Im Fokus

Contours of China's "Africa Mode" and Who May Benefit

Cui bono? Eine Skizze des chinesischen Afrika-Engagements

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Abstract

China's engagement with Africa intensified simultaneously in the four dimensions of trade, investment, aid, and immigration. Cross-dimensional complementarity as much as the geographical and sectoral spread distinguish the Chinese progression from most Western approaches. Who benefits from China in Africa is nevertheless still unclear in terms of aggregate welfare effects or the pro-poorness of growth. Furthermore, benefits in Africa depend on the African policy response to China's advancement. It is argued that African policy-makers can take much on board from China's own industrial, exchange rate, and trade policy. Lastly, negative effects from support for dictatorial regimes in Africa are not attributable to China alone, while Western policy learning on how to grant Africa the necessary policy space in a multi-polar environment remains painfully slow.

Keywords: China, Africa, aid conditionality, industrial policy, trade policy

Introduction

Most analysts were struck by surprise, at some moment in the decade, when Sino-African relations took an exponential upturn. Trade figures soared to 55 billion USD in 2006, with African sources providing a third of China's crude oil and becoming an essential supplier for minerals (IMF 2007). At the same time, political ties between Africa and China intensified considerably. A number of cross-sectional studies looked into the economic and political dimensions of the dramatic events. Building on these pieces of research, a study for the German Development Administration tried to clarify matters (Asche & Schüller 2008). The main observation in a nutshell: China's economic advancement in Africa rests on massive, simultaneous increases in four sections:

1) Trade,
2) Investment,
3) Aid,
4) Immigration.

Their complementarity gives the impetus to China's progression in Africa – a statement that immediately needs qualification. As such, trade and investment complementarity is hardly unique. Economic theory and empirics have held for a long time that global exchange patterns often are not either trade or foreign direct investment (FDI), but rather a combination of both. Conversely, Africa has up to now been marginalized in both trade and FDI, at similar levels of around two percent of world totals. However, the Chinese "Africa mode" is unique in that it builds on complementarities across the board, between trade and investment, aid and investment, trade and aid, trade and migration etc.

And there is more. Certainly, Chinese investment in Africa is primarily driven by resource concerns, but it spreads widely across (a) sectors – not just oil, minerals, and timber, but also textiles, construction, agriculture, tourism, pharmaceuticals, retail trade etc. – and (b) countries. In fact, Chinese economic interests are likely to be present in all 53 African states (on a smaller scale in the four countries still recognizing Taiwan) – a forward-looking and rather unusual pattern of foreign investment in Africa, otherwise still concentrating on oil, minerals, and the whole of South Africa.

As to magnitudes, it is not so much levels but the dynamics that make the difference. Regarding aid, trade and investment levels, the EU and the U.S. still remain the more important partners for Africa. Yet, no Western nation has anything remotely similar to offer in incremental terms, and this on all four fronts.

Otherwise, figures are extremely difficult to grasp. While trade figures diverge somewhat between Chinese and African statistics, investment figures spread in a range from 1 to 10, with public aid and private business being as difficult to disentangle as are approvals/announcements and actual disbursements of aid or investment. Just as capital mobility and aid are difficult to grasp, figures on Chinese immigration to Africa are even harder to pin down. Xinhua News Agency (as quoted by French & Polgreen 2007) estimated in August 2007 that at least 750.000 Chinese migrants were working or living for extended periods in Africa. Summing up the available information, Asche & Schüller (2008:chap.2.2.7) indicate that the number of Chinese immigrants may have crossed the line of

one million arrivals, with probably none of the 53 African countries having been left out. This constitutes one of the biggest, if not the biggest migration wave to Africa since independence days, adding to earlier waves notably in South Africa that date back to the late 19th century. Contrary to Indian immigration, most Chinese entrepreneurs retain their nationality, this is at least what the World Bank claims for the four countries covered by a recent survey (Ghana, Senegal, South Africa, Tanzania; see Broadman 2006:250). Nevertheless, even Chinese embassies do not seem to be in possession of accurate figures – partly because immigration in some countries goes far back, partly because it is recent and often circumvents China's official channels for the acquisition of resident permits.

