



AFRICA CENTER  
FOR STRATEGIC STUDIES

# Session 6: China in Africa

Dr. Raymond Gilpin

# Some Facts and Numbers

- 2017 World Investment Report (UNCTAD)
  - U.S. ranks 1st in FDI stock in Africa; China ranks 4th
  - Healthy competition in IT and telecommunications field.
- Consortia, not Sole Source
  - New oil and gas contracts are part of consortia. Peer pressure to improve practices and procedures.
  - Increased selectivity (fewer upstream engagements).
  - More risk averse with depressed commodity prices.

# **Why the West Rules--for Now: The Patterns of History, and What They Reveal About the Future**

by

Professor Ian Morris

Jean and Rebecca Willard Professor of Classics

Professor of History

Fellow of the Stanford Archaeology Center

Stanford University

# U.S. Strategy Toward Sub-Saharan Africa

The Four Pillars . . . . . “interdependent and mutually reinforcing objectives”:

1. Strengthen democratic institutions;
2. Spur economic growth, trade, and investment;
3. Advance peace and security; and
4. Promote opportunity and development.

[http://www.whitehouse.gov/sites/default/files/docs/africa\\_strategy\\_2.pdf](http://www.whitehouse.gov/sites/default/files/docs/africa_strategy_2.pdf)

14th June 2012

# China-Africa White Paper

Four Pillars--- guided by the Five Principles of Peaceful Coexistence:

- Sincerity, friendship and equality.
- Mutual benefit, reciprocity and common prosperity.
- Mutual support and close coordination.
- Learning from each other and seeking common development.

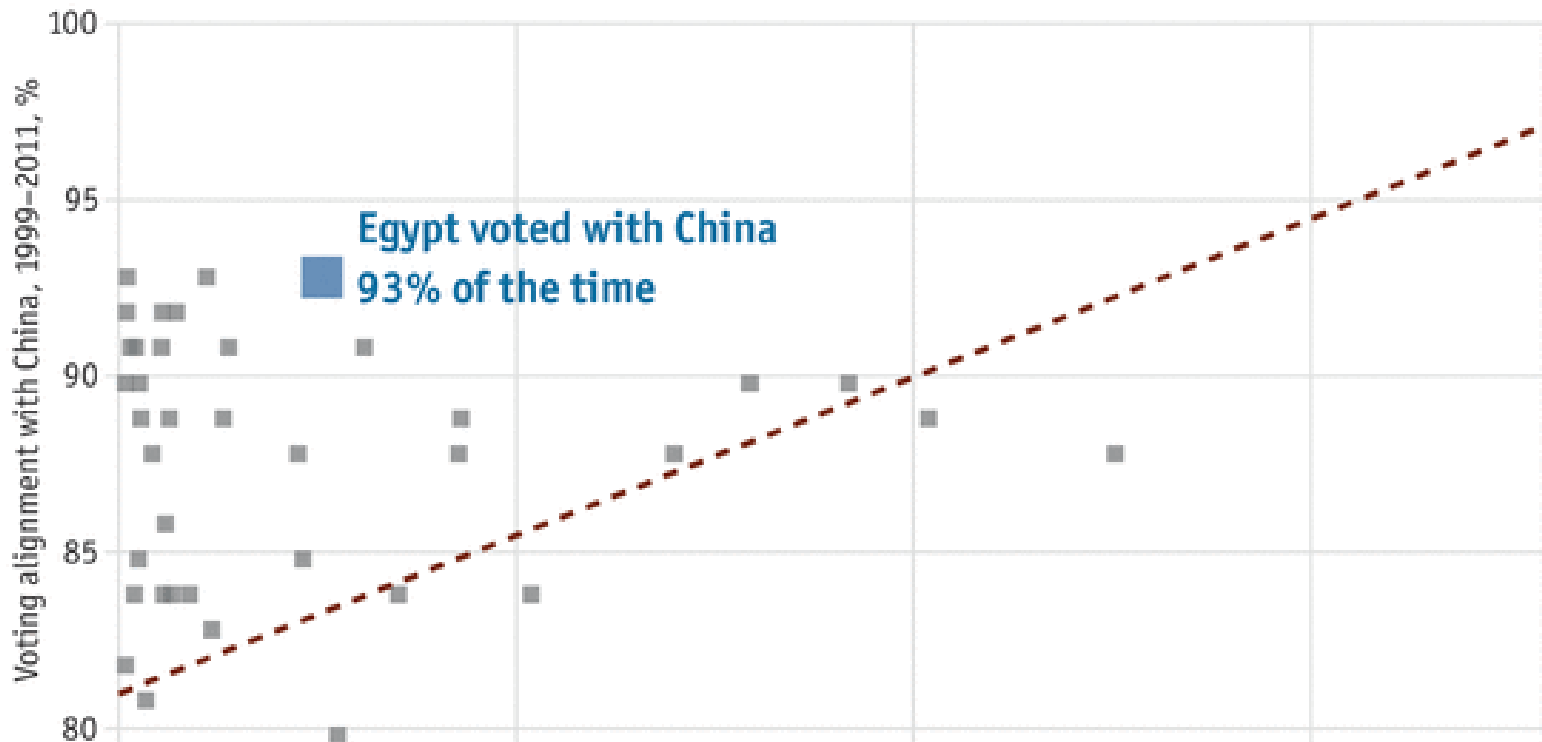
[http://english.peopledaily.com.cn/200601/12/print20060112\\_234894.html](http://english.peopledaily.com.cn/200601/12/print20060112_234894.html)

