

## CHINA AND AFRICA. COOPERATION OUTLOOK AFTER THE 6<sup>TH</sup> FOCAC SUMMIT IN JOHANNESBURG, SOUTH AFRICA

## CHINY I AFRYKA. PERSPEKTYWY WSPÓŁPRACY PO 6. SPOTKANIU FOCAC W JOHANNESBURGU (RPA)

### ABSTRACT

China's rising international activity, among other directions, has led its interest to Africa. The continent, long dominated by the presence of the European and American investors, recently opened for cooperation with China, offering many opportunities in various fields. Within the last decade China has taken an important place in Africa's economic development by its share in trade, investment and financial cooperation. The Forum on China – Africa Cooperation (FOCAC) is one of the most efficient instruments strengthening cooperation between China and Africa in various sectors.

The paper deals with the issue of China-Africa cooperation outlook within the frame of the last FOCAC summit. At the beginning the paper investigates the general place of Africa in China's foreign policy within the last decades, followed by the last FOCAC summit decisions. The next section analyses the results of cooperation within FOCAC in two fields: economic and social ones. In the final part of the essay the problems of cooperation are identified, followed by the final remarks.

## STRESZCZENIE

Rosnąca aktywność międzynarodowa Chin skierowała interesy Państwa Środka także do Afryki. Kontynent, do niedawna zdominowany przez europejskich i amerykańskich inwestorów, niedawno otworzył się na współpracę z Chinami, oferując wiele możliwości współpracy. W ciągu ostatniej dekady Chiny zajęły ważne miejsce w procesie rozwoju gospodarczego Afryki poprzez udział w handlu, inwestycjach i we współpracy finansowej. Forum Współpracy Chińsko-Afrykańskiej (FOCAC) jest jednym z najbardziej skutecznych instrumentów wzmocnienia wielosektorowej współpracy między Chinami a Afryką.

Referat zajmuje się perspektywami współpracy chińsko-afrykańskiej w ramach ostatniego spotkania FOCAC. Na początku analizie poddane jest miejsce Afryki w polityce zagranicznej Chin na przestrzeni ostatnich dziesięcioleci, a następnie przedstawione są decyzje ostatniego szczytu FOCAC. W kolejnym rozdziale badane są wyniki współpracy w ramach FOCAC w aspekcie ekonomicznym i społecznym. W końcowej części opracowania zidentyfikowane zostały problemy współpracy, po których następują uwagi końcowe.

**KEYWORDS:** *China, Africa, FOCAC, cooperation*

**SŁOWA KLUCZOWE:** *Chiny, Afryka, FOCAC, współpraca*

## INTRODUCTION

China's rising international activity, among other directions, has led its interest to Africa. The continent, long dominated by the presence of the European and American investors, recently opened for cooperation with China, offering many opportunities in various fields. Within the last decade China has taken an important place in Africa's economic development by its share in trade, investment and financial cooperation.

By the end of 2014, the total stock of Chinese investment in Africa had reached US\$32 billion, resulting in more than 3,100 Africa-based enterprises ("Working Together to Write a New Chapter In China-Africa Cooperation. Speech by H.E. Xi Jinping President of the People's Republic of China At the China-Africa Business Forum, Johannesburg, 4 December 2015", 2015). Since 2009 China has been Africa's largest trade partner with trade turnover

surpassing US\$221 billion in 2014, despite the global financial crisis. The continuous economic growth has been accompanied by the spread of the Chinese language, culture and diplomacy, enlarging Beijing's influence overseas. The Forum on China – Africa Cooperation (FOCAC) is one of the most efficient instruments strengthening cooperation between China and Africa. The latest meeting was held in December 2015 in Johannesburg, South Africa, where China – again – pledged its diplomatic and financial commitment to uphold special relations with its African partners.

The paper deals with the issue of China-Africa cooperation outlook within the frame of the last FOCAC summit. At the beginning the paper investigates the general place of Africa in China's foreign policy within the last decades, followed by the last FOCAC summit decisions. The next section analyses the results of cooperation within FOCAC in two fields: economic and social ones. In the final part of the essay the problems of cooperation are identified, followed by the final remarks.

## **AFRICA IN CHINA'S FOREIGN POLICY**

Beijing has long paid careful attention to the African continent, though the fields of cooperation evolved in time. In the early 1950s and 1960s, bilateral cooperation was based on financial and military aid, distributed by China to African independence movements or opposition groups. The Chinese involvement aimed at building a sphere of political influence, directly competing with the American zone, and especially the Soviet one. Therefore diplomatic cooperation has been an important aspect of bilateral relations rather, than any economic motives. Until 1970s, due to frosty relations with both adversaries – the Soviet Union and the United States (U.S.), the newly established African countries have become an important partner of China in international politics. Beijing was particularly counting on their support in international organisations, such as the United Nations (UN), though there were some other important aspects of cooperation, such as the diplomatic isolation of Taiwan or the problem of the Tibet and the Dalai Lama. A prime example of the scope of Chinese engagement was the construction of the railway line Tanzam (Tazara), with a length of 1860 km, connecting the Tanzanian port Dar es Salaam with Zambia.

