶SELF-MADE, Data source: United Nations Development Program (UNDP) Human Development Report <http://hdr.undp.org/en/indicators/103006>

In the 21st century, Punjab's average years of education have grown significantly, and it is the largest sub-administrative region in the 21st century. The chart below shows the changes in the number of years of education per capita in various administrative regions of Pakistan since 2001

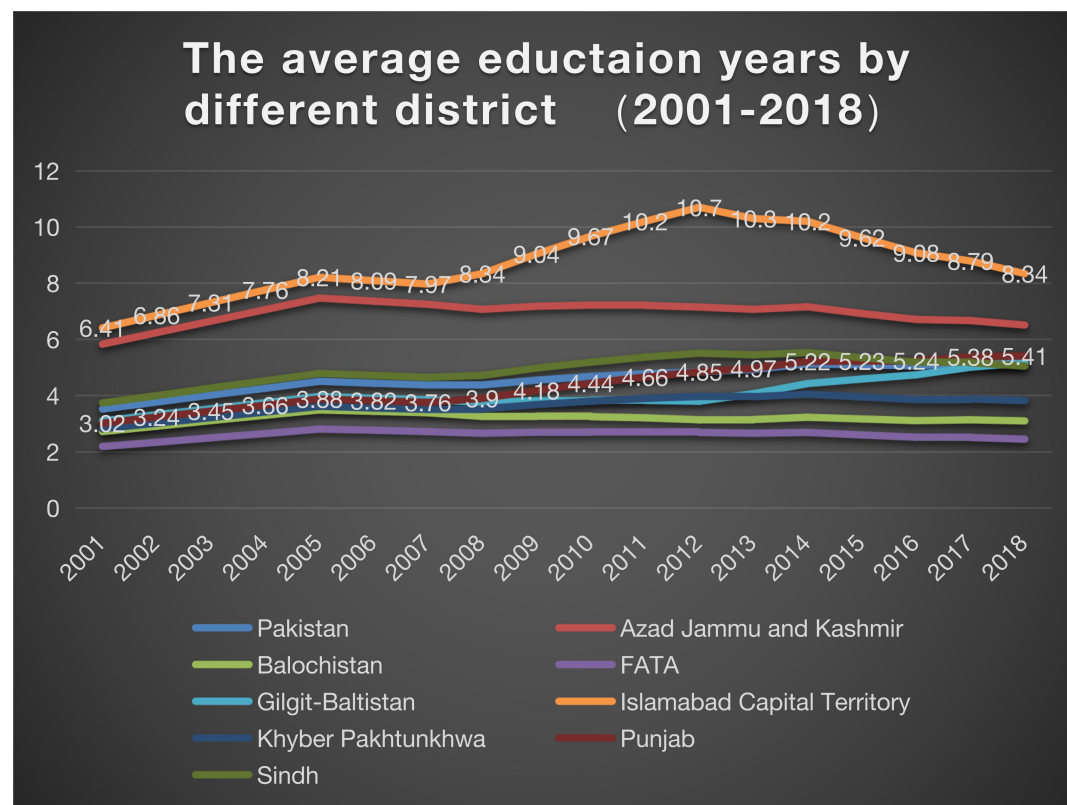


Chart 16 The average education years by different district¹⁹⁷

Considering that Punjab has a population of more than 100 million, the growth of average education years is a more difficult task, the proportion of the Pakistan population by district is in the pie chart below.

The Punjab data source is:

https://globaldatalab.org/shdi/msch/PAK/?interpolation=0&extrapolation=0&nearest_real=0&colour_scales=global

¹⁹⁷SELF-MADE, DATA resource: Global Data Lab: 'Subnational Human Development Index (4.0)'

https://globaldatalab.org/shdi/msch/PAK/?interpolation=0&extrapolation=0&nearest_real=0&colour_scales=global

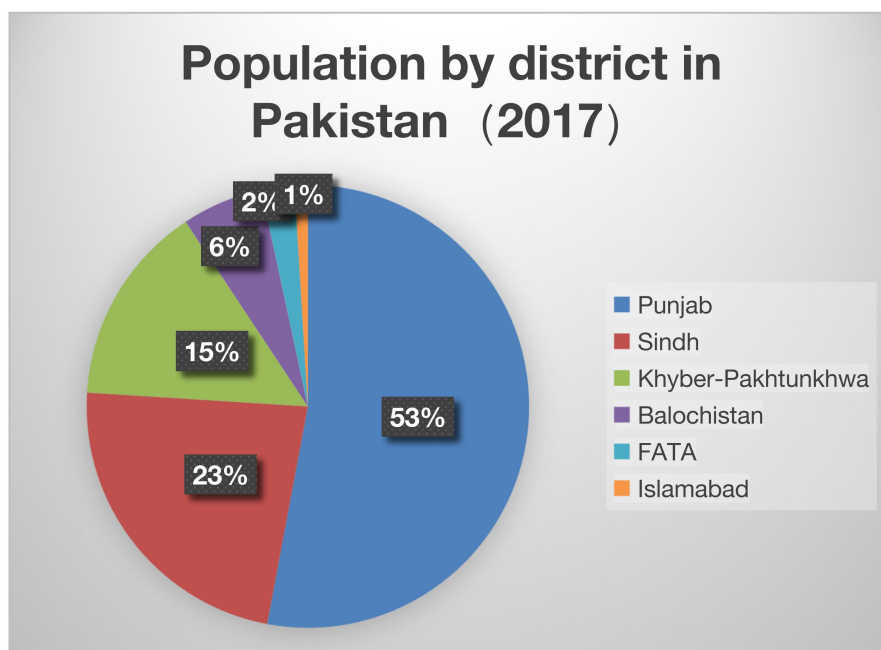


Chart 17 Population by district in Pakistan¹⁹⁸

Section 3 Project Impact and Evaluation

The influence of PESP II in Punjab mainly includes three aspects: improving the enrollment rate of school-age children, increasing the teacher attendance rate, and promoting equality between men and women in education.

In terms of increasing the enrollment rate of school-age children, the number of students enrolled in public schools increased by approximately 1.6 million between 2012 and 2019, and the number of students enrolled in PEF supported schools increased by approximately 1.45 million, which resulted in the enrollment rate of school-age children in Punjab From 79% in September 2011 to 90.8% in August 2019, an increase of more than 10 percentage points.

In terms of improving the teacher attendance rate, the number of teachers appearing in the school classroom every day increased by 40,000 compared with before the project started, and the teacher attendance rate in the classroom increased by 10%, from 85% to 95.5%.

