

# A Comparison of the EU and China's Aid Policies in Africa

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**Abstract:** *Since the beginning of the 21st century, the rise of African power has become a major factor influencing the international political situation, but Africa itself is still objectively lagging most parts of the world in terms of its level of development. China and the European Union, in conjunction with the UN's development programme, have become important players in supporting Africa's rise. As a long-established political and economic phenomenon in state relations, foreign aid policy is also an extension of the internal political economy of national alliances or organizations of states and is one of the most important means by which each state can safeguard its economic interests and achieve its strategic objectives. China and the EU differ in their aid policies towards Africa and have many features that can be learned from each other. By starting from the aid policies of China and the EU towards Africa and using comparative regionalism as a theoretical guide, this paper summarizes the strengths and weaknesses of the aid policies of the two parties towards Africa and will propose constructive ideas for the establishment of a new inter-aid international structure and the promotion of closer cooperation between China, the EU and Africa.*

**Keywords:** Aid Policies in Africa; the EU; China.

## 1. INTRODUCTION

Developed countries in Europe and America have been providing aid to African countries since the early colonial period, but the results have not been significant for the African people. Some African governments have limited management capacity and high levels of corruption, and aid money often goes into private pockets (GÖK, 2020). Anti-corruption initiatives have been launched in some European countries, but the data provided by African countries shows that most African people are afraid or selectively ignore the existence of corruption (Gordon, 2023). Today, during African presidential elections, especially in sub-Saharan African countries, the early colonial suzerainty of the EU always intervenes at the political level to maintain the influence of their countries in Africa, which is one of the main reasons for its aid to Africa. Such interventions are particularly evident in countries with less developed economies, as in Burundi, Sudan and the Democratic Republic of the Congo. This special relationship has gradually shaped the EU's own aid characteristics, which are expressed in the large scale, conditional aid and coordinated aid policies. Since the beginning of the new century, the scale of EU aid to Africa has been expanding, and the influence of the EAC Forum has also been gradually expanding.

China-Africa friendly relations have a long history, and China-Africa relations have always been a significant part of China's external relations, and assistance to Africa occupies a special and important position in China-Africa relations (Anshan, 2017). From the 21st century, China-Africa relations have taken on a new momentum of comprehensive and rapid development under the close relationship and joint promotion of the leaders of both China and African countries, and the establishment of the Forum on China-Africa Cooperation (FOCAC) in October 2000, which included the inclusion of aid work within the Forum, thus providing a reliable guarantee of aid to Africa.

According to the British scholar John White, aid is an act of help from one international people or institution to another (White, 2023/1974, p. 4). There are certain tendencies behind the aid policies of China and the EU towards Africa, such as the 'helping mentality', the 'willingness to support' and the 'tendency to reduce poverty', and the effectiveness and quality of the bilateral foreign aid policies of China and the EU is a matter of mutual concern. The effectiveness and quality of China's and the EU's bilateral foreign aid policies are the underlying objectives of both sides, rather than the intention to undermine third parties (African countries). Therefore, China and the EU should develop a coherent, consistent, and more specific strategy to propose better aid policies to Africa in a more effective and balanced way, for example, by creating cooperation platforms, joining forces to innovate foreign aid policies, focusing more on aid efficiency rather than on the comparison of aid amounts, and paying more attention to the real needs of African countries. It is conceivable that in China's and the EU's exploration of the issue of aid to Africa, a 'tripartite cooperation' initiative on medical examination and development is the effective path to

building political peace and economic development. Of course, such a model of cooperation needs to be based on a high degree of unity of will between China and the EU, and to enhance the effectiveness of cooperation, which faces many difficulties and requires a long period of exploration.

## **2. CHINA'S AID POLICY TO AFRICA AND ANALYSIS**

Poverty reduction is the primary objective of China's aid to Africa. In its policy planning for the Belt and Road Initiative, China has set the intentional goal of poverty reduction around the theme of aid to improve the international status and core competitiveness of African countries in the process of promoting their economic recovery and growth (He, 2007). The primary action of the poverty reduction aid policy is direct financial support, and in May 2017 Chinese President Xi Jinping pledged at the Belt and Road Summit that China would provide over three years of assistance to countries participating in the Belt and Road construction, especially African countries and the rapid growth of China's outbound investment has contributed to the development of the Chinese economy. The rapid growth of Chinese outbound investment provides a better basis for expanding Chinese foreign aid. In 2016, China-Africa trade reached US\$149.115 billion (Wu, 2017).

