Infrastructure and Innovation

Emerging Priorities of EU and Chinese Aid in Africa

Meshach Ampwera

Abstract: The international development cooperation system has long revolved around the notion of a North-South divide and reflected much of the systemic imbalances in global economic relations. It aimed mostly at increasing official development assistance rather than tackling other key development issues like priority infrastructure and innovation capacity. Over the past decade, Africa has experienced rapid growth and rising global prominence, which has profound implications for global development cooperation on the continent. The European Union and

Meshach Ampwera is a PhD Scholar in International Relations at the School of International and Public Affairs, Jilin University. He has been an International Election Observer with the African Union since 2015. His mailing address is: Youyi Hui Guan, 1505 Xiuzheng Road, Changchun 130012, China. He can also be reached at ampwera@outlook.com.

The author would like to express sincere thanks to Doctor Zhang Zhexin and the participants of the Globelics Academy at the PhD School on Innovation and Economic Development, University of Tampere (Finland), where the first draft of this paper was presented, for their valuable comments.

© 2019 World Century Publishing Corporation and Shanghai Institutes for International Studies
China Quarterly of International Strategic Studies, Vol. 5, No. 4, 511–531
DOI: [10.1142/S2377740019500295](https://doi.org/10.1142/S2377740019500295)

This is an Open Access article, copyright owned by the SIIS and WCPC. The article is distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 (CC BY-NC) License which permits use, distribution and reproduction in any medium, provided that the original work is properly cited and is used for non-commercial purposes.

China, two major contributors to African development, have increasingly felt the need to put infrastructure development and innovation capacity at the core of their aid policies toward Africa. Recently, important factors, such as growing competition within the international development cooperation regime, search for new markets, increasing role of regional regimes, persistent poverty, the need to stabilize the world economy, and the responsibility to support international peace and stability are shaping Europe's and China's aid policies toward Africa. Priority infrastructure like highways, railways, energy, and technological innovation in pillar sectors such as agriculture and textile have been prioritized in Africa's development cooperation with China and Europe. Although Brussels and Beijing have maintained a visible level of traditional development cooperation policies, this new form of cooperation is causing an embryonic policy shift from aid to investment within their development and cooperation policies.

Keywords: Development cooperation; policy shift; priority infrastructure; innovation capacity; EU; China.

Introduction

Over the past decade, emerging economies have become an active force in promoting global development. Their rise is changing the course of African development and progress and setting important policy priorities in international development cooperation. On the other hand, there is a broad-based consensus among international and regional organizations (such as the United Nations, World Bank, and African Development Bank), emerging powers (especially Brazil, Russia, India, China, and South Africa, or the BRICS), and advanced economies that investment in innovation capacity and priority infrastructure are essential to sustainable economic development in Africa.¹ Innovation capacity and priority infrastructure

¹African Development Bank Group, "Briefing Notes for AfDB's Long-Term Strategy: Supporting Innovation and Entrepreneurship for Socioeconomic Development," December 8, 2019, pp. 1–5, <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/Briefing%20Note%20%20Innovation%20and%20Entrepreneurship.pdf>; and Calestous Juma and Lee Yee-Cheong, *Innovation: Applying Knowledge in Development* (London: Earthsea, 2005), p. iii, <https://www.belfercenter.org/sites/default/files/legacy/files/tf-advance2.pdf>.

have also been highlighted as two effective tools to promote economic development and prosperity in the developing world, as more and more third-world nations are turning to domestic consumption, technological innovation, and capacity building as new drivers of economic growth. As a result, some of Africa's major development partners, such as the European Union (EU) and China,² have felt the need to put innovation capacity and priority infrastructure at the core of their foreign policies to reengage Africa — mainly through new development cooperation agreements.³

Greater emphasis on innovation capacity and priority infrastructure does not alter the nature, logic, and objectives of the EU's and China's aid policies to Africa. Development cooperation is still seen as a form of public diplomacy driven by both the logic of appropriateness and logic of consequences.⁴ Increasing aid from the EU and China to Africa is intended to promote Brussels's and Beijing's influence on the continent. But the elevation of innovation capacity and priority infrastructure in the global development agenda does mean that as this promising continent continues to grow, the traditional pattern of development cooperation in which Africa is on the receiving end of the EU and Chinese largesse is shifting to a new and more equal relationship where the African capitals are beginning to set their own development agendas. Aid programs focusing on extractive industries no longer dominate Western and Chinese aid packages for Africa. Infrastructure, education, capacity-building, and health services are placed higher on Africa's own development blueprints.

Adopting a qualitative method, this paper does not discount the role still played by the traditional development cooperation interests in shaping contemporary development assistance policies. But it goes beyond them to explain why the EU and China now emphasize and support innovation capacity and priority infrastructure in Africa, particularly in two land-locked countries, Ethiopia and Rwanda, which have long "resisted Western

²Jing Men and Benjamin Barton, eds., *China and the European Union in Africa: Partners or Competitors* (Farnham: Ashgate, 2011), p. 271.

³John Fox and François Godement, *A Power Audit of EU-China Relations* (Brussels: European Council on Foreign Relations, 2009), pp. 1–65, https://www.ecfr.eu/page/-/ECFR12_-_A_POWER_AUDIT_OF_EU-CHINA_RELATIONS.pdf.

