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Degree of Master's of International Studies

(International Area Studies)

**A Comparative Analysis of African
Partnerships with China and the European
Union
- Trade, FDI and Foreign aid -**

August 2020

Graduate School of International Studies

Seoul National University

LWANZO MUSAVULI Fabrice

A Comparative Analysis of African Partnerships with China and the European Union

- Trade, FDI and Foreign aid -

A thesis presented

By

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A dissertation submitted in partial fulfillment
of the requirements for the degree of
Master of International Studies

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ABSTRACT

A Comparative Analysis of African Partnerships with China and the European Union - Trade, FDI and Foreign aid –

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This study attempts to analyze how Africa can engage in economic and development partnerships with the European Union and China. Indeed, since its admission into the World Trade Organization, China has extended its web of economic partnership in all areas and in all regions - the African continent has not been therefore forgotten in this Chinese project. As a result, its rapid economic growth and its ambitious appetite for the African continent have continued to be the subject of debate and questioning in the circles of former African economic partners, namely Europe and America.

Thus, through a comparative analysis of three economic variables - the level of trade, the level of investment, as well as the amount of aid to Africa, this study attempts to figure out the Chinese ambitions in Africa compared to the projects of former partners of the continent united in the European Union, and proposes some recommendations to African leaders for Africa to benefit from these two types of partnerships for its growth and economic development.

Our results showed that the level of economic partnership between Africa and its former partners from the EU is still strong with the increase in the level of trade, and that European investments in Africa are huge, and the fact the EU is one of the major donors of Foreign aid to Africa. But, yet China is coming to Africa. And knowing that Africa is one of the key regions in the OBOR Chinese project as one of the Chinese national security strategy – Africa is included in one of the six land corridors of the Silk Road Economic Belt – the rapid economic growth and the extended space of its economic network will also be a major opportunity to Africa for economic development.

Therefore, in order to get benefit from this Chinese partnership alongside that from the European, African leaders should rethink a new kind of partnership with China. This would be addressed by expanding the values chains of the African market and reinforce the project of an integrated economic zone. The main project to focus on is still the African Continental Free-trade Agreement; this would enable Africa to help address the multiple continental disconnects of African markets in the aim to make them more competitive and to ensure the promotion of local investment incubator projects for young people and local populations.

Keyword: African Partnerships, Trade, FDI, Foreign aid.
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Table of Contents

ABSTRACT	I
TABLE OF CONTENTS	III
ACRONYMS AND ABBREVIATIONS	IV
LIST OF TABLES AND FIGURES	V
Tables	v
Figures	v
CHAPTER 1: INTRODUCTION	- 1 -
1.1. Background of the study	- 1 -
1.2. Significance and Objectives of the Study	- 2 -
1.3. Problematic and Hypotheses	- 4 -
1.4. Structure of the study	- 6 -
CHAPTER 2: LITERATURE REVIEW	- 9 -
2.1. EU's and China's Cooperation Strategies with Africa	- 9 -
2.2. Impacts of EU's and China's Cooperation on economic growth in Africa	- 11 -
2.3. Effects of EU's and China's Economic Strategies on African development	- 13 -
CHAPTER 3: METHODOLOGY	- 15 -
3.1. Definition of the Comparative methodology	- 15 -
3.2. Research Framing and Analytical structure of the study	- 17 -
3.3. Data Collection	- 18 -
CHAPTER 4: ANALYSIS	- 21 -
4.1. Trend of Trade between China and Africa versus Trend of Trade between EU and Africa	- 21 -
4.2. Trend of China's FDI in Africa versus Trend of EU's FDI in Africa	- 27 -
4.3. China Foreign aid to Africa vs EU's ODA to Africa	- 33 -
4.4. The EU-China relations: Competition or Cooperation?	- 37 -
CHAPTER 5: CONCLUSION AND POLICY IMPLICATIONS	- 41 -
5.1. Conclusion	- 41 -
5.2. Recommendations and Policy Implications	- 43 -
REFERENCES	- 47 -
ABSTRACTS	- 53 -
Korean	- 53 -
French	- 55 -

Acronyms and Abbreviations

ACP:	African, Caribbean and Pacific states
ADLI:	Agricultural Development Led Industrialization
AERC:	African Economic Research Consortium
AMU:	Arab Maghreb Union
B.C.:	Before Christ
CEN-SAD:	Community of Sahel-Saharan States
CIDCA:	China International Development Cooperation Agency
COMESA:	Common Market for Eastern and Southern Africa
DAC:	Development Assistance Committee
DCI:	Development Cooperation Instrument
DRC:	Democratic Republic of the Congo
EAC:	East African Community
ECCAS:	Economic Community of Central African States
ECOWAS:	Economic Community of West African States
EDF:	European Development Fund
EU:	European Union
EUR:	Euro
Eximbank:	Export-Import bank
FDI:	Foreign Direct Investment
FOCAC:	Forum on China-Africa Cooperation
GDP:	Gross Domestic Product
GNI:	Gross National Income
IGAD:	Intergovernmental Authority on Development
M&A:	Mergers and Acquisitions
MOFCOM:	Ministry of Commerce of the Popular Republic of China
OBOR:	One Belt One Road
ODA:	Official Development Assistance
OECD:	Organization for Economic Co-operation and Development
PPP:	Public-Private Partnership
PRC:	Popular Republic of China
SADC:	Southern African Development Community
SDG:	Sustainable Development Goals
SOE:	State-Owned Enterprise
SSA:	Sub-Saharan Africa
UN	Security Council: Security Council of the United Nations
UNCTAD:	United Nations Conference on Trade and Development
US or USA:	United States of America
USD or US\$:	US Dollar
WTO:	World Trade Organization

List of Tables and Figures

Tables

TABLE 1 : SITUATING THE COMPARATIVE METHOD AS OF 1971: LIJPHART'S SCHEME.	- 16 -
TABLE 2: FOREIGN DIRECT INVESTMENT, EU-28, 2012–2015	- 32 -
TABLE 3: COLLECTIVE EU'S ODA FROM 2007 TO 2016.	- 37 -

Figures

FIGURE 1: CHINA TRADE IN GOODS WITH AFRICA (BILLIONS OF US\$).	- 22 -
FIGURE 2: TRENDS OF TRADE BETWEEN CHINA AND AFRICA.	- 23 -
FIGURE 3: EU-28 TRADE IN GOODS WITH AFRICA.....	- 24 -
FIGURE 4: SUB-SAHARAN AFRICA'S TRADE TRENDS WITH MAIN PARTNERS FROM 2000 TO 2013..	- 24 -
FIGURE 5 :TRENDS OF TRADES BETWEEN THE EU AND AFRICA, AND BETWEEN CHINA AND AFRICA.(TRENDS OF EXPORTS AND TRENDS OF IMPORTS	- 25 -
FIGURE 6 A. EU-28 IMPORTS AND EXPORTS GOODS TO AFRICAN REGIONS, 2008-2018 (EURO, BN)	- 26 -
FIGURE 7 : TOTAL TRADE TRENDS WITH CHINA	- 26 -
FIGURE 8 : TREND OF ANGOLAN GDP PER CAPITA 1980-2018 (CONSTANT, US\$).....	- 27 -
FIGURE 9: TRENDS OF FDI IN ETHIOPIA 1991-2000 (IN MILLIONS OF BIRR).....	- 29 -
FIGURE 10: CHINA'S FDI IN AFRICA FROM 2003 TO 2017.	- 30 -
FIGURE 11: TRENDS OF CHINESE FDI AND EU'S FDI IN AFRICA.	- 31 -
FIGURE 12: INTRA-AFRICAN TRADE AND PARTNERS' TRADE SHARES FROM 1990 TO 2017.	- 33 -
FIGURE 13: EU'S AND CHINA'S AID TRENDS TO AFRICA.....	- 35 -
FIGURE 14: INVESTMENT TRENDS BETWEEN EU AND CHINA (% OF AGGREGATE).....	- 38 -
FIGURE 15: CHINA-EU FDI COMPARED TO EU-US FDI IN 2017.	- 38 -
FIGURE 16: OUTLOOK FOR BILATERAL EU-CHINA TRADE (\$ BILLION)	- 39 -

Chapter 1: Introduction

1.1. Background of the study

There is a historical connection between China and Africa on one hand, and relations between Europe and Africa are secular. For both cases, contacts have one particularity of being focused largely of commerce and trade. Historically, trade relations between China and Africa have existed from the earliest time of the 15th century BCE, with the first Han dynasty. (Renard, M-F. 2011).

The European contacts with Africa date in the earlier 14th and 15th centuries, during the era of exploration by Spanish and Portuguese. In fact, before the terrible trade between Europe and West Africa began, Europeans, especially the Dutch and Portuguese, started to trade with Africa and to exchange objects such as textiles and metal objects in the 15th century. In return, they obtained goods such as spices and raw materials - as ivory and gold (Poulter, E. 2007).

As a result, these two powers seem to be global partners of Africa, particularly in economic terms. Trade between China and Africa has grown in importance at the end of the 21st century; and Chinese projects have spread at the African arena in both political and economic sectors (Gegout, C. 2013).

In fact, China's growth and ability to move from extreme underdeveloped poor State to an emerging world power and one of the largest exporters of manufactured goods over the past 30 years has attracted the attention in developing countries. China's impact on the African economy is partially reversed by the manufacturing structure of each country.

In general, cooperation between China and Africa can bring significant benefits to the African economy in regard of the national particularity of the country (Renard, M-F, 2011) in contrast to their traditional partners.

However, the comparative advantages and disadvantages of Chinese engagement in Africa should be analyzed to point out to see if China is a model of development for Africa, either if this model is sustainable for a long-run economic development.

1.2. Significance and Objectives of the Study

This study aims to analyze the level of economic partnerships and trades between China and Africa; and between European Union and Africa. In fact, through a comparative view, this study is aiming to analyze advantages and disadvantages of Africa's partnerships and trades with EU and China; the economic impacts of China's rise to Africa and its future view in the Africa's economy. It also pursues to understand the different perspectives of Africa from both sides – how China considers its cooperation with Africa; and how EU figures its cooperation with Africa also.

