The EU’s and China’s development assistance towards Central Asia: low versus contested impact

Fabienne Bossuyt

To cite this article: Fabienne Bossuyt (2019): The EU’s and China’s development assistance towards Central Asia: low versus contested impact, Eurasian Geography and Economics

To link to this article: https://doi.org/10.1080/15387216.2019.1581635

Published online: 26 Feb 2019.
The EU’s and China’s development assistance towards Central Asia: low versus contested impact

Fabienne Bossuyt

Department of Political Science, Ghent University, Ghent, Belgium

ABSTRACT
This article offers an explorative comparative analysis of the impact of the European Union (EU)’s and China’s development assistance towards Central Asia. Drawing on document analysis and in-depth interviews with stakeholders, the article explores to what extent the assistance provided by the EU and China has an impact on the ground. The article concludes that the EU’s development assistance to Central Asia fails to have a significant impact, despite the EU having spent a considerable amount of funding in the region throughout the past two decades. In turn, China’s foreign aid to Central Asia is more pervasive, and has a tangible impact on the ground. However, the positive impact of China’s assistance, not least improved living standards as a result of enhanced transport and electricity infrastructure, is being offset by the negative implications of its increased involvement, including deepening economic and financial dependency.

ARTICLE HISTORY
Received 25 January 2019
Accepted 1 February 2019

KEYWORDS
Development cooperation; China; European Union; Central Asia

Introduction
In recent years, both the European Union’s (hereafter EU) and China’s international development activities have been attracting growing attention in the academic literature. However, the development assistance to Central Asia by China and the EU has received little attention, despite their increasing involvement in the region. While almost absent in Central Asia in the 1990s, China has made a remarkable rise over the last fifteen years up to the point where it is now a leading actor in the region (Laruelle and Peyrouse 2012; Bossuyt 2015). The EU’s role in Central Asia has also evolved significantly, from that of little more than an invisible and arguably ineffective donor in the 1990s, to that of a strategic player by the late 2000s (Bossuyt 2010a, 2015).

This article provides a comparative analysis of EU and Chinese development assistance towards the Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan). In doing so, it explores to what extent their
assistance has an impact on the ground. “Impact” in this study is understood as “the positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators” (OECD 2017). While the empirical analysis covers all five Central Asian countries, most empirical illustrations are drawn from the case of Kyrgyzstan.

This comparative analysis is relevant for several reasons. First, although China and the EU are the region’s main sources of development aid (Kassenova 2009; Peyrouse, Boonstra, and Laruelle 2012; Peyrouse 2017), their role and impact as donors in Central Asia remains understudied in the academic literature. Second, although they are intrinsically different types of donors, as relatively new actors in Central Asia, China’s and the EU’s emergence on the Central Asian scene has followed a similar – strongly interest-driven – path (Bossuyt 2010a, 2015; Peyrouse, Boonstra, and Laruelle 2012).1 Moreover, their involvement is driven largely – but not exclusively – by an interest in the region’s stability, which they both feel can be achieved through development aid (Bossuyt 2015). However, their vision of development differs strongly. While the EU envisions the achievement of stability through inclusive and sustainable development methods, China equalizes development with economic growth instigated through improved infrastructure. And while the EU believes development in the region can only be durable if accompanied with enhancements in governance, China adheres to the principle of non-interference, and hence does not promote any governance-related norms (Bossuyt 2015; Yeh and Wharton 2016). This indicates, in turn, that this comparative analysis is also relevant against the background of the changing international donor landscape, which is increasingly divided into two categories of donors, namely the traditional – mostly Western – donors, which are members of the Organization for Economic Cooperation and Development’s (OECD) Development Assistance Committee (DAC), and the (re-)emerging donors, which are not members of the DAC (see e.g. Zimmermann and Smith 2011). As the EU and China are leading donors within the two respective categories, a comparison of their development assistance to Central Asia will help to shed further light on the fast changing international aid landscape, and in particular, on how the differences between the traditional and the emerging donors are being played out in terms of their effectiveness and impact on the ground.

This article seeks to contribute to filling this gap in the literature by providing an exploratory comparative analysis of the impact of the EU’s and China’s development assistance towards Central Asia. Given the lack of literature on this topic, the article uses an exploratory research design (Friedrichs and Kratochwil 2009). This implies that the article does not seek to test a theory or prove a specific causality. Rather, it aims to better understand a phenomenon that has so far received little attention. It does so by means of, on the one hand, the formulation of expectations based on different insights from the literature on the effectiveness (or lack thereof)
and impact of international aid and studies on the rise of non-DAC donors and, on the other hand, a detailed analysis of relevant empirical data. As such, the article follows an “abductive” approach, which holds the middle between deduction and induction (Friedrichs and Kratochwil 2009, 709, 714–715).

Similarly, the article does not seek to “measure” the development impact of the assistance provided by the EU and China. Instead, it follows an interpretative approach and aims to “understand” to what extent the assistance offered by the EU and China has an impact on the ground. This implies that this question is assessed mostly from the perspective of the stakeholders. These perceptions are investigated by a combination of document analysis and in-depth interviews. The document analysis draws on both primary and secondary sources. The primary sources include official documents of the EU, the Chinese government (including press releases by Chinese embassies in the region) and the Central Asian states. The secondary sources used consist of a combination of academic publications, newspapers from specialized media and reports by think tanks and research institutes. Additional data were gathered through semi-structured interviews with relevant stakeholders, including officials, civil society representatives, academics and practitioners. Part of the interviews were conducted during field work in Bishkek, Kyrgyzstan, in September 2016.2

In focusing on the EU’s and China’s development assistance to the Central Asian states, this article considers Central Asia in a global context, where state strategies, local complexities and actions of international organizations and regional powers interact (Ohayon, Serrano, and Regamey 2014). The article thus starts from the assumption that complex factors and processes at various levels have influenced the development trajectories of the Central Asian countries. This suggests that the impact of one factor (i.e. the impact of external actors such as the EU and China) cannot be examined in a vacuum and needs to be considered alongside other factors, including domestic specificities (e.g. level of openness towards external aid and natural resource endowment).

While Central Asia has long remained outside of the geographical remit of development studies, recent scholarship localizes Central Asia firmly within the “South”, characterizing the region’s development problems along typical North-South dimensions (see Ohayon, Serrano, and Regamey 2014). Central Asia was traditionally the most underdeveloped part of the Soviet Union and grew a strong socio-economic dependence on the Soviet system. Following the demise of the Soviet Union, poverty and inequality in the region increased sharply. With the exception of Kazakhstan – which was much more integrated into the Soviet industrial economy and which experienced steep economic growth in the 2000s, the average level of wealth remains markedly low (Bossuyt 2010b; European Commission 2016; UNDP 2016). Overall levels of prosperity in most states in the region are lower than in countries in Eastern Europe and North Africa, and come close to those in countries in Sub-Saharan Africa (UNDP 2017). Moreover, basic public services, such as education and healthcare, although already established
several decades ago, are in decline due to a lack of investment in human capital and basic public well-being (Hohmann et al. 2014).