⁴Ian Hall and Frank Smith, "The Struggle for Soft Power in Asia: Public Diplomacy and Regional Competition," *Asian Security*, Vol. 9, No. 1 (2013), p. 1–18.

norms in regard to human rights and democratic legitimacy,”⁵ and “leveraged their geopolitical importance as stable nations geographically close to countries with conflicts (South Sudan and the Democratic Republic of Congo).”⁶ The paper also studies what specific innovation capacities and priority infrastructure projects they have supported or still support within their different development cooperation frameworks, and how innovation capacity and priority infrastructure reflect a new form of development cooperation in Africa. These questions are especially important given some Afrocentric fears that contemporary EU and Chinese aid policies in Africa, if not well studied, might in the long run result in conflicting perceptions.

Why Ethiopia and Rwanda?

Ethiopia and Rwanda are among the first 14 African countries to have acceded to the African Peer Review Mechanism (APRM) — a unique African initiative that aims at promoting democratic governance and inclusive development.⁷ Their growing economic, social, and political potential reflect the vitality and value of innovation capacity and priority infrastructure development for the two societies, particularly in governance and development structures.

Despite their shared history of ethnic conflicts, substantial improvements in political stability, government effectiveness, and the rule of law (especially in Rwanda) have been attained.⁸ Ethiopia and Rwanda are two of the major destinations of large-scale structural development aid from Europe and China that aims to support innovation capacity and priority

⁵Hilary Matfess, “Rwanda and Ethiopia: Developmental Authoritarianism and the New Politics of African Strong Men,” *African Studies Review*, Vol. 58, No. 2 (2015) pp. 181–204.

⁶*Ibid.*, p. 187.

⁷*Africa's Self-Assessment for Improved Governance*, (Midrand, African Peer Mechanism Secretariat, 2011), <https://documents.pub/download/african-peer-review-mechanism-aprm-annual-report-2011>.

⁸Roland Bardy, Stephen Drew, and Tumenta Kennedy, “Foreign Investment and Ethics: How to Contribute to Social Responsibility by Doing Business in Less-Developed Countries,” *Journal of Business Ethics*, Vol. 106, No. 3 (2012), p. 272.

infrastructure, and have maintained a significant control over the implementation processes.⁹

Besides, in recent years Ethiopia and Rwanda have consecutively been ranked among the fastest-growing economies in Africa.¹⁰ This has raised an implicit question of whether these two African countries can challenge the existing norms of the EU's structural development cooperation policy that often attach, among others, human rights, democracy, and governance conditions to its aid packages, or they are beginning to display the Flying Geese (FG) pattern of development, where most successful economies spread their success to the geese flying in the same direction mainly by strengthening priority infrastructure.¹¹

Last but not least, contrary to the econometric analyses of development policies in most developing countries that assume "relative homogeneity of nations across regions or the world,"¹² Ethiopia and Rwanda are two different aspiring developmental states.¹³ It is against this background that Ethiopia and Rwanda have been selected to bring a novel foreign policy perspective that elucidates development cooperation beyond traditional interests.

⁹Paolo de Renzio, Lindsay Whitfield, and Isaline Bergamaschi, "Reforming Foreign Aid Practices: What Country Ownership Is and What Donors Can Do to Support It," Briefing Paper, Global Economic Governance Programme, University of Oxford, June 2008, <https://www.geg.ox.ac.uk/sites/geg.ox.ac.uk/files/Reforming%20Foreign%20Aid%20PB%202008.pdf>.

¹⁰*Global Economic Prospects: Having Fiscal Space and Using It* (Washington, D.C.: World Bank, 2015), https://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015a/pdfs/GEP15a_web_full.pdf; and *Global Economic Prospects: Maintaining Progress Amid Turmoil* (Washington, D.C.: World Bank, 2011), pp. 128–141, <http://documents.worldbank.org/curated/en/737801468150879923/pdf/632530NWP0Glob00Box0361511B0PUBLIC0.pdf>.

¹¹Akamatsu Kaname, "A Historical Pattern of Economic Growth in Developing Countries," *Developing Economies*, Vol. 1, Issue s1 (August 1962), pp. 3–25.

¹²Sadoulet Elisabeth and Alain de Janvry, *Quantitative Development Policy Analysis* (Baltimore: Johns Hopkins University Press, 1995).

¹³A developmental state is "a state that puts economic development as the top priority of government policy, and is able to design effective instruments to promote such a goal." See Timothy M. Shaw, "Africa's Quest for Developmental States: 'Renaissance' for Whom?" *Third World Quarterly*, Vol. 33, No. 5 (2012), pp. 837–851.

Aid Projects for Infrastructure and Innovation in Ethiopia and Rwanda

Africa is entering a unique age of innovation, infrastructure development, and technological advancement, which are expected to provide a fresh impetus to its economic growth and social progress. Priority infrastructure and innovation have become new frontiers in EU and Chinese cooperation with Africa, which is part of a broader pattern of growing external investments in African infrastructure, natural resources, and markets.¹⁴ On the European side, its development cooperation is guided by the *Joint Africa-EU Strategy*, whose objective is to increase cooperation on science, technology, and innovation. An Africa-Europe Innovation Partnership was launched by the European Commission in 2019 to strengthen partnership among new actors in the area of innovation and to “connect tech hubs (incubators, accelerators, and design labs) and other key innovation stakeholders from both African and European countries, as well as capacity-upgrading sessions on cooperation with technology transfer offices, access to finance and EU funding.”¹⁵ On the Chinese side, development cooperation was initially conducted under the “Going Out” strategy (also referred to as “Going Global”) which was put forward in 1999,¹⁶ and later incorporated into Beijing’s Tenth Five-Year Plan (2001–2005) to encourage “Chinese enterprises to invest abroad, improve competitiveness, innovation and secure an international business presence.”¹⁷ Recently, development cooperation with Africa has been further elevated in China’s overall diplomacy as the continent is included as one of the geo-economic priorities under Beijing’s Belt and Road Initiative.¹⁸ So far, East African countries

¹⁴“Chinese Innovation Driving Africa’s Growth,” *China Daily*, April 18, 2019, <http://www.chinadaily.com.cn/a/201904/18/WS5cb7cf21a3104842260b6d7b.html>.

