Comparative perspectives on the Chinese, Indian and Brazilian engagement in Africa

Maputo
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Old ties and new dimensions

• China, India and Brazil have a long history of engagement with Africa

• Major and accelerating economic engagement over the past 10-15 years
  – Strong commercial/corporate profile with strong state support and assistance

• Many similarities – and some differences
China’s economic engagement

• Africa’s biggest trading partner
  – From USD 10 billion in 2000 to USD 200 billion today
• Investment
  – Expanding, but less dominant, many sectors, 2000 companies, one million Chinese
• Development finance
  – Export credits and loans
• Energy security + natural resources + going global ++
• Nearly all African countries are affected, but a few dominates
India’s economic engagement

- Similar profile but less volume
- Trade grows by an annual average of 18.5% since 2000 reaching USD 68 billion in 2012
- Strong state support through export credits and loans
- Two-thirds of India’s trade is with five countries
  - Nigeria (23%), South Africa, Angola, Egypt and Kenya (6%)
Brazil in Africa

• Trade: similar expansion - from USD 4 billion in 2002 to nearly USD 30 billion in 2012
• Oil, mining and construction
• Lusophone countries + mineral-rich and large economies (Nigeria and South Africa)
The case of Angola

• Oil, natural resources and reconstruction
• China: almost no engagement in 2002
  – Today: 50 state owned and 400 privately owned companies
  – 40 000 – 240 000 Chinese nationals
• Brazil:
  – Longer engagement
  – Today: 50 companies, 40 000 nationals
• India: Trade/oil
Development, exploitation or both?

- Africa is important in China’s, India’s global economic expansion, but not as critical as often believed
- Significant contribution to economic growth and development in Africa
  - But also scramble for resources, traditional trade pattern
  - African infrastructure
- Contributed to strengthening Africa’s bargaining position
Politics and South-South cooperation

• All emphasise South-South cooperation and seek to expand and deepen political ties with African countries
• They are non-interventionist in their approach to African politics and in pursuit of economic interests - but variations
• They are all on course to become more deeply involved in governance issues and the African security landscape
Challenges: Balancing foreign policy principles and growing economic interests

- Economic power (size, speed) vs reputational and other risks
  - China is – perhaps – more vulnerable
- Cultural diplomacy and image building
  - Brazil and India has some advantages (language, politics)
- Non-interventionism vs engagement with African politics
  - The balancing act: How to play a larger role while preserving foreign policy principles?
The case of development aid

- China and India have a long history of providing development assistance to Africa, Brazil is newcomer

- Volume /excluding soft elements of loans/export credits):
  - China: possibly more than USD 2 billion per year;
  - India: USD 50 million
  - Brazil: USD 20-30 million
What do they do?

Mainly bilateral projects
(but becoming more active in multilateral fora?)

– China: Health, agriculture, education + important buildings and arenas for mass mobilisation + infrastructure – fragmented delivery – most African countries
– India: education (scholarships + training centres + IT), many countries
– Brazil: Technical cooperation (health, agriculture), many countries
– Trilateral cooperation: Brazil vs China and India
The case of education and training

- Strong focus – especially for China and India
- Emphasis on individuals (scholarships, training courses in donor countries)
- China: Major and impressive expansion – little is known about impact
  - Training courses in China for officials (major FOCAC programme: 30,000 in more than 500 different courses - 2013-2015)
  - Higher education/scholarships to China (70,000 since 1959, FOCAC commitment of 2000 scholarships in 2006 to 6000 annually by 2015)
  - Basic education: 2006-2012: 150 schools (Japan 130 per year)
Concluding remarks

• Current expanding engagement is important for Africa
• Source of power: The attraction of economic resources and South-South cooperation + but struggling with image
• They are becoming more deeply involved in Africa’s political landscape
• The difficult balancing act: How to engage while maintaining foreign policy principles and pursuing economic interests?