



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.

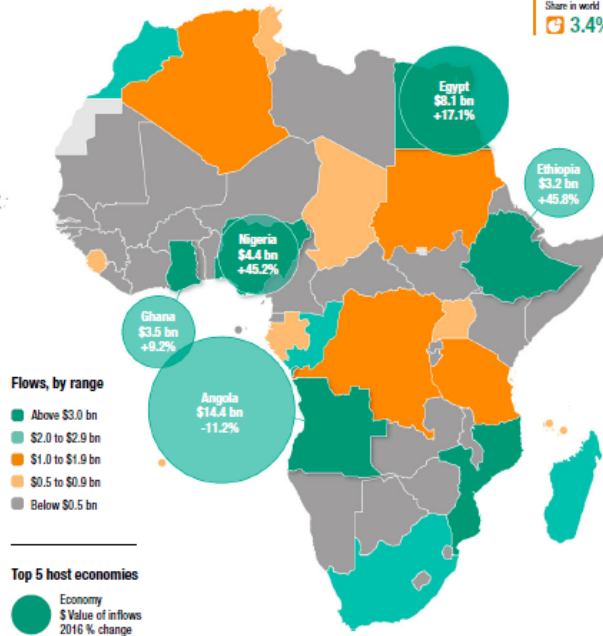
Investment

DEVELOPING ECONOMIES

AFRICA

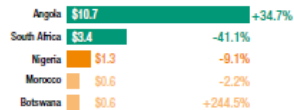
FDI flows, top 5 host economies, 2016 (Value and change)

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



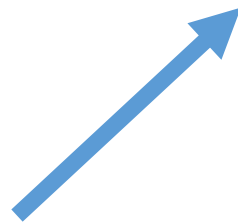
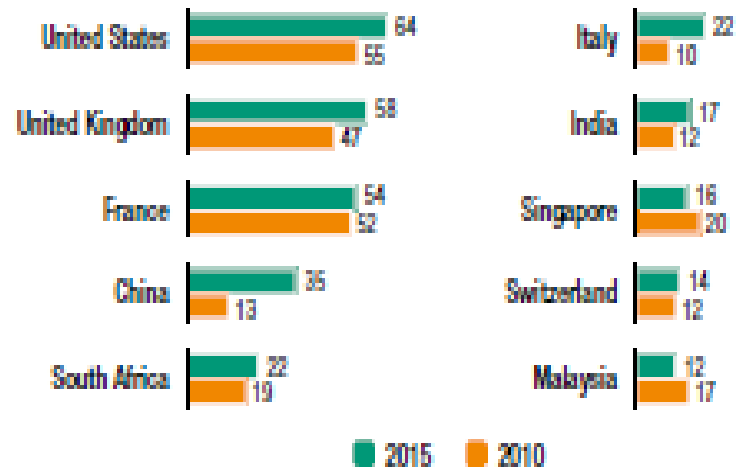
Outflows: top 5 home economies

