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China and the EU's engagement in Africa:  
setting the stage for cooperation, competition  
or conflict?

Christine Hackenesch

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**Christine Hackenesch** has been a research fellow at the German Development Institute since June 2008. She is concentrating on China's engagement in Africa and consequences for European development cooperation in Africa as well as on EU-China relations.  
E-Mail: [Christine.Hackenesch@die-gdi.de](mailto:Christine.Hackenesch@die-gdi.de)

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Tulpenfeld 6, 53113 Bonn  
 +49 (0)228 94927-0  
 +49 (0)228 94927-130  
E-Mail: [die@die-gdi.de](mailto:die@die-gdi.de)  
<http://www.die-gdi.de>

## Preface

This paper was produced as part of a more comprehensive research project on ‘European Policy for Global Development’ under the direction of Dr. Sven Grimm, funded by the German Ministry for Economic Cooperation and Development (BMZ). The project analyses the European Union’s capabilities to engage in global policy. In this regard, the project looks into the management of policy nexuses, i.e. it analyses new EU initiatives and instruments (aid effectiveness), the institutional setup (aid architecture) and the coherence for development. The project approaches issues of coherence and coordination within the EU’s complex system of multi-level governance, encompassing the European as well as the Member State level. It deals with two thematic areas (‘trade’ and ‘security’) as well as their relation to development policy. In addition, the project analyses the challenges the EU faces from emerging international actors (particularly China). Furthermore, the project assesses the EU’s capabilities in dealing with these emerging actors in order to engage in global development. This discussion paper has been prepared within this third work section.

Over the last years, “new donors” have increased their aid to developing countries, in some cases quite significantly. This evolution coincides with major reform initiatives of the international aid system aiming at increasing aid effectiveness and reaching the step of being implemented. “New donors”, however, provide their aid outside the framework of established international structures, i.e. beyond the international consensus on development. The consequences of the engagement of new donors for developing countries and for the international aid system are currently widely discussed in the development community. China’s engagement in Africa, the consequences for African development as well as consequences for European development policy lie at the core of this debate. The topic of the discussion paper is therefore highly relevant in the context of international discussion on aid effectiveness. In addition, the topic also matters from international relations perspective, for instance with regard to the question of the integration of new major actors in international structures.

This discussion paper provides a comparison of the *policy approaches* of European and Chinese development policies in the context of their overall engagement in external relations with African countries. The paper, however, does *not* look at the *practice* of both European and Chinese policies in Africa, nor does it further elaborate on African perspectives on both actors’ policies. This will need to be done in upcoming research.

The paper primarily draws on major European and Chinese policy documents. In addition, the paper builds on a number of interviews that the author conducted in Beijing with scholars from Chinese research institutions, Western diplomats as well as representatives of non-state organisations.

I would like to thank Dr. Sven Grimm for his time and valuable input while I was preparing this discussion paper. I greatly appreciate his help and have benefited a great deal from the discussions held with him. Furthermore, I would also like to thank the other members of the project team: Dr. Stefan Gänzle and Davina Makhan as well as my other colleagues: Dr. Guido Ashoff, Dr. Erik Lundsgaarde, Stefan Leiderer, Dr. Doris Fischer and Prof. Dr. Dirk Messner. Finally, special thanks go to Gertrud Frankenreiter and Fatia Elsermann for their enduring technical support. The usual disclaimer applies.



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## Abbreviations

ACP	African-Caribbean-Pacific States
AfDB	African Development Bank
AFRICOM	Africa Command (of the US Army)
AGOA	African Growth and Opportunity Act
APRM	African Peer Review Mechanism
AU	African Union
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Ministry for Economic Cooperation and Development)
CADF	China African Development Fund
CASS	Chinese Academy of Social Sciences
CCP	Chinese Communist Party
CDB	China Development Bank
CEO	Chief Executive Officer
CO <sub>2</sub>	Carbon Dioxide
DAC	Development Assistance Committee
DAFC	(Chinese) Department on Aid of Foreign Cooperation
DCF	Development Cooperation Forum
DG DEV	Directorate-General Development
DFEC	(Chinese) Department for Foreign Economic Cooperation
DfID	UK Department for International Development
DGs	Directorate-Generals
DG RELEX	DG External Relations
DPS	Development Policy Strategy
DWAA	(Chinese) Department of West Asia and North African Affairs
EBA	Everything but Arms Initiative
EC	European Commission
ECC	Economic and Commercial Counsellors
ECHO	European Community Humanitarian Office
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EIDHR	European Initiative for Democracy and Human Rights
EP	European Parliament
EPAs	Economic Partnership Agreements
EU	European Union
EXIM	Export-Import Bank
FALSG	Foreign Affairs Leading Small Group
FDI	Foreign Direct Investment
FOCAC	Forum of China-Africa Cooperation
GAERC	General Affairs and External Relations Council
GDP	Gross Domestic Product
GNI	Gross National Income
GSP	General System of Preferences
IPRCC	International Poverty Reduction Centre in China
LDC	Least Development Countries

MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MOFCOM	Ministry of Commerce
MoU	Memorandum of Understanding
MTETM	Ministère des Transports de l'Équipement du Tourisme et de la Mer)
NDRC	National Development and Reform Commission
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
NIP	National Indicative Programmes
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PD	Paris Declaration on Aid Effectiveness
PRC	People's Republic of China
SADC	Southern African Development Community
SASAC	State-owned Assets Supervision and Administration Commission
SIDA	Swedish International Development Cooperation Agency
SOE	State-owned Enterprises
TEU	Treaty on the European Union
TICAD	Tokyo International Conference on African Development
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
US	United States
WTO	World Trade Organization

## Executive Summary

“New donors” such as India, Brazil or the Arab states have recently increased their aid to developing countries. These countries provide their aid outside the framework of established international structures. The consequences of their engagement for developing countries and for the international aid system – that is undergoing important reforms – is being widely discussed in the development community. At the core of this debate lies China's engagement in Africa, its consequences for development in Africa and how it relates to European development policy.

China's engagement in Africa is highly debated in Europe and has caused different initiatives throughout the European Union to foster cooperation with China and with African nations. These initiatives have in common that they are taking mainly place at the dialogue level, while in the medium and long-term perspective they aim at creating more comprehensive cooperation. From an aid effectiveness perspective, cooperation as well as competition and conflict between European and Chinese development policies in Africa could each entail positive and negative consequences for development in Africa. Arguably, the role of African countries will determine to a large extent if cooperation, competition or conflict between European and Chinese development policies will be beneficial for development in Africa. Only if African countries take ownership and actively shape the relationship with fund providers, external engagement is likely to have positive consequences for development.

For the time being, however, it is unclear to what extent it will be possible to establish concrete cooperation projects between the EU and China that respect African countries' ownership. The objective of this paper is therefore to compare Chinese and European development policies approaches in the context of their overall relations towards Africa in order to identify aspects and elements of both sides policy approaches that will possibly influence the structure of the future relationship between European and Chinese development policies in Africa countries.

### *Differing overall approaches: European and Chinese values, objectives and principles*

The objectives, principles and values of China and the EU's development policy in Africa, form a complex picture and at least the rhetoric differs considerably. Both actors apply different approaches in their policies towards Africa, and both actors have a different understanding of how development policy relates to other areas of external relations.

Since the turn of the century, the EU has been reforming its Africa policy and its development policy in order to overcome the traditional donor-recipient relationship and to create a strategic partnership, embracing internationally agreed principles such as ownership, equality and alignment. Alongside Europe's development cooperation, trade and foreign policy constitute distinct policy areas, although the EU increasingly acknowledges that these policies also have an impact on the development prospects of partner countries and thus aspires to better coordinate them with development policy.

In contrast to the EU, the Chinese government does not clearly distinguish between development and foreign policy, elaborating a very comprehensive approach towards Africa. The originality of China's Africa policy precisely lies in the close linkage of development assis-

tance to the provision of resources, foreign direct investment, trade flows and diplomatic initiatives. This lack of distinction makes it difficult to assess China's policy. However, this does not necessarily imply that Chinese engagement is less effective for African development.

Although Chinese and European objectives of development policy have some common ground, they differ considerably in many aspects. China primarily focuses on the promotion of economic and social development and sees the establishment of peace and security as an important condition for development. Hence, it pursues rather traditional objectives of development policy. The promotion of peace and security is an objective of China's policy towards Africa, even though China does not actively contribute to its promotion in the context of its development assistance. The European Union, for its part, designs its objectives and principles of development policy closely in line with international agreements. Poverty reduction and the achievement of the Millennium Development Goals, therefore, represent core objectives of European development policy. The EU also aims at promoting a political and economic environment that is favourable for development. The objectives as well as the areas in which European development policy is engaged are thus broader than China's objectives and fields of engagement. In addition, the EU clearly puts much more emphasis on political development, an aspect which is, for obvious reasons, mostly absent in China's strategies.

China's principles of non-interference and non-conditionality in contrast to European attempts of promoting democracy, human rights and good governance are probably the most difficult and disputed areas. China's policy does not comply with standards and norms set by the traditional donor community. Therefore, China represents a welcomed alternative for African governments, possibly weakening the leverage of traditional donors, while creating increasing bargaining power for African governments. Although, the concrete consequences of China's engagement for European attempts of promoting good governance, human rights, and democracy as yet are not clear.

#### *Is development policy succumbing to strategic interests?*

Since the end of the Cold War and in the light of declining economic and strategic importance of Africa, the promotion of values and norms in the European-African relationship has become more important. It is, however, necessary to note that the promotion of human rights and democracy became more prominent against the background of decreasing economic and security interests.

Compared to other regions, European resource and particularly economic interests in Africa are currently rather small, whereas for China, resources from countries such as Angola or Sudan as well as African markets play an increasingly important role.

Resource and energy interests, competition and conflicts between the EU and China could arise, depending on how the interests on both sides evolve in this area. China's development policy is *inter alia* closely linked to its resources interests. The EU increasingly highlights the nexus between energy security and development, and integrated energy security issues in developing countries in the spectrum of its development policy. Even though the African continent is currently an important, but far from the only provider of resources, the EU seems to increasingly recognise the potential of African countries as energy providers. Comparing Chinese and European political interests in Africa indicate that, for both, relations with Afri-

can countries constitute an important element in how they are emerging and changing strategies towards global politics. The EU wants to foster 'effective multilateralism', relying on the cooperation with Africa as one important element to achieve this objective. China, however, aims at promoting a 'harmonious world', composed of sovereign nation states that cohabit peacefully. African support, particularly in international relations, is also important for China. Recent voting patterns in several UN bodies seem to indicate that Europe and China could be increasingly competing in this regard.

#### *Increasing need for cooperation among actors in Europe and in China*

Europe and China both face important challenges with regard to the actors involved in their development policy and overall cooperation with Africa. In Europe shared competency for development aid persist at both the community and national level. In recent years the range of actors involved in European development policy has been expanding due to EU-Africa relations opening up for African non-state actors and the increase of EU members. Furthermore, actors have become increasingly aware of linkages between development policy and other policy areas. European reform initiatives hence aim at increasing coherence and coordinating in order to reduce the high fragmentation among European actors. In China, not only the cooperation between different actors needs to be improved, but also the regulatory and implementation capacities of the state; conflicting interests between different stakeholders emerge and test the state's capacities to enforce regulations abroad. As a consequence of the general intensification of Sino-African relations, the number of actors involved in China's relations with Africa has recently been increasing, even though state actors and state-to-state relations still dominate China's Africa policy. China's policy towards Africa involves private enterprises and particularly civil society actors only to a limited degree, even though the government has recently taken some initiatives to foster their engagement.

In Europe and China, different types of actors are responsible for development cooperation and overall relations with Africa. In China, the Ministry of Commerce takes a prominent role, indicating a strong relation between development and trade policy. In Europe, specific actors are in charge of aid policies, such as the specialised Directorate-General for Development at the EU level or national ministries of development cooperation (or departments in foreign ministries). Arguably, this institutional separation reduces to some extent the possibility that development policy is instrumentalised by other foreign relations interests. Yet, with institutional changes occurring, it will be important to see, which domestic actors will gain influence on Europe's Africa policy-making, and to follow their respective interests in relations with Africa.

#### *Different focal areas of European and Chinese development policy*

China and the EU cover similar areas in their development policy, although both set different foci. After the end of the Cold War, European development policy became more poverty-oriented, while at the same time new sectors such as security issues, trade liberalisation, the promotion of democracy and human rights, energy security, conflict prevention and fragile states have increasingly been added to the spectrum of development policy issues. This broad range of issues increases complexity and creates problems of coordination between the EU Commission and member states. By implementing reform initiatives, such as the European code of conduct on division of labour, European actors seek to address stronger needs for co-

ordinating and cooperating in order to enhance the effectiveness of European aid.

Sino-African cooperation covers a wide range of areas from bi- and multilateral political cooperation, economic cooperation, cooperation in social development as well as in peace and security. Since 2000, cooperation has been widened and deepened in many fields. Chinese development assistance in a narrower sense, i.e. closer to the Western understanding of aid, focuses on projects in five major areas: health, agriculture, education and infrastructure, with infrastructure projects taking the major bulk of these projects.

*Various factors influencing prospects for future cooperation between the EU and China*

In the light of very different European and Chinese policy approaches, norms and principles in their cooperation with African countries, concrete cooperation will depend on results of dialogues initiatives that are already in place. It is unlikely that fundamental changes will occur in underlying belief systems, perceptions or strategic cultures of China or the EU in the near future. Mutual understanding of the perceptions, norms and values of the partner, however, could already represent an important first step, which could facilitate future cooperation.

Potentially more far-reaching, the evolution of Chinese and European economic and resource interests in comparison to political and other interests will influence prospects for concrete cooperation. The evolution of European resource and economic interests in Africa, which are currently rather low, will certainly influence the willingness and capacities of European actors to push for cooperation. The same can be expected for China. China's willingness to cooperate will also depend largely on the overall benefits China could gain through cooperation. For the time being, China's attractiveness for African countries results partly from the fact that China is not a member of the "donor club", but acts outside the existing structures. It can thus be referred to when Western donors refuse funding. Despite that African countries use their Chinese "joker", China's growing investments and trade activities are likely to cause an increase of China's interest in cooperation with other external actors in Africa, since it has increasingly more to lose in cases when critical situations such as political turmoil and economic crisis arise in African countries.

Against this background, constellations and power structures among domestic actors in the EU and in China will have important impacts. Generally, some parts of the Chinese ruling elite seem to favour international cooperation more than others; different actors involved in China's development projects might have different degrees of interest in cooperating with the EU and other traditional donors. The outcome of this internal strive for influence is not yet clear, but will determine much of China's external policy. The European Union, for its part, will have to deliver on her reform projects in order to (re-)gain credibility. The EU can, for instance, hardly expect China to harmonize its policies with traditional donors, if harmonisation cannot be achieved among EU member states and the Commission. The EU will also have to be clearer about its own interest in promoting cooperation and dialogue with China and Africa.

Prospects for cooperation will further depend on the structure of the international aid system and the fora it provides. The comparison of the EU and China's conceptions of development policy has demonstrated that, for the time being, there are few common notions and concepts. It would be necessary to build and/or strengthen international fora, ideally under the umbrella

of the United Nations, in which all actors (including African states) are represented. In 2007, the Development Cooperation Forum (DCF) was launched as a platform that feeds into international negotiations, such as the Conference on Financing for Development. This is a first step in bringing developing countries, “new donors” and traditional donors together. The DCF will have to shift to discussions about jointly agreed definitions of development aid and common standards, in order to avoid becoming yet another ‘talk shop’.

A great deal – if not all – will depend on how African countries approach these matters. China will not engage and participate in the international aid system, if African countries do not push for China's involvement, whereas criticism from the African side of some development-unfriendly practices of Chinese actors could probably have an important impact. These critics are most likely to be found amongst actors with comparable value systems than European actors, i.e. African states with democratic systems of governance and (sub)regional organisations with an explicit “good governance” agenda like NEPAD and the African Union, the Economic Community of West African States (ECOWAS), or others.



## 1 Introduction

Aid to developing countries has increased from countries such as China, Korea, Brazil, Venezuela, or the Arab states in times when the international aid system is undergoing important reforms, aiming at increasing aid effectiveness<sup>1</sup> and achieving implementation. These “new” donors<sup>2</sup> provide their development assistance outside the framework of established international structures: they have different concepts of development policy, use different approaches in their cooperation with developing countries and to a large extent do not integrate the international reform agenda in providing development aid (Woods 2008; Kragelund 2008). These new emerging players will strongly affect international debates on development and how aid is distributed. At the core of this debate lies China's engagement in Africa, the consequences of China's involvement for African development and for European development policy in Africa.

The African continent is a main target region for “traditional” donors<sup>3</sup> development policy. Many challenges like the reduction of poverty, most other objectives of the Millennium Development Goals (MDGs) and improvements in governance are particularly pressing in Africa. In this regard, China and other non-OECD donors' engagement is important to all traditional donors. However, from a European perspective China's engagement is particularly relevant since Africa is the most important region for European development policy. Furthermore, the EU as a whole is by far the biggest provider of development assistance for Africa. In addition, the continent plays a particular role in the development of European foreign policy (cf. Grimm 2009).

### *European and African perceptions of China's engagement in Africa*

The discussion which has evolved during the last years in Europe is “changing from criticism with marvel and helpless reaction towards cooperative pragmatism” (Berger / Wissenbach 2007, 3). Whereas some European critics argue that China's policy is challenging and undermining the OECD consensus on conditions and standards attached to development policy, since China does not apply internationally agreed commitments while providing aid. Others see China's policies more positively as catalysers of overdue change in European post-colonial and charity-based attitudes, triggering also a debate of what development is and the best ways of achieving it. In this sense, China has become “a factor and accelerator in European considerations about reorienting the EU-Africa Partnership”, and although China has not triggered this debate it “gave it new impetus” (Berger / Wissenbach 2007, 4).

A particularly sensitive and relevant issue in the debate might be the question of good governance and democracy. China cooperates with regimes that the EU and other donors would isolate for political reasons. China's willingness to foster its policy of ‘no conditions’ is chal-

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1 The Paris Declaration on Aid Effectiveness, signed in 2005, is one cornerstone of the international discussions on aid effectiveness. Refer also to Chapter 2 in this discussion paper (see Box 1).

2 The term “new donors” can be misleading since some of these new donors have a long tradition of providing development assistance. China, for instance, already gave aid to Africa in the 1950s. During the last years, however, China – and others – have substantially increased their aid to other developing countries. Other terms that are used are “emerging donors” or “non-DAC donors”, as these countries are not members of the OECD Development Assistance Committee (DAC).

3 Donors that coordinate their standards in the OECD/DAC are called “traditional donors”.

lenging the international consensus on governance and development. This raises the question to what extent China's policies undercut European and African endeavours for promoting human rights, democracy and good governance. Particularly, NGOs are now fearing that their achievements in convincing Western governments and corporations in respecting principles of transparency and good governance might be put into question (Alden 2007, 111).