Chinese Industrial Policy in Africa

Moreover, it is by the interplay of Chinese state-owned enterprises (SOE), state banks, private firms, and aid actors that the above mentioned complementarity is shaped in actual practise. Purposeful public policy, in the China-Africa relation, disguises as statistical mess (see the descriptions of "package financing" in Bräutigam 2008:20 and the "Angola mode" in CCS 2007:23-27; Asche & Schüller 2008:chap.2.3.2.1). There is ample evidence and testimony that Chinese firms under the coordination of the Ministry of Commerce (MOFCOM) target specific sectors, get target countries in Africa assigned, conquer markets – e.g. in construction – by accepting lower than market rates of returns. Additionally, Chinese Firms have their operations subsidized by the extremely liquid state bank system, with so far the Chinese EXIM bank playing a unique role (now joined by others), and supported by Chinese development aid. Apparently, there is even an organized distribution of African partner countries among Chinese provincial governments and their respective SOE.

What "involves an assortment of public and private actors, sometimes acting independently, and sometimes in concert" (Kaplinsky et al. 2006:2), is in substance strategic interaction for several economic (and political) purposes. While energy- and resource-security are certainly paramount among the strategic goals of China in Africa, it is by no means the only geo-strategic motivation behind the Chinese economic whirlwind. Assuring agricultural supplies for China is rising in importance, too. The conquest of an African continental market that China manifestly judges to be more promising than most Western actors is another goal, repeatedly stated by officials and entrepreneurs. Otherwise, larger parts of the fairly well coordinated action of Chinese road and housing

construction firms would go unexplained, as would a lot of trade infrastructure, and the sectoral breadth of Chinese investments (documented in Broadman 2006 and United Nations 2007:56). Therefore, China's economic offensive in Africa is multi-faceted strategic action in industrial and agricultural development; and this coordinated move makes Africa, after China herself, another playground for elaborate industrial policy, where "industrial policy" is used as a generic term, encompassing all targeted, that is size-, sector- or space-(location-)specific governmental support policies to industry, agriculture, or services. The fact that this strategy works, first in China and now in Africa, makes China an economic role model for many decision-makers in Africa – fairly distinct from the Washington Consensus and close to the informal "Beijing consensus" (Ramo 2004).

That Chinese authorities obviously loose track of the dynamics, and Chinese embassies in African countries simply no longer know how many Chinese firms and subjects are around, is no contradiction to the above assessment. With gross areas of interest pre-defined and envelopes of foreign exchange assigned, not everything must be under central control. That decentralized agencies and the private sector at some stage move on independently from central government, is what good industrial policy is all about.

The Welfare Effect of China in Africa

The Chinese economic policy in Africa may be good for China, but is it good for Africa? Even apart from the most hotly debated cases of Chinese political support to oil producers with a bad governance and human rights track record and to Zimbabwe, the overall economic welfare effect of China's advancement in Africa remains in doubt. Unfortunately, from none of the major studies available (Jenkins & Edwards 2005; Broadman 2006; Goldstein et al. 2006; Kaplinsky et al. 2006), the aggregate economic producer and consumer welfare effect can be derived, let alone the more socially disaggregated impact on the poorer segments of African societies – or to put it in other words: the extent to which China may have generated Pro-Poor Growth in Africa. In sum, there is no comprehensive answer to the "who benefits" question, yet.