The objective of this study is related to three points of view. On a personal view, this study will help me to understand more about the spreading economic engagement of China in Africa and the strategy of cooperation of China with African countries. In fact, as Africa seems to be the continent of future, taking into account its major achievements – African economies are growing faster than any other in the world with an average growth rate of around 5% for the last decade 2008-2018, according to the recent report of Future Agenda Think-tank - and these potential advantages in terms of population,

economic growth and future huge market have pushed world great economic powers to look towards Africa (among them China and the EU).

On an academic view, this study is a contribution to the broad literature about China-Africa relations and about EU-Africa relations. In fact, putting in account its particular status – developed country on one foot and developing on another¹ (Muekalia, D. J. 2004), many analysts have discussed a lot about China's intentions and goals. This study is a contribution to this discussion, with a particularity of a comparative analysis about the Sino-Africa relations and the EU-Africa relations.

From a technical and professional point of view, this study is part of the policies actively involved in the partnership between China and Africa and between the EU and Africa. In fact, as an official in my country the Democratic Republic of the Congo, this study will help to figure out the Congo-China cooperation vis-à-vis the Congo-EU cooperation. Through the policy implications that will be provided in the conclusion, policymakers from Africa and particularly from DRC will find in this study an important handbook of comparative analysis during negotiations either with China, or with Africa.

This study will be also a guide for redefining the nature of partnerships and trades that African developing countries should establish with these two economic powers – EU and China; and evaluate the comparative advantages in this economic cooperation.

¹ China's position is unique. It has one foot in the developing world and another in the developed one with an advantage of a permanent seat on the UN Security Council.

1.3. Problematic and Hypotheses

The purpose of all scientific studies is to answer a question that requires the application of an approach to produce the expected results of the study. Therefore, the announcement of the original question for a scientific study becomes a rigorous step that requires an adoption of pertinent questions that focus their attention on the object of study.

Thus, my research questions read as follows: 1) Is China's economic growth and commitment to Africa detrimental to the European Union's economic interests on the African continent? 2) What is China's economic strategy for Africa? 3) What is the EU's economic strategy for Africa? 4) How can Africa gain from this type of cooperation? Can China's economic growth be linked to the rebirth of economic growth in Africa? More importantly, how can China's commitment accelerate growth in terms of job creation and increased labor productivity, and technology transfer in Africa (and contribute to Africa's development)?

By answering to these questions, this study is assessing to understand the nature of cooperation that deserves for Africa to take advantage of these two types of economic cooperation.

The assumptions of this study here bellow were formulated on the basis of these raised above research questions:

H.1: Yes, China's economy is virtually surprising in the EU and the future trends could make China become one of Africa's largest trading partners. Indeed, if we look at the level of trade between China and Africa and the level of trade between the EU and Africa, it is clear that China is developing its economy in Africa more than in the EU is doing.

On the other hand, the FDI trend also shows that China's investment in Africa is growing rapidly. China's FDI is diversifying both locally in Africa and in other project sectors all over the world.

H.2: China's economic strategy for Africa seems to be based on South-South cooperation launched in the 1950s at the Bandung Conference. In fact, China's policy in Africa started slowly in the 1960s, after the Bandung Conference (1955) and Beijing aimed at asserting its leadership on the Third World and the Non-Aligned Movement (Meidan, M. 2006). From the end of the 1950s, motivated by geopolitical reasons - competition with Taiwan and the Soviet Union - China granted aid to Africa (Chaponnière, J-R 2009) in terms of grants and loans. This support ended in 1975, and China benefited from African programs and projects over the United States. (Xinhua News, 2011). To this aid, underestimated, have been added credits proposed by the China Exim Bank (Bank of import-export of China, created in 1994), which is the largest institution of its category (Chaponnière, JR.)

And this situation persists, as highlighted by the Action Forum on China-Africa Cooperation - FOCAC Action Plan (2019-2021): "China and Africa cooperation pursues towards an even stronger community with a shared future through win-win strategy to undertake and to work together for strengthening their relations in these following areas: 1) political cooperation, 2) economic cooperation, 3) social development cooperation, 4) culture, 5) cooperation for peace and security, and 6) international cooperation "(FOFAC, September 2018).

H.3: The EU's economic strategy for Africa is to pursue regional economic integration, trade and infrastructure. In fact, according to the Africa-EU partnership, the main objectives of Africa-EU cooperation are to bring Africa and Europe closer together, strengthen economic cooperation and promote sustainable development. Briefly, two continents where peace, security, democracy and prosperity could coexist in solidarity and human dignity (Africa-EU Joint Strategy, 2007).

H.4: As a continent of the future (Valls, October 2016), Africa must engage with all partners and choose the best. In fact, the EU strategy seems to be more focused on the implementation of democratic systems and respect for human rights and environmental laws.

1.4. Structure of the study

This study is structured as follows. In the first chapter (the introductory chapter), I present an overview of the theme and object; as well as the objectives study. In this section, I also specify my research questions and to provide some hypotheses to these questions. This introductory part closes with a structural presentation of this study.

The second chapter deals with the review of the literature where I focus on the analysis of previous studies in order to highlight the particularity of my research. The third chapter deals with the announcement of the methodology and the research approach where I focus attention on the determination of the variables of study.

The fourth chapter deals with the analysis and presentation of the results and findings. This section is followed by a fifth chapter which concludes the study by providing some recommendations and policy implications about the China-Africa economic cooperation

and EU-Africa economic cooperation to African countries broadly, and particularly to the Democratic Republic of the Congo.

Chapter 2: Literature Review

The issue of comparative analysis of China-Africa economic relations and of EU-Africa ones has been raised by many researchers and analysts around the world. In fact, since the liberalization of the Chinese economy (December 1978) during the Deng Xiaoping presidency, China has been one of the pillars of the global economy. And this situation has been discussed and has become a subject of debate for the rapid growth of the Chinese economy has been spectacular and has raised diverse suspicions among many other economic powers that seem to consider it as a bothersome to their global economic hegemony².

2.1. EU's and China's Cooperation Strategies with Africa

And, since the accession of African countries to sovereignty, partnerships have developed and newly independent States began to establish links of all kinds with the outside world. On the economic front, because of the challenges of the Third World, the new independent African countries have developed cooperation based on the principles of mutual partnership and equal cooperation. This partnership includes relations between China and Africa that has lasted for the past fifty years – time required for evaluation of outcomes. By demonstrating the effects of China's trade with Africa and China's investments in Africa, some researchers pointed out that it would require several years

² The current Trade war between the US and China is an illustrative example of this situation. It started from taxes, communications, property rights, etc... now, the economic clashes are moving so far becoming matters of security threat and political retaliation between the two great powers.

of detailed evaluation to oversee even this China-Africa Partnership can work or not. (Renard, M-F. 2011)

In addition, Africa has 53 countries with different histories, development models and political governments and regimes. These researchers emphasize the fact that African countries are differentiated from diverse economic structures. The economic diversity of African countries is then very huge, with Egypt and South Africa being the most diverse (and therefore probably the least vulnerable) and some oil exporters are heavily dependent on oil revenues. So, China depending on trade needs and economic advantages, the importance partnership varies widely. Compared to European countries or the United States, the importance of African countries in China partnership is also different. (Alden, C. 2007). This shows that China's partnership with Africa should be analyzed differently from China's partnerships with other regions.

Moreover, the Chinese economic model seems to be proper for China only. Many African countries were encouraged to emulate the Chinese experience, even if it is not transferable, the Chinese development model ended with an antagonistic policy structure, developed internally, and economic actors largely reliant on this system (Naughton, B. 2008). So, this structure was strongly different from the one adopted from the West which relays to the fiscal sector to enhance the financial sector of the country. Chinese seem less restrictive to taxes than European partners.

2.2. Impacts of EU's and China's Cooperation on economic growth in Africa

Opinions differ also according to the appreciation of the impacts of China's partnership with Africa. For some countries, China's trade in Africa has increased the growth and is deeply participating in the development process of African countries. For example, countries that explore crude oil and raw materials – primary commodities - will gain in trading with China because they could export more and gain more also (Eichengreen, B. and Hui, T. 2006); while those who don't have great capacity of export will suffer of competition for Chinese products in Africa are sold in low prices (Ajakaiye, O. et al., 2009, Ademola, O. et al., 2009).

In analyzing the impact of Chinese and Indian FDI in Africa, Geda highlighted the risks to African economies and its manufacturing sector alongside the Chinese investments. In fact, as most African countries are neither producers nor exporters of products for which China and India are competitive (manufactured labor-intensive products), its effects on African economies are bearable. But, for the little local investors, it will be difficult to handle the Chinese competition and be more productive, because the financing sector and the trade regulation one are still weak in Africa. (Geda, A. 2006).

Following the same idea and based on this scenario, two other specialists, Stevens, C. and Kannan, J. (2005) stress that it is important to answer the question of whether countries that do not already export labor-intensive manufactures are likely to enter China's value chain in a sustainable and economically beneficial manner in the medium term; Lu Bo (2018) estimated the evolution of capital transfer and pointed out that since

1990, Chinese companies were encouraged to invest in Africa and to participate in projects built with preferential loans granted by the Chinese government. That was difficult to implement because Chinese trade in Africa is not well regulated and the local investors are still scared about the common integration with China's commerce alongside with theirs. As a result, seeking solutions to the problems of competition and the integration of Chinese trade in Africa, many scholars have painted the situation and put forward some suggestions. Some suggested the economic restructuration of the China's trade to become joint ventures able to benefit for both parties. According to the information provided by the Chinese government, it was noted that during the two years 1999-2000, 46 donor-funded projects in 21 countries were transformed into joint ventures with Chinese enterprises. The Chinese firms began to extend the Chinese overseas private investments slowly and cautiously, following the "Going out" strategy launched by the Chinese government. As a result, more and more specialized Chinese companies investing in exporting or importing with sub-Saharan African countries have begun to transfer part of their production to countries in sub-Saharan Africa. (Lu Bo, 2018)

Showing the potential of China's investment in Africa, some scholars underlined that Africa is really gaining from China's engagement in Africa. In recent years, Chinese investment in sub-Saharan Africa has increased very rapidly. To date, more than 800 Chinese companies in Africa are involved in manufacturing, oil, mining, telecommunications (Huawei in Kenya, Zimbabwe and Nigeria), electricity (a Beijing-based company has invested \$ 3.04 million in Kenya to build a concrete dam), etc.

