



## China's Africa Policy: Opportunity and Challenge for European Development Cooperation

China's headlong rise to the status of a world power is leading to some profound changes in the global system: Indeed, we can say that a new multipolar order is in the making. The consequences of this transformation are impressively evident in Africa. China's expanding presence there is contributing to the continent's economic upturn and enlarging political spaces of African governments. At the same time, though, the events involved here entail risks for Africa's long-term development perspectives as well as for regional efforts in the areas of human rights, democracy, and sustainability. In geopolitical, economic, and development terms, the China factor is altering the basic parameters on which the

West's relations with Africa are based. In the context of the ongoing discussion on a strategic partnership with the People's Republic of China, the European Union (EU) is actively seeking a constructive-critical dialogue with the country. If the Millennium Development Goals (MDGs) are to be reached, it will be essential that Europe and China – despite differences in their values and interests, and based on African priorities – deepen their exchange on their development programs and explore what opportunities may be given to cooperate in Africa. Ultimately, it is the African partners themselves who will have to decide on what offers of cooperation they may be inclined to make use of in the future.

### 1 China's economic and political interests

In 2006 China, with its trade volume of roughly US\$ 50 billion, ranked in third place in Africa's overall trade statistics, outpaced only by the US and France. What is even more impressive than this absolute volume is its spectacular rate of growth: The flow of goods between China and Africa has quintupled since 2000. In 2010 at the latest, China is expected to assume the top ranking in Africa's trade. Thus far (mid-2006), over 800 Chinese companies have invested a total of US\$ 1.2 billion on the continent. Chinese industry has until now managed to secure orders for African infrastructure projects worth more than US\$ 30 billion. China now imports 30 % of its oil from Africa, most of it from Angola, Sudan, and Nigeria. Economic growth in Africa is estimated to have risen by one to two percentage points thanks to support from China.

China's fast-growing presence in Africa can look back on a history of Chinese engagement on the continent for over 50 years. In the 1950s and 1960s China had, for ideological reasons, fostered solidarity with African independence movements, making contributions to the continent's economic development (showcase project: the rail link between Tanzania and Zambia). Sino-African cooperation flagged somewhat after this period, not least because China was increasingly absorbed by internal events, first and foremost by the Cultural Revolution. The mid-1990s experienced a revival of Sino-African relations, though this time predicated on a wholly different set of parameters. Today, far from being interested in exporting any Maoist social model or in an open confrontation with the West, the People's Republic is guided by pragmatic goals.

One key factor involved in China's current global strategy is its desire to achieve security for its supply of energies and raw materials. Another of its concerns is to develop new markets for its export sector, to place direct investments in industrial and raw-materials sectors, and to secure orders for the building of physical infrastructure (roads, bridges, ports, etc.). In foreign policy terms, the People's Republic is seeking to close ranks with African countries with a view to better asserting its interests in multilateral contexts, e. g. at the United Nations in order to ward off criticism of its human rights record, or in the World Trade Organization with an eye to pushing through its recognition as a market economy. In addition, Africa serves China as an arena to boost the clout of its one-China policy vis-à-vis Taiwan.

One leitmotiv running through China's external relations is the emphasis the People's Republic places on mutual benefits and cooperation among equals. China's highly differentiated package of economic cooperation instruments, including elements of development policy, are finding growing acceptance in Africa. The continent sees itself upgraded by China to the status of an attractive economic partner, while the attitude predominant in the West is more that of charitable-paternalistic concern for the neighbour continent to the South. To be sure, African public opinion is also becoming increasingly aware of possible risks involved in too close ties to China, e.g. the dangers posed by one-sided dependencies and a possible undermining of democratization processes. Africa's soaring revenues from raw-materials exports must be seen as ambivalent in this context; it remains unclear whether these revenues will in fact be used for a poverty-reducing expan-

sion of the continent's productive base or whether they may serve more to feed corruption and rent-seeking mentalities.

