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ORIGINAL ARTICLE

The G20 reciprocal socialization for global coordination on sovereign debt and development: perspective of China

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Abstract
This paper takes advantage of the theoretical framework of "reciprocal socialization" first proposed by Terhalle to assess the role of the G20 in shaping the interactions between emerging and traditional creditors on coordination of sovereign debt treatment and development cooperation. It focuses on the case of China, arguing that the G20 has strengthened Chinese identity as a "responsible major country," and fostered its learning from the OECD and the Paris Club on debt restructuring and development assistance norms even without formal membership. This paves the way for the G20 to launch the Debt Service Suspension Initiative (DSSI) and the Common Framework for debt treatment beyond the DSSI in 2020 in response to the pandemic, a milestone of formal coordination between China and the Paris Club. While China exhibits more flexibility in endorsing the rules of the Paris Club, it is also expected to argue for its legitimate interests in BRI lending and reinterprets these rules on debt sustainability and development finance more broadly.

Keywords Reciprocal socialization · G20 · DSSI · Common Framework · Paris Club · International Monetary Fund · World Bank

Introduction

Socialization refers to a learning process of individuals and other social actors through interactions. The international relations scholars, especially the constructivist school, finds it a very useful concept in explaining the role of ideas and norms in shaping international cooperation. According to Johnson (2007), socialization, as a process of preference formation and/or change, has three common themes, i.e., directed at novices, newcomers or new states; internalization of group values, roles, and understandings; and persuasion about the oughtness

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of particular norms. Ikenberry and Kupchan (1990) regards socialization as an approach for the hegemonic power to integrate other nations to accept its leadership position. Therefore for several decades socialization is mainly used to describe the process of peripheral states, as rule-takers, being socialized into the dominant international system.

However, with the rise of emerging powers in the recent decade, researchers start to study the "reciprocal socialization" or "two-way socialization," i.e., while emerging economies adopt the rules and values of the dominant liberal order, they also bring their ideas to the system and reshape it. (Terhalle 2011; Pu 2012; Luckhurst 2019) While the process of socialization tends to reduce variety of international system, the other way round socialization involves renegotiating of the dominant international system. Hence the two-way interactions are often characterized with growing tensions rather than harmonization of the system, if the incumbent hegemony is not willing to accommodate the views of rising powers.

Indeed the impasse of reciprocal socialization is the most defining feature of the current international economic system. Divisions prevail in different segments of the international economic system, but is most salient in development cooperation. For international trade and monetary exchanges activities, there are global rules embedded in the World Trade Organization and the Bretton Woods institutions with full membership of emerging economies, there is not a universal system for development assistance. The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) has established a set of rules and standards for providing Official Development Assistance (ODA), while emerging creditors propose their own South-South Cooperation framework which differ sharply with OECD members in terms of priorities, terms and procedures of development cooperation. Chinese international socialization of the Belt and Road Initiative (BRI) attracts wide academic interest (Tudoroiu and Ramlogan, 2020). The Paris Club of official bilateral creditors and its debt relief programs are increasingly used to implement the OECD/DAC's ODA policies (Zhou 2020). With the rise of debt level in poor countries, the separation of traditional and emerging creditors on sovereign debt treatment becomes the focal issue of international development coordination. The differences reflect the deep concerns of emerging powers on the cost of burden-sharing, as well as their distrust on the "Washington Consensus" the IFIs prescribe.

Institutions play an important role for the interactions to happen through the shaping of members' identities, preferences and interests. Chinese access to the WTO and return to the United Nations are all typical cases of Chinese socialization into the world liberal order. (Johnson 2007; Kent 2002; Liu 2019) The American politicians' assertion about the "failure of engagement" was misguiding (Johnson 2019). After the global financial crisis (GFC) in 2008, researches have shifted their attention toward "the rise of the informals" in global governance. (Alexandroff and Brean 2015: 4). The advent of the Group of Twenty (G20) Summit was exalted as a transformative moment for global economic governance, as it provides a very important platform for reciprocal socialization (Luckhurst 2019). Even though the G20's profile retreated with the ebb of the GFC and the rise of geopolitics competition, academic interests in its long-term potential did not disappear. (Slaughter 2019) The outbreak of the COVID-19 in 2020 deepens global debt and development challenges and revives interests in the G20's role in promoting coordination in this regard.

This article focuses on how the G20 has played and will further play a pivotal role in enhancing coordination between traditional donors and emerging powers, from the perspective of China, on dealing with sovereign debt and development challenges in poor countries. It argues that the G20, as the premier forum for international economic cooperation, strengthens China's identity of "responsible major country." Despite the unwillingness of China in joining in the Paris Club and the OECD, the G20 facilitates Chinese learning from them on debt restructuring techniques and development effectiveness norms. This paves the way for the G20 to launch the Debt Service Suspension Initiative (DSSI) and the Common Framework for debt treatment beyond the DSSI in 2020 in response to the pandemic, a milestone of formal coordination between China and the Paris Club. While China exhibits more flexibility in endorsing the rules of the Paris Club and the Bretton Woods Institutions (BWIs) on debt sustainability and debt treatment, it is also expected to argue for its legitimate interests in BRI lending and reinterpret these rules. Considering the variety of actors involved in the process, from creditors, debtors to BWIs, the role of the G20 can be understood as a hub of global governance complex (Kirton 2016a, b; Zhu 2013).

The writing will be structured as follows. The first part gives a brief account of the major divide in sovereign debt and development cooperation between emerging economies, especially China, and traditional donors. The second part reviews the G20's first decade in shaping Chinese new identity and facilitating Chinese interactions with the OECD and the Paris Club. The third part introduces the DSSI and the Common Framework and analyzes its significance in catalyzing reciprocal socialization between the two sides. The fourth and last part concludes by exploring the embedded challenges caused by rising geopolitical tensions and the more diversified sovereign debt market.