Chinese company involved in the construction of the Lekki Free Trade Zone in Lagos, Nigeria. (Ajakaiye, O. et al., 2009, Ademola, O. et al., 2009).

While other scholars are skeptical about the effects of the Chinese partnership with Africa, highlighting the heavy price the EU partnership is paying because of Chinese economic strategy. The advent of China in Africa has come to destroy the African market of the EU. This is certainly due to the EU's cooperation strategy with its former colonies in Africa. Indeed, the overall EU decision-making process for Africa has lost credibility. This success was underscored by the success of Chinese investments in Africa, as well as by the positive response of Chinese investment proposals by African heads of state and government. (Barton, B. 2011). Given China's growing presence in investment and its influence on the continent, Africa will increasingly be the provider of natural resources for Chinese factories, while Africa will gain from exports to China and cheap Chinese products on the market. The deployment of infrastructure by the Chinese in Africa is partly designed to facilitate this process - to alleviate supply-side constraints on transportation. In most cases, Africa has welcomed Chinese investment, particularly with regard to Chinese investment in its "strategic assets", and the apparent political resistance in the continent has hardly seemed to undermine the economic interest of China. (Davies, M. 2011).

2.3. Effects of EU's and China's Economic Strategies on African development

Comparing the two strategies, other scholars pointed the common link between the two and the hidden intentions from both parties. The EU's partnership with Africa is not as

so different than the China's one with Africa. Both of them are major exporters to Africa; and furthermore, cooperation is required between EU and China in developing water infrastructure, electricity supplies, dams, building roads in African countries. Natural resource exploitation and energy or mineral security are at the core of the EU and China's engagements in Africa (Ogunleye, E. K. 2011).

In analyzing the complex situation of the China-European Union Partnership for Africa, Uwe Wissenbach (2008) argued that EU-China dialogue and cooperation on Africa's development could be seen as a test of the EU-China Strategic Partnership - strategy that aims to promote global security and governance through effective multilateralism, underlining the China's ambition to become a great responsible power, and also the development of Africa and its position in the world. It is therefore clear that Africa's development has become a problem not only for aid specialists or economists, but also for international relations specialists.

To address this issue, the researcher argues that functional multilateralism can facilitate the process of solving short-term global challenges and the process of changing long-term norms and values, and complement and enhance the inadequate multilateral structures of the 20th century. (Uwe Wissenbach, 2008). It builds a bridge between the multilateral approach of the EU and the most pragmatic approaches of China (and the United States).

Trying to assess this parallelism between these two types of cooperation, our methodological approach will then help us to analyze and give suggestions according to the results found during our study.

Chapter 3: Methodology

3.1. Definition of the Comparative methodology

According to the Social Research Glossary (Harvey, L., 2012-19), the comparative method is nothing more than the process of making comparisons. In fact, comparative research, in simple terms, consists of comparing two or more things in order to discover something about one or all things compared.

Unlike the quantitative method which for its case is based on scientific models mathematically proved and supported by theories, the comparative method manipulates the facts and situations to be studied as it would be in everyday life by comparing A to B. As they treat cases separately, and different cases are treated differently; the magnitude of the difference determines the contrast in treatment of cases. If one is not able to distinguish two enough, the conclusions of the research will not be very useful (Taylor, S.J. and Bogdan, R.1990).

The comparison seems to be the fundamental tool of the analysis. It hones our power and sense of description, and intervenes in concept-formation by providing into focus suggestive similarities and contrasts among cases. Comparison is routinely used in testing hypotheses, and it can contribute to the inductive discovery of new hypotheses and to theory-building (Collier, D. 1993).

The comparative method is defined and analyzed in terms of its similarities and differences vis-à-vis the experimental and statistical methods (Lijphart, A. 1971). The principal issue to face in the comparative method is that it should generalize on the basis

of relatively few empirical cases. Four specific ways in which this difficulty may be resolved are discussed and illustrated: (1) increasing the number of cases as much as possible by means of longitudinal extension and a global range of analysis, (2) reducing the property space of the analysis, (3) focusing the comparative analysis on “comparable” cases, and (4) focusing on the key variables.

Table 1 : Situating the Comparative Method as of 1971: Lijphart’s Scheme.

Case Study Method	Comparative Method	Experimental Method	Statistical Method
<p>Merit: Permits intensive examination of cases even with limited resources.</p> <p>Inherent Problem: Contributes less to building theory than studies with more cases.</p> <p>Types of case studies:</p> <ol style="list-style-type: none"> 1. Atheoretical, 2. Interpretive, 3. Hypotheses generating, 4. Theory-confirming, 5. Theory-infirmit (i-e, case studies that weaken a theory marginally), 6. Deviant case studies. 	<p>Defined as: Systematic analysis of small number cases (“Small-N” Analysis).</p> <p>Merit: “Given inevitable scarcity of time, energy, and financial resources, the intensive analysis of few cases may be more promising than the superficial statistical analysis of many cases” (Lijphart, A. 1971).</p> <p>Inherent Problem: Weak capacity to sort out rival explanations, specifically, the problem of “Many variables, few cases”.</p> <p>Potential Solutions:</p> <ol style="list-style-type: none"> 1. Increase number of cases, 2. Focus on comparable cases, 3. Reduce number of variables: <ol style="list-style-type: none"> a) Combine variables, b) Employ more parsimonious theory. 	<p>Merit: Eliminates rival explanations through experimental control.</p> <p>Inherent Problem: Experimental control is impossible for many or most topics of relevance to field of comparative politics.</p>	<p>Merit: Assesses rival explanations through statistical control.</p> <p>Inherent Problem: Difficult to collect adequate information in a sufficient number of cases, due to limited time and resources.</p>

Source: Lijphart, A. 1971.

It is argued that the case study method refers firmly to the comparison method. The comparative method distinguishes six types of case studies (theoretical, interpretative, hypothesis generation, theoretical confirmation, analysis of theoretical and deviant cases)

and their theoretical value seems then to be well analyzed. Thus, the comparative method is intended only for a small number of cases, including at least two observations to ensure the possibility of applying traditional statistical analysis. (Lijphart, A. 1971).

3.2. Research Framing and Analytical structure of the study

In the case of this study, two observations or cases study are considered: the China – Africa's case and the EU – Africa's case. Dealing with these two cases, we are going to estimate the level of partnerships and trade trends for the two observations. This should process by focusing of particular patterns of analysis that could permit to confirm or reject our hypotheses. The three patterns concerned by our analysis are: the level of trade, the level of investments and the level of ODA.

Focusing on the Trade volume analysis, the study will correlate the level of trade for one observation to the outcomes in terms of economic growth and sustainable development in African countries. By comparing the trade volumes of the two commercial and economic partners of Africa, this study highlights the comparative features of the level of partnership by identifying the determinants of economic development from these two partnerships and providing their implications on the economic sectors and on the development of Africa's industrial sector. Putting in account the effect of Foreign Direct Investment on the employment sector and the innovation – transfer of knowledge and technology, transfer of production factors and the promotion of the value chain production – this study draws the similarities and parallelism in partnerships of Africa with these two economies – China's economy and EU's economy. This study, even though it is a comparative study, focuses more on China's economic progress and its

growing commitment to the African market vis-à-vis Africa's other economic partners, including the EU.

Comparing the economic features and structures of the two economic partners of Africa, it could be also possible to draw and set strategy of cooperation with each of them. This is possible by comparing the economic strategies and views of partnerships with Africa of the two economies.

Some cases illustrating the potential positive effect of China's partnership with Africa will be provided that then could extend the comprehensive approach of China's engagement in Africa and the advantage African countries can get in terms of job creation and technology and knowledge transfer. Five countries are then chosen which are Angola, Ethiopia, Kenya, Senegal and the Democratic Republic of the Congo. In fact, referring our three variables of comparison, the study will show how Chinese presence in these countries has given positive effect on the economic growth and the social welfare of the local populations. However, this illustration will be followed by a short statement about the risks of Chinese engagement in Africa.

3.3. Data Collection

Data used in this comparative analyses are provided from multiple sources. I use data from UNCTAD Statistics, OECD Stat, EURO.Stat, Ministry of Commerce of the Popular Republic of China (Caixin Database), Data provided from the AU's economic Commission, the China-Africa Research Institute Database (John Hopkins School of Advanced International Studies), World Development Indicators database and the WTO

database, Trading Economics Database, and many other national sources of data of the countries concerned by this study.

Data related to the FDI trends were chosen according to the EU countries which are members of OECD. Two countries were not then considered in this analysis: Bulgaria and Romania for there were no data available on FDI for these two countries. According to the trade trends data, this study considered the total of the major economic sectors (merchandises and services) for in China's case, I couldn't find the distinction between the two sectors – which could make this analysis more complicated.

Finally, with regard to the evolution of aid data, data provided by the EU, in the case of the European Union, are provided in Stat. with all references on types of help and sectors; However, China's foreign aid amounts were obtained in total from China's official finances, including ODA equivalent funds, government matched funds, and official investments. Includes only project records that are not canceled, suspended, or from suspicious reports.

Chapter 4: Analysis

From the past two decades, the Africa's economic relationships with China have increasing and spreading rapidly so that scholars are questioning now about the retaliations of this situation with the great regular partners of Africa – the US that used to be the world great economic power and some of the EU countries referring to the former ties of colonization.

China's economic relations with Africa are enhanced now from the formal status of providing technical assistance by building infrastructures to a major economic and industrial driving pillar of the African economy; and thus China has integrated the sphere of great economic investors in the continent. China has also declared its presence in Africa by donating Aid to Africa. This gives to China the three components of economic power in the continent comparatively with the African former economic powers and partners from Europe and North America.

