

Review

China's promises to Africa

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When China and Africa, within the framework of the FOCAC, met three years ago in Beijing to establish a “strategic partnership”, many were curious to see how Beijing was actually going to carry out its ambitious African safari. During this gathering, Chinese authorities made eight pledges aiming at strengthening the China-Africa axis. As both parties are meeting again next month, Beijing will be proud to announce that it has kept almost all its promises. Due to the global financial crisis, the next FOCAC will take place in a particularly severe economic environment. Is Beijing still capable of continuing its policy of financial largesse towards Africa? But more important, do African countries eventually know what they want from China?

Key word: China-Africa, FOCAC.

INTRODUCTION

In November 2006, Beijing hosted the most important diplomatic event China has ever organized: The China-Africa summit. During this gathering, Beijing made eight major commitments aiming at strengthening its new “strategic partnership” with Africa. These commitments include: Doubling China's assistance to Africa through preferential loans and credits, building a headquarters for the African Union, canceling debts of poorer African countries, further opening-up of China's markets to more African products, establishing trade and economic cooperation zones in Africa, and training African professionals.

Since then, any Chinese move in Africa has spurred an array of comments and critiques. On the eve of the 4th China-Africa summit to be hosted by Egypt in November, it would be interesting to evaluate how far Beijing has gone into implementing its African “road map”. This paper therefore seeks to take stock of China's achievements in Africa with regard to its eight promises and explore possible areas of future cooperation with Africa.

WHAT HAS ACTUALLY BEEN DONE?

1. As concerns assistance to Africa, China pledged to provide \$ 3 billion in “preferential loans” and \$ 2 billion in “preferential buyers’ credits” targeted at poor African countries. In an exclusive interview (Xinhua, January 16, 2009), the Chinese Minister of Commerce, Chen Deming announced that Beijing has inked bilateral aid

agreements with 48 countries while 22 countries have signed loan agreements with favorable terms since 2007. He continued by saying that 2009 will record a 200% increase in aid agreements with African countries in value terms as compared to 2006. On the debt cancellation front, the Minister declared that China would cancel 168 debts contracted by 33 countries that were supposed due by the end of 2005. Chen has unfortunately not provided any figure that would allow us to assess the actual level of Beijing financial commitments on the continent in this domain.

2. In view of promoting Chinese investment in the continent, Chen declared that Beijing has established a \$1 billion China-Africa Fund. According to him, the Fund has already, by the end of 2008, invested a total of \$ 400 million in 20 projects over the continent. With this engagement, the level of Chinese investment in Africa rose to \$ 2 billion. The Minister also said that the fund would gradually be expanded to meet the commitment of establishing a \$ 5 billion China-Africa Fund.

3. China also committed itself in setting up five economic and trade zones in Africa. On this issue, although Chen declared the project was moving smoothly, up to date only the Zambia-China Economic and Trade Cooperation Zone, has already gone into operation. The Minister revealed that Chinese companies have already invested \$ 700 million within the Lusaka area, creating 3500 jobs to Zambians. More on July 22, 2009, Zambia signed a US \$ 3.6 billion investment Promotion and Protection Agreement (IPPA with Zhongui, a Chinese private

mining company. The company would be mining copper and other minerals and would set up its firms in North Western and Copperbelt provinces, respectively (Lusaka Times, July 22, 2009). As for the four other zones including the Guangdong Economic and Trade Cooperation Zone in Nigeria and the Lekky Duty Free Trade Zone in Lagos, Nigeria, the Egypt-Suez Economic and Trade Zone and Ethiopian Orient Industrial Park, one hardly sees how China is going to deliver them by the end of the year.

4. In order to open up Chinese market to African products, Beijing pledged to increase the number of items subject to Chinese duty-free treatment exported by poor Africa countries. On this very aspect, Minister Chen announced that 31 African countries have seen their products being exempted from tariffs. These products include stone material, minerals, leather and hide, textiles, clothing, electric appliances and machinery equipment. In total, these countries have gained \$ 680 million in tariff exemption from 2006 to 2008, the Minister revealed.

5. Training African professionals in the domain of education, medical care and agriculture has always been one of the pillars of the Chinese African policy. Minister Chen noted that since 2007, 10916 people from 49 countries have been trained in China. More than 100 agro-technicians will be sent to 35 countries by the end of 2009. With regards to the 14 agricultural technology centers to be set up in Africa, some are already under construction including the Boane-52 ha agricultural demonstration centre at the West of Maputo in Mozambique or the aquaculture demonstration centre in the Uganda's capital, Kampala (Campbell, 2009). Another agricultural center will be constructed in the Cameroonian town of Nanga Eboko as agreed by both parties during the 7th session of the Great Joint Commission held in Beijing early August 2009 (Cameroon Tribune, August 12, 2009).