¹⁵European Commission, “The Africa-Europe Innovation Partnership as Emerging Valley,” December 24, 2019, <https://ec.europa.eu/research/iscp/index.cfm?pg=africa>.

¹⁶“China Going Global: Between Ambition and Capacity,” *China Policy*, April 2017, <https://polycn.com/wp-content/uploads/2017/05/2017-Chinas-going-global-strategy.pdf>.

¹⁷“Chinese Innovation Driving Africa’s Growth,” *China Daily*, April 18, 2019, <http://www.chinadaily.com.cn/a/201904/18/WS5cb7cf21a3104842260b6d7b.html>

¹⁸Wang Hongying, “A Deeper Look at China’s ‘Going Out’ Policy,” Centre for International Governance Innovation, March 8, 2016, <https://www.cigionline.org/publications/deeper-look-chinas-going-out-policy>.

(including Ethiopia and Rwanda) have started benefiting from the grand project.

In light of the above, over the last decade, the EU and Chinese cooperation with East African countries have been linked to priority infrastructure and innovation capacity. This has led some African countries to start experiencing what the economist Joseph Schumpeter called “creative destruction” (or a process of “industrial mutation”), in which new processes push out the old ones.¹⁹ As indicated (see Figure 1) and elucidated below, this has been particularly manifested in highways, railway lines,

EU		Ethiopia		Rwanda		EU	
Priority Infrastructure		Addis Ababa – Nairobi road corridor	1	Hydro Power Ruzizi III (145 MW) Kigali-Gatuna road rehabilitation	3	Priority Infrastructure	
Innovation Capacity		The Transformation Triggering Facility (To support various priority sectors such as leather and leather products; textiles and clothing; agri-processing; and pharmaceuticals)	2	Award-winning Ubudehe Program	4	Innovation Capacity	
China		Ethiopia		Rwanda		China	
Priority Infrastructure		• Gibe 111 hydroelectric project • Addis Adaba - Ababa (Nazareth) Express Way • Ethiopian Railway - connecting Addis Ababa to the Djiboutian border	5	7 Rusizi-Rubavu highway		Priority Infrastructure	
Innovation Capacity		Ethio-China Polytechnic College to support vocational skills and innovations	6	Mushrooms Project between the Faculty of Agriculture at National University of Rwanda and Fujian Agriculture and Forestry University China	8	Innovation Capacity	

Fig. 1. Some of the EU and Chinese Innovation Capacity and Priority Infrastructure Support Projects in Ethiopia and Rwanda

Source: by author.

¹⁹Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy*, 2nd Edition (New York: Harper and Brothers Publishers, 1942), p. 83.

energy, and technological innovations in the agricultural, textile, and education sectors.

The EU financed 23 percent of Project one, which covers the Mombasa-Nairobi-Addis Ababa Road Corridor. This 895km highway corridor links Ethiopia and Kenya, and has not only reduced cross-border traffic between the two countries, but is a major pillar for economic integration within East Africa. Similarly, completion of this highway has expanded market sizes beyond national boundaries and fostered an enabling environment for the private sector and for attracting foreign direct investment. This implies that the project will contribute to poverty reduction in both countries through adequate roadside socio-economic infrastructure and services.²⁰

In increasing investments in innovation and infrastructure, Brussels and Beijing are helping Africa find new drivers of economic growth and social progress.

Project two, the Transformation Triggering Facility (TTF), is funded with €35 million and supports main priority sectors with good development potential in Ethiopia, such as leather and leather products, textiles and clothing, agri-processing, and pharmaceuticals. This is aimed at promoting innovation and entrepreneurial skills.²¹ In addition, TTF is expected “to quicken Ethiopia’s economic transformation, and through this attain economic growth, skill development and employment creation in the manufacturing sector and contribute to the country’s goal to achieve middle-income status.”²² Also, the Ethiopian government seeks to leverage business opportunities, close gaps in value chains, and increase the

²⁰Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase II Appraisal Report (Abidjan: African Development Bank Group, 2009) <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/ARMuli01%20En.pdf>.

²¹M. Narasimha, Achamyeleh Aemro Kassie, and R. Reji Kumar, “Industrial Growth in Ethiopia — A Review,” *International Journal of Engineering Research and Development*, Vol. 6, No. 10 (April 2013), pp. 1–8.

²²“TA Support to the Implementation of the Transformation Triggering Facility (TTF): Expertise Toward Economic Growth, Development and Investment,” Human Dynamics, <https://humandynamics.org/en/project/ethiopia-transformation-triggering-facility>.

competitiveness of homegrown companies in priority sectors to achieve comparative advantages.

