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CHINA'S NEW (INTERNATIONAL) COOPERATION DIPLOMACY: IMPLICATIONS FOR THE EU'S DEVELOPMENT DISCOURSE

HANA HUDAK

Introduction

Africa became a matter of essence in the EU-China dialogue around the same time that a second Forum on China-Africa Cooperation (FOCAC) meeting was held (November 2006), consequently rushing preparations for the second EU-Africa Summit, notably falling behind schedule (December 2007).[1] It was China's growing presence and involvement in the African continent that triggered a range of reactions and worries from the European Union (EU) side. Indeed, reflecting major changes in the international system, China, along with other emerging powers on the global stage, was increasingly perceived as a competitor in a region long considered Europe's prerogative. Not only do the two diverge in their approaches to development – peace and security, rule of law, respect of human rights on the EU side, versus unconditional and 'no strings attached' aid on the Chinese side; China is also accused of undermining the Western developmental paradigm, based upon poverty reduction, good governance and sustainable development, as a whole. There is an ongoing debate amongst scholars regarding the impact of Chinese activities in Africa on the EU's development policy, not only in terms of the challenges it poses to the Union's geopolitical reach, but increasingly on what it means for the subsequent policy-making of the EU with regards to the continent.[2]

In light of these observations, the present paper will critically assess the extent to which the perceived threat of Chinese growing presence in Africa can be regarded as a trigger of a more coherent EU development policy, giving impetus to increasing debates on the development discourse, and calling for a rethinking of the traditional North-South relations. The structure of the paper is as follows: the first section will look into whether China's 'development aid' can be seen as an alternative model, and the implications this may have for the rethinking of the development discourse among 'traditional' actors in the field, such as the EU. The second section will assess the extent to which this alternative model, if taken as such, has impacted on EU development policy in general, and on its coherence in particular, by examining the changes it has gone through since the 2000 EU-Africa Summit. The conclusion will set out the debate on whether the increasing role of China as a 'non-traditional' actor leads to the materialisation of so far theoretical changes, as well as to an adaptation of China's and the EU's strategies for Africa towards a common goal.

Aid with 'Chinese characteristics': an alternative model?

In order to assess the extent to which China's growing involvement in Africa has impacted the EU's development policy towards the continent, it is first necessary to understand how China is challenging the development discourse as a whole, of which the EU is a proponent. Wissenbach and Kim point to two underlining differences in the perception of development and aid: the charity-based versus equal partnership nexus, and the aid versus trade and investment nexus.[3] These constitute simultaneously the basis for the shaping of diverging policies towards the African continent by 'traditional' – e.g. EU – and 'non-traditional – e.g. China – development actors.

The equal partnership approach has its roots in the South-South Cooperation (SSC), a framework in which "developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts", "guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit".[4] SSC continues to be an important instrument for advancing the objectives of the 2030 Agenda and the Sustainable Development Goals, especially when it comes to capacity development and technology transfer. This helps understand the growing degree of complementarity between China and the African continent.[5]

The aid versus trade and investment nexus is the second major issue challenging the traditional development paradigm. It refers to the method China uses to operationalise its external assistance, increasingly based on "grants, zero-interest loans and 'concessional' (low, fixed interest) loans", in the view of enhancing cooperation based on commercial interaction between Chinese and African private actors.[6] This in turn aims at stimulating "African economies, increas[ing] demand for Chinese products and creat[ing] opportunities for Chinese enterprises to establish a base in Africa".[7] The model can be considered as a win-win approach by beneficiary countries for obvious reasons: diversification of ODA and traditional donors, equal partnership, immediately visible impact of capital and infrastructure on the economic growth, trust in the SSC framework.[8] Not failing to raise criticism on the basis of the motivations behind such an approach, China's preferred mode of development cooperation has certainly contributed to a shift in the aid strategy towards new and unprecedented opportunities to the detriment of ODA; in doing so, it has also brought about a reflexion within EU development circles.[9] The next section will analyse the empirical translation of this.

A trigger of a more coherent EU development policy?
The EU's development policy towards Africa is characterised by a number of changes since the beginning of the century. The following arguments will examine the extent to which external determinants have influenced the shaping of the EU's Africa policy by discussing whether Chinese involvement in the continent can be seen as a factor of leverage.

The first major novelty on the overall level of EU Africa policy has been the set-up of a continent-wide approach, a gradual process initiated with the 2000 EU-Africa Summit and culminating with the second Summit in 2007, where the Joint EU-Africa Strategy (JEAS) was adopted.[10] This period reflected an interaction between a series of internal and external factors. Carbone argues that a combination of the necessity to adapt the traditional approach towards Africa on one hand, and the ambition of becoming a significant player in international politics - through emphasising its normative vision of development policy, and its coherence as a single development actor – on the other, pushed the EU towards elaborating a new vision of its relations with the African continent.[11] This led to the adoption of the European Consensus on Development (2005) and, consequently, to the JEAS, both thus predominantly due to the EU's awareness of the need to reinvent its relation with Africa in order to remain a privileged partner.[12] The argument certainly holds true, but implicitly points to the importance of taking into account the changing global context, and hence the emergence of new global players in Africa. Following this reasoning, Stahl rightfully argues that the establishment and subsequent regular coming together of FOCAC pressured the EU to act more urgently and more consistently, something Carbone fails to mention.[13] Counter arguments to this, attributing the shift solely to the global context of rethinking aid and to the EU's ambition to forge its own identity as opposed to the dominant IMF and World Bank discourse, don't stand either, because the appearance of development alternatives is an inherent part of this process.