Mutual benefit and a win-win situation is the new objective of China's aid policy designated with the changing times. Since the Johannesburg Summit of the Forum on China-Africa Cooperation held in Beijing in 2016, China and Africa have established a new partnership of win-win cooperation. The main outcome was a significant reduction of African national debt, especially for "low-income African countries", with more than 20 African countries having their interest-free loans canceled in 2015 (Brautigam, Huang, & Acker, 2020).

Finally, China has also adopted the principle of development-led aid, which is reflected in the principle of equality and consultation in China's aid to Africa. Equality means that China's assistance is unconditional and that it will not interfere in the internal affairs of African countries and regions during this period. The consultative approach is reflected in the various measures China has taken to reduce its debt and extend its debt period. Based on this principle, China has been guiding African countries out of poverty in recent years and providing them with guidance on their development experiences (Johnston, 2019).

In general, China's aid to Africa has a more "sympathetic" feel to it as a developing country, as China, in its rapid development in recent decades, has faced a series of problems arising from poverty, such as infrastructure development, low industrialization, and poor education, just as Africa has. China has experienced successful precedents in exploring these issues. Therefore, in its aid policy to Africa, China focuses more on the basic needs and the realities of different countries and regions, thus making its aid more effective. For Africa, the large volume of infrastructure development that China has assisted has brought about significant improvements in living standards and changes in lifestyles, and trade between China and Africa has brought in more foreign exchange earnings, all of which are indispensable to the people of Africa today.

## **3. THE EU'S AID POLICY TOWARDS AFRICA AND ITS ANALYSIS**

Firstly, conditional aid is a distinctive feature of the EU's aid policy towards Africa. In his study, the scholar Gordon Crawford suggests that EU aid to Africa has been conditional at different times (Crawford, 2001, p. 169). For example, when France gave aid to African countries, it had precise requirements for countries that used French as an official language: they could only purchase French arms and could only sell their minerals and raw materials to France (Martin, 1985). Until now, EU aid to Africa has been subject to political and economic conditions. Politically, the Cotonou Agreement signed in 2000 requires the recipient countries to make the necessary political and structural changes. On the economic front, the EU has imposed economic sanctions or the withdrawal of financial aid on African countries to force them to make corresponding economic adjustments. For example, the EU demanded the incumbent president of Burundi for adjustment of the country's human rights and economic policies and non-re-election, and when Burundi failed to meet all the conditions, the EU announced the cancellation of direct financial aid to Burundi due to the failure of dialogue between the two sides. Burundi, as one of the least developed countries, is heavily dependent on support, and for these reasons, Burundi has been gradually plunged into debt, oil and foreign exchange crises since 2015 (Jamar, 2018).

Secondly, the EU has given methodological guidance to African countries around governance. 2000 saw the creation of the AU-EU Cooperation Forum, a bilateral cooperation platform initiated and hosted by the EU, where leaders from both countries exchange views on political governance approaches. The EU has contributed in part to the progress of institutional reforms in Africa, such as guidance on the use of resources, the implementation of

the principle of presidential term limits, and the direction of political reforms such as how to alleviate poverty levels.

Finally, the EU's internal regulations have been protecting the interests of the EU abroad, as well as the interests of its member states in former colonies (Liu, 2018). Therefore, when EU member states protect their interests in Africa, their aid policies are often accompanied by certain 'coercive' instruments. In particular, the conditions imposed in the context of the Washington Consensus, such as reduced government spending, higher import duties, trade liberalization, and privatization of state-owned enterprises, are in many cases costly for African countries, affect their economic lifelines and have a direct impact on their internal affairs (Browne, 2007, p. 20).

Taken together, the EU and its member states, as the former colonial masters of most African countries, are today the most important, longest standing, and largest aid donors to Africa, with an incalculable impact on Africa's political and economic development. For Africa, this is aid with an "ankle bracelet", aid under control, which can help accelerate Africa's development if appropriate, but can have a negative impact on individual African countries if it is not in line with their realities, or even cause them to stagnate or regress. Overall, EU aid to Africa is still based on the interests of the EU itself, and to a certain extent, it can be said to be a means of broadening the EU's sphere of influence and exporting its values. The impact of this aid policy on Africa should be viewed in a dialectical manner.

