Agency in the China-Africa relationship

Workshop held at the South African Institute of International Affairs (SAIIA)

Johannesburg, South Africa, 3 December 2018

Notes by Steven Gruzd

Session 1: African Agency and the Shifting Global Landscape

This session provided an overarching introduction to the concept of African agency and its importance in the discussion of African options in relation to China. The session mostly focused on broad themes, and drew from academic conversations about African agency. Subsequent sessions applied these concepts to empirical examples.

Professor Chris Alden, London School of Economics

Why does agency matter? It is a function of power relationships. China tries to conduct its relations with Africa in a different way, with mutual benefit, for 'win-win' objectives. China's interaction with Africa is different, and based on its own experiences as a fellow developing country. It espouses principles of sovereign equality (non-interference in domestic affairs). This has been challenged as China has deep sunk interests. After the Libya crisis of 2011 hits, in the 2012 Forum on China-Africa Cooperation (FOCAC), there is the first public iteration of its peace and security policy.

Despite the asymmetry of power, China still strives for equal partnership. China also carries the burden of its private sector in ways other countries do not.

China is a recognised creditor state and loans are coming due; it needs to collect repayments. Will this change relationships and perceptions? How long can it argue for equality and exceptionalism? And how will Africans respond?

Anzetse Were, Development Economist

Agency matters in Africa's relations with all its partners. Ties with China have been framed as South-South Cooperation, ostensibly more equal than relations between North and South. FOCAC attests to African agency – China from the start respected African agency, initiative and ownership. Japan's Tokyo International Conference of Africa's Development (TICAD) pre-dated FOCAC and influenced its development. The thinking was that FOCAC should be a different mechanism of cooperation, not a 'talk shop', but concrete and action-oriented. This has proved the case in successive FOCAC meetings. China has expressed its commitment through loans, grants, building infrastructure, finance and humanitarian assistance.

Prof Zeng Aiping, China Institute of International Studies

2018 saw several examples of African countries exercising political agency: African countries independently resolved internal political crises – smooth transitions in Zimbabwe, South Africa, Ethiopia – and avoided political instability. Ethiopia withdrew forces from border with Eritrea, fostering peace and stability. In South Sudan, government and the opposition signed a peace agreement. 2018 saw generally peaceful elections.

The development agenda is dominating African politics. There is the need to attract more foreign direct investment, and the AU is pushing the African Continental Free Trade Agreement (AfCFTA). 49 countries have signed and 9 parliaments have ratified it.

Africa also attaches importance to its relationship with outside partners. European leaders like Emmanuel Macron, Angela Merkel and Theresa May all visited Africa in 2018. This is partly driven by the migration debate. With a plethora of players, Africa has more diversified options to choose the best partner for the circumstances.

Dr Cobus van Staden, South African Institute of International Affairs

China has focused on government-to-government relations as a deliberate strategy, but more recently concentrating also on people-to-people ties. People do not always support government ties to China, for instance in railway development in Kenya.

The dominant narrative removes African agency and infantilises Africans. China is characterised as a new coloniser, grabbing resources, dumping cheap goods and leading Africa into a debt trap. But debt is not being imposed – African governments are choosing it. It also makes it harder to hold governments accountable if they have no agency.

As China collects on its debt, Africa can be considered a magnet for bad debt and this perception is worsened by fiscal opacity. It is hard to obtain the terms of the deals struck. This can hit China. It is in the interests of the Chinese to recognise the agency of African governments and hold them accountable. People will welcome this, and counter the perception that China does not seem to care.

With changing geopolitics, Africa finds itself between China, Europe and the US. The effects of Brexit will be felt. The monolith of the western alliance is fracturing into a multipolar world. The media has a narrative of predatory Chinese lending. But China will probably develop repayment plans that can be renegotiated. Loan defaults and difficulties will result in rescheduling, but also diminished propensity to grant new loans in the future. Sovereignty will probably not be compromised.