January 2006

# International Diplomacy

## What is a vote worth?

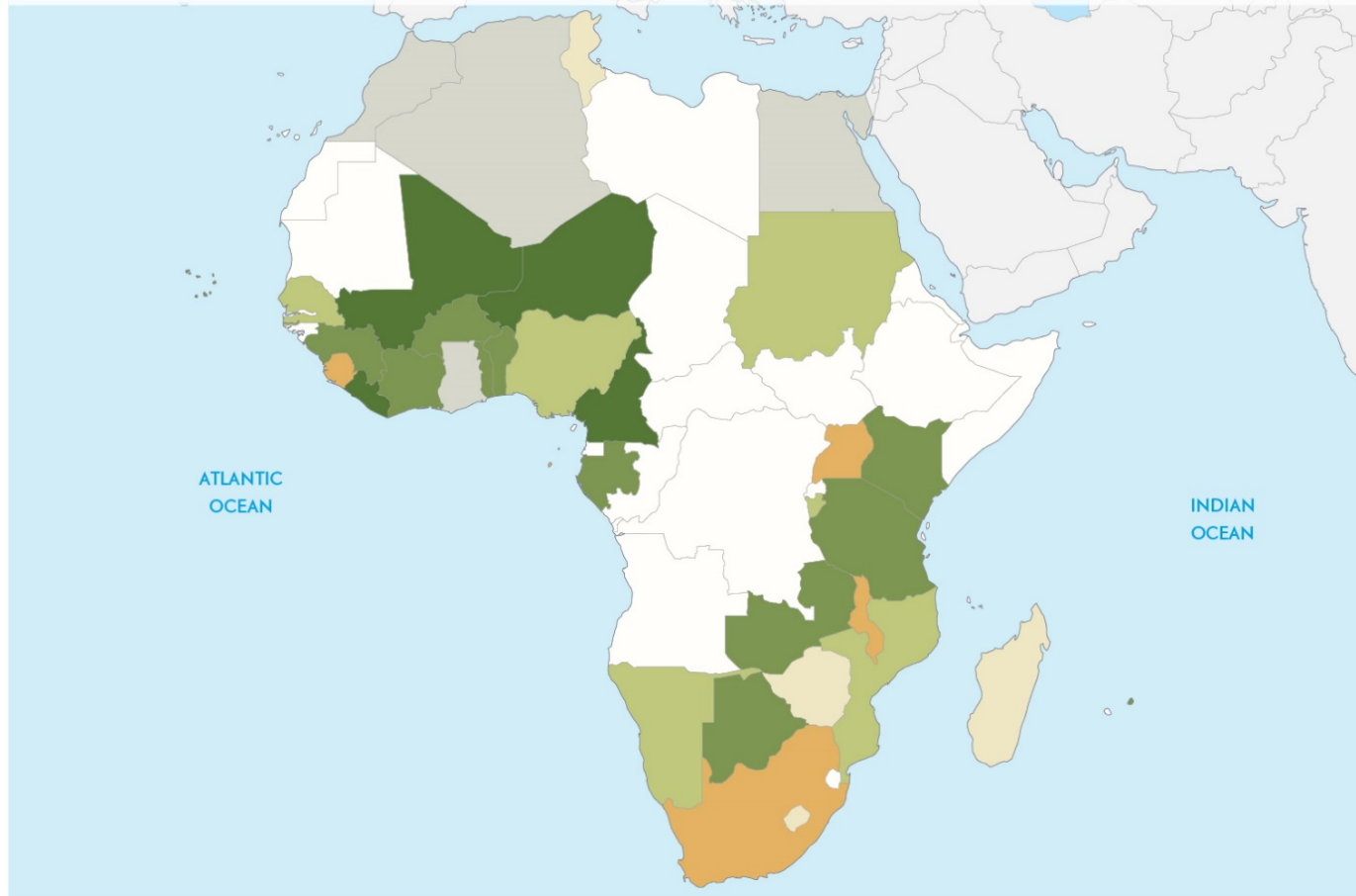
Voting with China at UN General Assemblies, and official development aid from China