Gradually, Africa became the field of the Chinese expansion of not only a political, but also an economic dimension. The 1990s, with China's fast economic growth, have brought a new stage in bilateral relations: the cooperation with the African partners was of crucial economic importance due to Beijing's high demand for mineral resources needed for its rushing economy (Sutter, 2012, p. 2). Africa offers vast deposits of natural resources, which, altogether with its market advantages, have an important and strategic value for developing China, in constant search for overseas markets and financial surpluses. Developing African economies, with the population of over 1 billion, and constant financial problems are of high value for China. On the other hand, Africa needs China's capital, qualified working force, merchandise and technologies.

Therefore a new initiative born in Beijing was most welcomed in Africa. In 2000 China offered a completely new instrument of cooperation with African partners, called the Forum on China – Africa Cooperation (FOCAC). The Forum is a platform for political dialogue and consultation, as well as economic, trade, and people-to-people cooperation between China and almost all African countries. The FOCAC ministerial conferences are organised alternately in Beijing, and on the African continent, once every three years, starting from 2000, and gather the representatives of almost all African countries. Ambitious commitments made by Beijing during the meetings are scrupulously implemented over the following three years. Until 2016 there were six ministerial conferences, in Beijing, Addis Ababa (Ethiopia), Sharm el-Sheikh (Egypt), and Johannesburg (South Africa).

Until recently there was only one FOCAC summit, held in Beijing in 2006, that gathered over fourty heads of state. To give the summit and multilateral cooperation proper significance, China published the first *white paper* on its policy towards Africa. *China's African Policy* is a brief synthesis of Beijing's attitude and plans for cooperation with the continent, including the development of a new type of strategic partnership ("China's African Policy", 2006). The document covers all important issues, such as political, economic, and education cooperation, as well as China's commitments in the fields of security, conflict settlement and multilateral assistance. Though

social cooperation and people-to-people exchanges are mentioned, the emphasis is placed on economic aspects of bilateral relations that both sides regarded as crucial for their development.

The second *Africa Policy Paper* was issued in December 2015, on the occasion of the second FOCAC summit in Johannesburg, South Africa. The document follows the same idea of cooperation, though in a more detailed way. First, Beijing emphasises multiple strategic interests and challenges linking China and Africa, and therefore implicating even closer cooperation. Of utmost importance are the bottlenecks constraining Africa's economic rise: backward infrastructure, inadequate professional and skilled personnel. Beijing expressed its willingness to build and develop a China-Africa comprehensive strategic and cooperative partnership, and close cooperation to increase the representation of developing countries in the current global governance system ("China's second Africa policy paper", 2015).

The tasks settled are truly diverse. Focus will be given to agricultural modernisation, resource extraction and processing, health protection and treatment, as well as education, technology, and environment protection. China will improve continent's capacity in health infrastructure, and send medical teams to conduct free services. Priority will be given to education and human resources development, where Beijing will help train professionals (teachers and medical workers) through a higher number of government scholarships. Cultural exchanges will be increased, among others on the basis of Confucius Institutes and Classes scheme, and by the founding the China-Africa Press Center. Beijing has made commitments to promote the Chinese investment in Africa, allow more African imports at reduced or zero tariff, strengthen the quality control of exported goods and reduce counterfeit or substandard exports.

China offered various tools of financial cooperation and assistance, including the exemption from payments of interest-free loans maturing in 2015 in case of the poorest countries. Beijing will promote regional development by actively participating in the construction of regional transportation networks (railways, highways, ports, and airports), telecommunication networks and energy grids, renewable energy included.

In order to facilitate integration processes in Africa, Beijing intends to support the development of the African Free Trade Zone. China seems determined to improve Africa's capabilities of economic development by creating special economic zones, industrial parks, as well as science and technology parks, or by attracting the Chinese firms to invest in Africa. The new trend gives hope to African countries as Beijing intends to build Africa's potential for development by locating the production and processing bases or training centres on the continent rather, than in China. Capacity building will be the focus of future cooperation altogether with Africa's active participation in all stages of investment (planning, construction, management, supervision, etc.) ("China's second Africa policy paper", 2015).

There are, however, a few new issues touched, such as a marine economy section, a long section about terrorism, and emphasis on sustainable development and environment protection. The document stresses the need to reform international institutions, such as the International Monetary Fund (IMF) or the UN, in order to increase the representation, and importance of developing member countries. Furthermore new principles of China's Africa policy are introduced and elaborated: *sincerity*, *affinity*, *practical results* and *good faith*, that should lead to "new leapfrog growth" of bilateral cooperation ("China's second Africa policy paper", 2015). Yet there is also a direct reference to China's old, basic principles of foreign relations, deeply appreciated by its African partners: non-interference in partners' internal affairs, and no political strings attached to cooperation in exchange for the abidance of the one-China principle. However, to manifest its goodwill, China strictly expresses that the cooperation will be based on the "Africa-proposed, Africa-agreed and Africa-led" principle, thus giving its partners a decisive voice in setting the trends of development ("China's second Africa policy paper", 2015).