China rejects the Western argument that it is using debt as strategic leverage. It has a positive image in many African countries, and denies it will use debt as a tool to undermine sovereignty.

There must be more public demand for transparency in the loan process to keep players accountable.

China has a clear strategic plan for Africa, but the reverse is not true and this makes Africa vulnerable. It's a divided continent and hard to develop common positions and approaches. Where is agency located – in the state, the AU, civil society?

Chinese investment offers opportunities for African entrepreneurs, but there is also some African paranoia about being exploited, due to the history of slavery and colonialism. For this reason, the discussion of African agency in its relationship with China is key. In order for Africa to maximise opportunity and avoid pitfalls, it needs to be clear about the factors shaping decision-making.

Session 2: African decision making in China-Africa multilateral forums.

This session was dedicated to the launch of SAIIA's recently published report "<u>In the Driver's Seat?</u> <u>African Agency and Chinese Power.</u>" A summary of the paper was presented by Cobus van Staden, one of the authors, after which two respondents addressed aspects of the paper.

Dr Cobus van Staden, South African Institute of International Affairs

The discussion on African agency seems stuck in a loop and we need to find other ways to articulate and explore the issue. The simple reality is a disparity in size and economic and political weight. In the three-yearly FOCAC meetings, dozens of leaders meet a single leader from China.

Two dominant narratives emerge when analysing the relationship in academic literature and the media, and both are problematic. The first is of win-win development and South-South Cooperation. There is a long history of these ties, going back to Bandung in 1955 and support for decolonisation and development issues. But de facto, China is also a superpower, with very real interests, and this does not create space for Africa to discuss its own positions and glosses over structural power dynamics.

The second narrative posits China as a predatory, neo-colonial force. This assumes Africa has no agency and is defenceless against China's advances, as it previously was against Europe's. It also assumes African governments have power, but are so corrupt and weak that they will work with anyone. In reality, there are many governments, and they act differently. Some like Ghana have had disagreements with China and kicked out Chinese nationals – they are not powerless. They set the parameters and the governance environment and Chinese actors respond to them.

There is a tendency in the discourse to call for unified African negotiating positions as a bloc – this raises the question of what African decision making needs with regard to China.

Two case studies

1: AU. There is a reform process being spearheaded by President Paul Kagame of Rwanda. One proposal is to have a small group in meetings like FOCAC, rather than 55 heads of state, and the AU would play a coordinating role. Both sides have doubts – China is worried the AU is still too weak to implement agreements, and African leaders do not want to surrender sovereignty and still prefer bilateral deals with China. This case study concludes that agency is shared between governments, RECs and the AU.

2: The Belt and Road Initiative. It has gone beyond the initial routes and maps, to a conceptual widening for Chinese development aid and infrastructure construction globally. There has been opposition by local communities, CSOs and the press. It shows that sub-national actors can affect big actors' trans-national plans. Agency can therefore be scaled up or down to regional or more local actors.

In FOCAC, scaling the meeting up to summit level was in response to African agency; African governments have set some terms. FOCAC has also widened its remit, to include issues like peacekeeping and technology transfer. It's important to introduce complexity into the relations.

Yazini April, Human Sciences Research Council

President Donald Trump applies realism and shapes his state's interests. In terms of 'debt book diplomacy', Latin America owes more to China than Africa does. President Xi has spoken of not funding 'vanity projects' in Africa; there must be feasibility studies. It is important that these should not only take into account Chinese preoccupations around profitability and sustainability, but also African social and development agendas. In order to provide Africans with real agency in relation to China, they need more comprehensive knowledge of Chinese society and institutions.

However, this is complicated by stark divisions within the research community. The academic world is largely split into pro-China or anti-China camps, and this stratification should be understood as a result of the larger powers involved on both the Chinese and Western sides. In response to this division of

opinion, it is crucial for African societies to develop capacity to deal with China, and Africa-directed knowledge of Asia.

