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Africa Summary

The Impact of Sino-African Cooperation on Africa's Development

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INTRODUCTION

This document summarizes a meeting held at Chatham House on 24 March 2014, focusing on Sino-African cooperation and China's model for Africa's development.

The message of the meeting is that China's economic development over the past 35 years puts it in a unique position to counsel African countries on their own development. Chinese influence on the continent is increasingly not just economic or industrial, but about the best path of development – the China Model. This model can be used to help African countries develop strong economies, with political development reliant on economic reforms. Europe should not see China's involvement on the African continent as a threat, but as an opportunity for coordination. China and Europe have complementary roles to play in providing development assistance to Africa.

Both the meeting and the Questions and Answers session were held on the record and the views expressed are those of the participants. The following summary is intended to serve as an *aide-mémoire* for those who took part and provide a general summary of discussions for those who did not.

For more information, including recordings, transcripts, summaries, and further resources on this and other related topics visit www.chathamhouse.org/research/africa.

PROFESSOR LIU HONGWU

The speaker began by introducing the theme of his talk – how to build China's and Africa's common destiny] and achieve common development goals. He stated that most African countries have changed in the past 10 years and have begun to follow China's model of development, and this is something that necessitates discussion about China's influence on the African continent.

Professor Hongwu explained that in order to understand China's influence in Africa it is necessary to first better understand China and its development path. Since 1978, when the country began its programme of reform, China has been developing very rapidly. In the past 35 years, its economy has grown very quickly, with its GNP increasing more than 100 times to 56.8 trillion yuan in 2013. Last year China had the second largest GNP in the world, with only the United States ahead of it, and China's GNP per capita has increased more than 22 times since 1978.

Professor Hongwu questioned why what has happened in China has not happened in African countries. He suggested that looking at the 'China Model'

will help to explain China's successful development, and set forth key points about China's development pattern. China was independent in its reforms and found its own development path in the China Model. It did not try to change quickly, instead focusing on continuity from generation to generation. China was not isolated during its period of reform, instead opening itself up to the outside world in order to learn from developed countries. The China Model also requires suitable and evolving institutions, as well as the maintenance of long-term stability of the political system. This is in direct contrast to the instability of many African political systems and societies. China has also prospered from having efficient government administrative teams. The speaker explained how this involved the promotion of officials due to their performances, rather than elections. The next point of the China Model was the primary importance of economic reform. This must come first, and is to be followed by political reform. The direction of the political reform is towards decentralization and openness, and the goal of political reform is to ensure the political system is practical, efficient and stable – political reform is there to promote economic reform and development. Political reform must progress in a practical, stable manner.

Today, China has a system of multiparty cooperation and political consultation, which is a combination of electoral democracy and deliberative democracy. Deliberative democracy, the speaker explained, is a tradition of Chinese democratic politics in which leaders are chosen through consultation and recommendation based on their performances. Discussion and dialogue are required, not votes.

Professor Hongwu indicated that it is necessary to develop a sense of national unity. In China, the education system teaches that it is better to put the interests of the country above those of the individual. This ensures that the party system is effective – politicians make decisions according to what is best for China, not the party or the individual. Most African countries, in contrast, are very young and often have a tribal system of politics. The speaker used the example of Nigeria, which is not more than 60 years old and has over 300 tribes, making it difficult to create a nation state and a sense of national unity. In Nigeria there is the risk of politicians acting solely in the interests of their tribe, rather than the whole nation. Professor Hongwu explained that this was a flawed party system and must be changed.

The speaker went on to examine how African governance and development issues can be resolved through the Chinese perspective. Professor Hongwu explained that the exact method of the China Model is not necessarily

suitable for all African countries, but it shows how all countries can find their unique path to development.

China has a strong central government. This, the speaker stated, means that the government always has the capacity to act. However, China is looking to reform its political system in order to reduce centralization and further empower local government and individuals. The speaker explained that this is in contrast to African countries, which often suffer from weak, incapable governments and a lack of viable administrative and bureaucratic systems. For such countries, developing the market remains of primary importance, but it is also necessary to adjust the political system so as to overcome the long-term institutional obstacle of a lack of state and ruling capacity.