To assess this Chinese economic rise in Africa, it is then important for us to estimate the level of Trade for both China and EU in Africa, and discursively for Africa and other great economic partners of the world.

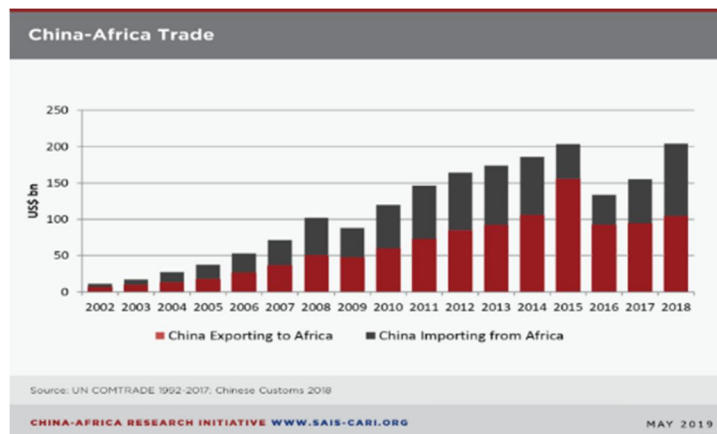
4.1. Trend of Trade between China and Africa versus Trend of Trade between EU and Africa

Economic relations between China and African countries have attracted a great deal of interest from specialists and development professionals over the last twenty years. Since 2000, China has been the continent's second largest trading partner after the EU, and investment and financial flows to Africa have also increased significantly. As a result,

China has become a major actor in the African economy, a partner with whom African countries must maintain economic relations as part of their development process, which is mutually beneficial.

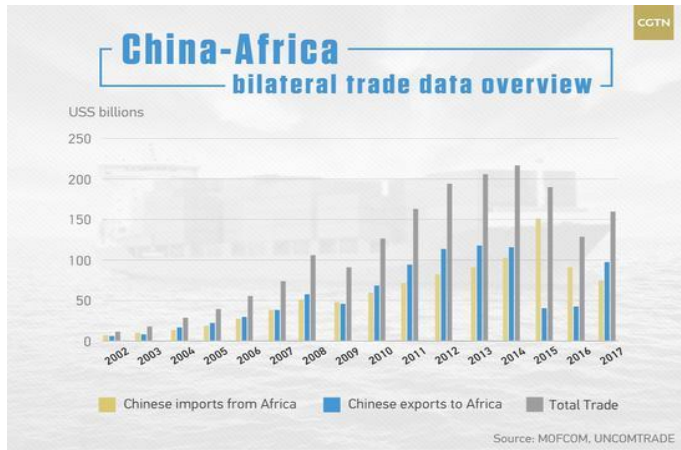
In light of the rapid economic progress underway in Africa, it is widely recognized that China's economic participation in Africa has contributed positively to the extraordinary growth experienced by the continent in recent years; while the economic partnership between Europe and Africa for their part have long been dominated by these various colonial ties and by the configuration of the international system (World Wars on the one hand, the Cold War on the other, and the process of democratization and the spread of Western capitalism with its sense of self-interest on the other hand). This is shown by the major trade trends between China and Africa and the share of China's imports and exports in China's national income.

Figure 1: China trade in goods with Africa (Billions of US\$).



Source: China-Africa Research Institute, (John Hopkins School of Advanced International Studies).

Figure 2: Trends of trade between China and Africa.



Source: MOFCOM of the PRC.

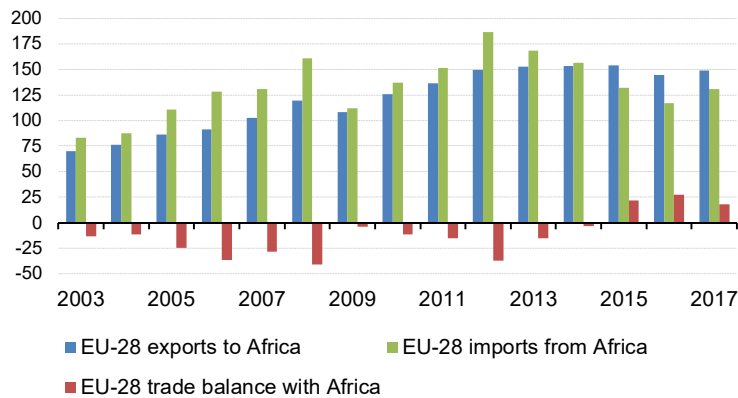
The catapult effect of China's trade increase with Africa is quite remarkable as shown here above by the China-Africa Research Institute (CARI) of the John Hopkins School of Advanced International Studies.

On the other hand, the European Union (EU) is still the first important trading partner for African countries. Although its relative share in Africa's exports has declined over the last years, it still accounts for over 30% of the continent's imports and exports³. The composition of trade between Africa and the EU has remained relatively stable, Africa mainly from the EU manufactured products, such as machinery and mechanical equipment, technologies, vehicles, processed foods and pharmaceuticals, and its exports to the EU are heavily concentrated on some products, especially mineral raw materials.

³ Referring to Trade Map, International Trade Center.

Figure 3: EU-28 trade in goods with Africa

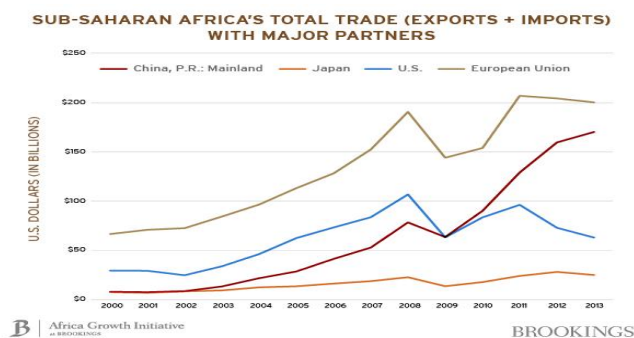
(billion EUR)



Source : Eurostat (online data code : DS-018995)

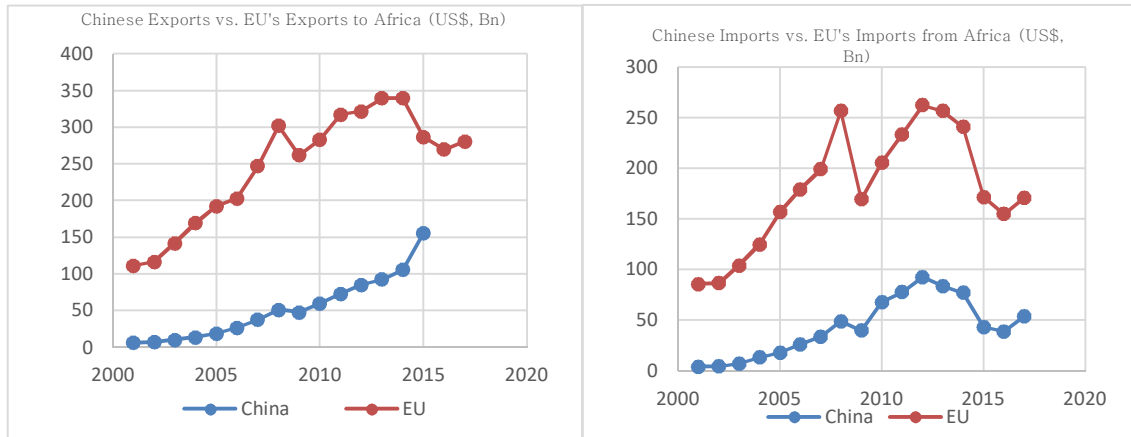
This figure above illustrates that the EU remains the main trade partner of African countries. And, computing all the trends in the same figure as shown below, China whose total trade volume was in the same trends with Japan in 2000, has increased its trade volume in Africa more than 15 times in ten years, according to the figure by the Brookings Africa Growth Initiative.

Figure 4: Sub-Saharan Africa's trade trends with main Partners from 2000 to 2013.



Source: Africa Growth Initiative, Brookings.

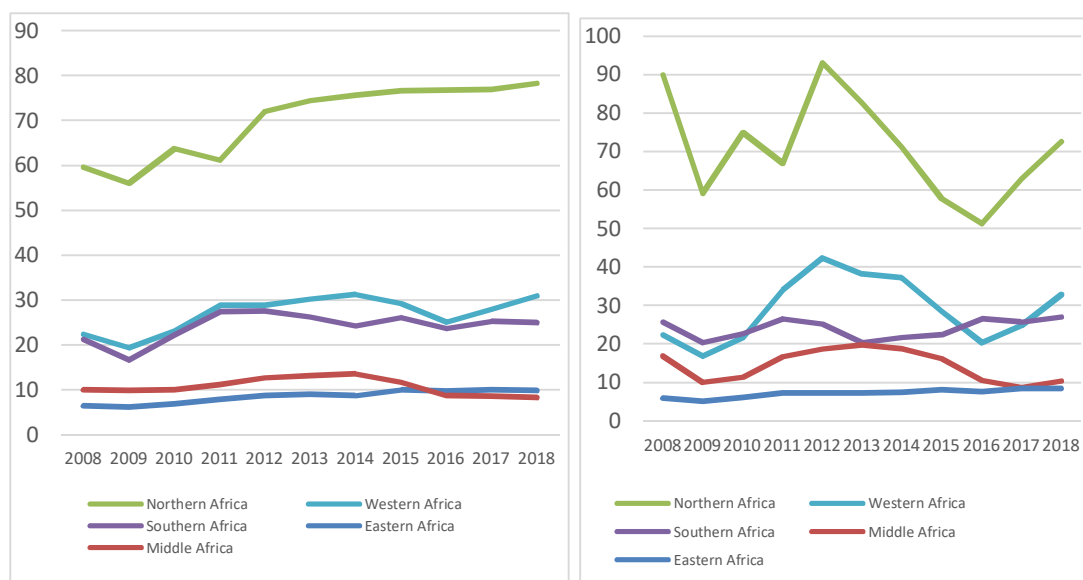
Figure 5 :Trends of trades between the EU and Africa, and between China and Africa.(Trends of exports and Trends of Imports



Source: Author's computation from WTO database and CARI database.