Dr Liu Chang, China Institute of International Studies

Agency is the power to make decisions and gain maximal concessions from China. China likes to adopt a 'teach a man to fish' approach.

The imbalance with the West is much wider than between China and Africa, former colonial powers hold a lot of sway.

Do bilateral relations dilute multilateral ones? Is there a bypassing of the AU by dealing with states individually? China pays strong attention to the AU, respects the multilateral approach and recognises the inefficiency of 50+ bilateral relationships. China stresses the important of diversity and context.

The BRI has proved attractive to African countries, who want more interconnected African markets, better seaports and road and rail infrastructure.

The debt trap narrative needs to consider that while the debt ratio is growing, it is still under control. Debt sustainability frameworks are being developed. China is also increasing its debt tolerance and terms, with concessions for small island states and landlocked states. Most loans are not dollar denominated. China is also vulnerable to default.

Q&A

The complexity of decision-making, the opacity of deals, and the large number of actors on both the African and Chinese sides make it hard to police company conduct.

Less history with China offers an opportunity to rethink outdated assumptions and to avoid being trapped in old forms of dependency and exploitation.

Disputes with Chinese companies in Ghana negatively affected China's image. There is a push for better regulation.

Panel 3: African agency at ground zero

This session delved into more specific examples of the complexities of the China-Africa relationship. The panellists contributed empirical perspectives on African decision-making in relation to Chinese power. These perspectives were drawn from a wide range of fields, demonstrating the diversity of current research into China-Africa relations. In all cases the papers revealed complexity in the interactions between Chinese and African actors that call for the rethinking of easy assumptions of China as a neo-colonial force.

Romain Dittgen, University of the Witwatersrand

Dr Dittgen presented on 'Lost geographies within China-Africa relations', from a perspective of social geography and social anthropology. He argued that the loose concept of 'agency' needs to be rethought, especially due to the evolving nature of Chinese-built or -funded projects.

In the case of Chad, China became involved in oil production in 2007, and Exxon Mobil had started in 2005. China built a refinery at the request of the Chadian government – is this agency? It was very expensive to generate electricity to run the plant. President Idriss Deby inaugurated the refinery in

2011, and surprised the Chinese by announcing a very low refined oil price, which caused the Chinese to close the refinery in just three months, forcing Deby to accept a higher price. Civil society was very surprised at this rise and gathered in their numbers and again pushed the Chinese to lower the price. This shows how relationships can shift as economic strategies change.

In 2013, a glitzy, modern urban development by Chinese developers dubbed 'The New York of Africa' was announced for north-eastern Johannesburg. The Gauteng Province supported it, but it conflicted with the City of Johannesburg's compaction plans. There was a dispute over the city's desire to build affordable housing versus the vision of a gated community. A UK consultancy revised the master plan and splintered the ownership. The project has since been shelved.

'Agency' is thus a fluid and dynamic concept. We need to ask 'how, for how long, by whom' and so forth. John Allen discusses 'the lost geographies of power' – it is not uniform and always needs context in space and time, and is reshaped over time. Power can be real, imaginary or symbolic, all at the same time. 'Agency' displays paradox, ambivalence and contradictions over time, and maintains a hierarchy between China and African players.

Dr Iginio Gagliardone, University of the Witwatersrand

His new book is called 'China, Africa and the future of the Internet.' In the early years, there was a belief that the Internet was benevolent and could bring democracy. In 2000, US President Bill Clinton predicted China would be changed by the Internet. Yet China has used it as a tool of control. Ten years later, Secretary of State Hilary Clinton spoke of China's 'electronic barriers', expunging of search results, and an 'information curtain'. There was fear of China spreading its model.

Gagliardone's research shows that this narrative does not fully reflect the reality. Rather than exporting its own internet model to Africa, China has adapted to the agenda of African governments. In their collaboration with democratic governments like those of Ghana and Kenya, Chinese actors helped to strengthen these governments' establishment of open, competitive internet ecosystems. However, in authoritarian states like Ethiopia, Chinese actors cooperated to strengthen central government control over the internet. The research shows that China does not take a one-size-fits-all approach to African projects, and is quite responsive to African government demands. It reveals that African agency plays a central role in the outcomes of Chinese projects on the continent.