North–south divide on development assistance rules

OECD/Paris club rules on development assistance and debt relief

The Development Assistance Committee (DAC) established in 1961 under the OECD maintains a set of rules on ODA, with the core purpose of encouraging grant and concessional aid for developing countries. In 1970, the UN passed a resolution asking rich countries to provide annually 0.7% of their Gross National Income (GNI) as ODA for developing countries (Führer 1994). The target was endorsed by most of DAC members. On the other hand, the official finance aimed to support exports of donor countries is strictly restricted under a separate track, the OECD Working

Group on Export Credits and Credit Guarantees (ECG). A series of arrangements were concluded in restricting the terms and conditions of the official export credit.[1]

In the 1970s, systematic debt crises happened in the developing world from Latin America to Africa. The focus of DAC members' aid coordination shifted to sovereign debt reduction. The Paris Club of official bilateral creditors born in 1956 came to the center (Callaghy 2004). Pushed by the Group of Seven (G7), the Paris Club recognized that backward countries faced unsustainable debt and started to provide debt stock reduction at a rate of 33% for the first time in 1988. A series of deeper debt relief initiatives were implemented in the following decade, with the reduction rate raised to 50%, 67%, and lastly over 90% (Toussaint and Millet 2010; Callaghy 2004). The Highly Indebted Poor Countries Initiative (HIPC) adopted at the G7 Summit of 1996 in Lyon, France, and the Multilateral Debt Relief Initiative (MDRI), reached at the G8 Summit at Gleneagles, United Kingdom in June 2005, are the largest debt relief actions by the Paris Club, with the largest and multilateral creditors, especially the World Bank and the IMF, participating for the first time. As of July 2019, the above two initiatives had provided debt reduction of about USD120 billion to 36 participating countries.[2]

The HIPC and MDRI were not standard sovereign debt treatment for countries with unsustainable debt based on a case-by-case approach. Instead, they were applied on the strict conditionalities linked to the poverty reduction strategies of debtor countries, and therefore considered as aid policies rather than standard sovereign debt restructuring (Rieffel 2003). This means sovereign debt treatment has increasingly become a mechanism for delivering development aid and enforcing development policies amid rising "aid fatigue" (Zhou 2020).

It was no surprise that, with the rising helix of debt relief measures, DAC started to self-reflect on their aid provision practices in the end of the twentieth century and launched the largest reforms of the history on improving aid effectiveness. They held four High-Level Forums on Aid Effectiveness in Rome, Paris, Accra and Busan in 2003, 2005, 2008, and 2011, respectively, from which comprehensive aid effectiveness principles were resulted. With the implementation of the HIPC and MDRI, the IMF and the World Bank introduced the Debt Sustainability Framework for Low-Income Countries (LIC-DSA) in 2005, providing basis for the limit of LICs' new non-concessional borrowing from non-Paris Club countries. These principles, norms and rules constitute the dominant "international development knowledge" of the world today.

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[1] The Arrangement on Officially Supported Export Credits came into existence in 1978 and the Helsinki Package restricting the use of tied aid in higher middle-income countries and commercially viable projects was concluded in 1991.

[2] "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) Statistical Update", World Bank and IMF, 26 July, 2019, https://www.worldbank.org/en/topic/debt/brief/hipc.

Rise of emerging creditors and diverging views

The debt relief by the HIPC led to a substantial drop in the claims held by the Paris Club. At the same time, with the ongoing adjustment of international power structure and continuous expansion of financial globalization, emerging creditor countries and commercial creditors have contributed to the major increments in financing and sovereign debts of developing countries. From 2011 to 2019, the outstanding long-term external Public and Publicly Guaranteed Debt (PPG, in the World Bank's term) of all Low- and Middle-Income Countries rose from USD 1.7 trillion to USD 3.1 trillion.[3] However, the aggregate claims held by the Paris Club official creditors dropped from USD 342.4 billion to USD 317 billion.

As far as the poorest countries are concerned, i.e., the 73 DSSI eligible countries this paper focuses on, by the end of 2019, the Paris Club accounted for only 9% of their outstanding PPGs of USD 523 billion, while emerging creditor countries and commercial creditors accounted for 26% and 20%, respectively, with the remaining 45% from multilateral institutions. In the total of USD 178 billion outstanding PPG owned to bilateral creditors, the G20 countries cover over 90%, in which the G7's share declined to 22.1% from 48.9% of ten years ago and the G20 emerging members' share rose from 33 to 68%. (Table 1 below).

Similarly, the number of sovereign debt treatments provided directly by the Paris Club also declined significantly. As of early February 2021, the Paris Club entered into 472 treatment agreements with 99 countries, involving a total amount of USD 589 billion.[4] The signing was most active during the 1980s and 90 s, with an average of 13–14 per year, and 24 at its peak in 1989. The number of restructuring agreements reached during 2010–2019 was only 36, with an average of 3.6 per year.[5] Since the financial crisis in 2008, sovereign debt treatment in Argentina and Greece has mainly involved commercial creditors.

With the rise of emerging creditors, the divide of global development cooperation system grows along the line of North–South Cooperation (NSC) vis-a-vis South-South Cooperation (SSC). NSC refers to the provision of ODA by DAC member countries. On the contrary, emerging powers, represented by the BRICS countries, adopt the SSC narrative to legitimize their development cooperation. Several major differences are outstanding. First, SSC prioritizes infrastructure construction and productive sectors; Second, they take advantage of more pro-market development finance modalities, and often directly provide official non-concessional loans, rather than concessional ODA. They do not trust enough private capital can be mobilized for infrastructure financing; Thirdly, SSC philosophies believe in "teaching a man how to fish," rather than "giving a man a fish," and link aid and trade rather than separate them, which is in contradiction with the DAC's altruism philosophy. China

[3] Unless otherwise stated, all debt statistics of the paper are drawn or calculated from: World Bank, *International Debt Statistics 2021*, World Bank 2021.

[4] https://clubdeparis.org/, visited on 5 Feb., 2021.

[5] Paris Club Annual Reports 2007–2019, https://clubdeparis.org/en/communications/page/annual-reports.

believes its financing model, combining policy-based funds with commercial funds, represents the future of development financing[6]; Last but not the least, SSC regards development cooperation as an equal and mutually beneficial partnership, and does not provide "development policy loans (DPLs)." They insist on non-intervention policy and do not attach policy conditionalities to their aid. (Yang and Mwase 2012).

Limited successes of DAC in socializing the emerging creditors

It is fair to say there is a long process of reciprocal socialization happening. DAC has adapted to the new development financing architecture reshaped by emerging donors and expanded their focus of norms from "aid effectiveness" to "development effectiveness" in Busan. In substance, the effort aims to socialize and incorporate the broader development finance into the ODA rule system. In order to increase the "buy-in" of emerging creditors, DAC also joined hands with the United Nations Development Program (UNDP) and launched the Forum on Partnership for More Effective Development Co-operation in 2005.[7] The Forum was restructured to be the Global Partnership for Effective Development Cooperation (GPEDC) in Busan in 2011. But Souza (2021) points out that the efforts to build a formal global development cooperation regime largely failed.