African perceptions of China's engagement are also quite diverse and diverging. African governments mostly welcome China's engagement in Africa since it provides greater freedom and independence from Western donors. Several rulers, such as Uganda's President Museveni, explicitly highlight the greater policy space China offers (Brunell 2006). In African civil societies, however, perceptions are more mixed. Discussions involve the question to what extent and under which conditions Africa can benefit from China's engagement, regardless of China's own interests and intentions. For instance, labour unions, environmental or human rights groups are concerned about China's policies. Others, however, highlight possible benefits of China's engagement for African development. They also underline the possibilities of learning from Chinese experiences in poverty reduction and from the Chinese economic development model. Some civil society networks, such as Fahamu have been particularly active in the debate and also African researchers (particularly from South Africa) are working on this issue (Le Pere / Shelton 2007).

#### *Cooperation between EU, China and Africa remaining currently on the level of dialogue*

China's engagement in Africa has caused different initiatives throughout the EU. Until now, however, the European Commission and EU Member States have barely coordinated their respective activities and it is unclear to what extent different initiatives complement each other. At the European level, discussions with Chinese leadership were launched as part of the framework of the EU-China strategic partnership. The first joint statement, made during the EU-China summit in September 2006 in Helsinki, highlighted that both sides are committed to work together in favour of peace, stability and sustainable development in Africa. Despite this broad agreement, divergent views on the relations with Africa were communicated:

*“The EU reaffirmed its attachment to the principles of good governance and human rights, as embodied in its Africa strategy. The Chinese side emphasized the upholding of the five principles of peaceful coexistence, in particular the principle of non-interference into others' internal affairs.” (Council of the European Union 2006)*

Since then, the European Commission has been particularly active in pushing for a more comprehensive and intense dialogue with the Chinese government on European and Chinese policies in Africa. In parallel, various EU Member States have launched dialogue initiatives independently from each other. The UK Department for International Development (DfID) has to some extent taken the role of a precursor, proceeding an active policy of constructive engagement and holding, among others, a regular dialogue with Chinese officials. Initiatives – albeit more reluctant – have also been taken by the French government; the Swedish Development Agency (SIDA) is interested in the question a great deal; and also the German government has become increasingly active in this matter. Whereas first discussions mostly started as a bilateral meeting between China and the EU, meanwhile there have been attempts to broaden them and to integrate African countries. In October 2008, the EU Commission took the lead in fostering trilateral dialogue mechanisms, publishing a communication on “The EU, China and Africa: Towards trilateral dialogue and cooperation” (European Commission 2008b).

The attitude of Chinese officials towards European dialogue initiatives is changing. At first, reactions were quite hesitant. However, an increasing interest in communication and exchange on certain issues is noticeable. Many Chinese scholars are particularly interested in cooperation and exchange with European scholars. African governments for their part regard bilateral EU-China contacts often with suspicions, fearing that the EU and China could coordinate efforts without taking African interests into account. At the same time, African initiatives and attempts to influence the dialogue between the EU and China have been marginal as well as the trilateral activities; reactions on the political level remained rather anecdotic. This can partly be explained by a lack of African governments' (and African regional organisations) capacities in formulating a common position or a common response strategy towards China's Africa policy or towards dialogues between the EU and China on Africa.

*Cooperation, competition or conflict between the EU and China: what consequences are there for development in Africa?*<sup>4</sup>

These recent initiatives in fostering cooperation mainly take place on the dialogue level. For the medium and long-term these initiatives aim at creating more comprehensive cooperation in order to reduce competition and conflict between European and Chinese development policies in regard to their external relations. From an aid effectiveness perspective, cooperation, competition and conflict between European and Chinese development policies on Africa could each entail positive and negative consequences for development in Africa (see Box 1 below).

Arguably, the role of African countries will depend to a large extent if cooperation, competition or conflict between European and Chinese development policies will be beneficial for development in Africa. Only if African countries take ownership and actively shape their relationship with fund providers, external engagement is likely to have positive consequences for development.<sup>5</sup>

In line with the argumentation of the Paris Declaration on Aid Effectiveness (see Box 2), cooperation between Europe and China in the area of development policy could entail positive consequences for African development. This could happen if African ownership is respected and if both sides align with the priorities and strategies of the partner country. It can be expected that cooperation would then, for instance, contribute to avoiding duplication of efforts and exchanging experiences in order to find best practices (see also European Commission 2008b). In contrast, cooperation between the EU and China could have negative effects for African development, if it would ignore African ownership. Cooperation "at all costs" could have negative consequences for development, if the EU had to compromise on core norms, principles and values.

Also, competition between European and Chinese development policies could have positive effects on African development, as long as Europe and China align their policies with African

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4 The author would like to thank Dr. Guido Ashoff for his valuable comments on this part.

5 The role and perspective of African countries has deliberately been left out in this paper, as it focuses on policy approaches of European and Chinese actors only.

<b>Box 1: EU-China relations with Africa: examples of consequences for African development</b>		
	<b>Positive aspects for African development</b>	<b>Negative aspects for African development</b>
<b>Cooperation</b>	If harmonisation takes place, taking into account the priorities and strategies of African partners	If “ganging up” against African partners without respecting alignment and ownership takes place
<b>Competition</b>	If partner priorities are respected, competition for best concepts and approaches in project process implementation can be beneficial for African development  If donors compete in the tendering process, using the country’s procurement systems	If work and resources are duplicated  If competition leads to a “race to the bottom” for standards and norms
<b>Conflict</b>	If differences with regard to norms, standards and principles are not covered; but if, instead, they are openly discussed and carried out	If both sides work against each other  If development policies are instrumentalised by opposing foreign policy or economic interests
Source: Author’s compilation		

priorities and strategies. Competition for best practises, for instance with regard to project implementation, could enhance the effectiveness of development aid. In the light of competition from Chinese development aid, the EU and other Western donors could feel more pressure to consequently implement and deliver on reforms they have committed themselves to. China, on its part, could be pushed to reform aspects of its development policy that have been criticised by African countries (e.g. poor evaluation of aid projects and problems with the sustainability of projects). Without respecting ownership and without aligning with African strategies, competition could, however, also have negative effects on development, since resources and costs of development policy could be duplicated. Competition could also lead to a “race to the bottom” with regard to achieved standards and principles of international development cooperation.

Conflict between European and Chinese development policies could have positive consequences when these discussions contribute in improving development policies on both sides and are discussed openly, for instance, if disputes arise regarding diverging norms, standards or principles. In contrast, if conflict between European and Chinese development policies implies that both sides simply work against each other and if development policy would be highly succumbed by foreign policy and economic interests, conflict between European and Chinese policies could have negative affects on African development.

For the time being, it is unclear to what extent it will be possible to expand the existing dialogue mechanisms and to translate them into concrete cooperation projects between the EU, China and African countries. Or, to which degree the relationship between European and Chinese Africa policies will be rather characterised by competition or even conflict and what consequences this would precisely have for African development. The objective of this paper is, therefore, to identify aspects and elements of European and Chinese policy approaches

towards Africa that will possibly influence the structure of the future relationship between European and Chinese development policies in Africa.

*China and the EU's engagement in Africa: what are the prospects for cooperation, competition or conflict?*

Different theoretical schools identify different reasons for countries to provide development aid to poorer countries and they predict different scenarios with regard to the prospects for cooperation, competition and conflict between international actors. In this respect, they identify different aspects that could influence the future relationship between European and Chinese development policies on Africa in regard to their external relations.

Realists and neo-realists mostly adopt a pessimistic position on the possibilities of peaceful integration of new powerful actors in existing international structures. Power balancing and transition of power theorists argue from a zero-sum perspective: one country's gain in power is the other one's loss in power. In the persistence of anarchy in the international system, it will thus be difficult for traditional major actors to accept the emergence of a new player in the international system, since this puts their influence and power into question. New players, on the contrary, will almost inevitably challenge existing international institutions, power distributions and norms (cf. Waltz 1979). From this perspective, conflict between traditional players and new-comers is almost inevitable; a peaceful and cooperative integration of China in the existing structures consequently would be difficult (Mearsheimer 2006).

As realists and neo-realists put power and national interests at the centre of their theories, development policy is mostly perceived as a foreign policy instrument, aiming at pursuing security interests, safeguarding access to natural resources and promoting economic interests (Morgenthau 1962). From a realist point of view, it could therefore be expected that the relation between Chinese and European policies in Africa would be rather characterised by competition and conflict over resources and economic interests. In this respect, development policy would become an increasingly important instrument for both sides in order to safeguard their respective economic and resource interests. Within this scenario, cooperation between the EU and China in the field of development policy seems to be rather unlikely.

(Neo-)institutionalists and liberalists, on the contrary, highlight that in the age of globalisation, international relations are increasingly interdependent. Increasing global diffusions of trade, production, communication and financial flows as well as global challenges like climate change encourage competing powers to enhance cooperation and pursue mutual gains. Nation states therefore are increasingly integrated and embedded in tied structures and networks, facilitating the prevention and peaceful resolution of conflicts (Gu / Humphrey / Messner 2007). Liberal theories particularly highlight that states can not be taken as closed units. Instead, the domestic institutional setting and domestic actor constellations influence foreign policy making of national governments and shape foreign policy preferences of governments (cf. Moravcsik 1997). Therefore, development policy is shaped by the preferences of national actors and their power and influence on the national policy-making process.

From these perspectives, the emergence of China as an increasingly important actor in Africa might not necessarily result in competition and conflict with European policies on Africa. Under certain conditions, instead, cooperation could be possible. According to institutionalist theories, the existence of institutions and the interaction of actors within these institutions

could induce learning processes which will facilitate cooperation among different actors (Humphrey / Messner 2006). Among others, the future character of the relation between European and Chinese policies on Africa would thus depend on already existing international institutions and their capacities to structure debates and create norms and rules. In addition, the interests of the domestic actors involved in development policy-making in the EU and in China, their power and their capacities to bring their preferences into the decision-making process would influence the relation between Chinese and European policies in Africa. Cooperation is conceivable if there is a certain intersection of preferences between these actors. The prospects for cooperation between the EU and China in the field of development policy would, therefore, depend on the actor constellations within the EU and China.

Other theoretical schools spotlight the importance of norms, identities, values and belief systems for the relation between international actors. From this perspective, different perceptions of the nature of international relations strongly impact on policy decisions of decision-makers. From this point of view, development policy is strongly influenced by the ideals of justice, charity, solidarity and – to some degree – Christian mission. Subjective factors such as strategic cultures, belief systems and interests are transmitted by learning processes and are embedded in historical experiences. These underlying subjective perceptions tend to be highly resistant to change. They can be modified, however, through the interaction with other actors, since these interactions can bring up new ideas and information which can contribute to replacing earlier perceptions (cf. Wendt 1992; Friedberg 2005, 34).

Optimistic constructivists highlight that China's participation in international institutions could lead to modifications and adaptation of its strategic culture, and would imply changes in its underlying belief systems and interests. Increasing contacts and exchanges between Chinese and European actors could thus trigger modifications of identities, strategic cultures and norms on both sides, thereby successively facilitating cooperation in Chinese and European policies towards Africa (cf. Johnston 1995). More pessimistic constructivists, however, would argue that positive changes are long lasting processes, since mental constructs are deeply rooted. Differing and diverging identities among major actors could then lead to competition between actors and could even become a source of instabilities, triggering conflicting situations (cf. Friedberg 2005).

Each of these theoretical schools captures different aspects of reality and identifies different causal mechanisms to be crucial. When it comes to reality, however, it can be expected that the future relationship between European and Chinese policies in Africa will be influenced by a mixture of these factors. Against this backdrop, this discussion paper will shed light on a broad range of aspects that could have an influence on the character of the future relationship between the EU and China's development policies towards Africa in the context of their overall external relations. The aim of this paper is, thus, to analyse and compare the state of the art of Chinese and European policy approaches towards Africa in order to assess the prospects for future cooperation between both actors, and weigh them against the possibilities of competition or conflict between both sides.

Drawing from the outlined theoretical arguments, several elements could influence the future relations between European and Chinese development policies in Africa: policy objectives, values, norms and principles; the structure of interests on both sides; as well as the actors involved in European and Chinese policies towards Africa. Consequently, the paper will first look at objectives and principles of European and Chinese development cooperation as they

are outlined in major policy documents in order to find out similarities and differences. Then, the paper assesses the interests of both sides and discusses the preferences and influences of major actors in the EU and China that could have an influence on development policy-making. Besides, the paper casts a light on the current areas of Chinese and European development cooperation with Africa in order to identify similarities and differences.

## **2 The European approach: From traditional donor-recipient relations to a new strategic partnership with Africa?**

Africa is the most important region of engagement for European development policy – for the communitarised programmes led by the European Commission as well as for EU Member States and their national policies; Africa receives more than half of all EU ODA funds. The neighbouring continent also plays a particular role in the development of European foreign policy. Since the year 2000, the EU has been intensively reforming its overall development policy and its policy towards Africa. The objectives of these reform processes are multifaceted; the EU aims at strengthening its role as a global actor and as a central partner for the political and economic development in Africa. It arguably also aspires to reform the fundamental pattern of its relationship with Africa to overcome the traditional policy approach which conceived African countries often as junior partners. Instead, the EU aims at establishing a strategic relationship, where it places itself politically on an equal footing with African regional and continental institutions such as the African Union (AU) and regional economic communities, for example, by naming just two: the Economic Community of West African States (ECOWAS), or the Southern African Development Community (SADC).

### **2.1 Normatively guided principles, objectives and European interests**

Different reform processes at various levels have been affecting European development policy towards Africa since 2000. International reforms of development cooperation, the reform of European development policy in general as well as the reform of overall European policy towards Africa need to be considered.

First of all, objectives and principles of European development policy towards Africa are highly influenced by international agreements. Under the general objective of providing more effective aid, several reform initiatives have been carried out in the international aid system since 2000<sup>6</sup> (see Box 2) and the EU is politically committed to apply these multilaterally agreed principles and objectives in their own development policies. The European Commission and the EU Member States actively took part in elaborating these international agreements, even though it has been argued that the EU “seems to be a norm-importer rather than a norm-exporter in development policy, and has only rarely [...] been able to put a distinctive European stamp on the international development agenda” (Orbie / Versluys 2008, 85).

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6 The UN Millennium Declaration and the MDGs (2000), the Monterrey Consensus on Financing for Development (2002) as well as the Paris Declaration on Aid Effectiveness (2005) and its follow-up, the Accra Agenda for Action (2008), are particularly relevant in this respect.

<b>Box 2: International development policy effectiveness agenda</b>		
<b>Dimension</b>	<b>Relevant documents</b>	<b>Major aspects</b>
<b>1. Goals</b>	<p><b>UN:</b> Millennium Declaration and Millennium Development Goals (MDGs) signed in 2000</p> <p><b>EU:</b> European Consensus (2005), valid for EU Commission and Member States</p>	<p>Core objective: eradication of poverty</p> <p>EU designs its objectives in line with international objectives</p>
<b>2. Resources</b>	<p><b>UN:</b> Monterrey Consensus on Financing (2002) and post-Monterrey consensus (Doha Declaration on Financing for Development in 2008)</p> <p><b>EU:</b> commitments on ODA targets (2005)</p>	<p>0.7 percent ODA/GNI until 2015</p> <p>EU collectively: 0.56 percent ODA/GNI by 2010 to reach 0.7 percent ODA/GNI in 2015</p>
<b>3. Institutions</b>	<p><b>UN:</b> no commitment</p> <p><b>EU:</b> EU Code of Conduct on Complementarity and Division of Labour (2007) valid for EU Commission and Member States</p>	<p>Aims at increasing coordination between EU actors: i.e. donor should limit aid to two focal areas</p>
<b>4. Principles, procedures and modalities</b>	<p><b>High level forum on aid effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Rome Declaration on Harmonisation (2003)</li> <li>- Paris Declaration on Aid Effectiveness (PD) (2005)</li> <li>- and follow up process – Accra Agenda for Action (2008)</li> </ul> <p><b>EU:</b> European Consensus (2005) and EU Code of Conduct (2007)</p>	<ul style="list-style-type: none"> <li>- core principles PD: ownership, alignment, harmonisation</li> <li>- commitments: predictability, conditionality, untying</li> </ul> <p>EU embraces principles of PD in its policy documents</p>
<b>5. Policy coherence for development (PCD)</b>	<p>Endorsed by OECD members at UN level</p> <p><b>EU:</b> European Consensus</p>	<p>Various dimensions: coherence within dev. policies, intra-country, inter-donor, donor-partner country</p>
<b>6. Methodological dimension: assessing aid effectiveness</b>	<p>Paris Declaration</p>	<p>Principles 4 (managing for results) and 5 (mutual accountability)</p>
Source: Author's compilation		

In parallel to discussions at the international level, development policy at the European level has also been substantially reformed over the last years. European development policy, however, remains a shared competency between the European Commission and EU Member States. At the European level, the Development Policy Strategy (DPS) of November 2000 was the first strategic document which provided guidance for the development policy of the European Commission. This strategy has been revised and replaced by the European Consensus in 2005, signed by the presidents of the European Commission, the European Parliament (EP), the Council as well as the 25 EU Member States. Though as a political declaration not legally binding, the consensus outlines for the first time a common vision and principles of development policy that apply for the European institutions as well as for the Member States (Grimm / Bergh / Freres 2005). In addition, in 2007 a European Code of Conduct on Complementarity and Division of Labour has been elaborated by the Commission and adopted by the Council (European Commission 2007c). Both documents are considered to indicate “a more real change of course” – if not a “silent revolution” (like the Paris Agenda), since they now provide a commonly agreed framework for enhanced coordination between Member States and the Commission and commit both to common conceptions and views on development policy (Carbone 2007; Grimm 2008b).

Besides these reforms in the field of development policy, Europe's broader policy framework towards Africa has also been fundamentally revised throughout the last years. Since 2000, Africa (re)-occurred on the European agenda for several reasons: after 11 September 2001, the nexus between security and development became more apparent (cf. Gänzle 2009). In addition, inner-African developments such as the foundation of the New Partnership for African Development (NEPAD) in 2001 and the African Union (AU) in 2002, the emergence of new actors in Africa such as China (and, to a lesser degree, also India and others) as well as the growing focus on natural and energy resources put Africa back on the European agenda (Kotsopoulos 2007; Kotsopoulos / Sidiropoulos 2007). The EU Africa strategy, published by the Commission in 2005, is an expression of this growing attention. This strategy is also the first regional policy paper, which implements the European consensus.

