

WHO WAS THE REAL WINNER IN CHINA?

09 November 2006

Commentary

By Sanusha Naidu and Lucy Corkin

Following the conclusion of the third ministerial meeting and the first heads of state summit of the Forum on China-Africa Co-operation (FOCAC), analysts and commentators are asking one crucial question: who was the real winner?

With China pledging to a variety of commitments to cement trade and investment ties, mutual political interests and humanitarian benefits, Africa does look to have emerged victorious from the three-day deliberations. Clearly, if Africa is to pursue a path of sustainable development, then the words of Ethiopian Prime Minister, Meles Zenawi at the summit could not be truer: "Our main challenge now is not fighting colonialism but fighting poverty and backwardness and achieving economic independence."

No doubt, the outline of China's development assistance to the continent over the next three years, until the next FOCAC summit in Egypt in 2009, appears to be just the kind of injection the continent needs to reverse its development challenges. And Chinese President Hu Jintao's speech at the summit, unmistakably, provided the new impulse to Africa's development assistance needs. The multibillion-dollar development package includes the following promises: US\$3 billion in preferential loans and US\$2 billion in preferential buyer's credits over the next three years; the doubling of its 2006 aid assistance by 2009; initiating a China-Africa development fund that will reach US\$5 billion to encourage Chinese companies to invest in Africa; increasing the preferential zero-tariff treatment of more than 440 from 190 products; the training of 15000 African professionals; the setting up of 10 agricultural technology demonstration centres on the continent over the next three years; the building of 30 hospitals and US\$37.5 million in grants to help fight malaria; the dispatching of 100 senior agricultural experts, the building of 100 rural schools and to increase the number of Chinese government scholarships from 2000 to 4000 by 2009 for Africans to study in China.

In addition, Hu pledged that China would forgive all interest-free loans that matured at the end of last year owed by the most heavily indebted and underdeveloped African nations. While it was certain that FOCAC would broadly cover and expand on these issues, it is worth noting that a new dimension to the relations was added in order to strengthen co-operation between Africa and China.

In what could be interpreted as China's growing awareness of the risks associated with the negative image its companies are conveying on the continent with regard to environmental malpractices, the Chinese government committed, among other things, to step up co-operation in capacity building, prevention of water pollution and desertification, maintenance of biodiversity and the development of environmental-protection and demonstration projects.

Moreover, Premier Wen Jiabao assured African entrepreneurs attending the summit that projects under the auspices of Chinese firms would be conducted in an "open, fair, just and transparent" manner — another reference to what has been a contentious issue in China's engagement with Africa and the need to assuage such concerns.

So what does this all mean for the future of China-Africa co-operation? Undoubtedly, at the summit the Chinese government sent out a clear message as to where relations between itself and the continent are heading. Of course, for African governments it means that its developmental landscape has been broadened to include an important global partner who has the capacity to treat Africa as an equal partner.

But, this is not to overlook the caveats. Whether FOCAC affords Africa real benefits can be determined only over time. Important in this regard is that African governments and continental institutions set up the appropriate mechanisms and instruments to differentiate the real gains from the promises. It is for African governments to ensure that these gains are translated into viable development practices on the ground. At a cursory glance, it is very easy to become heady with the

emergence of a complementary development partner but if Zenawi's words are to be realised, then the onus rests upon African leaders to push the development agenda to the next level.

If there is to be a real winner from FOCAC 2006, then it should definitely be the people of Africa, especially with regard to uplifting their livelihoods. But only time can be the judge of that and success will be measured at FOCAC 2009.

Sanusha Naidu and Lucy Corkin are Research Fellow and Projects Director respectively at the Centre for Chinese Studies, Stellenbosch University.

Copyright: Business Day

<http://www.businessday.co.za/articles/topstories.aspx?ID=BD4A313618>