

## CHAPTER 2

# HIGHLIGHTS AND RECURRING THEMES

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he Chinese have a saying: “May you live in interesting times.” Who knew that they would play such a significant role in making the times so interesting for so many?

On October 1, 2009, the People’s Republic of China (PRC) celebrated its 60<sup>th</sup> anniversary. A lot has happened in those sixty years, not only in China but with China in the world.

China in Africa is arguably one of the biggest topics in development today. In less than one tenth of the time it took for China to become what it is today, it has been able to distill the lessons it learned, package them, and apply them to making one of the biggest development impacts in Africa since Africa’s independence. China has taken the world by surprise and Africa by storm. How did it do that, what does it mean? Is it good for Africa, and what does it mean for Africa’s other development partners?

These are not simple questions and there are no simple answers; it’s complicated, which is why there are so many perspectives on the matter. Perspectives are snapshots of a moving picture; there are no right or wrong perspectives. In taking snapshots it is often necessary to step back, change the lens, and make adjustments to sharpen the focus to attempt to capture the richness of what the mind and eye working together can grasp so quickly and seamlessly. Hence, this book contains many snapshots in the attempt to convey the motion picture that is the role of China in Africa today. Having reviewed the many essays compiled in this book, and drawing on hundreds of conversations with stakeholders in China, Africa, and the U.S., a number of important recurring themes have come into sharp focus, as discussed below.

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## ■ **China Has Shown the World How to “Do” Development in a Different Way**

China has a comprehensive Africa strategy whereas others, including the U.S., apparently don’t. It’s important to be reminded of what a strategy is: “The science and art of using all the forces of a nation to execute approved plans as effectively as possible during peace or war.”

In the “Art of War” (Sun Tzu, 6<sup>th</sup> century B.C.) the Chinese demonstrated their mastery of military strategy. Today, through its Africa strategy China is demonstrating its mastery of the art of peace and diplomacy. How China deploys and utilizes “all forces of its nation to execute approved plans” is a major bone of contention with the West.

One of the most contentious issues is how and to what extent the Chinese use mixed credits to in effect subsidize the bids of its state-owned enterprises to win major development projects in Africa? To many observers it appears that the Chinese are winning through unfair competition and are playing by its own rules rather than by those commonly accepted in the international community. Another major area of disagreement with the West is in respect to China’s non-interference policy, which allows China to do business with rogue nations like Zimbabwe that the international community has shunned and against which the U.S. has

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imposed sanctioned. By contrast, the Chinese argue that the best way to influence behavior is by negotiations rather than sanctions.

The style and manner of China's engagement with Africa has also made a major impact and is changing the rules of the game. Style matters. If it didn't consumerism wouldn't be what it is...a dress would be a dress, and a shirt would be a shirt and billions would not be spent in differentiated them based on style. Similarly, style matters in diplomacy? When the Chinese invited African leaders *en masse* to Beijing to roll out its Africa strategy and to lay the ground for individual country negotiations, it was a game changer.

There are two essential things the Chinese did differently stylistically in its engagement with Africa that have apparently made all the difference. First, China showed African leaders the kind of respect they wanted to be shown. Secondly, they let Africans lead and they followed, not the other way around.

As China's approach in Africa is increasingly bearing fruit, many are eager to learn from China and to partner with her. The U.S., for one, is increasingly seeking to join hands with the Chinese in development work in Africa, where doing so makes sense. At the same time, the African Diaspora in the U.S. is also interested in exploring ways to partner with the Chinese in Africa.

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### ■ African Leaders Are Responding Favorably to China's New Development Approach

Are African leaders responding favorably to the Chinese approach because it enables them to skirt the issue of governance, or is it more complex than that? Is the end goal good governance or economic development? Put another way: Is the goal to have something of value over which to govern? At the same time, when there is something of value in place what forces within the society come forth to ensure that governance is good in order to protect the thing of value?

Perhaps a point of view that can be put to rest is that China is not promoting good governance in Africa. To the contrary, as one of Africa's major investors and development partners, China has a major stake in promoting good governance throughout Africa to protect its own investments. China has made an "all in wager" on Africa and good governance is an insurance policy for its own investment.

China's actions in Africa suggest that the first step in the relationship is to help build something of value in Africa; hence their role in building infrastructure. The step that follows is sharing experiences and learning from each other about how best to govern and manage things that are valued.

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### ■ Shared South-South Experience Matters

When two parties sit down at the table to negotiate a relationship they bring two things in addition to the agenda: They bring perspectives and presumptions, which have a bearing on how the agenda is perceived.

