

# Europe and China in Africa Common Interests and/or Different Approaches?

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## Executive Summary

Emerging economies are increasingly looking to secure access to resources abroad. The most visible of these efforts can be seen in the expansion of Chinese activities in Africa, which has recently become a hot issue. The initial responses were often critical of Chinese activities. They were seen as a threat to European and other Western interests. Such viewpoints often ignored the African perspectives and the similarly dubious practices accompanying Western interventions in Africa.

This paper seeks to overcome this dichotomy and to contribute to the growing number of analyses on the subject that take a more nuanced approach and critically explore different kinds of interventions. A point made is that the external interests from all kinds of actors are not fundamentally different from each other. Hence China's presence on the continent is in fact more of the same rather than fundamentally different. Nonetheless, China creates new options and alternatives for those local agencies engaging with foreign partners.

The ultimate challenge however lies in not blaming any of the external actors as they pursue their interests in Africa. The issue is rather, under which constellation the majority of people in Africa would gain most from their natural resources, which currently mainly benefit the privileged local small elites and their external partners.

## Introduction

Due to the lasting legacy created by the colonial relations Africa was long considered to be Europe's backyard. While economic and cultural factors still to varying degrees influence the bilateral relations between African states and the former colonial powers, the situation has changed considerably since the end of the 20th century. With new actors increasingly present, as reflected in acronyms such as BRICS (Brazil, Russia, India, China and South Africa) and IBSA (India, Brazil and South Africa), but also the visible growing influence of more than only emerging economies resulting in a transformation of the G7 (later G8) into the G20, new multipolar realities have also arrived on the African continent. This overview presents a comparative analysis between the recent efforts of a newly defined economic interaction between the European Union (EU) and countries of Sub-Saharan Africa and the impact of the growing Chinese economic expansion in the continent. It concludes with some reflections on the possible options and opportunities the new tendencies might offer from an African perspective.

## The European EPA Initiative: A Threat to Regional Integration?

At the beginning of the 21st century the trade department of the European Commission in Brussels initiated negotiations for a re-arrangement of its relations with the countries of Africa, the Caribbean and the Pacific (ACP) through Economic Partnership Agreements (EPAs). The declared aim was a post-Cotonou agreement meeting the demands for compatibility under the World Trade Organization (WTO). The EPA negotiations have since then failed to come to a satisfactory new arrangement with many of the ACP countries. Instead of the supposed completion in 2006/2007 they entered critical stages meeting the resistance of many among the designated partner states. These are afraid of losing out on trade preferences and feel that Brussels seeks to impose a one-sided trade regime in its own interests, which denies the declared partners the right to autonomous negotiations by re-drawing the map of regional configurations in Africa to comply with EU expectations. EPAs claim to be "trade as aid." In contrast to this noble declaration, they seem to be guided more so by the desire to secure continued access to relevant markets and exchange patterns not least in the EU's own interest. The course of negotiations points to the discrepancies between the emphasis on ideals and values in the official discourse by EU policy makers and the practical impacts of the shift in emphasis from aid to trade as a means of increased hegemonic control.<sup>1</sup>

The EU is accused of pushing through agreements on a number of sensitive matters (such as investment, procurement and competition policy) that were rejected by developing countries at the WTO negotiations during 2003. EPAs are about much more than only the suggested reciprocity within a narrowly defined WTO compliance: "Non-tariff barriers, such as environmental standards or sanitary and phytosanitary provisions (EU consumer protection policy) are crucial issues in the negotiations."<sup>2</sup> It is of growing

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<sup>1</sup> Mary Farrell, "From Lomé to Economic Partnership: Agreements in Africa," in *The European Union and the Global South*, ed. Fredrik Söderbaum and Patrik Stålgren (Boulder and London: Lynne Rienner, 2008).