Table 1 Approximate Economic Welfare Effects of Intensified China-Africa Relations

	Trade impact (Export/Import)	Investment impact
World market	China effect in general SSA Terms of Trade appreciation (*mixed with positive general trend*) Few cases of global export competition SSA/China (*unclear, probably negative*)	
African markets	Cost reduction of consumer good imports (*positive*) displacement of local production (*negative*) Aid-/oil-financed imported construction services: labour market/static income effect *negative/zero*, dynamic infrastructure effect *positive*	Trade enhancing Chinese FDI (*positive*) Competition effect of Chinese FDI („pro-/anti-competitive") branch-/country dependent (*mixed*, probably *positive* in construction)
Specific third markets (USA, EU)	Textile & apparel exports of Chinese/Taiwanese owned SSA firms to U.S., under AGOA preferences (*positive, to date*) Similar EBA effect to EU: *zero*, at present, poss. *positive* with improved EU rules of origin AGOA/EBA/Cotonou preference erosion vis-a-vis competitors from China: *negative in long term*	Chinese/Taiwanese FDI complementary to trade effect in (mainly) textile & apparel: *positive*, *unclear/negative in long term* ("footloose industries")
Chinese market	Chinese commodity imports: major *positive* GDP effect in SSA. Fiscal impact in Africa dependent on (a) oil & mining contracts, (b) transparency/social incidence of accrued government expenditure (*unclear*) Chinese import tariff structure mostly *positive* for African exports to China	Massive Chinese investment in SSA oil, mining (and agriculture) exports to China – impact same as for trade. To-date, FDI engagement of just a few South African TNCs in China (untapped potential)

Supposed welfare effect in italics.
AGOA = African Growth and Opportunity Act (U.S.).
EBA = Everything but arms (EU preference scheme for least developed countries).
Source: Asche & Schüller 2008.

Why is this so, apart from opaque statistics? For a comprehensive assessment, one will have to sum up over all four of the above mentioned components, some of which have contradictory economic effects. Furthermore, the impact has to be considered not only within Africa, but also in third places. Table 1 gives a selective overview of just the trade and investment effect of China-Africa relations, leaving out aid and immigration.

A similar assessment can be found in Kaplinsky et al. (2006:25), who put particular emphasis on the question of how complementary or competitive African and Chinese trade is, insinuating that wherever China and Africa complement each other with a different range of traded products, both sides benefit in a fairly Ricardian sense of comparative advantage. This reveals yet another reason, why the problem is so difficult to solve. Even competitive trade between China and Africa, in their own and in third markets, would not be a bad thing – provided it serves to enhance efficiency of the African competitors. It is with the same supposition, for instance, that Broadman (2006) enquires if Chinese direct investment in Africa is "anti-" or "pro-competitive". It is considered pro-competitive and thus efficiency-increasing when new entrants do not obtain market shares that lead straight to new monopolies but strengthen the competitive efficiency of all.

Unfortunately, the latter seems very much the exception to the rule for Africa, be it in trade or investment. Apparently, for a number of reasons productivity differentials are so important that wherever Chinese and African producers meet with similar manufactured products in a fully competitive setting, displacement of the latter is likely to occur, exemplified by the numerous bankruptcies in textiles and clothing, unless there is support from economic policy. This leads straight to the crucial question of the policy response to the China-Africa challenge. As we will see, ultimate benefits crucially depend on both African and third-party policies – national, regional, and supra-national.

An African Economic Policy Response?

Most studies, including the four mentioned in the previous paragraph, converge in stating that the upswing of China-Africa relations has contributed measurably to Africa's excellent export growth figures for the last years. However, lasting economic diversification in Africa will ensue only with a more targeted policy response. Ironically, even some Chinese-run factories in Africa suffer from Chinese import competition, when looking e.g. at the closure of Mulungushi