The final area that Professor Hongwu discussed was Sino-European cooperation in order to boost Africa's development. He explained that Europe should see the development of China and Africa as an opportunity. Over the past 30 years, China has been open to Western investment, technology and education, using these to find the best Chinese development model. Now China can contribute as well.

As a developing country, China will continue to grow, and it is expected to soon lead the world in certain areas, such as industry. African countries should follow in China's example and be open to other countries, especially the BRICS. Last year, China was Africa's largest trading partner, with trade levels at around \$20 billion. This is a big increase from 10 years ago, and projections for the next 10 years are up to \$500 billion. The speaker explained that although China is still developing, with poor areas remaining, its rate of development suggests that in the next 30 years it can help develop not just itself, but all countries.

Professor Hongwu indicated that China's peaceful rise is an opportunity for the whole world, and Europe in particular. Very few Europeans, Professor Hongwu stated, are aware of what has happened in China in the past 30 years. Nor is there knowledge about China's involvement in Africa in the past 10 years. If cooperation between China, Europe and Africa is desired, it will be necessary for them to better understand each other.

The speaker concluded by explaining that the premise of Sino-African cooperation is that China's influence with African countries is not just through industry and the economy, but increasingly through the idea of the China Model.

SUMMARY OF QUESTIONS AND ANSWERS

Raphael Kaplinsky

There have been three very strong messages. China's exemplary record is one which has continuity, a central focus and a concern for the common good. Africa does not reflect the cohesiveness or the idea that there is a common good. Third, the relationship between China, Africa and the EU is not competitive – China and Europe have distinctive competences and there is no reason why China and Europe cannot work together to help facilitate African development.

Questions and comments

Could the speaker give some information about the actual scale of acquisition of farmland in Africa by China and how much of a priority it is for China?

There are some fears in Europe that Chinese involvement in Africa will be at the expense of others. Thank you for explaining that there is no contradiction between Chinese and European involvement in Africa, and that they can complement each other.

What is your advice for Western companies that have joint ventures with Chinese companies in Africa in terms of social standards or corporate responsibility – how do you breach the gap between the different standards?

Can the speaker give concrete ways in which Europe and China could cooperate in Africa?

Liu Hongwu

The speaker stated that, although he is not entirely knowledgeable about land acquisition in Africa, he stated that it is Western, and mainly European, countries that have acquired the largest tracks of agricultural land in Africa. In the past 10 years, however, China has agreed agricultural cooperation agreements with countries such as Zimbabwe, Zambia, Nigeria and Sudan. It is likely that these countries own farming initiatives will benefit from China's agricultural knowledge. Some people point to African land acquisitions as a new form of colonialism but China tends to have a different outlook on such issues. China's Ministry of Agriculture would be able to provide further details on these initiatives.

China's relationship with Europe is not competitive. European countries have far greater influence in Africa than China, and are the countries that are historically linked to the continent. China is a new actor on the continent. In countries like Kenya, Nigeria or Tanzania there are English-speaking people, Western religions and Western-style universities. Most African universities follow the standards set by England and France, whereas no significant Chinese university has links to Africa. There are some Mandarin Institutes teaching the language, but Chinese influence remains very small. However, it is possible that in the future China's influence will grow through the economy, industry and training.

European countries' technology, governance and education are the best in the world. China itself can learn from the West in these areas. However, China's technology, especially its agricultural technology, may be the most useful for African countries. A potential area for cooperation is in higher education between European countries and training from China's universities. In this way, Chinese and European universities can increase their cooperation. There are already some examples of this, such as the cooperation that exists between Peking University and Cairo University.

Raphael Kaplinsky

There is concern in Europe about competition for natural resources in Africa between China and Europe – do you think this is an area of contestation?