In fact, in order to increase in trade and services flows, trade facilitation and the lifting of non-tariff barriers; to provide responses to Africa's growth concerns fair and inclusive; and to set sectorial development strategies, valorization of value chains, the EU has hence adopted the strategy of regional blocks as major partners in Africa. The EU then developed preferential economic links with West and Central African countries through regional groups. These regional economic communities are expected to assist Member States in implementing the regional integration agenda, which is based on the principle of good faith and the fulfillment of the treaty obligations. The EU is confident in maintaining its trade relations with regional groups, as well as with States. The figure below shows the trade trends between the EU-28 and the main regions of Africa.

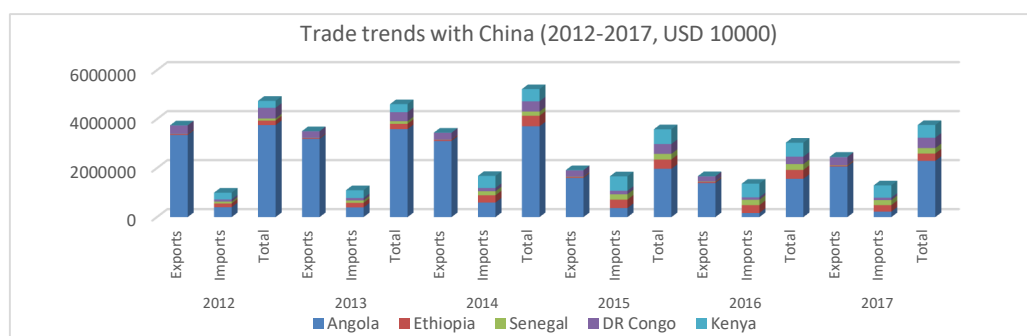
Figure 6 a. EU-28 imports and exports goods to African regions, 2008-2018 (Euro, Bn)



Source : Eurostat (online data code : Comext data code : DS-018995)

In the case of our countries concerned, the trends reflect what is shown in the figure above.

Figure 7 : Total trade trends with China⁴

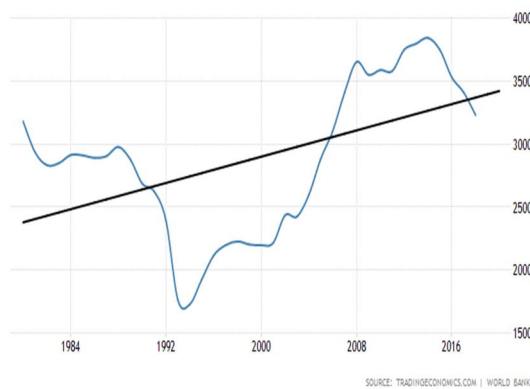


Source: Data from the National Bureau of Statistics of China.

⁴ This figure shows the trade trends some African economies with China. The selection of countries is based on the geographical location, the historical aspect and the productive specification of the country – Angola (crude oil), Senegal (food products), Ethiopia (services), DR Congo (mineral products and raw material) and Kenya (services and agricultural products).

This figure illustrates how the Chinese partnership with Africa has completely increased the capacity of export of some African countries – especially those known as producers of crude oil or and/or raw material. With this huge export capacity of crude oil and diamond from Angola to China, the Angolan economic growth grew and consecutively the welfare of population has been affected for the income per capita in Angola is one of the highest in Africa.

Figure 8 : Trend of Angolan GDP Per capita 1980-2018 (Constant, US\$)



Source: TradingEconomics, and World Bank group.

4.2. Trend of China's FDI in Africa versus Trend of EU's FDI in Africa

China's commitment to Africa also depends on the huge amount of Chinese investment in Africa. In fact, there is a broad literature about the impact of China's investment in Africa. And many facts let believe that China's FDI in Africa had played a positive role to boost the African development.

First of all, Africa is a major producer of raw material and resources that could interest China in its race towards the world economic superpower to become. The fact is that Africa's recent performance is closely related to Chinese demand for crude oil and for raw material. For, many African countries that were not touched with the commodity prices shrinking seem to be the most of all crude oil and/or raw material producers (Diao et al. 2017)

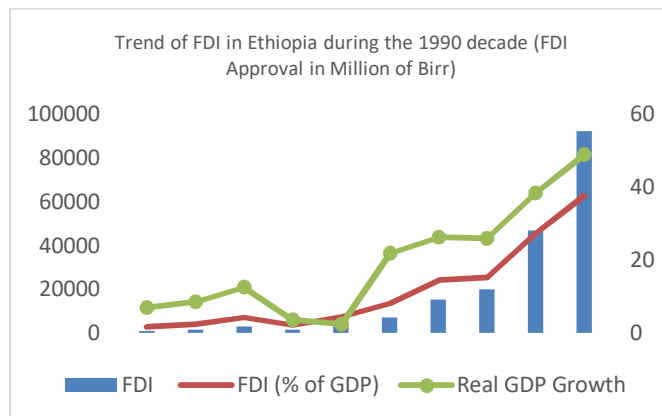
However, Chinese interest to Africa is certainly related to the recovery and comeback of economic growth all over the African continent, characterized by a huge disparity of strategies and structures. It has been shown then that the average annual GDP growth in 38 African countries picked 4.9% between 2000 and 2015; for some poor resources countries like Ethiopia, the annual growth went up marginally less than 10%. It should be noted, however, that only seven of the 17 African countries with an annual GDP growth rate of 4.9% are considered as producing countries of the raw materials that China needs for its development; which sufficiently proves the clear disparity of Chinese investments on the continent. (McMillan, M. 2017)

And, the China's engagement in Africa had reduced sensitively the rate of unemployment in many African countries mainly known in the past as poorest and devastated country in the 1990s. Today, through the strategy of industrialization and agricultural production, Ethiopia saw its GDP increasing catastrophically. In the late 1990s, a very successful development strategy was adopted by Ethiopia. The ADLI aimed to facilitate primary industrialization through strong agricultural growth and had

the merit of establishing close links between the agricultural sector and the industrial sector. (Kenichi Ohno, 2009)

This FDI-led strategy in Ethiopia concerned the entrepreneurial spirit of foreign countries like the Chinese Helen Hai, owner of Huajian Co.; this enterprise quickly created 2,000 jobs in one year, in 2012, and more than doubled Ethiopia's footwear exports to the global market. By the end of the second year, in 2013, it had created 4,000 jobs. Before 2012, no one really thought that Ethiopia could manufacture light-weight products for the global market, but Huajian's success convinced people that it was possible (Justin Yifu Lin, 2015).

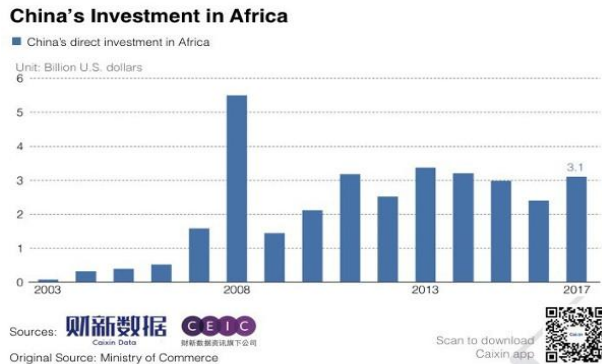
Figure 9: Trends of FDI in Ethiopia 1991-2000 (in Millions of Birr)⁵



Source: Ethiopian Ministry of Finance and Economic Development, National Bank of Ethiopia, and Ethiopian Investment Agency.

⁵ This monetary unit is expressed in “Birr” the Ethiopian currency, for data obtained were only in Birr. 1 ETB (Ethiopian Birr) = 0.074 USD, on 10/05/2010 (the estimate period of data collection).

Figure 10: China's FDI in Africa from 2003 to 2017.



Source: Ministry of Commerce of the PRC, 2018 (Data provided through Caixin Datacenter).

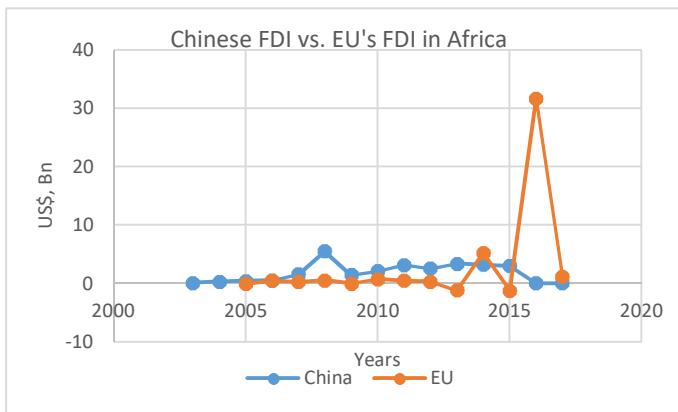
Since the Chinese investment sector on the African continent is disparate, it has been found that investment in mining and construction still accounts for a large share (54%), and the stock of FDI in manufacturing has increased to 13% of China's FDI stocks in Africa in 2015. This illustration leads to the assertion that Chinese investment is still less motivated by China's natural resource needs. (McMillan M., 2017).

On the other hand, the EU's FDI to Africa has remained characterized by the former ties of colonization. In fact, some of the famous EU member countries are the former colonizers of Africa; and economic ties between Africa and its former colonizers are still remaining – even though it is now essential to make a distinction between European regional cooperation and the different multiple ties of European countries with foreign countries.

Fifty years after decolonization, EU-Africa economic relations are managed by two partnership agreements: the Lomé Convention of 1975 and the Cotonou Agreement of 2000, which will expire in 2020. However, the political and economic context has

changed dramatically in the last two decades, with trade relations between the EU and ACP countries are now largely governed by bilateral and regional Economic Partnership Agreements; and with the emergence of China as an important economic partner in Africa. So, the coming in of China affected then also the European investments in Africa, although the EU is still the prior investment partner for Africa.

Figure 11: Trends of Chinese FDI and EU's FDI in Africa.



