The EU and China: Prospects for Partnerships in Democracy Building in Africa

Hayley Herman, Research Manager, Centre for Chinese Studies, Stellenbosch University

and

Dr Martyn Davies, Executive Director, Centre for Chinese Studies, Stellenbosch University
The EU and China: Prospects for Partnerships in Democracy Building in Africa

Abstract
The European Union (EU) is described as a ‘traditional’ actor and China an ‘emerging’ actor in the African continent. Although European and Chinese efforts to promote development in Africa are common, the means through which the developmental agenda is promoted are different. Europe’s engagement is driven by aid; China’s is focused on the pursuit of commerce. Needing commodities and new export markets, China considers Africa a crucial partner for its own development.

China’s immense investment in Africa without regard to the continent’s human rights issues has introduced a new dynamic within Africa’s political-economic architecture. This ‘business is business’ type of aid concerns the EU and other traditional donors, whose own African aid programmes have not met development goals. The EU has recognized the need to work with China to harmonize efforts to promote African development. This paper provides an introduction to EU-China-Africa relations and examines possible areas of engagement between the EU and China in democracy building in Africa.

Summary of Recommendations
Based on common goals between China and the EU in Africa, policy recommendations include:

- an EU-China-Africa trilateral dialogue to foster a common direction for African development;
- identifying participants in and beneficiaries of this dialogue;
- continuing to nurture regional interactions with African countries;
- facilitating partnerships to achieve the Millennium Development Goals (MDGs) and related capacity-building initiatives;
• establishing monitoring mechanisms to evaluate promises and follow-up actions taken by all three actors; and

• joint support from the EU and China for peace and security in Africa.

1. EU-China-Africa Relations

China has become a prominent actor in Africa in recent years, with great increases in the levels of trade, investment and aid disbursements. China’s trade with Africa totalled USD 106.8 billion in 2008 – an increase of 45 per cent from the previous year. China is Africa’s second-largest trading country after the United States of America. The increase in trade relations has been impressive but China, perhaps surprisingly, experienced a trade deficit of USD 5.16 billion in 2008.

China’s foreign direct investment to Africa reached USD 1.57 billion in 2007 (Ministry of Commerce, 2007). In October 2007, the Industrial and Commercial Bank of China (ICBC) acquired a 20 per cent stake in South Africa’s Standard Bank, Africa’s largest bank. Valued at USD 5.6 billion, the purchase was the largest investment of a Chinese firm outside China. Investment will also be channelled through China’s Special Economic Zones in Africa with investments being welcomed by African countries granting preferential treatment and tax incentives.

China’s total aid amount to Africa is unknown and difficult to calculate. In November 2006, Beijing announced that it would double its aid levels by 2009; however the base level from which to measure this is not known. There is no official definition of China’s aid, nor does China provide public data on aid disbursement and monitoring. Aid spending is included as part of loan finance agreements structured by the China Export Import Bank. In contrast, member states of the Organisation for Economic Co-operation and Development (OECD) record their aid spending annually.

What is known is that the EU remains the largest donor to Africa. According to the OECD, 15 EU member states in 2007 gave USD 62.1 billion, or 60 per cent of Development Assistance Committee official development assistance (ODA). Reaching the ODA target of 0.7 per cent of gross national income is, however, unlikely. The OECD noted that reaching the targeted level would be impossible if prevailing increases year on year were not rapidly increased (Blanchflower, 2008). The EU has allocated EUR 20 billion to sub-Saharan Africa in its 10th European Development Fund (2009–2013) (Gomes, 2008). However, the ongoing financial crisis may impact negatively on these commitments.

2. EU Policies vis-à-vis China in Africa

The Cotonou Agreement, signed in June 2000 by the EU and the African, Caribbean and Pacific Group of States (ACP), underwent its five-year review in 2005. Revisions were made to increase provisions for security and conflict resolution in Africa (European Commission, 2005). An important development during this revision was
the incorporation of non-ACP countries ‘in geographical proximity to – or in regional arrangements with – ACP states to participate with such states in EC-funded projects’ (European Commission, 2005). This signified an increased focus on ‘regionalizing development cooperation’ (European Commission, 2005).

A second revision saw a recognition of increased involvement of other non-state actors, noting that it was ‘inherent to the consolidation of democracy and can improve the effectiveness and viability of cooperation policies’ (European Commission, 2005). This highlights a more effective and comprehensive multi-level engagement beyond state governments to include other stakeholders such as civil society, private sector, economic and social actors. The Cotonou Agreement remains one of the most pertinent documents in the EU’s relations with Africa, with promotion of human rights and democracy being central to its policy.

