



## EU, China and Africa: A trilateral partnership in theory, a bilateral one in practice?<sup>1</sup>

China's rise as a world power is leading to changes in the global system. The consequences and implications are evident in Africa. In the context of increased interest towards Africa from various parts of the world, notably Latin America and India, China's presence on the continent has accounted for Africa's economic upturn and at the same time has enlarged political spaces for African leaders. Certainly, China has a unique position compared to western donors. It is a developing country experiencing tremendous economic growth, a successful integration in the global economy and serves as a role model for African states. At the same time, it has one foot in the developing world and the other one in the developed one with a seat in the United Nations Security Council. Moreover, Chinese Aid varies from its western counterparts. It pursues a development agenda that is not bind to any conditions and is proclaimed to be a non-interference policy. China prefers to abstain from the western methods of good governance, democracy and human rights and privileges trade and investments in the place of aid. Thus, it is certain that in geopolitical, economic and in development terms, the China factor is altering the basic parameters on which the West's and in particular the European relations with Africa are based.

The European Union is gaining first hand experience with Chinese involvement in Africa. After the 2000 EU-Africa Summit in Cairo, the two partners agreed on having another Summit in Europe in 2003 that was for the time being postponed to an unknown date. Years later, the Chinese surprised the European Union by organising the first China-Africa Summit in November 2006. The Beijing Summit has certainly been a rip into EU's heart with China managing to organize a Summit with Africa before the European Union. Additionally, the European Union has witnessed the consequences of its conditional aid policy. After having suspended Zimbabwe from aid in 2002 due to violations of human rights, democratic principles and the rule of law, China is offering Zimbabwe's President Mugabe interest free loans and financial support. China's differentiated package of economic cooperation instruments including elements of development policy are finding growing acceptance in Africa and especially among non-democratic regimes. Chinese non-interference in political affairs has found its grounds in the continent challenging European Union's traditional conditional aid policy. African leaders feel understood by the Chinese and upgraded to the status of an attractive economic partner. 'Chinese ideology is no aid but trade. EU sees Africa as a burden, while China sees Africa as a market' quoted the Washington Times in the beginning of 2007.

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<sup>1</sup> The editorial is written by Veronika Tywuschik, Research Intern at ECDPM. The opinions expressed are those of the author and do not represent any official view of the African Union nor of ECDPM.



## **Sino-Africa Relations: a historical perspective**

Certainly, China has grown significantly in the last years and has become an increasingly important player in the global economy. Its rapid growth and increased economic openness since the early 90s, has led to concerns especially in the western world and to hopes in the developing world. China has grown to be the second largest recipient of the world's investment capital and the second largest investor on the African continent. The Chinese economy has become increasingly internationalised with foreign trade and investment as significant factors of rapid growth of the economy especially since the 1990s. China's trade with Africa rose from \$10 Billion in 2000 to about \$55 Billion in 2006 with intention to increase trade with the continent to \$100 Billion by 2010<sup>2</sup>. It has offered soft loans of \$5 Billion dollars, has completed 900 projects of economic and social development in Africa and has provided scholarships to more than 18,000 students. In 2007, China plans to continue its development support to Africa at the same path. Undoubtedly, this identifies China as a relevant player in international development and illustrates its will to increase its presence in Africa.

Yet, Chinese involvement in Africa is not a new phenomenon. Some even argue that Chinese foreign aid can be traced back to the beginning of the 1950s, although the public record of Chinese aid assistance began in November 1953 with a \$388 Million grant to North Korea, China's own Marshall plan. In 1955 at the Bandung Conference, China and India agreed on Five Principles of Peaceful Coexistence<sup>3</sup> that were later adopted by more than 29 Asian and African countries. The Conference deepened and enhanced the cooperation and unity of the Asian and African states and China shared with these nations a sense of humiliation, the urge to restore dignity and a determination to take control of their own destiny already in the beginning of the 50s and has ultimately lead to a new form of relation between the two continents that was determined by mutual understanding and non-hegemony. In the 60s, Premier Chou Enlai made a 3-month tour in Africa that had a significant impact on the further relation. Very early, China was seen as a liberator that shares the view of all developing countries by protecting its interests and advancing revolution against the "imperialistic aggression" by supporting their liberation struggle. Mao used the Sino-Africa Relations to build a front against imperialistic and western values. Although the Sino-Africa Relations experienced the lowest point of importance after Mao's death in the last 70s, the principles of sovereignty, non-hegemony and self-reliance have still dominated the foreign policy of China towards the Africans until today. However, between 1960 and 1989 foreign aid to Africa remained low at an annual level of some \$220 Million dollar.