(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

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

14th June 2012

China-Africa White Paper

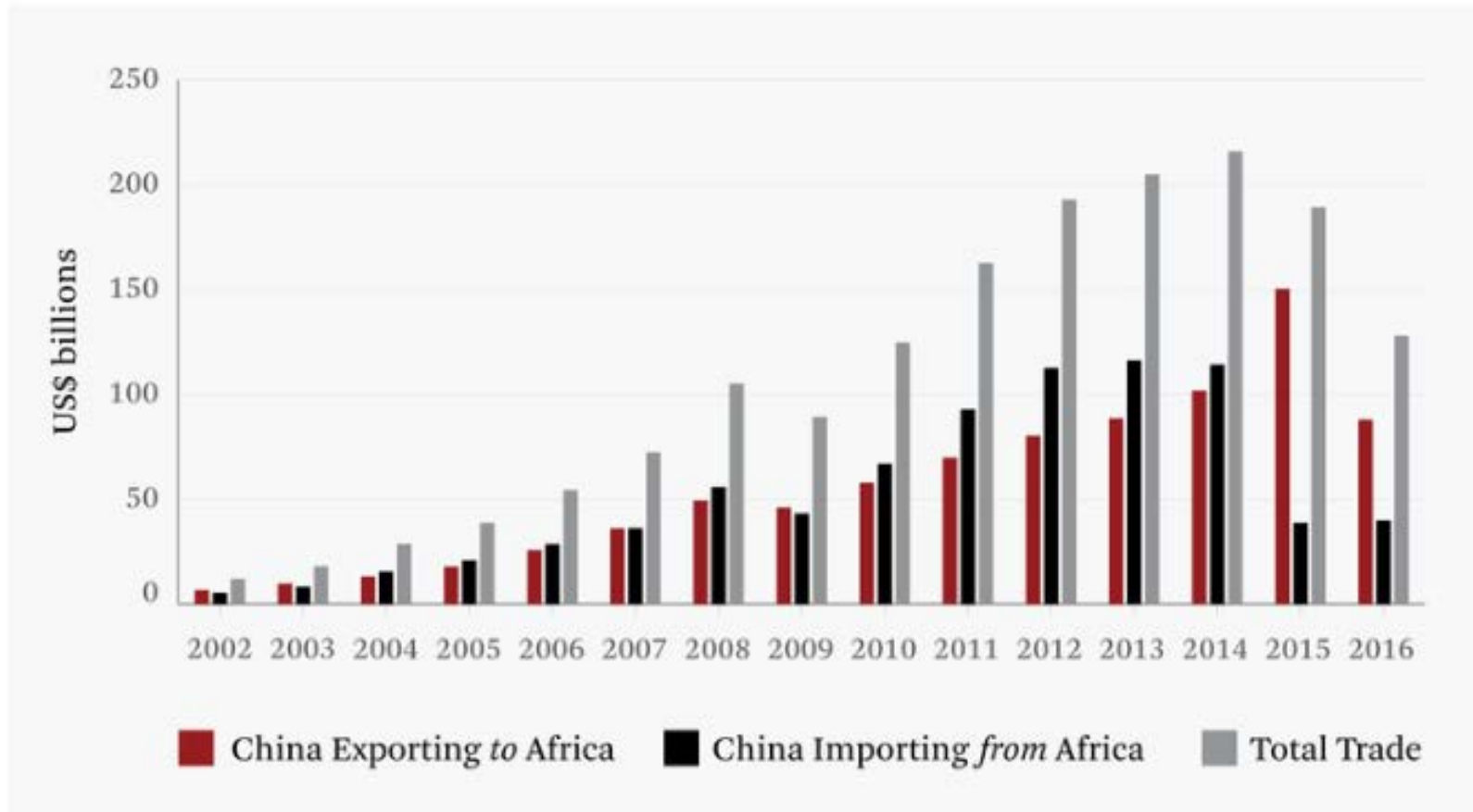
Four Pillars--- guided by the Five Principles of Peaceful Coexistence:

- 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

January 2006

Trade

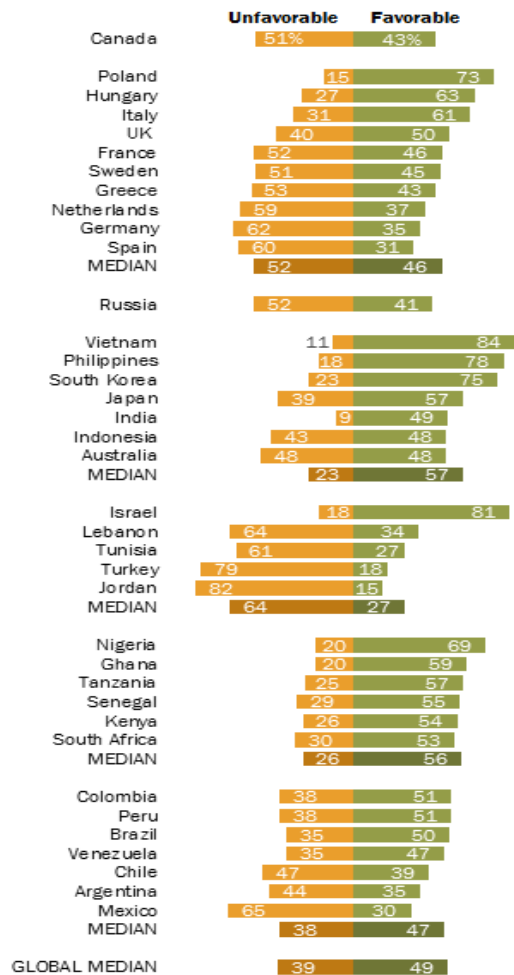


<http://www.sais-cari.org/data-china-africa-trade/>

Hearts and Minds

Views of the U.S. vary across regions

Views of U.S.

