

Beyond the Rhetoric of South-South Cooperation: Chinese and Brazilian engagement in Mozambique

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Context: South-South cooperation

- SSC: exchange of resources, technology, expertise among countries of the South to promote development
- What distinguishes it from North-South Coop?
- Guiding principles: respect for sovereignty; equality; non-conditionality; non-interference in domestic affairs; mutual benefit (win-win)
- Favours trade and investment as much as infrastructure development, technical and financial coop

Challenging conventional norms and practices of international development cooperation

China-Mozambique

- Technical coop: health (medical teams and malaria medicines); education (scholarships to study in China); militar (training, facilities & equipment); training; Agr (demonstration ctr); Financial coop: Grants (public buildings) + debt cancellation (\$52mn) + loans for infrastructure (\$115mn Maputo airport; 2010: \$100mn cement factory+ cotton plant; 2012 \$300mn maputo ring rd + \$754 Catembe bridge)

China-Mozambique

- Trade: 3rd largest trading partner (over \$1bn 2012; imp: agr + fisheries, exp: manufactures + machinery)= huge trade deficit for Moz
- Investment: among largest investors (infrastructure, agr, aquaculture, forestry, mining & nat gas in 2013 - \$4.2bn)
- Strong points: easier and cheaper access to credit; fast infrastructure delivery; cheap goods accessible to lower income households; job creation; agr tech coop...

China-Mozambique

- Existing challenges:
- Illegal logging (fiscal+environmental+transparency impact);
- Resettlement problems linked to agriculture (Xaixai) and infrastructure (catembe bridge) projects
- entanglement w political elites = negative impact coop projects (xaixai:benefits patronage networks not pop)
- Debt sustainability concerns
- Other: Chinese consumer goods (negative impact on local manufactures and retailers), Labour issues (chinese workers and labour practices); Limitations of tech and skills transfers, Trade balance

Brazil-Mozambique

- Technical bilat. coop: education (scholarships to study in Br, Sc & Tech joint proj, adult literacy, long distance learning); training (in Moz & Br, wide range of sectors); poverty reduction (mais alimentos, bolsa familia, basic sanitation, rehab informal settlements...); health (cancer prevention, sexual health, breast milk bank + anti-retrovirals factory)
- Tech. trilateral coop: Germany (metereology) France (agr), Japan (agr: Prosavana)

Brazil-Mozambique

- Financial coop: debt cancellation (\$280mn) + credit lines (\$300mn 2009: infr & aircraft; \$100mn 2012: agr equip, + alimentos'; new loan secured by coal?)
- Trade growing fast but still small (\$146mn 2012, mostly imp. of foodstuff and capital goods); large trade deficit for Moz
- Investment: Brazil among largest investors (\$4bn early 2012, most of it Vale Moatize coal project = mining + backbone infrastructure: Nacala and Beira corridors, Mphanda Nkuwa)

Brazil-Mozambique

- Strong points: tropical agr expertise & tech; capacity bldg (in-depth, covering wide range of sectors); poverty reduction (public policies); backbone infrastructure; job creation (hiring of local labour)
- Challenges:
- Resettlement issue in Tete (Vale)
- Environmental impact of coal exploration?
- Prosavana social and environmental impact (land issues, sustainable dev of resources)
- Adjusting public policies to socio-political contexts in Africa
- Others: trade balance

Findings

- Clear focus on hard-infrastructure, rooted in mutual benefit driven by economic interests
- New coop partners providing alternative solutions = breaking reliance on trad. donors
- SSC= changing of int coop norms and practices (trad donors reconstructing legitimacy of their coop model)
- However, developmental merits of the SSC are yet to be verified (too soon + no impact assessment)

Conclusion

- Case of Moz show there is a lot of potential but also major challenges. These require :
- more cautious approach by emerging partners (i.e. adjust to local context, monitoring and effectiveness assessment)
- but also a much more proactive role from the host governments (get to know their partners policies & agenda; create the right policies, regulations and institutions to ensure more ownership); and civil society (to ensure benefits will go beyond elites)

Obrigada!
Thanks very much!

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