<sup>2</sup> Data taken from the homepage of the Ministry of Foreign Affairs of the People's Republic of China: [www.fmprc.gov.cn](http://www.fmprc.gov.cn)

Trade between the European Union and Africa amounted 56.378 Billion Euro in 2005 (75.745 Billion dollar; currency converted from 27.06.2007). Trade with Africa has been steadily increasing since 1999. For further information please consult the EU-Trade Homepage: [http://trade.ec.europa.eu/doclib/docs/2006/april/tradoc\\_128146.pdf](http://trade.ec.europa.eu/doclib/docs/2006/april/tradoc_128146.pdf)

<sup>3</sup> Mutual non-interference in internal affairs, mutual respect for territorial integrity and sovereignty, mutual nonaggression, equality and mutual benefit and peaceful coexistence



## Chinese Foreign Policy after the Cold War: 'The Years of Africa'

On its peak to economic prosperity in the mid-90s, China has hold on to its African relation and has constantly stressed the importance of economic development and investment on the poor continent. The end of the Cold War has changed the place of China in the world. It has tactically played a dual role as the sole balancing power to the US and as torchbearer for the Third World. Thus, throughout the 90s, China has created a praise for a so-called 'Beijing Consensus' in Africa as opposed to the Washington Consensus that originated with the post-war international order and has strengthened its ties with individual African countries ranging from political, economical to cooperation on multilateral issues. The Beijing Consensus does demonstrate what the Chinese Foreign Policy is about: non-hegemony, non-interference, no alliances in short, it is a view that is the complete opposite of those in the western world and that rests on the principle of *wu wei* the traditional Taoist prescription for inaction. It is, according President Hu, a mutual benefiting relationship that leads to a win-win cooperation through free trade and interest free loans.

In 2003, Wen Jiabao has initiated a new Chinese Strategy for Africa. In his speech at the opening ceremony of the second China-Africa Cooperation Forum<sup>4</sup>, he emphasized that "world peace and development cannot be sustained if the North and South divide grows wider and developing nations go poorer". Therefore, China offers different aid assistance "with the deepest sincerity and without any political conditions". In 2006, China announced the 'Year of Africa' and published its first African Policy stipulating that China and Africa relationship is embedded in a long history of interchange sharing similar historical experience and thus the policy is based on "mutual trust, win-win cooperation, cultural exchange, close coordination, reciprocity and common prosperity, equality and friendship" but at the same time respecting the principles of independence and non-interference in each others internal affairs. The Foreign Minister Li Zhaoxing stated in the New York Times in 2006 that "western development practices, namely imposing its values and political system on other countries is not acceptable". On top of its "non-interference policy", China is not using any ideological agenda and is often mentioned as a fast deliverer of aid on the ground. This certainly makes China an attractive donor compared to the European Union.

The end of the year 2006 marked the turning point of Sino-Africa Relation with the first China-Africa Summit in Beijing. The Chinese government promised eight steps of development cooperation that shall enhance political relation of equality and mutual trust, broaden win-win economic cooperation, expand exchange for cultural enrichment, promote balanced and harmonious global development and strengthen cooperation and mutual understanding in international affairs. Yet again, Wen Jiabao reiterated in a speech two weeks after the Summit that "Chinese assistance to Africa is sincere, unselfish and with no political strings attached". China seems convinced that the Beijing Consensus stipulates a new era of development approach that will tremendously change the future of African development and certainly the future of western development practice and thus most likely that one of the European Union.

<sup>4</sup> The first China-Africa Cooperation Forum took place in 2000



## Chinese Involvement in Africa: European reactions

After the Beijing Summit in 2006, German Development Aid Minister, Mrs. Wieczorek-Zeul emphasized in an interview that Chinese aid approach is 'a wake up call' to Europe. She openly criticised Chinese aid policies and stressed that lending to Africa 'should have conditions attached'. Thus, Europe should focus harder on the continent as a response to the 'wake-up call'. Europe has to confront Chinese non-western methods. European Investment Bank President Philippe Maystadt renewed the warnings in 2007 about aggressive Chinese lending to Africa that could drive up debt levels dangerously if China lends on easier conditions. He urges the European Union to open up a dialogue with the Chinese Development Bank to discuss the problems of unconditional lending. British international development secretary, Hilary Benn on a visit to Malawi, warned the European Community at the beginning of 2007 that 'Chinese Aid will do more harm than good' as she was convinced that Chinese unconditional aid could lead to a set back in terms of democracy, human rights and rule of law.

While other European Members countries have also raised their voices and concerns about Chinese non-interference policy and its implications on European Union aid assistance on the promotion of human rights, democracy and the rule of law, Louis Michel, Europe's development Commissioner, warned the European Union, at the annual meetings of the International Monetary Fund and World Bank in September 2006, to stop attacking China for providing interest-free loans to some of the poorest countries. For him, the future European Union strategy is clear: making Beijing a partner in promoting effective development. Thus, a good answer would not be to criticize the 'Beijing Consensus' but rather to open up a political dialogue with China on the issue of development. In his opinion, "it is not by condemning China's development policy that we can make progress". Later this year, at the Africa-EU Business Forum in November 2006, Louis Michel expressed that development is not a competition. He pointed two options for Europe to handle the current rise of China in Africa: confrontation, or cooperation with China and at the same time making European Union views better known. A solution that should be favoured and has been supported by Javier Solana in a newspaper article published in China Review and China Youth Daily in February 2007<sup>5</sup>. Future development practices, in his point of view, can only be effective if China and the European Union carry out a dialogue and keep each other informed not the least to ensure that their respective efforts are not counter-productive as it has sometimes been the case in the past.