# Hearts and Minds

## PERCEPTIONS OF CHINA IN AFRICA

(Percent somewhat/very positive view of China's economic and political influence)

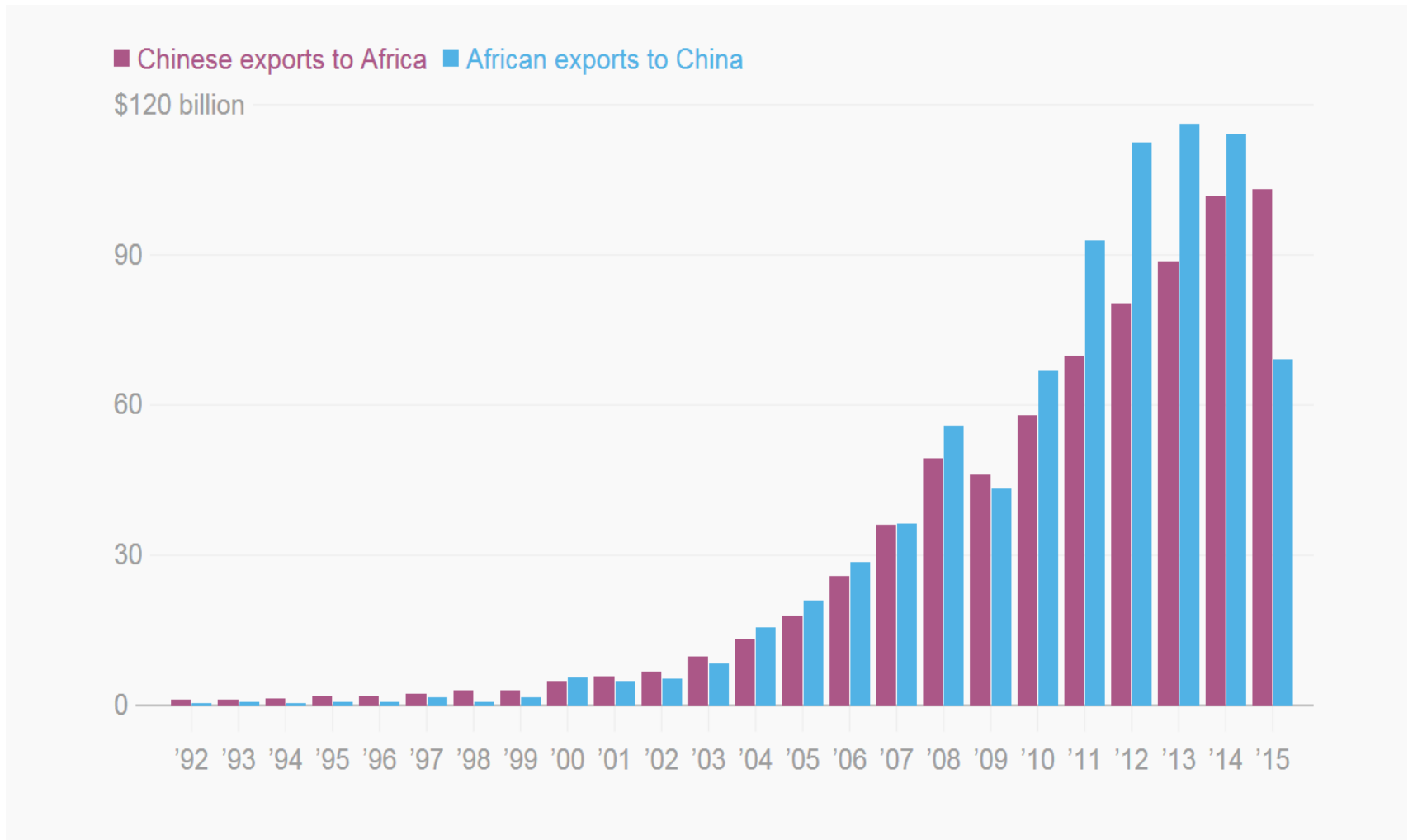


Source: Afrobarometer

Credits: Eleanor Albert, Julia Ro

COUNCIL *on*  
FOREIGN  
RELATIONS

# Trade





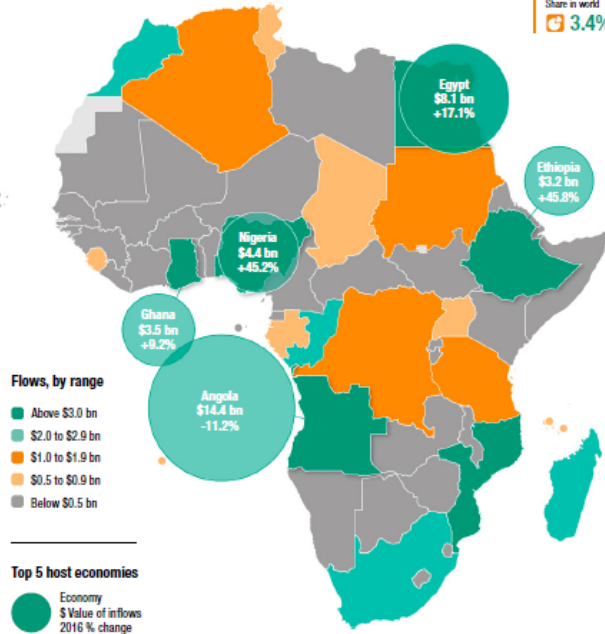