Source: Author's computation from OECD.Stat database and CARI database.

This graph shows that from 2003, Chinese FDI in Africa was well above that of the EU until 2016, when it rose from -1.2 billion to 31.5 billion US dollars. This catastrophic increase could be explained by European reinvestment in Africa - the major European companies have heavily reinvested in South Africa and Egypt, as shown in the table below. In fact, the amounts invested in Africa were much higher than they had been before, increasing by EUR 30.9 billion in output (around USD 32.5 billion) in one year.

Table 2: Foreign direct investment, EU-28, 2012–2015

	Outward FDI flows					Inward FDI flows				
	2012	2013	2014	2015	Share (%)	2012	2013	2014	2015	Share (%)
Extra EU-28	317.4	546.8	58.3	537.2	100.0	309.8	506.8	98.7	466.5	100.0
Europe (non-EU, including EFTA), of which	73.8	58.1	-39.7	46.4	8.6	67.4	-2.8	42.7	109.5	23.5
Norway	18.9	8.3	6.6	7.0	1.3	10.8	1.0	3.4	1.7	0.4
Switzerland	-1.9	20.1	-33.0	48.8	9.1	24.6	18.3	26.9	78.3	16.8
Russia	19.1	6.4	1.6	2.1	0.4	8.0	7.3	10.4	4.5	1.0
Turkey	6.9	2.6	4.0	10.7	2.0	2.3	2.8	1.3	-0.8	-0.2
Ukraine	0.0	0.0	-1.9	0.0	0.0	0.0	0.6	0.4	-2.7	-0.6
Africa, of which	11.6	17.6	11.6	30.9	5.8	18.5	2.9	1.1	-0.6	-0.1
Egypt	2.9	3.4	1.6	-2.6	-0.5	2.6	0.4	0.1	-0.3	-0.1
South Africa	3.0	1.2	3.5	24.5	4.6	-4.0	-0.6	0.9	0.8	0.2
North America, of which	141.1	288.6	-63.5	304.8	56.7	132.0	369.0	-12.4	276.7	59.3
Canada	13.0	14.2	19.8	-18.7	-3.5	12.4	16.2	12.4	24.2	5.2
United States	125.2	274.4	-83.3	323.5	60.2	119.6	352.8	-24.8	252.4	54.1
Central America, of which	8.3	66.3	35.0	74.0	13.8	62.1	57.0	23.9	62.3	13.4
Mexico	0.2	21.5	24.6	18.3	3.4	4.8	2.6	6.3	2.7	0.6
South America, of which	35.6	52.8	48.3	43.2	8.0	7.2	10.5	-0.8	-2.6	-0.6
Argentina	3.0	6.0	1.9	5.0	0.9	0.2	0.2	0.4	-0.1	0.0
Brazil	25.0	45.0	32.8	28.9	5.4	5.8	10.0	-2.0	-2.1	-0.4
Asia, of which	47.8	49.6	55.9	37.3	6.9	35.7	54.2	29.5	29.2	6.3
Arabian Gulf countries	14.0	2.5	7.7	-4.5	-0.8	-0.7	6.0	-2.7	9.7	2.1
China (excl. Hong Kong)	16.3	20.9	8.8	6.0	1.1	8.4	6.6	7.9	6.3	1.3
Hong Kong	15.0	15.8	4.7	2.0	0.4	-1.2	7.8	2.6	-15.7	-3.4
India	5.3	4.7	4.8	6.2	1.2	-0.9	0.0	1.7	1.1	0.2
Japan	1.0	8.2	-0.6	10.9	2.0	1.8	9.7	10.6	6.1	1.3
Singapore	-8.6	2.7	8.5	27.8	5.2	5.7	11.7	-4.5	14.2	3.0
South Korea	-0.2	0.8	5.5	-4.5	-0.8	4.3	1.3	4.5	2.2	0.5
Oceania and southern polar regions, of which	9.2	12.5	10.3	-6.3	-1.2	-14.0	5.8	4.3	-2.4	-0.5
Australia	10.5	11.9	9.3	-8.5	-1.6	-14.6	4.6	3.1	-1.1	-0.2
Offshore financial centres	43.0	85.9	7.2	64.2	11.9	84.9	42.5	17.5	83.0	17.8

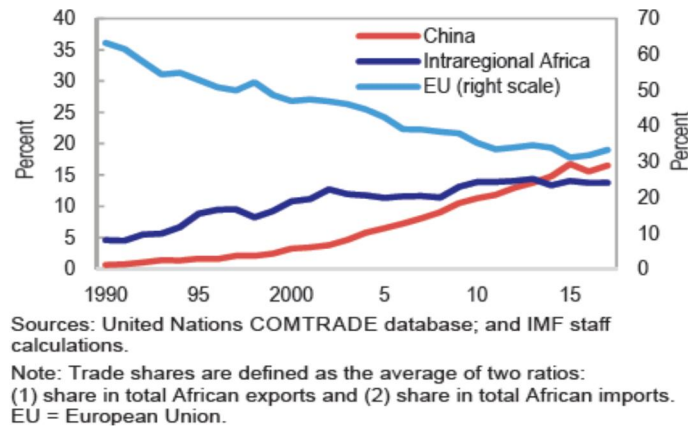
Note: 2013–2015, based on international standards BPM6 and BD4. The sum of data by continent does not always equal the extra-EU total because of non-allocated flows.
Source: Eurostat (online data codes: bop_fdi_main and bop_fdi_flow)

Source: Eurostat database. Foreign direct investment, EU-28, 2012–2015

The major consequence of the increase of FDI in Africa is that this would increase the capacity of production and the competitiveness of African product in the world and around Africa. Also, this will affect positively the intraregional trade among African countries. Despite the weak trend in intra-African trade, African partnerships with the EU and China are a good opportunity to pick up the trend.

However, China is more reluctant and doesn't interfere in the national policy of partner countries. Africa should then be pragmatic and create occasion to be part of both sides by transforming its potentials resources into real benefits for the development of the region. This is also possible by enhancing the intraregional trade among African countries and create good environments for trade and economic cooperation.

Figure 12: Intra-African Trade and Partners' Trade shares from 1990 to 2017.



This figure from Geremia Palomba et al. (2019) shows that the EU trade share is decreasing while the China's trade share is spreading rapidly. On another hand, Intra-African trade share is increasing slowly together with the China's.

4.3. China Foreign aid to Africa vs EU's ODA to Africa

China has also been a major donor of foreign aid to African countries. China's allocation amounts on aid to Africa has increased rapidly for the past two decades, reaching its largest estimate of \$ 15 billion in 2018. Stating on this issue, President Xi Jinping has insisted that aid was free of all conditions and seek "selfish political gains in investment and funding cooperation" (Abdi Latif Dahir, 2019).

China's foreign aid is a kind development assistance by Chinese government to other Developing countries in the form of grants provided as infrastructure projects; concessional loans to finance projects; disaster relief; scholarships; and other forms of assistance (Brautigam, D. 2011). Chinese worldwide interventions are led and conducted

by the government through the China International Development Agency (CIDCA) launched in April 2018.

China's strategy of development assistance is guided by the eight principles initiated by the Chinese premier Zhou Enlai, during one of his visit to Africa in the 1960s (Cheng Cheng, 2019). These guiding principles of Chinese diplomacy include precepts such as sovereign independence, non-interference in the internal affairs of other countries and equal cooperation, supported by South-South cooperation between Africa and other developing countries.

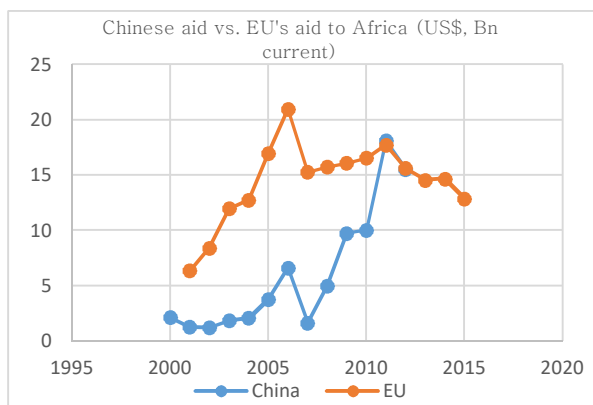
China's official aid comes in many forms: Chinese medical teams on two-year missions, building roads and bridges, agricultural technical assistance, etc. Aid has therefore played an important role in China's engagement in Africa. And, broadly, China's aid is changing the infrastructure sector in Africa for many countries. From Egypt to Mozambique; and from Ethiopia to Senegal, Chinese presence is transforming roads, railways, airports, public infrastructures for government offices, hospitals, etc. This has increased confidence and the level of partnership to be established between China and the various African leaders.

On the other hand, the EU's aid policy is quite related to the OECD DAC recommendations. This clearly shows the difference between China's aid and EU aid. The 24 OECD DAC members defined ODA as: "Official funding flows provided with the primary objective of promoting the economic development and welfare of developing countries and with a concessional element of at least 25% (using fixed 10% reduction rate). ... loans granted by export credit agencies - for the sole purpose of

promoting exports - are excluded "(OECD-DAC, 2003). This definition excludes military aid (provision of military equipment and services, and the cancellation of debts contracted for military purposes), peacekeeping operations (peacekeeping aspects are not required for military purposes).

China's definition of ODA considers three aspects of foreign aid. China's external assistance can be understood by its concessionality and it includes donations, zero-interest loans and "low-rate" loans. Projects funded through the China's zero-aid subsidies and loans are managed by the Ministry of Commerce. One of the purpose of China's aid is also to contribute to general diplomatic objectives. China Exim bank's Concessional Foreign Aid Loan Program Combines Diplomacy, Development and Business Objectives (Brautigam, D. 2011).

Figure 13: EU's and China's Aid trends to Africa.



Source: Author's computation from OECD.Stat database and AidData's Chinese Dataset, 2000-2013, version 1.2.

Moreover, the EU's aid policy is broadly set on the promotion of governance, democracy and the observance of human rights. According to the Addis Ababa Action Agenda

(AAAA), the support of the EU to the effort of SDG achievement in 2030 has taken in account all the financial and non-financial commitments to ODA should respect important areas of development in Africa and all the developing countries.