textile mills in Zambia, and jobs in Africa are lost, while others created are mainly in mining and trade, less often in manufacturing. The important but fragile exception are apparel exports, stimulated by the preferences offered in the U.S. African Growth and Opportunity Act (AGOA), where the opportunity has been largely seized by Chinese and Taiwanese firms in Southern Africa. While the World Bank's flagship report "Africa's silk road" (Broadman 2006), in this situation, simply advocates still more trade liberalization and a still better investment climate, but in fact offers no pro-active policy advice at all, more nuanced policies on the African side will be in order, if not just static efficiency but dynamic outcomes are regarded. This requires a different – and notoriously difficult – weighing of "who is the cheapest supplier in the world for African countries?" against "what are foregone domestic production possibilities in Africa?" in a dynamic perspective. The most efficient suppliers are mostly found outside Africa, often in China, which immediately makes a case for further import liberalization, whilst efficiency of foregone, thus non-existent production is hard to establish.

One possibility for African governments is to use the leeway of differential trade policy, which remains possible under WTO rule, explicitly to nourish and upgrade local industries, by establishing precise time-bound performance contracts without which mere trade protection remains useless, as the recent experience of South African textile industry protection against Chinese imports seems to have shown. Another avenue is linked to a potential policy shift that is under consideration in Africa anyway. Instead of mainly targeting inflation, on IMF advice, despite the fact that inflation is largely under control in Africa these days, it may be more intelligent for economic policy to primarily target the foreign exchange rate (and productive investment ratios). A somewhat undervalued exchange rate is seen as an effective means of encouraging exports and stemming imports, especially when coupled with financial means to counterbalance the potentially negative side effects on foreign investment and necessary imports of capital goods.

Exchange rate targeting would emulate in Africa, in response to the Chinese export offensive, another centre-piece of China's own industrial policy, which contributes to her global export success until this day, with the Yuan still considered undervalued. Instead of enabling them to imitate China, numerous African countries are presently either constrained by IMF control or (in Southern Africa) linked to a relatively strong Rand or (in Western and Central Africa) to the far

stronger Euro via the Franc CFA. The only positive aspect of this Euro peg is that it keeps oil price hikes in oil-importing FCFA countries in check.

Quite a number of African countries are forced to turn to exchange rate control anyway, as the present mineral commodities boom – and China's part in it – accentuates the risk of new Dutch Disease outbreaks. Along with the Dutch Disease come the renewed risks broadly associated with a Resource Curse. Nowadays, this is true for traditional oil exporters in Africa, but the current wave of exploration lifts more and more African countries to the state of oil exporters. Firstly agreeing on a fair national share from oil and mining contracts, secondly putting revenues to transparent, prudent, and poverty-reducing use instead of spoiling non-renewable national resources for narrow clientelistic aims, is a challenge mastered in Africa so far mainly by Botswana and South Africa. Another reason for the overall welfare effect of China's engagement remaining so difficult to assess, can be easily deducted from this description. When gains from oil and minerals exploitation are not simply accounted for as accrued "producer" welfare, and instead the fiscal linkage is explicitly considered, the economic impact is directly conditional on hard-to-predict political decisions, in terms of contract negotiations and use of mining royalties.

China's Environmental and Human Rights Impact

The call for a pro-active African political stance is all the more urgent as the present environmental footprint of China in Africa can be identified as disastrous, above all in logging, legal or illegal. Apart from certain vested interests, Africa hardly benefits from this specific Chinese engagement. Again, no comprehensive overview is available (see Chan-Fishel 2007), among other reasons because major multilateral stocktaking exercises such as FAO (2007) clearly pin down the worrying loss of Africa's forest cover (9 percent since 1990), but do not venture into identifying the part of outstanding UN member states like China in this destruction. However, the impact can be extracted from a number of case studies, an exemplary one being MacKenzie (2006) on "Chinese takeaway" of forest resources in Central Mozambique, and from information compiled by the British NGO Global Timber (2002-2008). It calls for a massive policy response. Regional initiatives like African Forest Law Enforcement and Governance Initiative (AFLEG) or the Congo Basin Forest Partnership (CBFP) (2008) may help, all the more as Chinese officials are increasingly disposed to participate, as has been the case at the CBFP meeting in Paris in October 2007.