# Investment

DEVELOPING ECONOMIES

## AFRICA

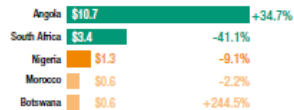
FDI flows, top 5 host economies, 2016 (Value and change)

2016 Inflows  
**\$ 59.4 bn**  
 2016 Decrease  
**-3.5%**  
 Share in world  
**3.4%**



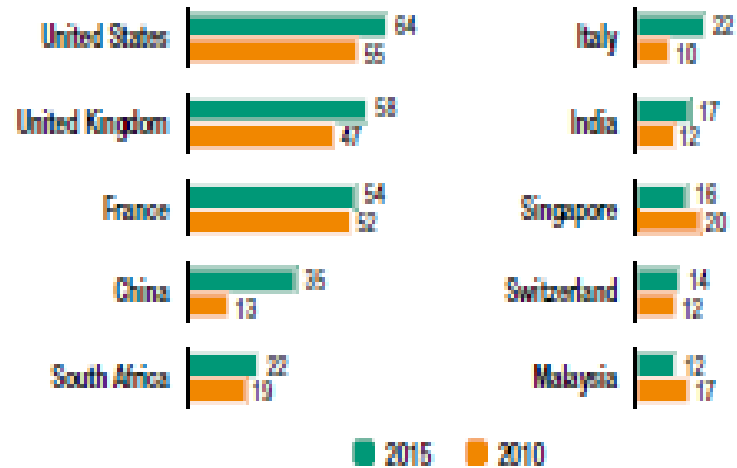
### Outflows: top 5 home economies

(Billions of dollars and 2016 growth)