#### **4. SIMILARITIES BETWEEN CHINA'S AND THE EU'S AID POLICIES IN AFRICA**

First, both China and the EU have been increasing their aid to Africa. At the first Forum on China-Africa Cooperation in 2000, China proposed to "continue to provide all kinds of assistance within its capacity according to the different situations of different African countries, and the scale of assistance should be continuously expanded in line with the improvement of China's economic development level and the strengthening of its comprehensive national power." In Europe, EC aid to Africa averaged US\$964 million per year in the 1980s and increased to US\$2.168 billion between 1991 and 2004 (Wang, 2009), with figures available up to 2022 showing that the EU's 27 member states now provide a total of over US\$20 billion per year in official aid to Africa, in addition to nearly \$10 billion per year in private.

Secondly, both China and the EU are focusing on the 'aid + trade' model of aid to Africa. At the 2006 China-Africa Summit in Beijing, China proposed the establishment of a "China-Africa Development Fund" as a special fund to support Chinese enterprises to invest in Africa and develop African markets. Since then, trade between the two sides has soared, from US\$10.5 billion in 2000 to US\$282.0 billion in 2022, an increase of more than 20 times. There are more than 3,800 Chinese enterprises of all types in Africa, with an investment stock of US\$44.4 billion, an almost 100-fold increase from 2000. According to estimates by Chinese experts, the contribution of China-Africa trade to Africa's economic growth was as high as around 27.5% in 2017 (Nord & Chen, 2017). For the EU, in 2004, the EU established a free trade area with Africa, targeting agricultural products such as bananas, rice and beef produced in the ACP region, mainly in Africa, which can enter EU countries duty-free within a specified quantity, to enhance bilateral trade. At the EU-AU Summit in 2022, the EU pledged to invest nearly € 150 billion in Africa for the next six years, with assistance covering a wide range of sectors including infrastructure, digitalization, energy, health, and education.

Thirdly, China and Europe attach great importance to poverty reduction and humanitarian aid to Africa. The Chinese focus on assisting infrastructure and livelihood projects in accordance with the development of the recipient countries following urgent needs, and for the first time in the Maastricht Treaty, the objectives of foreign aid include the fight against poverty. China has also placed a strong emphasis on humanitarian aid, for example in late 2004, when it provided cash and material assistance to Kenya, Somalia, and Seychelles in response to the Indian Ocean tsunami that devastated the East African region (Yang, 2007, p. 225). The EU's humanitarian aid began in the late 1960s and is both emergency and long-term, based on the same principles as China's: regardless of religion, race, or political affiliation. The EU also set up a 'Humanitarian Aid Bureau', which is specifically responsible for assistance to ACP countries. Assistance is provided in a similar way to that of China, including the provision of funds, goods, and personnel.

#### **5. DIFFERENCES BETWEEN CHINA'S AND THE EU'S AID POLICIES IN AFRICA**

Firstly, the motivations are different. The last century has been a century of shared destiny for China and Africa,

mainly in terms of colonial invasion, social change, national rejuvenation, and nation-building, and therefore China's assistance to Africa has a typical 'South-South' motivation. China's assistance to Africa has been based on the principle of mutual benefit and reciprocity at different stages, with the aim of building a new type of strategic partnership and jointly enhancing its international standing.

EU aid to Africa was first based in the post-colonial era when the traditional relations between former sovereign states and colonies were renewed through new relationships between donors and recipients (Riddell, 1987, p. 133). In this respect, the EC's early aid policies were essentially a continuation of the colonial traditions of member states such as France under conditions of integration (Jia, 2009).

Secondly, conditionalities in Chinese and EU aid differ. Conditionality refers to the use of reduced or even suspended aid as a condition to threaten recipient countries into accepting policies and offers they would otherwise disagree with (Siray, 2005). From the preceding list and analysis of China's policy on aid to Africa, non-conditionality is a core principle that runs throughout bilateral cooperation between China and Africa. This principle is further confirmed in China's Policy Paper on Africa: "The Chinese government will continue to provide and gradually increase aid to African countries within its means and without political conditions, in accordance with its own financial resources and economic development." The aid objective of promoting cooperation with aid and development with cooperation is presented.