Nonetheless, these initiatives are still in their beginnings and display no firmly established trilateral character yet (Africa, West, China). National governments must therefore be encouraged to take firm action, as in Tanzania where the government in 2004 seized 187 containers with illegally felled logs for Asia.

Finally, one should touch upon China's relationship with a handful of African states where human rights and democratic principles are constantly being violated. China's unwavering political support to some of the most brutal and notoriously corrupt regimes in Africa rightly attracts a lot of criticism. However, closer scrutiny in Asche and Schüller (2008:chap.3.3.2) shows that Western policies in none of the four most prominent cases (Angola, Equatorial-Guinea, Sudan, Zimbabwe) are so unequivocal as to justify one-sided condemnations of China's attitude:

- Western rejection to assist with large amounts of aid in Angola's post-war reconstruction, which opened the way for China, was not only grounded in a firm stance against corruption but also in Angolan government refusal to accept some highly problematic IMF policy prescriptions.
- The dictatorial regime in Equatorial-Guinea is more a U.S. protégé than a Chinese one, and U.S. protection out of pure oil interests compromises its human rights attitude even in other African countries.
- Western political ties to Sudan are not as strictly severed as official condemnations would suggest, for reasons related to the fight against terrorism, while the Chinese position gradually moves towards assuming greater responsibility in the Darfur conflict.
- Idem, economic ties esp. of British financial institutions (banks, insurances) to the Zimbabwean government are far stronger than condemnations of the Mugabe regime indicate, while China has commenced to distance herself from Harare, as Ian Taylor (2007:76) depicts.

Much in the sense of Taylor (2007:86-87), it is rather likely that China's self-interest as a major investor in Africa and the self-portray as a responsible international actor will lead the Chinese government to a more pronounced stance on governance issues vis-à-vis some neo-patrimonial African regimes. Given the ambiguity of the Western position, this is better promoted by policy dialogue than by unilateral accusations.

Multi-Polarity in Africa and Lack of Recognition in the West

With all the economic, ecological and political downsides of China in Africa,

a Western perspective on Sino-African relations must accept their long-term progression as a striking example for growing multi-polarity in the world. A geopolitical rollback to bipolar domination is unrealistic and even undesirable. This is now widely recognized. When it comes to turning rhetorical recognition of multi-polarity into political practise, one cannot help but say that Western actions, so far, rather went wrong, as three recent examples show.

China as New Lender

Firstly, multilateral financial institutions along with Western governments accused China's lending policy in Africa, in 2006 and 2007, of "free-riding" on the achievements of international debt relief, allegedly undermining it by offering either particularly tempting or very unfavourable credit conditions. Claims followed that China should underwrite rather sooner than later to the multilateral so-called Debt Sustainability Framework (DSF) and, for sure, scale down its lending to Africa (see Oddone 2007). Figures given by Chinese and African authorities on China's lending are, once again, opaque and thus contribute to the confusion. However, neither our own analysis nor recent, more in-depth research carried out at the OECD Development Centre (Ndoye & Reisen 2008) confirm the accusations or the precise policy proposal designed by IMF and World Bank, according to which China should join the DSF. The DSF is an essentially bipolar policy instrument, itself partly opaque, questionable as to the indicator design, and – by definition – restricting access to fresh money for some borrowers. This is exactly why some African countries turn to China. Consequently, the attacks against alleged loan "free-riders" like China, even though inspired by a legitimate concern, essentially failed and back-fired. These days, there is not much talk about free riders, in the above sense anymore.

Western Aid Conditionality Versus Chinese Non-Interference

Something fairly similar can be said about the conditionality of aid. China explicitly refrains from attaching conditions to development aid. Chinese authorities, in order to scientifically justify their stance on "non-interference" with internal affairs, capitalize on the inconclusive outcome of the international aid, growth and governance debate, at least where cross-sectional econometric studies tried to establish causality running from democracy to growth, justifying corresponding policy conditions and concentration of aid on politically well-run countries.