These areas are: 1) to support the efforts of partner countries to mobilize resources for sustainable development through the mobilization of domestic resources, mainly through effective national taxation and tax evasion or the transfer of profits by the private sector; (2) mobilize funds for private sector development by mobilizing private sector resources at the national and international levels; and 3) intensify joint programming efforts to improve the effectiveness, ownership and effectiveness of development cooperation. (EU, 2017).

The EU's assistance strategy is based on the promotion of democracy, good governance and civil rights – it is part of the humanitarian assistance for welfare and development. EU's foreign assistance pursues also to increase the effectiveness development aid by strengthening the country ownership and combining the financing of the private sector ownership with the national capacity of resource promotion and development (Donor Tracker, 2019). EU public aid to Africa is a priority tackling also issues related to migration.

Humanitarian aid remains at the center of attention, focusing on the broad outlines of the 2017 European Consensus on Development. It relays on an important strategy compiled in 4P, which touches the main development sectors such as People (Human Development and Dignity - education, nutrition, health, access to water, decent work and human rights), Planet (environmental protection, natural resource management and the fight against

climate change), Prosperity (economic and sustainable growth and promotion of decent jobs and investment and trade, promotion of sustainable agriculture, and innovation); and Peace (promotion of inclusive societies, promotion of democratic, effective and accountable institutions, promotion of rule of law and human rights for all) – (Donor tracker, 2019).

Table 3: Collective EU's ODA from 2007 to 2016.

Year	Euro (Million)	% of GNI
2007	47,638	0.39
2008	52,303	0.42
2009	51,791	0.44
2010	56,640	0.46
2011	56,258	0.45
2012	55,257	0.43
2013	56,877	0.43
2014	59,313	0.43
2015	67,888	0.47
2016	75,535	0.51

Source: Author's computing data from EUROSTAT.

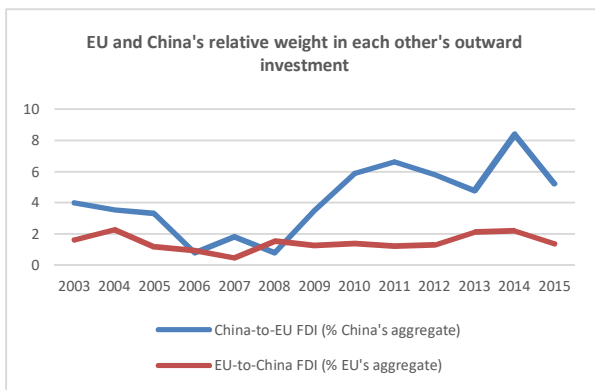
4.4. The EU-China relations: Competition or Cooperation?

Europe and China have built very old and closed links since the former expeditions of British, French, Spanish, etc. colonizers in the South Asian region. Yet, before this colonial era, China and Europe had also strategic history about the trade of silk and opium between Europe and China.

In recent times, Europe and China have become major economic partners. In recent years, the importance of the EU as an investment and production destination for Chinese companies has increased rapidly. On the other hand, China is considered the world's factory - with a stock of EU FDI in China amounting to 168 billion euros, and an

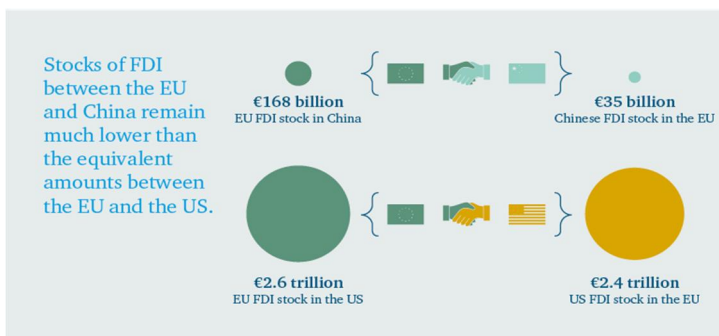
investment stock of China to the EU of 35 billion, just after the comparative trend of the stock of FDI from the EU to the United States (€ 2.6 trillion) and US FDI stock in the EU (€ 2.4 trillion). (Eurostat dataset, 2017).

Figure 14: Investment trends between EU and China (% of Aggregate)



Source: Author's computation from the joint Report Bruegel, Chatham House, China Center for International Economic Exchanges and The Chinese University of Hong Kong, 2017.

Figure 15: China-EU FDI compared to EU-US FDI in 2017.

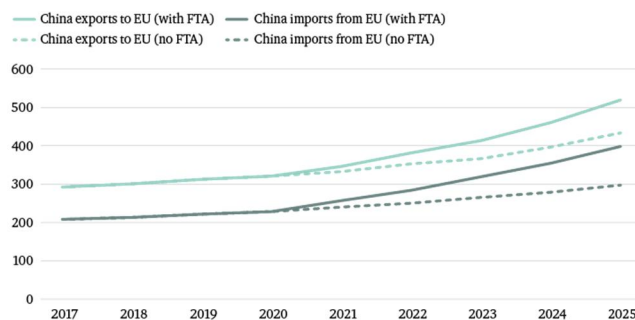


Source: Bruegel, Chatham House, China Center for International Economic Exchanges and The Chinese University of Hong Kong: Alicia Garcia-Herrero, K.C. Kwok, Liu Xiangdong, Tim Summers and Zhang Yansheng, EU–China Economic Relations to 2025 Building a Common Future, Joint Report, 2017.

The trade level has also increased and remains the most developed sector of cooperation between the EU and China. Trade in goods grew particularly fast after China joined the WTO in 2001, reaching € 515 billion in 2016, up from € 113 billion in 2001. (EU Directorate-General for Trade, 2017)

The EU and China are the world biggest source of imports: in 2016, China estimated at 20.2% of EU imports (compared to 14.5% for the US), compared with 13.1% of EU imports from China in 2016. The two partners are the second export destination of the other imports: in 2016, 9.7% of EU exports were destined for China (20.8% in the United States) while in 2016 the EU accounted for 16.1% of Chinese exports (18.2% of the United States).

Figure 16: Outlook for bilateral EU–China trade (\$ billion)



Source: CCIEE (2017), ‘The China–EU Relations 2025: Deepening the China-EU Economic and Trade Cooperation During the Period of Uncertainty’, paper prepared for a roundtable on EU–China Economic Relations: Looking to 2025 at Chatham House, 9–10 February 2017.

With reference to this previous analysis of the economic partnership between China and the European Union, it appears that the two economic actors thus develop great

cooperation ties and that it would be very wrong to think of an economic antagonism on the African continent.

In addition, the level of economic cooperation between the two main economic actors could thus push them to develop and expand their economic ties even outside their own continental areas - searching for new large markets and strengthening their economic and social cooperation, and their economic capabilities. Africa appears then as a central object of the cooperation between the two actors. The EU, China and Africa need trilateral cooperation strategy based on synergies between the EU's and China's as major contributors to Africa's development.

Thus, in the Chinese project OBOR, whose main actors are the EU and China, Africa has a special program aimed at integrating Africa into the Chinese world network through construction of transport infrastructure ranging from the interior of African lands to the different ports on the East African coast.

Chapter 5: Conclusion and Policy Implications

5.1. Conclusion

This study aimed to analyze relations between China and Africa and between the European Union and Africa. Based on a comparative analysis of trends in economic cooperation between these regions, the study presented the nature of Chinese engagement in Africa and the perception of this Chinese presence in Africa by former West African partners, especially former colonizers forming the European Union.

Through three variables which are the trade volumes of the two partners with Africa, the level of Investments of these regions in Africa, and the Aid disbursements of the two regions provided to Africa, this study attempted to show the economic intentions and differences in perceptions of the two partnerships. And the results of our research are that some of our hypotheses should be confirmed and others should be rejected. In fact, according to our analysis, China's trade in Africa has rapidly increased and the effect is quite remarkable in many cases; but the EU's trade volume with Africa is still high than the China's trade volume. African exports to EU-28 were on average around 154 billion of Euro, while African exports to China were on average around 164 billion of Us dollar between 2010 and 2015. And African imports from the EU-28 were on average around 146 billion of Euro while African imports from China were on average around 95 billion of Us dollar. Considering the effect of exchange rate between the Euro and the Us dollar, it is clear that EU remains the major trade partner of Africa. However, considering the speed of the trade increase between China and Africa, it is obvious that the European

Union should develop means to overthrow the trend. For, with this pace, it is possible to assume that the level of trade between China and Africa will be significantly higher than trade between the EU and Africa in the next five years.

In terms of FDI, there is a general downward trend in Chinese investment in Africa. It decreased by nearly 21% in 2017. This decrease can partly be attributed to a reduction in Chinese FDI on the continent. The difference is even more striking if we consider that China has quickly become a key player in Africa; China has provided loans worth an estimated US \$ 94.4 billion to finance more than 3,000 infrastructure projects in Africa between 2000 and 2015.

For the EU in particular, the rise of China has been interpreted as an intrusion into the so-called "sacred" court of Europe. The foreign policy of the country being concentrated elsewhere; Brussels was taken by surprise by the apparent opportunism of Beijing. In the case of FDI, European countries have neglected Sub-Saharan African countries after the Cold War; and European countries turned to the east, partly because of the chaotic macroeconomic situation of the SAA and low growth due to the debt crises of the 1980s and 1990s.

Nevertheless, at the turn of the 21st century, investors are showing renewed interest. The availability of natural resources in African host countries has an adverse effect on FDI by investors from both the European Union and China. Investors from the EU economies to African economies are also partly motivated in part by the presence of lower wages (Barton, B & Bellefroid, A., 2015).

Talking about foreign aid policy, European aid is particularly related to the aid policy of OECD countries which emphasizes the principles of freedom, democracy and good governance in the process of cooperation in the field of foreign aid., while China focuses its aid policy on South-South cooperation. Otherwise, both partners aim to promote respect of individual freedoms and rights, and strengthen the principles of democracy and good governance in the implementation of institutional reforms and public development policies.