From the perspective of rational choice, the interests of DAC and emerging creditors are both competitive and complementary in the third developing countries. Bracho (2021) considers the difficulties of burden-sharing as the most fundamental factor for the weakness of GPEDC. But identity and ideology are important obstacles for both sides to coordinate. Li and Qi (2021) argues that emerging economies consider the GPEDC to be just another form of the DAC and therefore are skeptical and reluctant to join in as they are not part of it.

G20 identity construction in the first decade: case of China

As a response to Asian Financial Crisis, the G7 Finance Ministers and Central Bank Governors launched a dialogue with "systemically important countries" in 1999, which was the origin of the G20 Finance Ministers and Central Bank Governors' Meeting. This was mainly a side event to socialize the G7's decisions, without much impact on enhancing the role of emerging economies. It was the G20 Leaders' Summit born in 2008 that reconstructed the emerging economies' global identities and led to a reshuffling of global governance. This part will elaborate on this with China's case.

[6] Ambassade de la République populaire de Chine en Union des Comores Tous droits réservés [Chinese Ambassador in Comores], How China lends: truth and reality, July 31, 2021, https://www.fmprc.gov.cn/ce/cekm/fra/zxdt/t1896648.htm.

[7] "OECD DAC outreach to non-DAC donors," https://www.oecd.org/dac/oecddacoutreachtonon-dacdonorsdacnewsjune-august2005.htm; For a stocktaking of the DAC's outreach activities, please refer to its "2018 Revision of the DAC Global Relations Strategy" dated 6 June 2019, https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2018)21&docLanguage=En.

Table 1 Total Outstanding and Disbursed Debt of DSSI Countries Owned to Official Bilateral Creditors in 2010 and 2019

Country	2010		2019	
	Amount (USD Billion)	Share (%)	Amount (USD Billion)	Share (%)
G7 Members				
Japan	17.65	23.6	23.16	13.0
France	9.45	12.6	8.56	4.8
Germany	4.09	5.5	3.52	2.0
US	3.00	4.0	2.08	1.2
Canada	1.16	1.5	0.81	0.5
Italy	1.07	1.4	0.85	0.5
UK	0.09	0.1	0.22	0.1
Other G20 Members				
China	14.65	19.6	102.78	57.9
India	1.96	2.6	6.47	3.6
Sandi Arabia	1.84	2.5	4.28	2.4
Russia	4.29	5.7	6.20	3.5
Turkey	0.06	0.1	0.82	0.5
Brazil	1.94	2.6	0.59	0.3
Australia	0.00	0.0	0.30	0.2
Argentina	0.03	0.0	0.00	0.0
Others				
–	13.47	18.0	16.99	9.6
World				
–	74.73	100.0	177.64	100.0

Source: Author's calculation based on the World Bank's International Debt Statistics of 2021. Thanks for Chen Shuxin for his assistance in editing data for this paper

"Responsible major country" to "participate, push and lead" global governance

Since the Communist Party of China (CPC)'s 18th National Congress in 2012, the Chinese leadership has been emphasizing the "three views" for the grasp of international situation, i.e., having "a correct view of history, overall situation and our own position" (Yang 2018). To have a correct view of China's position, is to "see problems in China's relations with the world and figure out China's status and role in the evolution of the world pattern" (Qu 2021). It exhibits the key importance China attaches into the proper understanding of its evolving role in the world.

The reconstruction of Chinese identity can be traced back to its interaction with the US well ahead of the G20's birth. The former US Deputy Secretary of State Zoellick launched the ministerial level dialogue with China in 2005, hoping China to be a "responsible stakeholder." However, the two sides disputed on the name and position of the dialogue. While China called it "High Level Strategic Dialogue," the

US side downgraded it to be “High Level Dialogue.” When the sub-prime credit crisis hit the US banking system and led to the GFC in 2008, the former US President George W. Bush called the former Chinese President Hu Jintao to launch the G20 Leaders’ Summit, and ask for China’s support in dealing with the crisis. The former US Treasury Secretary gave a detailed account on how the leadership level personal interactions helped with the effective coordination. (Paulson, 2015, p. 251) In April 2009, the US finally agreed to upgrade the bilateral dialogue with China to the comprehensive “Strategic and Economic Dialogue” when the two countries Presidents met in London during the G20’s Summit.

Arguably the GFC and the interaction with the US under the G20 helped China in re-configuring its role in the world. Then Vice President Xi Jinping visited the US in 2012 and proposed to establish “a new model of major country relationship,” which could be seen as a key moment of China in seeking more equal relationship with the US. Chinese presidency of the G20 in 2016 was another moment in promoting China to upgrade its view about its global role. China increasingly recognizes its responsibility to meet the expectations of the world. Right after the G20 Hangzhou Summit, Chinese scholar Jin Canrong wrote that “China is walking closer to the center of the world stage” (Jin 2017), In the CPC’s 19th National Congress late that year, President Xi Jinping states that socialism with Chinese characteristics enters “a new era” that “sees China moving closer to center stage and making greater contributions to mankind”.[8] He commits that China will continue to play its part in global governance as a “major responsible country,” and “will increase assistance to other developing countries, especially the least developed countries, and do its part to reduce the North–South development gap.”

For the first time, China states it will act as a “leader” in addition to a “participant and pusher” in global governance. Considering the fact that during 2015–2016, Chinese financial market and overseas lending experienced great volatility due to the US monetary policy adjustment, We have reason to believe the G20 has reshaped the long-term identity of China and encouraged Chinese leadership to commit to increase contributions for the world development despite its own difficulties. During 2010–2020, China has significantly increased its contributions to multilateral development institutions, and rose to the 6th largest donor in the 19th replenishment of International Development Association (IDA) during 2019–2021. The rank was No. 20 during 2012–2012. (Morris 2021) Chinese voluntary contributions to the UN system is much smaller, ranking 22nd among member states in 2019 (Morris 2021), indicating Chinese priorities in supporting infrastructure financing for global development under multilateral development banks (MDBs). A broader context was China launched the Asian Infrastructure Investment Bank (AIIB) and the BRI in 2013.