China and Africa share many of the same perspectives that are influenced by shared experiences. This does not mean that all of the experiences were shared together—though some were—it means rather that the experiences were caused by the same phenomenon and have had a similar impact on the psyche of people and their behaviors.

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China and Africa share solidarity based on mutual support in fighting oppression. China's support of African independence at critical and difficult times, and Africa's support of China likewise at critical moments in history, and still today, forms a solid basis for the *presumption* of friendship.

What China and Africa shared independently was oppression and a presumption of inferiority by oppressors. How this made them feel as human beings, how they have developed systems to combat oppression, and how they view each other strengthens their bond and solidarity. Prejudice, presumed or real, is a big factor in the equation, and for the most part, the Chinese are not considered to be prejudiced against the Africans based on the color of their skin.

Through all of its travails, China has emerged as a victor, which brings hope to Africa. If China could do it, can we? Can they sprinkle their magic dust on us—how can we join forces with China to emerge? Can we trust China; does China mean what she says? Going beyond the presumption of friendship, there is clear evidence in the operationalization of the China Africa policy that China is living up to its commitments to Africa despite the financial crisis.

It is underscored that the relationship between China and Africa is not merely based on deeds; it's also based on a broad spectrum of human emotions and interactions.

Importantly, China and Africa also share experiences as developing nations. Of course China has pulled out ahead, but many parts of China are facing development constraints that are similar to those faced in Africa and the solutions to some of them may also be appropriate for Africa.

In day-to-day matters concerning how to navigate in life, Chinese and Africans also share many similar notions and *modis operandi* that have a bearing on what they perceive as “us” versus “them.”

Feudalism and colonialism have something in common: Both have created an “us” versus “them” situation. The key to doing business in China and Africa is being able to differentiate which is which at any given point in time and *why*. The Chinese understand this phenomenon; they have lived it and have built a language and culture around it, and the Africans have done the same. When they get together they can tap into a deep understanding of how to appeal to each other based on the signals they can send to one another about what is real and what is fake.

There is no word for “work” in some African languages; rather, in such cases it is a notion that is conveyed by a term that expresses what they feel about it. The term for work in a number of Nigerian languages, for instance, is “the White man's work.” Therefore, it isn't the thing they really care about. What they really care about is their own work, which happens back in the village or in their own homes.

How to get Africans to take ownership of a thing depends upon how the thing is presented to them and how they feel about that presentation. The Chinese understand this, which is why they follow and not lead the Africans. They build the buildings that the Africans want them to build, and they don't impose sanctions because they know that the way to get Africans on board is not to try to force them. If forcing them was the answer, such as in the case of sanctions, then there wouldn't be so many problems. If sanctions worked, for instance, then all despots would be gone already. Instead, the Chinese advocate for “finding the way”

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with Africans through negotiations. This means a lot and is based on an understanding of thousands of years of history.

Saying no is not typically the African way; but “doing” no is, which is why project after project has failed in Africa. The international community has not yet found the way to find “true north” with the Africans and to discern what is real and what is fake.

The Chinese have institutionalized and monetized degrees of realness and fakeness. Go to any market in Africa and any ordinary African person will tell you that when you purchase something from the Chinese you must distinguish how “real” you want the product to be: Do you want it to be 90, 50, or 10 percent real? They have a price catalogue to match. In short, Chinese and Africans understand each other.

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## ■ Change Brings Opportunities and Challenges

Because the Chinese have accomplished so much so soon in Africa it has given the Africans both a new sense of hope and dread.

On the positive side of the ledger, there is hope that new infrastructure, new investment, and new attention and new suitors will combine to create new economic growth and opportunities in which that all stakeholders can share.

Those who are experiencing a sense of dread about the profound changes that China is helping to usher in are concerned because they fail to see how they will benefit as conductors on the train rather than just as its passengers.

African leaders are pausing and reflecting on the years of advice and conditionalities of their development partners and they too are asking new questions. What are the true costs of building infrastructure and are the repayments terms and interest rates fair? Importantly, they are now questioning whether they are on the right road developmentally. Hopefully, they are also having a hard look at themselves to see how to improve and steer their ships in the right direction, as for instance, the President of Rwanda is doing from all accounts. At the same time, it is also hoped that the people of Africa are having a hard look at themselves as followers and making greater demands on themselves to hold their leaders accountable for better leadership and good governance.