The European Union feels the pressure of Chinese Aid. Africa is looking more and more to the South and the European private sector has to deal with competition on the African ground. Therefore, the European Union strategy towards China is aiming at a cooperation that narrows down the substantive differences with Chinese development cooperation programmes with third countries, especially in the areas of good governance, democratisation and human rights and that incorporates China into the process of donor harmonization, programme financing and aid- untying on the basis of the Paris Declaration. Membership talks with the OECD and China have already started this year and are waiting to be finalised.

<sup>5</sup> [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressdata/EN/articles/92678.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/EN/articles/92678.pdf)





Therefore, it is not surprising that the European Commission DG Development has initiated its first conference on the 28<sup>th</sup> of June 2007, 'Partner in competition? The EU, Africa, and China', and brought together 180 policymakers, senior officials, diplomats, academic and think tank experts, civil society representatives and business people from China, Africa and the EU to discuss in detail how the relation between the three actors can be brought into 'play to yield the best results for a win-win partnership around an African agenda'. The key objective of this conference should be the achievement of mutual understanding through the identification of a first set of possible ways to cooperate in a trilateral partnership.

The European Development Commissioner will be travelling to China next month to discuss, as he likes to call it, the future of the 'triangular partnership'. An EC communication on the future partnership between the three actors will be expected in September on time for the Portugal Presidency and thus, the EU-Africa Summit.

### **A trilateral Partnership? What is Africa's Role?**

African concerns towards EU approach to development cooperation are well known and have been repeated during this conference: apart for the conditionality issue which has been developed above in this paper, slow aid delivery, cumbersome procedures and increased aid effectiveness are recurrent requests.

On the other hand, various African countries have expressed their concerns regarding Chinese Aid especially since it is not as unconditional and non-interfering as it claims to be. China demands the non-recognition of Taiwan as a pre-condition for financial support and future investment. In the run up for Zambia's elections on September 2006, opposition candidate Michel Sata urged China to comply with international working standards, otherwise he will renew its ties with Taiwan if elected. Sata has reacted on bad working conditions in Zambian mines that are owned by Chinese investors. An explosion in a mine last year has killed thousands of people due to limited regard for environmental and safety issues. Yet, the Republic of China has warned Zambia it would cut diplomatic ties and put investments on hold if Sata were to win the election. In the end, Sata was not elected. Also South African president Mbeki has complained about 'Chinese development methods' that are limited to bad working conditions, low salaries and Chinese employment instead of local ones. He warned China to be a second colonizer and said that 'it can not only just come here and dig for raw materials and then go away'. More and more African countries feel the implications of Chinese aid in their continent. In some cases, the anti-China feeling has found expression in violence (Zambia and Namibia). The fact that Chinese Aid is entirely tied is also a problematic issue for many experts.

Any engagement in a country is after all an intervention and requires choices, priorities and therefore values. Thus, it is just a matter of time where China will adjust its development policies towards western standards. Yes, Chinese aid is not as bureaucratic as the European Union one and faster to get, but their less democratic standards might be in the end an asset for Europe. The European Union should follow a different strategy: a strategy that defines their advantages—namely, the compliance of international human rights standards in development practices.



If Africa regularly expresses its concerns towards both partners in the framework of its bilateral relations, its role in a future 'trilateral partnership' remains to be built. The other question to be asked is whether engaging in such a triangular partnership is the best strategy for Africa. As Martyn Davies, director of the Centre for Chinese Studies, mentioned in an interview with ECDPM, there is no multilateral strategy for the United States, why should there be one for Africa? Africa might get the most benefit from both partners by continuing to engage bilaterally with them. Indeed, while, China and EU seem to have a leading and proactive role, playing off their comparative advantages, the concept so far seems more owned by the two partners, and especially by the European Union, than by China itself. If Africa chooses to take the path of a trilateral partnership, it should then play a significant, a more proactive role and provides the platform for a partnership for all three actors. If the European Union and China want to stress the importance of African ownership, it is time for them to let Africa be part of this trilateral project in a more proactive and leading manner.

EUROPEAN CENTRE FOR DEVELOPMENT POLICY MANAGEMENT (ECDPM)

Onze Lieve Vrouweplein 21  
NL-6211 HE Maastricht  
The Netherlands  
Tel +31 (0)43 350 29 00,  
Fax +31 (0)43 350 29 02

Rue Archimède 5,  
B-1000 Brussels  
Belgium  
Tel +32 (0)2 237 43 10,  
Fax +32 (0)2 237 43 19

**More information:** [info@ecdpm.org](mailto:info@ecdpm.org) [www.ecdpm.org](http://www.ecdpm.org)