<sup>2</sup> Sven Grimm, "African-European Relations," in *Africa Yearbook 2004*, ed. Andreas Mehler, Henning Melber and Klaas van Walraven (Leiden: Brill, 2005), 25.

concern that these agreements reduce the policy space for African governments and that they could be used for exerting pressure in cases of political non-compliance.<sup>3</sup>

The EU negotiated separate accords with different regions, and each country had to decide for one bloc. This divided hitherto established regional economic configurations. There is an inbuilt conflict between regionalism as it exists and the negotiations of new multilateral constellations. Countries might differ over the advantages between benefits from the continued protection of regional arrangements or the creation of individual preferential access to markets through other trade agreements. The predictable outcome is a “shrinking of development space.” To avoid such pseudo-partnerships, a shift in balance ‘from the drive to homogenize trading commitments to other states towards granting states reasonable scope to choose appropriate levels of national protection’ would be required.<sup>4</sup> A development strategy would therefore have to operate in a zone where internal as well as external (regional) integration reinforce rather than undermine each other.

The EPA negotiations had a negative impact on regionalism within the ACP group and its African member states.<sup>5</sup> Regional organizations within Africa confronted capacity problems when entering the negotiations. A further complication is that all these region configurations present a mix of Least Developed Countries (LDCs) qualifying for preferential treatment and non-LDCs. A likely result is the further fragmentation of the process of regional integration and a division of ACP states into regional groups, which might “enable the EU to target its trade restrictions more effectively on products that it chooses not to liberalize.”<sup>6</sup> Instead, the EPA initiative

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<sup>3</sup> [Cosmas Ochieng and Tom Sharman], *Trade traps: Why EU-ACP Economic Partnership Agreements pose a threat to Africa's development* (London: Actionaid International, n.d.), 3.

<sup>4</sup> Robert Hunter Wade, “What strategies are viable for developing countries today? The World Trade Organization and the shrinking of ‘development space’,” Crisis State Programme, Development Research Centre, London School of Economics, *Working paper*, No. 31 (2003).

<sup>5</sup> Dirk Kohnert, “EU-African Economic Relations: Continuing Dominance, Traded for Aid?” *MPRA Paper*, No. 9434 (Hamburg: German Institute of Global and Area Studies, 2008): 14.

<sup>6</sup> Stephen R. Hurt, “The European Union’s external relations with Africa after the Cold War: aspects of continuity and change,” in *Africa in International Politics: External involvement on the continent*, ed. Ian Taylor and Paul Williams (London and New York: Routledge, 2004), 165, 166.

has created new regional groupings that are inconsistent with, and undermine, existing African economic and political blocs. Reducing regional integration to trade liberalisation undermines the broader socio-economic and political objectives of existing bodies.<sup>7</sup>

A study exploring possible gains for LDCs under the emerging world trade regime warned: "It is important that EU's future policy for free trade agreement regarding developing countries within the ACP group, does not work counter to or hinder regional economic cooperation and integration, which can provide better preconditions for regional trade including the LDCs of each region."<sup>8</sup> This requires more than merely the opening up to the global economy. It is necessary to re-visit matters of regional economic collaboration and seek involvement of the majority of the African population in these countries.<sup>9</sup>

The challenge is to contribute towards sustainable development by offering the African partners a globally conducive environment to secure them a fairer share in the world economy and the international policy making processes. To take such a responsibility seriously, the EU and other OECD countries would have to stop the pursuance of their protectionist trade policies. The currently dominating neo-liberal trade paradigm is to a large extent compatible with the interests of a political elite as well as an outward-oriented faction of capitalism both within the EU and (though to a lesser extent) in African states. As a matter of fact, "much remains to be done before this benevolent European actor can present itself credibly to the world."<sup>10</sup>

While some believe that ACP countries have in essence "nothing to gain and everything to lose from the EPA negotiations"<sup>11</sup> the EU also has more

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<sup>7</sup> [Ochieng and Sharman], *Trade Traps*, 3.

<sup>8</sup> Stefan de Vylder, with contributions from Gunnel Axelsson Nycander and Marianne Laanatza, *The Least Developed Countries and World Trade* (Stockholm: SIDA, 2001), 161.

<sup>9</sup> Timo Kivimäki and Liisa Laakso, "Conclusions and Recommendations," in *Regional Integration for Conflict Prevention and Peace Building in Africa, Europe, SADC and ECOWAS*, ed. Liisa Laakso (Helsinki: University of Helsinki, Department of Political Sciences, 2002), 176.