When repressive measures like network shutdowns or imprisonment of opponents are used, the USbacked anti-terrorism agenda, not China, is often cited. This is extroversion – use of agendas of powerful actors to support domestic projects. The research shows how important it is to take full account of African decision-making in the continent's external relationships. It is not accurate to assume that powerful outside actors will necessarily impose their agendas on African governments.

Ansetze Were, Development Economist

African governments definitely are actors, when it comes to fiscal policy. Since the global financial crisis, African states have exerted agency in accruing debt (but not only with China). China is openly committed to infrastructure development and likes to get on with projects quickly, and allows African government to lead and identify their own priorities.

There is also fiscal opacity in these contracts, and this is becoming problematic as debt rapidly accrues. Kenya has a 60% debt to GDP ratio. This could lead to a public backlash in future if there are no developmental dividends, tax burdens and corruption. There is an opportunity for China to demand fiscal transparency. There is a lack of analytics on Chinese debt, but as countries default, the conditions will be stricter, or the terms of repayment altered. Poor behaviour will result in worse deals for African countries.

The dominant geopolitical narrative from the US and EU paint China as bad, and it removes accountability from African governments. It disguises corruption as incompetence and erodes the activism of African CSOs – these are dangerous waters. An African-centred narrative is needed.

Jean-Pierre Cabestan, Hong Kong Baptist University

This paper focuses on one of the most controversial relationships within the China-Africa orbit, China's relationship with Djibouti. It entails high levels of debt, as well as China's establishment of its first overseas port in Djibouti, marking Beijing's most conclusive step towards a more expansive 21st century military strategy. What are the circumstances when an uneven distribution of power benefits Africa? China collaborated with Ethiopia to build a railway from Addis Ababa to Djibouti from 2011-2018. There has been anti-piracy activity in the Gulf of Aden since 2008. Djibouti now houses the first overseas Chinese military base. Djibouti is trying to become 'Africa's Singapore' and take advantage of its strategic location and creating an ambitious free trade zone. There has been a huge Chinese investment in the Doraleh Multipurpose Port, which connects to the Addis-Djibouti Railway. But like many Chinese projects, it is not profitable, and traffic on the railway is low, compounded by a thaw in relations between Ethiopia and Eritrea, which opens up new port options for Ethiopia. China is a major creditor of Djibouti, with a very high debt burden on the latter. They have asked for a moratorium, but this has increased China's leverage. China is willing to lose money here to consolidate its strategic position – its military base and trade with the Horn of Africa and the Middle East.

Cabestan pointed out that the complexities of the relationship between China and Djibouti are further complicated by the small country's ties with its neighbours, as well as with emerging investors in the Middle East. The relationship raises questions about how much risk both China and African partners can absorb. Despite the power imbalances between them, Djibouti's government possesses agency, which can be seen in the way it plays off various external partners against each other.

Conclusion

The event provided SAIIA with a chance to showcase some of the new research on China-Africa it published in 2018, while making a fresh contribution to current debates in the China-Africa space. In particular, the controversy around China's so-called debt-book diplomacy has obscured the decision-making role of African actors. This event provided an opportunity to complicate this narrative, by pointing out the significant power wielded by various African actors in the China-Africa relationship. It also raised crucial questions about where African agency is located, calling for the expansion of the debate beyond the state, to include multilateral bodies, opposition parties, civil society, local communities and the press.

The event is the latest in a long tradition of innovative research on China-Africa relations from SAIIA. It pointed towards future work aimed at enhancing African agency through the provision of innovative research to African communities and governments.

The South African Institute of International Affairs gratefully thanks the Konrad Adenauer Stiftung for their support for this event.