

China's Global Re-emergence: Challenges and Opportunities for Africa?

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An African perspective

- ❑ Why should Africa be interested in the global agenda of “engaging” and “containing” China?
- ❑ Is China’s (Re)-Emergence a Challenge or an Opportunity for Africa?
- ❑ How does a re-balance of global power serve the interests of Africa?



Context: African economic performance, Good but not good enough

- ❑ Rising growth rates
- ❑ Improvements in social development, although
 - Poverty remains high
 - Uneven development: inequality – horizontal and vertical
- ❑ But there are deep structural challenges



Two key challenges for Africa

□ Two challenges:

- Sustainability of growth
- Employment creation, especially for the youth

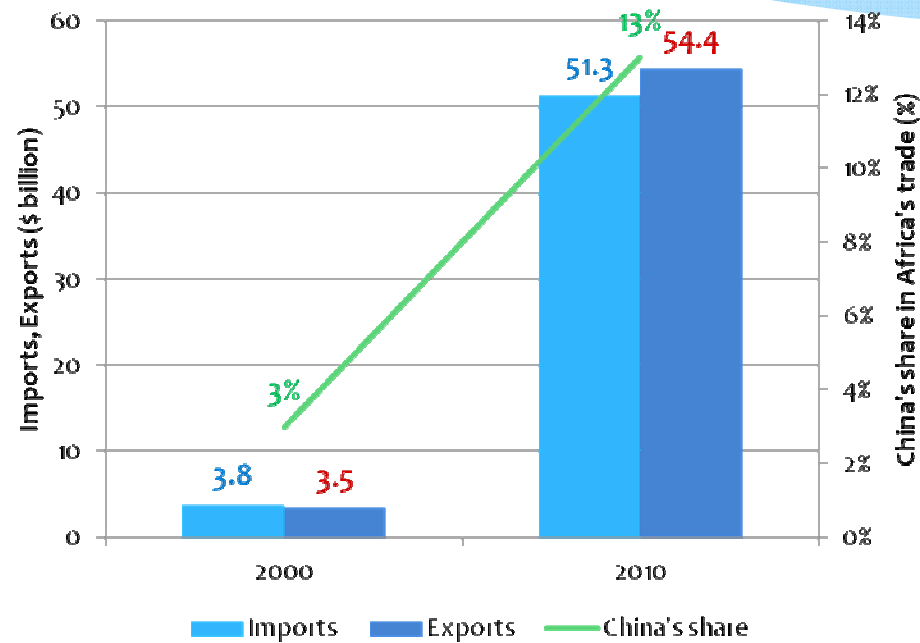
□ Two key elements of the solution:

- Scaling up Infrastructure
- Diversification



China-Africa: some facts

□ Rising trade and investment



Facts (cont'd)

- ❑ China has diverse African partners, not just oil-rich countries (Angola, Sudan, Nigeria)
 - E.g., China-Ethiopia trade in 2012 = \$1.4bn = 20 times the 2000 level; thanks to quota-free duty-free exports to China



Exports to china, % of total exports		Imports from China, % of total imports	
DR Congo	48.1	Togo	32.5
Mauritania	46.6	Benin	31.1
Congo, Rep.	38.5	Gambia	27.9
Angola	38.1	Ghana	20.4
Gambia	37.5		
Zambia	34.8		
Mali	31.0		
Burkina Faso	21.0		



Africa's engagement strategy

- ❑ Identifying complementarities and compatibility between Africa's interests and China's interests
- ❑ Building Africa's capacity to bargain and negotiate with China



Can Africa leverage China's emergence?

Africa can:

- ❑ Leverage China's capital to the extent that it can:
 - Secure fair rent sharing from resource-seeking capital
 - Make Chinese capital catalyze domestic finance
- ❑ Leverage Trade with China if it fosters diversification
- ❑ Leverage China's moving up the manufacturing value chain by developing labor intensive manufacturing
- ❑ Ride on China's strength to improve its relative position in global governance

This puts a heavy burden on Africa's leadership