Apart from technical pitfalls of cross-country regressions, Western nations

would be ill-advised to follow China in renouncing all aid conditions related to the respect for human rights and basic freedoms. And even China, in actual practise, attaches some elementary conditions to aid, namely the One-China principle and the insistence on debt servicing. However, human rights conditions and those attached to the proper use of aid are one thing; ex-ante conditions on certain precise economic policies to follow are a very different one. The true problem is that we are presently witnessing another heated debate on the Western donor community's failure to reduce economic conditionalities specifically in their own multilateral lending, opposing Western advocacy NGOs to IMF and World Bank. Dozens of precise policy prescriptions in all economic areas, still known from the era of structural adjustment, are different from insisting on some basic governance conditions. Even the IMF's internal Independent Evaluation Office (IEO) sharply criticized this practise with regard to the Fund's lending and found:

> that the average number of structural conditions in IMF-supported programs remained at about 17 per year, similar to the average number in 2000 when the IMF launched a streamlining initiative aimed at achieving greater "parsimony" and "criticality" in the use of structural conditionality. The report found that conditions tended to be quite detailed and that about one third of them reached outside the areas of core Fund competency. (Press release of 3 January 2008, with compilation of conclusions from IEO 2007)

The proven unwillingness to deliver on something however promised to client countries – significant down-scaling of ex-ante economic policy prescriptions – now compares very unfavourably with Chinese next to no-conditions attached policy.

The political divergence on conditionality may have consequences for another cornerstone of the so-called New Aid Architecture: General Budget Support (GBS), that is untied aid more or less jointly given by several Western donors to Ministries of Finance in selected African countries whose government is judged sufficiently trustworthy. Donor "darlings" in Africa receiving the most GBS are Mozambique, Tanzania, Uganda, Burkina Faso, and Kenya – approximately in this order. Aid given as budget support faces an inbuilt contradiction anyway, politically almost insurmountable. The more general it becomes, detached from specified areas and methods of use, the higher the fiduciary risks are, and therefore the more reluctant donor administrations and in particular donor parliaments

become to relinquish stringent governance conditions. Two recent facts point to this contradiction. The first one is the embargo which the budget committee of the German Bundestag imposed in late 2007 on every German budget aid operation, making it very difficult for the development ministry to grant this kind of donation to African governments – at least without strict conditions. The second one is the public outcry provoked by the EU commission's down-payment of a considerable 40.6 million EUR chunk of GBS to Kenya, on 28 December 2007 – one day after the controversial elections. Again, mishaps like this will reinforce the tendency to attach even stricter political conditions to GBS.

As long as new lenders like China tend to do the opposite, the situation is quite untenable and Western general budget support will rather – this is the prediction deduced – tend to stagnate, all the more as it is not a "visible" form of aid (at times where Chinese aid is extremely visible), and sector budget loans/grants or more classical aid will continue to dominate. Massive Western governance conditionality is perhaps not entirely doomed but most likely to loose in clout. The net benefit of such a geopolitical turn for Africa will be difficult to determine, as hitherto unwise Western policy prescriptions have been so much intermingled with justified insistence on human rights and governance standards.

EU Trade Policy

In any case, multi-polarity requires more flexible and intelligent geopolitics. In still another respect the European Union remains a far cry from such a response. The current EU approach to bipolar asymmetric trade agreements – the Economic Partnership Agreements (EPA) (Meyn 2008) – may serve as our third and final proof. On paper, the recently agreed EU-Africa strategy (EC 2007), and the EPAs underpinning it, seem to be an appropriate policy response to China's 2006 Africa strategy paper (MoFA 2006). Based on the 2000 Cotonou Treaty between the EU and the African, Caribbean and Pacific Group of States (ACP), the EPAs were proposed as a broad developmental undertaking between the EU and four regional groupings in Africa, but over time boiled down to substantial further opening of African markets and acceptance of so-called Singapore themes, however rejected by the developing countries in the WTO, in exchange for a few additional concessions on the EU side (see ODI (2008) and ECDPM (2008) for detailed information). One cannot help but wonder to what extent the EC's attitude was inspired by China's recent export successes in Africa.