The new policy paper suggests that China is determined to concentrate more than before on soft power instruments, as education, vocational training and capacity building programmes, which will meet Africa's high demand for qualified workforce and use its great human capital potential. Yet this time vocational centres are to be in Africa, not China, what really makes a difference.

## THE 2<sup>ND</sup> FOCAC SUMMIT IN JOHANNESBURG

The guidelines of the second Africa policy paper were elaborated and clarified during the second China-Africa Forum held at summit-level in December 2015 in Johannesburg (South Africa). The meeting's theme was: "China – Africa Progressing Together: Win-Win Cooperation for Common Development". The most significant event of the meeting was the speech of Chinese President Xi Jinping delivered on December 4<sup>th</sup>. The President presented the main assumptions of future cooperation, later detailed in *the Action Plan for the years 2016–2018*. To avoid possible misunderstanding, the Ministry of Commerce of the People's Republic of China published *the Interpretations* of the summit decisions.

In his speech, President Xi Jinping referred to the continuous improvement of bilateral relations, and confirmed China's engagement in a win-win, multilateral cooperation of equal partners, aimed at capacity building and green, sustainable development. The President stressed, that all actions will be aimed at harmonious economic development focused on tangible benefits of all the people ("Working Together to Write a New Chapter In China-Africa Cooperation. Speech by H.E. Xi Jinping President of the People's Republic of China At the China-Africa Business Forum, Johannesburg, 4 December 2015", 2015). The Chinese president stressed, that the programs are designed to overcome three major constraints hampering the development of Africa: insufficient industry, lack of talented people and insufficient funds, as well as accelerate the process of industrialisation and modernisation of agriculture, and the implementation of an independent and sustainable development ("Spotlight: Xi charts course for upgrading China-Africa ties at landmark summit – Xinhua | English.news.cn", 2015).

Xi Jinping lifted China-Africa relations to the level of a Comprehensive Strategic and Cooperative China-Africa Partnership in order to conduct ten cooperation plans in the fields of industrialisation, agricultural modernisation, infrastructure, financial services, green development, trade and investment facilitation, poverty reduction and public welfare, public health, people-to-people exchanges, and peace and security ("The Interpretations of the Johannesburg Summit of the FOCAC and the Sixth Ministerial Conference on the 10 Major China-Africa Cooperation Plans in Economic and Trade

Domains”, 2015). The upgrading of the status of relations connecting China with its African partners basically meant to convince the latter of Beijing’s constant engagement in cooperation.

The new commitments undertaken by China basically explored the main outlines already mentioned in the second policy paper. It has to be the partnership based on trust, and Xi Jinping specifically emphasized the right of African countries to independent solving their internal problems, harking back to the traditional Chinese principle of non-alignment. The President called for unity and coordinating positions in international forums in order to defend the common interests of developing countries. He also gave support in a bid to strengthen the role of Africa in the international arena (“Spotlight: Xi charts course for upgrading China-Africa ties at landmark summit – Xinhua | English.news.cn”, 2015). According to Xi Jinping, the Sino-African economic cooperation should make use of economies’ complementarity to bring mutual benefits. The President stressed, that the partners should develop programmes of youth and women exchanges, cooperation of universities, think tanks, and the media. Multilateral cooperation should lead to lowering protectionism, and encourage the third countries to invest on the continent. China wants to help Africa in building its industrial capacity by providing advanced technologies, professionals, experts, and training (“Working Together to Write a New Chapter In China-Africa Cooperation. Speech by H.E. Xi Jinping President of the People’s Republic of China At the China-Africa Business Forum, Johannesburg, 4 December 2015”, 2015).

In Johannesburg China presented extensive plans that will be implemented over the next three years in fields of industrialisation, modernisation of agriculture, infrastructure, financial services, green growth, trade facilitation and investment, poverty reduction and wealth creation, public health, people-to-people exchange, and peace and security. The Chinese government gives exact amounts, that will be put into life within the next three years. In the field of education China will finance the establishment of regional centres of vocational training, universities, as well as training of 200,000 technicians. Beijing also offered 40,000 training posts in China, and the provision of 2,000 places at universities and 30,000 government scholarships for African

citizens. Every year 200 scholars from Africa will visit China, 500 African students will be able to study in China, and 1,000 mass media employees will be trained in China. Within agricultural cooperation China will modernise 100 African villages, send 30 teams of experts and establish a mechanism for cooperation between the Chinese and African agricultural research institutes (“10 + 10”). China also promised to provide food worth US\$156 million to countries affected by El Niño. In order to improve security, China shall give the African Union US\$60 million for the establishment of the African Standby Force and the African Capacity for Immediate Response to the Crisis. Beijing reaffirmed its commitment to UN peacekeeping programs in Africa, as well as further assistance to African countries in their fight against terrorism, riots and immigration (“Spotlight: Xi charts course for upgrading China-Africa ties at landmark summit – Xinhua | English.news.cn”, 2015).