Development partners are being forced to ask themselves questions as well. Is there another way of “doing” development and sequencing it differently? Indeed, the very question of how to promote development is now on the table for discussion. There are new seats at the table as well, thanks in large measure to the Chinese: The Indians, Brazilians and others are beginning to reengage with Africa.

Bilateral donors are now pondering whether it is feasible to have a comprehensive strategy instead of a piecemeal approach. If so, what should be the broad outlines of such a strategy and who should reap what benefits from it? Increasingly, there is a cry from the private sectors of development partners to ensure that their interests are not overlooked. In short, China has taken Africa and the development community by storm and change is now coming from the top down, from the bottom up, inside out, outside in, and from all directions at once—and that’s a good thing.

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## ■ China's Africa Policy is a Beginning Not an End

China's policy towards Africa has been consistent and clear, and China has delivered on its promises— about this there is no doubt.

What is less obvious, however, is that China's policy is not static; it's dynamic and it can change to respond to realities on the ground. Among the five principles of China's Africa policy there is one in particular that demonstrates China's foresight in ensuring that its approach can stand the test of time and be responsive to situations on the ground. This pillar of the China Africa policy states:

*...China and Africa will learn from and draw upon each other's experience in governance and development, and will strengthen exchange and cooperation in education, science, culture, and health. To support African countries' efforts to enhance capacity building, China will work together with Africa in the exploration of the path of sustainable development.*

There is evidence from the case studies in the book that China is acting upon this wisdom, but precisely how it is doing this is and what it is doing is not always clear to the outsider looking in, nor is it always clear to the average African citizen.

Many essays of Africans and Africanists suggest what African leaders should do to strike the best deal with the Chinese. But, how do they know that the best deals are not already being struck? Why is there a presumption that deals being struck between China and African nations are not mutually beneficial? The answer to this question may be that information about the deals is not widely disseminated in a timely manner by African leaders, nor is there sufficient civil society consultation to allay the fears and concerns of the masses and to get their views and input before deals are struck.

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## ■ Learning and Listening Is Key

Is there really anything new under the sun, or are there just better ways of doing the same thing? The answer to the question cannot be known without doing one's homework.

If there is any lesson that China's development success has taught the world it is about the importance of learning about best-case practice and adapting it to one's own circumstances.

There is a lot of talk about the "China Model" or the so called "Beijing Consensus," but not enough deep probing to discover the true ingredients for China's success. China's Special African Envoy, Ambassador Lui Guijin, recounted a story from when he was formerly the Ambassador to South Africa. There was a lot of pressure being placed on China at the time to transfer its knowledge about apparel manufacturing to South Africans. In fact, there was no mysterious knowledge to transfer, according to Ambassador Lui, "it was simply hard work."

When China looks back on its 60 years since the founding of the Peoples Republic of China what does it see? It sees progress based on hard work and learning and adapting lessons, quickly.

China got to where it is today by learning from others and adapting acquired knowledge to fit its own circumstances, which is precisely what China recommends for Africa to do. China's Africa policy is not a secret and neither is China's success; its success is built on learning.

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When China wants to learn about something it identifies the best experts on the subject and invites them to China *en masse* to pick their brains. In other words, China does its homework. Do African nations? The need to do homework is a critical ingredient for success and is the lesson above all other lessons to learn from China, but many don't see it. China's model is at its core a learning model; it's not about the so called "Beijing Consensus," it's about constant learning and adaptation. The Chinese have said it plainly to the Africans: "Don't look at 'our model' and try to copy it; learn what you should do and how you should do it."

Learning doesn't just happen from the outside in; it also happens from the inside out, which is why listening within one's own society is so vitally important. There are lessons inside the culture that might be lying dormant that can help shine a light on the path forward. Given what is at stake and the speed at which change is occurring in Africa, the question is what can Africans do—and how can its various and multiple development partners help—to accelerate the pace of skills acquisition and learning in Africa?

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### ■ Infrastructure: Physical, Financial, "Soft"—Are Necessary Preconditions for Development

The true "bricks and mortar" of the relationship in the future between China and Africa will be the opportunity to learn from one another and to grow together.

In the meantime, building physical infrastructure is important.