The first EU-Africa Summit took place in 2000, yet was not revisited until 2007 with the advent of the Lisbon Summit. The Joint Africa-EU Strategy emanated out of the Lisbon Summit and created a First Action Plan (2008–2010) based on partnerships in the areas of peace and security; democratic governance and human rights; trade, regional integration and infrastructure; the achievement of the Millennium Development Goals; energy; climate change; migration, mobility and employment; and science, information society and space.

In the Lisbon Declaration, which explained the First Action, the EU expressed the need for ‘overcoming the traditional donor-recipient relationship’ (Lisbon Declaration, 2007). The document proposed a ‘partnership of equals, based on the effective engagement of … societies, in order to achieve significant results in our fundamental commitments’ (Lisbon Declaration, 2007).

The African Union is seen within the policy as a key actor in each of the partnerships and plays an important role in Africa’s regional integration process. With the EU having implemented its own integration in Europe, lessons can be learned from the EU and shared with Africa. The Partnership on Trade and Regional Integration explains that ‘efforts shall be made in particular to enhance the African integration agendas, both at the regional and Pan-African level’ (First Action Plan, 2007).

These goals include supporting African-led initiatives to solve African conflicts and promote development. In particular, the Africa-EU Partnership on Peace and Security describes dialogue and financing of African-led operations on the continent. In addition, the Partnership on Democratic Governance and Human Rights highlights the promotion of African rules and principles such as the African Peer Review Mechanism and the African Charter (First Action Plan, 2007).

3. Promoting South-South Cooperation: China’s Policies on Africa

The relationship between the EU and China took a divisive turn when China withdrew from the EU-China Summit scheduled for November 2008. The withdrawal resulted from French President Nicolas Sarkozy’s meeting with the Dalai Lama prior to the
planned summit. At that time, France occupied the presidency of the European Union and China’s reaction was labelled as a ‘high-profile snub’ (The Economist, 2008). China’s foreign policy is predicated on the One-China Policy, which underpins China’s relations in Africa.

There is a growing body of literature and analysis of China’s engagement in Africa since its ‘new’ foreign policy regarding Africa was implemented after 2000. A few critical events are cited in describing this engagement, including the underlying principles of Peaceful Coexistence, the launch of the Forum of China-Africa Cooperation (FOCAC) Summit and the release of China’s white paper outlining its strategy on Africa.

The origin of China’s foreign policy principles is found in Chinese Premier Zhao Enlai’s ‘Five Principles of Peaceful Coexistence’ policy announced in 1954: respect for sovereignty; mutual non-aggression; non-interference in domestic affairs; equality and mutual benefit; and peaceful coexistence. The principles were reinforced in 1996 during Premier Zhou Enlai’s tour of Africa when he reiterated that China’s interest in Africa was ‘sincere friendship, equality, unity and co-operation, common development and looking to the future’ (Holslag, 2006: 145).

To highlight the established and deepening ties between China and Africa, the FOCAC Summit was launched in 2000 in Beijing, where the Chinese Government welcomed four African heads of state, ministers from 44 countries, and representatives from 17 international and regional organizations. The summit was a multilateral vehicle to drive, direct and implement China’s activities on the African continent. This summit was followed with ministerial meetings in Addis Ababa in 2003 and Beijing in 2006. The Addis Ababa Action Plan (2004–2006) and Beijing Action Plan (2006–2009) passed at the respective meetings served to structure China’s foreign policy towards and dialogue with Africa. China has launched similar regional summits with the Caribbean, Portuguese-speaking countries, Arab states and Pacific Islands (Brautigam, 2008: 8).

China’s policy was cemented through the January 2006 release of its white paper entitled ‘China’s African Policy’, in which 2006 was described as the ‘Year of Africa’. The paper stated that the established five principles would guide China’s interaction with the continent, and described China’s increased activity in Africa within political, economic and social spheres, and within the area of peace and security. The policy emphasized China’s and Africa’s roles in promoting South-South cooperation.

The white paper stated that China’s engagement with Africa would be based on ‘mutually beneficial cooperation’ and ‘common development’ (PRC Government, 2006). Thus, China’s African foreign policy was created as a result of domestic development and its need for economic growth in addition to identifying activities that would assist with Africa’s development needs. This relationship would be based on the premise of both China and Africa being on equal footing in order to ‘establish and develop a new type of strategic partnership with Africa which features political equality and mutual trust, economic win-win cooperation and cultural exchange’ (PRC Government, 2006).