Project three, Ruzizi III, a hydropower plant, benefits Rwanda, Burundi, and the Democratic Republic of Congo. The study for this project has been conducted by FICHTNER with €2.85 million in EU funding.²³ It is the first regional power project (priority infrastructure) in East Africa to be initiated as a public-private partnership project. It is assisting the beneficiaries in meeting their energy needs by providing reliable and inexpensive electric power. This is in line with the national development strategies of the countries concerned, which highlight the enormous value of reliable and affordable electric power supply to achieve economic transformation.²⁴ The Kigali-Gatuna road rehabilitation project of the Northern corridor network has been completed, linking Kigali to Mombasa international port via Kampala. Fifty percent of road-based imports to Rwanda and the Democratic Republic of Congo pass via this route,²⁵ whose construction has costed €47 million, financed by the European Development Fund. Completion of this project is a significant achievement of the regional integration process and cross-border trade, and will enhance the socioeconomic transformation of the country by connecting Rwanda to the rest of the region.

The fourth project, award-winning “Ubudehe Program” in Kinyarwanda is called “*Ubudehe mu kurwanya ubukene*,” which means “Ubudehe to fight poverty.” The project, jointly supported by the European Union and other donors,²⁶ is known as Rwanda’s best homegrown innovation because

²³EU-Africa Infrastructure Trust Fund Annual Report (Luxembourg: European Investment Bank, 2009), p. 22, https://www.eib.org/attachments/country/eu_africa_infrastructure_trust_fund_annual_report_2009_en.pdf.

²⁴“Construction of Ruzizi III Hydropower Plant Gets AfDB Funding 2016,” *Construction Review*, January 5, 2016, <https://www.concretetrends.co.za/news/construction-of-ruzizi-iii-hydropower-plant-gets-afdb-funding/>.

²⁵“Rehabilitation of Kigali-Gatuna Road, Rwanda,” Zublin Strabag, https://www.strabag-international.com/databases/internet/_public/content30.nsf/web30?Open-agent&id=917C80742AACA224C125811B007A294C.

²⁶Niringiye Aggrey and Ayebale Chris, “Impact Evaluation of the Ubudehe Programme in Rwanda: An Examination of the Sustainability of the Ubudehe Programme,” *Journal of Sustainable Development in Africa*, Vol. 14, No. 3 (2012), pp. 141–154.

of its participatory development approach to poverty reduction. In 2008, the program won the United Nations public service award for excellence in service delivery. It “creates opportunities for people at all levels of society, especially the village level, to interact with one another, share ideas, create institutions and make decisions for their collective development.”²⁷

The fifth project, Gibe 111, has been supported by China through the Industrial and Commercial Bank of China (ICBC), a state-owned bank.²⁸ According to Alemayehu Tegen, Ethiopia’s cabinet affairs minister and former minister of water, irrigation and energy, the project will increase power generation capacity by 234 percent.²⁹ Being the third-largest hydroelectric plant in Africa with a power output of about 1870 megawatt, it will boost the Ethiopian economy and bring prosperity to the country. The Addis Ababa-Adama (Nazareth) expressway is a large toll expressway co-funded by China’s Export-Import Bank, which has provided a loan of \$350 million, and the Ethiopian government.³⁰ This priority project is viewed as one of “Ethiopia’s most crucial road links” and “a primary import-export route, accommodating the bulk of the commercial traffic from the east, southeast and southern parts of the country, and an important strategic access for traffic between the capital city and Djibouti Port, Ethiopia’s only current access to the sea.”³¹ The construction of the Ethiopian Railway is also supported by China, and 70 percent of the funds come from the EXIM Bank. This is an international standard gauge railway that serves as the backbone of the new Ethiopian national railway network. It provides a

²⁷Rwanda Governance Board, “Ubudehe,” <http://www.rgb.rw/index.php?id=35>.

²⁸“Ethiopia Stands Firm on the Gibe 3 Hydro Dam Project,” Pambazuka News, August 17, 2011, <https://www.pambazuka.org/land-environment/ethiopia-ethiopia-stands-firm-gibe-3-hydro-dam-project>.

²⁹Gregory Poindexter, “Power Generation Begins at 1,870-MW Gibe III Hydroelectric Project in Ethiopia,” *Hydro Review*, 2015, <https://www.hydroreview.com/2015/10/14/power-generation-begins-at-1-870-mw-gibe-iii-hydroelectric-project-in-ethiopia/>.

³⁰Deborah Brautigam and Tang Xiaoyang, “An Overview of Chinese Agricultural and Rural Engagement in Ethiopia,” IFPRI Discussion Paper 01185, International Food Policy Research Institute, May 2012, pp. 11–12, <http://ebrary.ifpri.org/cdm/ref/collection/p15738coll2/id/126944>.

³¹“Addis Ababa-Adama Expressway,” Infra Consulting Services, <http://www.icsglobal.com/addis-ababa-%E2%80%93-adama-expressway.html>.

landlocked Ethiopia with access to the sea, and links Ethiopia's capital of Addis Ababa to the port of Doraleh in Djibouti.³²

Project six, the Ethio-China Polytechnic College is the first vocational college that China has helped build in Ethiopia to support vocational skills and innovation, industrial technology, information technology, and technical innovation in textile and garments.³³ In addition, the two countries signed the bilateral agreement between the Ministry of agriculture of China and the Ministry of agriculture of Ethiopia on the dispatch of Chinese instructors to the Ethiopian agricultural, technology, vocational education and training program in 2001.³⁴ Since then, Chinese instructors have been training the Ethiopian farmers and agricultural entrepreneurs, especially on agricultural innovation, technology, and irrigation systems. This is grounded in the experience that China's economic takeoff was initially fueled by mechanization of agriculture in a sustainable manner.