The EU aspires to combine and use its broad mandate in different policy areas more effectively in order to make a contribution to global development. One of the major objectives of the EU Africa strategy is, therefore, to overcome the strong fragmentation of European policies towards Africa in order to increase coherence between different policy fields and enhance coordination between different actors at the national and European level. European policy towards Africa is split between different policy areas, such as trade, foreign policy and development policy, each having different degrees and levels of integration. The Africa strategy, therefore, seeks to create an overarching umbrella, regrouping different European policies. In addition, the strategy – as an EU paper, instead of a Commission paper – embraces Member States' bilateral development policies. And it aims at embracing different regional agreements (European Commission 2005a), as the EU's Africa policy is traditionally segmented across the continent, being based on different treaties with the African, Caribbean, and Pacific (ACP) group, the North-African countries in Europe's Neighbourhood policy as well as a separate agreement with South Africa. The strategy was further published in the hope that a summit meeting between the European and African heads of state could be organised in Lisbon as

soon as possible, as in 2005 the Africa-EU summit was pending for two years already<sup>7</sup> (Grimm 2007). This has formally been achieved: negotiations on the Joint Africa-EU Strategy started in 2007 and were completed during the EU-Africa summit in December 2007 in Lisbon. Although several elements have been criticised, the summit and the Joint Strategy as a whole are considered to heighten expectations and to create an atmosphere of departure in EU-African relations (Kotsopoulos / Sidiropoulos 2007).

### *Major objectives of European development policy in Africa*

Embracing internationally agreed principles and objectives, the core objectives of European development policy towards Africa are the eradication of poverty in the context of sustainable development and the achievement of the MDGs, among others through the increase of the amount of aid to 0.7 percent of GNI by 2015. The European consensus refers to the MDGs as its goal system without specifying how the EU wants to contribute to their achievement. In contrast, the EU Africa strategy further outlines and details how the EU precisely wants to contribute to their achievement in Africa. Until the 1980s, democracy and human rights were rather perceived as the outcome of a successful social and economic modernisation process. Since then, they are considered to be also pre-conditions for development (Grimm 2003). Consequently, the EU also presents the prevalence of peace and security, good governance, fundamental freedoms and human rights as well as promising economic environment as pre-conditions for the reduction of poverty and for development in general.<sup>8</sup> Thus, the EU policy is well placed in the international mainstream of the concept of sustainable and comprehensive human and social development. In this context, the EU Africa strategy refers to common values and shared principles that form the basis of international cooperation between the EU and Africa. In compliance with the Paris Declaration, the EU seeks to increase the coordination, complementarity and coherence between different policy fields and actors in order to enhance the overall effectiveness of its aid programmes (Grimm / Kielwein 2005).

Beyond development in a narrow sense, the EU Security Strategy is providing a guiding document for EU institutions and Member States. As laid down in the Security Strategy, the EU in its relations with Africa also aims at promoting effective multilateralism in the framework of UN institutions (European Council 2003). It aspires to tackle global challenges – of which poverty is explicitly included – jointly with African countries. The Joint Africa-EU strategy is arguably a continuation of these aspirations and picks up on values and goals formulated in EU documents.

### *Key principles of European development policy*

As outlined in the relevant policy documents above, the major principles of European development policy towards Africa are ownership, partnership, equality and solidarity. Furthermore, political dialogue is used in order to enhance democracy, good governance and human

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7 The first Africa-EU summit took place in 2000 in Cairo. It was agreed to hold a summit every three years, but due to conflicting views about the participation of Robert Mugabe of Zimbabwe, no summit could be held in 2003 and thereafter. Interestingly, it was only after the Beijing Africa-China summit (FOCAC) in November 2006 that Europeans moved on their strict line of applying the travel ban to Zimbabwe's President.

8 This linkage is made similarly in base documents of the New Partnership for Africa's Development (NEPAD) (cf. Grimm et al. 2009a).

rights as well as the broadening of the participation of the civil society, promoting gender equality and addressing state fragility.

Embedded in the semantic field of partnership, participation, empowerment and sustainability, the principle of ownership became a *Leitmotiv* in the international development policy discourse – also integrated into the European context. Past experience shows that reform agendas imposed on African states by donor countries faced implementation problems. This was, among others, due to a lack of acceptance and support in the recipient country (Collier et al. 1997). Against this backdrop, the idea of ownership implies that the primary responsibility for creating an enabling domestic environment for improving development lies in the responsibility of the partner countries. The EU – similar to other DAC donors – commits itself to supporting these strategies and national development plans of the partner countries (Schmitz 2006). The aid modality of general or sectoral budget support is seen by the EU as a helpful mean for enhancing ownership and alignment with the partner country's priorities. In addition, the African Union shall become the main interlocutor of the EU in order to enhance African ownership. This provides a broader perspective, but does not automatically solve questions about the AU's current capabilities to fulfil this role (FES 2006).

However, implementing the principle of ownership requires that donors accept the priorities set by partner countries as the right choice. In its most far-reaching form, this might go as far as renouncing own interests which are connected to development projects (Brüne 2007). In addition, the ideas of ownership and partnership – if understood as a government-to-government cooperation – may conflict with other European objectives such as promoting democracy and human rights; while emphasising the principle of ownership, the EU entails at the same time political concepts that will have far-reaching impacts on the political and social structure of the partner country. Thus, ownership is understood as 'national ownership', i.e. going beyond government only. From the perspective of donor governments, shifting the main focus from (negative) conditionalities towards ownership and partnership further implies a renouncement on tight donor control or micro-management, which could create difficulties with regard to the accountability of donor governments *vis-à-vis* their home constituents (Molina 2007).

The principles of equality and partnership point to the idea that the EU not only aims at being a partner in development cooperation, but also seeks to become an economic and political partner of African countries. The ideal of a relationship based on equal partnership has been promoted since the creation of the Lomé agreements in the mid-1970s. However, these norms had taken a back-seat in the light of the promotion and accentuation of norms such as democratisation and political and economic liberalisation, introduced after the end of the Cold War (Grimm 2003).

### *Respect for democracy, rule of law, good governance and human rights*

The Maastricht treaty – legal basis of EU common foreign and security policy as well as for common development policy – integrated the promotion of democracy, rule of law, human rights and fundamental freedoms as fundamental objectives of European foreign relations in general (Art. 11 TEU) and as an important objective of European development policy in particular (Art. 177). The promotion of values and norms thus represents an integral part of the self-conception of the EU as a normative or civil power (Scheipers / Sicurelli 2008; Manners 2002). In the relations with ACP countries a political element has been introduced for the first

time in the Lomé IV agreement in 1989, including provisions on human rights, democracy and rule of law. This political dimension has been extended during the mid-term review of Lomé IV in 1995, upgrading them to – ‘essential elements’<sup>9</sup> – of the treaty. Also the respect of good governance has been mentioned for the first time. In 2000, the Cotonou convention further inserted a new consultation procedure to be able to deal with violations at an early stage (Crawford 2007; Beck / Conzelmann 2004; Börzel / Risse 2007).

It has, however, been argued that since the beginning of the 1990s the EU has lacked a serious commitment with regard to implementing these principles. Promoting democracy and human rights has often been short of self-interests of certain Member States (particularly France) and has often been tempered by security issues (Olsen 1998; Brown 2005). Critics point out that the EU is particularly reluctant “to push on democratic governance in many (oil) producer states that remain authoritarian and marred by deep internal poverty”, such as Angola or Chad (Hadfield / Youngs 2008). After several attempts to apply sanctions with rather mixed results and negative experiences with (negative) conditionalities, the EU re-emphasised the principle of partnership with a revision of the Cotonou treaty in 2005. The EU commits itself to support all ACP countries, regardless of their political regimes, but requires respect for fundamental human rights. The EU seeks to convince partner countries through an intensive political dialogue and concrete incentive structures to increase the partner country’s own engagement to improve human rights records, democracy and good governance (Molt 2007).

The EU attaches high importance to political dialogue.<sup>10</sup> The EU Africa strategy integrates already existing dialogues with various African countries, at different levels.<sup>11</sup> Political dialogue is regarded as a specific form of diplomacy and a specific instrument by which the European Union aims to elaborate cooperative structures. This will then contribute to short and long-term peaceful reconciliation of interests, prevent conflicts and it addresses questions of democracy, rule of law and human rights (Schukraft 2007). However, in light of these different dialogues, which partly overlap, it is necessary to clarify their respective importance and relationship, particularly with regard to the ACP-EU political dialogue and the discussions at continental level.

### *European interests in Africa*

At the end of the Cold War, European interests in Africa had generally declined, since African countries lost their strategic role as potential allies against the Soviet Union. At the same time, Africa’s economic situation was not promising enough for it to become a major trading partner for the EU and thereby replacing geo-strategic importance for economic interests. Norms

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9 The “essential element” clause refers to the Vienna Convention for international agreements. In case that one side of the contracting parties perceives that these “essential elements” have been violated, it can interrupt or even stop the cooperation. In the Cotonou Convention, the respect of democracy, human right and rule of law are “essential elements”. In contrast, the respect of good governance has only been introduced as a “fundamental element” (Conzelmann 2003; Beck / Conzelmann 2004).

10 This is also illustrated by the new “Governance Incentive Tranche” that has been introduced by the European Commission in 2006 (Molenaers / Nijs 2008).

11 The political dialogue with the ACP countries, introduced at the Cotonou convention in 2000, the dialogue with the North African countries in the context of the neighbourhood policy, the dialogue with South Africa in the context of the strategic partnership as well as the dialogue with the African continent as a whole, which has been launched in Cairo in 2000.

and values in European cooperation with Africa were, therefore, able to gain importance (throughout) in the 1990s. And, political principles, such as the promotion of human rights, democracy and good governance figured more prominent on the European agenda. Even though European security, migration or resource interests continued to play a role, arguably a narrow understanding of self-interests would not be sufficient to explain the overall and rather broad engagement of the EU (i.e. Commission and numerous Member States) in many African countries. In particular, the European engagement in states that are small and strategically not important could not sufficiently be explained with a narrow understanding of self-interests (Grimm 2003).

### *Security interests, migration, global challenges*

At present, European external relations interests in Africa are predominantly formed by security interests, migration as well as global challenges, such as climate change or terrorism. In the light of the terrorist attacks in the US in 2001, international terrorism is identified in the European Security Strategy as a key threat for European security and 'concerted European action is indispensable' (European Council 2003). Researchers and politicians have often referred to the close linkage between failed states and terrorism. It is argued that in a situation of lawlessness and anarchy, terrorists would easily find areas of retreat, enabling them to prepare new attacks. According to the Failed States Index 2007, 14 out of 20 of the weakest states are located in Africa.<sup>12</sup> Hence, the stabilisation of these states is an important topic for the EU (Nuscheler 2007; Schmidt 2007). Stabilising failed states is also one major objective of the European Africa strategy.

Yet, European interests in cooperation with African countries are less directly involved with issues concerning climate change. Africa is not a major contributor to climate change itself, since it accounts for only 2.3 percent of global CO<sub>2</sub> emissions. Nevertheless, the African continent is highly vulnerable to climate change (Scholz / Bauer 2007). In this respect, Europe will be affected indirectly and particularly in terms of migration pressure from North Africa: "Since the EU's neighbours include some of the most vulnerable regions to climate change, e.g. North Africa and the Middle East, migratory pressure at the European Union's borders and political instability and conflicts could increase in the future. This could also have a significant impact on Europe's energy supply routes" (High Representative / European Commission 2008). Consequences of climate change will further add to already existing push factors for migration, such as conflicts, human rights violations, poverty, the general degradation of national resources and demographic pressures.

At the same time, the expectation of having a better life in Europe constitutes an important pull factor. The extent of African migration to the EU has risen considerably in recent years, even though the majority of people still migrate within the African continent. Migratory pressure from sub-Saharan Africa has already been felt in North Africa, namely Libya and Morocco, which serve as stations on the way to Europe. For this reason pressure on resources in North Africa are increasing even further. Estimates indicate that eight million irregular migrants currently live in the EU, most of them in Southern European countries. Some experts assume that in the medium and long-term perspective the migration flows from Africa to the EU could even evolve into one of the largest in world history. However, Europe shares an

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12 See: [http://www.foreignpolicy.com/story/cms.php?story\\_id=3865&page=7](http://www.foreignpolicy.com/story/cms.php?story_id=3865&page=7)

important responsibility for the underlying factors, which are generating and fuelling migration: European governments have often supported corrupt African regimes, not only during the colonial period, but also in the Cold War context. In addition, the European foreign trade policy also contributes partly to reducing prospects for development in sub-Saharan Africa (Kohnert 2008).

### *European resource and economic interests in Africa*

In the light of sharply rising international demand for natural resources, particularly for oil and gas, the African continent is often said to experience a ‘geo-strategic renaissance’ and the concern was raised if the continent would become the stage of a new ‘scramble for Africa’s resources’ (Melber 2007). The African continent is currently not a major source for European energy security. European oil and gas imports are highly concentrated, coming mainly from Russia, Norway and the Middle East. Northern Africa accounts only for 12 percent of oil imports. Gas imports from Africa are more important in this respect: Algeria provides 20 percent of all European imports (European Commission 2008c).

While global competition is accelerating and gas and oil resources in the EU itself are declining, the importance of Africa as an energy provider may increase in the future. The EU is already one of the largest importers of energy worldwide, since EU Member States consume significantly more energy than they produce. Therefore, the EU is highly dependent on imports, particularly on oil and natural gas. Energy dependency in 2005 already exceeded 52 percent, with a particularly high share of import dependency on oil of about 82 percent. Europe’s energy import dependency is likely to further increase within the next years, up to 65 percent in 2030 (European Commission 2007a; European Commission 2008c). The European Security Strategy identifies energy security as one of the major concerns of the EU. In this respect, the European Commission and the Council have also highlighted the need to diversify energy sources and routes of transport in order to reduce dependency.

Consequently, the importance of Africa’s resources and commodities for European economies is increasingly being acknowledged: In the Joint EU-Africa strategy, both sides agree to build up an Energy Partnership in order to address joint challenges of energy security, diversification of supply and the sustainable management of energy resources (Africa-EU Joint Strategy 2007). The EU Commission’s Communication on European Energy Policy further states that “the importance of Africa as an energy supplier has increased greatly in recent years, but its potential is still greater” (European Commission 2007a).

For the time being, overall European economic interests in Africa can be considered as limited. During the last years, the economic situation in African countries generally improved. Several countries experienced high growth rates, partly due to international high energy prices. In 2007, Africa’s economy grew by about 6.5 percent (Kohnert 2008). If this growth could be sustained and purchasing power of African populations grows, this could have direct consequences for Africa’s economic importance for the EU. However, although the EU constitutes the largest trading partner for most African countries, Africa only counts for nine percent of EU imports, half of which are energy products. African countries absorb about 8 percent of European exports (European Commission 2007b). With regard to economic interests beyond energy, Commissioner Louis Michel in the context of the Economic Partnership Agreements (EPAs) declared that “The EU has no offensive interests [in Africa]” (Michel 2008). This statement implied that EPAs are meant to support development in Africa and are

not negotiated in order to promote European interests (cf. Makhan 2009 forthcoming). While Europe's trade and investment share with Africa is declining, experts estimate that China could soon replace the EU as Africa's main trading partner and would become one of the biggest investors on the continent. European investors are generally rather reluctant to invest in Africa, considering political risks and an unfavourable investment climate.

### *European global political interests*

The political interests of the EU in Africa are often closely linked to and driven by its global role more generally. The EU seeks to increase and forge its own role as an important actor in international relations. Reforms in European development policy and European policy towards Africa in general are not only aimed at making both policies more effective in order to increase the benefits of European aid for development in Africa, but also establishing the EU as an international actor (Arts / Dickson 2004; Molt 2007).

The EU wants to establish 'effective multilateralism' in international affairs, in order to improve the international legal system and promote the values it considers to be universally important such as democracy, social welfare, human rights and political liberalism. African countries are important partners in this respect, since they share European values and norms to some extent, as laid down in the Joint Africa-EU Strategy. Recent studies on voting patterns in UN human rights bodies, however, seem to indicate that the European Union's influence in international organisations is declining (Gowan / Brantner 2008). When voting on human rights issues in the UN General Assembly, the UN Human Rights Council and the UN Security Council, the EU currently enjoys considerably less support than during the 1990s. This is partly due to the fact that China and also Russia form new 'poles of attraction'. They are able to mobilize the support of 'swing voters'; these are often many African states (Gowan / Brantner 2008).

### *Preliminary results: European policy towards Africa under reform*

European development policy and overall European policy towards Africa underwent an important reform process throughout the last years. Reforms at the European level, including clarification of goals and principles, were strongly embedded in international initiatives aiming at increasing the effectiveness of development aid. The objective of these reforms on the one hand aspires for greater aid effectiveness. On the other hand, it aims at fostering the EU's role as a global actor. One major objective of European reforms is the integration of different policy areas in order to overcome the fragmentation between development policy and other policy fields; objectives of development policy shall be increasingly mainstreamed in other policy areas.

At this stage the EU is implementing new strategies and policy documents. Much of the future success of European development policy towards Africa will, therefore, depend on the ability and pace of the EU to translate the existing policy documents into concrete activities, as its credibility as an actor depends on delivering targets and achieving goals.

Since the end of the Cold War and in the light of the declining economic and strategic importance of Africa, the promotion of values and norms in the European-African relationship has become more important. However, it is necessary to note that the promotion of human rights and democracy became more prominent against the background of decreasing economic and

security interests. For the time being, it is not clear to what extent resource or economic interest could regain importance and thus to which degree they would foster Africa's geo-strategic importance for Europe. In addition, principles like good governance and democracy have not been promoted in an equal and consistent measure by all EU Member States and *vis-à-vis* all African partner countries. Also, principles of European development policy – as for all donors – do not come without internal discrepancies, as the tension between the principle of ownership and the promotion of democracy and human rights has illustrated.

## 2.2 Multitude of state and non-state actors: seeking coherence in European development policy

According to the OECD definition of ODA, aid has to be provided by the public sector in order to be registered as ODA.<sup>13</sup> Pivotal actors in European development policy are state actors providing European development assistance, even though the EU introduced and further increased the participation of non-state actors with the Cotonou Agreement in 2000.

### *State actors in the European system of multi-level governance*

Accounting for almost 60 percent of the international aid provided by the members of the DAC in 2007, the EU is the largest collective donor – or rather: donor system – worldwide. Although the EU is apparently a high performer with regard to quantity, the ability of the EU to act as a unified actor are considered to be comparatively low and the EU as a whole had long-time rather limited influence on the course of the international debate on development, although the EU seems to be developing more into a norm-setter in its own right (Orbie / Versluys 2008, 68). The shortcomings are mainly explained with the high degree of internal fragmentation (Carbone 2007). As outlined above, different reform initiatives since 2000 aimed at addressing this problem. However, different state actors with different responsibilities and interests at the national and the European level are still involved in European development policy towards Africa. Their relationship and interactions are very much defining Europe's overall development policy towards Africa and this mixed system can lead to a cumbersome bargaining process amongst actors in which short-term national goals can prevail over Community values and goals (Arts / Dickson 2004).