In the history of EU aid to African countries, "conditionality" has been one of the key aid concepts. Initially, conditionalities were more economic in nature, but later they evolved into political conditionalities. For example, in the EU's Conut Agreement, a country's access to aid is based on the performance of the recipient's government, including an evaluation of the recipient's process of institutional reform, its use of resources, and its economic policies and administrative structures. If the recipient country does not comply with criteria such as human rights, democracy and the rule of law, the country will face an extension of aid (Liu, 2003). These initiatives are a concrete implementation of the EU's 'externalization theory', but the economic and political conditions attached by the EU have not fully achieved their intended effect and have instead caused widespread controversy in African recipient countries and within the EU.

Thirdly, China and the EU have different areas of focus for aid. With the gradual completion of the China-Africa cooperation mechanism, the aid policy has formed a comprehensive and multi-level aid system. However, in terms of the proportion of aid projects allocated, China focuses more on assistance in livelihood infrastructure. According to a report provided by the World Bank, 33.4% and 33.2% of China's aid cooperation with African economies in terms of infrastructure has gone to the power and transport sectors respectively (Gondo, 2019). For Africa, aid for infrastructure development is also very necessary. Economic infrastructure development will reduce trade costs, expand market, and promote agricultural development, thereby facilitating regional and global economic integration (Lakmeeharan, Manji, Nyairo, & Poeltner, 2020).

In the EU, with the introduction of conditionalities on human rights and economic restructuring into EU aid policies for Africa, the EU has invested significant amounts of aid in social infrastructure, including education, health, and humanities. This shift is also in line with the logic of the 'basic needs theory', which argues that Africa's development requires good social governance.

A final difference is the difference in the type of aid. Chinese aid to Africa, which began in the 1950s, has mainly been in the form of bilateral aid, with aid flowing directly to the recipient country. While this form is efficient and quick, a clear trend in today's world is the deepening of globalization, with the main international actors being supranational and non-governmental multilateral aid agencies and organizations, in addition to states. Moreover, regional integration is growing, and the establishment of the African Union is an important symbol of the integration process in Africa. Some changes are also needed in the form of China's bilateral aid, for example, it should actively strengthen ties with institutions such as the UN Open Bank, the International Monetary Fund, the World Bank and the World Economic Cooperation, and collaborate with partner organizations to enhance aid efficiency.

The EU is the main type of multilateral aid and is better at it. For example, in April 2011, the government of Guinea-Bissau, UNICEF and the EU reached a tripartite agreement for UNICEF and the EU to jointly fund the solution of the daily drinking water problem of the population in the southern region of Guinea-Bissau. The EU is still following the principles of multilateral cooperation and coherence in aid that it emphasized at the EU-Africa Dialogue and Cooperation Mechanism meeting in 2000.

## **6. CONCLUSION**

Taking aid policies as the starting point, this article lists and analyses the aid policies of China and the EU to African countries, and in the process of analyzing the similarities and differences between these policies, it summarizes the impact of the different aid policies on Africa. In addition to the international responsibilities and obligations of China and the EU, aid to Africa also involves political games and economic considerations based on national interests. As Africa grows in importance internationally, aid will also become an important area of competition and cooperation between China and the EU. China and the EU are the main sources of aid funding for the African continent. Due to political, economic, cultural and historical factors, both sides have been somewhat effective in their aid to Africa, but at the same time they have certain shortcomings, and both China and the EU have much to learn from each other.

Looking ahead, the relationship between China and the EU in African countries is bound to generate some conflicts and competition, but both sides need to seek common ground while reserving differences, to maximize cooperation and exchange while ensuring that their own interests are not compromised, and to jointly contribute to the development of Africa. China and the European Union should also continue to bring their respective characteristics into play in their aid policies, draw lessons from their own aid experience, optimize the structure of their foreign aid, and improve the effectiveness and quality of their foreign aid. The most crucial thing is that both sides should develop and promote tripartite cooperation in the light of the real needs of African countries.

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