Following the same line of reasoning, the shift in the global aid strategy, to which China's model of development cooperation was one of the contributing factors, was conducive to a change in the EU's discourse towards Africa as well. The Union thus moved "from the unequal 'North-South' or 'donor-recipient' relation towards an interaction based on 'partnership' and 'ownership'", at least in theory.[14] While the new discourse – translated in the JEAS - certainly owes its origins to the concerns of stakeholders and to the difficult road towards consensus, as suggested by Carbone, it also recalls the business-like, alternative type of cooperation SSC providers, China included, offer.[15]

Secondly, the search for a more comprehensive strategy that would encompass the whole African continent comes hand in hand with the ambition of showing a more coherent front on the international development arena. This is further prompted by the emergence of alternative solutions. Stahl thus advances that China also played a role in this: although China is not a "monolithic strategic actor", it can be argued that activities of its various actors (e.g. individuals, private companies) are more concerted than those of the EU, thus exposing the Union's weaknesses.[16] In order to test this hypothesis, it is necessary to assess the EU's vertical – EU-Member State interaction – and horizontal – across different policy areas – coherence.

The perceived scramble over Africa's natural resources contributed to the emergence of a "nascent European resource diplomacy", triggering the awareness that a common European strategy is a more effective answer to competition from China than any individual Member State's one.[17] The necessity of this common European strategy also became apparent with the view of enabling "better synergies between aid and non-aid policies" in order to achieve MDGs.[18] The EU's response was the issuing of the European Consensus for Development (2005), and the Policy Coherence for Development initiative, which can be seen as means to (re)assert the EU's position (and identity) towards other present actors, including China. In this sense, it is interesting to revisit Carbone's affirmation that China's role in redefining the EU's Africa policy is negligible.

According to him, "clearly, it was the European Commission itself (as a response to the presence of new actors in Africa)" that took the initiative.[19] While internal dynamics and the search for establishing itself as an international actor are crucial factors, this is not at all contradictory to the impact the emergence of new actors, including China, had on the realisation of this. On the contrary, the two reinforce each other.

Conclusion

In conclusion, I argue that, while it results difficult to delimit China's exact impact from other factors – especially internal, but also external – influencing EU's policy towards Africa, it certainly plays a non-negligible role. Most scholars agree that if Chinese Africa policy does not directly lead to an adapted EU one, then it has at least been conducive to giving more prominence to Africa in the Union's overall external policy; a tangible outcome of the leverage it possesses. This is further tested by two empirical cases. On the one hand, we notice adaptations in the development discourse, as well as in specific policy areas. On the other, the Union's resolve and determination to engage with China in Africa – notably through triangular dialogue and cooperation – shows the EU's awareness of China as an increasingly important actor for African countries.[20] Therefore, even though development discourse changes still remain largely at the theoretical level, the increasing weight of 'non-traditional' donors should lead to their gradual materialisation and an adaptation of each other's strategies towards a common goal. ©

1 U. Wissenbach, "The EU, China and Africa: global governance through functional multilateralism", in The European Union Security Strategy 2003-2998, Review and Implementation, Studia Diplomatica – The Brussels Journal of International relations, Vol. LXI, 2008, no. 3, p. 69. **2** A. Stahl, "The impact of China's rise on the EU's geopolitical reach and interests in Africa", European Foreign Affairs Review, 16, 2011, pp. 427-446. **3** U. Wissenbach, E. Kim, "From polarization towards a consensus on development? The EU and Asian approaches to development and ODA, in P. Murray, E. Kirchner, T. Christiansen, The Palgrave handbook of EU-Asia relations, Basingstoke, Palgrave McMillan, 2013, p. 437. **4** United Nations Office for South-South Cooperation, What Is South-South Cooperation? **5** U. Wissenbach, E. Kim., Op. Cit. **6** D. Bräutigam, "Aid with 'Chinese characteristics': Chinese foreign aid and development finance meet the OECD-DAC regime", Journal of International Development, 2011, p. 755. **7** G. Shelton, China, "Africa and Asia Advancing South-South Cooperation", Latin American Council of Social Sciences, 2010, pp. 185. **8** U. Wissenbach, E. Kim., Op. Cit., p. 442. **9** See, for example, L. Roopanarine, "China: 'rogue' donor or beacon of South-South co-operation?", The Guardian, 2 April 2013; A. Stahl, Op. Cit., p. 443 and U. Wissenback, E. Kim., Op. Cit., p. 438. **10** M. Carbone, "The European Union and China's rise in Africa: competing visions, external coherence and trilateral cooperation", Journal of Contemporary African Studies, 29:2, 2011, p. 205. **11** Ibid., p. 206. **12** European Commission, From Cairo to Lisbon: The EU Africa strategic partnership, COM 357, 27 June 27 2007, in M. Carbone, Op. Cit., p. 209. **13** A. Stahl, Op. Cit., p. 439. **14** Ibid. **15** The original name of the document was The EU Strategy for Africa, then transformed into a partnership between EU and Africa, JEAS; M. Carbone, Op. Cit., p. 207. **16** J. Men, China and the EU in the world, Lecture, College of Europe, Bruges, 11 April 2017, slide 14; A. Stahl, Op. Cit., p. 437. **17** Ibid., p. 440. **18** M. Carbone, "Mission impossible: The European Union and Policy Coherence for Development", Journal of European Integration, 30:3, 2008, p. 324. **19** M. Carbone, "The European Union and China's rise in Africa", Op. Cit., p. 208. **20** J. Men, B. Barton, "Conclusion: China and the EU in Africa: partners or competitors?", in J. Men, B. Barton (eds.), China and the EU in Africa: partners or competitors?, Taylor and Francis, 2011, p. 269.