[8] Full text of Xi Jinping’s report at 19th CPC National Congress, Xinhua, Oct. 18, 2017, http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm.

Though "forever a developing country"

Chinese international identity needs a more careful craft. Even though China expressed its willingness to increase contributions to global development, it repeatedly states "China's international status as the world's largest developing country has not changed" (See Footnote 8). This has become the bone of contention in China's participation in international economic system. It is even more controversial that President Xi states that "China will remain to be a developing country forever" when he attended the BRICS Summit in South Africa on July 27, 2018.[9]

This statement reflects the G20 membership has not changed Chinese self-identity as a developing country. What has changed is China has more awareness of itself as the largest or "major" developing country. This position indicates Chinese awareness of its domestic development challenge. But it goes well beyond the economic dimension of developing country and touches its political relations with the world. Wang Yiwei (2019) argues that Chinese insistence on its developing country status is not necessarily related to poverty, but more an international political identity, i.e., China will stand on the side of the developing countries. This is why China announces this at the BRICS meeting in Africa. But Huang (2015) argues China should clearly identify its core interests and avoid dividing according to politics or development level in the G20. Yang (2015) elaborates from the perspective of linguistics that China officially uses the concept of "major country" rather than "major power" to define its relationship with the US to stress its difference with the Western powers, including its adherence to co-existence and non-interference principles. This political identity is very relevant in understanding why China remains outside of the OECD and Paris Club membership while increasing interactions with them at the operational level. The following session will move to this topic.

Increasing interactions with the OECD/Paris club without formal membership

China and the OECD

China and the OECD's working relations started from 1995. In May of 2007, China joined in the OECD's Enlargement and Enhanced Engagement programme together with Brazil, India, Indonesia, and South Africa.[10] But the G20 provides a key bridging role for China to enhance comprehensive interactions with the OECD. On July 1 2015, right before Chinese presidency of the G20 in 2016, Premier Li Keqiang visited the OECD headquarter, the first by a Chinese state leader. The two sides signed

[9] State President Xi Jinping Attends the "BRICS+" Leaders' Meeting, *Xinhua News Agency*, July 27, 2018, http://news.cnr.cn/native/gd/20180727/t20180727_524314319.shtml. [国家主席习近平出席 "金砖+"领导人对话会，新华社，2018年7月27日，http://finance.sina.com.cn/china/2018-07-27/doc-ihfxsxzf5105721.shtml.].

[10] OECD Council Resolution on Enlargement and Enhanced Engagement, Adopted by Council at Ministerial Level on 16 May 2007, https://www.oecd.org/china/oecdcouncilresolutiononenlargementandenhancedengagement.htm.

a Medium-Term Vision Statement and a joint Programme of Work for 2015–2016, which not only enabled the OECD to play a key intellectual role for Chinese presidency of the G20, but also provided a comprehensive framework, including the secondment programme for Chinese officials to work with OECD and conduct broad exchanges in more than 20 functional areas.[11] An affiliated outcome of this visit was Chinese joining in the OECD Development Center. Angel Gurría, the former OECD Secretary-General, emphasized the role of the G20 as a relevant framework for OECD-China partnership as it is the only forum that the developed and the emerging economies can discuss policies on an equal footing.[12] Right after the G20 presidency in 2016, China launched the annual "1 + 6" Roundtable dialogue with 6 major international institutions, including OECD, for better exchanges on broad economic policies.

But China did not join in formal OECD membership negotiation as of today.[13] There are many reasons, but it is thought that the political identity of the OECD as a club of rich and democratic countries is an important reason.[14] It is also doubtful that the US would be willing to welcome China's joining in the OECD due to the allegation of the failure of China engagement theory. (Runde et al. 2020).

China and the Paris club

More than a dozen of emerging economies have been participating in the Paris Club activities as "ad hoc participants," among which Mexico, Turkey, and South Africa have been involved in the substantial coordination with the Paris Club on debt treatments of certain countries. For example, since 1982, South Africa has participated in the coordination, for 13 times, with the Paris Club in such way on the debt treatments of Malawi, Zambia, Peru, the Central African Republic and Seychelles.[15] Generally, emerging creditor countries and the Paris Club are more in a "hub-spoke relationship" depicting the core and the periphery, where the Paris Club has always obliged, in line with the principle of "comparable treatment," debtor countries to extend their terms of treatment to other bilateral creditors, but the enforcement and timeliness would be compromised.

As the largest emerging creditor country, China has also established a favorable interaction with the Paris Club. China was one of the 14 emerging economies that

[11] OECD, "Active with China," https://www.oecd.org/china/active-with-china.pdf#%5B%7B%22num%22%3A1420%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22FitR%22%7D%2C-597%2C0%2C596%2C595%5D.

[12] "OECD and China: Tackling Global Challenges," Opening Remarks by Angel Gurría, OECD Secretary-General, delivered at The 2013 Party School-OECD Development Forum, Beijing, China, 23 March 2013, https://www.oecd.org/about/secretary-general/oecdandchinatacklingglobalchallenges.htm; OECD, "Active with China," https://www.oecd.org/china/active-with-china.pdf#%5B%7B%22num%22%3A1420%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22FitR%22%7D%2C-597%2C0%2C596%2C595%5D.

[13] OECD begins membership talks with Brazil, Argentina, Peru and more, *Reuters*, Jan. 26, 2022.

[14] 孔帆, "经合组织"与中国的 "爱恨情仇", 观察者网, 2015年6月29日, https://www.guancha.cn/kongfan/2015_06_29_324919.shtml.

[15] http://www.clubdeparis.org/en/communications/page/ad-hoc-participants.

participated in the Paris Club activities as "ad hoc participants." China has not been involved in any substantial coordination with the Paris Club like South Africa, but it indirectly participated in the sovereign debt relief efforts by the Paris Club. According to Bon and Cheng (2020b), 60 out of 140 debt restructurings offered by China occurred within a four-year time window around a Paris Club operation, reflecting a close alignment of Chinese actions with the Paris Club. The statistics of the World Bank in July 2019 indicates China has implemented 85% of its share in the HIPC, much higher than 51%, the average implementation rate for non-Paris Club members.[16] Acker et al (2020) finds that the concessions provided by China were, in fact, more flexible than members of the Paris Club.

