



Weaving Chinese Characteristics into the African Growth Story

Speaker: Veda Vaidyanathan

Chair: Amb. Ashok K. Kantha

Date: 18 July 2018

ICS Seminar Room

Amb. Ashok K. Kantha, chair of the seminar and Director, ICS commenced the session with his opening remarks that underscored the alacrity with which China's engagement with the African continent has proceeded in recent years. With impetus provided by the Forum on China-Africa Cooperation (FOCAC), China has emerged as the third largest investor in the region and trade has multiplied manifold since its first iteration in 2000. The chair duly drew attention to the legitimate apprehensions surrounding China's involvement in Africa, which include its allegedly extractive modus operandi and debt book diplomacy. Thereafter, the floor was handed over to the speaker, Dr Veda Vaidyanathan.

The speaker began her presentation by alluding to an increased academic interest in Africa. Africa's rising importance to the world is evidenced by the proliferation of literature pertaining to the continent. With respect to China's engagement with the region, the speaker identified commentators to qualify as either pessimists or optimists. While the pessimists subscribe to the narrative of a neo-colonialist Chinese expansion into Africa, the optimists perceive China's initiatives in the continent to be a catalyst aiding its fledgling development endeavours. However, whichever side of the aisle one stands on, Africa features prominently as a treasure trove of economic opportunities.

Africa is a resource rich region and a large consumer market. Moreover, its constituent countries are encouraging operational efficiencies in trade. The continent also possesses a demographic dividend of young workers and has witnessed a 20 per cent increase in the share of people residing in urban areas - both conditions conducive to high growth levels. As such, China's desire to participate in and gain from Africa's growth trajectory is in consonance with its goal of becoming a prosperous society.

In a disclaimer, the speaker noted that China's engagement with the African continent dates back to historical times. Therefore, although China-Africa cooperation is not novel, it is the extant range of cooperation that is unprecedented. China's overtures range from involvement in manufacturing and infrastructure to aid and healthcare. The speaker accorded special priority to China's initiatives in Africa with respect to manufacturing and infrastructure since these are regarded to be the salient drivers of African development. Having conducted field work in Africa, the speaker drew from her personal experiences and observations to buttress her analysis. The first focus was manufacturing.

According to the speaker, while Africa has long been excluded from the Global Value Chain on account of its agrarian roots, the low rate of wage on the continent and China's assistance in developing operational efficiencies is expected to invite low skill manufacturing to the continent. The speaker provided two anecdotes of the transformative nature of Chinese initiatives in manufacturing. Notably, these cases are characterized by minimalistic Chinese interference in its operations; so long as the Chinese investors make profits, the modalities of business are entirely entrusted with its local stakeholders. The speaker contrasts these two anecdotes with India's meagre engagement with Africa which stands at 21 proposed projects out of which only two are in the implementation stage.

Moving to infrastructure, the speaker referred to Africa's severe deficiency in this regard; estimates peg the requirement at between 130 to 170 billion USD. China has moved swiftly to supply this. Multiple narratives have been put forth explaining China's infrastructure investments in Africa ranging from altruism to economic, diplomatic and power-centric. However, the scale of China's infrastructure engagement with Africa is undeniable. Around 70 per cent of bids for construction in Uganda have been awarded to Chinese firms and Kenya is to develop a crucial Standard Gauge Railway (SGR) using Chinese money. Since its unveiling in 2013, Africa's development has increasingly been regarded by the Chinese as testimony to the success of the Belt and Road Initiative (BRI) and this accolade is touted ubiquitously in various platforms.

Notwithstanding that, China's engagement in Africa also faces significant hurdles, to which the speaker turned to next. Nigeria's textile industry failed to compete with cheap Chinese imports leading to some animosity and China was blamed for the entry of illegal medicines into Côte d'Ivoire. Large scale immigration also creates societal tensions; while the African locals are content with inviting Chinese factory workers they are less so when Chinese peddlers and shopkeepers put locals out of business. The Chinese are also charged with racist attitudes towards African locals which hark back to colonial-era infamies. The speaker, however, at the same time, affirmed China's

robust footing in the African continent. She drew attention to African disdain for the West's condescension towards it regarding its dealings with China. A perception study by Afro barometer, of 37 African countries, concluded that the Chinese development model has overtaken the American model to become the most preferred one on the continent. Moreover, the Africans consider economic competition between the West and China to be salubrious to their development objectives.

The speaker's concluding slide served to reiterate the vast range of areas that China has established a presence in. Apart from manufacturing and infrastructure, China is also providing assistance to Africa in education and agriculture. The speaker, however, confessed that in the grand scheme of things, China's engagement with Africa is far from a win-win with China deriving heavily asymmetric gains from the relationship. Chinese money, with less conditionality is often the only funding available to African entrepreneurs; this permits lopsided, non-reciprocal dealings in China's favour. The speaker noted that China is also committed to taking charge of the narrative surrounding its presence on the African continent. Chinese records downplay the extractive aspect while overplaying the notion of benevolent, diverse engagement. Moreover, Chinese companies have carried out takeovers of media firms in Africa under the guise of conducting "constructive journalism." These efforts are geared to overshadow some obdurate difficulties encountered by the Chinese in Africa which include the localization of initiatives and sensitization of Chinese managers.

In the Q&A session, Prof. Sreemati Chakrabarti, Vice-Chairperson, ICS solicited some insight into the soft power aspect of China-Africa cooperation. The speaker enlightened the audience about the 40 Confucius Institutes set up on the continent. She contended that the Africans viewed China as a land of opportunity. In response to the charge, put forward by a member of the audience, that the Chinese have stepped into the shoes of the French in Africa, the speaker retorted citing the assertiveness of the African countries towards unsavoury impositions as well as China's accommodative approach in dealing with such divergences. ICS Honorary Fellows Prof. Mohanty and Prof. Adlakha both alluded to China's geopolitical ambitions in the grand scheme of things and emphasised China's desire to play a larger role at the global level for the purpose of which Africa serves as a conduit. Amb. Kantha inquired into the charge against China of debt-book diplomacy. The speaker admitted that while there is reason to be wary of spurious debt dealings on the lines of what is being called the 'Angola Model,' the inability of African nations to service their debt is far from a foregone conclusion. According to her, most repayment deadlines bleed into the long run allowing ample time for revenue generation. Even so, it was acknowledged that this aspect of

China's engagement in Africa should undergo meticulous scrutiny. The seminar ended with the Director's imploration to conduct intrusive scholarship into the nature of the assessments that the Chinese undertake while financing projects in Africa.

About the Speaker

Veda Vaidyanathan is a Research Associate at the Institute of Chinese Studies, New Delhi. She completed her Ph.D. from the Centre for African Studies at the University of Mumbai on the Resource Diplomacy Strategies of India and China in Africa. She was initially a doctoral fellow of the Indian Council of Social Science Research and in 2014 received the Institute of Chinese Studies-Harvard Yenching Institute (ICS-HYI) China-India studies fellowship. From 2015-16 she was a senior visiting fellow at the Centre for African Studies, School of International Studies, Peking University, China and was a visiting fellow at the Harvard-Yenching Institute in Harvard University the following year. She has conducted extensive fieldwork interviewing various stakeholders in India, China, Kenya, Ethiopia, USA and the UK and has presented papers in international and national conferences. Her research currently focuses on the interactions of India, China and other emerging powers with countries in Africa.

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