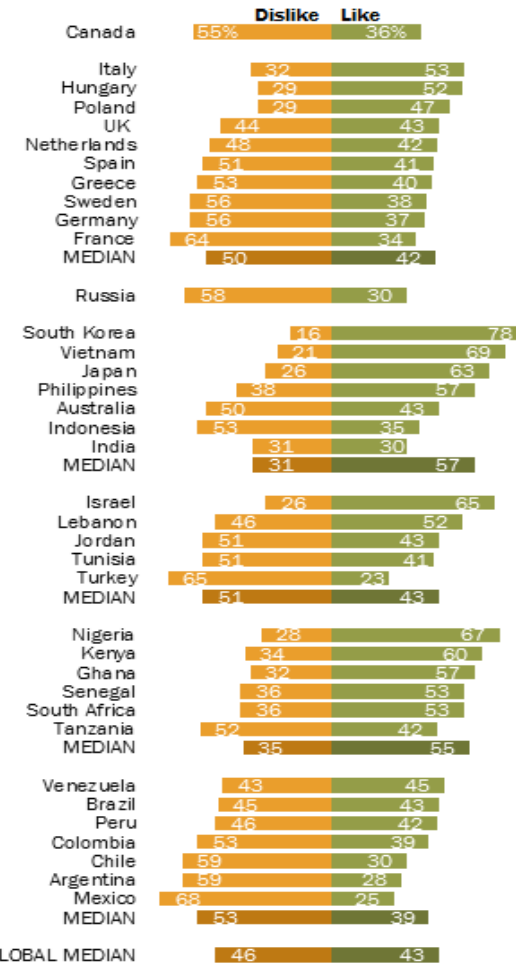


Source: Spring 2017 Global Attitudes Survey, Q12a.