¹⁹⁸SELF-MADE, data from Pakistan Bureau of Statistics: 'DISTRICT_WISE_CENSUS_RESULTS_CENSUS_2017' https://web.archive.org/web/20171013092156/http://www.pbscensus.gov.pk/sites/default/files/DISTRICT_WISE_CENSUS_RESULTS_CENSUS_2017.pdf

In terms of promoting equality between men and women in education, the project provides more than 20,000 out-of-school girls from remote areas of Punjab with a second education opportunity¹⁹⁹.

Regarding the implementation effect of the PESP II project, the DFID report evaluated it from six aspects, see the table below for details²⁰⁰

OUTPUT	SCORE	IMPACT WEIGHT
Stronger leadership and accountability	B	15
Better teacher performance and better teaching	A	15
High quality infrastructure	C	15
Improved access to schools, especially in priority districts	A+	35
Top political leadership engaged on education reform agenda	B	10
High quality technical assistance (TA) to government stakeholders that builds sustainable systems and process	A	10

Punjab State pointed out in the "Annual Education Status Report" released in 2018 that the proportion of out-of-school children in Punjab is decreasing, the quality of teaching is improving, and there is progress in promoting gender equality²⁰¹. This shows that the education situation in Punjab is indeed improving.

Section 4 Project Motivation

¹⁹⁹ DFID:Annual review (4) 202697<https://devtracker.dfid.gov.uk/projects/GB-1-202697/documents>

²⁰⁰ DFID:Annual review (4) 202697<https://devtracker.dfid.gov.uk/projects/GB-1-202697/documents>

²⁰¹ Academia: 'NEWS Status of Education Report 2018: Punjab Improves Quantitative, Qualitatively'
<https://academiamag.com/status-of-education-report-2018-punjab/>

PESP II is actually a follow-up project of PESP. PESP was another education aid project in Punjab supported by UKDFID which started in December 2009 and ended in June 2014. The project budget is about 79 million pounds²⁰², the project was aim to improve education opportunities and fairness in Punjab and the quality of education²⁰³, etc. Similar to PESP, overall goal of PESP II is to improve the education situation in Punjab Bond. Combined with the analysis of the UK's overall motivation for Pakistan's aid, the motivation PESP II can be analyzed in terms of economic, humanitarian and political security.

1. Economic motivation

Pakistan currently has a population of more than 220 million, with a 22.8 years median age of population, making Pakistan become the fifth most populous country in the world²⁰⁴. Pakistan has a sufficient young labor force, but Pakistan's low education level limits Pakistan's demographic advantage. On the one hand, the country's economic development lacks high-level and high-quality talented workforce, and on the other hand, a large number of young people are facing an unemployment crisis. In the long run, Pakistan's future economic development needs to improve Pakistan's education level. Punjab's education level has been improved, but the current level still cannot meet the needs of future economic development. The UK hopes to continue to improve Punjab's education level through foreign aid. Punjab is currently the province with the highest level of economic development in Pakistan. In 2018, Punjab's GDP accounted for about 57% of Pakistan's overall GDP, higher than 55% of the population²⁰⁵. Although Punjab is the region with the strongest overall economic strength in Pakistan, Punjab's economic growth rate need to increase to 7.5%, so that Punjab can provide sufficient jobs due to the high population growth rate. But the current Punjab's economic growth rate is only 3.5%²⁰⁶. An important way to provide power for Punjab's economic

²⁰² DFID development tracker: <https://devtracker.dfid.gov.uk/projects/GB-1-200694>

²⁰³ WORLD BANK Pakistan - Punjab Education Sector Project - AF
<https://projects.worldbank.org/en/projects-operations/project-detail/p102608#results>

²⁰⁴ Worldmeters: Pakistan population:
<https://www.worldometers.info/world-population/pakistan-population/>

²⁰⁵ DAWN:Economics and extremism <https://www.dawn.com/news/844412/economics-and-extremism>

²⁰⁶ THEIGC:Punjab Growth Strategy 2018
<https://www.theigc.org/wp-content/uploads/2015/04/Punjab-Growth-Strategy-2018-Full-report.pdf>

development is to help Punjab develop education, and Punjab's economic prosperity is in line with the UK's economic interests in Pakistan.

2. Humanitarian motivation:

The humanitarian motives of PESP II mainly include improving gender equality and improving education status. Pakistan is one of the most gender unequal countries in the world. According to the 2020 Global Gender Gap Report, Pakistan's performance in gender equality ranks 151 out of 153 countries²⁰⁷. One of PESP II's goals is to provide women with equal educational opportunities as men. Overall, the primary goal of the project is to improve the educational environment in Punjab.

3. Political and security motives

Punjab is the most populous province in Pakistan and the center of economic development. The Punjabi are the most populous race in Pakistan and are the dominant force in Pakistani politics. The development of education in Punjab will help the UK to subconsciously strengthen the positive impression of the UK's government through the aid of education. In addition, UK's values will also have a subtle influence on them.

The project as an aid in the field of education also contributes to the future prosperity and stability of Punjab. At present, a large number of unemployed youths and low-quality youths are increasingly becoming unstable factors in Punjab and even Pakistani society due to social structural reasons such as poverty. The root cause of this problem is education and economic development.

²⁰⁷ 'Gender Gap Index 2020: Pakistan least performer in South Asia'
<http://www.datastories.pk/gender-gap-index-2020-pakistan-least-performer-in-south-asia/>

Chapter VI Comparison of aid to Pakistan between China and UK

Section 1 Assistance Mechanism

This section will compare China's and UK's aid mechanisms from four aspects: foreign aid decision-making mechanism, implementation mechanism, supervision mechanism and evaluation mechanism.

1. Decision-making mechanism

According to the introduction of responsibilities on the website of China National Development Cooperation Agency (CIDCA), China's aid policy is formulated by CIDCA²⁰⁸, which suggests CIDCA has replaced the Ministry of Commerce's function in formulating China's foreign aid policy. As mentioned earlier, the overall UK aid policy is jointly formulated by DFID and the Ministry of Finance. Although DFID is responsible for the assessment and statistics of the overall foreign aid of the UK, each government department involved in foreign aid has its own aid policy. The aid policy of DFID only applies to DFID itself.

At present, China's foreign aid decision-making mechanism is more concentrated than that of the UK. CIDCA is responsible for the overall foreign aid policy of the country, while the UK's foreign aid decision-making departments include DFID and the Ministry of Finance.