### The Chinese model

One aspect problematic both for African societies – less for their governments – and for the West must be seen in the basic principles of China's foreign policy, in particular its adherence to the principle of noninterference in internal affairs and its determination not to impose conditionalities (see Box 1). While African and Western critics deplore this approach as counterproductive for good governance, democracy, and human rights, the other side points to the priority of development, poverty reduction, and national sovereignty over political goals. China is by no means alone in embracing this stance. Many developing countries, including democratic India, likewise reject any attempts to interfere in internal affairs in the context of development cooperation and economic relations. These countries fundamentally reject conditionality as an expression of moral high-handedness and neocolonial imposition. Viewing the matter from a different standpoint, many European nongovernmental organizations cast doubt on the sense of political conditionalities, fearing that they may tend more to impair democratization and claiming that they lack credibility because they are based on double standards on the part of donors.

It is precisely its proclaimed neutrality that makes China interesting for power elites in Africa. In actual fact, though, the People's Republic does interfere in the domestic policies of individual countries (e. g. Zambia) and stabilize repressive regimes (e. g. Zimbabwe) which the West is intent on isolating. China's successful growth model also exerts a certain fascination on Africa's elites – a model centering on a strong state with far-reaching powers of control over the national economy. While in its new Africa strategy China does commit itself programmatically to the universal values of democracy, the rule of law, and human rights, there are some doubts as to the seriousness of these declarations, coming as they do from a country which does its best to quash dissent at home. It is, however, important here not to overlook the fact that the foreign policies of Western countries are also marked by a gap between claims and realities. In contradiction to the humanitarian-ethical foundations of development cooperation, Western countries often pursue their own egoistic national interests when it comes to trade, financial and security policy, and securing natural resources, a practice which may well prove detrimental to African development.

## 2. China's Africa strategy

In January 2006, at nearly the same time as the European Union, China for the first time published a comprehensive Africa strategy by which it intends to support the continent's development and its efforts to reach the MDGs. Quite in the style of a modern multi-

#### Box 1: Declared guidelines of China's external relations

China's foreign policy centers on the "Five Principles of Peaceful Coexistence," which were first applied in a Sino-Indian cooperation agreement signed in 1954. In the year that followed, the principles were also adopted at the Asian-African Conference in Bandung (Indonesia), and even today they are among the effective foundations of the Nonaligned Movement. The five principles are:

- Mutual noninterference in internal affairs
- Mutual respect for territorial integrity and sovereignty
- Mutual nonaggression
- Equality and mutual benefit
- Peaceful coexistence

The "Five Principles" are embedded in the concept of a "harmonious world" which China announced in 2005 and in which Beijing comes out in favour of cooperative multilateralism. When it comes to cooperation with (other) developing countries, China further applies a number of special principles adopted in 1964 by then Premier Zhou Enlai. These have e. g. served to bind Chinese experts abroad to the living standards of the local population.

actor and multi-level approach, the strategy calls for the active involvement of parliaments, parties, social organizations, and municipalities and provinces in external relations. Apart from economic contacts, these relations are to be focused on comprehensive cooperation in culture, science, and education. Since 2000 the – intergovernmental – China-Africa Forum has served as a platform for Sino-continental dialogue. The forum's third conference, attended by 48 African countries with diplomatic relations to the People's Republic, was for the first time conducted at the level of heads of state and government of the countries concerned; 40 heads of state/government were in attendance.

China has largely failed to deliver on its proclaimed intention of deepening its cooperation with regional organizations. While it is true that the Beijing summit broadened the continental frame of reference for China's foreign policy and strengthened Africa's collective self-perception, it still remains to be seen how, in the long term, China will deal with the efforts being undertaken by the African Union (AU) and NEPAD (New Partnership for Africa's Development) to promote good governance and to impose restrictions on national sovereignty in cases involving severe human rights violations. China's stance toward the African Peer Review Mechanism (APRM) could prove to be the test case for the seriousness of its stated willingness to support regional initiatives, even if they should not be consistent with the values and notions of social order embraced by China. A current example of the contradictions between China's proclaimed standards and pragmatic political interests may be seen in the ongoing tussle in the UN Security Council over the issue of Darfur. In order not to jeopardize its own oil interests, the People's Republic is threatening to use its veto to prevent sanctions from being imposed against Sudan which might put an end to the human rights violations being committed in Darfur.

