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What the EU can learn from China's development efforts in Africa

China has not only greatly reduced poverty at home. For African states, it has become a reliable alternative to Western donors

In July 2020, the now former UN Special Rapporteur on extreme poverty, Philipp Alston, presented a scathing report to the UN Human Rights Council on the failure of development policy in the past 30 years to alleviate extreme poverty. According to Alston and contrary to the dominant development narrative, we have neither taken extreme poverty seriously enough nor made major progress on eradicating it.

In particular, he criticised leading policy actors for blindly following the World Bank's international poverty measure of USD 1.90 a day, leading to premature declarations of major progress against extreme poverty. The Covid-19 pandemic will now exacerbate the problem: even by its own insufficient measurements, the World Bank expects that as many as 150 million people will be pushed into extreme poverty by 2021.

Since the early years of the West's poverty reduction efforts, however, a new major global player in development cooperation has emerged: China. It has rapidly moved from being a donor recipient to being an active source of development cooperation and development finance. The way in which it has since organised its development cooperation has ruffled feathers with established donors in the Organisation for Economic Cooperation and Development (OECD).

China's poverty eradication efforts

Specifically, these donors have criticised China for not following the established path of the OECD, which includes attaching political conditionalities to their development cooperation. Whereas critics have often lambasted them as external impositions hindering the agency of developing countries, its proponents argue that they help shape the behaviour of their counterparts. Moreover, they argue that China-backed projects could create a debt burden and negatively impact governance

measures due to a lack of conditionalities.

This however reveals a rather paternalistic attitude that fails to acknowledge the shortcomings of existing aid programmes by developed countries. Whatever views or biases one may have towards China, one cannot simply dismiss the empirical evidence of China's contribution to the global and African development landscape. Without China's own efforts in lifting over 800 million people from poverty over the past 40 years, the world would certainly not have achieved the Millennium Development Goals (MDGs). But not only has China undoubtedly shown unprecedented poverty eradication efforts at home, it has also made an important contribution to such efforts abroad.

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In Africa, China has built vital economic infrastructure, while also increasing its focus on training and education, evident in the role of Chinese construction and engineering companies in Africa and in the ever growing number of African students going to study in China. Similar to its own domestic experience and development philosophy, China has put significant resources towards the building of economic infrastructure in partner countries in Africa, where often serious backlogs exist.

The relationship has also ensured that African states have more options when it comes to international development cooperation and development finance, arguably increasing the potential agency of African countries within the international development landscape. This situation begs the question of whether China has perhaps done a better job at reducing poverty and driving development in Africa – especially when compared to the continent's other major development partner, the EU?

The EU's time-lag

While the European Union and China both inaugurated their respective mechanisms for cooperation with Africa in the year 2000, both have evolved rather differently over the past two decades. The first EU-Africa Summit took place in April 2000 and the first Forum on China-Africa Cooperation Summit (FOCAC) just a few months later in October 2000 – the latter amidst much fanfare because of its potential for creating win-win partnerships and strengthening South-South cooperation at a

time when China was proactively growing its global footprint.

While disbursing less overall development assistance compared to the EU, China has arguably been able to achieve a higher degree of impact and visibility while introducing new mechanisms that do not necessarily conform to established OECD practices. They have often blended their development cooperation with other types of financial flows and used it to finance important infrastructure projects that traditional donors in Europe have been more reluctant to support. This has tended to contribute to economic growth and employment opportunities on the continent, which are crucial for successful poverty reduction efforts.

For the EU on the other hand, a major challenge remains the time-lag that exists between the formulation of new policy priorities and their translation into actual disbursements. This is mainly because of lengthy EU decision-making processes, where decisions on programming and spending resources only occur at critical junctures over seven-year budget cycles. Decisions are thus made at the beginning of the cycle and may be readjusted at mid-term, leaving little wiggle room for significant course correction.

What the West can learn from China

This stands in stark contrast to the FOCAC. Here, clear and quantifiable commitments are made every three years, whilst applying the necessary material and financial allocations to the different policy positions. The EU will have to secure a greater alignment between positions adopted at summits with the resources allocated in-between summits. This would ensure that, whilst the seven year budget cycles would still be an essential part of planning, the EU does not hinder its own ability to adapt to evolving priorities – especially those raised by African stakeholders. This has been one of the strengths of the FOCAC Summits in that over the years they have largely fulfilled their pledges, which over time have become more aligned with Africa's own development priorities as expressed in the African Union's Agenda 2063. A clearer alignment between adopted policies and resources allocated thus assists in maximising the impact of various poverty reduction efforts.

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Development finance from China towards African countries largely falls into two main categories: (a) development cooperation or concessional finance and (b) non-concessional or market-related finance. Recent years have seen China using these various tools interchangeably on various projects and this has

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included a growing linkage with the private sector in facilitating their growing role on the continent.

This has prompted OECD members to revise the manner in which they conceptualise official development assistance (ODA) towards a concept known as 'Total Official Support for Sustainable Development' (TOSSD), which will see EU members being more able to blend various cooperation tools. This move was arguably influenced by what the likes of China were already doing in the area of international development cooperation. This is significant as members of the OECD are seeking ways to respond to a changing development landscape.

While EU-Africa Summits have had to be cancelled a few times because of political disputes, such as Zimbabwe, FOCAC meetings have been consistently well attended by African counterparts at the highest levels. This has ensured that development projects with China have hardly been disrupted as a consequence of overt political disagreements, since China is reluctant to interfere in the domestic political affairs of counterparts. The EU will have to find ways of engaging with African counterparts in a manner that does not lead to a breakdown of the relationship to such an extent that EU-Africa Summits may be cancelled or postponed. This is important in protecting the roll out of important development projects that impact poverty reduction efforts.

While North-South cooperation remains essential to the development prospects of African countries, South-South cooperation has continued to see a greater emphasis from policymakers in Africa and will continue to play an important role in global efforts to eradicate poverty. In order to contribute more to poverty eradication efforts abroad, Northern donors will have to do a better job at understanding what has worked for Southern powers such as China in the development landscape.



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