The seventh project, Rusizi-Rubavu highway is a 185km road project that is also funded through China's EXIM bank.³⁵ This is a multinational road that connects the three countries of Rwanda, Burundi, and the Democratic Republic of Congo and aims to contribute to regional integration, as well as boost trade and tourism in the area.

Under project eight, Chinese agricultural scientists from the Fujian Agriculture and Forestry University in collaboration with the University of Rwanda have helped established a China-Rwanda Agriculture Technology Demonstration Center in Rwanda. Led by Professor Lin Yingxing, an expert on edible fungus technology, the center institutes a mushroom project focusing on improving the fertilizer ingredients needed for mushroom cultivation. This center is one of the 14 such facilities that China has agreed to

³²Ethiopia Embassy in London, "Ethiopian News," http://www.ethioembassy.org.uk/news_archive/newsletter_pdf/March.2013.pdf.

³³Tianjin University of Technology and Education, "Ethio-China Polytechnic College," http://en.tute.edu.cn/text_sp.jsp?urltype=tree.TreeTempUrl&wbtreeid=1050.

³⁴Bahiru Setegne, "Ethio-China Cooperation on ATVET Colleges' Empowerment," Ethiopia's Ministry of Agriculture, <http://www.moa.gov.et/web/guest/-/ethio-china-cooperation-on-atvet-colleges-empowerme-3>.

³⁵Republic of Rwanda, "Government of Rwanda and Its Development Partners Conclude Signing of USD 320 Million for Financing the Multinational Road Project Rusizi — Rubavu (Kivu Belt)," http://gov.rw/newsdetails2/?tx_ttnews%5Btt_news%5D=449&cHash=e939b617cc8327c5e6d1bc8544b7605c.

set up for reinforcing economic aid to Africa at the Beijing Summit of the Forum on China-Africa Cooperation in 2006.³⁶

Why Go Beyond Traditional Development Cooperation Interests?

Much as it can be remiss to underestimate the value of traditional development cooperation interests in the EU and Chinese aid policies toward Africa, contemporary EU and Chinese development cooperation policies recently transcend a simple quest for traditional cooperation interests.³⁷ For example, the EU's key external policy instruments, such as the European Development Fund and the New Partnership Instrument, aim to pursue agendas beyond development cooperation with industrialized, emerging economies, and countries where it has significant interests³⁸ — these could be developing nations. What is not yet clear is whether going “beyond traditional development cooperation interests” implies the creation of different epistemological hope or meta-epistemic conceptual framework to anchor on an original and most especially grounded perspective of the African development agenda that is inclusive, participatory, enabling and with sustainable underpinnings.³⁹ By comparison to other development partners like the United States, Japan, and South Korea, there is already vivid willingness in the EU and Chinese development policies to increase support for innovation capacity and priority infrastructure in Ethiopia and Rwanda. However, the question remains as to what specific innovation capacity and priority infrastructure support are referred to and why?

³⁶Li Lianxing, “Planting the Seeds of Growth,” *China Daily*, December 14, 2012, <http://www.chinadaily.com.cn/a/201212/14/WS5a2a0a95a3101a51ddf8e621.html>.

³⁷He Wenping, “The Balancing Act of China's Africa Policy,” *China Security*, Vol. 3, No. 3 (Summer 2007), p. 27; and Humphrey John, “Chinese Development Cooperation and the EU,” Policy Brief No. 17, European Association of Development Research and Training Institutes, March 2011, p. 3, http://www.edc2020.eu/fileadmin/publications/EDC2020_-_Policy_Brief_No.17_-_Chinese_Development_Cooperation_and_the_EU_v4.pdf.

³⁸EUROPEAID, “Development and Cooperation — Multiannual Financial Framework 2014–2020: Strengthening Europe's Place in the World,” http://ec.europa.eu/europeaid/how/finance/mff/financialframework_news_en.htm.

³⁹Mammo Muchie and Angathevar Baskaran, eds., *Challenges of African Transformation: Exploring Through Innovation Approach* (Oxford: African Books Collective, 2013), p. 270.

According to Szeto Elson, innovation capacity is a continuous improvement of capabilities and resources that a nation or any enterprise possesses to explore and exploit new business opportunities.⁴⁰ Raphael Amit and Paul Schoemaker⁴¹ separate resources from capabilities believing that resources are stocks of available factors that are owned or controlled by a society while capabilities mean the ability to deploy the resources of that given society (country or organization). On the other hand, the Programme for Infrastructure Development in Africa (PIDA) — an initiative for the development of infrastructure in Africa being spearheaded by the African Union Commission (AUC), the New Partnership for Africa's Development (NEPAD) Secretariat, and AfDB defines priority infrastructure in Africa as energy, transport, information and communication technologies (ICT), and trans-boundary water resources.⁴²

From the speech of June 5, 1947 by then U.S. Secretary of State General George Catlett Marshall at Harvard College (where he outlined the main features of a long-term American assistance programme for Europe), and the subsequent Economic Cooperation Act of 1948,⁴³ it is clear that, due to U.S. fears of the spread of the communist ideology in the West, the Marshall Plan was committed to improving the socioeconomic situation, people's livelihoods, as well as order and stability in Western European societies so that the war-torn Western Europe could stand on its own feet. This brings into perspective an understanding that what we see now in the EU and Chinese development cooperation frameworks with Africa is not entirely new, but fairly a reflection of some of the Marshall Plan ideas. The difference lies in specific objectives and implementation. The Marshall Plan

⁴⁰Szeto Elson, "Innovation Capacity: Working Towards A Mechanism for Improving Innovation within an Inter-organizational Network," *TQM Magazine*, Vol 12. No. 2 (April 2000), pp. 149–158.