6. Meanwhile, the construction bidding of about half of the 30 hospitals Beijing announced it would build in Africa are already finished, the Minister also said. Still in the domain of infrastructure, the construction of the African Union headquarters, another Chinese pledge that was launched last December, is to be completed in 2011.

LESSONS LEARNT

As China and its African partners are looking towards meeting again in the coming months, one can notice that for the past three years, the Chinese African policy has been experiencing a constant readjustment. According to Chris et al. (2008), three main aspects of this policy are worth noting. Firstly, from its initial focus on resource access, China has moved into the financial and agriculture sectors in Africa. This move is epitomized by the impressive US \$ 5.4 billion acquisition of 20% of the

South African Standard Chartered Bank by Industrial and Commercial Bank of China and the China Development Bank has concluded a partnership with United Bank of Nigeria. Secondly, it has started channeling and organizing Chinese investments on the continent through the setting up of Economic Cooperation zones. However, the status of these structures which are still not clear has prevented their development as planned. Thirdly, its traditional investment packages have been modified to include important social and community outreach dimensions such as the initially US \$ 9 billion, eventually revised to \$ 6 billion, resource against infrastructure agreement concluded with the Democratic Republic of Congo. In this agreement, 31 hospitals and two universities are to be built. All these developments are a clear indication of the fact that Beijing knows, more than ever, what it wants from Africa.

Based on the Chinese Minister of Commerce's revelations, China has implemented almost all of its eight pledges. This represents an impressive track record to make jealous all other African traditional partners. No one before has actually ever gone that far into fulfilling its commitments towards the continent. Sanusha (2009) is then right when he declares that "Beijing reaffirms its African Agenda". And China without falling into self-glorification is even committed to go further. Hu Jintao declared in the midst of the global financial crisis during the London G20 summit, that China would maintain a considerable level of investments on the continent, expand trade and increase aid to Africa.

WHAT FUTURE HOLDS FOR THE CHINA-AFRICA STRATEGIC PARTNERSHIP?

The next FOCAC will have to address a wide range of issues but some are more critical than others.

1. Agriculture and food crisis should be at the forefront of the deliberations. Certain African countries (Cameroon, Senegal, Guinea, Niger, or Zimbabwe) have experienced in 2008 social unrests due to increases of prices or shortages of food items, worsened by the global financial crisis. The agricultural policy remains a key dimension of the stability of African countries, without which there is no business opportunities. To avoid "food rebellions" in the future, it is capital today to mobilize resources towards African countries food self-reliance. China should build on its long history of assistance provider to speed up the construction of agricultural demonstration centers and ensure an effective transfer of technology in this domain. More, African countries should stop selling or renting land to foreign countries, and make sure China takes a strong stand against the phenomenon of "land grabbing" as Liu Guijin, the Chinese Special Envoy for African affairs suggested last month in Dakar, Senegal. (Afrique Avenir, August 1, 2009). With modern and appropriate

techniques, the African soil should first focus on feeding Africans and not allowing foreign governments and corporations to buy up farmland in Africa to grow their own food or simply to make money. On the training front, the next FOCAC should make building capacities in the domain of irrigation and agriculture a top priority. But all the Chinese goodwill will not overcome African bureaucratic hurdles coupled with strong corruption practices responsible of long construction delays that jeopardize the effectiveness of some FOCAC projects.

2. Another aspect the FOCAC should focus on is the management of migration of people between both parties. Without being alarmist, the cohabitation between the more and more numerous Chinese people living in Africa and Africans is becoming a source of big tension as illustrated by the recent violent anti Chinese clashes in Algiers (Plassé, 2009). Meanwhile, Africans are not finding it easier either in China, especially in the commercial Southern Guangdong province where police is accused of harassment.

In the absence of reliable data, it is difficult to have a real picture of the number of Chinese living on the continent, but according to the Chinese official news agency 'Xinhua', as many as 750,000 Chinese are working or living in Africa. As concerning Africans living in China, the 'Guangzhou Daily' estimates as many as 100,000 Africans in Guangzhou, a number that is reported to have been increasing at an annual rate of 30 to 40% since 2003. It is reported that over the past decade, the number of Africans living in big cities such Beijing or Shanghai has risen from hundreds to thousands (Poltitzer, 2008).