The concessions which the EU offers in return for sweeping import liberaliza-

tion of African partners, are not negligible, in particular not in the China-Africa context. Relaxed EU rules of origin, which allow African countries freer global sourcing of raw material for exports to the EU, seem to be quite exactly what Collier (2007:169) has requested to re-arm Africa for competition with China in European markets, following the AGOA example. However, the EPA drafting was carried out with so much pressure and haste, referring to an alleged WTO deadline of 31 December 2007, that it patently failed in its original design. This became manifest at the tumultuous December 2007 EU-Africa Lisbon Summit. Many African heads of state will have compared their feelings when coming home from Lisbon to their return from the China-Africa Summit in Beijing the previous year. Geopolitically, EU commissioners Mandelson and Michel could have hardly acted more disastrously. With the exception of the East African Community, regional economic groups in Africa have come out weakened from EPA negotiations, so far. The EPA topic lingers on into 2008-2009, jeopardizes the economic policy space of African governments and complicates regional integration in Africa, needed not the least in response to the China challenge. The two areas – China and African regional integration – are intrinsically linked, as Kaplinsky pointed out:

> Providing unrestricted market access to China and other Asian producers will sound the death knell of African industry. Africa needs to be able to protect itself from global competition. But, unlike previous eras, this protection cannot be undertaken on a national basis, with the possible exception of South Africa in some sectors. Markets in Africa are too small to allow for scale economies and competition, so this new protectionism needs to be thought of on a regional basis. Here, too, the model to be followed is much more like the "Beijing Consensus" than the "Washington Consensus". (Kaplinsky 2006:21)

Conclusion

Western/European policy learning with regard to the multipolar challenge posed by China in Africa is, on average, painfully slow. As a rule of thumb, Western attempts to integrate China into pre-established schemes and fora such as OECD-DAC, DSF, Joint Country Assistance Strategies etc. will hardly be successful in the foreseeable future. At lower levels, many recent studies contain proposals on triangular modes of cooperation, and some of them are actually gaining ground in technical cooperation projects – not the least by a flexibility of Chinese

authorities that caught some by surprise. This is the good news, in a longer story where it is not yet altogether clear if it brings good news.

What else can be said of Chinese development aid in Africa? On average, China's aid is quick, inexpensive, and highly visible – three attributes not normally associated with established Western development co-operation. However, speed, low price and visibility may come at the expense of other criteria: quality, participation, sustainability, and lasting poverty reduction. In this sense, comprehensive evaluations of the effectiveness of China's aid to Africa are rare and do not comprise this decade's events. Therefore, for both reasons – structure and effect – it once again remains unclear "who benefits" in aggregate terms and how much Western donors have to re-adapt their recently built "new aid architecture", which turned out to be a complex edifice with cumbersome procedures. Also, in terms of tying aid to Chinese deliveries and execution by own contract labourers, China's aid is rather below OECD standards, and Western co-operation has little to learn from this.

Altogether, a considerable amount of further research is needed to establish more firmly what increased Chinese aid, trade, investment, and migration achieved in Africa, while the overall positive China effect on GDP growth is beyond doubt. Likewise, what is execution of a strategic design and what is left to market forces in China's "Africa mode", remains to be investigated further. Our conclusion is therefore a word of caution to Western politicians and some academic critics: As long as the total socio-economic effect of China in African countries is unknown, and the exact degree of control Chinese authorities exert over operations in Africa is not known either, observers and politicians should be warned against coming up with short-sighted accusations of the damage China allegedly does to African economies and should rather explore all avenues of effective triangular cooperation on the ground.

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