The advent of the G20, however, has provided a fresh new impetus and platform for the Paris Club to strengthen and formalize its interactions with emerging creditors. The 'Paris Forum' was launched in 2013, inviting for the first time India, Mexico, Turkey, the Gulf Arab States, China, and other G20 emerging creditor countries to discuss the trend and challenges facing official financing and extend its influence in international development financing policies.[17] The forum has become an annual event since then, and promoted the passage of the "G20 Operational Guidelines for Sustainable Financing" during the 2017 German Summit (Viterbo 2017). Fundamentally, the Paris Club seeks to keep its relevance and expand its membership through the platform. During the G20 Hangzhou Summit 2016, sovereign debt treatment and the expansion of the Paris Club were important topics. The leaders affirmed that they support the Paris Club "as the principal international forum for restructuring official bilateral debt, toward the broader inclusion of emerging creditors".[18] This was reaffirmed at the 2018 Buenos Aires Summit and the 2019 Osaka Summit thereafter. Israel, South Korea, Brazil, and other countries seeking external recognition of the resilience of their financial systems and a greater voice in international institutions, joined as official members of the Paris Club,[19] making the number of its member states to 22.

China was the most wanted enrollment target for the Paris Club during the G20 Hangzhou Summit. It was believed that joining the Paris Club was in its own interests, just as shown in the precedent case that Russia has recovered more overseas claims through collective restructurings since its enrollment in 1997.[20] Xu (2019) considers that China would be forced to accept the debt treatment terms of the Paris

[16] Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) Statistical Update, World Bank and IMF, 26 July, 2019, https://www.worldbank.org/en/topic/debt/brief/hipc.

[17] Paris Club's Annual Reports 2013–2019.

[18] 'G20 Leaders' Communique, Hangzhou Summit', Hangzhou, China, 4–5 Sept., 2016, http://www.china.org.cn/chinese/2016-09/07/content_39250021.htm.

[19] "South Korea says it will become full member of Paris Club," *Indian Express*, 30 June, 2016, https://indianexpress.com/article/world/world-news/south-korea-paris-club-membership-2884715/; 'Brazil, struggling with soaring debt, joins Paris Club of creditors', *Reuters*, 29 Nov., 2016, https://www.reuters.com/article/brazil-paris-club-idUSL1N1DT1QO; 'Israel joins Paris Club of rich creditor nations', *Ynet News*, 24 June, 2016, https://www.ynetnews.com/articles/0,7340,L-4534089,00.html.

[20] Anders Aslund and Djoomart Otorbaev, "China should join the Paris Club," *The Japan Times*, 28 Dec., 2020, https://www.japantimes.co.jp/opinion/2020/12/28/commentary/world-commentary/china-paris-club/.

Club imposed by the debtor countries if it stayed out of the Paris Club, and would only get repayment after the Paris Club members, just like in the debt treatment of former Yugoslavia, Albania, Moldova and other countries. Indeed the leadership of Chinese Central Bank expressed that they would actively consider joining in the Paris Club during the G20 Hangzhou Summit.[21] But in the end, China did not formally join possibly due to various concerns like potential information-sharing and policy obligations, or other uncertain costs and losses. Zhao and Li (2017) argues that it was not imperative for China to join in the Paris Club as China may well weather the risks of overseas claims. But the author believes Chinese insistence of itself as a developing country for political considerations is an important reason. Internationally people think that China does not want to join in the Paris Club because it wants to be a rule-maker rather than a rule-taker (Rieffel 2021).

Although China did not join the Paris Club in 2016, it expressed its "intention to play a more constructive role" and confirmed the possibility of "further discussing potential membership issues",[22] and began to participate in the activities of the Paris Club as an observer and in a more regular way. Also in recent years, China has become more constructive in cooperating with the IMF and the World Bank on relevant issues, which is very helpful in enhancing interactions with members of the Paris Club. In 2019, China provided debt relief for the Republic of Congo (Congo-Brazzaville), and for the first time provided specific debt relief information to the IMF, and also committed to enhance its information sharing on the loan procedures for low-income countries and ensure its debt transparency (Bon and Cheng 2020a).

Implications of the DSSI and the Common Framework beyond

Ikenberry and Kupchan (1990) suggests socialization occurs primarily after crises, periods marked by international turmoil and restructuring. The outbreak of the Coronavirus pandemic in early 2020 aggravated the external debt pressure of the developing world and provides such an opportunity for China and the Paris Club to deepen their interactions.

The DSSI and the Common Framework beyond: an overview

The G20 Finance Ministers and Central Bank Governors Meeting (G20 FMCBG) passed the Debt Service Suspension Initiative (DSSI) on 15 April, 2020. Under the initiative, 73 poorest countries may suspend the repayment of their official bilateral debts from 1 May 2020 to the end of the 2021 after two extensions. On 13 November, the Common Framework for Debt Treatments beyond the DSSI for the same group of poorest countries was further signed (G20, 2020b). While the DSSI mainly

[21] Wendy Wu, "Joining the rich boys? China to forge closer ties with creditor nations group, Paris Club, as it grows its global economic clout," *South China Morning Post*, 6 Sept., 2016, https://www.scmp.com/news/china/diplomacy-defence/article/2015659/china-forge-closer-ties-creditor-nations-group-paris.

[22] "G20 Leaders" Communique Hangzhou Summit', 4–5 Sept., 2016, http://www.g20.org/English/Dynamic/201609/t20160906_3396.html, visited 6 Sept., 2016.

provides maturity extension for the poorest countries based on the principle of "net present value neutrality," the Common Framework could provide maturity extension, interest rate cut, and even debt stock reduction in exceptional circumstances subject to Debt Sustainability Analysis by the IMF and World Bank and the participating official creditors' collective assessment. (World Bank 2022, p. 58) Therefore, the Common Framework is a more important institutional development for researchers to watch.

According to the G20, 50 countries benefited from the DSSI for about USD 12.7 billion of debt service deferral between May 2020 and December 2021. (G20 2021) As of the writing, Chad, Zambia, Ethiopia and Ghana have applied for the Common Framework to resolve their debt problems.[23] The size of the debt relief provided as of today is relatively limited. Nonetheless, the initiatives trigger a new structure in official bilateral creditors' coordination on sovereign debt treatment.