Liu Hongwu

China has a very big market and the largest population in the world, so there is a need for natural resources. However, China is looking to reform its economy and develop its industry. The government wants more trading with, and investment in, African countries. China's industry is being moved from the east area of China to European countries. This is especially true for larger companies, which are finding the costs of operating in the eastern provinces increasingly high. The speaker noted the example of the Huajian shoemaking factory, which was recently moved from China to Ethiopia. He speculated that in the future China's dependence on natural resources from African countries will be reduced.

Questions

The speaker mentioned that governance and stability are necessary for development. Why is China not very involved in peace missions or military intervention in Africa when there are still some unstable countries in Africa?

Is China making any efforts to engage with, and encourage the integration and functioning of, regional economic integration organizations in Africa, particularly within the African peace and security architecture, such as the Economic Community of West African States, the Southern African Development Community and the East African Community? Does the speaker think China's presence has any negative or positive effects on regional economic integration?

A lot of African countries have been involved in human rights abuses and atrocities, and governments frequently have no respect for the law. What can Africa learn from China in terms of the security and human rights of its population?

The speaker mentioned the need to prioritize economic reform over political reform. Should this not be the other way round in Africa? If economic reform comes first, will it not be brought down by poor political institutions?

Zhan Shu

China supplies the most peacekeepers out of the UN P5 (China, France, Russia, the United Kingdom and the United States). From 2003 to 2009, the United Kingdom, United States and France reduced their peacekeepers in Africa from over 2,000 to less than 100. However, since 1992, China has been increasing the number of its peacekeepers. However, this is only at the request of the UN and the African Union. Although Africans talk about collective security, it is questionable whether they want outsiders to be involved.

China has been cooperating with regional African organizations, at least as early as the Organization of African Unity and the Southern African Development Community, and especially since 2000. China has a mechanism of cooperation with regional organisations, such as a memorandum of understanding with the East African Community, and cross-country and cross-region infrastructure. China can help regional integration, but only upon the African countries' request.

Liu Hongwa

It depends on the issues in the individual countries as to whether political reform or economic reform is the most important. The speaker compared Kenya and Tanzania. Tanzania had a strong one-party system, similar to China. President Julius Nyerere created a system for the country that made it potentially the most politically stable country in the whole continent. Despite this, the economy has developed slowly in comparison to Kenya. Therefore, in Tanzania, political reform was important. However, in poor countries, there is too much poverty – economic development is needed before something can be done about political reform. In the past 30 years, China has focused on economic reform, but in the next 10 or 20 years China's reform agenda will be increasingly political as a result of its stronger economy. China's political reform will always be shaped by what is most needed for China. It will never change into something like the US or British system. Political reform must be useful for the Chinese themselves, and reform will always be different for every country.

Raphael Kaplinsky

Chinese aid in Africa is a distinctive challenge to the Western mode of aid and there is an ongoing debate concerning China's model of aid in Angola, in comparison with the traditional Western model.

Question

In what concrete ways is Chinese development assistance different to that of the traditional Western model? Has it changed recently as a result of China's increasing commercial interest in Africa?

Liu Hongwa

China also relies on aid from Western countries; it is not a developed donor country. When China provides assistance, it is a form of South-South cooperation, rather than a Northern country aiding a developing country. China's aid system is very different from those of Western countries. China is a big country, with areas developing in their own ways – East Asia and west Asia are very different. The past 30 years of domestic development have given China experience in development assistance. China's assistance to African countries is not just about giving donor aid; it is also about increasing

cooperation in areas such as technology and training, so that improvements can be made in capacity for future development.

Raphael Kaplinsky

The measure of the speaker's challenge is that the African country most proximate to the model of getting the economy going first, and political liberalisation after, is Rwanda. These are two very different countries though – Rwanda has a population of 10 million, China has a population of 1.3 billion. China's presence in Africa has been a wake up call to everybody. It offers many opportunities to a variety of African actors, but also seems threatening to a variety of African and Western actors. The speaker has helped increase the understanding of the need to think about the engagement in a constructive win-win light, as opposed to viewing this as a competitive and win-lose relationship between China and Africa and Europe, as is a very common outlook in Europe.