<sup>10</sup> Björn Hettne, Fredrik Söderbaum and Patrik Stålgren, *The EU as a Global Actor in the South* (Stockholm: Sieps, 2008), 54.

<sup>11</sup> Oli Brown, *EU Trade Policy and Conflict* (Winnipeg: International Institute for Sustainable Development, 2005), 9.

to lose than to gain – at least in terms of reputation and acceptance concerning its Africa policy. In the absence of sufficient capacity among the ACP countries to meaningfully negotiate the EU proposals vis-à-vis the “well oiled trade negotiation machinery of the EU”<sup>12</sup> many among those at the receiving end felt forced into a process they actually resisted. The EU-ACP process, which unfolded within the EPA negotiations, was neither convincing evidence to support claims that the EU would not ignore the interests of the ACP countries, nor did it meet the criteria for coherence with other fundamental principles of development paradigms and policies of the EU and its member countries, such as support for regional integration. In times of an intensified rivalry between the “have lots” among the countries in this world to consolidate their particular interests within the regions of the “have-nots,” EU policy risks a credibility loss.

The speech by the then Tanzanian President Benjamin Mkapa delivered on August 31, 2005 at the headquarters of the African Union, in which he explicitly took EU policies to task and warned of the devastating consequences of further globalization, is an indication of the sentiments that have grown since then. And he added: “I urge African leaders to think afresh about the place of our continent in a rapidly globalising world.”<sup>13</sup> The new offensive pursued by China, is only the most visible sign of growing interests by external actors in the continent. Eventually, India, Brazil and Russia (as well as a number of other actors such as South Korea, Turkey, Malaysia, Iran and Mexico, and also – in the case of the currently hotly debated “land grab” the oil rich Arab emirates) are likely to add further pressure on the scramble for limited markets and resources.

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<sup>12</sup> Grimm, “African-European Relations,” 24.

<sup>13</sup> Quoted from IRIN Africa English reports, circulated electronically on September 1, 2005 by the United Nations, Office for the Coordination of Humanitarian Affairs, Integrated Regional Information Network (IRIN). Interestingly enough, according to another source, Mkapa also suggested that the trend indicating that China and India emerge as investors in the African continent ought to be embraced and new forms of South-South cooperation should be sought. See Dagnachew Teklu, “Mkapa accuses the West for paralyzing African economy,” *The Daily Monitor* [Ethiopia], September 1, 2005.

## A “New Scramble” for Africa?

The new stage of competing forces on the continent has resulted in a plethora of recent analyses dealing mainly if not exclusively with the Chinese impact and practices. With the exception of the current controversies around the EPAs and the emerging concerns about the United States Africa Command (AFRICOM)-led further military control over the continent, the European and U.S. policies and interests seem to feature much less prominently. Such selected narratives tend to downplay if not ignore the damaging external effects, that the existing socio-economic imbalances and power structures have created and consolidated over a long period. It appears at times, that the criticism raised against China and other potentially emerging competitors is more of an indicator of an increasing fear of losing out on one’s own interests than for being motivated by a genuine concern for the African people.

A recent example of the new situation and the interests guiding decision-making was the discussion around the European–African Summit in December 2007 in Lisbon. Most EU member states were prepared to accept the presence of Zimbabwe’s President Robert Mugabe in violation of the sanctions on which the themselves had earlier decided upon. This was partly motivated by the concern that his exclusion could result in a boycott of most African countries, weaken Europe’s status among African governments and thereby strengthen the Chinese influence. One does not need to balance the arguments and seek a convincing answer to the dilemma. Suffice to note that China’s presence in Africa has far reaching effects visible also in this regard. Not being any longer subjected to an exclusive sphere of influence of the Western states, African countries gain new operational space. While this might strengthen the negotiating power and be in favor of economic interests seeking to achieve maximum gains, it also provoked the fear “that the political consequences for democracy, human rights, and conflict prevention will be overwhelmingly negative.”<sup>14</sup>

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<sup>14</sup> Dennis M. Tull, “China and Africa,” in *China’s Rise: The Return of Geopolitics?* (Berlin: Stiftung Wissenschaft und Politik, 2006), 36; see also Dennis M. Tull, “China’s Engagement in Africa: Scope, Significances and Consequences,” *Journal of Modern African Studies* 44, No. 3 (2006): 459–79.