Furthermore, the policy highlighted a number of key areas for China’s engagement. It would support African peacekeeping operations and placed emphasis on the ownership and role of African institutions, stating it supported ‘the positive efforts by the AU and
other African regional organizations and African countries concerned to settle regional conflicts’ (PRC Government, 2006).

The policy noted that law enforcement was another important area of engagement in order to prevent organized crime. Through cooperation and exchanges between law enforcement departments, it suggested that China and Africa could ‘learn from each other in legal system building and judicial reform so as to be better able to prevent, investigate and crack down on crimes’ (PRC Government, 2006).

The Millennium Development Goals are a common interest shared by both Africa and China as developing regions of the world. In an effort to further South-South solidarity, the white paper stated that China would ‘step up cooperation with other countries and international organisations to support the development of Africa and help realize the Millennium Development Goals in Africa’ (PRC Government, 2006).

The action plans adopted at subsequent FOCAC Summits serve as a blueprint for China’s foreign policy priorities and are the primary mechanisms used to manage financial lending, aid disbursement and investment commitments to Africa. This underpins China’s primary commerce-driven interests in Africa. These ‘coalition investments’ (Davies et al., 2008) finance projects by coupling commercial interests with development assistance, particularly through infrastructure projects. The projects are funded by grants and interest-free and concessional loans from China Export Import Bank. These commercial incentives are aligned with China’s ‘go global’ strategy, a strategy encouraging large domestic firms to expand abroad with financial support from the Chinese Government.

These coalition investments are buttressed by China’s own domestic economic development and objectives. China’s impressive economic growth is illustrated through its gross domestic product, which maintained double digits for several years, only to be cooled with a slower growth rate of 9 per cent in 2008. The country’s economy has driven demand for commodities and new markets for its exports. Investments on the African continent have provided China with access to raw materials and other commodities it needs, new export markets, and investment projects for its infrastructure and financing firms.

However, China’s ‘business is business’ approach is being contested most vividly and publicly through its dealings with ‘rogue states’ such as Zimbabwe and Sudan. Its influence in Sudan has presented difficulties in its ‘non-interventionist’ principle. Widespread criticism has been given as a result of the Chinese Government’s unwillingness to condemn the human rights abuses of some ruling governments. While China’s reiterates its adherence to non-interference and respect for sovereignty, it has voiced vocal support for Sudan’s peacekeeping mission and supports the African Union’s efforts in the region.

At the 2006 FOCAC Summit, President Hu Jintao pledged to double China’s current aid assistance to Africa by 2009. However, this commitment is difficult to measure, due to a lack of clarity in reporting official aid figures and the disbursement of these
packages to specific countries, as well as no definition of what constitutes aid (Davies et al., 2008; Brautigam, 2008). China does not follow the aid conditionalities as prescribed by the OECD, although it is a signatory to the Paris Declaration.

The OECD has highlighted the benefits Africa has accrued from the assistance of emerging donors (Chen et al., 2006), although concerns remain around the issue of whether China will contribute to ‘re-indebting’ Africa’s poorest countries, especially those that have received debt cancellations by Western nations and are seemingly ‘lured’ by attractive loans from China. The International Monetary Fund (IMF) and western donors have criticized a USD 9 billion commercial loan made by China Export Import Bank in 2008 to the Democratic Republic of Congo.

The current global financial crisis will likely affect Western perceptions of emerging donors to Africa and cannot be overlooked when assessing economic relations to Africa. During a recent IMF conference, African ministers and central bank governors discussed the important role China could play in providing investment opportunities to Africa during the economic global turmoil. Traditional donors to the continent have arguably been hit hardest by the crisis and may decrease their development assistance and investment to Africa. However, even with increased investment and development assistance from additional actors, the conditions placed on the aid may negatively impact Africa’s economic environment and debt repayments.

4. Impact of EU-China-Africa Relations on Democracy Building in Africa

In 2008, the European Parliament adopted the ‘Report on China’s Policy and its effects on Africa’. The report criticized China’s support of so-called rogue African governments, and its lack of respect for human rights. The report urged Beijing to uphold international labour laws and anti-bribery conventions, and to promote good governance through its engagement with Africa.