In turn, the extent to which the five states differ in size, geography and resource endowments largely corresponds with their difference in national wealth. Kyrgyzstan and Tajikistan, which are mountainous and have no hydrocarbon resources, are the poorest countries in the region. Uzbekistan has the largest population and has some gas reserves. Kazakhstan and Turkmenistan have substantial energy reserves, and are the most prosperous countries in Central Asia. However, all of them are landlocked, which implies high transaction costs. Control over the most valuable resources in all five Central Asian countries – hydrocarbons, pipelines, mines, power generation, large industrial enterprises – is subject to neo-patrimonial or patronage politics controlled by the president and his immediate family and clan. This has earned the countries in the region the label of typical “rentier states”. Political power in Central Asia is defined by the ability of leaders to control these patronage pyramids. These have been attributed as a hold-over of Soviet times, a result of economic shortages and an over-reliance of natural resources in the country’s economic profile, the weakness of formal political institutions and cultural practices in the region that pre-date Soviet rule (Collins 2006). In this respect, some have drawn parallels between Central Asian states and those in post-colonial Africa, remarking upon how both had to construct a new order with an institutional inheritance that provided economic and social problems and a weak state capacity to help solve them (Beisinger and Young 2002; Collins 2006).

In theorizing the effectiveness (or lack thereof) and impact of international aid, development studies point to both domestic (i.e. inherent to the local context of the recipient country) and donor-related factors. Effective development aid tends to be strongly correlated with the “absorptive capacity” of recipient countries and their overall governance performance and institutional capacity (Kihara 2012). In the case of Central Asia, this means that the poor governance performance and weak institutions of the countries’ governments are likely to undermine the effectiveness of the international aid delivered to them. On the donor side, the effectiveness and impact of aid have appeared to be compromised by DAC donors’ internal stringent and inflexible bureaucratic procedures and high transaction costs related to their aid machinery (Kihara 2012). In contrast, assistance provided by emerging donors tends to be less costly, more streamlined and faster in reaching its target than most DAC aid, which makes it more effective and efficient (Kim and Lightfoot 2011). However, this effectiveness – which usually entails a lack of transparency – has proved to be at the expense of governance, human rights and the environment, as demonstrated by several studies on China’s foreign assistance in Africa (Brautigam 2009; Tan-Mullins, Mohan, and Power 2010).

Based on these insights from existing studies, we can expect that the impact of the EU’s assistance to Central Asia to be low due to unfavorable local conditions
relating to poor governance and weak institutions, as well as the cumbersome bureaucratic process of the EU’s aid machinery. China’s assistance is likely to have more impact on the ground, but the nature of its impact might not necessarily be positive.

The article is structured as follows. The first section offers a qualitative analysis of the EU’s and China’s development assistance, tracing their involvement as a donor in Central Asia from 1991 until today. Next, the article moves on to explore to what extent the assistance provided by the two donors has an impact on the ground. While the empirical illustrations will cover all five Central Asian countries, most empirical attention is paid to Kyrgyzstan. The conclusion of the article summarizes the main findings, and points to the overall (economic, political and security) implications of the EU’s and China’s increased involvement in the region for the development prospects of the Central Asian countries.

**EU and Chinese development assistance to Central Asia**

**EU Assistance to Central Asia**

The EU has been active as a donor in the region since the early days of post-Soviet independence. The European Commission opened its first delegation office in Central Asia in 1994, in Almaty, the then capital of Kazakhstan. The delegation was charged with implementing part of the EU’s technical and financial assistance in Kazakhstan, Tajikistan and Kyrgyzstan, which were beneficiaries of the EU’s financial instrument for the former Soviet states, namely “Technical Assistance for the Common Wealth of Independent States” (TACIS). As an instrument introduced shortly after the collapse of the Soviet Union in 1991, TACIS was designed to promote the post-Soviet countries’ transition to a market economy and to reinforce democracy and the rule of law. Throughout the 1990s, TACIS mostly aimed at economic development, government services capacity building and poverty reduction (European Commission 2002). A range of other aid instruments was introduced in the 1990s to assist the countries in the region. Local NGOs and media, for instance, were sponsored through the European Instrument for Democracy and Human Rights (EIDHR), although the number of projects remained scarce until the mid-2000s.

Despite the EU becoming the region’s largest donor, in the 1990s Central Asia hardly appeared on the foreign policy radar of the EU and its Member States, whose focus was then predominantly steered towards the former communist countries in Central and Eastern Europe that were preparing to join the EU. Moreover, among the former Soviet republics, the Central Asian countries were considered the least important. This was reflected in the EU’s aid allocations, with the Central Asian countries receiving the smallest allocations of TACIS (Bossuyt 2010a, 2015). Nevertheless, with EU assistance between
1991 and 2002 totaling around €944 million, the EU grew to become the largest donor in the region in the first decade of their post-Soviet independence (European Commission 2002, 12). This cumulative amount conceals the paradox that, despite being Central Asia’s most generous donor, the EU was a rather invisible development actor, especially in comparison to other donors, including the US, the UN and Asian and Muslim development agencies (Bossuyt 2010b). Moreover, assessments of the impact of the EU’s assistance programs showed mixed results with limited success. One of the problems was the breadth of the objectives and programs, which negatively affected the timeliness of delivery, effectiveness and follow-up of the projects (European Commission 2002). Another obstacle was that reform in the Central Asian states was slower than in most other post-Soviet countries, amongst other things, due to limited administrative and technical capacity. Crucially, this indicated that the Central Asian states faced problems that went beyond matters of transition and for which TACIS was not adequately equipped. To address this problem, the EU gradually started to focus more on poverty reduction in the region, especially in Kyrgyzstan and Tajikistan. In the mid-2000s, the EU decided that assistance for the Central Asian countries should be provided via the financing instrument designed for developing countries rather than for post-Soviet countries. Since 2007, therefore, the five countries have been beneficiaries of the Development Cooperation Instrument (DCI).