2. Implementation mechanism

In China, the CIDCA, which is responsible for aid policy decisions. But it is not the implementing agency for foreign aid. The specific agencies responsible for implementation are the embassies of the Ministry of Foreign Affairs in the recipient countries and the Bureau of International Economic Cooperation of the Ministry of Commerce. In addition, the Export-Import Bank of China is responsible for providing preferential and interest-free loans in foreign aid. Specific implementations of aid projects in recipient countries include

²⁰⁸ CIDCA:Institutional functions http://www.cidca.gov.cn/2018-08/15/c_129933403.htm

state-owned enterprises such as China Overseas Port Holdings Corporation, but there are only a few reports on the implementation process details.

The main implementing agency of UK's foreign aid is DFID, which has dozens of aid offices around the world. In addition, government agencies including the Ministry of the Interior and the Ministry of Foreign Affairs and Commonwealth Affairs also carry out their own independent aid projects. Government departments usually contract projects to companies through public bidding on government websites. Compared with the implementation of China's foreign aid, the UK's implementation process is more transparent, and the participants are more diverse.

Regarding the enforcement mechanism, the decision-making department of China's foreign aid policy, CIDCA, is not responsible for the specific implementation of foreign aid, while the UK's DFID is both the main department in decision-making and the main department of implementation. The implementation of foreign aid between the two countries is carried out through multi-sector cooperation. China mainly has the cooperation of the Ministry of Commerce and the Embassy of the Ministry of Foreign Affairs, while the UK's government agencies such as DFID, the Ministry of Foreign Affairs and Commonwealth Affairs or the Ministry of Interior provide assistance. Activities are often carried out independently without interference. Another common point in the implementation process of the two countries' aid is that the government department responsible for the original work often contracts the business to the enterprise. China's foreign aid contracting enterprises are mainly state-owned enterprises, while the UK's aid contracting enterprises are more diversified, including both state-owned enterprises and private enterprises and foreign enterprises.

3. Supervision mechanism

Since the beginning of the 21st century, China's foreign aid supervision mechanism has changed. The department that initially exercised its foreign aid supervision function was the Quality Supervision Department of the Foreign Aid Department of the Ministry of Commerce²⁰⁹, this mechanism is actually the Ministry of Commerce responsible for China's

²⁰⁹ FT Chinese; 'China's foreign aid should no longer be led by the Ministry of Commerce'
<http://www.ftchinese.com/story/001051164?full=y&archive>

foreign aid is in a situation where it is both an athlete and a referee. After the establishment of the National Agency for International Development Cooperation, this situation has been improved, and the supervisory department and the executive department have achieved independence from each other. However, the National Agency for International Development Cooperation, as the supervisory department for China's foreign aid, has not made a The current situation of foreign aid projects was publicly introduced, and only brief and vague reports were made.

In contrast, the separation of powers in the UK has achieved strict independence in the implementation and supervision of foreign aid. The department responsible for supervising UK's foreign aid is the National Development Committee under the UK's House of Commons. The International Development Committee is responsible for regular The UK's foreign aid spending questions the UK's government, and the independent non-governmental public sector ICAI is responsible for providing specific materials for the International Development Committee's queries. At the same time, the DFID, which is mainly responsible for foreign aid of the UK's government, will make all the foreign aid projects in the UK tracked and reported on the website, which can be subject to personal supervision at any time.

Both foreign aid supervision mechanisms of the two countries have achieved independence from the enforcement mechanism, and the foreign aid supervision agencies of both countries have disclosed aid information on their websites. However, the foreign aid of two countries have different levels of publicity. The UK's public information is more detailed, while China has less public information. In addition to public supervision through information disclosure, the UK's foreign aid monitoring mechanism also includes parliamentary questions on government agencies' expenditure on foreign aid. China's foreign aid monitoring mechanism does not include this part.

4. Evaluation mechanism

The UK's official aid evaluation department is mainly DFID, in addition to ICAI and the International Aid Committee. These agencies themselves assess the UK's foreign aid and also outsource part of the assessment to consulting companies or private think tanks. China's

official assistance evaluation mechanism is more official, and the main evaluation department is CIDCA. UK publish more evaluation report about foreign aid than China.

Section 2 Aid Features

1.Amount

The UK was the country which provide the largest amount of official aid in the early 2000s, but it was later surpassed by the United States and ranked second in the world in most subsequent years. There is no official data about aid spend by year from China, but according to the statistics of AIDDATA, a think tank for international assistance from the United States, we can find about China's assistance between 2001 and 2014, and in 2011 and 2012, China's total ODA exceeded US\$10 billion²¹⁰. In recent years, the amount of China's foreign aid has not been disclosed year by year, but according to OECD estimates, the total amount of China's development cooperation in 2017 (development assistance is a type of development cooperation) is about US\$4.8 billion²¹¹.

From the perspective of its share of gross national income (GNI), the UK's official aid accounted for a greater proportion. The UK's International Development Act of 2015 stipulated that the UK should reach the ODA target after 2015²¹². This target is made by the OECD in 1970 which is about the amount of ODA should take 0.7% proportion of GNI²¹³. Justine Greening, the UK's Minister of International Development, said: "The UK is the first major economy to meet the UN aid spending target, which solidifies the UK's leadership in creating a healthier, more stable and increasingly prosperous world. Status²¹⁴. In 2019, the total amount of ODA in the UK is about 15.2 billion pounds²¹⁵. According to available data,

²¹⁰AIDDATA <https://www.aiddata.org/data/chinese-global-official-finance-dataset>

²¹¹OECD (2019), "Other official providers not reporting to the OECD", in Development Co-operation Profiles, OECD Publishing, Paris, <https://doi.org/10.1787/18b00a44-en>

²¹²UK general public Acts: "Official Development Assistance Target Act 2015"
<http://www.legislation.gov.uk/ukpga/2015/12/contents/enacted>

²¹³ OECD: "The 0.7% ODA/GNI target - a history"
<https://www.oecd.org/dac/stats/the07odagnitarget-ahistory.htm>

²¹⁴The Guardian: "UK passes bill to honour pledge of 0.7% foreign aid target"
<https://www.theguardian.com/global-development/2015/mar/09/uk-passes-bill-law-aid-target-percent-age-income>

²¹⁵DFID : Statistics on International Development Provisional UK Aid spend 2019,P4
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/878395/Statistics-on-International-Development-Provisional-UK-Aid-Spend-2019.pdf

the absolute amount of UK's foreign aid and its share of gross national income are both higher than China's.