The decisive area of cooperation – trade and investment – has received relatively small attention during the meeting, and in the Action Plan. Beijing wants to contribute to the idea of creating large free trade zones, promote free flow of people, goods, services, and capital, and develop e-commerce. In the field of industrial cooperation, China will focus on the construction of cooperation platforms (e.g. industrial parks), support in advisors and experts, and training in management, and basic vocational skills. Cooperation in the area of agriculture shall involve expertise, technology, information sharing, emergency food assistance, and scientific cooperation. China will follow the guidelines of the African Infrastructure Development Plan, led by the African Union, New Partnership for Africa’s Development (NEPAD) and African Development Bank (ADB), and support the construction of transportation networks (railways, highways, ports, airports), energy projects (increased renewable energy capacity, power grids and transmission), information communication network, and cross-border cooperation in infrastructure development, water management and aviation. In order to meet the goals of the UN Sustainable Development Agenda 2030, Beijing intends to implement clean energy and wildlife protection programmes, introduce new environment-friendly measures in agriculture, and smart city projects. China will also help fight poverty and improve public healthcare systems in Africa, through various

projects including cooperation of hospitals, improving child and maternal healthcare, reduce nutrition problems, fight with epidemic diseases (e.g. malaria) by sending medical teams, and providing pharmaceuticals. In order to improve understanding between the nations, China wants to develop cultural cooperation, including the reconstruction of African heritage, increased access to satellite television, and offer academic scholarships in China (“The Interpretations of the Johannesburg Summit of the FOCAC and the Sixth Ministerial Conference on the 10 Major China-Africa Cooperation Plans in Economic and Trade Domains”, 2015).

Probably the most significant information for African partners was Beijing’s pledge to support Africa with US\$60 billion in development assistance within the next three years. The amount is truly unprecedented, as in previous years China’s financial assistance was much smaller, of US\$20 billion in 2012, or US\$10 billion in 2006. The total financial assistance will be distributed in the form of grants and interest-free loans (US\$5 billion), preferential loans, and export credits (US\$35 billion), support for the China-Africa Development (CAD) Fund (US\$5 billion), the Special Loan for the Development of African SMEs (US\$5 billion), and China-Africa Cooperation Fund (US\$10 billion). The capital increases of funds indeed improve their financial capabilities: the CAD has doubled its capital to US\$10 billion, while the donation for SMEs was enlarged six times (to US\$6 billion). Of great value are China’s pledges to cancel the outstanding debts maturing in the end of 2015, yet this promise applies only to the least developed countries.

In its projects towards Africa, China calls on official documents of intergovernmental organisations, such as the African Union’s Agenda 2063 and the UN Sustainable Development Agenda 2030. Some of the projects are implemented in line with those documents, like an integrated high-speed train network; the Great Inga Dam; a single African aviation market, free movement of persons and the African Passport, the creation of a continental free trade area; and silencing the guns by 2020 (Burgess, 2015). Such a hold on decisions of international organisations means, that Beijing wants to have a strong position in the international system, next to the most important assistance providers as the U.S.

## THE FOCAC OUTCOMES

Over a decade after the first FOCAC conference, the benefits remain controversial. Some experts tend to accuse China of using Africa for its own development, without paying attention to the partners' gains. Others emphasize the reciprocal character of cooperation based on a win-win strategy proclaimed by China. The truth, as always, lies in between. Even the attempt to evaluate the activities carried out within the framework of FOCAC is extremely difficult, because there are no reports of execution of commitments undertaken by China. All one can do is analyse the media information, some reports published by international think tanks or scarce information from the Chinese government bodies.

The outcomes of the Chinese activities may be divided into two wide groups. The most obvious gains come from economic cooperation, especially trade and investment. The second group may consist of all other activities of social value, such as diplomatic relations or educational and cultural cooperation.

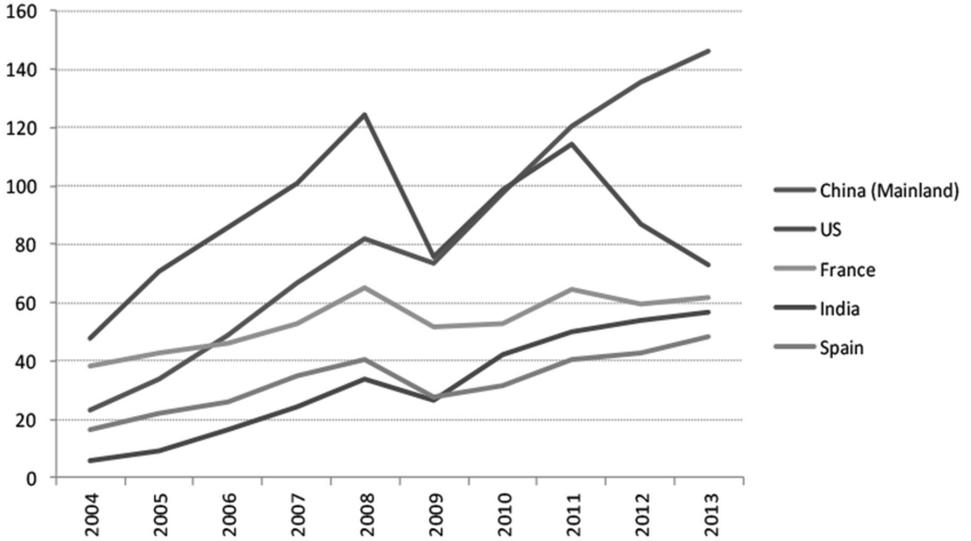
## CURRENT ECONOMIC COOPERATION

The economic and trade cooperation between China and Africa is based on common interests and benefits. China started to invest in Africa in the early 2000s, when the Chinese companies turned to African vast and highly underinvested continent due to high domestic market saturation. Untapped possibilities offered by Africa, partly neglected by the Western companies, were attractive enough for the Chinese.