Looking ahead, the common bilateral goals between the EU and China could be emphasized in order to facilitate productive and effective communication between the EU, China and African stakeholders. Both China and the EU have highlighted the need to promote and encourage policies that foster sustainable development in Africa. While the approach taken by the EU and China can differ, areas of common interest must be identified. Such a partnership with China and Africa can provide an effective mechanism in moving towards common goals on the continent, including effective democratic governance.

Both China and the EU have highlighted the need to promote and encourage policies that foster sustainable development in Africa. An EU-China dialogue on engagement with Africa could lead to a trilateral dialogue between China, the EU and Africa. Such a partnership can provide an effective mechanism in moving towards common goals on the continent, including effective democratic governance.

The first point under the Joint Statement resulting from the 2007 China-EU Summit noted that further discussions between both sides would be crucial to develop ‘political mutual trust and expand strategic common ground’ (Chinese Foreign Ministry, 2007). An EU-China dialogue on engagement with Africa could lead to a trilateral dialogue between China, the EU and Africa.

Stakeholders in this dialogue would include EU member states, businesses, financial
institutions and civil society. Engagement at multiple levels will support the dialogue’s sustainability and effectiveness as collective ownership of efforts will be maintained. Coordination and harmonization of EU member states is critical for predictable outcomes.

Who would benefit from a trilateral dialogue? African states, through the African Union (AU), should identify how their developmental and democratic processes can be harnessed through this initiative – as well as how the dialogue can benefit their citizens. Africa has taken great strides in creating a structured voice within international relations, through the creation of bodies such as the AU and the New Economic Partnership for Africa’s Development (NEPAD).

These organizations seek to find African solutions to African problems. Through these institutions, African leaders have asserted a collective desire to take the lead in forging a new development approach for the continent. China and the EU have acknowledged the AU and NEPAD as important institutions that guide peace and development on the continent. Any development strategy would need the ‘EU and China to increase support to NEPAD as the driving force for a sustainable development strategy for Africa and also to support African regional organisations, the AU, the Pan-African Parliament (PAP) and African national parliaments and governments in enhancing their leadership and ownership of such a strategy’ (Gomes, 2007:11).

These organizations should be encouraged within this trilateral dialogue to voice the opinions of Africans. Both China and the EU have declared that their relationship with Africa is based on equality, with both stakeholders on an equal footing. The EU’s stated intention to change from its traditional donor-recipient relationship – to better encourage an equal partnership – illustrates an important redirection of its perception of Africa.

Both the EU and China have expressed the desire to support conflict resolution and peace processes in Africa. Furthermore, a dialogue focused on mutually agreed areas such as environmental protection, human resource development, technology transfer and food security cooperation in order to achieve the MDGs would be areas of possible initial engagement. The EU policy paper on China’s activities in Africa ‘calls on the EU and China to discuss, develop and formulate, whenever possible, their African strategies with a view to a responsible commitment, aimed at fostering sustainable development and the pursuit of the MDGs’ (Gomes, 2007:11).

Food security, health services and people-centred development will foster sustainable development among Africans and will assist in creating peaceful and secure societies which can build democratic principles. China expects African countries to create and direct their own development. The EU has emphasized ‘that any international partnership for development must be people-focused, since sustainable development is only possible with the empowerment of civil society’ (Gomes, 2007:11).

5. Common areas of interest

China’s actions in Africa – including the pursuit of commercial opportunity – have changed the mindset of Western donors, who traditionally engaged Africa by disbursing aid. The EU’s current policy on aid to Africa is a result of lessons learned from its
historical presence and failed attempts at Africa’s sustainable development. The economic development of Africa does not lie with the actions and assistance of one external actor. The debt relief, structural adjustment programmes and conditionalities placed on Africa are illustrative of this. External funding, as Grimm (2008) states, ‘is needed and additional funding should thus be appreciated’.

The European Commission has continuously stated that aid to Africa, as with third-world countries, would be based on the advancement of human rights and democratization (European Commission, 2001). Yet, African countries with established democratic governance, such as Ghana, are not rewarded: ‘(t)he judgement on the EU in meeting its policy goals can only be one of weak implementation and poor performance’ (Crawford, 2005: 595). Proper evaluation and monitoring of promises and targets set for China’s and EU’s goals for Africa should be established. This would help create consistency between European states and EU policy. Currently, mixed reactions and consequences result from differing opinions among the member states as bilateral policy can contradict the rhetoric voiced from the EU (Holslag, 2007). Coherence and predictability from member states are crucial in advancing the EU’s desire for human rights and democratic governance in Africa.