2. Field

China and the UK are also very different in the field of Pakistan aid. At present, the main field of UK's aid to Pakistan is the field of education. There are currently 18 UK aid projects in Pakistan with a total budget of about 645 million pounds, which include six aid projects in the education field with a total budget of 327 million pounds, accounting for more than half of the total budget²¹⁶. In contrast, China has not released specific statistics on the distribution of aid. According to AIDDATA, China's aid to Pakistan was concentrated in 2001-2014, with emergency aid being the most important part (about 45%), followed by It is the government and civil society and energy sectors (each accounting for about 16%). According to the 2018 UK aid report to Pakistan released by DFID in 2018, UK aid to Pakistan is also very concentrated. The main aid area is human development (about 53%), followed by economic development (29%), and the third It is governance and security (10%). The two countries' focus on foreign aid in Pakistan is very different.

3. Execution process

The implementation process of foreign aid between China and the UK is also different. China has little public information on the implementation of Pakistan's aid. In contrast, the implementation process of UK's foreign aid is more transparent. Another major difference between the two parties in the implementation process is that the UK's foreign aid cooperative company has a relatively low proportion of Chinese companies, while Chinese foreign aid contractors in local projects tend to choose state-owned enterprises.

4. Transparency

In Chapter 4, we introduced that the main UK aid agency DFID ranks among the top in the world in the development report of the United Nations Development Programme. The UK

²¹⁶ ICAI:DFID 's bilateral aid to Pakistan,P3
<https://icai.independent.gov.uk/wp-content/uploads/ICAI-ToRs-Pakistan-FINAL.pdf>

DFID published annual foreign aid statistics after 2006, and disclosed the status of each foreign aid project. Bidding information, latest developments and use of funds, etc. Simultaneously, DFID is also responsible for the evaluation work for all the UK ODA project.

Compared with the more transparent aid process in the UK, the monitoring and evaluation functions in China's foreign aid system still have many unknown contents. In 2018, China established an independent foreign aid agency, the National Agency for International Development Cooperation, which is the main agency responsible for publishing information on China's foreign aid. The department previously responsible for issuing China's foreign aid policy trends was the Department of Foreign Assistance of the Ministry of Commerce. Although there is a part responsible for publicizing government affairs, in fact, public information about specific project implementation, annual budget, and project effectiveness is very rare. This opaque phenomenon has also brought some unnecessary misunderstandings to the development of China's foreign aid. On the one hand, it is the mistrust brought about by the people's long-term ignorance; on the other hand, Western media and think tanks are constantly publishing articles and comments on China's foreign aid, which are often subjective. The opacity of the data also means that the recipient countries are often unable to have a specific impression of China's aid. For example, at the end of 2019, the Zimbabwe government issued a 2020 national budget statement, which will indicate that China wants Zimbabwe to provide bilateral support of about 3.63 million US dollars, which is very different from China's record. In response, the Chinese Embassy in Zimbabwe responded on its official website in English that, in the statement, the amount of bilateral support provided by China to Zimbabwe was US\$3,631,500 in the development partner support (page 51) obtained by the Zimbabwe government through bilateral channels. This is very different from the local actual situation. According to our records, from January 2019 to September 2019, the actual bilateral support China provided to Zimbabwe was \$136.8 million. This figure does not include other bilateral support, such as expert assistance costs, donations from the embassy to the local vulnerable groups, etc²¹⁷. If the Chinese government has a website

²¹⁷Embassy of the People's Republic of China in Zimbabwe
<http://zw.china-embassy.org/eng/xwdt/t1717059.htm>

similar to the DFID official website, it will publicize the overview of all the projects of Chinese aid in Zimbabwe. And such misunderstanding will not happen again.

Section 3 Aid Motivation

In the previous dissertation, China and the UK conducted a specific analysis of the foreign aid for Pakistan from the economic, political, security and humanitarian aspects. Both countries have these four motivations when providing assistance to Pakistan, but the priority focus is different. There are two main reference conditions for analyzing the motivations of the two countries for foreign aid to Pakistan, the proportion of aid input in different fields and the goal of foreign aid. In particular, this is pointed out that analyzing the motivation of aid cannot only focus on the amount of aid spend in different fields. Some aids may actually have different motivations. For example, Chapter 3 introduces that most of China's foreign aid in Gwadar revolves around the construction of infrastructure or economic facilities such as airport highway construction, port construction, etc. There is less investment in education and other projects related to basic needs such as sanitation and water resources. What China's foreign aid to Pakistan shows is that it pays more attention to economic interests. But in fact, these investments also have other deeper considerations. The aid in the Gwadar region is based on the overall plan for China's construction of the Gwadar region (especially the Gwadar port), and the construction of the Gwadar port is one of the most important part of CPEC. According to the US Institute of Peace's point of view, China's motivations for developing CPEC are multiple: including political motivation: strengthening the alliance with Pakistan and proving that the Chinese model of the win-win strategy is feasible; economic motivation: using US dollar foreign exchange reserves through investment in Pakistan , Provide energy for domestic economic growth; security motivation: develop a new energy channel²¹⁸, etc. Based on China's current development status, China's foreign aid in Pakistan serves China's overall development strategy. The eastern part of China lacks room for development. Both Japan and South Korea are military alliances of the United States. Although they have close economic ties, they are geopolitical opponents. The unstable

²¹⁸ USIP: 'THE CHINA-PAKISTAN ECONOMIC CORRIDOR Barriers and Impacts' P8

situation on the Korean peninsula also restricts the development of the eastern part to a certain extent. The southern part is the Indochina Peninsula and the South China Sea. On the issue of sovereignty over the South China Sea, the Philippines, Vietnam and Malaysia have been occupying part of China's islands, reefs and territorial sea. The Philippines and Australia are both US military alliances. India often has frictions with China on the border and occupies part of China's territory; although Russia in the north is China's more intimate strategic partner, the bordering area is Siberia, which is sparsely populated and lacks a foundation for economic development cooperation. Against this background, China has proposed the Belt and Road Initiative, which aims to enable China to open up a new development path to the west. In addition to international factors, this westward development path is also a supplement to China's previous "Western Development Plan" aimed at promoting economic development in underdeveloped regions. Compared with the east, China's western region is sparsely populated and has low economic development. An important reason behind this phenomenon is that China's western region is inland, and the surrounding areas lack economic cooperation in countries with high levels of economic development. China's development of Pakistan will enhance Pakistan's economic development in the future and provide impetus for the development of western China's economy, while the increasingly prosperous western region will become more stable and secure; on the basis of economic cooperation, the alliance of the two countries will also continue to develop deeper; China will open up transportation to the west and obtain new energy channels; China's success in Pakistan will serve as a good demonstration effect, allowing more countries to participate in China's blueprint for world development. All in all, China's aid to Pakistan is in line with the assumption that the diplomatic actions of traditional realist countries serve national interests.