However, cooperation with China is unique for China seems less concerned about the nature of the institutions and governments with which it deals. This principle of non-interference is also essential in carrying out many of China's cooperation projects in the form of aid. That is why China's cooperation projects in Africa have multiplied rapidly, because many African leaders do not seem to be well placed to respect the principles of the European Union and in particular respect multiple conditions required by their former European partners.

5.2. Recommendations and Policy Implications

Based on these conclusions, some implications are important for the policy-makers and for practitioners who are involved in the cooperation process for the sustainable development of Africa. These implications are compelled by the nature of African economy especially according to the rapid rise of China in Africa. In fact, I refer to the key implications provided by the firm McKensey&Company to accelerate the China-Africa Partnership, and to the personal view in for the implication about the DRC. These recommendations are worded as follow (MacKensey&Company, June 2017):

1. A clear strategy of cooperation with China should be specified by African leaders: African governments should first define their priorities and develop strategies for achieving them. On its part, the Chinese government understands that strengthening the China-Africa partnership would be beneficial to both parties if African governments identified their priorities right.

2. African governments can develop a unified bureaucratic approach to managing relations with China. This can be achieved by:

- creating a China office that harmonizes china-related activities;
- establishing a channel to cooperate with African students studying in China, identify their expertise and link them to opportunities within African countries;
- strengthening, on both sides, a university cooperation center for the management of the expertise and skills necessary for mutual development of Africa;
- promoting interregional and inter-urban cooperation, as well as strengthening twinning initiatives between cities and provinces on both sides;

3. The Chinese government should promote private sector financing for its expansion into the African market: with the government support, private sector remains an easy way to achieving development goals – for China's private sector contains almost 90% of China's investment in Africa;

4. The Chinese government should provide Chinese investors in Africa with guidelines on responsible and sustainable trade: if the Chinese government promises to finance private enterprises, it will be necessary to recommend to these investors to comply with higher standards of trade and social responsibility;

5. About the China's development assistance, the Chinese government is called to radically change its approach to aid allocation: this will require the establishment of a new strategy for effective development cooperation and focused on results;
6. Chinese companies should develop new strategies for investing in new markets: so far, most of China's investments in Africa are only new firms owned by Chinese - and only 12% are joint ventures. Chinese companies need to work with local companies in form of joint ventures, mergers and acquisitions (M & A), and establish other partnership options to stimulate their establishment and rapid change, especially in areas where there is a need for joint ventures to facilitate direct contact with consumers;
7. African local investors need to learn how to work with Chinese entrepreneurs for increasing their local business capacity: this will reduce tensions and complaints about how the Chinese invest and share the commercial benefits of trade between local entrepreneurs and Chinese entrepreneurs, and thus reduce tensions on competition from the Chinese;
8. African entrepreneurs should immerse themselves in the game: this should be possible if they modify their approach to increase productivity and match it with the Chinese speed commercial method, and face competition;
9. Convert debt-based contracts to a public-private partnership model: this will reduce the debt-trap of the Chinese loans to African countries, and enhance the culture of public-private partnership and blend new financing models which can help to share responsibility and collaterals between parties;

10. Ask China to join existing frameworks such as the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) and to respect their rules;

11. Engage in a process in which China is seen as a partner with legitimate interests in Africa, identifying common interests between the EU, Africa and China and pursuing them through dialogue and cooperation while tackling the differences via dialogue;

12. And finally, the revision of the contracts with the Chinese governments and companies: because of the facilities for the debt and the extent of the negotiations during the negotiations with China and the Chinese companies, many African leaders save countless income, forgetting the local people who watch over their lands, forests and waters be overexploited for income that benefits greatly only for China.

This is an opportunity to recall the imminent need for the Democratic Republic of Congo to re-evaluate the mining contract with China for the construction of infrastructure. This contract is for a sulfurous amount of 9 billion US dollars, but the results remain confusing after ten years of execution.

Putting in account all these recommendations, it will be possible for Africa to gain more from the Chinese partnership in terms of Technology transfer, Promotion of the middle-class and a value chain productive sector, Job creation and youth empowerment, Promotion of competitive markets. And, it will be possible then for Africa to enhance its productivity sector and increase its economic growth.

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ABSTRACTS

Korean

이 연구는 아프리카가 유럽 연합 및 중국과 경제 및 개발 파트너십에 참여할 수 있는 방법을 분석한다. 실제로, 세계 무역기구에 가입한 이후 중국은 모든 지역에서 경제적 파트너십 망을 확장해왔기 때문에 해당 중국 프로젝트에 있어 아프리카 대륙도 포함되었다. 그 결과, 급속한 경제 성장과 아프리카 대륙에 대한 야심 찬 ‘육구’는 구 아프리카 경제 파트너인 유럽과 미국에서 계속해서 논쟁과 의문의 대상이 되어 왔다.

따라서, 이 연구는 무역 수준, 투자 수준 및 아프리카 원조 금액이라는 세 가지 경제적 변수에 대한 비교 분석을 통해, 이전 파트너인 유럽 연합 및 미국에 의해 행해진 아프리카 프로젝트에 비해 중국 주도 하의 아프리카 프로젝트가 어떻게 다른지 이해하려고 시도하며, 경제 성장과 발전을 목표로 하는 아프리카 지도자에게 위 두 가지 유형의 파트너십으로부터 얻을 수 있는 유익한 교훈을 제안한다.

결과적으로 보자면, 아프리카와 이전 파트너인 유럽 연합 간의 경제적 파트너십 수준이 무역 수준의 증가를 통해 여전히 이어지고 있고, 아프리카에 대한 유럽의 투자가 막대하며, 유럽 연합은 아프리카의 외국 원조에 있어 가장 중요한 원조 파트너라는 사실에도 불구하고, 중국은 아프리카로 향하고 있다. 아프리카가 중국 국가 안보 전략 중 하나인 일대일로 (一帶一路, OBOR) 프로젝트, 즉 실크로드 경제 벨트의 6개 중추 지역 중 하나에 포함되어 있다는 사실과 중국의 급속한 경제 성장과 경제 네트워크의 확장된 공간은 아프리카 발전에 있어 주요 성과가 될 것이다.

따라서 유럽 식민지부터 이어져 온 파트너십과 더불어 중국 파트너십의 혜택을 받기 위해서는 아프리카 지도자들이 중국과 새로운 파트너십을 재고해야 한다. 이것은 아프리카 시장의 가치 사슬을 확대하고 통합 경제 구역의 프로젝트를 강화함으로써 해결 될 수 있다. 가장 중점적으로 지켜보아야 할 프로젝트는 여전히 아프리카 대륙 자유 무역 협정일 것이다. 이를 통해 아프리카 시장의 여러 대륙 단절 문제를 해결함으로써 아프리카는 시장의 경쟁력을 강화시키고 청년 층과 지역 인구를 대상으로 하는 지역 투자 유치 프로젝트를 촉진시킬 수 있다.

French

Cette étude tente d'analyser les partenariats économiques et de développement africains avec, d'une part l'Union Européenne, et de l'autre avec la Chine. En effet, depuis son entrée au sein de l'Organisation Mondiale du Commerce, la Chine a étendu son réseau de partenariat économique dans tous les domaines et dans toutes les régions. Le continent africain n'a pas été oublié dans ce projet chinois. De ce fait, sa croissance économique rapide ainsi que son appétit économique ambitieux pour le continent africain n'ont cessé de faire l'objet de débats et de remises en question de sa stratégie économique auprès des anciens partenaires africains, à savoir l'Europe et les États-Unis.

De ce qui précède, à travers une analyse comparative de trois variables économiques - le niveau de commerce, le niveau d'investissement ainsi que les montants alloués pour l'aide publique au développement, cette étude tente de comprendre les ambitions chinoises en Afrique par rapport aux liens économiques unissant l'Afrique à ses anciens partenaires réunis au sein de l'Union Européenne. Elle propose également quelques recommandations aux dirigeants africains pour que l'Afrique tire profit de ces deux partenariats pour sa croissance et son développement économiques.

Nos résultats ont montré que même si le niveau de partenariat économique entre l'Afrique et ses anciens partenaires de l'UE reste fort et que les échanges et les investissements européens en Afrique soient toujours énormes, et le fait que l'UE soit le plus important pourvoyeur d'aide publique au développement en Afrique, la Chine s'installe petit à petit en Afrique.

Ainsi, en prenant en compte le fait que l'Afrique est l'un des points clés du projet chinois OBOR (le projet Une Seule Ceinture, et Une Seule Route) comme étant l'une des stratégies de sécurité nationale de la Chine - l'Afrique est incluse dans l'un des six corridors terrestres de la ceinture économique de la « Route de la Soie » - la croissance économique rapide et l'espace étendu de son réseau économique sera également une opportunité majeure pour le développement économique de l'Afrique.

Par conséquent, afin de tirer profit de ce partenariat chinois concomitamment avec les anciens partenariats coloniaux européens, les dirigeants africains devraient repenser un nouveau type de coopération avec la Chine et l'Europe, une stratégie tripartite mettant en commun les opportunités économiques de chaque partie. Ainsi, ceci devrait passer par l'élargissement des chaînes de valeurs du marché africain et le renforcement du projet d'intégration du marché économique africain et de ses facteurs de production. Le principal projet sur lequel se concentrer est alors l'Accord de Libre-échange Continental Africain. Cet accord permettra à l'Afrique de contribuer à résoudre les multiples déconnexions continentales de ses marchés afin de les rendre plus compétitifs et de promouvoir des projets incubateurs d'investissements locaux destinés aux jeunes et aux populations locales.

En tenant compte de toutes ces recommandations, les dirigeants Africains, premiers intervenants dans ce partenariat chinois sauront ainsi faire gagner l'Afrique en matière de transfert de technologie, de promotion de la classe moyenne et d'un secteur productif de la chaîne de valeur, de création d'emplois et d'autonomisation des jeunes, de

promotion de marchés concurrentiels. Et, l'Afrique pourra ainsi renforcer son secteur productif et augmenter sa croissance économique pour son développement.