## Development activities

Both analytically and empirically, it is difficult to cleanly distinguish China's engagement in the field of development from its activities in other fields of international relations such as trade, investment, credit, and culture. Chinese practice is unfamiliar with the notion of development policy as an independent policy field of the kind that emerged among the Western nations in the course of the 1950s. Instead, the Chinese government pursues an integrated, coherent approach which bundles the different instruments involved, adapting them to the conditions and needs of given partner countries. Since China does not participate in the statistical reporting procedures established by the OECD Development Assistance Committee (DAC), there are no systematic, internationally comparable data available on its development cooperation.

According to official Chinese sources, the People's Republic has already granted 31 African countries debt relief amounting a total of US\$ 1.3 billion. In 2005 China lifted import tariffs on 190 goods from 29 low-income African countries. The African Human Resources Development Foundation, for which six Chinese ministries are responsible, has trained 16,000 African specialists in the course of the past six years. Another aspect with development relevance is China's commitment to UN-led peace missions in Africa; the People's Republic is currently participating in seven missions, to which it has contributed over 800 military personnel.

In 2002 the volume of aid China provided for the African continent is reported to have amounted to US\$ 1.8 billion. In the same year the EU reported a total of US\$ 8.4 billion in official development assistance for Africa (the figure for Germany: US\$ 1 billion). At the Beijing summit the Chinese government committed itself to doubling its aid to Africa by 2009, but without specifying the amount it provided in the reference year, 2006. But for individual fields of cooperation the Chinese side has made figures available to back its announcement (see Box 2). One unmistakable aspect here is that Chinese development cooperation has a marked focus on bilateral channels. As a donor, China has thus far shown very little engagement in multilateral institutions; some initial signs of such engagement may be seen in China's cooperation with the United Nations development agencies as well as with regional development banks.

### China as a motor of Africa's economic development?

Another question of some importance in this context is how the experiences of China's economic growth could be turned to account for Africa. In China, in 1980 still one of the world's poorest countries, the number of persons living in absolute poverty has declined by a figure of over 400 million, while large parts of Africa are still below the income levels typical of the continent in the 1970s. Model character is ascribed to Chinese experience in agrotechnology, which succeeded in dramatically raising crop yields by improving irrigation and rice-cultivation practices. On the other hand, Africa's

#### Box 2: China's aid to Africa by 2009

At the Beijing summit on development cooperation with Africa (November 2006) China announced its intention to

- doubling aid to Africa by 2009;
- provide concessional credits to Africa totaling US\$ 5 billion by 2009;
- establish a fund to support Chinese investments in Africa (US\$ 5 billion);
- cancel concessional credits provided to highly indebted low-income countries (due by the end of 2005);
- lift tariffs on 440 goods from low-income countries;
- support the establishment of three to five special zones for trade and economic cooperation;
- implement the following individual measures in the coming three years: qualification of 15,000 African specialists, dispatch to Africa of 100 agricultural advisors, development of 10 demonstration centers for agricultural technology, construction of 30 hospitals, provision of € 30 million to combat malaria; dispatch of 300 youth volunteers, construction of 100 rural schools, doubling of Chinese university scholarships for African students to a total of 4,000 in 2009.

experiences with the special economic zones that played a vital role in China's industrialization process have been less positive. Chinese advances in combating malaria could serve as an input for health policy in Africa, although these experiences cannot be transferred on a one-to-one basis. Only the actual practice of implementation will show whether China's contributions to development are in line with the high expectation placed in them.