China as a rule-taker

It needs emphasizing that China has indirectly followed the Paris Club's actions under the HIPC initiative, more than other developing creditors. What has changed today is that China moves to the leading creditor position and assumes larger responsibilities as an "insider." This entails policy change for China. First and foremost, more participation in the burden-sharing of the Paris Club. By now China mainly provides debt reduction for interest-free loans for the Least Developed Countries (LDCs) defined by the UN, IMF and OECD, while its preferential and commercial loans are only subject to debt rescheduling.[24] This is similar to the Paris Club's policy before 1988. Debt reduction for Iraq was an exceptional case in following the US initiative. Today the lion share of BRI loans is in the form of concessional or non-concessional loans not subject to write-off. Therefore, the signing of the Common Framework might catalyze its policy adjustment in the longer term , as the meaning of "debt treatment" under the Common Framework is theoretically broader than the DSSI-like debt maturity extension. It is not time to cite empirical cases at the writing. The Creditor Committee for Chad, the first case applying the Common Framework, was formed on 15 April, 2021 and has reached an agreement within 2 months on the Chad's envisaged IMF's 4 year program of US$560 million.[25] The Creditor Committee issued a statement on Oct 13, 2022 that no debt relief from official bilateral creditors was needed thanks to the surge in oil prices.["Statement", Meeting of the creditor committee for Chad under the Common Framework for debt treatments beyond the DSSI, October 13, 2022, https://clubdeparis.org/en/communications/press-release/meeting-of-the-creditor-committee-for-chad-under-the-common-framework-0.]

23 "Global Debt Relief Dashboard," China-Africa Research Initiative, John Hopkins School of Advanced International Studies, update of June 2021, http://www.sais-cari.org/debt-relief.

24 Song Wei, "African debt to China may be solved through bilateral talks on the basis of equality," Global Times, 16 April, 2020.

25 "Statement," 4th Meeting of the Creditor Committee for Chad under the Common Framework for Debt Treatments beyond the DSSI, 11 June, 2021,

Zambia is the major tough case to watch in the current negotiation. The pilot in DSSI countries could also pave way for broader coordination in MICs on a case-by-case approach, since there are increasing calls for the initiative to be extended (Lee 2021).

Secondly, inheritance of the basic structure and principles of the Paris Club. The DSSI and the related Common Framework have inherited and developed the Paris Club's experiences and six core principles, i.e., Solidarity, Consensus, Information Sharing, Case by Case, Conditionality and Comparability of treatment.[26] China has not publicly objected any of them. The G20's Common Framework has inherited the basic format and procedures of the Paris Club, e.g., the case-by-case approach and the consensus-based decision-making process. Two other principles are worth special emphasis here in terms of Chinese adoption of the Paris Club approach under the Common Framework. One is the formal adoption of the IMF conditionalities for the debt treatment. China does not attach policy conditionalities in its bilateral aid programs as the DAC countries do. But like the Paris Club members, China is expected to depend on the IMF and the World Bank to implement the policy reforms needed as a principle. (Rieffel 2003) Above all, China has risen to be the third largest shareholder of the IMF and the World Bank facilitated by the G20. Bon and Cheng (2020b) builds a database of 140 Chinese overseas debt relief cases in 65 countries from 2000 to 2019, and finds that half of China's relief measures were granted in the context of an IMF financial assistance programme for HIPCs, even though not directly negotiated by China. Another evidence is the Chiang Mai Initiative Multilateralization (CMIM) under the ASEAN + 3 and the Contingent Reserve Arrangement (CRA) under the BRICS with strong support of China officially link their operations with the IMF program. As a comparison, China is showing more flexible attitude toward the controversial Responsibility to Protect (R2P) principle, but offers new narrative to reinterpret it in a more restrictive way. (Garwood-Gowers 2016; Ruan 2012) This might be the approach we will see for Chinese attitude toward the conditionalities.

The other is mutual information-sharing on a case-by-case basis. As China and other emerging economies stay outside of the Paris Club and the OECD, there are no common standard for sharing overseas lending information so far. When traditional creditors fail to achieve its policy coherence agenda with emerging creditors, they started to push hard on debt information-sharing. Years before the outbreak of COVID-19, the World Bank and IMF started to push the debt transparency agenda under the G20, with a special focus on outreach to emerging creditors.[27] Since the middle of 2020, the World Bank started to publish the external PPGs of DSSI

[26] https://clubdeparis.org/en/communications/page/the-six-principles.

[27] "G20 Operational Guidelines for Sustainable Financing," Mar. 2017, https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/world/G7-G20/G20-Documents/g20-operational-guidelines-for-sustainable-financing.pdf?__blob=publicationFile&v=1; IDA and IMF, "G-20 Note: Strengthening Public Debt Transparency-The Role of the IMF and the World Bank," 13 June, 2018; "Sustainable Development Finance Policy of the International Development Association," International Development Association, 23 April, 2020, http://documents1.worldbank.org/curated/en/967661593111569878/pdf/Sustainable-Development-Finance-Policy-of-the-International-Development-Association.pdf.

countries disaggregated by creditors. For the implementation of DSSI and Common Framework, the issue of debt transparency is actually gaining much more attention than the traditional conditionalities of structural reforms. The author's interviews confirm that Chinese financial institutions recognize the value of G20's coordination in protecting their interests, a big step forward compared to the past.

As the creditors' landscape is much more diverse compared to the HIPC era, the G20 Common Framework that simply expands the official bilateral creditors' coordination of the Paris Club has shown its limitation in dealing with the DSSI countries'debt treatment. The Bretton Woods Institutions are expected to play larger roles in facilitating the implementation of the Common Framework in the future. This is exhibited by the launch of the Global Sovereign Debt Roundtable (GSDR) co-hosted by the IMF, the World Bank and the Indian Presidency of the G20 on Feb 25, 2023. The GSDR is to "build greater common understanding among key stakeholders...within and outside the Common Framework".[IMF, "Global Sovereign Debt Roundtable", March 31, 2023, https://www.imf.org/en/About/FAQ/gsd-round table.] The rise of the "Washington Club" in place of the "Paris Club" might provide more political space for China to coordinate with the traditional donors.

Accommodating Chinese different views?