UK's most important field of ODA to Pakistan is human development, which is very different from the focus of China's assistance in Pakistan. One slogan of UK's foreign aid is that UK becomes the "leader" in the field of global foreign aid, which also reflects the UK's demand for the pursuit of a great power status. Unlike China, UK, as a developed country, has long been at a relatively high level of economic development. However, this kind of stability means lack of momentum. At the same time, UK society has more security problems including terrorist activities compared with China. UK education aid in Pakistan will have a

subtle influence on Pakistani young people. This way of influence was initiated by UK from the colonial period. Today, with the relative decline of hard power, UK has begun to focus on improving its own soft power. Cultural influence through education is a means to enhance its own soft power. At the same time, UK invests a lot of aid funds in less developed countries like Pakistan every year. It also shows the image of the UK as a responsible main power in the global society, which will strengthen the international status of UK. UK ODA in Pakistan can also boost Pakistan's new economic development momentum. Assistance in the field of education will have a long-term impact on Pakistan's economic development. The aid in the economic sector will be effective in the short term. A considerable part of the terrorist activities in the UK is related to Pakistan. There are two main reasons for this phenomenon. First, Pakistan is a country with rampant terrorist activities. On the other hand, Pakistan is one of the UK's main sources of immigration. UK will not control Pakistan's immigration to UK, and UK ODA to UK seeks to promote stability in Pakistani society, thereby solving this security problem at the source. The main reason for the security problem is the low quality of the population and the backward economic development, and this is precisely the goal of UK foreign aid in Pakistan.

In a word, the motives of UK's assistance to Pakistan include the pursuit of great power status, new drivers of economic growth, and national security, all of which are also UK national interests.

Conclusion

The core issue of this dissertation is to analyze the phenomenon of China and UK Foreign aid to Pakistan since the 21st century, and to deduce the motivation behind China and UK aid. The second chapter summarizes the content, characteristics and motives of China's assistance to Pakistan. The third chapter takes China's aid in Gwadar as a breakthrough, and makes a concrete analysis of China's original Pakistan based on the case analysis situation. Chapter 4 corresponds to Chapter 2 and analyzes the content, characteristics and motives of UK aid to Pakistan. Chapter 5 analyzes the second phase of the Punjab Education Support Program II, and analyzes the content, background, effects, and motivation of the project. Chapter 6 combines the contents of chapters 2, 3, 4 and 5 to make a comparative analysis of China and UK foreign aid to Pakistan in this century. This chapter will make a final summary of the core issues of this thesis.

In terms of aid, the UK aid spend is large, the aid system is mature and the aid field is concentrated in the field of human development, and aid information is transparent; China's aid is smaller than UK (based on existing unofficial data); the foreign aid system is immature and currently There are also deficiencies including the lack of a shaped legal framework, poor transparency, and low evaluation results; the aid field focuses on emergency aid, and aid information is not transparent.

Both China and the UK have special relations with Pakistan: China is Pakistan's "iron brother", and its "all-weather partner" is also its largest trading partner and investor. Pakistan used to be a UK's colony. The country's political structure and high society culture were deeply influenced by UK's culture. Now English is one of the official languages of Pakistan. After a brief exit from the UK's Commonwealth in the 1970s, Pakistan has rejoined the UK's Commonwealth. At present, the UK is Pakistan's largest donor. The special relationship between the two countries and Pakistan has made Pakistan and the national interests of the two countries close. This is the core reason why China and the UK provide such huge foreign aid to Pakistan. This can also explain why China has not invested so much aid in Afghanistan, Why did not UK vigorously assist Bangladesh, the former "East Pakistan". The reason why

there is a big difference in the form of assistance between China and UK to Pakistan is that Pakistan's interests in the two countries are different. For China, the most immediate demand is to develop the economy in the west. This is the basis on which other goals can be achieved. If economic returns cannot be received in Pakistan, then China's aid policy in Pakistan is hardly successful. Similarly, the UK attaches great importance to aid in Pakistan's education because it hopes to reduce the breeding of terrorism from the source by helping Pakistan achieve social stability. In contrast, neither economic development nor the pursuit of international status is sufficient to explain why the UK has invested the most in Pakistan. Because India has a larger market than Pakistan and is also full of potential, and the goal of pursuing international status can also be achieved by assisting other countries.

To analyze the reasons why UK and China value aid to Pakistan, in addition to considering the bilateral relations between China and UK and Pakistan, it can also be analyzed from an international level.

China proposed the Community of shared future for mankind in 2013. This diplomatic idea points out that the destinies of all countries in the world are related to each other. China will work hard to promote the international community towards peaceful development and common progress. Specifically, there are two points in the content of this theory that help to analyze the development of relations between China and Pakistan. First of all, while developing itself, China should also help the development of neighboring countries. Second, China will be a "true friend" of developing countries²¹⁹. Pakistan is both a neighboring country and a developing country in China. Therefore, China's active development of relations with Pakistan also revolves around the overall strategy of China's diplomatic development. After China put forward the Community of shared future for mankind theory, it carried out a series of activities, including the proposal of the "Belt and Road" initiative, taking the lead in establishing the Asian Infrastructure Investment Bank, and promising more aid. China's assistance to Pakistan has a similar motive to these activities, that is, it will help China's own economic development and national influence. The logic of this behavior is consistent with

²¹⁹Chinese Government: "Advocate and Build a Community of shared future for mankind on Diplomacy since the Eighteenth National Congress"
http://www.gov.cn/jrzq/2013-12/15/content_2548061.htm

the establishment of realist international relations. The country's diplomatic activities are aimed at enhancing the country's strength.