Starting with the new millennium, the trade turnover between China and Africa has been rising constantly, reaching 50–80 percent yoy growth. As a result, in 2014 China was Africa's largest trading partner in both imports and exports, and its share accounted for 14.4 percent and 8.7 percent respectively ("World Integrated Trade Solution", 2015). The rise of China's share was to the detriment of other foreign partners, especially the U.S.

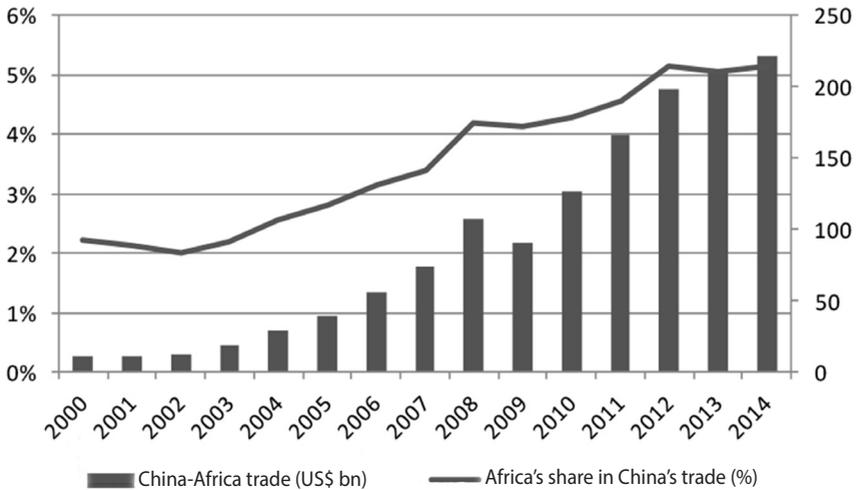
Yet Africa's share in China's overall trade turnover remains modest – in 2014 it reached only 5.06 percent. Such poor results reveal the economic weakness of African partners, and the potential for further development.

Figure 1.  
Africa, top 5 trade partners in 2004–2013 (US\$ bn)



Source: Author's own calculations based on IMF Direction of Trade Statistics

Figure 2.  
China-Africa trade (US\$) and Africa's share in China's trade (%)



Source: Author's own calculations based on National Bureau of Statistics of China

The commodity structure of bilateral trade shows changes that come along with the economic development of China, therefore Beijing is not looking for agricultural investments to grow foodstuffs or biofuels, as the Arab or European investors. As China possesses almost all rare earths, they are not the priority, either. What China needs is a sufficient supply of energy resources, especially oil, which is used primarily by industry (37 percent in 2012), and transport (37 percent in 2012). So, though the value of exports and imports is still rising, China suffers a deepening deficit in its trade with Africa due to the overwhelming dominance of raw materials imported for the needs of developing Chinese economy.

Africa's lack of manufacturing industries and need for finished products coincides with China's market-seeking policy (Cisse, 2015). Only few African companies exist in China, and few African products are imported by China. However, as China's economic growth, until recently based on exports, is slowly reverted to reducing imports and the growth of domestic consumption, such a shift does not bode well for bilateral cooperation with Africa. Thus the continent should switch to attracting more China's outbound investment for the needs of its industrial capacity development. Africa suffers from inadequate infrastructure of all kinds, as for decades there were no investments, no maintenance, and frequent conflicts destroyed, what already existed. The continent has therefore vast potential in terms of infrastructure, industrial and power capacity, renewable energy resources and untapped markets, which should be attractive for the Chinese investors.

China's investment tends to concentrate in resource-rich countries, where intense trade and investment has led to establishing exceptional relations. China remains the most important export destination for thirteen African economies ("Chinese economy remains major powerhouse for Africa's growth", 2016). As of 2014, China's top African trade partners were South Africa (27.2 percent), Angola (16.7 percent), and Nigeria (8.1 percent). However, while trade with Angola concentrates on oil, South Africa, Nigeria, and some other countries (e.g. the Seychelles, Mauritius) have developed deeper economic cooperation by inviting the Chinese enterprises. The Chinese businesses are engaged in many infrastructure

projects: build roads, railways, ports and airports, hospitals and schools, develop the electricity and telecommunication networks, etc.