It needs to be noted that sovereign debt treatment is typically characteristic of informal governance. The Paris Club's six principles are only informal frameworks to guide the debt treatment negotiation, instead of clear-cut and binding rules. The specific terms for debt treatment are decided on a case-by-case basis. With the evolution of the sovereign debt markets, these principles are subject to re-interpretation as well. This leaves ample flexibility for China to enforce "reciprocal socialization" on the Paris Club creditors.

China has two major concerns that the Paris Club members must take care of in the ongoing Common Framework process. The first is to correct the "debt trap" narrative for the BRI loans. The BRI's "debt trap" theory was coined by Brahama Chellaney, a researcher from the India-based Center for Policy Research, in 2017 and then used by the Trump administration to attack China's overseas lending for infrastructure projects, leading to a further blow to China-US relations. Indeed Chinese governments and policy banks have not paid enough attention to the "procedural legitimacy" issues, such as publishing the granular information about their projects overseas as their counter-parts in OECD countries do. Arguably they also made mistakes in some projects and need a learning process in improving their procurement procedures and safeguard standards. However, it is widely recognized that the BRI has been consequential in filling in the infrastructure financing gap left by the Western donors after the GFC and contributing more to economic growth of the host countries compared to the Western countries' humanitarian aid, which provides the "substantive legitimacy" for BRI loans. No wonder that Chinese governments and scholars have fought fiercely against the "debt trap" theory. Chinese Foreign Minister Qin Gang publicly stated that the so-called China's debt trap is a narrative trap imposed on China and Africa. [Chinese Ministry of Foreign Affairs, "Qin Gang: So-called China's "Debt Trap" in Africa Is a Narrative Trap Imposed on China and Africa", Jan. 12, 2023, https://www.mfa.gov.cn/mfa_eng/wjdt_665385/wshd_665389/202301/t20230112_11006510.html; "The So-called China's Debt Trap is a Narrative Trap", The Brussels Time, Aug. 25, 2022, http://eu.china-mission.gov.cn/eng/mh/202208/t20220826_10754334.htm.] This means China does not accept the accusation that the BRI loans are the root cause of the debt problems of LICs. On the contrary, China holds the view that it is the US monetary policy adjustments and the financial globalization that should assume more responsibilities in addition to the debtor countries' own governance problem. This directly influences Chinese opinion about how to solve the sovereign debt problems for LICs.A relevant controversy is about how to assess the role of state in development finance, which is beyond this paper.

The second Chinese concern is to ensure fair and equitable burden-sharing based on capacities. Putting geopolitics aside, the LICs' debt challenges are the result of financial globalization and entails shared responsibilities. Even though China exhibits more willingness of burden-sharing by participating in the DSSI and the Common Framework, there is still a large gap between its capacity and the expectation of the Paris Club. What the Paris Club members have in mind might be a historical burden sharing by emerging creditors on an equal footing. It will not happen soon. According to the author's knowledge, there are financial institutions from emerging creditors calling for Common But Differentiated Responsibilities (CBDR) for their participation in the Common Framework debt treatments. Since the DSA is technically very difficult to challenge, reinterpreting the term of "official creditors" becomes an alternative to ensure some flexibility. A middle ground must be found for the two sides to reach consensus.

These differences are clearly shaping the Common Framework processes.The newly established GSDR is supposed to gather all public and private stakeholders regularly and foster common understanding of the core concepts and principles under the Common Framework implementation. China is also expected to leverage its largest bilateral creditor status and shape the procedures and the interpretation of those principles and concepts of the Common Framework. This can be illustrated by the following instances: First, it needs to be emphasized that the Common Framework is adapted and softened by the Paris Club to accommodate the ideas of emerging creditors, including China. The HIPC set a unified entry threshold and requirement for debt relief, i.e., countries with a present value of external PPGs of more than 150% of their exports were eligible for at least 90% or more debt relief if necessary reforms were implemented. Comparatively, the Common Framework provides treatment for unsustainable debt *on a case-by-case basis*. Accurately, it extends the Paris Club's so-called Evian Approach, which was put forward in 2003 to treat the unsustainable debt of Iraq and then extended to all Middle-Income Countries (MICs), to DSSI countries. (Munevar 2020; WBG 2022, p. 58).

It can be seen that the Common Framework represents a convergence of the Paris Club's debt treatment approach for LICs with that of MICs, reflecting a wider recognition of market-oriented debt treatment approach for the former group of countries. Understandably, this is vital for bringing China and other emerging creditors to the table. They expressly advocate that the implementation of DSSI should "follow the rule of law and the spirit of contract,… which is conducive to maintaining the order of the international financial market" and also "avoid moral hazard".[28] This is not necessarily to accommodate China's interests, but to recognize the opinions of private sector. Shortly after the DSSI launch, private creditors made it clear that their participation will be based on a voluntary and case-by-case approach.[29]

Also, the pragmatic approach of DSSI comes after serious reflections on the effectiveness of large scale debt relief by the Paris Club. A study by the US Congressional Research Service states that the debt overhang is the result but not the cause for its difficulty in achieving development, and the withdrawal of official creditors will make the financing gap more prominent (Weiss 2012). The report issued by the Independent Evaluation Group (IEG 2006) of the World Bank also pointed out that it would be difficult for debt relief itself to promote the growth of HIPC countries. Compared with the HIPC period, the understanding of the role of debt relief for LICs' development is more diverse.

Secondly, it is worth watching as regards China's role in the DSA decision-making for the Common Framework implementation. The Framework states that debt treatment "will be based on an IMF-WBG DSA and *the participating official* creditors' *collective assessment*".[30] China and other emerging creditor countries step into the "axis" of sovereign debt governance and have more say on the rules of treatment instead of serving as a "side spoke' by passively accepting the rules and conditions set out by the Paris Club. As the largest bilateral creditor, China may be able to exert more influence.

The issue of DSA is at the heart. China has been critical on the IMF and World Bank's LIC-DSA for long. While the LIC-DSA measures a country's debt sustainability based on its national situation, Chinese financial institutions argue that they have well controlled the project-level debt sustainability. The author observes that Chinese institutions has slowly recognized the need to take the debtor countries' macroeconomic situation into consideration when measuring debt sustainability. But Chinese scholars still argue that attention should be paid to the more scientific indicator of "net worth of the public sector" (assets minus liabilities) (Lin and Wang 2019) and replace "debt sustainability" with "development sustainability" (Wang and Huang 2020). Governor Yi Gang calls for the IMF to improve the DSA methodology through introducing a balance sheet approach to count the assets created by debt financing.[Yi Gang, "Statement at the Ministerial Meeting of the 47th Meeting of the International Monetary and

[28] "Ministry of Finance Press Conference on G20 Finance Ministers and Central Bank Governors," The Department of International Economic Relations, 17 April, 2020. ['财政部有关负责人就二十国集团财长和央行行长会议接受记者采访答问', 财政部国际经济关系司, 2020年4月17日], http://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202004/t20200417_3499844.htm.