⁴¹Raphael Amit and Paul J. H. Schoemaker, "Strategic Assets and Organizational Rent," *Strategic Management Journal*, Vol. 14, No. 1 (January 1993), pp. 33–46.

⁴²"Programme for Infrastructure Development in Africa," African Development Bank Group, <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/programme-for-infrastructure-development-in-africa-pida>.

⁴³OECD, "The Marshall Plan Speech at Harvard University, 5 June 1947," <http://www.oecd.org/general/themarshallplanspeechatharvarduniversity5june1947.htm>; and Walter S. Surrey, "The Economic Cooperation Act of 1948," *California Law Review*, Vol. 36, No. 4 (December 1948), pp. 509–557.

aimed to reconstruct Western Europe by reviving the industrial and technological foundations that had been devastated in the Second World War, while EU and Chinese aid packages to Africa have to help build solid industrial and technological foundations on the continent before it can achieve sustained economic growth and social progress. Washington rebuilt Europe's destroyed industrial infrastructure to create a market for U.S. products in a bid to prevent another U.S. economic depression.⁴⁴ Likewise, the EU and China are not exceptions to the global market realities and interests. What is motivating them to support innovation capacity and priority infrastructure in Ethiopia and Rwanda (and in Africa in general) is the economic development logic that prevails in most industrialized countries that market is not a highly idiosyncratic business variable, but a dynamic and determining foreign policy variable to compete for. There is no doubt that an economically rising China and a troubled (economically) but promising EU have to use the same logic to assist those developing countries in the interest of securing mutual markets for their economies, because they already have the knowledge and technological capabilities. What they need to do is search for new markets and harmonize their economic policies with those in question by linking them to the expansion of their own exports through innovation capacity and priority infrastructure support.

There is now growing competition within the international development cooperation regime.⁴⁵ Throughout the Cold War, development cooperation was a tool for the superpowers to reward or discipline Third-World allies and former colonies to advance their own strategic interests.⁴⁶ In today's world, European countries and the United States are no longer the dominant forces and factors in Third-World development and progress. Washington and individual European capitals are facing a much more competitive global development landscape where the emergence of the

⁴⁴"Bill of Rights in Action — The Marshall Plan for Rebuilding Western Europe," Constitutional Rights Foundation, <https://www.crf-usa.org/bill-of-rights-in-action/bria-20-3-a-the-marshall-plan-for-rebuilding-western-europe.html>.

⁴⁵Balázs Szent-Iványi, "State Fragility and International Development Cooperation," Research Paper No. 2007/029, United Nations University, May 2007, <https://www.wider.unu.edu/sites/default/files/rp2007-29.pdf>.

⁴⁶Alesina Alberto and David Dollar, "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth*, Vol. 5, No.1 (March 2000), pp. 33–63.

BRICS countries has brought new options and alternatives, especially for African countries to rethink their own development paths and models. African countries now have multiple choices of development cooperation, such as North-South, South-South, and East-South. This competition among the international development cooperation actors is shifting the trend of events — an embryonic but visible shift from aid to investment. Involved in this embryonic global development shift from aid to investment, Brussels and Beijing need to support innovation capacity-building and key infrastructure development regardless of traditional cooperation interests in countries like Ethiopia and Rwanda that are less richly endowed with natural resources in order to restructure the future of their demanding economies for mutual benefits.

Moreover, the increasing interconnectedness of the world (globalization) has caused a shift in the interests of the EU, Chinese, and other international development partners. Transnational challenges that have the downsides of deeper globalization, such as terrorism, organized crimes, epidemics, uncontrolled migration, and economic crises cannot be addressed without tackling their root causes such as poverty, inequality, and injustice. This is where “soft power” of development cooperation with African or other developing countries comes in. Therefore, supporting innovation capacity-building and priority infrastructure in countries like Ethiopia and Rwanda to address poverty and promote economic development is crucial. This is the reason why the EU and Chinese cooperation policies toward Ethiopia and Rwanda transcend traditional development cooperation interests.⁴⁷

Scanning through the increasing role played by Africa’s regional and subregional regimes, it is crucial to recognize how these regimes are influencing development partners’ choices in supporting innovation capacity and priority infrastructure. For instance, the African Union and the Common Market for Eastern and Southern Africa (COMESA) have been steadily focusing on science, technology, and engineering as critical development drivers.⁴⁸ The 19 COMESA member states held successive summits

⁴⁷Szent-Iványi, “State Fragility and International Development Cooperation.”

