

# **Canada's Role in China's Africa. DRAFT**

Notes for Presentation to

**The New Africa: Redrawing the Blueprint for the Canada-Africa Partnership**

Conference-Ottawa, October 2-3, 2009

*Professor Moses N. Kiggundu<sup>1</sup>*

- 1. Professors are tentative, and so I have a tentative title for my paper “Canada's Role in China's Africa”, with the implication that MY AFRICA INCLUDES CHINA BUT I'M NOT SURE IT INCLUDES CANADA.**

**Professors also write academic esoteric papers, and those interested in getting a copy can drop me a note because I'm not going to present it here.**

- 2. I would like to cover three areas in this brief presentation in the hope that I can stimulate some discussion:**

- General Observations about Africa Today;**
- The Evolving Nature of China's Economic Relationships with Africa, and**
- Make a Proposal for how Canada can more effectively engage in what I have called “China's Africa”.**

- 3. Africa Today:**

- Africa has made significant progress, but challenges remain. However we define the “New Africa”, we must not forget that the “Old Africa” is still well and alive, with more needs and more challenges. The “Old” Africa needs our attention even more than the “New Africa”.**
- Africa is not one homogeneous entity. For example, while Senegal welcomes the Chinese, South Africa is much more conflicted about the relationship. The two economies are very different, and respond differently to the Chinese and their offers.**
- Yet, The New Africa cannot be ignored. Rather Africa must engage, and the world, including Canada must engage Africa: *The alternatives are bad.***

---

<sup>1</sup> Professor Management and International Business, Sprott School of Business, Carleton University, Ottawa, Ontario, Canada, K1S 5B6, [moses.kiggundu@carleton.ca](mailto:moses.kiggundu@carleton.ca) [www.sprott.carleton.ca](http://www.sprott.carleton.ca)

- **China's engagement with Africa is both an opportunity and a challenge: It is both good and bad.**

#### 4. **China's Relations with Africa:**

- **If you believe Gavin Menzies's book (1421: The Year China Discovered the World, 2002), then you know that the Chinese were in Africa well before the Europeans. Why then did they not colonize Africa? Are they just a few centuries late?**
- **China is an old civilization, with different culture, philosophy, institutions, mindsets, and ways of doing things. Africa cannot benefit fully from the Chinese until it appreciates and understands the China and the Chinese. *This is hard, and I speak from experience.* When I visited African diplomats in Beijing last year, I got the impression they did not have the opportunity to understand China and the Chinese ways of thinking or doing business...They are nor more of your "Brothers" than any other foreigners!**
- **The G20 Leaders' Summit meeting in Pittsburgh, September 24-25, 2009, has finally officially confirmed China's leadership role in the global economy. China rising is likely to bring about many changes, not easy to predict yet, and the way countries deal with China (e.g. we may see the Chinese projecting their currency, the RBM, more as a currency of international trade, commerce and investments, we may also see them using their newly acquired economic might to influence trends in global commerce). For example, in future it may not be possible to understand or deal with rising food prices without understanding what the Chinese are doing in the global food market.**
- **The Chinese approach to Africa is: Strategic, Long term, Holistic, Integrated, and driven by Self-Interests. A Chinese colleague once reminded me that *'China's investments in Africa are economic if necessary, but not necessarily economic'*.**
- **The Chinese are not guided by short-term results. They know what they want and they go after it! They are not distracted by short-term setbacks. That does not mean that they are always right or always get it right, but they learn quickly and make corrections and adjustments. They always want to safe face!**

- **Needless to point out, Africa’s dealings with the Chinese are more reactive, less holistic and driven more by narrow short-term orientations.** In most cases, Africa does not as yet have the capacity, the sophistication, the experience, or the acumen to deal with the Chinese to mutual advantage.
- **Africans like to do business with the Chinese because of: Speed, Price, Quality, and the alternatives China offers compared to the West, who they describe as paternalistic!**

**Examples:** Wade, President of Senegal, Financial times, January 23, 2008  
*“ For the price of one European vehicle, a Senegalese can buy two cars”*

*“I have found that a contract that would take five years to discuss, negotiate and sign with the World Bank takes three months when we have dealt with Chinese authorities”*

*“I achieved more in my one hour meeting with President Hu Jintao... that I did the entire, orchestrated meeting of world leaders during the recent G8 Summit”*