[29] "Letter of Institute of International Finance (IIF) addressed to IMF, World Bank and Paris Club," 1 May, 2020, https://www.iif.com/Portals/0/Files/content/Regulatory/IIF%20Response%20LIC%20Debt%20Relief%20Initiative%20May%202020.pdf.

[30] Thomas M. Callaghy, "Innovation in the Sovereign Debt Regime: From the Paris Club to Enhanced HIPC and Beyond," The Operations Evaluation Department (OED) Working Paper, Washington D.C.: The World Bank 2004, p. 17.

Financial Committee (IMFC)", April 13-14, 2023, https://www.imf.org]. In other words, the DSA framework does not consider the purpose of debt and has ignored the public-sector assets the debt finance adds to, including infrastructure assets, and thus has an anti-investment bias (Gallagher and Wang 2020). This mirrors the popular view of Chinese government and academia that China does not enjoy the reputation it deserves in terms of its development activities abroad. They consider it unfair for the BWIs to tighten the LIC-DSA while allowing advanced economies to get rid of their debt disciplines in the name of modern monetary policy. Another controversy about the BWIs' LIC-DSA and more broadly the sovereign credit rating by the US-dominated rating agencies is that democracy is considered as the most decisive factor in measuring the quality of "institutions" and "governance" of the debtor countries. The World Governance Indicators (WGI) database is widely quoted on this aspect. Chinese does not trust this, however. Wang (2021) from Hong Kong Chinese University studies Chinese political system and suggests adopting a more effective matrix measuring "state capacity", i.e., the capacity to formulate, implement, and monitor policy initiatives nationwide, including coercive and extractive capacities.[Shaoguang Wang, China's Rise and Its Global Implications, Springer 2021, Chapter 3, "Revelation: State Capacity and Economic Development", pp. 15–64]. But it is uncertain to what extent China will be able to bring an alternative to the dominant rule in reality. Public asset is very difficult to define and measure. (Buchheit et al. 2018) Chinese Ministry of Finance issued the Debt Sustainability Framework for Participating Countries of the BRI in April 2019, which was done with the help of IMF and largely the same with the IMF and the World Bank's formula (Morris and Plant 2019).

Thirdly, as an alternative, China tries to reinterpret the Paris Club's rules in other ways. The G20 initiatives state the DSSI and Common Framework apply to "official bilateral creditors" without giving a clear definition. This is an old term used by the Paris Club, meaning "governments or their appropriate institutions, especially export credit agencies."[31] The World Bank's Debtor Reporting System (DRS) defines categories of creditors, one of which is "government or public agency," i.e., "central, provincial or local governments, central banks (but not government-owned commercial banks), and public enterprises (notably, governmental export-financing institutions, development banks, and the like)."[32] It means that both development banks and export credit agencies belong to the official bilateral creditors. China Development Bank (CDB) insists itself as a "commercial creditor" and will participate in the DSSI on a voluntary basis. China also questions the preferred creditor status of the World Bank for not participating in the DSSI. This becomes the most central issue for China's participation in the Common Framework (Huang and Brautigam 2010). More differences may also arise on the definition of PPG subject to treatment in

[31] Paris Club, "Classification," https://clubdeparis.org/en/communications/page/classification, visited Jan. 3, 2022.

[32] World Bank, Debtor Reporting System Manual, Development Data Group Financial Data Team, World Bank, January 2000, p. 10.

future. While Chinese and many other financial institutions tend to consider lending to state-owned enterprises (SOEs) without sovereign guarantee belongs to private debt, the BWIs, especially the World Bank, are expanding the coverage of DSA to include most SOEs.[Deborah Brautigam and Yufan Huang, "Integrating China into Multilateral Debt Relief: Progress and Problems in the G20 DSSI", China-Africa Research Initiative, John Hopkins School of Advanced International Studies, Briefing Paper No. 9, April 2023.]

There are other major concepts and issues to be negotiated. As the World Bank's outgoing president David Malpass says, the most fundamental issue of"comparability of treatment" remains untouched on the GSDR. This is one of the core principles of the Paris Club; but how to maintain the comparable treatment among different types of public and private creditors has not been clearly defined in the history. This is fundamental for a fair burden-sharing of the diverse creditors.

Conclusions and challenges ahead

Even though China did not join in the Paris Club or the OECD, and the GPEDC failed to accomplish its formal mandate, emerging and traditional donors have been learning from each other in the mutual debates and interactions, which has led to much informal convergence of their ideas and practices on development cooperation. (Xu and Carey 2015) The G20 hub facilitates the process through the leaders' commitment.

Fundamentally this is driven by their new understanding of the common interests in coordination. The G20 as a politically pluralist platform has exhibited its unique vale in facilitating both sides understanding each side's preferences and legitimate interests and forming common rules in functional coordination. Janus and Tang (2021) suggests that three "coalition magnets", i.e., mutual benefit, development results, and the 2030 Agenda could provide concepts for DAC and Chinese development policy fields to frame common interests of closer engagement.

The G20's Common Framework on sovereign debt treatment is worth celebrating as it indicates the continuous efforts of the coordination between emerging creditors and the Paris Club. It will take time, however. WBG (2022, p. 52) cites the work by Trebesch, Papaioannou, and Das (2010) that, between 1970 and 89, roughly four agreements were needed on average for the 47 debtor countries requiring debt rescheduling, and nearly one-third had more than four agreements. The challenges loom larger today due to the more diversified creditors' structure. any coordination between the traditional and new bilateral creditors under the Common Framework should focus more on broader public–private coordination. But geopolitics is making the challenge even larger. Both traditional creditors and emerging creditors, including China, should not replace socialization strategy with harmful demonizing actions.

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Conflict of interest On behalf of all authors, the corresponding author states that there is no conflict of interest.

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