The terrorist attacks of 11 September 2001 in the United States and the subsequent launch of the military campaign against the Taliban in Afghanistan were a turning point in how the EU viewed Central Asia. In granting a new geostrategic importance to the Central Asian states, these events mobilized the political will in the EU to increase funding for enhanced engagement with the region, including in fields related to the EU’s security. The latter resulted in the launch of the “Central Asia Drugs Action Program” in 2001 and the “Border Management Program for Central Asia” in 2003, two large-scale cross-border programs aimed at fighting drugs trafficking and enhancing border management, respectively (Bossuyt 2010a, 2015). Central Asia further grew in importance in the context of the EU’s eastern enlargement in 2004 and the inclusion of the three South Caucasian countries into the European Neighborhood Policy. As this brought Central Asia geographically closer to the EU (as “the neighbors of our neighbors”), the region attracted more attention in light of the EU’s overall concern with bringing stability and prosperity to its borderland states, which the EU considers crucial if it is to safeguard its own security (Bossuyt 2010a, 2015). Moreover, the Tulip revolution in Kyrgyzstan and the Andijan massacre in Uzbekistan in 2005 crushed European hopes of “successful” colorful revolutions taking place in Central Asia. The belief emerged that stability in the region was frail and that genuine democracy and good governance would not emerge in Central Asia without increased external involvement. The latter gained further urgency because of the growing risk that the precarious situation in Afghanistan...
could destabilize neighboring Central Asian countries (Bossuyt 2010a, 2015). Enhanced EU involvement in the region was also considered necessary in order to counterbalance the strong influence of the region’s big neighbors, Russia and China. A monopolization of Central Asia by both states was to be avoided, because it would jeopardize not only the EU’s chances of getting direct access to the region’s energy resources, but also the Central Asian countries’ – already slow – progress towards genuine democracy and political pluralism.

The EU’s desire to attain a greater presence and visibility in Central Asia culminated in the launch of a comprehensive political strategy towards the region in 2007 (Council of the EU 2007). To help implement the ambitious political strategy, the European Commission more than doubled its aid budget for the region for the 2007–2013 period, earmarking an indicative budget of €719 million for the assistance provided through DCI (European Commission 2007, 3). Additional funding for the implementation of the strategy was granted by a number of EU Member States, which committed themselves to launch new projects under the framework of the strategy. France and Germany, for instance, are the lead coordinators in developing the EU Rule of Law Initiative for Central Asia, which aims to support reform and the sharing of experience between the EU and the Central Asian states in the area of legal and judicial matters.

Overall, the amounts and sorts of assistance that the EU has been providing to the five countries over the last decade reflects the governments’ disparate attitudes towards foreign involvement in their development initiatives, as well as the countries’ divergent economic growth paths. As the poorest countries in the region, Kyrgyzstan and Tajikistan have been the main beneficiaries of EU aid. Turkmenistan, in contrast, has received the least assistance. The slight opening up of Turkmenistan following President Niyazov’s death in 2006 led to a more open stance towards foreign assistance and created new opportunities for the EU to step in and expand its development assistance to the country (Bossuyt 2010b). Nevertheless, the regime remains tough to work with it, and more than ten years after Niyazov’s death the EU still sees little scope for promoting reform. Similarly, although Uzbekistan has maintained closer relations with the EU, until recently, the EU found it hard to cooperate with the Uzbek government and saw limited potential to offer effective aid to the country. The gradual opening up of the country since President Karimov’s death in 2016 has translated into increased aid commitments from the EU. Kazakhstan, with its GDP dwarfing that of the other four states, no longer needs development assistance. Therefore, in recent years, EU assistance to the country has concentrated mostly on capacity building rather than poverty reduction (Bossuyt 2015). Moreover, as an upper middle-income country, the country no longer receives bilateral assistance via DCI under the latest multi-annual programming cycle, (i.e. 2014–2020). Instead, current EU bilateral cooperation with Kazakhstan is financed through the Partnership Instrument, a new instrument that builds on the Instrument for Cooperation with Industrialized countries. Nevertheless, Kazakhstan continues to receive
funding through the DCI regional assistance programs for Central Asia as well as through thematic programs such as EIDHR.

Under the Regional Strategy Paper for Assistance to Central Asia for the 2007–2013 period, the EU pursued a more balanced dual track of bilateral and regional cooperation, with a regional approach for problems occurring across or involving all five countries, including water resource management, transport infrastructure and anti-drug trafficking initiatives, whilst following a bilateral, tailor-made approach for individual national issues (European Commission 2007). At the bilateral level, assistance through DCI in 2007–2013 focused on two priority areas, namely poverty reduction and increasing living standards; and good governance and economic reform (European Commission 2007). The goal of poverty reduction and increasing living standards was pursued in two ways: (i) through a focus on community development and targeted rural development schemes, especially in the Ferghana valley and Southern Tajikistan; and (ii) through support for strengthening the countries’ administrative and institutional capabilities to develop and implement sector strategies and policies consistent with national key objectives for poverty reduction and food security (European Commission 2007, 30). The priority areas of good governance and economic reforms were operationalized through a focus on supporting civil service and administrative reforms, as well as market and regulatory reforms through exchange of know-how, best practices and capacity-building (European Commission 2007, 31).

For Kyrgyzstan and Tajikistan, around one third of the DCI funding has been provided through sectoral budget support as a way to foster increased accountability and good governance (Peyrouse, Boonstra, and Laruelle 2012, 18; European Commission 2016, 163, 2017, 8). In Turkmenistan and Uzbekistan, the EU does not provide budget support because it sees insufficient scope in these countries for promoting reform and is even concerned that such kind of support would only strengthen the authoritarian regimes (Peyrouse, Boonstra, and Laruelle 2012, 19; Boonstra and Hale 2010). Similarly, EU instruments that promote democracy and support civil society, such as EIDHR and NSA-LA, are active in Kazakhstan, Tajikistan and Kyrgyzstan, but much less so in Uzbekistan and Turkmenistan. However, depending on how the recent opening-up of Uzbekistan further evolves, the EU may also consider the use of budget support and programs aimed at strengthening civil society for Uzbekistan.

For the period 2014–2020, the EU set forward the trend of increasing its assistance to Central Asia by earmarking an indicative budget of one billion euros for its foreign aid to the region via DCI (Council of the EU 2015, 4), an increase of about one third compared to the previous multi-annual period. Additional funding has come from the EU’s other financial instruments, including EIDHR, and contributions by EU member states and European finance institutions. About one third of the pledged funding, i.e. € 360 million, has been earmarked for regional assistance (EEAS 2014). Kyrgyzstan and Tajikistan
remain the principal beneficiaries, with the two countries being allocated €184 million and €251 million respectively. €168 million is earmarked for Uzbekistan, and €36.5 million for Turkmenistan (European External Action Service (EEAS) 2014). As mentioned, Kazakhstan no longer qualifies for bilateral assistance through DCI.

Responding further to mixed evaluations of its assistance to the region, the EU has sought to make its bilateral assistance under the latest multi-annual program more differentiated and more result oriented – in accordance with the countries’ needs -, therefore focusing on an even narrower number of policy sectors. In 2014–2020, the two main recipients, Kyrgyzstan and Tajikistan, are receiving bilateral assistance in three priority areas and Uzbekistan and Turkmenistan in only one (European External Action Service (EEAS) 2014). Apart from education and rural development, priority sectors for Kyrgyzstan and Tajikistan are rule of law and health respectively. For Uzbekistan, the focus is on rural development and for Turkmenistan on education.