The EU has recognized China’s goal of supporting the principles of Africa’s regional organizations, such as NEPAD. Increased commitment to build the capacity and effectiveness of such organizations will allow African initiatives to gain influence among Africans themselves. Both China and the EU acknowledge that African initiatives are key to maintaining and creating peace and stability in Africa, which in turn creates an environment conducive to sustainable development. Democratic processes will result only through the establishment of peaceful and secure states: both China and the EU have announced their desire to maintain peace and security in Africa.

6. Conclusion

The EU and China have both held high-level meetings with Africa over the past few years. These talks have been followed with policy papers outlining the EU’s and China’s principles of engagement with Africa, including the Cotonou Agreement, the Joint Africa-EU strategy, China’s white paper and the FOCAC action plans.

The EU is seen as a ‘traditional’ actor based on a ‘donor-recipient’ relationship from the past, while China is presented as an ‘emerging’ actor in Africa with engagement based on a ‘win-win’ relationship. The EU, Africa’s biggest trade and aid partner, has centered its activities around delivering aid, while China has followed a more commercial approach.

Both actors have stated that their activities are based on the advancement of development processes in Africa. China’s foreign policy includes the One-China policy, non-
interference in other nations' internal affairs, and respect of sovereignty of a country in its quest to follow its own development path. Like the EU, China has provided financial support for African institutions such as the AU and NEPAD, as well as for Regional Economic Communities, which advocate Africa’s sustainable development based on African solutions and goals.

The Millennium Development Goals, if achieved, will provide a more secure and stable environment for all African countries to advance their own development path. A bottom-up approach will allow for a more credible, sustainable and accountable process of democratic reform in Africa. This will counter the high-level government-to-government process which relies on a country’s elites to put their country on the path of democracy building. Regional African bodies, which receive recognition from both China and the EU, also play an important role as collective African decisions will empower African countries to follow their own development goals. These regional organizations will also hold African governments accountable for their own activities against these goals.

In order to facilitate collaboration and partnerships between China, the EU and Africa, policy recommendations include:

- launching an EU-China-Africa trilateral dialogue to foster a common direction for African development;
- identifying participants in and beneficiaries of the dialogue;
- continuing to nurture regional interactions with African countries;
- facilitating partnerships to achievement the MDGs and related capacity-building initiatives;
- establishing effective monitoring mechanisms to evaluate promises and follow-up actions taken by all three actors; and
- joint support from the EU and China for peace and security in Africa.

References


Brautigam, D., *China’s African Aid, Transatlantic Challenges* (Washington, DC: German Marshal Fund of the United States, 2008)

Broadman, H., ‘China and India go to Africa’, *Foreign Affairs*, 87/2 (2008), pp. 95–109


European Commission, 'Partnership Agreement ACP-EC' ('The Cotonou Agreement') (European Communities: Belgium, 2005)


About the Authors

Dr Martyn J. Davies is the Executive Director of the Centre for Chinese Studies at Stellenbosch University and is a part-time faculty member at the University of Stellenbosch Business School. Martyn is a Senior Lecturer at the Gordon Institute of Business Science (GIBS), University of Pretoria where he is Director of the Asia Business Centre.

He holds a BA degree in Law, an Honours Degree in International Relations (cum laude), a Master’s Degree in International Relations (cum laude) (University of the Witwatersrand), a Diploma in Asian Studies (Yonsei University, Seoul, Korea), and a PhD in International Relations (University of the Witwatersrand) – completed at the age of twenty five. He also has a certificate from Harvard Business School for its “Making Markets Work” course.

Ms Hayley Herman is research manager at Stellenbosch University’s Centre for Chinese Studies in South Africa. She holds both undergraduate and graduate degrees in international relations from Stellenbosch University. A recipient of a Linnaeus Palme scholarship, she spent a semester at Södertörns Högskola in Stockholm, Sweden. During this time she also completed the United Nations Staff Officers Course through the Swedish Armed Forces International Centre. In 2007, she was an intern at the World Federation of United Nations Associations in Geneva, Switzerland.

Ms Herman has co-authored newspaper articles for national print media as well as commissioned articles on India’s and China’s engagement with Africa. She is currently co-editing a special edition of Politikon: The South African Journal of Political Studies on emerging powers in Africa.