According to 'The Economist', Chinese people have a long history of persecution abroad. For Africans, the recent resentment against Chinese expatriates in Africa stems from the fact that Chinese companies that carried out Chinese-funded infrastructure construction projects import large number of Chinese workers rather than employing locals where levels of employment can reach 70% of the youth; Chinese exports have seriously affected local manufacturing industries specially the textile one; local retailers believed Chinese retailers take advantage of their knowledge of the source of products in China to dominate African markets. It is also held against Chinese in Islamic countries that they openly consume alcohol, dress indecently and are involved in prostitution activities. Anti Chinese violence, like in Zambia, is linked to poor labor conditions notably in the Chambishi copper mine (Economist Intelligence Unit, August 11, 2009).

The same tension for the massive Chinese emigration is the source of tension abroad, while the same tension for the arrival of important number of Africans in China is seriously affecting the social cohesion of cities like Guangzhou. Racial and social tensions coupled with the problem of illegal overstaying connected to crime have come to overshadow huge economic benefits and the development of a cross cultural community linked to the

large influx of foreigners Guangzhou has been enjoying since China opened up to the world. "While most black people are engaged in valuable trading activities, others are staying illegally, working without valid permits or smuggling" declared Peng Peng, research director at the Guangzhou Academy of Social Sciences (Pomfret, 2009). Another author posits that "Africans in China receive disproportionately negative media attention [...] they are not accepted in certain residential areas; they are accused of drug dealing, counterfeiting, theft, spreading of HIV and represent the first target of Chinese police" (Poltitzer, 2008). The best illustration of this fact occurred last year when on the eve of the "One World, One Dream" Olympics one Hong Kong based newspaper reported that Chinese authorities had issued a secret ban on Blacks, Mongolians and other "social undesirables" from Beijing's bars during the Olympics (The South China Morning Post, July 18, 2008)

James Pomfret goes further in saying that an inconsistent and restrictive visa policy by the Guangzhou immigration authorities is exacerbating frustrations among the African community. To him, the police are very reluctant to implement a "more and transparent immigration policy" particularly on visa extension. Visas seem to represent a highly lucrative business for immigration officials. "They just want to arrest you, collect money, and then arrest you again", declared Paul Omoshola, a Nigerian businessman in Guangzhou (Pomfret, 2009). Visa extensions, difficult to obtain through official channels can actually be relatively easily obtained through Chinese agents after paying \$ 2,000 upwards. Gordon Mathews, a researcher with the Hong Kong's Chinese University who studied the issue of immigration in China, believes "the arbitrariness of visa issuance" represents one of the main features of the Chinese immigration policy (Pomfret, 2009).

All the official rhetoric about friendship, cooperation or strategic partnership is meaningless as long as it will remain at governmental level. China-Africa partnership represents an ambitious project that should be taken at the grass-root level. It will only make sense if it is transformed into a people to people enterprise. As the China expert at South Africa's Stellenbosch University, Martyn Davies rightly puts it, the very "challenge of the whole China-Africa relationship is going to be cultural acceptance [...]. It is not about capital or management skills or whatever, it is about culture and essentially to break down stereotypes they have of one another" (Pomfret, 2009). Since China and African countries' economies are gearing towards greater integration, the movement of people is expected to grow alike. With Chinese businesses expanding overseas while more Africans are living and working in China, both parties will have to deal with integration issues. Definitely, "Stronger Economic Ties Mean More Migration" as suggested by the title of an article by Malia Poltitzer. The next FOCAC, in analyzing this capital issue, could learn from the

French newer approach of “concerted management of migratory influxes” already agreed with a good number of African countries.

CONCLUSION

The Beijing China-Africa summit was as ambitious as it was grandiose. It was meant to show the whole world China was back to Africa and committed to no longer considering the continent as a Western exclusive zone of competence. During this jamboree, Beijing made a series of commitments it has almost all delivered, some even ahead of schedule. Should the Chinese minister of commerce’s declarations be true, there will therefore be much to celebrate during the 4th FOCAC next November in Egyptian capital Cairo. Thanks to China, Africa is progressively breaking free from western countries’ monopoly. The Chinese factor has added a certain value to its bargaining capacity making it again possible for African countries to play foreign partners one against another. Africa should therefore, use one of its best arguments. That is its vote at the UN- China needs to secure this vote if it is to counterbalance US influence and push forward its views to obtain concrete actions pertaining its development agenda. They are plenty of issues that need to be addressed, ranging from peacekeeping to technology transfer via making African manufacturers more competitive or improving governance. If “the FOCAC process offers Africa a new opportunity for a partnership with China and the prospect of a long term mutually beneficial relationship with the world fastest economy” (Brown and Zhang, 2009), it needs however to undergo an upgrading process that would allow it to fully integrate crucial dimensions like a well organized framework governing the movement of people. Three years after Beijing, the world is now watching to see which direction, the next FOCAC is going

to take what Chris et al. have labeled “the most important dynamic in the foreign relations and politics of the continent since the end of the Cold War” (Alden et al., 2008).

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