The motivation of the UK can also be explained from an international level. The great assistance of the UK in Pakistan is also for the international influence of the UK. Although after World War II, from the traditional sense of national strength factors such as economic size, natural resources, population and territorial area, the status of the UK has experienced relative decline in varying degrees. Especially after the decision to leave the European Union in 2018, the UK's prospects have caused some concerns. However, from the perspective of soft power represented by cultural influence and diplomatic influence, UK is already a main player that cannot be ignored on the international stage. According to Henry Jackson Society's 'Audit of Geopolitical Capability 2019', UK ranked second in the list.²²⁰ Current UK's foreign policy pays more attention to the improvement of soft power, especially in the cultural field.²²¹ The most important part of UK's aid in Pakistan is education aid, which is a long-term and effective way to enhance UK's soft power. UK aided Pakistan to build more and more English schools in this former colonial country. After independence, Pakistan once again experienced a craze for learning English. In addition, another part of UK's aid in Pakistan is to improve the government's operating mechanism. Such assistance will subtly impose Pakistani government agencies on UK's culture and values. Raising soft power is one of the motivations of the UK's aid Pakistan, which is also part of the overall UK's diplomatic strategy in the new era. Subject to physical factors such as population and land area, the UK may never be able to reproduce the glory of the sunless empire, but by enhancing its soft power, the UK may play an important role in the world in another posture.

All in a word, the motivation of the UK and China's aid in Pakistan is to pursue their national interests. The different manifestations are because the two countries have different national interests achieved through Pakistan.

²²⁰ HJS: '2019 Audit of Geopolitical Capability' Report' P29
<https://henryjacksonsociety.org/wp-content/uploads/2019/01/HJS-2019-Audit-of-Geopolitical-Capability-Report-web.pdf>

²²¹ UK's Interest: 'Soft power helps make UK great'
<https://UK'sinterest.org/soft-power-helps-make-UK-great/>

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Summery

The research object of this dissertation is the foreign aid provided by China and UK to Pakistan since the 21st century. By observing, analyzing and comparing the aid behaviors of these two, this dissertation attempts to answer one question: What are the differences between the motivations behind the two countries' aid to Pakistan? To answer this question we need to find the difference of the characteristics between the two countries' aid to Pakistan.

The introduction of the first chapter introduces references and research methods. Standardize the scope of research objects and explain the specific definitions of technical terms in the text. The research on this phenomenon mainly includes the four different research perspectives : the perspective of international relations, the perspective of international economics, the perspective of international development, and the perspective of sociology. There is a lack of research on China's and UK's assistance to Pakistan itself, so this work will focus on the typical case as a breakthrough to describe the official assistance of the UK and China to Pakistan in the 21st century, and a comparative analysis of China and the UK's Motivation for foreign aid.

Chapters 2 describe the overview of current official aid system in China and official aid to Pakistan since the 21st century. Pakistan occupies an important position in China's diplomatic layout in the new period, and the two sides are continuously deepening friendship in the field of economic cooperation. This chapter analyzes China's aid to Pakistan in the following aspects. The first section will specifically introduce the mechanism of China's foreign aid, in order to introduce the complete process of China's foreign aid policy from discussion to generation, implementation and final evaluation. In the aspect of decision mechanism, CIDAC has replaced the Ministry of Commerce's function in formulating China's foreign aid policy. It is responsible for the overall foreign aid policy of the country. Although the CIDCA, which is responsible for aid policy decisions, it is not the implementing agency for foreign aid. The specific agencies responsible for implementation are the embassies of the Ministry of Foreign Affairs in the recipient countries and the Bureau of International Economic Cooperation of the Ministry of Commerce. In addition, the Export-Import Bank of China is responsible for providing preferential and interest-free loans in foreign aid. Specific

implementations of aid projects in recipient countries include state-owned enterprises such as China Overseas Port Holdings Corporation, but there are only a few reports on the implementation process details. Since the beginning of the 21st century, China's foreign aid supervision mechanism has changed. After the establishment of the National Agency for International Development Cooperation, the supervisory department and the executive department have achieved independence from each other. However, the National Agency for International Development Cooperation, as the supervisory department for China's foreign aid, has not made a current situation of foreign aid projects was publicly introduced, and only brief and vague reports were made. The second section briefly introduces the history of China's foreign aid to Pakistan since the 21st century, and summarizes the characteristics of China's foreign aid to Pakistan from the data. Section 3 uses international relations theory to explore the motivation behind China's aid to Pakistan. After the research in this chapter, we can comprehensively understand China's foreign aid to Pakistan since the 21st century.

After the introduce about current Chinese aid system and the Overview of Chinese foreign aid in 21st Century. Chapter 3 mainly study on China's Foreign aid in Gwadar district as a case study. This chapter selects the typical case of China's foreign aid to Pakistan and the impact on Gwadar port to prove the characteristics of the assistance and the motivation for the assistance in Chapter 2. Since the 21st century, economic cooperation between China and Pakistan has continued to deepen, and the scale of foreign aid and the number of projects have also continued to expand. To analyze the relationship between China's aid to Pakistan and China's economic cooperation with Pakistan, this research selects the interaction between China's foreign aid and economic cooperation during the construction of Gwadar Port, The previous part of this chapter introduced the overview and development history of Gwadar Port, Chinese construction and foreign aid in Gwadar Port, and sector 4 analyzes the characteristics of China's foreign aid and motivation, then prove the internal logic of China's official aid to Pakistan. By observing the objective phenomenon described above, this section discusses China's motive for choosing Gwadar Port, then discusses China's motive for assistance in Gwadar Port.

To be specific, the motivations include several points: Gwadar Port may become a new trade transit point; It can open new energy channels for China in the future; Aid in infrastructure

construction such as health, transportation, education and energy will help the development of Gwadar and so on.

As an OECD member country, the UK uses the concept of ODA in aid. As mentioned above, this dissertation only studies the ODA part when studying UK's aid, so the following UK's official aid and UK's ODA can be interchanged. UK's official aid has a long history, originating from aid to various colonies during the colonial period. The UK is a major aid country. According to 2018 data, the UK is the fourth largest official aid country in the world, after the United States, Japan and Saudi Arabia. Pakistan is currently the largest recipient of UK's foreign aid. This chapter will provide an overall analysis of UK's aid to Pakistan. The first section introduces the current foreign aid mechanism of the UK; As mentioned earlier, the overall UK aid policy is jointly formulated by DFID and the Ministry of Finance. Although DFID is responsible for the assessment and statistics of the overall foreign aid of the UK, each government department involved in foreign aid has its own aid policy. The aid policy of DFID only applies to DFID itself. The main implementing agency of UK's foreign aid is DFID, which has dozens of aid offices around the world. In addition, government agencies including the Ministry of the Interior and the Ministry of Foreign Affairs and Commonwealth Affairs also carry out their own independent aid projects. Government departments usually contract projects to companies through public bidding on government websites. For the supervision of UK aid, the separation of powers in the UK has achieved strict independence in the implementation and supervision of foreign aid. The department responsible for supervising UK's foreign aid is the National Development Committee under the UK's House of Commons. The International Development Committee is responsible for regular The UK's foreign aid spending questions the UK's government, and the independent non-governmental public sector ICAI is responsible for providing specific materials for the International Development Committee's queries. At the same time, the DFID, which is mainly responsible for foreign aid of the UK's government, will make all the foreign aid projects in the UK tracked and reported on the website, which can be subject to personal supervision at any time. The UK's official aid evaluation department is mainly DFID, in addition to ICAI and the International Aid Committee. These agencies themselves assess the UK's foreign aid and also outsource part of the assessment to consulting companies or private