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GERMAN SOLAR, BRITISH OIL & FRENCH NUCLEAR: AN ANALYSIS OF CHINESE FOREIGN DIRECT INVESTMENT IN THE EUROPEAN ENERGY SECTOR

KILIAN DICK

Introduction

While China has evolved as the EU's top import partner for goods and second largest export market, trade in services between the two blocks also increased significantly during the last years.[1] As regards outward foreign direct investment (OFDI), relations between the People's Republic and the Union are of equal importance: in 2014, Europe became the major destination of Chinese OFDI, which increased to 35 billion US-Dollar (USD) in 2016 – a surge of 77 percent compared to the year before.[2] A recent report by MERICS Berlin and the Rhodium Group estimates that the 2016 global Chinese FDI reached approximately 200 billion USD, a 40 percent increase compared to 2015.[3] European FDI in China, on the other hand, peaked in 2012 and since declines.[4] Commenting on Beijing's 'China Manufacturing 2025' industrial development plan, in a recent publication the European Chamber of Commerce in Beijing raises concerns of European firms of increasing discrimination on the Chinese market.[5]

With a cumulative 28 percent, or 17 billion USD of overall OFDI between 2000 and 2014, the energy sector has been the largest recipient of Chinese investment in Europe.[6] What motivations and goals lie behind this 'going global' strategy in the energy sector, and why specifically has this sector been targeted with such vigour?[7] What subsectors, that is, renewable energies (RE), nuclear and fossil fuel industries, have been targeted in Europe and in which member states? These are questions that need to be asked when examining a highly sensitive sector to European member states in a time when China's 'Going Global' strategy, initiated as early as in the 1990s, begins to materialise.

In order to answer these questions, this paper proceeds as follows: the subsequent section very briefly outlines the analytical approach. The ensuing empirical section then examines which sectors and member states attracted Chinese OFDI. The following analytical subsection will interpret and analyse the empirical data and find answers to why Chinese companies invested in the manner they did. The last section concludes and highlights the European energy-specific interests regarding a future Bilateral Investment Treaty (BIT) with China.

Analytical approach

Jia (2015) categorises Chinese OFDI in Europe in three phases: First, the 'pre-crisis phase' from 2001 to 2008: during China's accession to the World Trade Organisation (WTO) and a period of increased domestic deregulation, only a small amount of Chinese OFDI went to European member states since Chinese firms had to 'test the waters' and only risked small steps. In the 'financial-crisis phase' from 2009 to 2012, Chinese companies were encouraged to take advantage of the opportunity and invest in the EU, a step that was welcomed in Europe to the point that member states competed to attract Chinese OFDI. In the current 'post-crisis' phase since 2013, Chinese companies have been further encouraged to invest in Europe. Given the surge in FDI from China in combination with the declining OFDI of European firms in the People's Republic, the EU more assertively pushed for the conclusion of a BIT, in particular to acquire equal treatment for European firms on the Chinese market.[8] In accordance with this categorisation and available data for all energy subsectors, I examine the period between 2008 and 2015 in the fossil fuel and renewable energy sectors. I extend the investigation period for OFDI in the nuclear sector to 2016, where one single record-breaking investment took place which cannot be disregarded.

German solar, British oil and gas and French nuclear: A sectoral and geographical examination of Chinese FDI in the European energy sector

It was not until the midst of the financial crisis in 2008/09 that the European energy sector saw a surge in investments from China (cf. figure 1): OFDI in this sector jumped to 4.81 billion USD in 2008, declined in 2009 and 2010 and peaked at 7.7 billion USD in 2011.[9] Chinese companies continued to invest 5.29 billion USD in 2012, 1.29 billion USD in 2013 and almost reached the 2011 level with 6.89 billion USD in 2014, before declining to 1.71 billion USD again in 2015.[10] In 2016, China broke its OFDI record with a single investment of approximately eight billion USD in the UK's nuclear power sector.

