



INSTITUTE OF CHINESE STUDIES DELHI

Chinese and Japanese Aid Competition in Africa

Speaker: David Arase

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David Arase began with a brief historical sketch of China's foreign aid to Africa. Chinese aid assistance to African countries began as the Soviet-Sino split began to take root in the 1960s. In what was to become a seminal visit, in 1964 Zhou Enlai visited the African continent and laid out 8 principles of aid that were to guide their aid strategy in the continent. In the mid 1970s the foundation-laying contacts of the 1960s culminated with the Tazara Railway project, connecting southern African countries of Tanzania and Zambia, at a cost of US\$500 million. However, this upward trajectory in foreign aid assistance began to taper off after 1978 and resumed only after the end of the Cold War as China faced isolation from the West because of the Tiananmen incident. As engagement increased post-Tiananmen, in 1995 Zhu Rongji visited Africa and outlined a model of aid that came to be known as *duiwai yuanzhu* (meaning 'foreign assistance'). This model, however, according to Arase, is a 'vague' and a 'loose concept', one that significantly departs from Western understanding of foreign aid. The salience of foreign aid was taken a step further with the coming of the new millennium

as the triennial FOCAC was established, the third edition of which in 2006 caught the attention of the West as leaders from 32 African countries assembled in China for the meeting. In this summit China, apart from engaging economically, sought a ‘strategic partnership’ based on ‘mutual trust’, ‘political equality’ and ‘mutually beneficial economic cooperation and cultural exchange’. In 2011, with an aim to address growing criticisms against its aid activities, China published a White Paper. Arase argued that the content of the White Paper clearly diverged from Western aid norms and that it is unlikely that the two would align in the future.

Japanese aid, on the other hand, evolved differently from Chinese foreign aid. Japanese engagement with the African continent began with the visit of the Japanese foreign minister in 1974. The early years of Japan’s outreach in Africa was largely motivated by its search for resources. In the 1980s Japan’s aid to Africa began to take off under US pressure built around alliance obligation. In the following decade as the West began to withdraw itself from Africa, Japan stepped up its activities and established the Tokyo International Conference on African Development (TICAD) in 1993 in support of an ODA regime. However, with mounting adverse economic pressures beginning from the late 20th century, Japan began to reduce its aid activities as the new century ushered in. This withdrawal, however, was short-lived. In 2008 in its fourth TICAD meeting, Japan sought to bounce back in the aid-to-Africa business to counter the growing influence of China in Africa as was symbolized by the FOCAC meeting of 2006. Japan began to redesign its aid institute JICA, and by 2013 its ODA agenda focused primarily on advancing trade, investment and infrastructure development in Africa.

Apart from outlining the differing historical trajectories of Chinese and Japanese aid, Arase also highlighted the ‘institutional’ similarities and the ‘ideological’ differences in the two countries’ approach to aid assistance. Institutionally both these countries follow a unique ‘developmental state’ model of foreign aid. This approach puts great emphasis on

‘industrialisation’ as the basis for aid and is realized through the extensive coordination of financial, trade, labour and currency policies. Moreover, the emphasis is also on loan financing rather than grant giving and both Japan and China see Africa as a major source of raw materials and a future destination for their exports.

Despite these similarities, Japan and China differ in fundamental ways in their understanding of foreign aid assistance. The main point of departure is the normative foundations of their aid policy. Notwithstanding the ‘developmental state’ model of its aid policy, Japan largely abides by the OECD-ODA norms and has no political or strategic component attached to its aid policy. And given its democratic political institutions, Japan’s aid is transparent and subjected to various mechanisms of checks and balances. China’s, on the other hand, is motivated by considerably different objectives. It is driven by a political agenda of designing a China-centered world order where it seeks to create a South-South cooperative mechanism as distinct from the North-South mechanism. Most importantly, unlike Japan, China does not follow OECD-ODA norms and it is “unlikely to converge with Western aid norms” anytime in the future.

In the Q&A session, Arase took up several pertinent questions. On the question of Africa’s perception of Chinese aid, the speaker pointed towards the diversity in perceptions among various countries in Africa. While cultural clashes are especially salient in countries that host a significant Chinese population, in other countries China has a positive image. China’s image is also burnished by the tangible outcomes of its infrastructural projects, the success rate of which, relative to the local governments, is very high. On the question of whether Chinese aid program is financially sustainable for the African countries, Arase replied by raising doubt about the validity of the question itself – ‘does it matter’. According to the speaker, given that the local governments are largely unresponsive to the wishes of its citizens and critics in academia, the question of effectiveness does not arise. On the question

of whether China was overreaching its current capacity, Arase replied ambivalently – ‘nobody knows’. According to Arase, Chinese overreach would be contingent on whether it is able to sustain its current levels of aid.

Report prepared by Rajesh Ghosh, Research Intern, Institute of Chinese Studies, New Delhi.

About the Speaker

Before joining the Hopkins-Nanjing Center in 2011, Dr. Arase was Professor of Politics at Pomona College in Claremont, CA, where he taught for 22 years. Since moving to HNC, he has been a visiting research fellow at the Centre for Asian Studies, University of Adelaide; the Social Science Research Institute at International Christian University of Japan; the National Institute for Defense Studies in Tokyo; and the Yusof Ishak Institute of Southeast Asian Studies in Singapore. He has published five books and many articles and commentaries on East Asian politics and international relations. His most recent books are *The US-Japan alliance: balancing soft and hard power in East Asia* (Nissan Institute/Routledge, 2010), which was awarded the 2011 Ohira Memorial Foundation Special Prize; and another edited volume, *China's Rise and East Asian Order* (Palgrave, 2016). A single authored book on China's rise to predominance in Asia (Palgrave) is expected in early 2018.

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