In 2010, the EU launched the Investment Facility for Central Asia (IFCA), a blending mechanism to help Central Asian countries to improve key infrastructure, mainly in the field of energy efficiency and the environment but also to support municipal infrastructures (in particular, water and waste management) and SMEs (European Commission 2012, 2016). IFCA is financed based on a combination of grants provided by the EU and concessional loans extended by the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and/or other (European) development finance institutions. In Kyrgyzstan, for instance, IFCA contributes to the Kyrgyz Sustainable Energy Financing Facility, which offers loans and grants for the improvement of energy efficiency of residential buildings and industrial enterprises. Through IFCA, the EU has also supported (through a grant of EUR 8.2 million blended with EUR 16 million loan from the EBRD) a large-scale waste management project in Bishkek, aimed at improving the solid waste management in the city, including the operational performance of the waste collection services and disposal practices (EEAS 2017). The IFCA is considered a key instrument to unlock additional financing for investments that would otherwise not have been affordable (EEAS 2015, 35). In the current climate of continued public spending cuts in the EU, blending helps to scale up financial resources and catalyze investments.

As a final remark, it should be noted that many of the changes that the EU has introduced to its aid approach to Central Asia over the past 20 years reflect broader trends in the EU’s overall approach to foreign aid.5 For instance, as of 2006, the EU’s approach to foreign aid became much more streamlined following the launch of the European Consensus on Development, which set out the broad guidelines for the EU’s vision on and approach to development aid. The Consensus itself strongly reflected the Paris Declaration on Aid Effectiveness (2005), which committed OECD-DAC members – including the EU – to increasing the effectiveness of their aid delivery, *inter alia*, by applying the principle of
harmonization and ownership. Importantly, the Consensus stipulated that the main objective of the EU’s international development aid must be poverty reduction, particularly in the context of sustainable development, including through the pursuit of the Millennium Development Goals (and since 2015 – the Sustainable Development Goals). It also committed the EU to promoting through its development cooperation the so-called “common values” of respect for human rights, fundamental freedoms, democracy, good governance, gender equality and the rule of law (Council of the EU 2005). The EU’s approach to international development was further streamlined following the adoption of the Agenda for Change in 2011, which further sought to increase the impact of the EU’s development aid. The Agenda for Change stipulated that the EU must focus its aid on those countries that are in the greatest need. The document also set out that in providing aid the EU must give priority to achieving inclusive and sustainable growth of the beneficiary countries, while continuing to promote human rights, democracy and good governance (European Commission 2011).

China’s aid to Central Asia

Although there are no detailed official accounts or records available of China’s assistance to Central Asia, the numerous reports in the media, often of multi-billion dollar projects, reveal that Chinese involvement in the region has grown exponentially in recent years and has undoubtedly outgrown that of the EU. China may well offer relatively little ODA compared to the EU, but the amounts it spends on other forms of assistance, including soft loans, are enormous. However, the absence of detailed official records of its assistance makes it difficult to give precise estimates. The latter vary widely depending on how aid is defined. Only a small portion of China’s international development activity fits the OECD-DAC definition of ODA as: “flows of official financing to developing countries provided by official agencies, which have a clear development or anti-poverty purpose and are at least partially concessional in nature, with a grant element of at least 25 percent.” This includes grants, food security aid, humanitarian assistance and social welfare programs. Most of the assistance provided by China consists of soft loans (i.e. concessional or low-interest loans below market rates, which do not contain grant elements – and government-backed or subsidized investments in infrastructure and natural resources) (Government of PRC, State Council Information Office 2014; also see Lum et al. 2009; Kassenova 2009, 9; Yeh and Wharton 2016, 293–4). Chinese aid thus tends to blur the distinction between development loans and foreign investment. Unlike the traditional aid provided by Western donors, Chinese aid comes with tangible benefits for the donor, such as increased access to energy resources and lucrative contracts for Chinese companies. Hence, the Chinese refer to cooperation rather than aid, highlighting that cooperation involves
a win-win situation, as it benefits both recipients and donors (see e.g. Yeh and Wharton 2016, 294).

China started providing assistance to its Central Asian neighbors in the early 1990s. For the most part, it concerned small loans and grants allocated to the newly independent states to purchase Chinese consumer goods (Wacker 2011, 83; Min 2017). China’s assistance to the region slowly started expanding in the first half of the 2000s, taking the form of investments in and financing of infrastructure projects, and then rapidly increased in recent years (Wolf, Wang, and Warner 2013). At the SCO Summit in Tashkent in 2004, former Chinese President Hu Jintao announced a development loans package of US$ 900 million to the Central Asian SCO member countries. 600 million was extended to Tajikistan and 300 million to Kyrgyzstan (Peyrouse, Boonstra, and Laruelle 2012). In 2009, China provided a loan package of no less than $10 billion to Kazakhstan (Peyrouse, Boonstra, and Laruelle 2012). In 2013, the announcement by Chinese president, Xi Jinping, of China’s plans for a Silk Road Economic Belt during a 10-day tour through Central Asia was accompanied by an estimated US$ 48 billion worth of investment and loan agreements, mostly related to the energy, trade and infrastructure sectors (Yakobashvili 2013).

As part of the so-called Belt and Road Initiative, the Silk Road Economic Belt is a major investment initiative aimed at expanding transport and energy corridors, connectivity and establishing new transport links between Asia and Europe. To finance the plans, China has launched the Silk Road Fund, a $40 billion infrastructure fund, overseen by the China Development Bank, aimed at providing funding for the construction of roads, high-speed rail lines and energy pipelines in Central Asia and Western China. Additional funding comes from the Asian Infrastructure Investment Bank (AIIB), initiated by China in 2013 to offer a new multilateral financing and investment platform for infrastructure development and improvement in Asia and operational since the end of 2015 (AIIB 2017). The heavy focus on infrastructure of the Belt and Road Initiative – and of China’s development cooperation more generally – neatly reflects China’s view on development. Strongly inspired by its own development model, China adheres to the idea that construction and improvement of productive infrastructure feeds into economic growth, private enterprise and employment, and strengthens regional connectivity (Interview 12; see also Yeh and Wharton 2016, 297). As stated on the website of the China-dominated AIIB, “infrastructure development contributes to the reduction of poverty and enables business activity through improved access to basic services, including a reliable electricity supply, efficient transport systems, clean water supply, access to sanitation services, and modern telecommunications” (Asian Infrastructure Investment Bank (AIIB) 2017).