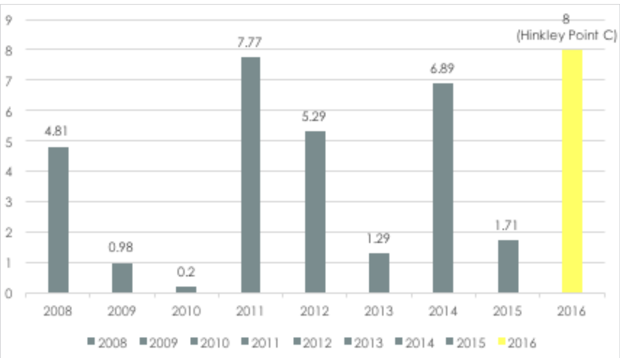

Figure 2: Chinese energy FDI in Europe by sector, in billion USD, 2008 – 2015/16. [11]

Source: Liedtke, op. cit., p. 664. Author's illustration.

Brownfield investment in Europe's fossil fuel industries [12]

21.94 billion USD of the overall 28.94 billion USD of Chinese energy OFDI between 2008 and 2015 went to the fossil fuel sector (cf. figure 2).[13] In all of these cases, Chinese firms bought shares in Europe-based oil, gas and coal companies. Hence, the choice of entry-level for Chinese companies in this sector was non-greenfield. Only one direct acquisition took place: In 2009 Chinese Sinochem bought Emerald Energy, a British oil and gas company, for 880 million USD.[14]

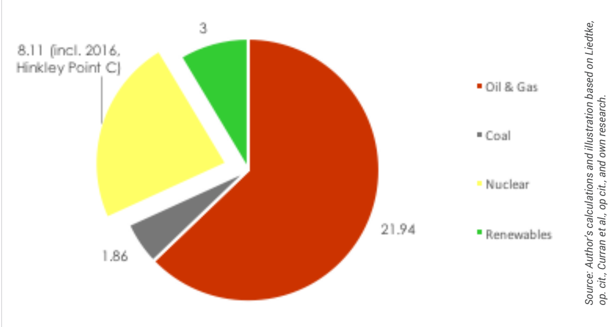

Figure 2: Chinese energy FDI in Europe by sector, in billion USD, 2008 – 2015/16.

When looking closer at the geographical distribution, a clear picture emerges: 13 of the 17 fossil fuel investments worth 18.89 billion USD went to the United Kingdom (BP), Italy (Eni, Enel), France (Total, EdF) and Portugal (Energias de Portugal).[15] Chinese companies also invested in the oil and gas sector in Belgium, Malta, Romania and Spain, as well as 1.86 billion USD in the coal sector in Romania and Poland.[16]

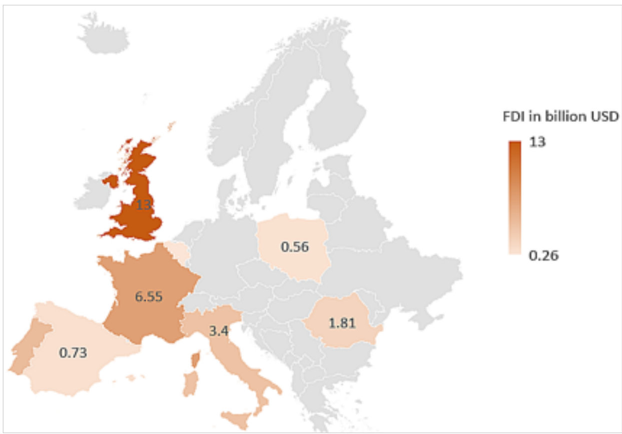

Figure 3: Chinese FDI in the fossil fuels and nuclear energy sectors, by Country and in billion USD, 2008 – 2015/16.

Source: Author's illustration and calculations based on Liedtke, op. cit., and own research for 2016.

Greenfield investments in Europe's renewable energy and nuclear energy sectors

Chinese investment in the nuclear sector was insignificant until 2015, with one single investment of 160 million USD going into a project in the UK.[17] This changed in 2016, when the China General Nuclear Power Corporation (CGN group) invested approximately 8 billion USD in the 24-billion USD Hinkley Point C project, the first nuclear power station to be built in the UK since two decades.[18] As part of a 2015 'Strategic Investment Agreement' with China, the UK envisages Chinese involvement in two further nuclear sites in Sizewell and Bradwell.[19] This record investment was greenfield, where the CGN group bought a stake of 33 percent in the Hinkley Point C project.