China's strategy in respect to infrastructure building in Africa has made the world stand up and take notice of its approach. First and foremost, the Chinese distinguished its intervention in Africa by prioritizing infrastructure development as a key anchor of its engagement in Africa, which is something the West has failed to do until recently. Secondly, it has become a major global competitor in the construction industry and is continuing to build its corporate qualifications through the infrastructure projects it is undertaking. Thirdly, it is undertaking the construction of infrastructure projects for a much reduced cost and in a much reduced timeframe, which is both a good news and bad news story. The good news is the savings in cost and time. The bad news, from the perspective of ordinary African citizens, is that China has been able to reduce the cost and time by bringing in a large number of its workers. African labor unions appear to be the losers in the equation, as working conditions, work ethics, and employment terms are now being dictated by the Chinese, which is causing African leaders to have to make a decision about whether they want rules or roads.

The work ethic of the Chinese in building the infrastructure is also something that has caught everyone's attention, especially African workers. When African workers observe that Chinese workers "wait for the sun to rise to get to work and don't stop working until way after the sun sets," they must honestly ask themselves if they want to work that hard and to reconcile the quality of life they want today versus tomorrow.

Questions are also raised about the extent to which the Chinese have an obligation to help build the capacity of Africans so that they can become the future builders of Africa? This is an issue that falls squarely on the shoulders of both Chinese and African leaders to assess the situation on the ground and to take the temperature and pulse of the people to determine how to reduce the bumps in the road in the relationship. If the people don't feel happy about what is going on they will ultimately cause major problems in the relationship, as they have begun to do in some places like Zambia where riots have occurred. It's in everyone interest to handle the situation before the law of physics takes over: "You can control an action, but not a reaction."



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From the perspective of the West, the bad news is that China is apparently innovating new financing approaches that presumably blend mixed credits in ways in which the international community does not sanction. In addition, the terms of many deals they are striking with individual African countries often include taking African products in repayment, which disrupts the current trade order and which might have a negative impact on the long term debt of African nations.

There is a part of the infrastructure story in Africa that has nothing to do with the Chinese, however, which is squarely in the camp of the Africans to control themselves. It is the whole basket of issues pertaining to “soft infrastructural constraints.” This is about what happens at border crossings, at ports, and in other areas where constraints are imposed by the behavior of African officials who demand bribes and otherwise slow the process down and impose unnecessary costs through their actions. Infrastructure maintenance is another area where African leadership decisions and actions can make a huge difference in creating an enabling environment for trade. Collectively, these are governance matters and are part of the reason why good governance matters.

### ■ **Profound Prospects for Progress Are on the Horizon**

Inspiration needs illumination. Finally, with a new focus on infrastructure building there are prospects that there will soon be light upon which creativity and growth depends.

It will soon be possible, for the first time since Africa’s independence, to truly imagine a time when Africa’s infrastructure will be built and when Africans would value, protect, and manage it properly. When this happens, investment in Africa will increase, the potential of Africa’s indigenous private sector will be unharnessed and unleashed, and increased regional trade will be an engine of growth.

It’s also possible to imagine that Chinese, African, and African Diaspora firms might one day build on the solid foundation that has already been laid by further joining hands in undertaking joint investments that develop productive capacity and exports from Africa that take further advantage of trade agreements, and that promote the economic development of Africa. It’s also possible to imagine that the capacity of small African business owners and that of women and youth could be developed to enable them to be the leaders and champions of Africa’s future.

For this positive future to be realized, there are a number of pre-conditions.

- First and foremost, there should be greater restraint by Chinese private actors that are causing disruptions in African societies.

Africans businesses were hanging by a thread long before the Chinese entered onto the scene. However, in the face of rising competition from Chinese businesses they are today hanging with a noose around their necks. The disruption caused by the entry of Chinese private firms at every level of African societies has exposed major weaknesses on both the sides of the Chinese and African nations. On China’s side, it turns out that contrary to the opinion of many the central government is not in a position to control all actors and everything that happens inside and outside of China. There are many actors and many power players that are outside of the control of the central government. Many of the private Chinese firms that are moving into Africa and competing for the lowest level of business are doing so without the approval and sanction of the Chinese government. Indeed, Chinese embassies in Africa discourage their behavior, but are also unable to control it in many instances.



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Interestingly, many Chinese private actors have turned their ability to withstand hardship into an asset and defining personality trait. “They can live in the tiniest hut in Africa, or flavela in Brazil, and sit down by the side of the road and sell donuts.” This has introduced competition for that for which there has never been competition in Africa. What Western person is willing to go to the deepest part of rural Africa and live in a hut and sell something by the road? It has never happened before. Now that it is happening it is causing major disruptions for competing small African business owners and petty traders.