⁴⁸Calestous Juma, “The China-Africa Bond: Science, Technology and Engineering Diplomacy,” Belfer Center, 2012, pp. 170–172, <https://www.belfercenter.org/sites/default/files/files/publication/caijing-2012-juma-china-africa-eng.pdf>.

in 2010, 2011, and 2012 on harnessing science, technology, innovation parks, and priority industry clusters in a bid to promote development.⁴⁹ Greater emphasis on innovation, science, and technology by Africa's regional and subregional regimes has attracted renewed attention and appreciation from both local and international development partners. The EU and China recognize that if they are to succeed with their soft power diplomacy with Ethiopia and Rwanda (and Africa in general), innovation capacity and priority infrastructure have to appear on the top of their development co-operation agendas.

Last but not least, when the EU and China support innovation capacity and priority infrastructure in Ethiopia, Rwanda, and Africa in general, the intentions should not only be limited to traditional cooperation interests. There are other possible incentives. It could be that they want to cooperate in these countries' economic development as a way of strengthening their common relations or they want to stabilize bilateral and multilateral economic ties in order to create future mutual investment opportunities. Another incentive could be to fulfill part of their international responsibilities by indirectly supporting peace and stability of these beneficiary countries. In fact, these intentions are not entirely new. In 1989 when Juichi Inada wrote on Japan's aid diplomacy, he cited a 1981 document from the Japanese Ministry of Foreign Affairs, which described Japan's aid philosophy as paying the price of building an international order to implement a comprehensive security plan for Japan.⁵⁰

A New Form of Development Cooperation in Africa

The nature of most development cooperation policies in the 20th century did not entirely reflect the new form of diplomacy in Africa, in that they mostly represented an approach that aimed at managing problems but not

⁴⁹COMESA, "A Final Communiqué of the Sixteenth Summit of the COMESA Authority of the Heads of State and Government: Enhancing intra-COMESA Trade through Micro, Small and Medium Enterprise Development," November 2012, <http://www.tralac.org/files/2012/12/COMESA-Final-Communique-24112012-0912hrs.pdf>.

⁵⁰Juichi Inada, "Japan's Aid Diplomacy: Economic, Political or Strategic?" *Journal of International Studies*, Vol. 18, No. 3 (December 1989), p. 409.

solving them. But the competitive 21st century has brought a new era for Africa. As Darr Nobert, Lund Susan, and Roxburgh Charles put it,

“Africa has outgrown the gloom and doom. Far from the misery-stricken place so often portrayed, Africa today is alive with rising urban centers, an expanding consumer base, and sizzling business deals. . . Africa, in fact, is now one of the world’s fastest-growing economic regions. . . [R]evenues from natural resources, the old foundation of Africa’s economy, directly accounted for just 24 percent of growth during the last decade; the rest came from other booming sectors, such as finance, retail, agriculture, and telecommunications. Not every country in Africa is resource rich, yet GDP growth accelerated almost everywhere.”⁵¹

Therefore, the proposition that strengthening development cooperation with African countries by largely focusing on traditional cooperation interests will constantly lead to economic development is only partially true. Any development cooperation framework that supports innovation capacity, priority infrastructure, or science and technology in Africa will reflect a new form of soft-power diplomacy. This will bring benefits not only to African countries, but also to the entire international community.

In a more competitive global development landscape where traditional donors are no longer the dominant players, non-Western alternatives and new forms of donor-recipient relations are gaining traction.

Similarly, much success in most advanced and emerging economies is fairly attributed to institutional interdependence. However, in African countries, most political institutions are either independent, powerful, or at the structural apex of the organized hierarchy, which makes the rest of institutions dependent. For example, the 2012

⁵¹Darr Nobert, Lund Susan, and Roxburgh Charles, “The African Miracle: How the World’s Charity Case became its Best Investment Opportunity,” *Foreign Policy*, November 28, 2010, <https://foreignpolicy.com/2010/11/28/the-african-miracle/>.

Aidwatch report shows that EU development cooperation focuses much on aid monitoring and political support from influential players,⁵² while China emphasizes the role of diplomatic embassies and *guanxi* (connections or social networks/relationship). If the EU and Chinese development cooperation policies in Africa are to reflect a new image, their embryonic shift from aid to investment should not lose sight of the (African) hegemonic structure of political institutions over other institutions so that the shift can move toward institutional interdependence. Linking institutional interdependence with investment, innovation capacity, priority infrastructure, and information technology will not only reflect a new form of development cooperation but also result in more mutual benefits. This will assure that the “new wine” as represented by investments in innovation capacity and priority infrastructure is not put into the “old bottle” as represented by existing political institutional hegemony.

Much as the EU and China have maintained a visible level of traditional development cooperation policies, both have acknowledged the changing trends in the international development cooperation regime, to embrace the value of priority infrastructure and innovation capacity in economic development. However, a major difference exists between Africa's two major donors. The EU is collectively the biggest donor of international aid in the world, providing over €50 billion a year to help reduce poverty and advance global development.⁵³ This aid is conditioned on the advances in human rights, democratic institutions on the part of the recipient nations, or affixed to asymmetric trade agreements like the Cotonou Agreement. By contrast, China's development cooperation is guided by mutual respect and shared history, and focuses on trade, investment, trust building, and public diplomacy. For instance, in the political domain, China has continuously upheld principles of mutual respect and equality with Africa, including not interfering in Africa's internal affairs and respecting their independent development paths. In the economic sphere, it

⁵²CONCORD, “Making Sense of EU Development Cooperation Effectiveness: On the Post-Busan Development Effectiveness Agenda,” AidWatch Special Report, 2012, p. 4, <https://library.concordeurope.org/record/203/files/DEEEP-REPORT-2014-066.pdf>.