### *The European Commission*

At the European level, the Commission and the Council are the key actors in European development policy-making towards Africa. The role and the self-perception of the Commission have changed since the mid-1990s, mainly due to growing competencies of the Commission in the area of development policy. At present, it perceives itself more as a political actor, designing and framing political processes, rather than merely implementing political decisions (Schukraft 2007). It has often been argued that the European Commission is a comparatively

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13 According to the definition of Official Development Assistance: “flows to developing countries and multi-lateral institutions provided by official agencies, each transaction of which meets the following tests: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective b) it is concessional in character and contains a grant element of at least 25 percent” (OECD 1987).

marginal player in shaping European development policy. In contrast, Member States like France and the United Kingdom have often been considered as the leading actors in these processes.

Carbone argues that the possibilities of the European Commission to influence European development policy depend on three conditions: “the presence of an institutional entrepreneur, internal cohesiveness and the astute use of a repertoire of tactics” (Carbone 2007). In this respect, the Commission has to manage and reduce its internal fragmentation. Even though the Commission is often described as a unitary actor, different Directorate-Generals (DGs) are involved in the development policy-making process. Tensions between different DGs, among Commissioners as well as between Commissioners and their services can substantially reduce the policy formulation capacities of the Commission. This internal fragmentation might not just limit the leadership capacities of the Commission *vis-à-vis* European Member States, but also reduces the influence of the EU in international development policy discussions (Arts / Dickson 2004; Hewitt / Whiteman 2004).

Since the adoption of the treaty of Maastricht in 1993, the internal repartition of competences in development policy within the Commission has changed several times between functional and geographic models. In the current Commission, competences with regard to Africa are basically divided between DG External Relations (RELEX), DG Development (DEV) and DG Trade.<sup>14</sup> This split of competences between DG DEV and other DGs is often regarded as also “reflecting the unresolved issue of the relationship between a poverty-reduction oriented development policy and the wider concerns of EU external relations” (Dearden 2007, 25). With respect to the reform process and the distribution of competences among different DGs, criticism has been raised that the role of DG Development has been weakened and that the objective of poverty reduction has thus been compromised to the benefit of other foreign relation's objectives (Orbie / Versluys 2008, 70). DG Development, however, is mandated with formulating the EU's overall development policy.

In 2001, EuropeAid was founded as the European development agency. It was meant as an answer to severe management shortcomings in the late 1990s. Back then, due to the increasing amount of development aid which had been allocated at the European level, major deficits were obviously evident in coordination and implementation.<sup>15</sup> EuropeAid is now in charge of carrying out the whole project cycle from the tender process to the evaluation. It is responsible for a range of topics and all regions: it covers projects of the Euro-Mediterranean Partnership, but also projects within the ACP countries, the European Initiative for Democracy and Human Rights (EIDHR) and for the support of the African Peace Facility. Consequently, EuropeAid is in charge of development projects from the EDF as well as from the European budget. In the light of these competences, the fact that EuropeAid is placed under the author-

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14 DG Development is in charge of relations with the ACP group. The European Community Humanitarian Office (ECHO) is placed under its authority. In the framework of the EU-Mediterranean Partnership, DG RELEX is responsible for Northern Africa and it is also in charge of development policies towards other regions. EuropeAid is placed under its authority. Furthermore, DG Trade deals with trade relations with ACP countries. However, several exceptions from this fundamental division of competencies exist and they add to further incoherence. The Pan-African Unity within the DG Development, for instance, is responsible for overall African issues, including North Africa and thus exceeding the realm of the ACP (Schukraft 2007; Carbone 2007).

15 In 1999, for instance, only 43 percent of the EDF budget could be spent.

ity of DG RELEX enhances the influence of this DG on development issues to the detriment of DG DEV (Schukraft 2007; Grimm 2003).<sup>16</sup>

### *The European Council and the General Affairs and External Relations Council*

The European Council decides on the general policy lines and directions of the European policies. Since the presidency rotates, African and development issues are placed on the agenda depending on the respective priorities and forcefulness of the presiding president. Africa stood high on the agenda during the Irish presidency (2004), the British presidency (2005) and the German presidency (2007). This might be different when Member States take the office that do not share a high profile on Africa policy or development policy, as the case was in 2009 with the Czech Presidency. The General Affairs and External Relations Council (GAERC) became a major decision making body through the reform process in Seville in 2002. This Council replaces the Development Council and currently integrates the ministries of foreign affairs, development, trade and defence, depending on the discussed subjects. However, if necessary an informal Development Council can still be called (Schukraft 2007) and development issues are placed on the agenda of the GAERC at least twice every year. This transfer of competences from the Development Council to the GAERC, however, has been highlighted as a growing linkage between development and foreign policy within the EU (Molenaers / Nijs 2008, 16).

### *The European Parliament*

The European Parliament (EP) plays a less obvious role in European development policy, particularly considering its core competencies. In this policy area the EP perceives itself primarily as an important international dialogue forum. The EP, however, has consistently been an ally for development policies (Grimm et al. 2009b). Since the treaty of Amsterdam (1999), the EP co-decides with the Commission on development projects funded by the European budget. Yet, cooperating with ACP countries, the EP only has to be informed, since the European Development Fund (EDF) is negotiated on an intergovernmental basis; and, therefore, is not part of the European budget. The European Parliament has played a particular role in the field of democracy and human rights. Even though its competences are *de jure* limited, the EP has an important role in designing and influencing policies towards Africa (Schukraft 2007). The Joint Parliamentary Assembly with Parliamentarians from ACP countries, for its part, can be considered as a sort of seismograph of ACP-EU relations, but not as a decision-making body. It is, furthermore, increasingly becoming an awkward setting if the focus is meant to shift towards the AU; the Pan-African Parliament would be a more convincing setting for inter-parliamentarian relations, despite institutional shortcomings.

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16 The establishment of EuropeAid was part of a broader de-concentration process during which also the Delegations of the European Commission gained more independence and management responsibilities. They now hold an important responsibility in the elaboration of the Country Strategy Papers and the National Indicative Programmes (NIP), which form the basis for the initiation of development projects. This process of decentralisation has also aimed at enhancing the ownership of programmes in partner countries and promoting the coordination between international donors in developing countries (Carbone 2007).

### *The EU Member States*

For a full picture of EU policies, it would be necessary to consider the development policies of all 27 EU Member States; an attempt that shall not be undertaken here. Their approaches and their respective performance in providing development assistance, however, differ considerably. In a broad brush summary, one can observe that some have stronger interest-driven development policies than others and some are stronger engaged in a particular region. The northern EU Member States are considered to be among the best performers in providing aid measured against the international commitments and DAC standards. They allocate high shares of their GDP to aid, privilege poor and relatively democratic countries, favour sector and country wide approaches and have low amounts of tied aid. The southern EU Member States are often ranked at the opposite end of the performance chart. They provide low shares of the GDP to aid, have high amounts of tied or partially tied aid and provide large amounts of aid to less poor and comparatively undemocratic countries. The big three – France, the UK and Germany (see Box 3) – can be situated in-between these two groups (Carbone 2007). Most Eastern and Central European countries started to elaborate development policies only with their adherence to the EU. They focus their development policies strongly on their geographical neighbourhood.

### *Increasingly important role for non-state actors in development*

Outside the ACP-EU framework, Europe has been co-financing development activities sponsored by European non-governmental organisations (NGOs) for 30 years. The budget line 'Co-financing with NGOs' was introduced in 1976 in order to support activities intended to make a direct and lasting contribution to improving the living conditions in developing countries as part of comprehensive trade and cooperation agreements (in times before the establishment of an explicit development policy at EC level). At the end of the 1970s, a specific element has been additionally introduced aiming at raising awareness in the European public and mobilizing European public in favour of activities with regard to development policy (Carbone 2005).

However, under the Lomé convention EU-ACP relations have been long-time dominated by government-to-government relations. The private sectors and civil society had only limited access to resources and non-state actors generally were provided with very limited possibilities to participate in ACP-EU relations. During the 1990s, this monopoly of the governments as central actors was increasingly perceived to be contradictory to the major changes which took place in ACP countries, including multi-party political settings, economic liberalisation and decentralisation. Furthermore, the enthusiasm of donor countries to integrate NGOs as agents of economic and political change increased.

Against this background, the broadening and diversification of actors participating in ACP-EU relations became a key issue during the Cotonou negotiations. With the inception of the Cotonou Agreement in 2000, the EU introduced poverty reduction as a major objective, which consequently required comprehensive participation of all sectors of society (see Box 4).

<b>Box 3: Prominent role for Member States in EU development policy – the big three</b>			
	<b>Amount of aid to sub-Saharan Africa</b>	<b>Special feature</b>	<b>Tied aid?</b>
<b>France</b>	<p>4211 million US\$ in 2007 63% bilateral share of total aid</p> <p>During the last years, France has gradually increased the volume of its aid. However, it still allocates aid mainly to less poor and less democratic governments and has a special focus on Africa.</p>	<p>France played an influential role in the evolution of the development policy of the European community. However, France considered development policy at the European level rather as a mean to maintain its own interests and influence over African countries, while at the same time sharing the costs of this policy with the other Member States. With the successive European enlargements, France lost a large portion of this influence.</p>	<p>France reduced the amount of tied aid to 15%, although it had opted against the untying of aid during the negotiations at the European and at the DAC level.</p>
<b>Germany</b>	<p>2761 million US\$ in 2007 65% bilateral share of total aid</p> <p>Without having a strong colonial legacy, Germany is not regional specialised in its development cooperation; South Africa and Nigeria receive special attention. The government decided to foster enhanced partnerships, particularly on the basis of the NEPAD principles and preferably with countries which have been subject to the African peer-review Mechanism (APRM).</p>	<p>After a change of government in 1998, German development policy has aspired to transform into a ‘global structure policy’, aiming at contributing to the improvement of the social, ecological and political situations in partner countries. Through this amendment, development policy also gets closer to the core issues and functions of foreign policy.</p>	<p>34% of its ODA are still tied.</p> <p>Germany principally supported the initiatives of untying aid, but attached certain conditions to it.</p>
<b>United Kingdom</b>	<p>4104 million US\$ in 2007 57% bilateral share of total aid in 2007</p> <p>The Labour government slowly increased aid volumes from the late-1990s. It privileges allocating aid to poor recipient countries with democratic governments and Africa became a central priority of its development programme.</p>	<p>The UK has used development policy also as a platform to enhance its stance in international relations while maintaining a close relationship with the countries of the Commonwealth. For several decades, the UK development policy was highly influenced by the US and closely linked to the Bretton Woods institutions.</p>	<p>fully untied</p> <p>UK had been one of the most vocal players in the European discussion, pushing for untying aid.</p>
<p>Source: Author’s compilation, drawing from: EU Donor Atlas (2008); European Commission (2008b); Carbone (2007); Engel (2005); Claeys (2004).</p>			

ACP countries were reluctant and rather opted against the integration of non-state actors since they feared that this could further lead to weaken the role of the state. However, in the final document, civil society participation was assigned a pivotal role in development processes. This acknowledgement represents one of the major changes in Cotonou (Carbone 2005). The revision of the Cotonou Convention in 2005, the European Consensus and the joint Africa-EU strategy have confirmed the importance of the participation of non-state actors and strengthened the formal basis for their involvement.

**Box 4: Private actors in European development cooperation**

The definition of non-state actors is not limited to NGOs. Instead, it also embraces the private sector, economic and social partners, farmers' organisations, the media, grassroots organisations, etc. Local governments are also partly included, although they are formally state actors. The Cotonou Agreement seeks to create a comprehensive framework to stimulate investments in ACP countries through the integration of private sector actors. In this respect, the promotion of public-private sector dialogue also aims at building up capacities of private sector organisations (Velde / Bilal 2005). In 2006, the EU-Africa-Business-Forum was founded in order to promote private investments (Wadle 2007). The range of participation of non-state actors is not only limited to the implementation of development projects, as has been the case in the process of decentralisation, kicked off by the Lomé convention in 1990. In addition, non-state actors are also required to influence the programming process by which consultation about the allocation of resources in an ACP country take place. They further have to be consulted during the evaluation process and shall be provided with financial resources and capacity-building support in order to reinforce their capabilities (Laporte 2007; Carbone 2005).

The Cotonou agreement can be considered as the first promoter of participation of non-state actors and has contributed to the opening up political spaces for non-state actors. Although progress has been made since 2000, several constraints and shortcomings still need to be addressed. The quality of participation seems to produce rather mixed results. On the one hand, access to resources and information is still limited. On the other hand, non-state actors are often also part of the problem, as they are not very united, compete amongst each other, lack structures and experience internal governance problems. There also has been concern that non-state actors are used as instruments in order to validate and legitimate EU and ACP policies. To sum up, in practice the strengthening of the participation of non-state actors is still rather difficult, in spite of promising changes. It can be expected that it will take some time before participation is broadly implemented and widely mainstreamed (Laporte 2007; FES 2006).

*Preliminary results: More actors, more diversified interests and increasing need for coordination*

The range of actors involved in European development policy in Africa has been broadening in recent years. A course of change has been done particularly with the Cotonou agreement which opened EU-Africa relations for the first time to African non-state actors. At the same time, the Commission has reformed its internal schedule of responsibilities, functions are more clearly defined and decentralisation was increased in order to improve subsidiarity. In addition, through the creation of EuropeAid as a new comprehensive implementation agency, effectiveness of community-level development policy has improved. The European consensus

provides a common vision and common objectives for development policy actors at both the national and European level.

However, the dual structure of development aid at the community and national level persist, putting into question the prospects to achieve these goals. European development policy and European policy towards Africa are still fragmented, old and new structures are often juxtaposed. Reform processes with regard to the distribution of competences within the European Commission, for instance, did not always lead to a reinforcement of development policy actors (DG DEV) compared to other external relations actors (e.g. DG RELEX). Consequently, it will depend much on the interaction between the Member States and the Commission as well as on the internal cohesiveness of the Commission if the EU is able to impact on international discussions and negotiations on development, if the reformed European policy towards Africa will successfully be implemented and if the EU can effectively engage in cooperation with China on development policy issues.

### 2.3 Comprehensive cooperation: seeking for more coordination and coherence

European aid in Africa, provided by the European Commission and the Member States, covers a very broad range of areas from water management, environment and sustainable development to the promotion of democracy, human rights and the prevention of conflicts. When just looking at the community-level development policy, the second part of the European Consensus outlines nine areas in which the Commission will work primarily. In addition, four fields are defined as cross-cutting areas.<sup>17</sup> In 2007, 30 percent of the EDF was allocated in the sector of social infrastructure, 28 percent in the sector of economic infrastructure and another 20 percent was allocated for budget support, food aid and food security (European Commission 2008a).<sup>18</sup> It will not be possible to address all sectors in this context. However, some broad features are highlighted.

The areas of development policy have been enlarged and widened since the beginning of the 1990s. On the one hand, as stated above, European development policy became more poverty-oriented. At the same time, new sectors such as security issues, trade liberalisation, the promotion of democracy and human rights, energy security, conflict prevention and fragile states have been increasingly integrated into the spectrum of development policy issues. This has also heightened the debate about how to improve the relations amongst policies for the benefit of development, i.e. policy coherence for development (cf. Ashoff 2005), most prominently with regard to trade, security and environment. The Commission published a Communication

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17 The nine areas are: trade and regional integration; environment and sustainable management of natural resources; infrastructure; communication and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy human rights and support for economic and institutions reforms; conflict prevention and fragile states; human development; as well as social cohesion and employment. Four sectors are defined as cross-cutting areas: democracy, governance and human rights, the rights of children and indigenous people, gender equality, environmental sustainability and the fight against Aids/HIV (European Parliament, Council, Commission 2006). These sectors are also picked up in the Africa-EU Joint Strategy and the definition of the eight partnerships in which both sides will put special efforts.

18 In the official DAC definition social infrastructure covers education, health, water, government and civil society; economic infrastructure and services cover transport, communications, energy and other services (European Commission 2008a).

in 2005 on how to increase Policy Coherence for Development (European Commission 2005b).

European development policy in Africa is closely intertwined with trade issues; trade policy was a key feature of the comprehensive Lomé and Cotonou Agreements. As a cornerstone of the Lomé Conventions, the European Union granted unilateral trade preference to African countries in the framework of the General System of Preferences (GSP) since the 1970s. Later on, other developing countries could also increasingly benefit from GSP regulations. However, the majority of ACP countries did not manage to exploit these advantages in their trade with the EU. In 2001 the Everything But Arms (EBA) initiative was launched, eliminating duties and quotas for all products from Least Developed Countries (LDCs) to enter the European market, except for arms and ammunition. In order to bring its trade policy in line with international agreements at the WTO level and due to little success as tool for development in Africa, the EU decided to abandon the approach of granting unilateral preferences. Trade liberalisation and regional integration are now promoted as instruments for development policy. Since 2002 the EU is negotiating with African countries on Economic Partnership Agreements (EPAs) in order to enhance regional economic integration in Africa and to make the EU-ACP relations compatible to WTO rules (cf. Makhan 2009 forthcoming).

Another area with close inter-linkages with development policy is security policy. Already during the 1990s (with the failed humanitarian intervention in Somalia and the genocide in Rwanda) and particularly since the terrorist attacks in September 2001, the interdependence between security and development has been increasingly acknowledged. Security issues have been more and more integrated into development policy (Messner / Faust 2004; Gänzle 2009). The European Africa strategy (2005) and the Joint Africa-EU strategy (2007) put a special emphasis on peace and security issues, while supporting African initiatives in this field. In the context of development policy, the EU particularly supports the capacity building process for administration and policing. In post-conflict states the EU is engaged in the disarmament and arms-control measures. The EU – with a broad geographic presence – pays more attention to the situation of fragile states which have been somewhat neglected by traditional donors. The close interlinkages between security and development have also been taken into account in the establishment of the African Peace Facility. Funded by the EDF, this instrument supports operations and capacity building programmes at the level of the AU and Sub-regional organisations. In the framework of the Joint Africa-EU Strategy, a Partnership on Peace and Security has been set up (cf. Gänzle 2009).

Democratic governance processes are considered to be crucial for promoting sustainable development, reducing poverty and enhancing (sustainable) security. Following this rationale, the EU puts particular emphasis on the promotion and support of democratic governance in its development policy. A European Initiative to promote governance was launched in 2006, after the adoption of the European Consensus. In the framework of this initiative, governance projects and strategies of African countries can be supported by an *incentive tranche* (European Commission 2006). Under the 10<sup>th</sup> EDF, the Commission puts a special focus on local governance. In the framework of the Joint Africa-EU Strategy, democratic governance and human rights are one of the eight partnership areas. The EU not only supports African regional and continental initiatives to improve governance, such as the African Peer Review Mechanism (APRM), but it also wants to foster coordination at the global level.