Today, one can go to the most inaccessible, underdeveloped, deepest part of Africa and they will find three things: A “SIM card,” a Coca Cola, and a Chinese. It is abundantly clear that change is happening in Africa and “it doesn’t need a visa.”

On the African side, the growing number of Chinese in villages and urban areas appears to point to public corruption at various levels of governance. It’s like the Great Wall of China, no one ever successfully scaled it; the doors were simply opened from the inside.

- A second pre-cursor is capacity building of African institutions to enable them to effectively manage and control Chinese activities in their countries.

The increasing participation of Chinese private actors in African societies and economies has highlighted the weaknesses of African institutions across the board from customs to immigration, standards, environment, and other institution to effectively control, regulate, and monitor the kinds of activities in which the Chinese are engaged. There are many laws on the books to regulate the behavior of foreign investors—though there are many loopholes as well—and little capacity on the ground to enforce the rules that do exist. Anecdotally, there have been instances where some Chinese private actors enter into African countries and misrepresent the amount of investment capital they possess and how they intend to use it. That does not mean that every Chinese business is unscrupulous; many are also good and are making a great contribution to the economies of Africa.

Where there are weaknesses in customs and standards capacity, it poses a problem for everyone, including for Chinese businesses that are trying to operate within the framework of the law. The lack of capacity of African institutions to effectively control unwanted trade and investment behaviors must be addressed.

It turns out that democracy is very expensive; the “backroom functions” of customs, immigration, domestic trade regulation, etc. that are required to keep it running smoothly are, at present, in need of further development in many cases in African countries.

While it was hoped that democratic institutions would be developed gradually overtime in Africa, there is little time to wait. What can Africans do in the meantime to maintain control over their societies when a new force that is so powerful and so omnipresent arrives at the doorstep and infiltrates like water finding its path into every available nook and cranny? Clearly, more investment in these areas is required.

- A third important pre-cursor is more civil society consultation and more Corporate Social Responsibility (CSR).

One of the biggest criticisms of the Chinese in Africa is: “The Chinese are not employing African workers and they are not helping to build African capacity.” This comes through loud and clear in numerous essays in the book. However, when one digs down deeper into

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information about exactly what China is doing in particular countries a different picture emerges. In fact, China is hiring many African workers and is doing many things—that African leaders have asked them to do—that are helping to build capacity in Africa in many areas. Though best known for their work in infrastructure building, the Chinese are also making significant contributions in the areas of agriculture, health, education, and in many other fields.

If this is true, then why don't more people know about it? The answer is that China and Africa tend to operate on a leader-to-leader basis in a way that doesn't sufficiently include and inform civil society. The bottom of the society doesn't know what the top is doing, which is a failure of public relations on a monumental scale that is the fault of both the leaders of China and Africa. Ordinary African citizens look out the window and see things; they don't rely on the gazette. What they see with their own eyes is often their absence. This is creating pressure at the bottom of the pyramid, which is the base and foundation of the society—if it gets destabilized the whole pyramid can be toppled.

Style of leadership matters and communications matter more. The people are largely in the dark about what's going on in the China Africa relationship and trouble is brewing. When it reaches the tipping point riots can follow. There is a clear need for Chinese and African leaders to devise a way to “market” their relationship to the people of Africa. The “pitch” won't work, however, unless there are demonstrable benefits for small businesses, women, and youth at the base of the pyramid.

Well-thought out and planned Corporate Social Responsibility holds the key for addressing many of the problems that have surfaced in the China Africa relationship, and who knows more about Corporate Social Responsibility (CSR) than China? When China opened its doors in 1979 it did so with many conditions; nobody got anything for nothing. There are valuable lessons to learn from China in this regard. Now, the tables have turned; it's time for Africa to impose its CSR requirements on China and it should learn from China's own example in how to do that.

Women, youth, the environment, mentoring, apprenticeships, manufacturing knowledge transfer, agricultural development, are among the many “low hanging fruit” opportunities for Chinese CSR interventions that can make a difference.

But, one thing is clear: “No one will be more responsible to you than you are to yourself.” The way leaders manage and govern their societies and economies is proof of how responsible they are to their citizens. If they want outsiders to be helpful; to take them as seriously as they take themselves; and to engage in CSR, they must make that a priority. In order for CSR initiatives to matter they should be determined on the basis of broad-based consultation with stakeholders.

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On balance, guided by the two overarching realities of complementarity and solidarity, there is every reason to believe that the Chinese are both willing and able to undertake any and all initiatives required to ensure that its engagement in Africa continues to be a “win-win.” ●