⁵³European Commission, “Recipients and Results of EU Aid: Recipients, Processes, and Results of EU International Aid,” <https://ec.europa.eu/info/aid-development-cooperation-fundamental-rights/recipients-and-results-eu-aid.en>.

emphasizes the more pragmatic goal of promoting economic development and social progress for African nations, attaching no political strings to any of its aid packages.⁵⁴

Therefore, the EU's call for a trilateral cooperation (EU, Africa, and China) is premature, because the EU and Chinese cooperation policies are still driven by substantially different development interests and paradigms. The EU relies on grants and direct budgetary support, while China's approach is focused on projects and high-growth sectors like infrastructure.⁵⁵ A 2017 McKinsey study has found that Chinese cooperation (investment and trade) in Africa promotes substantive skills and technology transfer — “nearly half of Chinese firms have introduced a new product or service to the local market, and more than one-third have introduced a new technology.”⁵⁶

As a traditional Western donor, the EU should, at the same time, learn from Africans and the Chinese. For example, the EU may draw a lesson from the Chinese-Africa pragmatic approach that focuses on driving economic growth through specific skills transfer where it apparently has a comparative advantage over other partners. Rather than promoting closer trilateral cooperation or criticizing China's aid approach, the EU ought to explore cooperation with Africa on specific areas such as security and governance, where it also has a comparative advantage. This implies that the embryonic or ongoing discourse about trilateral cooperation may not be pertinent for mainly three reasons. First, the two actors (EU and China) are at different “stages of growth.” According to the economic historian Walt W. Rostow, the transition from underdevelopment to development is elucidated in terms of a series of stages through which all countries must

⁵⁴Larry Hanauer and Lyle J. Morris, *Chinese Engagement in Africa: Drivers, Reactions, and Implications for U.S. Policy* (Santa Monica: RAND Corporation, 2014), p. 21.

⁵⁵Jakob Bund and Michal Makocki, “The EU-China-Africa Triangle,” European Union Institute for Security Studies, November 2016, https://www.iss.europa.eu/sites/default/files/EUISSFiles/Alert.45_EU_China_Africa.pdf.

⁵⁶Irene Yuan Sun, Kartik Jayaram, and Omid Kassiri, “Dance of the Lions and Dragons: How are Africa and China Engaging, and How will the Partnership Evolve?” McKinsey & Company, June 2017, <https://www.mckinsey.com/~/media/mckinsey/featured%20insights/middle%20east%20and%20africa/the%20closest%20look%20yet%20at%20chinese%20economic%20engagement%20in%20africa/dance-of-the-lions-and-dragons.ashx>.

proceed. These are: traditional society, preconditions for takeoff, takeoff, drive to maturity, and high mass consumption.⁵⁷ Michael P. Todaro and Stephen C. Smith observed that these stages are “not merely a way of generalizing certain factual observations about the sequence of development of modern societies. They have an inner logic and continuity.”⁵⁸ What is clear is that dominant (if not many) countries in the EU have reached the final stage of high mass consumption, which is not the case with China. Therefore, it is likely that China would damage its interests and legitimacy in Africa in trilateral cooperation. On the other hand, it may present the EU as a declining power that cannot face Africa on its own or accept a changing Africa. Second, Brussels and Beijing are perceived differently in Africa and trilateral cooperation could simply tilt the fair image of China in Africa. Third, their cooperation approaches with Africa have been different for decades. For instance, China “believes that the best antidote to conflict and instability is sustained economic development,”⁵⁹ and “separates economic and technological cooperation from foreign aid.”⁶⁰ This is different from the EU’s approach which is normative and structural in nature.

Conclusion

As Robert McNamara, then U.S. Secretary of Defense and later World Bank president, put it more than fifty years ago, “security is development. Without development, there can be no security.”⁶¹ Similarly, it can be suggested that the best economic, political, military, and security motivation for the EU and China is to contribute to economic development of

⁵⁷Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960).

⁵⁸Michael P. Todaro and Stephen C. Smith, *Economic Development*, 12th Edition (Harlow: Pearson, 2015), p. 120.

⁵⁹Deborah Brautigam, *The Dragon’s Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009), p. 21.

⁶⁰Deborah Brautigam, *Chinese Aid and African Development: Exporting Green Revolution* (New York: Palgrave Macmillan, 1998), p. 51.

⁶¹Robert S. McNamara, “Security in the Contemporary World,” A speech before the American Society of Newspaper Editors, Montreal, May 18, 1966, <http://www.oldcolo.com/McNamara/mcnamara.txt>.

African countries through pertinent development cooperation that support innovation capacity and priority infrastructure.

From the U.S. Marshall Plan to the current EU and Chinese development cooperation policies toward Ethiopia, Rwanda, and Africa in general, development cooperation reflects the growing importance of “soft diplomacy” as an instrument of statecraft in an increasingly competitive global landscape. What Ethiopia, Rwanda, or other African countries need most is not aid policies emphasizing the ever-growing amount of official development aid alone but increasing investment in priority areas, such as innovation, infrastructure, science and technology. Pertinent investments that show the significance of institutional interdependence, not aid, are crucial in creating shared benefits that are vital in poverty reduction, economic development, and international peace.