Chinese concessional loans are officially extended to the recipient government, but while the latter is invoiced as the official payee of the loan, the money is usually directly transferred from the China Export-Import Bank (Eximbank) to the
implementing company that has won the tender (Kassenova 2009; Yeh and Wharton 2016). As these are usually Chinese companies, the money thus stays within Chinese hands. Concessional loans can be extended for the procurement of equipment, materials, technology and services, but 50 percent of the procurement needs to come from China.

For activities in the extractive and mining sectors, China applies a distinct loan scheme, the so-called Angolan model, according to which loans are provided on the condition that they are repaid in the form of natural resources (Kassenova 2009). Such loans have been extended to all five Central Asian states, which are now all substantial debtors of the Chinese state. China is very interested in Kazakhstan’s oil, uranium, gold and copper, Turkmenistan’s and Uzbekistan’s gas, Kyrgyzstan’s hydropower and gold, and Tajikistan’s hydropower and aluminum, among other things. Accordingly, a considerable amount of Chinese loans and FDI in Central Asia has gone into the extraction and energy transport industries (Interview 12). Major projects in these sectors include the Atyrau-Alashankou pipeline connecting oil fields across Kazakhstan with refineries in Xinjiang and the Sino-Central Asian gas pipeline, which transports gas from Turkmenistan across Uzbekistan and Kazakhstan to China.

In just a few years, China has grown to become the single largest donor in the region. Its assistance today goes primarily to the construction and upgrading of infrastructure, in particular transport infrastructure (roads, tunnels, bridges and railways, especially in Kyrgyzstan and Tajikistan) and extraction infrastructure (Peyrouse, Boonstra, and Laruelle 2012; Min 2017, 270). Interestingly, since it launched the BRI, China has placed many of the ongoing and completed infrastructure-related projects in Central Asia under the BRI umbrella (Laruelle 2018; Lain 2018; interview 12). The focus on infrastructure is set to further increase with the Silk Road Economic Belt now being well under way. Of the six corridors that make up the Silk Road Economic Belt, two cross Central Asia: the new Eurasian Land Bridge and the China-Central Asia-West Asia corridor. Central to these corridors is the establishment of railroads. So far, three railroad connections in the region have been established under the BRI: Khorgos dry port in Kazakhstan connecting Kazakhstan with China, Uzen-Bereket-Gorgan crossing Kazakhstan, Turkmenistan and Iran, and Pop-Angren in Uzbekistan. The latter is supposed to be part of the China-Kyrgyzstan-Uzbekistan railroad, which would enable a shorter route from China to Europe and West Asia across Central Asia and the Caspian. However, the construction of this railroad has been repeatedly stalled due to concerns raised by Kyrgyzstan and tensions between Kyrgyzstan and Uzbekistan (Interviews 9 and 13). Meanwhile, a highway connecting the three countries is under construction.

Assistance is also provided to build turnkey hydropower stations and upgrade the telecom sector (internet and mobile phone networks) (Peyrouse, Boonstra, and Laruelle 2012; Laruelle and Peyrouse 2012; Laurelle 2018; Min
In Kyrgyzstan, for instance, recent major Chinese loans and investments went into the construction or renovation of power grids in Southern Kyrgyzstan, Date Ka – Plaquemines power transmission line in the northern part of Southern Kyrgyzstan, the Osh – Batken – Isfana road corridor, hydropower transformation in Bishkek, the North – South Highway, a gas pipeline, Kara-Balta oil refinery, Tokmak oil refinery and road rehabilitation in Bishkek (China’s embassy to Kyrgyzstan 2013a, 2014a). In Kyrgyzstan and Tajikistan, China also provides aid to build schools and hospitals (see e.g. China’s embassy to Kyrgyzstan 2013b, 2014b; also see Wacker 2011). Also in Uzbekistan, China has grown to become a major donor in the health and education sector. Across the country, schools and hospitals are benefitting from Chinese grants allocated for the improvement and upgrading of specialist equipment, technology and logistics (Uzbek Government 2014a, 2014b). In Kyrgyzstan, China has also been providing assistance for the reconstruction of the residential areas in Southern Kyrgyzstan that were affected by the violent ethnic riots in 2010, including Osh (China’s embassy to Kyrgyzstan 2014b). As Tajikistan and Kyrgyzstan are the poorest and least stable countries in the region – with poverty and instability being interconnected in China’s view – they receive the largest share of Chinese aid to the region (Interviews 12 and 13). In turn, this has further amplified their dependence on foreign aid (Peyrouse, Boonstra, and Laruelle 2012; Wacker 2011).

Impact of the EU’s and China’s assistance

Low EU impact

Most of the EU’s development assistance to Central Asia in the last decade has gone to rural development, education, support to the social and private sector, sustainable development and environmental protection. The EU’s assistance in these fields has delivered some positive results, but, overall, long-term impact on the ground – in terms of increased socio-economic development and reduced poverty – seems limited. Tangible outcomes have been mostly achieved in Kyrgyzstan, Tajikistan and Kazakhstan, where the EU’s programs in general have had a stronger presence than in Turkmenistan and Uzbekistan, and where there is more openness to reforms.

The EU has achieved some success in facilitating sector reform processes. In the environment sector, EU assistance has contributed to sector reform processes, especially in Kyrgyzstan and Tajikistan, which promoted decentralization and enhanced stakeholder participation (communities, private sector and civil society) in the management of water, forest, and pasture resources (Particip 2016). However, because there are several donors active in this sector, the reform progress cannot be attributed solely to the EU. In Kyrgyzstan, EU budget support has contributed to some sector reforms in the education sector (Interview 10). EU
support also helped to facilitate SME development policy reforms in Kazakhstan, Kyrgyzstan and Tajikistan (Particip 2016). In other fields, such as the social sector, border management and higher education, success in reform progress was much more limited (Interview 10; Particip 2016).

EU programs have also resulted in some tangible outcomes at a more localized or pilot level. For instance, the competitiveness of SMEs participating in the EU’s SME support program in Kazakhstan, Kyrgyzstan and Tajikistan increased, and farmers benefitting from the EU’s small-scale irrigation projects in southern Kyrgyzstan achieved higher yields from their irrigated lands (Interview 10; Particip 2016). There is even the perception among several stakeholders that in countries like Kyrgyzstan and Tajikistan – which have a low governance performance and institutional capacity – community level support is more effective than sector support (Interviews 7, 8, 10 and 11). In Kyrgyzstan, for instance, the EU has now shifted from sectoral budget support in the field of social protection (which is currently being phased out) to support at the local level for income-generating activities in the field of rural development. Although the social protection support program contributed to some progress in public financial management reform (in particular, the realization of an internal audit) and led to the adoption of several government programs to improve care of children living in institutions, the EU felt that the program was not effective enough in supporting the most vulnerable, in particular, pensioners, orphans and disabled children (Interview 10).