This market entry-mode was also predominant in the renewable energies sector: As Curran et al. (2017) point out in their empirical study, Chinese companies completed 204 transactions in the solar and 44 transactions in the wind industry sector in Europe (cf. figure 4). 186 of the investments in the solar sector have been greenfield and 18 non-greenfield. In the wind energy sector, 36 greenfield and 8 non-greenfield investments were concluded.[20] Total investments amounted to 3 billion USD.[21]

Regarding the geographical distribution of RE investments, Germany received the lion share of Chinese OFDI: almost half the number of all RE-investments in solar power (49,5 percent) went to Germany, followed by Luxembourg (10.8 percent), Italy (6.9 percent), the UK and the Netherlands (each 5.9 percent), Spain (5.4 percent) and France (4.4 percent). In the wind sector, a more diverse picture emerges: almost one-third (29.5 percent) of all Chinese wind OFDI went to Germany, followed by Denmark (11.4 percent) and the UK, France, Italy, Luxembourg, the Netherlands and Bulgaria (each 6.8 percent).[22]

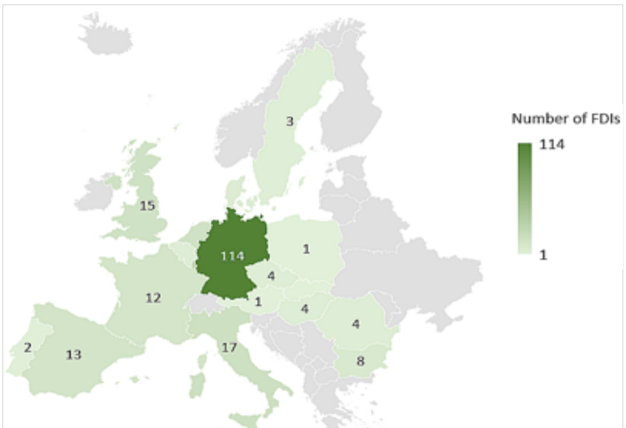

Figure 4: Chinese FDI in the renewable energies sector, by country and number of FDIs, 2008 – 2015.

Source: Curran et al., op cit., p. 676. Author's illustration.

CHINA'S ENERGY POLICIES REFLECT THE NEED TO ADDRESS DIFFERENT CONFLICTING ASPECTS OF ENERGY SECURITY

Interestingly, in both, the wind and solar subsector, Chinese FDI surged during the 'financial-crisis phase', with a total of 167 investments (of 186 in the examined period) in solar power between 2009 and 2013 and 32 investments (of 36 in the examined period) in wind power between 2010 and 2013.[23] After this boom phase, Chinese OFDI declined with the start of the 'post-crisis phase'. In the following subchapter, I analyse these empirical data and examine what motivations drove and what factors led to these investments.

Greenfield in green tech, brownfield in fossil fuels: Motivations for Chinese investment in Europe

In order to understand Chinese firms' interest in investing in Europe's energy sector, China's energy situation and interests have to be briefly touched upon. To satisfy its rapidly rising domestic energy demand, China has increasingly relied on fossil fuel imports and today is the largest importer of oil. Dependency on foreign coal and natural gas is also increasing.[24] As part of China's 'going-global' strategy, hence, Chinese National Oil Companies (NOCs) have been encouraged to invest abroad by buying shares in existing companies and secure service contracts in the energy sector.[25] In the RE and energy efficiency sectors, the general motivation for increased Chinese OFDI in Europe results from a high demand for technological know-how and a shortage of solutions for how to meet China's rising energy demand, tackling increasing environmental pollution and restructuring an inadequate industrial infrastructure system.[26] In short, China's energy policies reflect the need to address different conflicting aspects of energy security, including "supply security of fossil fuels, environmentally friendlier production techniques as well as increased shares of renewable energy, energy efficiency and respective market shares, technological know-how and industrial capability".[27]

Two white papers on energy policy in 2007 and 2012 addressed these challenges: the former called for increased energy savings and the use of new technological know-how and science to enhance energy efficiency and increase the use of renewable energies, dubbed as the "strategic choice of China to solve the contradiction between energy supply and demand and achieve sustainable development".[28] One key instrument the white paper highlighted was OFDI: "China supports direct overseas investment by domestic qualified enterprises […] to participate in international energy cooperation and […] steadily expand cooperation in energy engineering technology and services […]".[29]

The 2012 white paper reiterated the shortage of resources, inadequate energy efficiency, increasing environmental pollution especially in mega-cities and an inadequate energy infrastructure system as the main challenges to China's energy security. The paper outlines two parallel goals as being crucial in tackling these challenges: first, the development of new and renewable energies and, second, the clean development of fossil energy.[30]

China's motivation to investing in the European fossil fuel sector, hence, can be attributed to China's 'hard' security of supply concerns. The strategy aims at enabling Chinese NOCs to expand their oil and natural gas production and strategic reserves, diversifying their supply structure, evolving into internationally integrated NOCs in an integrated global supply chain as well as gaining technical expertise and "streamlining managerial capacities".[31] This explains the choice of mainly non-greenfield investments by Chinese firms, where shares have been bought in European oil, gas and coal companies. In this sector, 'Mergers & Acquisitions' prevailed since Chinese energy companies wanted to avoid large transaction costs and rapidly acquire or be shareholders of companies and technology.[32] Internationalisation, competitiveness, market and technology access as well as a deeper integration within the global fossil fuel supply chain, in other words, have been the main driver of Chinese OFDI in the European fossil fuel industry sector.