The Chinese engagement is not reduced to simple construction work, but also includes the financing. According to a 2015 Deloitte report on African Construction Trends, China has become a leading financier of the continent's infrastructure projects, sponsoring investments in such strategic areas as infrastructure, agriculture, tourism, and energy production (Smith, 2015). Even though many wonder if China can follow the recent rate of cooperation, another Deloitte report revealed, that the total value of mega projects (valued at over US\$50 million) under construction increased 15 percent yoy, climbing from US\$325 billion (2014) to US\$375 billion (2015). According to the report, China is the owner of only one project in Africa, is present in the funding of 13 projects (4 percent), and heavily present in the construction of 42 projects (14 percent) (Deloitte, 2015). The Chinese involvement concentrates in Central (26 percent of projects in construction) and East Africa (21 percent), and is much smaller in other regions (West Africa – 9 percent, Southern Africa – 13 percent, and North Africa – 7 percent). According to Mark Smith, Head of Infrastructure & Capital Projects in Deloitte East Africa, cited by China Daily, China's activity is particularly visible in East Africa, where it provided funding for 8 percent of projects and builds 21 percent. China concentrates on transport infrastructure projects, particularly in rail and ports, of regional importance for such countries as Kenya, Uganda, Tanzania, Rwanda, South Sudan and Ethiopia (Morangi, 2016).

The examples of China's investment activity are numerous: in December 2015 the Chinese company China Communications Construction Co (CCCC) announced it intends to build a standard gauge railway of over 900 km across Kenya, from Mombasa to Malaba, on the border with Uganda. CCCC will also invest in a Mombasa industrial park, as well as in other industrial parks on the continent. Such projects currently in progress in Eastern Africa have great potential to link with the maritime route of the "one belt one road" strategy of Beijing, reaching from China, across the Indian Ocean to the Mediterranean. The Maritime Silk Road is intended to use some African ports (e.g. Mombasa in Kenya), and will most likely contribute to their development thanks to increased trade and investment. These projects

will also improve intra-regional trade in Africa, as well as people-to-people relations in African states and with China (Tukić, 2015).

Yet it is impossible to estimate the exact amount of money distributed by China within the FOCAC frame. The financial commitments made during the conferences cannot be verified as there are no official records of the Chinese public and private investments. China Global Investment Tracker compiled by the American Enterprise Institute and the Heritage Foundation estimates China's investments in Sub-Saharan Africa since 2005 until June 2015 at US\$68.95 billion, which constitutes only 11 percent of the Chinese outbound investment. The Chinese construction contracts in the same region are more numerous and worth, as they constitute 27 percent of all foreign contracts with the value US\$128.21 billion ("China Global Investment Tracker", 2015). That would mean that China is rather a restrained investor, focused on profitable construction deals in vast majority paid from the loans offered by Beijing. The decisive factor is that in its loan agreements China usually secures privileged rights for its own enterprises.

The China-Africa Development Fund, and help directed to SMEs proved their efficiency, as until the end of 2015, the SME fund has granted assistance to over 70 projects, while the CAD fund has invested in over 80 projects of the total value of US\$3.2 billion. China estimates, that these projects shall result in increased investment in Africa (up to US\$16 billion), creation of 1 million jobs, a US\$2 billion increase in Africa's foreign exchange, and tax revenues of US\$1 billion ("The Interpretations of the Johannesburg Summit of the FOCAC and the Sixth Ministerial Conference on the 10 Major China-Africa Cooperation Plans in Economic and Trade Domains", 2015).

On its way of development, Africa has huge economic expectations of China, not only on the economic, but also social side. That is why China has emphasized social affairs within the last years.

## **SOCIAL COMMITMENTS**

The most obvious sign of close relations binding China and its African partners is diplomatic cooperation. In this field the importance of regular FOCAC conferences and two summits is undeniable. Their influence is even more significant, when we notice, that they gather almost all African

political leaders to discuss the details of cooperation with China. Such huge meetings at the highest level are rather rare. Since 1993 Beijing has also introduced the principle that every year Premier's first visit leads to Africa as a sign of gratitude for diplomatic support after the 1989 Tiananmen square massacre (Krukowska, 2015). Frequent visits of the Chinese officials are also of great importance, that is why in January-February 2016 Foreign Minister Wang Yi visited Malawi, Mauritius, Mozambique, and Namibia. China also actively promotes diplomatic cooperation and common positions in intergovernmental organisations, always underlining its win-win strategy based on bilateral trust and shared colonial experience. Even the Chinese embassies in Africa pay careful attention to preserving friendly relations and China's interests.

The best cultural soft-power instruments used by Beijing are Confucius Institutes (CI), hosted by universities, and school-based Confucius Classrooms (CC), founded to promote the Chinese language, culture, and business. The first Institute in Africa was opened in 2005 at the University of Nairobi (CIUON). By the end of February 2016 there were 46 institutes and 23 classes in Africa ("Confucius Institutes (Classrooms) Around the World", 2016). Such spectacular spread was possible thanks to huge government financing, as the costs of opening one institute close between US\$100,000 to US\$150,000 (Sahlins, 2013). Beijing covers all the expenses, including the salaries of teachers, training programmes, scholarships, learning materials, and cultural events (Hanban, 2012). Though so numerous, the institutes raise many questions mostly connected with their ideological dependence on Headquarters in Beijing (Hanban). Doubts, common recently in Western countries ("Confucius says", 2014), are not shared in Africa, where the institutes and classrooms give the possibility of making a career, study abroad or simply get a job.