PEW RESEARCH CENTER

American ideas about democracy receive mixed reviews across the world

I ___ American ideas about democracy

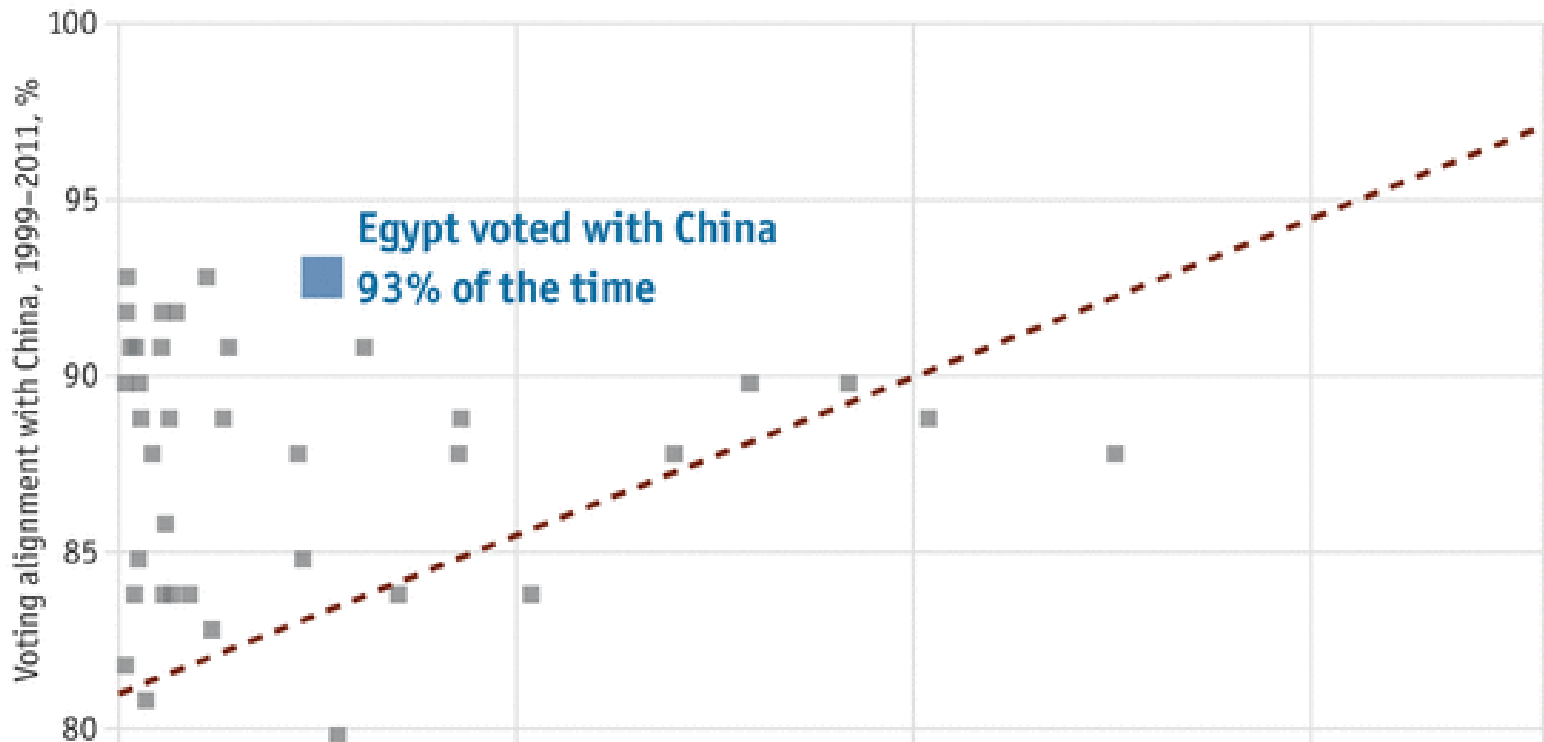


Source: Spring 2017 Global Attitudes Survey, Q32.