Source: UNCTAD.  
 Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined.

Figure A. Top 10 investor economies by FDI stock, 2010 and 2015 (Billions of dollars)



Source: 2017 World Investment Report

# One Belt, One Road



# FOCAC Declarations

	2000	2015
<b>Word Count</b>	Approx. 1,700	Approx. 2,700
<b>Guiding Principle</b>	Five Principles of Peaceful Coexistence	Five Pillars
<b>Economic Development</b>	No mention of Millennium Development Goals	Explicit mention of SDGs (goal 17)
	Veiled reference to international diplomacy	Explicit reference to “one China policy” and desired reform of international diplomacy (UNSC) and finance (IFI)
<b>Cooperation</b>	Mentioned partnership	Emphasized partnership
<b>Follow Through</b>	No major initiative	Launched “Initiative on China-Africa Cooperative Partnership for Peace and Security”

# 2015 FOCAC

## One Upgrade

Comprehensive, Strategic, Cooperative

## Five Pillars

1. Political equality and mutual trust
2. Win-win economic cooperation
3. Mutually-enriching cultural exchanges
4. Mutual assistance in security
5. Solidarity and coordination in international affairs

## Ten Plans (over 3 years)

(a) Industrialization; (b) agricultural modernization; (c) infrastructure construction; (d) financial services; (e) green development; (f) trade and investment facilitation; (g) poverty reduction; (h) public health; (i) cultural exchanges; and (j) peace and security

# Recent Pledges

## UN General Assembly (September 2015)

- \$100 million: African Union rapid response unit
- 8,000-strong permanent peacekeeping force (police)
- Helicopter squad
- Train 5,000 African peacekeepers

## FOCAC Summit (December 2015)

- \$60 billion: \$5 bn grants/concessional loans; \$35 bn preferential loans and export credits; \$5 bn capital development; \$5 bn China-Africa development fund (SMEs); and \$10 bn production capacity fund.
- Train 200,000 African technicians (40,000 in China)

## Others

- Naval presence in Djibouti. Expected to be operational in late 2017. Ostensibly to provide “logistical support for Chinese convoys.”
- Infrastructure diplomacy. Example: ports in Djibouti, Tanzania, Mozambique, Gabon, Ghana, Senegal, Tunisia

# Comparing West and East

		United States	China
<b>WHY</b>	<ul style="list-style-type: none"> <li>• Geostrategic</li> <li>• Economic</li> </ul>	<ul style="list-style-type: none"> <li>• Terrorism, markets, democracy</li> <li>• Poverty, disease, resources</li> </ul>	<ul style="list-style-type: none"> <li>• Taiwan, Japan UNSC, intl clout</li> <li>• Resource access, expand markets</li> </ul>
<b>WHAT</b>	<ul style="list-style-type: none"> <li>• Instruments</li> <li>• Sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Conditional grants/ loans, short term</li> <li>• Social, employment, governance, micro</li> </ul>	<ul style="list-style-type: none"> <li>• Resource-based loans, long-term</li> <li>• Extractive ind., infrastructure</li> </ul>
<b>HOW</b>	<ul style="list-style-type: none"> <li>• Process</li> <li>• Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Slow disbursing, conditions, patron</li> <li>• Fragmented, not cabinet level</li> </ul>	<ul style="list-style-type: none"> <li>• Fast disbursing, few conditions, partner</li> <li>• Centralized, State Council</li> </ul>

**QUESTIONS/  
COMMENTS?**



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