Comparing these investment motivations to those in RE industries underlines the argument of this paper that sectoral characteristics and needs of Chinese (state owned) companies indeed matter: As outlined above, greenfield investments is the prevalent entry-mode of OFDI in Europe's RE sector, which is linked to market seeking.[33] Furthermore, RE investments mainly took place in EU member states that are rich in know-how and technology, such as Germany in the solar sector and Denmark in the wind sector. What is more, RE investment was particularly attracted by countries with a lucrative feed-in-tariff for renewable energy, such as Germany, Italy and Spain. Hence, the government incentive structure for RE as well as the stage of development of the solar and wind sectors influenced investment decisions made by Chinese firms.[34] Furthermore, Chinese firms face over-capacity in China, due to the degree of saturation of the market and lower government incentives in comparison to some EU member states. Entering the European market, especially during the 'crisis-phase', secured outlets for these capacities and enabled to enhance economies of scale.[35]

Conclusion

As this paper has shown, China's investment in the RE sector in the EU mainly followed market seeking motivations and access to technology and know-how, while investments in the fossil fuel sector are aimed at securing energy supply and establish its national NOCs as global players. The policy objectives of China and the EU, hence, increasingly converge: energy security of supply and the development of cutting-edge energy technologies are of major concern for the People's Republic and for the Union.[36] As the solar panel dispute and the faltering progress on a possible bilateral investment treaty between the two blocs show, however, the relation could well slide more into competition than convergence.[37] ©

1 Eurostat, "Record EU deficit in trade in goods with China of €180 billion in 2015", Newsrelease 138/2016, Brussels, Eurostat, 12 July 2016. 2 T. Hanemann & M. Huotari, "Record flows and growing imbalances: Chinese investment in Europe in 2016", MERICS papers on China, Update no. 3, Berlin, Rhodium Group and Mercator Institute for China Studies, January 2017, p. 5. 3 Ibid., p. 4. 4 Ibid. 5 European Chamber of Commerce in China, "China Manufacturing 2025. Putting Industrial Policy Ahead of Market Forces", Report, Beijing, European Chamber of Commerce in China, March 2017. 6 Baker & McKenzie, "Reaching New Heights: An Update on Chinese Investments into Europe", Geneva, Baker & McKenzie, March 2016, p. 14.; see also T. Hanemann & M. Huotari, "Preparing for a new era of Chinese capital. 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Liedtke, "Chinese energy investments in Europe: An analysis of policy drivers and approaches", Energy Policy, vol. 101, 2017, p. 663. 10 Liedtke, op. cit., p. 664. 11 Note that OFDI in 2016 reflects one single investment in the UK's nuclear sector, to be examined in further detail below. 12 I draw on Yung-Ming Cheng's definitions of entry modes in FDI: "A brownfield entry in a foreign market is a new operation that entails the purchase of an existing firm by an acquirer headquartered outside the country, alone or with one or more partners in an amount sufficient to confer control", whereas "A greenfield entry into a foreign market involves the establishment of a new affiliate in a host country by another firm headquartered outside the country, alone or with one or more partners". Cf. Y.-M. 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THE EU AND CHINA IN THE SAHEL: SIMILARITIES IN CHALLENGES AND DIFFERENCES IN VISIONS

DIEGO ANTONČIĆ

Introduction

The Sahel is a turbulent African region whose challenges are gradually becoming more relevant in contemporary international politics. Persistent security threats in the form of terrorism and internal conflicts, extreme poverty as well as highly sensitive political issues, such as the use of torture, have received the attention of global players, most notably the European Union (EU, also Union) and China which have large interests in the region.[1] To respond to these common challenges, they have, to a certain extent, reinforced their presence and engagement in Sahelian countries in order to pursue their respective objectives in this part of Africa.

Since both actors confront very similar challenges in the region, one would expect a high degree of coordination in their approaches. This paper will analyse to what extent the security, economic and political approaches of the EU and China in the Sahel can be characterised as cooperation or competition. I will argue that though both actors are facing very similar challenges, their approaches are to a large extent divergent due to different normative foundations.

The research framework of this paper will mainly focus on Chinese and European literature on relations with Africa and it will, for the sake of clarity, use the definition of the Sahel embraced by the EU in 2015 including Burkina Faso, Chad, Mali, Mauritania and Niger.[2] The following sections will briefly analyse the broader European and Chinese policies towards the Sahel, and their security interests as well as their endeavours to achieve them. In a similar vein, the two following sections will look at the European and Chinese economic and political interests in the region and their policies to advance them. The conclusion will outline the main points of the paper, and summarise the main findings of the research concerning the rivalry/cooperation between the EU and China.

Security dimension: soldiers on the ground but divergent norms

The Sahel is considered by the EU as a part of its deeply unstable wider southern neighbourhood.[3] The EU's attention to and engagement in the Sahel rapidly increased in the period between 2011-2015 due to the emergence of the so-called 'Arab Spring' and the ensuing unprecedented migratory pressures.[4] As a result, the EU adopted the Strategy for Development and Security in the Sahel in 2011, addressing the main challenges confronted by the partner countries and identifying broad EU objectives in the region.[5] In 2015, following the main guidelines of the latter strategy, the Council of the EU adopted the Sahel Regional Action Plan 2015-2020 that concretely outlined several strategic objectives in the Sahel.[6] Thus, the EU has developed a policy framework with a sub-regional focus on the Sahel in order to cope with challenges and protect its vital interests.