Beyond the institutional prerequisites for development, the EU has also increasingly recognised the importance of the development of African infrastructure. The EU-Africa Partnership on Infrastructure was launched in 2006, after the publication of the EU Africa strategy. The partnership is a response to the AU-NEPAD plan on infrastructure and aims at securing the interconnectivity of African regions, building on European experiences on inter-connectivity of regions, across state borders. The infrastructure partnership thus focuses on trans-boundary projects as well as projects with a regional impact; this, in an EU mindset, can also be seen as fostering peace and cooperation within regions. The EU will provide financing for infrastructure in the area of transport, energy and water and will support regulatory frameworks that facilitate trade and services.

The European Commission and EU Member States are engaged in a broad range of areas. This leads to coordination problems, since Commission and Member States are often engaged in similar areas in the same countries. The need for stronger coordination and cooperation in order to enhance the effectiveness of European aid and to avoid double-work has become increasingly important. In line with the principle of harmonisation in the Paris Declaration, the EU Code of Conduct on Complementarity and Division of Labour aims at increasing the coordination between different European actors. The code suggests broad guidelines which are not legally binding. Among others, EU donors should limit their assistance within a partner country to two sectors in which they possess comparative advantages. In order to respect the principle of country ownership, partner countries shall be responsible for identifying these comparative advantages. In addition, each priority sector in a partner country should be guided and coordinated by a ‘lead donor’ in order to reduce transaction costs for the partner government. Each donor should further limit its activities to a certain number of countries in order to make sure that all partner countries – including sometimes neglected fragile states – are covered; the Code of Conduct speaks of not more than five EU donors in any partner country (European Commission 2007c; Mürle 2007).

Establishing a division of labour and concentrating on sectors in line with comparative advantages of EU donors seems to be highly necessary in order to enhance the effectiveness of European aid. However, implementing the Code of Conduct will not come without problems and the reforms of European aid are undergoing revisions well beyond merely adjusting administrative procedures and financing requisites. Schulz strongly questions the prospects for implementing this Code of Conduct: “One of the main obstacles is a naïve and un-strategic view of division of labour, which does not take into account donor self-interest, or the power relationship between donor and partner country, nor the influence of political aspects on development cooperation” (Schulz 2007). To put it differently: the concentration of national development aid on certain sectors in certain countries would probably mean that donors have to leave sectors in countries where they have been active for many years. And this would also imply that these donor countries would have to retain from sectors and countries in which they see important (national) interests at stake. Another problem results from the application of the principle of ownership: *de facto* donor and recipient stand in a very asymmetrical power relation, since the latter depends on the money of the former. Therefore, it appears unlikely that the partner country will be in a position to dispel donors from sectors which are already covered by other donors (Schulz 2007).<sup>19</sup> First field studies seem to indicate that pro-

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19 Some hope might be fostered because of an increasing attractiveness of Africa, a higher position on the international agenda and increase “donor competition” with new, non-DAC donors emerging.

gress in coordination among EU donors in partner countries is still very weak (Söderbaum / Stalgren 2008).

European policy discussion towards Africa was long-time compartmentalised into development policy issues, despite a long tradition of comprehensive agreements consisting of trade preferences and aid deals. However, during the last years, the awareness of the spectrum of Europe's partnership with African states and the continent as a whole has broadened substantially. Increasingly, economic, political and security issues as well as questions of global governance are part of the European-African agenda. The European Africa strategy and the Joint Africa-EU strategy thus build an important framework beyond traditional North-South relations. However, much will depend on how (and how fast) this strategy will be implemented during the next years. This might also impact on European long-term interest in Africa and the perception of whether the system of EU development policy needs further and more fundamental reforms or not.

### **3 China's search for a role model: developing country and aid provider**

China's cooperation policy towards Africa has a long tradition and involves aspects of what is defined under development assistance in OECD terms. In contrast to widespread Western perceptions, China is not a new donor. Already in 1960 – eleven years after the foundation of the People's Republic and three years after Ghana's independence – China provided its first zero-interest loan to Ghana. Initially, development assistance has been concentrated on very few countries. In the mid-1970s, however, Chinese aid programmes covered more African countries than those of the United States (Brautigam 2008).

The overall rationale of Sino-African relations has fundamentally changed during the last fifty years. Relations have shifted from highly intense interactions during the 60s and 70s to neglect and China's self-centredness during the 1980s: throughout the 50s, 60s and 70s, China's policy towards Africa was mainly driven by political and ideological objectives. First of all, China's Africa policy aimed at winning recognition as the sole voice of China, directed against Taiwan (the 'One-China-policy'). China's engagement was, furthermore, dominated by the struggle against the two superpowers and the search for leadership of the Third World. In the light of very low levels of trade and investment, development assistance played thus a major part in the bilateral relations (Thompson 2007). This ratio between aid and other areas of China's external relations have fundamentally been changing during the last years, particularly since the first Forum on China-Africa Cooperation (FOCAC) was established in 2000.

#### **3.1 Chinese package deals: interests, principles and objectives**

Chinese officials and scholars do not like to speak about "aid", similar to an increasingly unfashionable use of the term in European countries. The term "aid" is perceived as being an expression of the traditional "donor-recipient" relationship between Western powers and developing countries, build up out of the context of the colonial past. In their official FOCAC documents and in China's Africa policy paper, issued in January 2006, Chinese officials would rather use the term "development assistance".

There is much debate about the amount of Chinese assistance. The government does not officially define what it designates as assistance. As China is not an OECD/DAC member, it neither uses the DAC definition to calculate its assistance, nor does it publish precise figures of how much assistance it provides to African countries.<sup>20</sup> In addition, it is not possible to make a clear distinction between Chinese development assistance and other areas of its relations with Africa. Consequently, estimates about the amount of China's assistance bear different results. The EU Commission estimates that China's development assistance, calculated on the basis of the DAC definition, amounts to 1.5 billion US\$ per year (European Commission 2008b). Other sources indicate that China provided approximately 4.5 billion US\$ to African countries, only in the year 2006 (Davies et al. 2008).

One can distinguish four modes of delivery of assistance: (i) technical assistance and grants, (ii) interest-free loans, (iii) concessional loans and (iv) debt relief. A special fund, allocated by the Ministry of Finance, provides budget lines to the MOFCOM for its assistance projects. Funds from this foreign assistance budget can be primarily considered as China's development assistance. The ratio of grants to loans is not quite clear and seems to vary from year to year. However, concessional loans are often considered to take the major portion of assistance. Furthermore, the precise amount of debt relief is difficult to calculate. Debt cancellations seem to be mostly interest free loans. Some argue that the Chinese government would provide more interest free loans than grants in order to have a second instrument by cancelling the debt later on (Brautigam 2008).

#### *Major objectives of China's Africa policy*

The objectives and principles of China's cooperation with Africa are mainly formulated in China's Africa strategy paper and in declarations and action plans of the three Forums of China-Africa Cooperation (FOCAC) summits in 2000, 2003 and 2006.<sup>21</sup> After a strategy paper on relations with the European Union in 2003, the Africa strategy paper was only the second White Paper issued by the Chinese government on a region or a country. Both papers are considered to illustrate the importance China attaches to the relations to these two regions.

Following the documents, the main objectives of China's Africa policy are the promotion of peace and stability, social and economic development as well as common prosperity. At first glance, the objectives of China's Africa policy seem to be largely similar to European objectives towards Africa. However, in some aspects, one can identify slight differences in emphasis, for instance with respect to the MDGs. In contrast to Europe's Africa policy, the achievement of the MDGs is not very prominent in China's approach towards Africa. In China's Africa strategy paper the MDGs are mentioned as part of multilateral cooperation. In the Beijing Action Plan 2007-2009, the two sides – China and African states – agree to work together in order to improve the progress evaluation framework of the MDGs „to oversee and facilitate the delivery of commitments on international cooperation and development“ (Forum on China-Africa Cooperation 2006). However, their achievement does not appear as an over-

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20 The possible reasons why China has not been publishing its own government aid figures are discussed widely. For a comprehensive overview see: Davies (2007).

21 See Beijing Declaration of the Forum on China-Africa Cooperation, Programme for China-Africa Cooperation in Economic and Social Development, Forum on China-Africa Cooperation – Addis Ababa Action Plan, Declaration of the Beijing Summit of the Forum on China-Africa Cooperation, Forum on China-Africa Cooperation Action Plan 2007-2009.

riding objective, guiding China's own Africa policy. This does not imply that the MDGs are not important for Chinese foreign policy in general. They are, however, more often mentioned in international fora and negotiations in order to remind industrialised countries of the promises and pledges they have made to support developing countries.<sup>22</sup>

The fact that on the level of discourse China does not put so much emphasis on the MDGs and on poverty reduction in its relations with Africa can also be explained by China's overall perception of Africa which varies from Western perceptions. Chinese officials and scholars speak to a lesser extent about poverty and poverty reduction strategies when they speak about Africa. China does not see Africa as a poor continent in need of Chinese help, in the first place. In the official documents and on the websites of FOCAC, the Ministry of Foreign Affairs (MFA) and Ministry of Commerce (MOFCOM) African countries are rarely presented in terms of their efforts to reduce poverty, resolve conflicts and improve their development. Instead, Chinese highlight the idea of common prosperity, and Africa is rather perceived and presented as an opportunity for doing business, trade and investments (King 2006).

### *Major principles of China's Africa policy*

The principles and norms of China's Africa policy clearly differs from European principles and norms in its relationship with Africa, as expressed in China's Africa strategy paper and in speeches made by Chinese politicians. China's Africa strategy paper outlines the following terms as the main guiding principles: sincerity, friendship and equality, mutual benefit (often also named as "win-win" situation), reciprocity and common prosperity, mutual support and close coordination, learning from each other and seeking common development, the One-China principle as well as the five principles of peaceful coexistence (Ministry of Foreign Affairs 2006). The five principles of peaceful coexistence are one of the main theoretic foundations for China's foreign policy. Originally, they have been introduced in the 1950s for the relations towards India. The principles are: mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit as well as peaceful co-existence (Ministry of Foreign Affairs 2004). The principles of China's current policy towards Africa are referring, furthermore, to the „Eight principles for China's aid to foreign countries“, laid down by Prime Minister Zhou Enlai in the early 1960s, during a visit in Africa (see Box 5). Interestingly, these principles already point to two discussions which are well known today: They highlight the problem of aid dependency of recipient countries; and they ask Chinese experts in Africa to live in the same conditions and standards as people in recipient countries.

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22 See, for instance, Wen Jiabao's speech on the occasion of the UN High-level Event on MDGs in September 2008.

**Box 5: The eight principles of China's aid to foreign countries, outlined in 1964 by Zhou Enlai**

- “a. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alms but as something mutual.
- b. In providing aid to other countries, the Chinese Government strictly respects the sovereignty of the recipient countries, and never attaches any conditions or asks for any privileges.
- c. China provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment when necessary so as to lighten the burden of the recipient countries as far as possible.
- d. In providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China but to help them embark step by step on the road of self-reliance and independent economic development.
- e. The Chinese Government tries its best to help the recipient countries build projects which require less investment while yielding quicker results, so that the recipient governments may increase their income and accumulate capital.
- f. The Chinese Government provides the best-quality equipment and material of its own manufacture at international market prices. If the equipment and material provided by the Chinese Government are not up to the agreed specifications and quality, the Chinese Government undertakes to replace them.
- g. In providing any technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master such technique.
- h. The experts dispatched by China to help in construction in the recipient countries will have the same standard of living as the experts of the recipient country. The Chinese experts are not allowed to make any special demands or enjoy any special amenities.

These eight principles fully give expression to the sincere desire of China in seeking to conduct economic and cultural cooperation with the newly-emerged countries of Asia, Africa and Latin America.”

Source: Chinese Ministry of Foreign Affairs (2000)

Under the overall banner of South-South relations, the Chinese leadership established a comprehensive discourse on the principles of its relations with Africa. The Chinese government highlights the common grounds and the common interests in Sino-African relations. This discourse aims at creating a common Sino-African identity in order to plaster differences in bilateral relations with regard to conflicting interests or contradictory practice to principles. In contrast to European discourses, African countries are designated as “friends” or “brothers”, sharing similar historical experiences as both sides have been colonised by Western powers. China's discourse is thus deeply rooted in and often refers to the perceived history and long tradition of Sino-African relations – emphasising continuity, not changes. In opposition to Western approaches, which would rather want to look ahead and speaking of milestones in changes (i.e. deviations from the past), the Chinese leadership emphasises the continuity of the fundamental patterns in bilateral relations. Principles such as third world solidarity, the five principles of peaceful co-existence and China's own standing as a developing country have been guiding Sino-African relations since the foundation of the PRC. The Chinese leadership stresses that they will also remain the fundamental basis for the new strategic partnership (Alden / Alves 2008).

In its conceptual papers and speeches, the Chinese government puts emphasis on the ideas of equality, mutual benefit and support as the guiding principles for Sino-African relations. In

this respect, development assistance is not presented as altruism and charity, but rather as beneficial for both sides. In addition, Chinese often point out that they treat African countries all equal and would not differentiate, for instance, between strategically more or less important countries. Although the amounts might differ strongly, China is providing aid to all African countries which have diplomatic relations with China. On the FOCAC website, also the small countries get a comparatively high level of attention, and China has now established embassies in more African countries than the United States or France or any other European country, comparable only with the number of EC delegations.

China highlights its own position as a developing country, which can only provide assistance „in the light of its own financial capacity and economic situation“ (Forum on China-Africa Cooperation 2006). Chinese officials sometimes characterise the relations as bringing together “the largest developing country with the continent with the largest number of developing countries.” This discourse is apparently inconsistent with China’s “contemporary international recognition as an economic superpower” (Alden / Alves 2008; He 2008b). On the African side, China’s self-portrayal as a developing country is not openly questioned by African governments. However, the justifications that African leaders provide for their cooperation with China rather reflects their perception of China as an emerging power, disposing of major economic, political and technological resources (Alden / Alves 2008). In this respect, expectations from African countries *vis-à-vis* China – despite the expectation management of the Chinese side – are very likely to grow. In global fora, China presents itself often rather as the elder sibling of African countries – the partner who takes the lead in the relationship and who is willing to present common interests in international organisations.

### *The principle of non-interference*

The principle of non-interference is frequently stressed in discourses of Chinese officials and it takes a prominent place in the policy documents. Undoubtedly, the principle is informed by China’s own desire that other countries should not interfere in its internal affairs and criticise, for instance China’s human rights policy, which is understood by the Chinese government as an internal affairs.<sup>23</sup> The principle is historically rooted in China’s experience of humiliation by Western powers in the 19<sup>th</sup> century and was thus established as a main pillar, when Beijing built up its foreign policy (Taylor 2007). The principle of non-interference continues to be an important element of the self-image China is projecting to the outside world and it is part of its concept of creating a ‘harmonious world’. It does, however, stand in contrast to Europe’s Africa policy and to the policies formulated by (not necessarily the practice of) the AU and NEPAD. Already the essence of the five principles of peaceful coexistence is mainly about the idea of not intervening in each others internal affairs which can be at odds with recent initiatives, such as the debates about the responsibility to protect.<sup>24</sup>

Though not openly discussed, there seems to be increasing agreement in China’s scholar community that this principle loses more and more its significance when it comes to practical policies. Already in the 1950s and 1960s China was actively supporting liberation move-

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23 In the international debate, Human rights are not considered to be internal affairs of the nation states.

24 Responsibility to protect is a new concept in international relations, which aims at highlighting the ethical and moral responsibility of the international community, particularly the United Nations, *vis-à-vis* states which do not want to or can not respect basic principles of good governance.

ments in Africa. Today, as China is developing from a regional to a global power and international expectations *vis-à-vis* China's international responsibility are growing, the principle of non-interference is *de facto* coming under visible strain. In addition, with increasing Chinese investments in Africa, the necessity to protect investors – and Chinese citizens in partner countries – equally increases (see Box 6). As one Chinese scholar states: “Frankly speaking, I agree that the ‘non-interference’ policy today is facing new challenges such as how to respond the human rights issue and poor governance in some African countries” (He 2008a). A modification of the principle of non-interference is most obvious in the case of Sudan, where the Chinese leadership exerted influence on the Sudanese government in order to prompt the government to accept a common AU and UN peacekeeping force in Darfur (Large 2008).

Furthermore, in their political discourses Chinese officials explicitly highlight that in contrast to Western donors and the international financial institutions of the Bretton Woods system China does not attach any political or economic conditions to its development assistance. For China, economic development, the integrity of national sovereignty and poverty reduction are considered to be more important than merely political objectives. Conditionalities are officially perceived to be an expression of moral arrogance and neo-colonialism. Other developing countries like India also object the imposition of conditionalities (Fues / Grimm / Laufer 2006). However, China's aid to Africa was never fully apolitical, since foreign aid *by definition* represents an intervention in the domestic situation of recipient countries. When China invests in states with an oppressive regime, it aims at protecting its investments and therefore often supports the regime in place (Dahle-Huse / Muyakwa 2008). The investment itself can already contribute to regime stabilisation. As a clear precondition for the establishment of bilateral relations, China still imposes the One-China principle.<sup>25</sup>

In addition, like other emerging donors – and contrary to the DAC discourse and the principles of the Paris Declaration on Aid Effectiveness, China ties its development projects to the use of Chinese goods and services. Apparently, 70 percent of Chinese aid is spent on Chinese workers and materials (Chaponnière 2008). This has caused severe criticism in recent years. The concrete situation in most African countries is not quite clear due to the fact that only few case studies have been conducted, leading to mixed results. African governments seem to have some leeway to negotiate. This margin is used quite differently. In Angola, for instance, only 30 percent of local workers are employed in Chinese corporations, whereas in Tanzania 80 percent is local staff (Asche / Schüller 2008).

#### *Bilateral government-to-government relations*

China's overall approach towards Africa is highly dominated by its bilateral relations with African countries; regional, pan-African or multilateral endeavours, on the other hand, clearly take a backseat. The Chinese government negotiates concrete cooperation projects merely on a bilateral basis with African countries, and aid is almost exclusively disbursed directly to recipient governments.

The Chinese leadership, however, is aspiring to deepen the multilateral aspects of its Africa policy. It aims not only to increase the cooperation between African states and China in inter-

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25 This principle is not unfamiliar to German foreign policy. The Federal Republic of Germany adopted the “Hallsteindoktrin” in 1955. In line with this doctrine, West Germany often interrupted relations with foreign countries if they started relations with the German Democratic Republic.

national multilateral fora like the UN. In addition, the FOCAC meeting was created in 2000 as a multilateral forum in order to promote the interests of both sides. According to the FOCAC Action Plans 2004-2006 and 2007-2009, China is seeking to consolidate and foster its support for and cooperation with regional organisations and initiatives, namely the African Union (AU) and NEPAD. However, problems could arise from the fact that to some extent different values and norms characterise African regional organisations and China's engagement with them. With respect to NEPAD, China obviously does not support the whole agenda, which also covers the promotion of democracy, rule of law and a free press. If China is asked to increase its support for NEPAD, Western donors have to expect that the focus of the NEPAD agenda could be shaped from governance questions towards infrastructure and other sectoral areas of cooperation (Taylor 2007). In addition, the AU has established mechanisms to interfere in case of severe abuses of human rights, although not yet tested in practice. For instance, China's attitude towards the African Peer Review Mechanism that has a clear 'good governance' agenda could become a test case. China would need to support regional organisations that have their own independent principles and norms (Fues / Grimm / Laufer 2006).