think tanks. The second section introduces the overview of UK's aid to Pakistan in this century; Pakistan is the strategic focus of UK's aid. In recent years, it has been the number one target country for UK's ODA. The DFID office in Pakistan has the largest budget of all DFID country offices and plans to spend £302 million in 2019/20 (down from £325 million in 2018/19).the third section will be based on the reality discuss. The 3 section discuss the motivation of UK's aid to Pakistan. Regarding the motives of the UK's aid to Pakistan, the UK's government released "UK's aid: responding to global challenges faced by national interests" and introduced the current four main objectives of UK's foreign aid: the UK's development strategy. "UK's aid: responding to global challenges for national interests." "Outlines four priorities: 1) strengthening global security; 2) resilience and crisis response; 3) promoting global prosperity; 4) solving extreme poverty.

Education is the largest part of the UK's government's assistance to Pakistan, which is not exactly the same as the overall distribution of UK's ODA. In the overall ODA distribution in the UK, education expenditure ranks sixth, after health, disaster relief, financial assistance, and government and civil society. It can be seen that the priority of education assistance in Pakistan is. Among these educational aid projects, the largest investment in current funding is the second phase of the Punjab Education Support Project (PESP II). Considering that Punjab has a population of more than 100 million, the growth of average education years is a more difficult task. Pakistan currently has a population of more than 220 million, with a 22.8 years median age of population, making Pakistan become the fifth most populous country in the world. Pakistan has a sufficient young labor force, but Pakistan's low education level limits Pakistan's demographic advantage. On the one hand, the country's economic development lacks high-level and high-quality talented workforce, and on the other hand, a large number of young people are facing an unemployment crisis. In the long run, Pakistan's future economic development needs to improve Pakistan's education level. Punjab's education level has been improved, but the current level still cannot meet the needs of future economic development. The UK hopes to continue to improve Punjab's education level through foreign aid. Punjab is currently the province with the highest level of economic development in Pakistan. In 2018, Punjab's GDP accounted for about 57% of Pakistan's overall GDP, higher than 55% of the population. Although Punjab is the region with the strongest overall economic strength in

Pakistan, Punjab's economic growth rate need to increase to 7.5%, so that Punjab can provide sufficient jobs due to the high population growth rate. But the current Punjab's economic growth rate is only 3.5%. An important way to provide power for Punjab's economic development is to help Punjab develop education, and Punjab's economic prosperity is in line with the UK's economic interests in Pakistan; Humanitarian motivation: The humanitarian motives of PESP II mainly include improving gender equality and improving education status. Pakistan is one of the most gender unequal countries in the world. According to the 2020 Global Gender Gap Report, Pakistan's performance in gender equality ranks 151 out of 153 countries. One of PESP II's goals is to provide women with equal educational opportunities as men. Overall, the primary goal of the project is to improve the educational environment in Punjab; Political and security motives: Punjab is the most populous province in Pakistan and the center of economic development. The Punjabi are the most populous race in Pakistan and are the dominant force in Pakistani politics. The development of education in Punjab will help the UK to subconsciously strengthen the positive impression of the UK's government through the aid of education. In addition, UK's values will also have a subtle influence on them. The project as an aid in the field of education also contributes to the future prosperity and stability of Punjab. At present, a large number of unemployed youths and low-quality youths are increasingly becoming unstable factors in Punjab and even Pakistani society due to social structural reasons such as poverty. The root cause of this problem is education and economic development.

In the Chapters 3 and 5, there are two selected case studies of typical events in Pakistan's aid in each chapter. UK and Pakistan have traditional relations passed down during the colonial period, and the core of the current relationship between the two countries is immigration. Pakistan is the third largest source country of immigrants. This fact directly links the domestic situation in Pakistan with UK's social stability. Therefore, Chinese aid to Pakistan and UK's aid to Pakistan are typical examples of understanding the Foreign aid of the two countries.

Chapter 6 compares the official assistance provided by Pakistan to China in the 21st century.

The Foreign aid to Pakistan difference from UK and China is mainly about four points:

Aid amount

According to available data, the absolute amount of UK's foreign aid and its share of gross national income are both higher than China's.

Field

China and the UK are also very different in the field of Pakistan aid. At present, the main field of UK's aid to Pakistan is the field of education. There are currently 18 UK aid projects in Pakistan with a total budget of about 645 million pounds, which include six aid projects in the education field with a total budget of 327 million pounds, accounting for more than half of the total budget. In contrast, China has not released specific statistics on the distribution of aid. According to AIDDATA, China's aid to Pakistan was concentrated in 2001-2014, with emergency aid being the most important part (about 45%), followed by It is the government and civil society and energy sectors (each accounting for about 16%). According to the 2018 UK aid report to Pakistan released by DFID in 2018, UK aid to Pakistan is also very concentrated. The main aid area is human development (about 53%), followed by economic development (29%), and the third It is governance and security (10%). The two countries' focus on foreign aid in Pakistan is very different.

Execution process

The implementation process of foreign aid between China and the UK is also different. China has little public information on the implementation of Pakistan's aid. In contrast, the implementation process of UK's foreign aid is more transparent. Another major difference between the two parties in the implementation process is that the UK's foreign aid cooperative company has a relatively low proportion of Chinese companies, while Chinese foreign aid contractors in local projects tend to choose state-owned enterprises.

Transparency

In Chapter 4, we introduced that the main UK aid agency DFID ranks among the top in the world in the development report of the United Nations Development Programme. The UK DFID published annual foreign aid statistics after 2006, and disclosed the status of each foreign aid project. Bidding information, latest developments and use of funds, etc. Simultaneously, DFID is also responsibility for the evaluation work for all the UK ODA project.