But some (if not most) of the recent critical accounts of the Chinese expansion into African countries and societies and their collaboration with local elites have a hypocritical taste or bear traces of amnesia. After all, the Chinese penetration only adds to the new scramble for African resources.<sup>15</sup>

Africa has emerged, in the view of many, as “a vital arena of strategic and geopolitical competition” and “the final frontier for the world’s supplies of energy.”<sup>16</sup> On the historical background of the continent’s centuries of exploitation it should come as no surprise, that many among the wretched of the earth pin their hopes on a new actor, who – claiming to represent the global South – might offer an alternative.

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<sup>15</sup> See Henning Melber, “Global Trade Regimes and Multi-Polarity: The US and Chinese Scramble for African Resources and Markets,” in *A New Scramble for Africa? Imperialism, Investment and Development*, ed. Roger Southall and Henning Melber (Scottsville: University of KwaZulu-Natal Press, 2009), 56–82, and other contributions to this volume.

<sup>16</sup> Michael Klare and Daniel Volman, “America, China & the Scramble for Africa’s Oil,” *Review of African Political Economy* 33, No. 108 (2006): 297.

## China – the (Not So) New Kid on the Block

China is no newcomer to Africa. The question should be what is new about China in Africa. Ever since the Bandung Conference in 1955, constituting an alliance of what was then emerging as the Third World, Chinese foreign policy included ambitions for a relevant role in the South. It pursued a pro-active, interventionist policy with regard to African countries in its support for liberation movements and governments in newly independent states.<sup>17</sup> Despite continuous South–South collaboration and notwithstanding the socialist internationalism, so-called development aid had always been perceived as a Western approach to assist the African countries in a process termed development. It is often overlooked that China also plays a part in supporting African governments in their aspirations towards more sovereignty and development not only through rhetoric but also in practical terms.

Trade between China and Africa however continues to reproduce a classical skewed pattern: raw materials on the one side (Africa), in exchange for (value-added) manufactured products on the other side (China). The global trade and exchange patterns have, despite new actors, not displayed any meaningful structural changes. Chinese trade and investment in African countries is not significantly different. The new exchange relations have not transformed the structure and patterns of production nor created a new international division of labor.

Chinese state and private owned multinational companies have mushroomed in Africa. They have left a major footprint in the energy sector, telecommunications and the construction sector in a growing number of African countries. By 2007 China already ranked as Africa's third largest trading partner, behind the United States and France, but ahead of the United Kingdom. The Chinese expansion into Africa also resulted in the establishment of a China–Africa Joint Chamber of Commerce in 2005 with the support of UNDP and the impressive Beijing Summit of the Forum on China–Africa Cooperation (FOCAC) in early November 2006, which assembled a hitherto

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<sup>17</sup> Chris Alden and Ana Cristina Alves, "History & Identity in the Construction of China's Africa Policy," *Review of African Political Economy* 35, No. 115 (2008): 43–58.

unprecedented number of African Heads of State outside of the continent. Significantly, in May 2007 the African Development Bank held its annual board meeting in Shanghai. Complementing these events, China has emerged in an increasingly active role as a provider of mainly bilateral support. While China is careful not to call it aid, it clearly corresponds despite different packaging, priorities and nuances to Western development assistance. A series of agreements, often based on loans for the implementation of a wide range of mainly infrastructure projects testifies to the new Chinese engagement also as a donor country.

## What's in it for Africa?

The resource curse is still looming for those economies, which currently benefit most from the unexpected conjuncture. The recorded windfall profits, the positive terms of trade and trade balances as well as the unusual high economic growth rates do not yet in themselves indicate sustainable positive changes towards poverty reduction or secure livelihoods for the majority of the people. Inequalities and social disparities might well increase further in the midst of a growing segment of beneficiaries, who are able to siphon off the revenue incomes for their private enrichment.