### *China's interests in Africa*

China's interests in Africa have to be understood in the general context of China's external relations and thus be placed in a close relationship with its domestic policies. "For Chinese leadership, foreign policy is a domestic politics continuation. It is determined by domestic politics and should serve the domestic politics and economics" (Song 2005). Since the beginning of the 'opening up and reform policy' in 1978, the legitimacy of the Chinese Communist Party (CCP) often depends on the economic performance and the increase in wealth of the people. Consequently, one major objective of the Communist Party is to ensure the country's economic development. In this regard, China's different policies in Africa aim at sustaining China's economic growth, creating a stable international environment and promoting China's development from a regional to a global power. China, therefore, pursues a rather pragmatic and un-ideological approach (Sutter 2008; Saunders 2006).

Like other non-DAC donors, China provides its development assistance as part of bigger packages deals which aim at promoting different political and/or economic interests. Kragelund rightly stresses the importance of closely analysing how development assistance catalyses other flows of Chinese economic activities, which are most probably more significant than assistance. This relationship and the overall impact of the Chinese "aid, investment and trade package"<sup>26</sup> on the development in recipient countries seem to be much more important, than focusing merely on the question of the amount of assistance (Kragelund 2008). However, in the light of missing figures, only very broad trends can currently be indicated.

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26 NB: Contrary to the EU packages, the Chinese packet includes investments – as the line between state enterprises and aid is less clearly defined by the Chinese. European aid can only aspire to attract investments; they cannot, however, be combined with private investments that clearly, as the ODA definition prevents states from mingling commercial interests too closely with aid.

*Economic and resource interests*

In order to sustain domestic economic growth, African resources such as oil, gas and minerals are becoming increasingly important for China. Although Chinese-African trade relations cover a broad range of areas and Chinese firms are engaging in very different sectors and countries, China's imports from Africa are still dominated by fuels and mining products, accounting for more than two-thirds of Chinese imports. China has been a net importer of oil since 1993; in 2003 it has become the second largest importer after the United States. Access to resources in the neighbouring countries is limited and the Middle Eastern countries – markets largely in the hands of Western exploitation companies – additionally bear high risks of crises and instability. For these reasons, the Chinese leadership aims at diversifying its provisions. Africa takes an increasingly important part in this attempt: More than 31 percent of China's overall oil imports come from Africa and Africa's portion of the overall Chinese oil imports is likely to further increase (Downs 2007; Alden 2007).

First, aid is apparently used as a major bargaining counter in order to secure these energy supplies. The case of Angola represents one outstanding example: In 2006, Chinese oil imports from Angola already exceeded those from Saudi Arabia. At the same time, Angola is by far the most important destination for Chinese interest-free loans and concessional loans (Asche / Schüller 2008). The high concentration of development assistance within some resource rich countries can also be demonstrated using the example of concessional loans. It is estimated that the major part of concessional loans are provided for infrastructure projects. 80 percent of these loans are given to five African countries, namely Angola, Nigeria, Mozambique, Sudan and Zimbabwe (Reilly / Na 2007).

Second, Africa seems to be a particularly promising base for Chinese manufacturing and construction corporations, and development aid seems to be used in order to ameliorate business opportunities for Chinese companies (Pehnelt / Abel 2007). In 2002, the Chinese government initiated its "going global" strategy. Their objective is to transform Chinese State-owned enterprises into globally competitive trans-national corporations, establishing them as powerful players in key sectors for Chinese development. Africa takes an important part in this strategy. Chinese corporations invest particularly in infrastructure and the construction industry in order to get a share in local markets. These markets have been dominated by Western and partly African companies for a long time. China's market share of the construction and civil engineering sector in Africa grew from four percent in 1995 to 21 percent in 2005, becoming the second biggest supplier after France (MTETM 2007). Currently, Chinese construction corporations are estimated to win 50 percent of African Development Bank (AfDB) bids and 35 percent of the World Bank bids in Africa (interview with Western diplomat in Beijing October 2008).

Third, African consumer markets are becoming increasingly important for China's manufacturing industry, not only in the low value segment, but also – albeit to a lesser extent – in the high-value added and technologically more sophisticated product segments. China's exports to Africa are mainly composed of manufactured goods, machinery and transport equipment as well as textiles and clothing. Chinese State-owned enterprises, backed by support from the government, are willing to invest in countries and sectors with high risks. However, Chinese private investors are more reluctant and in some countries and segments, investment risks are still considered to be high. As a general tendency, Chinese firms see the future potential of

African markets rather than the current benefits (interview with Chinese scholar October 2008).

Fourth, investing in Africa is rewarding for Chinese companies in order to access third markets, particularly US or European markets. For the textile sector, a classical triangle trade schema can be identified: China imports cotton from West African countries, exports yarn and cloth made in China to different African countries, Chinese enterprises fabricate textiles in these countries and export these textiles to the US (AGOA) and to a lesser extent to the EU. The European GSP and Everything But Arms (EBA) systems in the sector of trade are considered to have stricter rules of origin than AGOA so that African textile exports go mainly to the US. The overall impact of China's exports and investments on African development is not quite clear and may have mixed results. For African consumers, Chinese products often bear the advantage of being more affordable than Western products. In some sectors and some countries, Chinese investments can create new capacities or have catalysing effects. At the same time, particularly in the textile sector, it has been argued that Chinese exports squeeze African producers (and Chinese producers long-time implemented in the African market) out of the market (cf. Kragelund 2007; Asche / Schüller 2008).

#### *China's political interests in Africa*

Beside these important economic and resource interests, China also has political and strategic interests in Africa. They are often promoted by highly visible public diplomacy initiatives such as the construction of stadiums and public buildings. Examples for these initiatives include new office buildings for the foreign affairs ministries in Angola and Mozambique, presidential palaces in Zimbabwe and DR Congo, as well as stadiums in Sierra Leone and Central African Republic. African leaders have appreciated initiatives very much (Alden 2007).

The promotion of the One-China principles remains one of the major objectives of China's Africa policy. Already during the process of ruling Taiwan out of the permanent seat in the UN Security Council in 1971, African support has been crucial for Beijing. Until the end of the 1990s, Taiwan could retain major support in several African regions. However, the turnaround of Senegal in 2005 and Chad in 2006 have been major setbacks for Taiwan, since it now only holds diplomatic relations with four African countries, namely Burkina Faso, Sao Tome and Principe, Gambia and Swaziland. However, Taiwan continues to be an important topic for Beijing's policy towards Africa, since several African countries have already played China and Taiwan off against each other, switching recognition in order to quest aid packages; Senegal being a case in point (Thompson 2007).

China also seeks the support of African countries in international organisations in order to reinforce its claim to political and economic power and to promote its emergence from a regional to a global power. The Chinese leadership aims at promoting a multi-polar world and limiting US hegemony. In this respect, China seeks alliances with the developing world, and particularly with African countries. African countries bear the numerical advantage of being the largest single regional grouping and they tend towards 'bloc voting' in multilateral institutions based on principle of one-country, one-vote. African countries can also prevent China from international political isolation as happened for instance after the events on Tiananmen in June 1989 when most Western countries imposed sanctions on the Chinese regime. In addition, African countries often provide very reliable support, when China is criticised by West-

ern countries. In the UN Commission on Human Rights, for instance, African votes have often been instrumental to impede resolutions condemning China's human rights violations (Alden 2007).

Moreover, China's Africa policy can also be regarded as a sort of 'test case' to demonstrate the validity of China's concept of the "harmonious development". The concept has been outlined by Hu Jintao in 2004, replacing the previously introduced term of "peaceful rise". Similar to the discourse about South-South relations, the idea of fostering "harmonious development" strengthens the mutual advantages of China's development: It is not only beneficial for China but also for developing countries. Africa is an important target region for China in order to demonstrate that its emergence as a global power is indeed peaceful and that China, in contrast to previously emerging powers, will not destabilize the international system or be harmful for the interests of African countries.

**Box 6: China's growing awareness of security issues**

China's policies in Africa are facing several security challenges. Mining activities of Chinese enterprises fall prey to violence: Chinese workers have been kidnapped in Nigeria, Sudan or Somalia. In addition, the Chinese government is concerned about the increasing military activities of other major powers, for instance, the newly established Africa Command (AFRICOM) of the United States. The Chinese government seems to be increasingly acknowledging the significance of non-traditional security issues and is engaging more in collective security actions. China has stepped-up the number of its blue helmets to more than 2,000, serving in ten peace-keeping missions worldwide (International Crisis Group 2009). Furthermore, China committed itself to provide material and financial support for African security organisations at the FOCAC meeting in 2006, e.g. the Peace and Security Council of the AU. The AU mission in Sudan was also supported.

Another objective of China's diplomatic strategy towards Africa is linked to its strategic competition with other countries, not least so India and Japan. The creation of the FOCAC meeting can be regarded, *inter alia*, as a response to the Japanese "Tokyo International Conference on African Development" (TICAD), held for the first time in 1993 (interview with Chinese scholar October 2008). India also has a long tradition of relations with Africa and does increasingly provide development assistance to African countries. The competition between China and India is not only about resources or markets; both aim at taking a leading role in the developing world. India's democratic system may sometimes facilitate its relations with African democracies and Western donors and therefore, India may to some degree be less exposed to Western criticism (Broadman 2008).

*Preliminary results: The originality of China's Africa policy*

China has elaborated a comprehensive approach towards Africa. The originality of China's Africa policy lies in the close linkage of development assistance to the provision of resources, foreign direct investment, trade flows and diplomatic initiatives. This lack of distinction and clarity makes it difficult to assess Chinese engagement. However, this does not necessarily imply that Chinese engagement is less effective for African development.

Chinese development assistance is hardly motivated by pure altruism and charity – and it does not claim to be. The idea of development assistance as an altruistic support for other countries

is mostly absent in the Chinese debate. Instead, development assistance is seen as an integral part of China's interest policy, with the idea that relations should be beneficial for both sides: "China is in Africa, above all, to solve its own internal problems, not Africa's problems. It is helping Africa in order to help itself" (Kitissou 2007). Against this background, the Chinese leadership has established a strong discourse, presenting the principles and objectives of China's Africa policy and placing Sino-African relations in the broader context of South-South cooperation.

In short, this discourse apparently has different functions: It aims at papering over diverging interests and differing principles in Sino-African relations. It seeks to assure African leaders that, while China is emerging as an international economic and political power, it will respect and consider African interests. This aspect is closely related to the objective of elaborating a relationship which differs from Africa's relations with Western partners (Alden / Alves 2008). China's discourse towards Africa thus serves as an instrument to reconcile its own oscillating identity, as the country is currently pulled between its self-declared status as a developing country and its desire for international power and recognition. At the same time, China's growing influence and power will certainly increase African expectations *vis-à-vis* China's support.

### 3.2 A prominent role for state actors: Diversification of actors leading to tensions?

Since the beginning of the reform and opening up in 1978, the actors and mechanisms in China's foreign policy decision-making are transforming. One can identify several tendencies: The number of the actors participating in the day to day decision making is increasing – "the elite is thickening" (Lampton 2001). China's participation in international institutions and the general intensification of external relations strengthens the professionalisation of the political elite and the bureaucratization of the decision making process (ibid.). Zhao introduces the term of horizontal and consultative authoritarianism. He demonstrates that China's foreign policy decision making process is increasingly based on a system of compromise, consultation and competition between different actors, who often have diverging interests (Zhao 1996). These general developments and principles of Chinese foreign policy making can also be observed with regard to China's Africa policy.

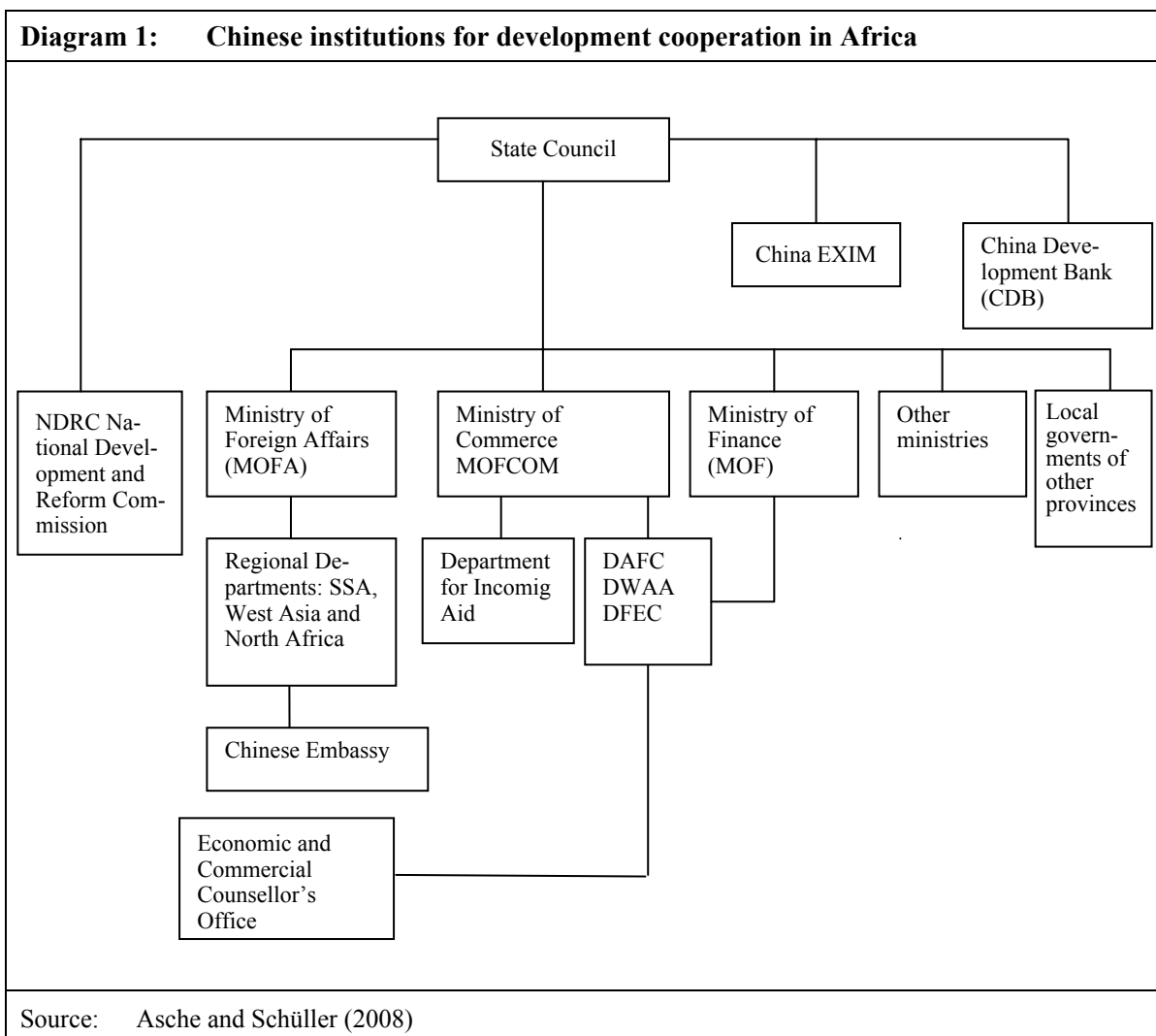
As a consequence of the general intensification of Sino-African relations, the number of actors involved in China's relations with Africa has been increasing and diversifying in recent years. However, China's Africa policy is to a large extent still dominated by state actors and state-to-state relations. In this respect, China's relations with Africa constitute no exception from relations with other regions and countries. Private enterprises and particularly civil society actors are involved to a lesser extent than state actors. However, the government has taken some initiatives to promote their engagement.

#### *Chinese state actors*

The Central Committee of the CCP and its Politburo decide on the general objectives and lay out broad policy guidelines of China's Africa policy. However, the general importance of the central leadership in every-day foreign policy making has been decreasing since 1978. Members of the Central Committee are less involved in daily decision-making. They possess, however, a veto and arbitration position: In conflict situations between different ministries or be-

tween the ministries and state-owned enterprises (SOE) they have the final say. The CCP Central Foreign Affairs Leading Small Group (FALSOG), currently chaired by President Hu Jintao, provides a platform for members of the central leadership of the party and high representatives of the central bureaucracy to discuss foreign policy topics. The FALSOG is a non-permanent coordination body, taking a bridging role between the bureaucracy and high level party cadres. Even though this organ is not directly involved in the decision-making process, its recommendations are likely to have an important impact (Lu 2001).

The State Council decides on the national budget and the proportion that will be designated as development assistance. Under its control, the central bureaucracy implements the broad policy lines and objectives set by the central leadership. In case of China's Africa policy, the MOFCOM, the MFA, the Ministry of Finance, and to a lesser extent the Ministry of Agriculture, the Ministry of Education and the Ministry of Health are involved (see for above and below Diagram 1). In addition, the State Council's National Development and Reform Commission (NDRC) is becoming an increasingly important actor with regard to Africa. The NDRC is responsible for elaborating long-term macroeconomic strategies. Its focus on energy and security is enhancing its role in shaping Chinese activities in Africa (Alden 2007).



### *The Ministry of Commerce*

Due to the growing importance of economic activities in China's foreign relations, the MOFCOM has become an increasingly influential foreign policy actor in recent years. However, in the case of China's Africa policy, MOFCOM plays an even more central role than in China's policies towards other regions. The central role of MOFCOM in the provision of development assistance already indicates the integrated approach of Chinese foreign aid and the close relationship between trade, investment and aid.

Three departments in MOFCOM deal with Africa. The Department of West Asia and African Affairs (DWAA) advises on policy issues to top decision makers and has a coordinating role throughout the Ministry. The Department for Foreign Economic Cooperation (DFEC) is in charge of incoming foreign aid to China, it has the authority to regulate Chinese companies and thus responsible for Chinese overseas workers. Being in charge of the administration of Chinese development assistance, the Department on Aid to Foreign Countries (DAFC) manages the bidding process for aid projects, oversees the projects themselves, and takes direct responsibility for the safety and quality of the construction in aid projects. It has approximately 80 staff members (Reilly / Na 2007). In addition, MOFCOM can rely on Economic and Commercial Counsellors' Offices (ECC) in the Chinese embassies in Africa. They are submitted to the administrative authority of the embassy, but the MOFCOM perceives them as their representatives. Together with the MOFCOM, the Ministry of Finance sets up the foreign aid budget. Multilateral aid is also put under the jurisdiction of the Ministry of Finance.