China has been present in Africa since 1970s and its engagement has sharply increased in the last thirty years.[7] In the words of Thrall, "China's emergence is probably the most significant geopolitical and economic event on the continent since the conclusion of the Cold War".[8] This increased interaction between China and Africa has resulted in the China-Africa Cooperation Forum launched in 2000 with the objective of creating "a new type of strategic partnership between China and Africa" and promoting "political equality and mutual trust, economic win-win cooperation and cultural exchanges".[9] In contrast to the EU, China has not formulated a specific policy towards the Sahel region, but it rather addresses this region within its wider commercial strategy of 'Going Global', whose objective is to maximise China's foreign direct investments and commercial presence.[10] The core security objectives of the EU in the Sahel pertain to the prevention and countering of radicalisation, management of irregular migration and internal conflict resolution.[11]

In order to pursue these objectives, the EU has, since 2008, deployed two civilian and two military missions in the region, namely EUCAP Sahel in Niger (ongoing), EUTM and EUCAP Sahel in Mali (both ongoing); and EUFOR in Chad (terminated).[12] Furthermore, the EU is using the financial Instrument contributing to Stability and Peace (IcSP) whose primary aim is to prevent the emergence of conflicts as well as to confront conflict situations.[13] Concerning the management of irregular migration flows, the EU has provided financial means in the framework of the EU Emergency Trust Fund for Africa in 2015 that should foster stability, migration management and prevention of irregular migration in the countries of origin as well as in the transit countries in the wider EU southern neighbourhood, including the Sahel.[14]

In the case of China, one of the principal reasons for its engagement in the security dimension of the Sahel is the necessity to protect Chinese commercial interests and investments.[15] The largest Chinese contribution to the security of the Sahel region lies in the deployment of People's Liberation Army troops to the current United Nations (UN) missions in the region.[16] After decades of financial and logistical support to the missions, China has in the recent years also started to contribute military units, signalling its greater determination to contribute to African peace and stability.[17] In 2015, the UN Multidimensional Integrated Stabilisation Mission in Mali (MINUSUMA) included 170 Chinese soldiers belonging both to regular infantry as well as Special Forces.[18] In early 2017, China has constructed its first African naval military base in Djibouti, demonstrating the increase of its military relevance across the greater region of Northern Africa, including the Sahel.[19]

Although both the EU and China share highly similar security interests in the Sahel and even though there has been an attempt to create dialogue between the EU and China on the issue of security and peace in Africa since the EU's Policy Paper on China in 2006, security cooperation in practice has been very limited.[20] The main explanation for this failure can be found in the normative differences between two world actors in regard to state sovereignty and non-interference in other countries' internal affairs.[21] On the one hand, the EU pursues its security objectives in the Sahel by actively deploying military and civilian missions and by offering support through its financial instruments. This stresses the fact that the EU considers deeper engagement in the form of military missions and financial support more effective than the uncompromising adherence to the right of state sovereignty and non-interference. On the other hand, China takes a more prudent approach and does not employ troops in the Sahel, with the exception of those forces serving in the UN missions. In addition, there are no Chinese financial instruments aimed at improving the security situation in the Sahel. This -in contrast with the EU- demonstrates an approach that above all emphasises non-interference and full respect of the state sovereignty of the Sahelian countries.

Economy: European development cooperation or investments à la chinoise

The region of the Sahel is seen by the EU as an area of permanent instability with multiple security threats that highly constrain economic activities.[22] Nevertheless, the EU is determined to protect its existing economic interests in the Sahel as well as to create a better economic environment for its enterprises by encouraging trade with the partner states in the region.[23] In addition, the EU supports the economic development of the Sahelian countries, particularly with regard to employment and educational opportunities as well as in regard to small and medium size enterprises.[24] The latter is done through the EU's European Development Fund (EDF), a financial instrument that supports former countries of the so-called Africa-Caribbean-Pacific group, including all countries in the Sahel.[25] Regarding trade relations between the two regions, the EU has enabled, since 2011, a full quota and duty free access to its market for the least developed countries in the framework of the General System of Preferences' initiative 'Everything but Arms' (EBA).[26] Since all five Sahelian countries are classified as Least Developed countries, they are all entitled to benefit from the EBA provisions.[27]

One the other hand, China has been increasingly engaging with African markets in the past decades and it has often emphasised that markets like those in the Sahel are relatively underutilised, which makes them a good opportunity for Chinese investments and businesses.[28] Moreover, natural resources such as large oil reserves in Chad represent another positive trigger for an increased Chinese presence in the region.[29] As already noted above, the expansion of Chinese investments in Africa is a consequence of Beijing's commercial strategy of 'Going Global' whose main objective is to raise the scope of Chinese investments globally.[30] Although the Chinese government is interested in the economic stability of the partner countries in Africa, in contrast to the EU, China does not support least developed countries financially through development instruments, but rather with investments in the core infrastructure (about 70% of China's aid) or with so-called concessional deals, where loans are giving in exchange for the use of natural resources.[31] Chinese investments in Chad's infrastructure, ranging from building a new international airport in Djarmaya to constructing several roads, are a case in point.[32] Furthermore, debt relief policy is a key element of China's economic interaction with African states.[33] In 2006, for instance, Africa's debt of $1.4 billion was cancelled.[34]