Another important soft-power tool is educational cooperation, in which China offers various scholarships to African young people. Though the Chinese universities are not as good as the famous world academies, they are good enough for thousands of Africans, especially if they are free of charge. There is no exact information, yet according to F. Hannane in 2009 there were 12,436 African students in China (Hannane, 2012). In 2015 Xinhua

noticed, that over 1,000 South African students were studying in China then (“S. Africa sends largest group of students to China”, 2015). Taking into consideration, that the Chinese government has undertaken such an ambitious scholarship project, one may presume that the numbers will grow. The same problems with lack of data arise, when we try to investigate the real number of different scholarships awarded by the Chinese government to Africans for studies in vocational schools, practices in medical centers, etc. There is some scarce information in the press, but no official statement, though we may presume that the numbers are high and rising as no one in Africa complains. China not only attracts African students into Chinese universities, but also provides technical skills, expertise, builds and finances demonstration centres, and industrial parks, and many other activities. All these determine China’s image abroad.

Notwithstanding, to further improve its image, Beijing is developing international sections of the national media agencies. In Africa the Chinese media successfully compete with former dominant Western agencies. State information agency Xinhua is very influential, as back in 2001 it operated 24 bureaus on the continent, including 11 in French-speaking countries (“Xinhua Celebrates Its 70th”, 2001). Another example of successful cooperation is the state China Central Television (CCTV), which has its African bureau in Nairobi (Kenya) since 2012. The bureau provides China with African news in various fields, as well offers programs about China for its African viewers. Since 2006 there is a China Radio International (CRI) station in Nairobi, Kenya. All Chinese media have recently undergone profound changes, making them more attractive, and understandable for the foreign audience. The strength of the Chinese media may derive from its vast offer, but also insufficient foreign reporting by African media or Western agencies. Special focus on media is also a direct answer to insufficient information about China’s engagement in Africa not only in Africa, but also in the Western media. Beijing is very concerned with negative comments about China’s activity in Africa, and therefore invests in broadcasting platforms and media professionals.

To further improve its image abroad, China is distributing the financial and humanitarian aid. Its first medical mission was sent to Africa in 1963. Since then China sent 24,500 medical workers in 49 African countries,

and the Chinese doctors have trained over 6,000 local staff and issued diagnosis and treatment to over 270 million people in Africa (Granier, 2016). As President Xi Jinping promised in December, China has started an emergency food aid plan to all African countries hit by El Nino. The Chinese Ministry of Commerce will provide US\$156 million emergency food aid to the affected countries, as China Daily noticed (“China starts emergency food aid plan to Africa”, 2016).

China also contributes to Africa’s security. For decades it has been supplying African armies with weapons, training and experts. Beijing has only recently renounced its principle of military non-intervention to engage in UN peace missions on the continent. Nowadays China provides 3,045 troops, military experts, and police, and is one of the most important contributors in the UN (“Troop and police contributors. United Nations Peacekeeping”, 2015). Of huge importance is the fact, that in November 2015 Beijing announced, it would open its first overseas military outpost in Djibouti (East Africa), which will resupply Chinese Navy ships that participate in UN antipiracy missions in the Gulf of Aden (Perlez & Buckley, 2015).

Close relations between China and Africa have stirred mixed feelings, depending on the interests involved. Africa has always been a reliable ally, useful especially nowadays, when Beijing is challenging the current international system to improve its position among the most powerful countries. Their relationship is all the more enforced by the status of “developing countries” in all international institutions, even though China has incomparable financial capabilities. As a consequence, they unite against the domination of developed countries in international financial institutions, in pursuit of their just share in globalisation benefits and efforts to establish a new economic and political order.

## **PROBLEMS IN COOPERATION**

No matter how well the cooperation is judged, it usually has some problematic issues involved. This rule is binding also in the case of China-Africa cooperation.

It seems that China remains satisfied, using the “win-win” or “mutual benefit” rhetoric when explaining the character of relations connecting it

with Africa. The decisions made during the last FOCAC summit implicate the evolving nature of alliances connecting it with Africa, as well as the growing awareness of the African expectations. Consequently, in the FOCAC Action Plan China intends to put more effort to guarantee sustainable development of all African partners, including the increase of Africa's value added production, especially local processing plants.

Notwithstanding China faces international criticism over its motives and methods, as well as practices in Africa, especially regarding human rights protection and good governance. The most severe criticism comes from traditional European partners of the African countries. While the U.S., comfortable about its interests in some regions of the continent, observes with reserve the Chinese expansion, France seems to be highly concerned (Granier, 2016). Aware of its limited financial capacity, the French scholars highlight the financial predominance of China above its African partners and their quasi total dependence due to lack of financial resources. The question is, if not China, those countries would be dependent on France. However, as Africa is known for its political and security risks, Western partners show great restraint in financial engagement.

Other Western concerns refer to China's unconditional economic and financial aid distributed to African regimes. China is often regarded as an egoistic partner, pursuing selfish, neo-colonial interests without paying attention to democratic principles, and human rights' abuses. Western politicians and human rights organisations alarm that Beijing's help is detrimental to Western efforts of democratising Africa, and the promotion of good governance. While no one questions the necessity of examining the Chinese activity in Africa, history shows that Western comments should be taken as remarks of rivals for resources and influence on the continent.