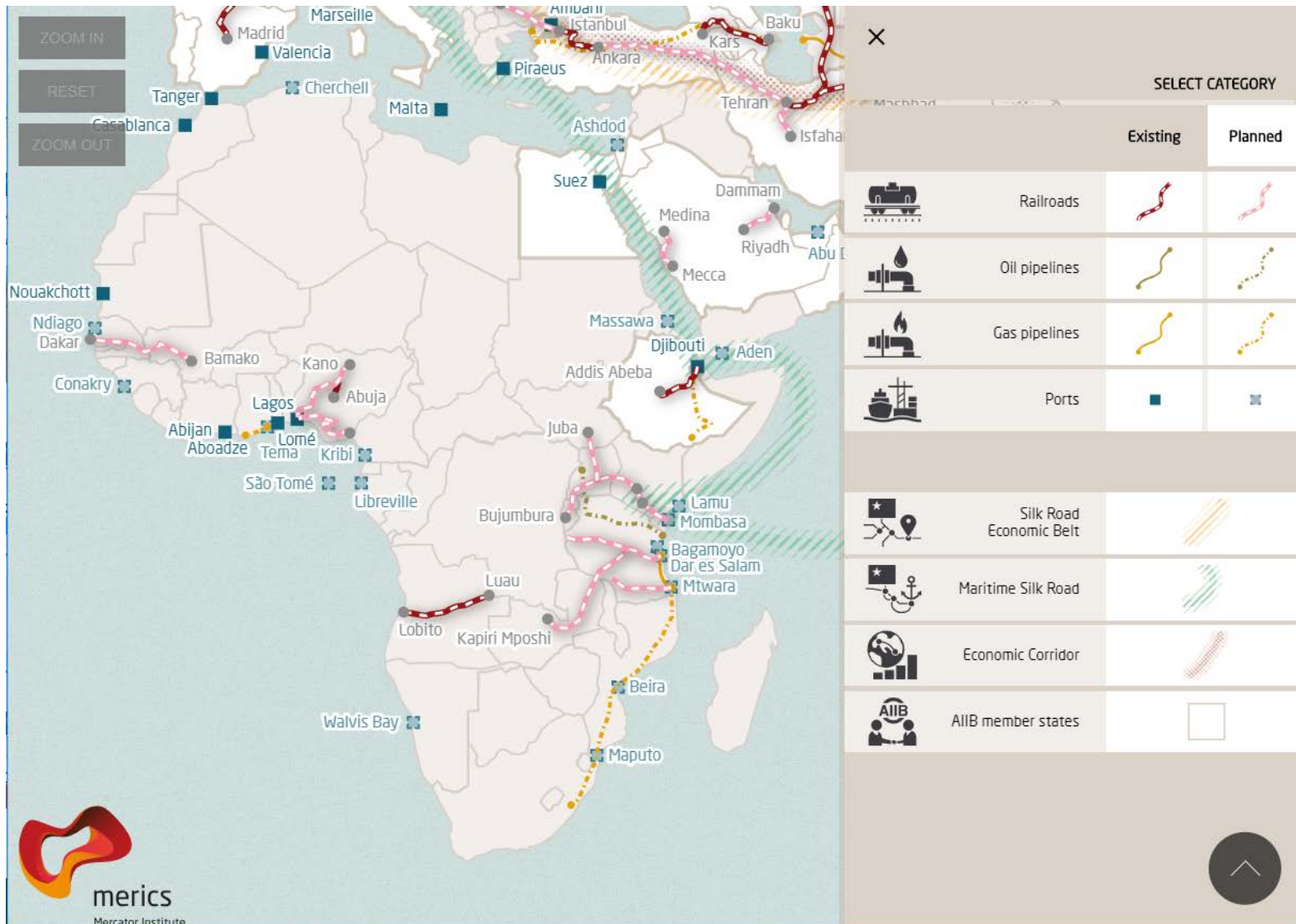
International Diplomacy

What is a vote worth?

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



Belt and Road Initiative (BRI)



FOCAC Declarations

	2000	2015	2018
Word Count	Approx. 1,700	Approx. 2,700	Approximately 3,500
Guiding Principle	Five Principles of Peaceful Coexistence	Five Pillars	Five “No’s” –criticisms of Western style aid
Economic Development	No mention of Millennium Development Goals	Explicit mention of SDGs (goal 17)	Fully integrated throughout the discussion
Governance and Diplomacy	Veiled reference to international diplomacy	Explicit reference to “one China policy” and desired reform of international diplomacy (UNSC) and finance (IFI)	References to friendship, a “China-Africa Community”, mutual interests, “speed up African regional integration”
Cooperation	Mentioned partnership	Emphasized partnership	Emphasized
Follow Through	No major initiative	Launched “Initiative on China-Africa Cooperative Partnership for Peace and Security”	Forum very recent, impossible to say yet

2018 FOCAC

Five No's

1. No interference in African countries' pursuit of development paths that fit their national conditions
2. No interference in African countries' internal affairs
3. No imposition of our will on African countries
4. No attachment of political strings to assistance to Africa
5. No seeking of selfish political gains in investment and financing cooperation with Africa

Eight Initiatives

(a) industrial promotion, (b) infrastructure connectivity, (c) trade facilitation, (d) green development, (e) capacity building, (f) health care, (g) people-to-people exchanges, and (h) peace and security

Recent Pledges

FOCAC Summit (September 2018)

- \$60 billion; \$20 billion in new credit lines, \$15 billion in foreign aid: grants, interest-free loans and concessional loans, \$10 billion for a special fund for development financing, \$5 billion for a special fund for financing imports from Africa. Remaining \$10 billion to come from private Chinese investors. (<http://www.chinaafricarealstory.com/2018/09/chinas-focac-financial-package-for.html?spref=tw>)
- China will set up 10 Luban Workshops in Africa to offer vocational training. China will provide technical training for 1,000 Africans, provide 50,000 government scholarships, sponsor seminar and workshop opportunities for 50,000 Africans, and invite 2,000 African youths to visit China for exchanges.

Others

- Dec. 2017: Xi committed to increased engagement in peacekeeping “proactively push forward the construction of a global network of partners and will proactively push for political solutions for international hot issues and difficult problems,” at an event for global political parties in Beijing.
- Oct. 2017: Naval presence in Djibouti. Ostensibly to provide “logistical support for Chinese convoys.”
- Ongoing: Infrastructure diplomacy. Example: ports in Djibouti, Tanzania, Mozambique, Gabon, Ghana, Senegal, Tunisia

Comparing West and East in Africa

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

**QUESTIONS/
COMMENTS?**



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