Observing the economic approaches of the EU and China in the Sahel, one could again identify strong differences that directly prevent deeper Sino-European economic cooperation in the region. One of the main reasons for different approaches is the diverging understanding of the concept of the least developed countries' development. The EU sees the least developed countries as international actors that should be entitled to better trade conditions and additional financial aid for the development of their economies. Therefore, the EU allows for a full quota and duty free access for Sahelian countries to its market and it offers considerable amounts of financial aid through the EDF for pursuing its economic objectives. China, however, does not allow for a full quota and duty free access to its market, but it rather considers investments in the core infrastructure, debt relief or the so-called concessional deals as a more effective way to encourage the development of the least developed countries. These differences also partially relate to the above mentioned divergent understanding of sovereignty and non-interference. While the EU's relations with the least developed country still reflect the inequality between the partners in the form of non-reciprocal preferential market access, China's aid policy underlines primarily the respect for sovereignty and the principle of equality between partners.[35]

Political dimension: welcome to 'value-wrestle'

In its external political interaction with the African continent and, especially with the region of the Sahel, the EU has been strongly promoting its core values – democracy, human rights and the rule of law.[36] In order to foster these values, the EU is using its bilateral political dialogue with the Sahelian countries focusing on different issues.[37] In addition, the EU has at its disposal other financial instruments, such as the EDF and the European Instrument for Democracy and Human Rights (EIDHR) that aim at making progress related to the above noted normative areas and at providing support to civil society organisations in the region striving for the same goals.[38] It is worth stressing that the financial contributions from the EDF and the EIDHR predominantly come with political conditionality, pushing Sahelian countries to adopt certain reforms or to improve their records on the main values-based issues around which the EU has built its normative core.[39] In case a Sahelian country fullfills certain conditions, it will receive more benefits from the EU. For instance, in Burkina Faso, the EU developed a set of policy implementation indicators that are used as future development aid payment criteria.[40] On the other hand, if a country does not fulfil said conditions, the EU can interrupt its aid. An example of this "negative" political conditionality can be found in the relations between the EU and Mali. The EU agreed to make financial contributions from the EDF and IcSP to Mali, provided that the Malian government implemented an EU-formulated political roadmap.[41] Following the military coup in 2012, the European Commission decided to stop its aid until the political situation in Mali improves.[42]

In contrast to the EU, China is pursuing political objectives in the Sahel and in the wider context of African continent that seek to promote a positive image of the Chinese influence in Africa as well as the values of non-interference in internal affairs and governmental stability.[43] China has been gradually presenting itself since the end of the Cold War as a world power that displays a high level of solidarity towards the developing countries of the Sahel, and that could represent a political and economic alternative to Western neo-imperialism in Africa.[44] The government of China wants to transform these warm relations with African countries into diplomatic gains in the international fora, such as the UN.[45] For instance, following positive bilateral diplomatic exchanges, the Mauritanian government supported the Chinese position on the South China Sea in 2016.[46] Unlike the EU, China does not have financial instruments or funds, such as the EIDHR or the EDF, specifically supporting its political endeavours in the Sahel, but it is rather using its diplomatic relations to achieve its political goals of promoting positive image of the Chinese influence in Africa and the values of non-interference in internal affairs and governmental stability.

This analysis of the European and Chinese political approaches to the Sahel has once more demonstrated that the two actors have strongly divergent visions on how to respond to challenges in the Sahel. The EU is underlining the relevance of democracy, human rights and rule of law by offering financial means that are politically conditioned, whereas China's main objective is the promotion of its influence and image in the region that could result in more support on the international stage as well as in the encouragement of values of non-interference in domestic affairs and stability.

Conclusion

The brief assessment of European and Chinese interests and activities in the Sahel with regard to the security, economic and political dimensions has led to the conclusion that the approaches of these actors in the above mentioned three areas can, to a large extent, be characterised as competing. The clash between the European and Chinese understanding of state sovereignty and non-interference in internal affairs; the differences in external economic policies between European development aid and Chinese investments; as well as the normative cleavage between 'European values' of human rights and democracy and 'Chinese values' of non-interference and stability – are a result of different normative foundations between the EU and China. Thus, both actors are leading competing policies in the Sahel that directly prevent greater mutual cooperation on common security, economic or political challenges in the future. It is important to emphasize that due to space and time constraints, this research was only able to focus on three dimensions of cooperation between the EU and China in the Sahel. A broader and more comprehensive analysis would be needed to shed light on possible cooperation/competition patterns in other areas, such as environment, agriculture or energy.

Since conflicts and security threats will continue to be part of the reality in Africa, effective cooperation of global powers with interests in the region such as the EU and China represents a prerequisite for regional peace and stability. However, overcoming their normative differences will remain one of the crucial challenges for them to work together to ensure a prosperous future for Africa and the Sahel. ©

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