Institutional quality and sound economic policies remain substantial ingredients for a development paradigm benefiting the majority of people in the affected societies. Governing access to resources through appropriate rent and revenue management policies as well as by improving policy design and implementation are as important as a diversification of the economy and the creation of human and social capital.<sup>18</sup> African states and their governments on the one hand and major international corporations on the other are very unequal partners. In many cases neither the governments nor the people in the resource rich areas are aware of the cash flow generated by the exploitation of the raw materials, and they hardly derive any benefit (with the exception of the odd accomplices in the business deals):

In settings where initial political and economic institutions are relatively weak, dependence on primary commodities, especially natural resources such as oil, appears to have encouraged predatory government behaviour and rent-seeking, deterring the development of stable, democratic institutions that are conducive to growth.<sup>19</sup>

A report based on six case studies observed “that the government, particularly the executive, in many cases in Africa is comprised of a political

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<sup>18</sup> Karl Wohlmuth, “Abundance of Natural Resources and Vulnerability to Crises, Conflicts and Disasters – An Introduction,” in *Africa – Commodity Dependence, Resource Curse and Export Diversification*, African Development Perspectives Yearbook, vol. 12, ed. Karl Wohlgemuth et al. (Berlin: LIT-Verlag, 2007), 11f.

<sup>19</sup> Afeikhena Jerome and Karl Wohlmuth, “Nigeria’s Commodity Dependence and Options for Diversification: An Introduction,” in *Africa – Commodity Dependence, Resource Curse and Export Diversification*, ed. Wohlgemuth, 201.

elite whose reality is very much removed from the rest of the population. This results in policy-makers and influential opinion-leaders crafting policy approaches that are not beneficial to the more impoverished sectors of the population."<sup>20</sup> New deals with China do not necessarily improve governance. Chinese foreign policy is attractive for autocratic leaders and oligarchies still in power over societies, which are run like the private property of cliques. Guided by its gospel of non-intervention, China provides grants and loans to kleptocratic regimes with dubious human rights records and is not petty-minded when it comes to the funding modalities.<sup>21</sup> Transparency and accountability are not among the core values cultivated in African–Chinese links, and Beijing’s notion of human rights is at best dubious<sup>22</sup> – although one should not forget that the West has neither been a role model in rigorously pursuing concerns over human rights violations, despite claiming to be committed to the noble cause.<sup>23</sup> Double standards and hypocrisy prevail on all sides when it comes to interests of profit maximization.

For Chinese enterprises, however, more is at stake than merely securing access to new markets and resources. Once it is a part of the game, “China seeks, as do all investors, a stable and secure investment environment.”<sup>24</sup> Chinese foreign policy seems indeed to be adapting. Leaving behind the earlier fundamentals, “China has moved from outright obstructionism and a defensive insistence on solidarity with the developing world to an attempt at balancing its material needs with its acknowledged responsibilities as a major power.”<sup>25</sup>

In the light of the new scramble, the question is not so much a choice between Europe, the United States, and China (or any other actors interested

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<sup>20</sup> *China’s Engagement of Africa: Preliminary Scoping of African case studies. Angola, Ethiopia, Gabon, Uganda, South Africa, Zambia* (Stellenbosch: University of Stellenbosch, Centre for Chinese Studies, 2007), viii.

<sup>21</sup> Jeffrey Henderson, *China and the Future of the Developing World: The Coming Global-Asian Era and its Consequences*, UNU-WIDER Research Paper No. 2008/58 (Helsinki, 2008): 12–13.

<sup>22</sup> Ian Taylor, “Sino-African Relations and the Problem of Human Rights,” *African Affairs* 107, No. 426 (2008): 63–87.

<sup>23</sup> Shaun Breslin and Ian Taylor, “Explaining the Rise of ‘Human Rights’ in Analyses of Sino-African Relations,” *Review of African Political Economy* 115 (2008): 59–71.