Perhaps the most tangible outcome of EU assistance in the region in spite of several obstacles, is the involvement of local civil society, in particular in Kazakhstan, Tajikistan and Kyrgyzstan. Local civil society is attributed to two roles in the EU’s assistance. The first role is an advisory one: local civil society is consulted during the programming phase of the EU’s assistance, for instance, during the preparation of a new bi/tri-annual Indicative Program (Boonstra and Hale 2010). The second role is related to the delivery of the aid. Local NGOs and other societal actors can participate in tenders, and if successful, they are granted financial support to implement particular projects. While both roles serve a developmental purpose, the EU’s support to local civil society should also be seen in light of the EU’s democracy promotion agenda for the region. In the aforementioned countries, this approach has paid off (Interview 8). In Tajikistan, for instance, government agencies and civil society are cooperating to implement joint EU funded projects, and state institutions are asking NGOs for advice (Boonstra and Hale, 2010). Although only a limited range of civil society actors participates in EU funded projects and the overall funding available for these projects is limited, the projects are considered to be effective (Interview 8).

On a more general level, however, the EU’s assistance is widely viewed to lack concrete results and have a low impact. The low impact of the EU’s aid in the region is due to various factors, which include both EU-related issues and
local factors. To begin with, although the EU was the most generous donor in the region by the early 2000s and its development assistance to Central Asia continues to grow, the amount of funding it has provided to the region is relatively limited. With bilateral assistance in the previous multi-annual period amounting to only some tens of millions of euros per country per year, there have been serious budgetary limits to what the EU’s assistance can achieve on the ground (Boonstra and Hale 2010, 10; European Parliament 2011). Moreover, up until 2013, the EU’s assistance remained too dispersed across several fields, which – given the limited funding – further reduces the likelihood of having a tangible impact on the ground and increases the transaction costs of the aid delivery (European Court of Auditors 2013; Peyrouse, Boonstra, and Laruelle 2012).

In addition, the EU’s aid delivery in the region has suffered from serious delays in implementation. By the end of 2012, only half of the planned commitments for the 2007–2013 period under the DCI instrument had been contracted and just under 30 percent had been paid (European Court of Auditors 2013, 27). The main factors contributing to the delays in implementation are opaque bureaucratic procedures in the Central Asian administrations, difficulties in finding suitable fundable activities and the complicated procedural and legal requirements of the EU’s aid delivery (European Court of Auditors 2013, 27). The pace of implementation varies substantially among the five Central Asian countries. Implementation has been much slower in Turkmenistan and Uzbekistan than in Kyrgyzstan and Tajikistan. In the former countries, progress was hampered mostly due to the differences with the EU in priorities and approaches to development cooperation. Poverty reduction, for instance, is not recognized by those governments as a priority (European Court of Auditors 2013, 28). Being strongly aid dependent and Paris Declaration adherents, Kyrgyzstan and Tajikistan have much less differences with the EU in that regard. Unlike Uzbekistan and Turkmenistan, for instance, they have produced needs assessments for development assistance and poverty reduction strategies (European Court of Auditors 2013, 27).

The EU’s assistance has the largest impact in Kyrgyzstan and Tajikistan (Interviews 1, 9, 10 and 11; Boonstra and Hale 2010, 16; Particip 2016). Given their persistent need for funding and the fact that they receive the largest part of the EU’s development aid in the region, these countries are relatively receptive to the EU’s assistance. Hence, the EU has some leverage there to address development issues through its provision of assistance, to the extent that the governments show a willingness to cooperate with the EU on addressing these development issues and at least, rhetorically commit to implementing reforms with the help of the EU. However, the EU’s main aid delivery mode in Kyrgyzstan and Tajikistan, namely budget support, has been fraught with difficulties, in part due to the pervasive corruption and the centralized, hierarchical governance mode and high staff turn-over in the administrations of
both countries (Interviews 6, 7, 8 and 10). As a result, progress in improving public finance management through EU budget support has been slow (Interviews 9, 10 and 11; European Court of Auditors 2013; Boonstra and Hale 2010). Also in other fields, EU assistance in the region has faced difficulties in achieving the targeted results due to poor governance and endemic corruption in the public administrations of the Central Asian countries (Interviews 9 and 11; Boonstra and Hale 2010; Bossuyt 2010b; Peyrouse, Boonstra, and Laruelle 2012).

In sum, the EU’s assistance to the region has so far failed to have a significant impact on the ground. In line with the expectations drawn from the literature on the conditions and obstacles for effective aid, the EU struggles to have an impact on the ground due to the local restrictive environment, including poor governance and weak institutions, pervasive corruption and governments’ uncooperative attitude. In addition, the amount of funding has been too limited and the aid too dispersed across different fields for it to have a tangible impact on the ground. Another obstacle is the inflexible procedural and legal requirements of the EU’s aid delivery.

**China’s impact: extensive but contested**

Compared to the EU, the impact of China’s assistance in Central Asia is more pervasive, not least because of the sheer volume of the assistance. In addition, it is also more visible. This is not surprising given that the largest part of Chinese development assistance is allocated to large infrastructure projects. China’s engagement with the region appears to benefit the development of the Central Asian countries in three aspects. First, the construction of transport infrastructure, power transmission lines and hydropower plants offers direct benefits to the Central Asian countries insofar as it helps them to break from their landlocked geographic isolation, and therefore increases their development potential (Interview 3; Interview 4; Ghiasy and Zhou 201; Kassenova 2009; Laruelle and Peyrouse 2012).

As the Central Asian countries are still struggling to establish viable economies, they are in desperate need of large-scale investment to improve their infrastructure. The new transport infrastructure provided under the BRI, facilitates domestic trade and doing business and opens up new trade routes that have the potential – at least on paper – to endow the Central Asian countries with a reorientation towards markets in Western Europe, South and East Asia and beyond. Importantly, the new transport infrastructure increases trade with China, bringing more Chinese products to the Central Asian markets. Like in Africa, cheap goods from China yield welfare gains for Central Asian consumers – which have much lower purchasing power than Western consumers – and help them to maintain a certain standard of living (Kassenova 2009, 22). Moreover, by erecting new heavy-industry facilities and manufacturing factories, Chinese investors are playing a crucial role in rejuvenating the region’s degraded industrial landscape, which in turn translates into job creation. Also in the
agricultural sector China’s investments have yielded positive effects. In Tajikistan, for instance, investments by both small-scale and large-scale Chinese companies in the agricultural sector has offered tangible opportunities for the local population and the local economy (Hofman 2016). Finally, through the construction and upgrading of electricity generation plants and transmission lines as well as energy transport and extraction infrastructure, China is not only contributing to the economies’ electricity and energy independence, but it is also improving the quality of life of thousands of Central Asian citizens (Interview 3; Laruelle and Peyrouse 2012).

