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Transcript

CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **Tang Xiaoyang**

Episode 11: China-Africa Relations

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Haenle: You're listening to the Carnegie–Tsinghua “China in the World” podcast, a series of conversations with Chinese and international experts on China's foreign policy, international role, and China's relations with the world, brought to you from the Carnegie-Tsinghua Center, located in Beijing. I am Paul Hanley, the director of the Carnegie–Tsinghua Center, and I'll be your host.

Today, we are thrilled to be joined by Tang Xiaoyang, a resident scholar at the Carnegie–Tsinghua Center for Global Policy and an assistant professor in the Department of International Relations at Tsinghua University. At the Carnegie–Tsinghua Center, Tang's research focuses on China-Africa relations, with a particular emphasis on the differing aid and dynamics in Africa between countries in the Organization for Economic Cooperation and Development and China. Tang has held positions at the International Food Policy Research Institute, the World Bank, and the U.S. Agency for International Development before coming to Tsinghua. Tang Xiaoyang, thank you very much for joining us today. I wanted to start by asking you what inspiration can African countries draw from China's economic reform policy and experience, and what is China doing in Africa to further economic development?

Tang: Thanks Paul, it is my pleasure to be on this podcast. I think [with regards to] the Chinese experience of economic transformation, this gives confidence for African countries. They see that a country can grow from poverty to prosperity within a generation. This is something that people haven't witnessed in Africa on such a large scale. And another thing, China's economic transformation gives direction to African countries. So, the Africans see that market-oriented reform is a right way to it. But the question is not just how to carry out market-oriented reform. Africans still need to do their own job because market reform in China is based on China's particular social and political system [and] context. Africans cannot simply transplant this experience to their own countries. How to transfer this experience? But still, with this confidence and with this direction, maybe Africans will have motivation to work in this way. And how can China contribute to Africa's economic development? On [the] one hand, China provides development aid to other countries, but, on the other hand, China's real power is actually its own expanding economy. The Chinese companies follow their own needs while growing, so they need to go overseas. This overseas expansion is very influential in Africa.

Haenle: Thank you, Xiaoyang, for your answer. Some African governments and citizens are now more critical about some of the negative consequences of Chinese investment and the aid in Africa. Chinese companies are finding themselves addressing environmental concerns, calls for greater corporate social responsibility, higher worker safety and product quality standards, and compliance with local labor regulations. Can you give us a sense of what efforts private Chinese companies are taking to address these concerns and what the Chinese government will do to ensure that they are providing more benefit to African development and African people in its engagement with these nations in Africa?

Tang: I think it's true that China has attracted a lot of criticism from Africa, but I think this can be seen from two perspectives. First, this is based on the nature of Chinese engagement in Africa because China has been working in the labor-intensive and low end of the industrial value chain during the past decades. So that is why these labor environment issues are so serious in China itself. In the United States, people work in an office, people work on Apple or Facebook. This cannot produce any pollution. The United States outsourced their labor-intensive and polluting industries to China. So, that is why in China, people are complaining about the pollution, about the

low wages, [and] about the sweatshops. China realizes its own labor and environmental problems; the wages are also rising. Therefore, they are trying to outsource this part of [Chinese] industry to Africa. This actually then brings a lot of these problems to Africa, but that is actually also the chance for Africa's industrialization. Without these low-end jobs, Africa cannot immediately jump into iPhone production. That is, according to the history of world development, people need to start from these low-end jobs. This is a chance for developing and poor countries, but certainly it also brings some negative impact on the original environment and the society. The second point is about cultural differences between China and Africa. Chinese companies do not understand African culture and customs very well. They've just started to go out recently. So they need to understand the social context and other peoples' cultures and traditional. To understand such culture, you cannot just read some books, you actually have to work on the ground and communicate with the people. For the Chinese government, [and] for us scholars, we think that Chinese companies should avoid being arrogant, go on the ground and try to understand, listen to African opinions carefully, and work with Africans together.

Haenle: Chinese Foreign Minister Wang Yi just began his 6-day trip to Africa, and he will visit Ethiopia, Djibouti, Ghana and Senegal. I know for more than two decades Chinese Foreign Ministers have consistently visited Africa during their first overseas trips of the year. This year the challenges that Wang Yi deals with on this trip seem to reflect an increasing span and complexity of China's interests across the continent. On his visit to Ethiopia, for example, Wang Yi gave his support to peace talks in the conflict in the South Sudan. In Ghana, for example, Wang Yi addressed the arrests last year of hundreds of Chinese involved in an illegal gold mine. Can you give us a sense of the goals for Foreign Minister Wang Yi's trip to Africa this year and how you think they reflect the current state of China-Africa relations? Should we expect a role or participation of China to change in the near future in Africa in any way?