The macroeconomic effects of Africa's relations with China must be seen as contradictory in nature. On the one hand, Chinese demand is boosting export potentials and world market prices for raw materials, a development which benefits African producers. On the other hand, though, Chinese companies threaten to crowd (African) competitors out of both African and third markets – in the textile sector for instance. Two other aspects that must be seen as doubtful in terms of development are the widespread use of Chinese workers in African projects and the environmental and working conditions in Chinese-run companies. The low-interest loans provided by China are also a cause for concern in that they may both neutralize debt relief efforts based on concessions made by Western nations and at the same time undermine social and environmental standards stipulated by the international financial institutions.

Thus far China has shown little inclination to coordinate its development engagement in Africa with other donors. Even though the People's Republic has signed the Paris Declaration on Aid Effectiveness, evidently from the recipient perspective, the country has thus far become involved in hardly any international harmonization. Multilateral approaches to corruption control and good governance, like the Extractive Industries Transparency Initiative, have thus far had to get along without any Chinese support. However, there are some signs of a growing willingness on China's part to engage in dialogue. To cite an example, China has joined the do-

nor coordination groups in Kenya and Tanzania. It has furthermore participated, as an observer, in the peer review for the UK as well as in other DAC activities.

### 3. Europe and China's cooperation potentials in Africa

One key issue facing the EU's future Africa policy will be how best to deal with China's massively growing influence on the continent. The Union is going to have to take a pro-active stance in dealing with the consequences of the changes being brought about by China there. On their own, individual European countries are very limited in their scopes of action both in development cooperation and in other policy fields; the only reasonable option is a coordinated approach pursued by the Union as a whole. This is why Germany has an immediate interest in seeing Europe meet the twofold challenge of doing justice to its own interests in Africa, e.g. when it comes to issues like trade, raw materials, and migration, and supporting African development.

This calls for a complex balancing act vis-à-vis Africa and China alike. Europe should openly address differences over values and interests in the ongoing dialogue with China while searching for common ground. Europe's positions are predicated on the universally acknowledged resolutions and documents adopted by the United Nations (e. g. human rights conventions and the Millennium Declaration), but also the Paris aid effectiveness agenda, which has the support of developing nations as well. One crucial factor defining Europe's position in Africa will be the role the Union plays as a reliable partner as well as its ability to credibly implement commitments based on a coherent development orientation of the whole of the EU's external relations. Chinese actors will still have much to learn from the difficult practice of partnerships that sometimes involve real clashes of interest and asymmetrical power relations.

Viewed in a long-term perspective, it is in the interest of the European Union to develop a positive stance toward China's growing presence in Africa as well as toward the potential for growth, poverty reduction, and regional stability that China's engagement in Africa entails. However, wide-ranging dialogue proposals should not be addressed only to the Chinese government, they should at the same time also be extended to the different currents in Chinese science, society, and industry. There is also a lively debate underway within China over the future orientation of the country's foreign policy, and this debate pits forces embracing more narrow national interests against the advocates of a rule-based integration of China into the structures of global governance.

The European Commission has done justice to this state of affairs in its revised China strategy. Among other

things, the strategy paper calls for intensified European-Chinese coordination in development cooperation with Africa. In view of the fact that China has until now evaded donor dialogue in the DAC framework, bilateral talks between the EU and China may prove helpful. Furthermore, the United Nations is a platform acceptable to both sides, and talks could be envisioned e.g. in the framework of the biennial Development Cooperation Forum recently set up by the UN Economic and Social Council (ECOSOC). The progress – made with China's aid – on defining global standards in the G20 (Finance) could also be used to achieve harmonization in development cooperation. In November 2006 the G20, an informal association of industrialized and emerging countries, came out in favour of jointly supporting the Paris Declaration on Aid Effectiveness.

It would at the same time make good sense to explore practical avenues of cooperation between Europe, China, and Africa, preferably in priority NEPAD policy fields such as agriculture and infrastructure. The applies analogously for EU initiatives, e.g. in the field of water and renewable energies. At the country level, China should – in keeping with the Paris Declaration, which it has signed – be encouraged to become involved in further donor harmonization. It is important, however, always to bear in mind that the key actors for sustainable development and political progress on the continent are the African countries and their regional organizations, not the donors.



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