<sup>24</sup> Giles Mohan and Marcus Power, “New African Choices? The Politics of Chinese Engagement,” *Review of African Political Economy* 35, No. 115 (2008): 37.

<sup>25</sup> Stephanie Kleine-Ahlbrandt and Andrew Small, “China’s New Dictatorship Diplomacy: Is Beijing Parting With Pariahs?” *Foreign Affairs* 87, No. 1 (2008): 56.

in the African resources). The challenge lies in setting a new course to make optimal use of the new scenario for the majority of the people on the continent. This draws attention again to those who have always been at the receiving end of the unequal relationships, namely the majority of people in the African societies. Their agency is crucial, and their interests should matter more than those of any others. This also points in a direction that should seek to shift focus beyond a reduced Sino–African dichotomy termed as a reductionist “dragon in the bush” perspective.<sup>26</sup> There remain great dangers in the current competitive constellation: “It demonstrates that all of the countries in the scramble are driven largely by national interests, and that their behavior is conditioned far more by competition with each other than by the noble sentiments enshrined in their policy documents and press releases.”<sup>27</sup> This echoes similar concerns expressed in an earlier report for the Development Committee of the European Parliament. It concludes that the major external actors operating in Africa “are wary that their urgent domestic needs will be compromised if they distance themselves of their own opportunistic and self-centred policies. Short-term gains still prevail over long-term stability.”<sup>28</sup>

In the light of the primacy of looking out for one’s own interests the crafting of an African response to China is an urgent task. The priorities would include:

- A need to overcome the “yellow peril” stereotype;
- African involvement in the harmonization of bilateral and multilateral donor activities on the continent;
- The need to urge China to participate in the Extractive Industries Transparency Initiative (EITI);
- The need for African governments to improve their regulatory frameworks and policies; and

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<sup>26</sup> Daniel Large, “Beyond ‘Dragon in the Bush’: The study of China-Africa relations,” *African Affairs* 107, No. 426 (2008): 45–61.

<sup>27</sup> Adam Habib, “Western Hegemony, Asian Ascendancy and the New Scramble for Africa,” in *Crouching Tiger, Hidden Dragon? Africa and China*, ed. Kweku Ampiah and Sausha Naidu (Scottsville: University of KwaZulu-Natal Press, 2008), 274.

<sup>28</sup> Jonathan Holslag, Gustaaf Geeraerts, Jan Gorus, Stefaan Smis, *China’s resource and energy policy in Sub-Saharan Africa*. Report for the Development Committee of the European Parliament (Brussels: Vrije Universiteit, 2007): 50.

- The establishment of a high-level continental coordinating body to guide and implement the Chinese–African cooperation agenda.<sup>29</sup>

Such steps would at least contribute towards an African China policy. When articulating such a demand, however, one should also be aware that there has so far not been any truly coherent African policy on other matters given the variety of political regimes and interests on the continent.

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<sup>29</sup> Garth le Pere, “The Geo-Strategic Dimensions of the Sino-African Relationship,” in *Crouching Tiger, Hidden Dragon?* ed. Ampiah and Naidu, 34–36.

## Which Development?

With new powerful actors joining and challenging the network of external relations earlier established between African countries and the rest of the world, one needs to re-visit the aid and development paradigms to see if and how they change or how the changing economic relationships impact on defined priorities as well as potential collaboration among old and new donor countries.<sup>30</sup> But despite a marked increase in measurable financial flows into Africa, China so far remains a modest, mid-sized donor, although predictably with a growing share. The general proportions have only been shifted, but not fundamentally changed. The big Western states – as well as a local player such as South Africa – continue to remain the countries of origin for the largest Foreign Direct Investments (FDI) and of Official Development Aid (ODA), although the share of emerging partners is growing. Based on 2008 figures, estimates of aid flows ranked China with US\$1.2 billion at eighth position, after the U.S. (US\$7.2 billion), the EC (US\$6 billion), the World Bank (US\$4.1 billion), France (US\$3.4 billion), Germany (US\$2.7 billion), the UK (US\$2.6 billion) and Japan (US\$1.6 billion).<sup>31</sup>

