Is there a strategy in China’s health official development assistance to African countries?

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Abstract

Chinese health official development assistance (ODA) to Africa has largely increased since the third Forum China-Africa Cooperation (FOCAC) in 2006. Even if China now ranks among the top ten bilateral donors for health aid in Africa very few studies have assessed the determinants of Chinese health ODA to African countries. Our objective is to study the factors associated with Chinese health ODA to Africa in the 2006-2013 period. We investigate the role of three types of factors that might influence the allocation of Chinese health aid: the needs of recipient countries, their merits and the self-interest of China.

Chinese health ODA is measured AidData's Global Chinese Official Finance Dataset, 2000-2014, Version 1.0. In total, 345 health aid projects were financed by China in Africa between 2006 and 2013, accounting for a total amount of 2014 US$764 million. On these 345 projects, 143 (41%) correspond to the dispatch of medical teams, 107 (31%) to the sending of medical equipment or drugs and 76 (22%) to health infrastructure construction or rehabilitation.

We study the factors associated with the number of health projects and the amount of ODA received each year by African countries. We stratify the analysis by types of projects (medical team dispatches/infrastructure and medical equipment or drugs projects). We use Poisson regressions to estimate both the number of projects and the amount of health ODA received as Poisson regressions were shown to outperform OLS and Tobit models in the presence of heteroskedasticity and many zero observations. Pooled regressions, rather than fixed effect regressions, are used in order to exploit both inter and intra-country heterogeneity for the identification of factors associated with the allocation of Chinese health aid. We replicate the analysis using the shares of health projects and health ODA amount received by African countries each year using the fractional probit method relevant for the case of proportions as dependent variables.

Over the 2006-2013 period, Chinese health aid appear responsive to the economic needs of African countries and unrelated to the quality of their governance. While Chinese aid allocation decision favored countries with limited ability to finance health projects our results show no link between direct health needs of African countries and the volume of Chinese health aid they receive. We find no strong evidence that Chinese health aid allocation decisions favor natural resources-rich countries while our results only show small magnitude associations between economic ties to China and the volume of Chinese health ODA received. Finally, our results confirm the idea that health aid might me used by China as a form of foreign policy since non-adherence to the one-China policy makes the receipt of Chinese health aid very unlikely.

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