From the perspective of aid content, the amount of official capital flows between the UK and Pakistan is much smaller than that of China and Pakistan, and Pakistan has a large gap in the economic importance of the two countries. By analyzing the types of investment in Pakistan by the two countries, UK's official development assistance to Pakistan since the 21st century has focused more on humanitarian aid areas such as education, water resources, health, poverty and women's equality. China's projects are more focused on economic sectors such as power, transportation and other infrastructure such as ports. The assistance mechanisms of the two countries are also very different. China's newly established China International Development Cooperation Agency (CIDCA) in 2018 marks that China's official assistance mechanism is improving. However, CIDCA, as China's aid authority, is still different from DFID in terms of decision-making power, execution power, and evaluation power. DFID has the final signing power of the UK ODA in the UK, while CIDCA does not have the signing power. Although NAIDC also has this part of the function, the DFID monitoring and evaluation mechanism is also more mature. NAIDC is neither a decision-making body nor an executive body, while DFID is both a decision-making body and an executive body. They also have similarities. Although NAIDC is a relatively small aid agency, its administrative level is similar to that of DFID. China's aid system has four main players: the Ministry of Finance, the Ministry of Commerce, the Ministry of Foreign Affairs, and the newly established NAIDC. However, No department in the UK has a similarly important position in the ODA sector as DFID. By comparing these differences, we can analyze the motivation behind the two countries' aid to Pakistan: China is in need of economic development, and the logic of aid to Pakistan can be summarized as "common development". From the description of the UK's Ministry of International Development's motivation for UK's aid to Pakistan, the concept of UK's aid to Pakistan can be summarized as providing a more secure development environment for UK by improving the social conditions of the most unstable countries. It can be summarized as "common security".

The last part is Conclusion. It is a reply for the core issue of this dissertation is to analyze the phenomenon of China and UK Foreign aid to Pakistan since the 21st century, and to deduce the motivation behind China and UK aid. The second chapter summarizes the content, characteristics and motives of China's assistance to Pakistan. The third chapter takes China's

aid in Gwadar as a breakthrough, and makes a concrete analysis of China's original Pakistan based on the case analysis situation. Chapter 4 corresponds to Chapter 2 and analyzes the content, characteristics and motives of UK aid to Pakistan. Chapter 5 analyzes the second phase of the Punjab Education Support Program II, and analyzes the content, background, effects, and motivation of the project. Chapter 6 combines the contents of chapters 2, 3, 4 and 5 to make a comparative analysis of China and UK foreign aid to Pakistan in this century. This chapter will make a final summary of the core issues of this thesis.

In terms of aid, the UK aid spend is large, the aid system is mature and the aid field is concentrated in the field of human development, and aid information is transparent; China's aid is smaller than UK (based on existing unofficial data); the foreign aid system is immature and currently There are also deficiencies including the lack of a shaped legal framework, poor transparency, and low evaluation results; the aid field focuses on emergency aid, and aid information is not transparent.

Both China and the UK have special relations with Pakistan: China is Pakistan's "iron brother", and its "all-weather partner" is also its largest trading partner and investor. Pakistan used to be a UK's colony. The country's political structure and high society culture were deeply influenced by UK's culture. Now English is one of the official languages of Pakistan. After a brief exit from the UK's Commonwealth in the 1970s, Pakistan has rejoined the UK's Commonwealth. At present, the UK is Pakistan's largest donor. The special relationship between the two countries and Pakistan has made Pakistan and the national interests of the two countries close. This is the core reason why China and the UK provide such huge foreign aid to Pakistan. This can also explain why China has not invested so much aid in Afghanistan, Why did not UK vigorously assist Bangladesh, the former "East Pakistan". The reason why there is a big difference in the form of assistance between China and UK to Pakistan is that Pakistan's interests in the two countries are different. For China, the most immediate demand is to develop the economy in the west. This is the basis on which other goals can be achieved. If economic returns cannot be received in Pakistan, then China's aid policy in Pakistan is hardly successful. Similarly, the UK attaches great importance to aid in Pakistan's education because it hopes to reduce the breeding of terrorism from the source by helping Pakistan achieve social stability. In contrast, neither economic development nor the pursuit of

international status is sufficient to explain why the UK has invested the most in Pakistan. Because India has a larger market than Pakistan and is also full of potential, and the goal of pursuing international status can also be achieved by assisting other countries.

To analyze the reasons why UK and China value aid to Pakistan, in addition to considering the bilateral relations between China and UK and Pakistan, it can also be analyzed from an international level. China proposed the Community of shared future for mankind in 2013. This diplomatic idea points out that the destinies of all countries in the world are related to each other. China will work hard to promote the international community towards peaceful development and common progress. Specifically, there are two points in the content of this theory that help to analyze the development of relations between China and Pakistan. First of all, while developing itself, China should also help the development of neighboring countries. Second, China will be a "true friend" of developing countries. Pakistan is both a neighboring country and a developing country in China. Therefore, China's active development of relations with Pakistan also revolves around the overall strategy of China's diplomatic development. After China put forward the Community of shared future for mankind theory, it carried out a series of activities, including the proposal of the "Belt and Road" initiative, taking the lead in establishing the Asian Infrastructure Investment Bank, and promising more aid. China's assistance to Pakistan has a similar motive to these activities, that is, it will help China's own economic development and national influence. The logic of this behavior is consistent with the establishment of realist international relations. The country's diplomatic activities are aimed at enhancing the country's strength.

The motivation of the UK can also be explained from an international level. The great assistance of the UK in Pakistan is also for the international influence of the UK. Although after World War II, from the traditional sense of national strength factors such as economic size, natural resources, population and territorial area, the status of the UK has experienced relative decline in varying degrees. Especially after the decision to leave the European Union in 2018, the UK's prospects have caused some concerns. However, from the perspective of soft power represented by cultural influence and diplomatic influence, UK is already a main player that cannot be ignored on the international stage. Current UK foreign policy pays more attention to the improvement of soft power, especially in the cultural field. The most

important part of UK's aid in Pakistan is education aid, which is a long-term and effective way to enhance UK's soft power. UK aided Pakistan to build more and more English schools in this former colonial country. After independence, Pakistan once again experienced a craze for learning English. In addition, another part of UK's aid in Pakistan is to improve the government's operating mechanism. Such assistance will subtly impose Pakistani government agencies on UK's culture and values. Raising soft power is one of the motivations of the UK's aid Pakistan, which is also part of the overall UK's diplomatic strategy in the new era. Subject to physical factors such as population and land area, the UK may never be able to reproduce the glory of the sunless empire, but by enhancing its soft power, the UK may play an important role in the world in another posture.

All in a word, the motivation of the UK and China's aid in Pakistan is to pursue their national interests. The different manifestations are because the two countries have different national interests achieved through Pakistan.