The 2011 Economic Outlook for Africa pointed out, however, that emerging partners provide a range of alternative finance modalities that defy ODA and FDI definitions: “They tend to adopt a more holistic approach to promoting their exports, supporting direct investment, and offering development assistance.”<sup>32</sup> Agreements are often based on loans for the implemen-

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<sup>30</sup> For some of the assessments see Andrea Goldstein, Nicolas Pinaud, Helmut Reisen and Xiaobao Chen, *The Rise of China and India: What's in it for Africa?* OECD Development Centre, *Policy Insights* 19 (2006); Martyn Davies, with Hannah Edinger, Natasya Tay, and Sanusha Naidu, *How China delivers development assistance to Africa* (Stellenbosch: Centre for Chinese Studies, University of Stellenbosch, 2008); Helmut Asche and Margot Schüller, *China's Engagement in Africa – Opportunities and Risks for Development* (Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit, 2008).

<sup>31</sup> Deborah Brautigam, “Chinese Development Aid in Africa: What, where, why, and how much?” in *Rising China: Global Challenges and Opportunities*, ed. Jan Golley and Ligang Song (Canberra: ANU E Press, 2011), 211.

<sup>32</sup> African Development Bank/OECD Development Centre/United Nations Development Programme/Economic Commission for Africa, *African Economic Outlook 2011*: (Paris: OECD Publishing, 2011) Summary, <http://www.africaneconomicoutlook.org> (accessed August 25, 2011).

tation of a wide range of mainly infrastructural projects, which at the same time provide know-how, equipment, and labor for the financed work. There are concerns that China's lending strategy might lead to another debt trap and new forms of dependency. These concerns have in one assessment been considered as unjustified<sup>33</sup>, while another saw a reason to demand established internationally recognized legal standards for responsible lending.<sup>34</sup>

Several "fundamentals" of the current aid paradigm and policies are under scrutiny when considering the Chinese engagement. These include:

- The role played by multilateral versus bilateral relations among states;
- The balance between collective responsibility and national sovereignty;
- The prominence and preference given to either "hard" (infrastructural) or "soft" (good governance and institutional capacity-building) priorities.

As summed up by maybe the most familiar among the Western scholars, dealing with the Chinese engagement in Africa already since the 1990s, there are considerable differences in the approaches of the official aid emanating from the currently 24 Western donor countries of the Development Assistance Committee (DAC) and China. While the DAC shifted towards social sectors, the Chinese emphasis lies on infrastructure and productive activities.<sup>35</sup>

A forward-looking approach stresses the need for recognition of "enlightened selfishness" as the guiding principle for an evolving partnership to bring about the maximum good for Africa's people.<sup>36</sup> There seems to

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<sup>33</sup> Helmut Reisen and Sokhna Ndoye, *Prudent versus Imprudent Lending to Africa: From Debt Relief to Emerging Lenders*, OECD Development Centre, Paris, Working Paper No. 268 (February 2008).

<sup>34</sup> Martine Dahle Huse & Stephen L. Muyakwa, *China in Africa: lending, policy space and governance* ([Oslo]: Norwegian Campaign for Debt Cancellation and Norwegian Council for Africa, 2008).

<sup>35</sup> Deborah Bräutigam, "Aid 'With Chinese Characteristics': Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime," *Journal of International Development* 23 (2011): 752–64.

<sup>36</sup> Kweku Ampiah and Sausha Naidu, "The Sino-African Relationship: Towards an Evolving Partnership?" in *Crouching Tiger, Hidden Dragon?* ed. Ampiah and Naidu, 338.

be evidence that the new actors on the continent might indeed provide additional windows of opportunity.<sup>37</sup> China's own socio-economic transformation and reform includes the privatization of large parts of the economy, the liberalization of trade and investment, and the development of high-quality infrastructure guided by market principles.<sup>38</sup>

This sounds not too different from the Western development discourse. It is questionable as to whether this is good news for Africa. There are similar concerned and critical voices that are more reluctant than others to argue for a welcoming embrace to a new global player, which after all might not change the rules of the game but simply join the hegemonic club and dance to its tune. Their fear is that China in the end might merely offer more of the same instead of being a true alternative. Others argue that China and other emerging economies entering the African continent as competitors are contributing to opportunities and should not be dismissed or ridiculed.<sup>39</sup>