### *The Ministry of Foreign Affairs*

Once the general foreign policy lines have been decided by the central leadership of the party, the Ministry of Foreign Affairs (MFA) is responsible for interpreting these guidelines, elaborating the concrete policies towards a country or a region, and implementing the policies. This procedure aspires to make specific policy decisions keep in line with the overall political strategy. The MFA also has to provide information on foreign countries for the central leadership (Lu 2001, 50). There are two departments responsible for African affairs: the Department for West Asia and North Africa as well as the Africa Department.

The MFA has elaborated China's Africa policy paper and takes an important role in the FOCAC negotiations. In the context of China's aid programme, MFA takes to a large extent an advisory function *vis-à-vis* the MOFCOM. The local embassies in Africa are involved in the elaboration of the specific country programmes. However, with regard to their comprehensive tasks, their monitoring capacities seem rather limited (Asche / Schüller 2008).

### *China's policy banks<sup>27</sup>*

China's policy banks are also important actors of China's development assistance for Africa, particularly the Export-Import Bank (EXIM) and to a lesser extent, but with an increasingly influential role, the China Development Bank (CDB). Controlled by the State Council, they were both established in 1994. The main objective of EXIM Bank is to promote and support

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27 Banks in China are classified into different types. A distinction is often made between "policy banks" such as CDB, Sinosure and EXIM Bank and state-owned commercial banks.

Chinese exports and foreign investments. Conservative estimates by the United States Export-Import Bank indicate that by 2010 EXIM Bank's medium and long-term financing could reach 40 billion US\$. In comparison, the World Bank's financing currently totals about 25 billion US\$. EXIM would become the world's largest export credit agency (Chan-Fishel / Lawson 2007).

In contrast to Western bi- and multilateral lending institutions, EXIM Bank's lending is considered to be more flexible, willing to take more risks. Thus, these lending practices are arguably better responding to the needs of African elites (Alden 2007). EXIM Bank is the sole Chinese provider of concessional loans to governments abroad. These concessional loans have generated much discussion of how Chinese aid is linked to access to natural resources and contracts for Chinese firms. Concessional loans are granted to borrowing governments with the objective of promoting "economic development and improve living standards in developing countries" and to further "boost economic cooperation between developing countries and China." The main project sectors are infrastructure (energy, transport, and communication), industry (manufacturing, mining) and social welfare projects. As a general rule, EXIM Bank demands that 50 percent of procurements should be provided from China.<sup>28</sup> By the end of 2005, EXIM Bank made 800 Million US\$ loans to 55 projects in 22 African countries. From 2001 to 2005 the concessional loan programme grew 35 percent annually and Western experts assume that this growth rate has not declined. At the same time, concessional loans represented only three percent of EXIM Bank's assets (Brautigam 2008). In the process of providing concessional loans, EXIM Bank has to coordinate closely with MOFCOM, which may lead to conflicts between the two agents.<sup>29</sup>

The main focus of the CDB originally was domestic financing, noticeably in domestic infrastructure, power stations or public facilities. Only recently, CDB started to expand its activities of lending abroad. However, its overseas activities are growing rapidly since 2007, creating potential conflict with EXIM Bank, since CDB offers products similar to EXIM Bank's, with the exception of concessional loans. CDB does not provide development assistance, but operates as a commercial bank. However, it manages the China Africa Development Fund (CADF), a 5 billion US\$ equity fund announced during the Beijing FOCAC meeting in 2006. The fund can not be considered as aid, but it may promote development in Africa, as the fund provides capital for Chinese companies and Chinese-African joint venture companies in order to promote their activities in Africa. However, African entrepreneurs without Chinese partners do not have access to this fund, which might be perceived as another unfair advantage of Chinese investors (Brautigam 2008).

### *The State-owned enterprises*

Aid projects are mostly carried out by Chinese state-owned enterprises. SOE have to qualify and apply in an internal selection process in order to be allowed to carry out aid projects. Since 2003, the operational authority over these enterprises lies within the State-owned Assets Supervision and Administration Commission (SASAC). The SASAC is either the owner of SOEs or it is holding a controlling share. Having ministry-level status and thus being placed directly under the State Council, the SASAC is responsible for assuring the quality manage-

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28 See: <http://english.eximbank.gov.cn/business/government.jsp>, accessed 26 October 2008.

29 For a description of the negotiation process of concessional loans also see (Davies et al. 2008, 18).

ment and increasing the value of the SOE. At provincial and city level, the same structures have been introduced. The national SASAC then has the administrative authority over provincial SASACs; the provincial SASAC has the operational authority over the provincial SOE and so forth (Reilly / Na 2007).

#### *The sub-national and non-state level*

Furthermore, Chinese provinces and cities play an important and twofold role in China's Africa policy. First, the central government may ask them to implement development assistance programmes. For instance in the health sector, the relevant departments from Chinese provinces cooperate with African counterparts. In addition, some Chinese provinces have their own development assistance programmes, even though information about the amount and coverage are very limited (Asche / Schüller 2008). Provinces and cities are setting up a growing number of twinning programmes with African regions and cities. In 2007, 73 cooperation programmes in 28 countries have been in existence, with a special focus on East Africa and English speaking countries (Lévy / Gaborit / Rotteleur 2008). Secondly, particularly export-oriented provinces and cities like Guangdong, Jiangsu or Shanghai have important business interests in Africa, as SOE affiliated at the provincial or city level are highly active in Africa. They make up approximately 88 percent of all Chinese firms engaging in FDI abroad (Broadman 2007, 305).

Beyond doubt, state actors dominate China's international relations with Africa in general and China's aid programme in particular. However, some actors below the state level, though often still affiliated with the state can also be identified. In 2005, for instance, the China Africa Business Council was founded as a Public Private Partnership. It aims at promoting Chinese private investments in Africa and providing a platform for Chinese firms in order to familiarise them with African culture, language and with social and environmental regulations in African countries. Equally founded in 2005, the International Poverty Reduction Centre (IPRCC) works closely with the United Nations Development Programme (UNDP) and other international organisations. The IPRCC is in charge of the promotion of international exchange, cooperation and research in the field of poverty reduction.

NGOs play a quasi inexistent role in China's relations with Africa. The "Global Environmental Institute" can be indicated as one example for an NGO which began to set up projects in Africa (Interview with Western diplomat October 2008). In the light of growing tensions and scepticism in Africa against Chinese engagement, the Chinese government seems to be willing to promote people-to-people exchanges in order to enhance African knowledge about China and improve China's image in Africa. The Central Committee of the Chinese Communist Youth League initiated a youth volunteer's programme overseas in 2002. About 100 youth volunteers have already been sent to five African countries, *inter alia* to teach Chinese. In December 2007 a first group of about 100 young people from 10 African countries visited China (Ministry of Foreign Affairs 2008). In addition, the Chinese government provides scholarships for African students to study in China.

Chinese-Africa researchers have not yet received much attention and financial funding by the Chinese government, in comparison to research conducted on the United States or Japan. The main research is conducted at the Chinese Academy of Social Sciences (CASS) in Beijing, the biggest social sciences think tank in China. In addition, Zhejiang University holds an important centre for African studies. The Chinese government is planning to increase research on

development policy. However, it is unclear if funding for research on Africa will also be increased. Chinese Africa scholars build very much on Western research on Africa, and until recently, many researchers did not have the possibility to travel to Africa for conduct research (interview with Chinese scholar October 2008).

*Preliminary results: Diversification of actors leading to tensions?*

Altogether, the Chinese government has initiated an innovative approach towards Africa, combining different bureaucratic, corporate, private and individual Chinese actors. Through a mixture of diplomacy and economic assistance, the Chinese leadership creates a favourable environment for Chinese investments in Africa and trade relations with African countries.

However, as indicated above, the growing number of actors and their diverging interests are causing several problems. First of all, local protests in African countries against Chinese companies are continually increasing. The central government assumes that supporting Chinese companies going to and operating in Africa would imply a win-win situation for both, China and Africa. However, as Chinese companies aim at making profit, they often do not stick to labour or environmental regulations, causing growing civil society protests in African countries. One major problem is that Chinese companies frequently are not familiar with local conditions, with regulations such as labour and environmental standards, with the culture, the language, etc. In addition, they face severe competition causing them to cut down wages and safety standards. Not only African workers, but also Chinese employed in Africa have been protesting at Chinese embassies and on the street (Reilly / Na 2007). Local protests in African countries are likely to grow. Protest can be expected, particularly in African states with strong labour unions and active civil society, where mobilisation may be easier. At the same time, African governments have some leeway in negotiating the contracts with the Chinese leadership. Thus, in countries with strong rule of law and civil society, contracts can be expected to be more in favour of employing local workers, and Chinese companies can be expected to make more efforts to employ local workers and to stick to labour and environmental regulations.

Not least due to growing international pressure, the MOFCOM made efforts to improve the situation, and established an office for addressing complaints and passed regulations to protect the rights of Chinese overseas workers. It has introduced rather comprehensive and rigid regulations for Chinese companies in order to prompt them to behave in a responsible manner in Africa (Ho 2008). Some of the problems are also well known in China. Chinese Companies that do not comply with or only insufficiently implement social and environmental regulations within China will most probably refrain from doing the same abroad (Zhang 2008; interview with Western diplomat in Beijing October 2008). In summer 2007, MOFCOM organised workshops to sensitize Chinese companies. However, MOFCOM will face difficulties in enforcing these regulations due to adverse incentives listed above and due to the institutional setting.

Conflicting interests between different stakeholders emerge and test the state capacity to enforce regulations abroad. In African countries, the Economic and Commercial Counsellors' offices are responsible for implementing the MOFCOM regulations and providing information about activities of Chinese firms. However, the ECCs have no direct line of authority over the Chinese corporations, which are subordinated to the SASAC. At the same time, the MOFCOM also has only operational authority over ECC officials, which gives ECC officials

additional leeway. Consequently, incentives for local low-ranking ECC officers to negatively report about SOE to Beijing are quite small. The interest of SASAC and the SOE is to maximise the economic profit. Since the SASAC sits at the same bureaucratic level as MOFCOM, it is even more difficult for MOFCOM to actively enforce regulations and incite SOE to implement social and environmental standards (Reilly / Na 2007). As one scholar states: "If the CEO of a State-owned enterprise gets the signature of a member of the Central Committee, the company can bypass any MOFCOM regulation" (Interview with Chinese scholar October 2008). The detailed possibilities of the Chinese leadership to regulate, oversee and control the activities of private firms and SOE in Africa are not quite clear. However, the relations of principals and agents, as outlined above, indicate that it is rather unlikely that MOFCOM will be able to actively enhance their new regulations, at least in the near future.

Implementing aid projects is another challenge for the Chinese. For the MFA and Chinese leadership, development assistance is mainly perceived as a diplomatic tool to improve bilateral relations, often in order to secure access to natural resources. The interest of MOFCOM is to improve the economic benefit of the aid projects, to increase job opportunities for Chinese workers and guarantee contracts for Chinese firms. However, Chinese corporations aim at accomplishing the project as quickly as possible. They often reduce costs to the detriment of labour wages, safety standards, etc. These corporations are often affiliated with the provincial or city level, and provincial and city governments encourage them to get a stake in Chinese international assistance projects (Reilly / Na 2007). However, provincial and city governments do not necessarily share the interest of the central government to improve overall China-African relations and to improve the image of China in Africa.

The instrumentalisation of aid projects as a diplomatic tool creates further problems: Chinese companies may take it as a blank check, allowing them to act in a fiscally irresponsible way; these companies can always rely on the state banks for financial support, independent of their fiscal performance. This creates long-term financial dependency on Chinese banks for state-owned enterprises (Reilly / Na 2007). It has been said that one third of these enterprises have already incurred losses. This issue is becoming increasingly pressing when more or even higher credits are provided by the banks. One expert particularly highlights the interest of EXIM bank to provide profitable credits and thus to cooperate with Western banks in order to learn from their investment strategies (Interview with Western scholar in Paris September 2008).

The consequences of China's engagement for African States and governance structures are disputed and so far not very well researched. For some, China's engagement in Africa has reversed privatisation dynamics and the growing importance of non-state actors, lending institutions and donors. In this respects, China's policies are considered to augment the bargaining power of African states. China is said to have "reintroduced the state into Africa's international relations" – arguably potentially at the expense of private actors. Yet, the increasing involvement of China's corporations, acting as independent agents, could also contribute to the further increase of the power of local predacious elites and thus amplify the privatisation of Africa's international relations (Huliaras / Magliveras 2008).

### 3.3 Chinese development policy in Africa: more than infrastructure

Sino-African cooperation covers a broad range of areas from bi- and multilateral political cooperation, economic cooperation, cooperation in social development as well as in peace and security. Since the first meeting of the FOCAC in 2000, cooperation has been expanded and deepened in many areas. There are five major areas in the field of development assistance that Chinese projects cover: infrastructure, health, agriculture and education. Although the main proportion of China's development cooperation concentrates in certain countries, one special aspect of China's policy in Africa is that it includes nearly all African countries. Official statements indicate that since the end of the 1950s China has implemented 700 aid projects in 49 African countries (Asche / Schüller 2008). During the FOCAC meeting in 2006, China has announced doubling its development assistance for Africa, though without providing any baseline figures.

Infrastructure projects take by far the major bulk of these projects, most of them being related to the promotion of the exploitation of resources and access to local markets. This scheme is not only bound to China's comparative advantages in international competition, but also to China's own developmental path (Asche / Schüller 2008). One of the most prestigious projects is the Tanzania-Zambia railway, completed in 1975 at an estimated cost of 484 million US\$. Africans consider the project as a major symbol of China's commitment, friendship and engineering capacity despite several technical shortfalls and drawbacks (Le Pere / Shelton 2007, 58). Generally, China tends to favour high-profile infrastructure projects, such as stadiums, dams, railroads or public buildings. Few European donors have continued to finance these types of projects. This offers China a niche and competitive edge for engagement, as they respond directly to the demands of African leaders. Concessional loans are concentrated in the field of infrastructure: about 40 percent are spent in the energy sector, 20 percent are invested in transport projects, 12 percent in telecommunication (Reilly / Na 2007).

The overview of the areas of China's development assistance projects indicate that China's engagement is very much informed by its own domestic development and its own past experience. In comparison to European areas of development cooperation, China appears to be engaged rather in traditional areas of assistance. For instance, China-Africa cooperation in the health sector has a very long tradition. Cooperation is concentrated on the dispatch of medical teams. Since 1964, about 15,000 Chinese doctors have worked in 47 African countries. China not only sends medical teams, but provides also medical equipment and medicine, for instance for the fight against Malaria. In addition, African doctors are trained and hospitals are built.

From an African needs perspective, the agricultural sector is considered to be another particularly important area of cooperation. It also receives increasing support from the Chinese government. China carries out irrigation projects, provides advisory services and technical equipments. As a consequence of China's rapid economic growth, increasing wealth of Chinese people and consequently growing demand of food products, food security becomes a pressing problem in China. Chinese investors have started to lease agricultural land for instance in Tanzania, Zambia and Zimbabwe. They also invest in agricultural industries in Namibia or the cotton production in Zambia (Huliaras / Magliveras 2008; Alden 2005).

In the area of education, the Chinese government has provided funding for African students to study in China and it has supported cooperation projects between Chinese and African universities. Estimates indicate that funding has been provided to 10,000 students coming from 51

African countries. About 900 of them are currently studying in China. 10 Chinese universities have cooperation programmes with 20 universities in 16 African countries (Le Pere / Shelton 2007, 126). China supports the "African Human Resources Development Fund" which aims at providing training for administrative personnel. 7,000 people have already been funded via this project; up to 10.000 will further be supported during the next years (Hofmann 2006).

Predictably, the promotion of good governance, civil society or reform of macroeconomic structures are absent in China's aid. In May 2008, the Chinese government published a first interim report about the objectives that they had already achieved. The report indicates that China is very likely to meet its commitments on aid input. However, Chinese increasing engagement also raises expectations towards the outcome of aid and changes perceptions. One scholar highlights that the discourse between Chinese and Africans during the three FOCAC meetings has already changed slightly and that China is *de facto* increasingly perceived as a donor country.

#### **4 Comparison of European and Chinese development policy concepts – growing convergence or divergence?**

##### *Objectives and areas of European and Chinese development policy in Africa*

The objectives of European and Chinese policies towards Africa and the areas in which both sides are engaging seem to have some common ground, although with different emphasis. China primarily focuses on the promotion of economic and social development and sees the establishment of peace and security as an important condition for development. Hence, it pursues rather traditional objectives of development policy with a strong focal point on the development of infrastructure. However, the areas of Chinese development assistance seem to broaden and the Chinese government is increasing emphasises on social infrastructure. The promotion of peace and security is an objective of China's policy towards Africa, although China does not actively contribute to its promotion in the context of its development assistance. China does, however, increasingly participate in UN peacekeeping operations (see Box 6).

The European Union has put poverty reduction and the achievement of the MDGs at the core of its development policy. In addition, the EU aims at promoting a political and economic environment which is favourable and necessary for development. The objectives as well as the areas in which European development policy is engaged are thus broader than China's objectives and fields of engagement. In addition, the EU clearly puts much more emphasis on political development, an aspect which is mostly missing in China's strategies, for obvious reasons.