The only concerns that should be taken seriously are the ones of African countries. Years of cooperation have already revealed the most vulnerable points of the Chinese activity in Africa. First, China's investments have seriously damaged the natural environment, and the negative effects are felt not only by the local wildlife, but also by local communities adding to considerable biodiversity loss. Only recently Beijing has given more importance to the environmental standards in cooperation. Some Chinese

companies have been accused of illegal acquisition, and imports of timber or ivory, violating the local forestry laws, and other environmental standards. On the other hand many African countries have introduced more rigid laws and successfully fight with foreign illicit companies, and their corrupt local counterparts. Still Beijing should increase its efforts to fight with illegal wildlife trade.

Other complaints relate to unequal treatment of African and Chinese workers by the Chinese companies operating in Africa. Beijing is accused of unfair wages and lack of compliance with working standards, as well as the employment of the Chinese workers to the detriment of the local workforce. Beijing argues that the Chinese workers are employed only if the African partners cannot guarantee qualified staff or the timescales are tight.

One of the biggest problem of African partners is lack of export diversification in bilateral relations. As Beijing has always insisted on processing the resources in China, its imports almost entirely consist of raw materials. Therefore African partners need to develop their processing capacity to be able to produce value-added merchandise. The most urging case is the energy sector, where even Nigeria or Angola import almost all fuel they need. Bilateral trade has also strongly affected the textile sector in some African states (e.g. South Africa, Kenya, Lesotho). The Chinese shoes or clothes are much cheaper than the ones produced in Africa, therefore they supersede domestic producers. This situation also weakens the export capabilities of African countries (Alden, Large, & Oliveira, 2008, p. 156).

Recently the question of China's economic slowdown and its impact on Africa appeared. Due to China's slower growth, some African currencies fell to record lows, what caused financial problems in many commodities' exporting countries (e.g. South Africa, Nigeria). Lower incomes were caused by lower demand from China, fall in world prices of raw materials, and inadequate government policies. The most resilient to the crisis were the countries, which undertook reforms, and managed to diversify their economies (Onishi, 2016). However, the above mentioned reports proved that even with falling exports to China, Africa continues to receive inflow of Chinese investment. The latest news about Nigeria show that China is sometimes the only possible and willing partner for African countries. In

February 2016, due to heavy financial losses caused by low oil prices and an extensive investment programme underway, Nigeria sought to raise a loan abroad to cover its 2016 budget deficit. It wanted to raise US\$1 billion from Eurobond investors, but it was impossible due to Nigeria's unwillingness to devalue or float the naira. Once again China was the easiest partner willing to help and offer a US\$2 billion loan (Onuah & Laessing, 2016).

## CONCLUSIONS

China's engagement in Africa is a fait accompli. Since the interests of both China and Africa are complementary, in the absence of better partners, the cooperation must have been undertaken. Both sides seem to be satisfied with the results, though some things can and should be changed.

One cannot underestimate the importance of the FOCAC conferences. They are organised regularly, and the pledges made by the government in Beijing are duly completed within the given three years' period. In December 2015 China's Foreign Ministry revealed that China has helped Africa build 5,675 kilometres of railways, 4,507 kilometres of highways, 18 bridges, 12 ports, 14 airports and terminals, 64 power stations, 76 sports facilities, 68 hospitals, over 200 schools and 23 agricultural demonstration centres. Besides, since 2000 China has offered 55,000 government scholarships to the whole continent (Zhang Yunbi, 2015). No other traditional or non-traditional partner has ever been engaged to such an extent on the continent. Both American and European partners have made some pledges but never so significant. Even with slower economic growth, China remains an important power with global outreach, that can offer important benefits in exchange for cooperation. Africa takes advantage of Chinese needs, and offers natural resources and political support for money, technologies or experts. The deal has been acceptable for both partners so far.

However, as rising China claims its place in international system, it wants to be perceived as a leader of the developing world, therefore it has to modernise its foreign policy. Nowadays China uses soft power instruments, including the FOCAC, as image-building tools that will help to strengthen its position abroad. To make the best use of the money, China should engage in the construction of soft infrastructure such as schools, vocational training

colleges, etc., as well as strengthen Africa's processing capabilities, help fight the corruption, and introduce changes beneficial to ordinary people. China cannot neglect the environmental protection problems, and other issues vital for Africans, and work to combine economic profits with social benefits for local people. The declarations made in Johannesburg, backed by tripling the development assistance and promise to elevate the relationship beyond the traditional raw materials extraction, reveal China's conviction that Africa is worth its price.

For their part, African countries should make efforts to change the current structure of bilateral trade and investment, develop renewable energy resources, and implement a good regulatory framework to be able to use the Chinese experience and technologies. Yet only an coordinated action may be successful, therefore they should work out a common strategy towards China. The success also depends on China's willingness to answer the needs of its partners. China should listen carefully, identify the sectors of utmost importance for the development process, and include them in the financing scheme. Only mutual satisfaction will guarantee the continuity of cooperation.

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