Compared to the EU’s aid, China’s assistance is perceived as more “attractive” by the local regimes, which increases their receptiveness (Interview 2, 3, 4 and 7). The Central Asian governments are first and foremost attracted by the fact that China’s assistance does not involve the sort of conditionalities that the EU and other Western donors attach to their aid delivery, concerning, for instance, human rights performance, economic management or good governance (Interviews 2, 4 and 7; Lengauer 2011; Kassenova 2009; Peyrouse, Boonstra, and Laruelle 2012). The absence of this kind of conditionality in China’s foreign aid policy stems from its strong commitment to the principles of non-interference in internal affairs and the treatment of other countries as equals. China promotes its own example of development, but – unlike traditional donors – does not impose blueprints and models. Instead, China asks the local leaders – in most cases – what areas require Chinese funding (see e.g. Gatev 2015). This approach fits well with China’s overarching goal to have stable and loyal friends along its borders (Interview 3). That China is ready to invest in large-scale infrastructure projects, such as the North-South corridor in Kyrgyzstan and the Kyrgyz-Uzbek railway, only further adds to the attractiveness of China’s aid as the Central Asian leaders like to show off with big, visible projects (Interviews 7, 9 and 11). Equally attractive to the local regimes is that China delivers results quickly and effectively (Kassenova 2009; Peyrouse, Boonstra, and Laruelle 2012). As Kassenova puts it, “it has the finances, experienced companies, cheap and disciplined labor force, and a streamlined and effective process of negotiating and delivering projects” (2009, 22).

However, China’s overwhelming presence in the region also has a considerable number of drawbacks. More so than in Africa, concerns are expressed in Central Asia about the negative impact of China’s assistance on the region. Most concerns regard the lack of sustainability of China’s assistance. To begin with, Chinese aid hardly involves competence and capacity building and therefore does not help Central Asian economies to become autonomous actors in their own development (Interview 7; Interview 9; Peyrouse, Boonstra, and Laruelle 2012; Laruelle 2018). On the contrary, it aggravates their economic dependency on China’s assistance and products. In implementing aid projects, Chinese companies mostly employ Chinese workers. As a result, local job creation remains limited and no technology transfers take place.

Moreover, as their Chinese debts are mounting, the local governments are increasingly concerned with the consequences of becoming financially
dependent on Beijing. This is particularly worrying for the two poorest countries. Kyrgyzstan, for instance, currently has an external debt of over $4 billion, 40 percent of which it owes to the China Exim Bank (China’s embassy to Kyrgyzstan 2017). Tajikistan owes almost 60 percent of its external debt to China (Lain 2018, 5). In addition, China’s lack of aid conditionality and monitoring standards, as well as its direct dealings with the authoritarian governments, reduces the transparency of its projects and exacerbates local governance problems (Interviews 6, 7, 10 and 11; Cooley 2012; Ghiasy and Zhou 2017; Toktomushev 2015). In Kyrgyzstan, the involvement of the government in a high-profile corruption case in 2016 surrounding a construction deal for a Chinese company even brought down the Kyrgyz Prime Minister, Temir Sariyev (Reuters 2016). Similarly, there are also concerns about the environmental effects of China’s investments in the region, as they risk further undermining the Central Asian countries’ already poor records of environmental governance (Tracy et al. 2017).

In sum, in line with the expectations formulated in the introduction based on insights from existing studies on China in Africa, the win-win situation that China aspires to create in Central Asia is rather a win-win/loss situation. While China reaps sizeable benefits from its involvement in the region (increase in commercial opportunities for its companies—which are moreover the main benefactors of the loans extended to the Central Asian countries—and enhanced access to natural resources), the benefits for the Central Asian countries are being offset by the negative implications of China’s assistance. A concrete example of this is Aktobe, an oil-rich town in northwestern Kazakhstan, where a substantial Chinese economic presence has not translated into prosperity for the local population (ICG 2013; Koch 2013). Instead, the locals complain about a decrease in job opportunities, poor and hazardous working conditions, health problems resulting from environmental depredation, alleged abuse of workers, low pay and limited economic trickle down (International Crisis Group 2013; Koch 2013). Similar complaints have been expressed in Kyrgyzstan and Tajikistan (Interview 3; Interview 5). Such cases have engendered mistrust and antipathy towards China and its nationals across a region, where Sinophobia is already rife (Interviews 7, 11 and 13; International Crisis Group 2013; Kassenova 2009; Peyrouse, Boonstra, and Laruelle 2012; Laruelle and Peyrouse 2012; Koch 2013). Not accidentally, the past few years have seen an increase in the number of Chinese companies experiencing difficulties on the ground (Interviews 3, 4, 5 and 13). In Kyrgyzstan, the brand new Chinese oil refinery in Kara-Balta was even forced to close down after repeated local protests (Eurasianet 2014). China’s assistance may well have strong governmental backing, but the lack of grassroots exchanges and engagement on a societal level, together with the differences in culture and language, entails that Chinese involvement is not equally backed up by public support (Interviews 3, 7, 9 and 11; Xue 2014). There is a widespread view that China’s aid mostly serves China’s own interests and
brings few economic opportunities for the local population. For instance, some argue that the alternative North-South road that China has been constructing in Kyrgyzstan does not make sense from a cost-benefit perspective, since there already exists a road connecting the two parts of the country and only few people travel over land between the north and the south because it takes too long (Interviews 9 and 11).

These limitations of China’s assistance are reminiscent of the early days of the Bretton Woods financial institutions, when their infrastructure-focused development model, which rested on the same vague economic trickle-down assumptions as those currently espoused by China, started to reveal several negative externalities (Abdenur 2014, 94). Setbacks incurred by Chinese assistance have raised China’s awareness that its approach will need to cater for the sustainability of the projects (Interviews 2 and 13; Lain 2018). However, China – firmly committed to the principle of non-interference – does not yet seem to acknowledge that without good governance and capable administrative institutions in the beneficiary countries, its assistance is unlikely to have a durable impact on these countries’ development (see e.g. Ghiasy and Zhou 2017).

Conclusion

The purpose of this article was to provide an explorative comparative analysis of the impact of the EU’s and China’s development assistance towards Central Asia. The analysis confirmed the expectations formulated in the introduction, which were drawn on different insights from development studies. To begin with, despite having spent a considerable amount of funding in the region throughout the past two decades, the EU’s development assistance to Central Asia has so far failed to have a significant impact on the ground. This is due both to domestic factors, in particular, the poor governance performance and weak institutions of the Central Asian countries’ governments, which negatively affect the effectiveness of the EU’s aid, and EU-related factors, including the cumbersome bureaucratic process of the EU’s aid machinery and the lack of priority given to Central Asia compared to other developing regions.

China’s foreign aid to Central Asia is more pervasive, and has a tangible impact on the ground. However, the positive impact of China’s assistance, not least improved living standards as a result of enhanced transport and electricity infrastructure, is being offset by the negative implications of deepening economic and financial dependency on China.