This leads to the question whether Chinese and European policies could be complementary and whether stronger cooperation between the two providers of assistance is conceivable, or, on the contrary, if differences might rather result in competition and conflict. It is sometimes argued that the Chinese engagement could fill niches the EU has left open, creating probably windows of opportunity for cooperation (Dahle-Huse / Muyakwa 2008). An example for this niche approach could be infrastructure: China strongly engages in this sector, whereas the EU has rather neglected this area for some time. The EU has now increased its activities and the

<b>Box 7: EU and China in Africa at glance</b>		
	<b>EU-Africa</b>	<b>China-Africa</b>
<b>Trade</b>	<p>Total 2007: 232 billion €</p> <p>About 23% of EU imports from Africa are manufactured goods, 11% are food and agricultural products. The EU is the biggest export market for African products.</p> <p>In 2007 the EU imported oil from Africa with a value of 62.5 billion €, out of which 18.9 billion € are from sub-Saharan Africa (30%). Top partners: Libya, Algeria and Nigeria.</p> <p>African Least Development Countries benefit from duty free market access for everything but arms.</p>	<p>Total 2008: 107 billion US\$</p> <p>72% of all imports from Africa are fuel and oil. China-Africa trade has been increasing by 45% since 2007.</p> <p>In 2007 China imported 32% of its oil from Africa with a value of 19 billion €, out of which 17 billion € are from sub-Saharan Africa (90%). Top partners: Angola, Sudan, Congo.</p> <p>China abolished tariffs on 450 types of goods from 29 Least Development Countries in Africa.</p>
<b>FDI</b>	<p>EU Foreign Direct Investments to Africa in 2005 and 2006 amounted to 28,124 billion €</p>	<p>According to estimates, the accumulated investment by Chinese firms doubled from 6.27 billion US\$ in 2005 to 12 billion US\$ in 2006.</p>
<b>ODA total</b>	<p>In 2007 the EU (Member States and EU Commission) gave together 62% of its bilateral, regionally allocated aid to Africa and provided more than half of the global aid flows to the region.</p> <p>EU DAC members' debt relief to Africa in 2006: 9.7 billion €.</p>	<p>China does not publish aid figures. Its aid comparable to the DAC definition of ODA is estimated at about 1.5 billion US\$ p.a.</p> <p>China has cancelled 1.4 billion US\$ in debt in 2006.</p>
<p>Source: Based on European Commission (2008b) with author's amendments and updates</p>		

visibility of these activities by establishing the Africa-EU partnership for infrastructure. Europe's focus however, is more on trans-national and regional networks, whereas China often engages within an African country. An example for cooperation might also be the Memorandum of Understanding (MoU), which has been signed by the Exim Bank and the World Bank in 2007. The MoU envisages developing cooperation projects in which the Chinese side would focus on the "hard infrastructure" and the World Bank would assist in questions of social and environmental standards. Infrastructure is also one of the four priority areas, identified by the Communication of the European Commission on trilateral dialogue, published in 2008.<sup>30</sup>

Nevertheless, different priorities with regard to objectives and areas of engagement could also lead to contradictory and conflicting policies and the expected impact could be missing.

<sup>30</sup> In addition, the Communication specifies peace and security, sustainable management of natural resources and the environment as well as food security and agriculture.

Berger and Wissenbach (2007) suggest a pragmatic approach: “the combination of pragmatic policy mainstreaming on the one hand and a focus on complementarity on the other” could be a possibility for overcoming differences. However, more empirical analyses and case studies would be needed to provide insights that allow to thoroughly assess consequences of different priorities.

*Divergences with regard to European and Chinese norms, values and principles*

With regard to the principles and values of China and the EU's development policy in Africa, the picture is complex and at least rhetoric differs considerably. Both actors have a different approach in their policies towards Africa. Since the turn of the century, the EU has been reforming its Africa policy and its development policy in order to overcome the traditional donor-recipient relationship and to create a strategic partnership with a strong focus on ownership, equality and alignment. Alongside Europe's development cooperation, trade and foreign policy are distinct policy areas with differing decision-making procedures and differing rationale, yet increasingly acknowledge to have an impact on the development prospects of partner countries and thus aspired to be better coordinated with development policy (cf. Makhan 2009 forthcoming; Gänzle 2009). In contrast, China forges a relationship built on the (declared) principles of mutual benefit, non-interference, non-conditionality and under the overall banner of South-South cooperation. In this respect, Chinese development assistance forms only a small part of comprehensive package deals integrating trade, investments and diplomatic initiatives.

<b>Box 8: Different European and Chinese rhetorical issues in relations with Africa</b>		
	<b>EU</b>	<b>China</b>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• eradication of poverty in context of sustainable development</li> <li>• achievement of MDGs</li> <li>• peace and security</li> <li>• democracy, good governance, human rights, fundamental freedoms (preconditions to poverty eradication an objectives in themselves)</li> </ul>	<ul style="list-style-type: none"> <li>• promotion of peace and stability</li> <li>• economic and social development</li> <li>• harmonious development</li> <li>• common prosperity</li> </ul>
<b>Principles</b>	<ul style="list-style-type: none"> <li>• Ownership and African responsibility</li> <li>• Partnership</li> <li>• equality, solidarity</li>   <li>• political dialogue, based on the assumption that improvements in governance are key to social and economic development</li> </ul>	<ul style="list-style-type: none"> <li>• mutual benefit</li> <li>• friendship</li> <li>• equality, solidarity</li> <li>• reciprocity, mutual support and close coordination, learning from each other and seeking common development</li>   <li>• five principles of peaceful coexistence and eight principles of aid to foreign countries</li>   <li>• one-China principle</li> <li>• non-interference and ‘no conditions’</li> </ul>
Source: Author's composition, drawing from major European and Chinese policy papers		

*'Non-interference' versus promotion of democracy, human rights and good governance*

The most difficult and disputed areas are probably China's principles of non-interference and non-conditionality in contrast to European attempts of promoting democracy, human rights and good governance. Since China's policy does not comply with standards and norms set by the traditional donor community, it represents a welcomed alternative for African governments, possibly weakening the leverage of traditional donors while creating more leeway to take charge of their own development and increasing bargaining power. Although the Chinese government does not promote democracy and human rights in their relations towards Africa; it also does not aspire to undermine democratic regimes either. It does not claim creating a "league of dictators" or a "league of authoritarian states" in Africa (Alden 2007). Given the fact that foreign policy is predominantly an instrument serving domestic policy objectives, the Chinese leadership has no interest in imposing its own political system on African states. Instead, the Chinese government adopts a pragmatic approach, providing African governments with some leeway to shaping and influencing bilateral relations.

Although the European Union has established an overall policy towards Africa, the strategies of the EU to promote good governance, democracy and human rights might be different *vis-à-vis* individual African countries, depending on the domestic context, the political structure, as well as the capacities and power of civil society in the partner country (Börzel / Pamuk / Stahn 2008). It can therefore be expected that the consequences of China's engagement for European attempts of promoting good governance, democracy and human rights and the relationship of China and the EU with respect to these principles, might also be different, depending on the domestic context of the African country (for this argument and the following see also Alden 2007).

From a European perspective, China's engagement in fragile democracies and authoritarian regimes such as Angola, Congo, or Nigeria might be most problematic. In authoritarian regimes with stronger institutional structures, the EU aspires to introduce democracy and good governance (Börzel / Pamuk / Stahn 2008). The European influence on governance structures, however, depends on its ability to put pressure on African governments or to provide meaningful incentives for reform. China is often perceived as a welcomed alternative to which the governments of these countries could turn if they do not agree with political and economic reform agendas. China's engagement is dominated by state actors and bilateral agreements and projects are negotiated on a government-to-government basis without involvement of civil society actors. Therefore, China seems to strengthen and reinforce the ruling elite to the detriment of other actors, particularly from civil society. For civil society actors, the access to information on the content of agreed contracts would be particularly relevant. In many cases, no detailed contact information is provided by the Chinese and African governments. In this respect, Chinese policies in these countries might compete or even conflict with European objectives and principles.

Chinese engagement in so called "rough regimes", such as Sudan, Equatorial-Guinea, or Zimbabwe, has attracted much attention in Western public debates. In these cases, China is accused to undermine Western sanctions and to hinder the conflict resolution process. Objectives and principles of Chinese and European policies seem to be clearly conflicting in their respective engagement of these regimes. However, China has slightly reconsidered and adjusted its own position in Sudan and Zimbabwe and the principle of non-interference seems to be increasingly debated in China, as argued above. The Chinese government did most probably not

just respond to international pressure. It can also be assumed that the Chinese leadership itself has an interest in the long-term stability and in low corruption rates of African countries to protect its own investments and Chinese actors in these countries. This interest can be expected to grow; the more China invests in Africa. EXIM Bank, for instance, will presumably pay closer attention to country risk and to countries indebtedness. This could provide possibilities for closer coordination and cooperation between China and traditional donors (Chaponnière 2008), even more so as European debates about the linkage between security and development have also moved in recent years (cf. Gänzle 2009).

All in all, a major problem is that concrete data and analysis of the consequences of Chinese engagement on African governance structures and implications for European cooperation with African regimes remain limited. Concrete case studies therefore are highly needed to provide more empirical evidence for the elaborated arguments.

### *Ownership, harmonisation and effectiveness*

One central element of the reform of European policy towards Africa is the strengthening of African ownership. China claims African ownership to be paramount in its South-South-Cooperation and that it thus (in terms of the Paris Declaration) aligns to partner countries priorities. The perspective, however, is limited to government ownership. The Chinese government will only enter negotiations about development assistance projects when African governments request concrete projects. Negotiations are done on the basis of project proposals elaborated by the African government (Wang 2008). Beyond this government-to-government principle, however, the Chinese leadership does not align its own strategies with African national development plans and with national poverty reduction strategies. This is regarded as the obligation of African states – arguably overestimating the political capacity of states in Africa even in the best of cases. In addition, decisions of MOFCOM are often taken on an ad hoc basis without elaborating long-term strategies for African countries. Since China often brings its own labour and material (albeit with varying degrees among countries in Africa), the transfer of knowledge and the benefits for institutional capacity building in African states seem to be rather limited, particularly in the context of turn-key projects.

An important objective of the European agenda is the enhancement and improvement of harmonisation and co-ordination between different donors, with a view to improve the effectiveness of aid. For China, harmonisation among donors is not a topic on the agenda. Harmonisation would have to begin with the Chinese participation in donor rounds. The Chinese practice in Africa is often not clear and levels of information differ, but China's attendance of donor rounds remains probably rather anecdotal. For African countries with limited capacities, it could be problematic to coordinate and deal with another donor outside the frameworks of traditional donors. At the same time, for most African states China constitutes a welcomed alternative to Western cooperation – their interest in coordination among China and other donors could thus arguably be limited.

The enhancement of effectiveness and sustainability of development cooperation policy are key objectives of the European (and international) reform process. The debate in China, however, is not on the same page as European discussions: The Chinese leadership considers its own development policy as effective per se, since it finances very concrete projects such as schools, hospitals, roads, etc. Direct negotiations with the African government without passing through multilateral channels are also highlighted by Chinese actors when their effecti-

veness is questioned. Chinese projects are delivered generally quicker and less costly. In addition, the Chinese government assumes that their approach impedes corruption (Wang 2008; He 2008a), even though the basis for this assumption is unclear. MOFCOM does not carry out systematic evaluation of their projects. Anecdotic evidence seems to indicate that projects often meet difficulties after the Chinese have left: school and hospitals remain empty, roads are not maintained etc. In this respect, the problems of Chinese projects appear to be similar to the problems of European infrastructure projects in the 1970s and 1980s. This might open possibilities for exchange on evaluation methods, although the interest of the Chinese government in cooperation on this issue is not clear at the moment.

Ideally, the Chinese engagement could prompt the EU to review its own (fragmented and thus cumbersome) practices and presumably streamline certain bureaucratic procedures (Grimm 2008a). Some Chinese experts even consider that China would have the potential for becoming an influential actor with regard to international discussion on aid effectiveness. They argue that China could make use of its twofold perspective: From its own experience it knows how to deal with donors. On the other hand, it can provide insights from its own development process which has shown key elements of national ownership for development (He 2008a). However, this would presume that China engages in discussions and actively participates in the international aid system.

### *Chinese and European interests in Africa*

In the context of development policy, the issue of tied aid might become a contested question between the EU and China. The EU adopted two regulations in 2005, deciding to fully untie European aid to developing countries; Member States are also committed to this. Previously, the Commission had played an important role in the discussion taking place in the DAC, leading to the adoption of the recommendation for untying aid in the DAC in 2001. China's aid to Africa is mostly tied. In some EU Member States the private sector has already raised concern about competitive disadvantages and trade diversion of exports to Africa in the light of Chinese engagement. Pressure has been put on European governments to re-tie their development assistance. The question has been put on the table, particularly in France where construction companies feel the strong competition of Chinese enterprises. Even though experts do not expect that the decision of untying aid will be called into question (Interview with French expert September 2008). Some assume that the relative weight of bilateral aid as "the only real means of influence on aid and trade relations" could increase to the detriment of multilateral aid (Kohnert 2008).

Beyond this, competition and conflicts could arise with regard to resource and energy interests, depending on how the interests on both sides evolve in this area. China's development policy is *inter alia* closely linked to its resource interests. The EU has increasingly highlighted the nexus between energy security and development and integrated energy security issues in developing countries in the spectrum of its development policy. In terms of European resources interests, the African continent is currently an important, but far from the only provider of resources. However, the EU seems to increasingly recognise the potential of African countries as energy providers (Hadfield / Youngs 2008).

The comparison of Chinese and European political interests in Africa indicates that for both, development policy in Africa as well as political relations with African countries form an important element in their changing and emerging strategies towards global politics. The EU

wants to foster 'effective multilateralism'. The support of African states and cooperation with Africa is one important element to practice this political commitment and achieve this objective. China, however, aims at promoting a 'harmonious world', composed of sovereign nation states which are peacefully cohabiting. African support, particularly in international relations is therefore also important for China. Recent voting patterns in several UN bodies seem to indicate that Europe and China could be increasingly competing in this regard (Gowan / Brantner 2008).

#### *Different set of actors in Chinese and European relations with Africa*

Different types of actors are responsible for development cooperation and overall relations with Africa in China and Europe. In China, the MOFCOM has a very prominent role and is mainly in charge of development policy, which indicates a strong relation between development and trade policy. In Europe and China, different types of actors are responsible for development cooperation and overall relations with Africa. In China, the Ministry of Commerce takes a prominent role, indicating a strong relation between development and trade policy. In Europe, specific actors such as the specialised Directorate-General for Development at EU level or national ministries of development cooperation (or departments in foreign ministries) are in charge of aid policies. Arguably, this institutional separation reduces to some extent the possibility that development policy is instrumentalised by other foreign relations interests. Yet, with institutional changes occurring, it will be important to see, which domestic actors will gain influence on Europe's Africa policy-making, and to follow their respective interests in relations with Africa.

Europe and China both face important challenges with regard to the actors involved in development policy and overall cooperation with Africa. In Europe, there is a strong need to increase coherence and coordination between the multitude of actors and thus to implement policy documents such as the code of conduct on a division of labour. In China, not only the cooperation between different actors needs to be improved, but also the regulatory and implementation capacities of the state. Therefore, it can be expected that the prospects for cooperation between China and Europe on African development will, at first, depend mostly on the capacities of both sides to implement either reform initiatives (Europe) or build up institutional structures for development policy (China).

## **5 Conclusions**

Europe and China are both in an important phase of reforming (Europe) or designing (China) their development policies towards Africa and their external relations more broadly. The EU and China are both seeking new roles in international relations, they are both aspiring to evolve from a regional to a global power and for both of them, the African continent constitutes an important arena in this respect. The EU is looking for a new role in its relations with Africa and more broadly in world affairs – and is thus also an emerging actor in international politics. China's role as an actor is also strongly evolving at the international level. It has to conciliate its aspirations to become a global power with its self-image as a developing country.

The comparison of Chinese and European development policy in Africa demonstrates that both entities have some common ground regarding their objectives. Their respective approaches and ways of achieving these objectives, however, are undoubtedly very different: prin-

principles and norms, the type of actors involved in development policy as well as the range of areas in which they are engaging differ substantially.

At the same time, there is some evidence that both actors influence and impact on the policy process of the other as well as on the pace of reforming policies and institutions. On the one hand, China's increasingly important presence in Africa arguably puts more pressure on the overly complex EU system to reform and pushes the EU stronger to adhere to its commitments. The decision of the European Union, for instance, to hold the Africa summit in 2007 despite the controversies about the participation of President Mugabe was certainly affected by the Chinese-African FOCAC meeting in 2006. On the other hand, more broad pressure exerted by the EU and the international community certainly has an influence on China's policies *vis-à-vis* African countries, for example, on the formulation of regulations, such as the guidelines for Chinese enterprises issued by the MOFCOM.

Africa has become a prominent topic in overall EU-China relations. The capacities of the EU and China to successfully cooperate on their respective relations with African countries are often considered as a "soft test case" for the success of the EU-China strategic partnership. Prospects for closer cooperation of these two different policy approaches might depend on several factors.

#### *Prospects for cooperation or competition and conflict*

European and Chinese policy approaches, norms and principles of cooperation with African countries are very different; therefore, concrete cooperation will depend on the results of the dialogues and exchange initiatives, which are already laid down. It is unlikely that either in China or in the EU underlying belief systems, perceptions or strategic cultures would fundamentally change in the near future. However, mutual understanding of the perceptions, norms and values of the partner could already represent an important first step that can facilitate future cooperation.

Potentially more far-reaching, the evolution of Chinese and European economic, resource and political interests in comparison to development policy objectives will influence the prospects for concrete cooperation between the EU and China. The willingness and capacities of European actors to push for cooperation will certainly be influenced by the evolution of European resource and economic interests in Africa, which are currently rather low. The same can be expected for China. China's willingness to cooperate with European actors and other traditional donors will also often depend on the overall benefits China can gain through cooperation. For the time being, China's attractiveness for African countries results partly because China is not a member of the "donor club", but acts outside the existing structures. It can thus be referred to when Western donors refuse funding. Despite this Chinese "joker" position for African countries, China's growing investments and trade activities is likely to result in an increase of China's interest in cooperation with other external actors in Africa, as outlined above – it has increasingly more to lose in critical situations.

Against this background, the constellations and power structures among domestic actors in the EU as well as in China will have important impacts on their respective external relations. Generally, some parts of the Chinese ruling elite seem to be much more in favour of international cooperation than others (Leonard 2008), and different actors involved in China's development projects might have different degrees of interest in cooperating with the EU and other

traditional donors. The outcome of this internal strive for influence is not yet clear, but will determine much of China's external policy. The European Union, for its part, will have to deliver on the reforms it has been engaged to do in order to (re-)gain credibility. The EU can, for instance, hardly expect China to harmonize its policies with traditional donors if harmonisation cannot be achieved among EU Member States and the Commission. In addition, the EU will have to be clearer about its own interest in promoting cooperation and dialogue with China and Africa, i.e. the rhetoric of "help" might have to be considered, as has already been done with the renewed European emphasis on partnership.

The future relationship between the European and Chinese development policies in Africa will also be shaped by the structure of the international aid system and the fora it provides. The comparison of the EU and China's conceptions of development policy has demonstrated that for the time being, there are few common notions and concepts. It would be necessary to build and/or strengthen international fora, ideally under the umbrella of the UN, in which all actors (including African states) are represented. In 2007 the Development Cooperation Forum (DCF) was launched. The DCF is an exchange platform that feeds into international negotiations, for instance, the High level Forum or the Conference on Financing for Development. This is a first step in bringing developing countries, "new donors" and traditional donors together. The DCF will have to shift to discussions about jointly agreed definitions of development cooperation and common standards in order to avoid becoming yet another 'talk shop'.

A great deal – if not all – will depend on how African countries approach these matters. China will not engage and participate in the international aid system if African countries do not push for their involvement, whereas criticism from the African side on some development-unfriendly practises of Chinese actors could probably have an important impact (He 2008a). These critics are most likely to be found amongst actors with comparable value systems than European actors, i.e. African states with democratic systems of governance and (sub)regional organisations with an explicit "good governance" agenda like NEPAD, the African Union or the Economic Community of West African States (ECOWAS), or others.



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