Tang: As you said, Minister Wang Yi's trip actually is a continuation of a long tradition. It shows China's consistent emphasis on diplomacy with Africa. But there is something new in this trip. We can see Wang Yi's trip actually focuses on these poor countries. It is a transition [area] between a region which is dominated by Islamic religion in the north and Christianity in the south. This transition [area] from Ethiopia to the whole of Africa—[including] West Africa, Senegal and Ghana—this is an area with quite a number of conflicts and difficulties right now. So Wang Yi's visit in this region actually reflects China's [emphasis] on these security issues. In South Sudan and Djibouti, there are security issues because of the Somali pirates. These security issues become more and more important for Chinese engagement in Africa. China needs to protect its own economic interest in that region. We can see in these four countries [that while China has been dealing with] some old friends such as Ethiopia and Ghana, China is also trying to cover Francophone Africa. So, the minister is also visiting Djibouti and Senegal. This also reflects the diverse partnership of China in Africa. [With regards] to mining in Ghana, that shows China's willingness for this corporate social responsibility that we just discussed in the last question. So, China is not only going to grab resources and leave nothing in that country. China is willing to take responsibility while contributing to Africa's economic development. This mentioning of the gold mines just shows the Chinese government's awareness in that part. It also opens a good area for the Chinese government's engagement: how to work with private business appropriately.

Haenle: I want to turn to the China-U.S. element with regards to Africa. Much of your research focuses on exploring ways that the United States and China can enhance cooperation on Africa. I wonder if you could start by explaining what approaches by the United States and the Chinese to the development of foreign investment in Africa differ? Could you also talk about what ways the United States and China are competitors, and in what ways these efforts are complimentary?

Tang: That is a very good question because the United States and China, in international media, are seen as competing powers in the international politics. [There have been many instances where] U.S. and the Chinese officials and politicians argued with each other and criticized each other's activities. But actually, on the ground, when I visit Africa and when I talk to U.S. and Chinese officials, I find there are a lot of opportunities for both sides to cooperate with each other. First, we can talk about how their approaches are similar. The United States [has] been a traditional donor and [is] the largest donor country which provides development aid in the world. [The United States] provides a lot of development investment and financing to African countries. In this regard, both [China and the United States] offer a lot of assistance for Africa's development. This is one similarity.

Also, China and the United States both are the top two bilateral trading partners with Africa, if we don't count the EU. Therefore, they are extremely important to Africa's economy. There are a lot of private and SOEs investing in the continent. This is another similarity. As for the differences, the approaches of China and the United States in development assistance to Africa are a little bit different. As I noted before, the United States [is] a rather traditional donor, so its assistance includes a lot of traditional practices, such as requirement on conditionality and also more focus on the official development aid. In China, noninterference and no conditionality aid is a very unique feature. Also, [Chinese donors] they don't provide official aid but more like market-and-aid combined investment and financing. In my opinion, investments from the United States [have been more targeted towards] energy and mines. The U.S. investments focused more on these extractive sectors while for China, although [it] have also a large part in extractive sectors, [its] activities are more diverse, [including] infrastructure construction and manufacturing. This is because China [has] these labor-intensive, low-end industries, so they are complementary with African industry more so than [in the case of] United States with Africa.

Haenle: President Xi Jinping, when he visited the United States as vice-president, proposed this "new type of great power relations," 新型大国关系. The U.S. administration has expressed interest in exploring this new type of major countries relations but would like to find ways to operationalize it by enhancing cooperation. Do you think that closer coordination between the United States and China in Africa could be part of this effort to enhance cooperation between the United States and China within the framework of this new type of major country relations? Is this an area where the United States and China could achieve greater cooperation and help the two countries operationalize the new type of great power relations?

Tang: I think the answer is yes, and I can see it happening already. We see that the United States and China have a lot of similar practices and common interests, like development in Africa. There is also competition. In the international politics or in extractive sectors in Africa, we see that they have competition. But this cannot cover the whole operations in Africa. In Africa, we [see the] different economic development levels of the United States and China. They can complement each

other and facilitate the industrialization of African countries. For example, in Botswana I met somebody from the U.S. trade hub in South Africa who told me that they want to attract Chinese textile investors to Southern Africa because the United States does not have textile manufacturing anymore. So if they want to develop textile sectors in that region, they try to attract Chinese investors with U.S. funding, U.S. management, and U.S. policy-advising because, for the Chinese investors, there might be problems in African countries [with regards to local] customs or officials. The Chinese investors may have problems African customs systems and with the administrative process, but the United States may be able to improve this process through their cooperation with African governments. This example can show us the complementarity between these two countries' [actions in the African continent].

More importantly, this new type of major country relations will make up the pillars of the future world system. Their influence is no longer limited to their own countries. With globalization, their impacts are global. The United States represents the developed world; China and the BRICS represent the developing world. Their cooperation also makes up a model for this cooperation between the developed world and the developing world. So, I think the United States and China's complementarity and cooperation in Africa is not just a competition between two countries. They should be—and have to be—a model of how the developed world accepts the emerging countries, how to have [a] dialogue with the developing countries. Just after last year's strategic dialogue between China and the United States, the Chinese Minister of Commerce signed a MOU with the USAID on this cooperation in developing countries. I know that a pilot project in Eastern Timor has already started. That also shows the global influence and cooperation between two major countries. Africa will be a very important part of this global cooperation as Africa currently is the poorest region in the world. [Whether] these two major countries could [work together for the] benefit this region will be a significant mark for the success of this global partnership.

Haenle: Tang Xiaoyang, thank you very much for spending time with us today. That's it for this edition of the Carnegie–Tsinghua “China in the World” podcast. If you'd like to learn more about Tang Xiaoyang's research and read his recent publications, you can find those on the Carnegie–Tsinghua website at www.carnegietsinghua.org. I encourage you to explore our site and see the work of all our Scholars at the Carnegie–Tsinghua Center. Thanks for listening, and be sure to tune in next time.