- **China-Africa relationships have evolved in many different ways:**
  - (a) From **Resources and Commodities** to a more **Diversified Portfolio** (Services. Transport, Manufacturing, IT, etc)...*These are some of the areas where Canadians Excel globally!*
  - (b) From a **Single Window (Beijing)** to **Multiple Participants**, e.g. the **Provinces, SOEs, Cities, Township and Village Enterprises (TVEs)**, more recently **Private sector businesses**, and even **NGOs**. We are beginning to see the **Chinese coming to settle in Africa as private citizens**, not part of **Government of China projects**. **Before long the Chinese are going to become in-laws in Africa!**
  - (c) From **China going alone to more South-South Collaborations** (e.g. Brazil, India, United Emirates, Venezuela, etc). **In some ways, we should be**

talking about the NEW SOUTH, rather than the NEW AFRICA. May be *Canada should play its card as a Southern Country!*

(d) **The Chinese are in Africa to stay: for good or for bad. We cannot and must not assume them away. We just have to learn to deal with them!**

(e) **China’s Strategy to Africa can be differentiated by three types of countries as follows:**

<b>Type of Country</b>	<b>Chinese Strategy</b>
Resource Rich Big Countries e.g. Nigeria, DRC, Sudan, Zambia	<ul style="list-style-type: none"> <li>• <b>Aggressive Investments in Resources by SOEs</b></li> <li>• <b>Aggressive Exports</b></li> <li>• <b>Infrastructure Support &amp; Investments</b></li> </ul>
Coastal/Island States e.g. Mauritius, South Africa, Kenya, Mozambique	<ul style="list-style-type: none"> <li>• <b>Focus on Investments in high value-added Manufacturing</b></li> <li>• <b>Build a “China-Africa Integrated Circuit”</b></li> <li>• <b>Investments in Value Added Services, e.g. IT</b></li> <li>• <b>Encourage Improvements in Governance and Global Competitiveness</b></li> </ul>
Land-locked, Small, Post Conflict States: Uganda, Ethiopia, Liberia,	<ul style="list-style-type: none"> <li>• <b>Humanitarian Assistance</b></li> <li>• <b>Regional Integration</b></li> <li>• <b>Infrastructure Development</b></li> <li>• <b>Governance</b></li> </ul>

**5. What Role for Canada?**

- **Canada, as a member of G20 and other international organizations has the obligation (e.g. The duty to protect), and the opportunity (e.g. business development) to engage forcefully and effectively with Africa**
- **I believe that the **bilateral model** as applied to Africa is ineffective, costly, self-serving, and not necessarily cross-cutting, and may even be counterproductive.**
- **We need a model that recognizes the realities of the 21<sup>st</sup> century, especially the evolving, interdependent, and highly competitive global economy and global society. Africa remains low on most measures of global competitiveness.**
- **We need to realize that Africa faces serious Challenges trying to participate **GAINFULLY** in the Cut-throat Competitive Global Economic Environment.**

- **We need multiparty approaches to dealing with the complex and often intractable and cross-cutting challenges both the New and the Old Africa faces. We need different types MIX of Resources, Competencies, Modalities, and above all, Perspectives than what is currently used in Africa.**
- **The Chinese alone do not have all the Answers. Nor do the Canadians alone.**
- **It is not a question of one size not fitting all: Rather, it is a question of one size not fitting at all.**
- **I am suggesting that a lot can be gained by China and Canada working together to promote development in Africa in 3-way partnership arrangements**
- **I am proposing the China-Africa-Canada Partnership Model, whereby the partnerships are based on carefully identified areas of comparative advantage among the partners: a sort of value chain analysis based on value added by each partner.**

**Examples:**

1. **China puts up buildings to be used as schools, but cannot provide teachers or instruction materials. Why can't China's oil company partner with OISE (Canadian Teacher Training University), and an African Teacher Training College to supply the human resources needed for these schools?**
2. **The Chinese need to learn English and French to participate effectively in Africa. Why can't MOFCOM partner with, say Carleton University to provide language training and training in business and public administration?**
3. **Chinese private companies are looking for opportunities in sectors of interest to the Canadian Economy. We can promote partnerships with provinces, cities, Corporations, NGOs. Foundations, etc.**  
**NB: There is nothing here to preclude the need for competition where it is deemed necessary: Responsive globalization does not eliminate completion, just makes it responsive to the needs of the wider society: Doing well and doing good.**

**But this cannot come about without significant changes such as:**

- 1. Changes in attitudes, mindsets and competencies among diplomats, government officials, business executives, even NGO leaders.**
- 2. Change in institutional mandates, roles, responsibilities, and ways of doing business**
- 3. These changes are particularly important since Canadians cannot always count on the Federal government to effectively engage with Africa.**
- 4. But we must also understand that the Chinese have their own challenges, which may slow innovative models of international engagements.**
- 5. Yet, since previous models have not always served us well, we need to experiment with new and innovative approaches.**

**Both the New and the Old Africa Expect No Less.**

**Thank You!**