What most authors agree upon at this stage is the urgent need for more elaborate and empirically sound studies, which investigate the realities within countries before drawing general conclusions based on vague assumptions. Many also share the hope that the major global players can find sufficient common ground to act within a defined framework of shared interest:

in their common interest of maintaining an open global economic system, the EU and China stand the best chance of fruitful co-operation if they work through multilateral channels, or together help to draw up new international rules. Such an approach would increase the chances of a multi-polar world emerging in a multilateral form, rather than in the shape of two or more hostile camps.<sup>40</sup>

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<sup>37</sup> Dorothy McCormick, 'China & India as Africa's New Donors: The Impact of Aid on Development', *Review of African Political Economy* 35, No. 1 (2008): 73–92.

<sup>38</sup> David Dollar, *Lessons from China for Africa* (Washington, D.C.: The World Bank, 2008).

<sup>39</sup> See esp. Deborah Bräutigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2010); and some contributions to *The Rise of China and India in Africa: Challenges, Opportunities and Critical Interventions*, ed. Fantu Cheru and Cyril Obi (London: Zed Books, 2010); and *Chinese and African Perspectives on China in Africa*, ed. Axel Harneit-Sievers, Stephen Marks, Sanashu Naidu (Oxford and Nairobi: Fahamu Books and Pambazuka Press, 2010).

<sup>40</sup> Charles Grant with Katinka Barysch, *Can Europe and China shape a new world order?* (London: Centre for European Reform, 2008), 104.

The question remains to be answered, if this reflects also the legitimate interests of all those, who remain outside or at the receiving end of such an alliance.

## Conclusion

The increased competition for entering favorable relations with African countries is in itself not negative to the interests of the African people. But it requires that the tiny elites benefiting from the currently existing unequal structures put their own interest in trans-nationally linked self-enrichment schemes behind the public interest. The priority should be to create investment and exchange patterns, which provide in the first place benefits for the majority of the people. Admittedly, the chances for this might not be the best and have not yet been used: "Most African countries still need to enhance their bargaining position vis-à-vis traditional and emerging partners to ensure that these partnerships are actually mutually beneficial."<sup>41</sup>

Many among those, who remain sceptical over the dominant exchange mechanisms, which regulate and reproduce the interaction of African countries with external actors, remain more reluctant than others to argue for a welcoming embrace to new global players, who might not change the rules of the game but ultimately play along. The motive of such scepticism is not to protect Western or Northern interests possibly at stake. On the contrary: the fear is that China at the end merely offers more of the same, instead of being a true alternative.

It remains to be seen, if the proponents of the two views will find a way to shift towards convergence of the priorities in one coherent framework, that gives sufficient recognition and space for implementing both approaches in a complementing fashion to induce and promote sustainable development for the benefit of the majority of the people in the countries. Put differently, the question is if the external stakeholders move back into geopolitics reminiscent of the earlier Cold War period or if the ground is laid for more *Realpolitik* seeking benefits for all stakeholders, not least the hitherto marginalized at the receiving end.

Indications at this stage seem to suggest that Chinese engagement in Africa tends to accommodate Western norms instead of seeking to move Africa towards Chinese norms and away from Western influence. It needs to be pointed out, as a recent study rightly does,

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<sup>41</sup> African Economic Outlook 2011.

that there is no inherent conflict between China's interests in Africa and development, good governance and democracy on the continent. Indeed, stronger African partners would both offer a more stable environment for China's investments and help China to address any problems that emerged in the course of its African ventures far more satisfactorily and sustainably than weaker and more acquiescent ones.<sup>42</sup>

The interaction between Africa and China brings us back to the roles of the policies of the governments in the states, when it comes to so-called good governance, the role of the state, of political office bearers, civil servants and the all too weak local bourgeoisie.

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<sup>42</sup> Sarah Raine, *China's African Challenges* (Oxon and New York: Routledge, 2009), 234.

## About the Author

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