While there are popular concerns in Central Asia about the negative consequences of China’s increased foothold in the region, the local regimes are very eager to continue cooperation with their Eastern neighbor. At the same time, China is keen to further extend its assistance to the region and its development cooperation is set to further expand in coming years. Central Asian countries’ increasing dependence on Chinese aid is likely to change the
geopolitical balance within the region, tilting it more in the direction of China. However, China’s foreign aid approach, centered on large-scale infrastructure projects agreed at elite level and implemented by Chinese companies, has been starting to show its first cracks and fragilities. China’s lack of aid conditionality and monitoring standards, as well as its direct dealings with the countries’ authoritarian governments, reduces the transparency of the assistance and comes at the expense of governance, human rights and the environment, which, in turn, fuels popular distrust. In this regard, it remains to be seen whether China will be both willing and able to deliver assistance which is more sustainable and socially inclusive.

This study was only a first step in better understanding a largely unexplored topic. Therefore, the findings of this explorative analysis should be considered as a stepping stone towards more in-depth studies and more focused hypothesis testing on the impact of China’s and the EU’s aid in Central Asia. Future research should also delve more deeply into specific case studies of the EU’s and China’s assistance in the different Central Asian countries. The broad scope of this topic entails that there are ample opportunities for future studies to advance academic discussions, not only on the impact of international aid, but also on issues relating to DAC versus non-DAC donors and on the development trajectories of the Central Asian countries. A specific opportunity in this regard is to focus on the agency of the Central Asian states in guiding their development and, in particular, on what role their agency has in how China’s and the EU’s assistance play out on the ground.

Central Asia’s growing dependence on China is likely to translate into more political influence for China, whose successful domestic development model is considered inspirational by the region’s political leaders. This does not bode well for the EU’s influence in the region, not least for its leverage to push for reforms. Therefore, if the EU is intent on remaining an important actor in the region, it will have to further reconsider its assistance and explore more effective ways of delivering aid in Central Asia. This would include coordinating more intensively with EU member states active in the region as well as with other international donors, including China.

As for the long-term development prospects in Central Asia, no external funding is likely to significantly impact the development of the Central Asian countries if domestic governance remains heavily corrupt and the state is unable (and/or unwilling) to act as a developmental engine in the long-term interests of the country. Put differently, the positive impact of any external assistance is likely to remain futile as long as the countries’ development is captured by narrow interests concerned with building networks rather than with the long-term interests of their country. In this respect, it remains to be seen to what extent the rise of China will create more opportunities for economic development in the region. Several scholars seem to suggest that China’s positive impact on the countries’ development can only be sustainable
and inclusive if many other factors line-up to make that possible, including better governance and lower corruption (Lain 2018; Laruelle 2018; Toktomushev 2015; Tracy et al. 2017). In the absence of these conditions, China’s rise risks exacerbating existing inequalities and creating new problems rather than solving old ones.

Notes

1. This study’s analysis of the impact of the development assistance offered by the EU and China requires a qualification about the treatment of the EU and China as unitary actors. Although the analysis tends to treat these complex international actors as unitary entities, this tendency should be not be taken as an indication of the homogeneity of the EU and China. Indeed, the tendency of this study to homogenize the inherently plural agencies and political agendas of those who embody the “EU” and “China” merely serves for analytical purposes.

2. The list of the interviews used in this article is provided in the Appendix. Following the logic of triangulation, which was adopted in this study as a technique that allows a researcher to facilitate validation of data through cross-verification from several sources, the interviews served either to add missing data or to double check the data retrieved through document analysis of official documents and existing literature. Therefore, if interviews are mentioned as a source in the data analysis along with secondary sources, it is because they corroborate or complement the information mentioned in the secondary sources (including academic publications). If interviews are mentioned as the sole source, then it is because they provide new information or insights not yet covered in the literature.

3. Of the 13 interviews that were conducted for this study, six were conducted in Kyrgyzstan. The interviews conducted in Kyrgyzstan focused predominantly – but not exclusively – on the impact of the EU’s and China’s assistance in Kyrgyzstan. The seven other interviews served mainly to collect additional data on the stakeholders’ perspectives on the impact of the EU’s and China’s assistance in the other Central Asian countries.

4. For a detailed overview of the amounts of funding and sorts of assistance provided by the EU, see Bossuyt (2010b) and Bossuyt (2015).

5. Although the EU – then Community – had already been pursuing a development policy since the Treaty of Rome in 1957, it was only with the entry into force of the Maastricht Treaty in 1993 that the EU received the legal competence to do so. The European Commission has always played a key role in EU development policy, as it could submit policy proposals and was responsible for both the drafting of the programming and the subsequent implementation of the development aid. The role of the European Parliament and Council of Ministers consists mostly of approving – and, if needed, amending – the proposals put forward by the Commission, including concerning the budget. Since the entry into force of the Lisbon Treaty in 2011, the Commission now shares responsibility over development policy with the High Representative for Foreign Affairs and the European External Action Service (EEAS). While the EEAS is responsible for drafting the programming cycle, the Commission continues to manage the cooperation instruments and the implementation of the aid.

6. For an overview of how the EU’s vision on and approach to development aid has evolved in the past few decades, see e.g. Carbone (2007) and Hurt (2013).
8. This view is shared by the majority of stakeholders consulted for this study, and is further backed up by various evaluations of the EU’s assistance (see e.g. ICAI 2012; Boonstra and Hale 2010; Bossuyt 2017; European Court of Auditors 2013; Particp 2016; Peyrouse, Boonstra, and Laruelle 2012).
9. At the same time, however, this blocks the possibility of manufacturing development in the region and undercuts local and regional entrepreneurial development opportunities.

Disclosure statement

No potential conflict of interest was reported by the author.

References


APPENDICES

List of interviews referred to in this article.
Interview 1. Interview with official of the European External Action Service, 17 March 2015.
Interview 2. Interview with Chinese expert, 14 June 2015.
Interview 3. Interview with Kyrgyz academic, 4 July 2015.
Interview 4. Interview with Uzbek development assistance practitioner operational in Uzbekistan, 4 July 2015.
Interview 5. Interview with German development assistance practitioner operational in Kyrgyzstan, 13 July 2015.
Interview 6. Interview with German development assistance practitioner operational in Kyrgyzstan, 21 September 2016.
Interview 7. Interview with Kyrgyz development assistance practitioner operational in Kyrgyzstan, 21 September 2016.
Interview 8. Interview with Kyrgyz civil society representative, 22 September 2016.
Interview 10. Interview with official of DG DEVCO (European Commission) operational in Kyrgyzstan, 27 September 2016.
Interview 12. Interview with Chinese expert, 30 October 2018.
Interview 13. Interview with Chinese expert, 30 October 2018.