

## **The New Era of China's Development and New opportunities for Sino-African cooperation during the Trump administration**

*Gregory F. Houston*

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In his speech at the 19th National Congress of the Communist Party of China on October 18, 2017, President Xi Jinping stated that 'China champions the development of a community with a shared future for mankind'. This New Era of China's development, President Xi continued, 'will be an era that sees China moving closer to center stage and making greater contributions to mankind'. In short, the 'Thought on Socialism with Chinese Characteristics for a New Era' 'makes clear that major country diplomacy with Chinese characteristics aims to foster a new type of international relations and build a community with a shared future for mankind'. At the heart of the new type of international relations is the objective of win-win cooperation and state-to-state relations based on communication, not confrontation, and on partnership, not alliance.<sup>1</sup>

In order to achieve this, China aims, among other things, to promote coordination and cooperation with other major countries and to build a framework for major country relations featuring overall stability and balanced development. China actively promotes international cooperation through the Belt and Road Initiative.<sup>2</sup> In particular, five areas of cooperation are identified in this strategic international cooperation initiative: (1) coordinating development policies; (2) forging infrastructure and facilities networks; (3) strengthening investment and trade relations; (4) enhancing financial cooperation; and (5) deepening social and cultural exchanges.<sup>3</sup> Through this initiative, China hopes 'to achieve policy, infrastructure, trade, financial, and people-to-people connectivity and thus build a new platform for international cooperation to create new drivers of shared development'.<sup>4</sup>

The Chinese approach to international cooperation contrasts sharply with American president Donald Trump's campaign slogan 'Make America Great Again', and the new administration's 'America First' policy. Both have serious consequences for the global community and for a number of regions and countries in particular. Most importantly, the inauguration of Donald J. Trump as President of the United States of America on the 20<sup>th</sup> January 2017 marked the beginning of an era of global uncertainty, and

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<sup>1</sup> Jinping, 'Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era', *Delivered at the 19th National Congress of the Communist Party of China October 18, 2017*.

<sup>2</sup> Ibid.

<sup>3</sup> Jinping, 'Work together to build the Belt and Road', speech at the opening ceremony of the Belt and Road Forum for International Cooperation', May 14, 2017.

<sup>4</sup> Jinping, 'Secure a Decisive Victory'.

the emergence of new threats to international cooperation. This calls for the entrenchment of existing forms of Sino-African cooperation, and for the promotion of new forms.

The “America First’ policy, initially posed by Woodrow Wilson in the 1916 American presidential election campaign, was included in Trump’s inaugural address as ‘the major and overriding theme’ of the new administration. He stated:

We assembled here today are issuing a new decree to be heard in every city, in every foreign capital, and in every hall of power – from this day on a new vision will govern our land – from this day forward it is only going to be America first – America first.<sup>5</sup>

‘America First’ refers to a foreign policy that emphasizes American nationalism in international relations and that is often described as isolationist. Three core principles have been identified in the ‘Make America Great Again’ slogan that later became the ‘America First’ foreign policy of the Trump administration.<sup>6</sup> The first is that the sole aim of American diplomacy is to squeeze more out of other countries. Whether discussing how he would approach overseas development aid (ODA), the United Nations, trade, the Iran nuclear deal, climate change, or NATO, Trump emphasizes American advantage as the only important factor. The second is that law and military discipline are tools that can and should be used for American interests, and are not to be bound by any intrinsic normative values. Finally, large swaths of humanity are seen essentially as sub-human, as indicated by Trump’s many comments that reveal disdain for Muslims, Hispanics, poor and middle-class people, women, and the disabled. At the heart of this foreign policy is the view that international relations is a zero-sum game, in which the weak are to be taken advantage of and only the strong emerge as the real winners.

For instance, there is evidently a move towards placing certain conditions on recipients of American ODA. One such condition was made evident when the United States Ambassador to the United Nations, Nikki Hayley, stated just prior to the General Assembly vote on a resolution to condemn the decision to move the American Embassy to Jerusalem that aid would be cut to those countries supporting the resolution. It was made clear that in future aid would be linked to support for American foreign policy objectives.

In 2014, the United States accounted for 17% (\$9.3 billion) of overseas development (i.e. official) aid (ODA) to African countries.<sup>7</sup> The top ten recipients of ODA in Africa in 2014 were Ethiopia (\$3.58 billion), Egypt (\$3.53 billion), Kenya (\$2.66 billion), Tanzania (\$2.64 billion), Nigeria (\$2.47 billion), the Democratic Republic of Congo (\$2.39 billion), Morocco, (\$2.24 billion), Mozambique (\$2.10 billion), South Sudan (\$1.96 billion), and Uganda (\$1.63 billion), making these the most vulnerable to shifts in

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<sup>5</sup> Trump, ‘Inaugural Address’, 20 January 2016.

<sup>6</sup> Schwenninger, Hurlburt, Kinzer and Cole, ‘When Donald Trump Says His Foreign Policy Is ‘America First’—What Exactly Does He Mean?, *The Nation*, May 24, 2016.

<sup>7</sup> OECD, *Development aid at a glance: Statistics by region*, 2 Africa, 2016 Edition, OECD. Available from: <https://www.oecd.org/dac/stats/documentupload/2%20Africa%20-%20Development%20Aid%20at%20a%20Glance%202016.pdf>.

international donor trends. The national budgets of many African countries are dependent on ODA, with some countries relying on ODA for up to 40 percent of their national budgets. For instance, Malawi, one of the most aid-dependent countries in the world, drew 40 percent of its budget from foreign aid in 2014, with foreign aid constituting 30 percent of GDP in that year.<sup>8</sup> Appendix 1 below provides figures of US foreign aid to African countries. It is quite clear that many African countries are vulnerable. Sino-African cooperation must seek to work against any disruption of aid trends as a result of changes in American foreign policy and, more importantly, to work towards removing those conditions that lead to the aid dependency of African countries. This would go a far way to protect the sovereign right of African nations to determine their own foreign policy, without the danger that threats of aid reduction pose to this sovereignty.

The threat Haley made at the United Nations included the threat of reduced US financial support for the UN and its agencies, primarily in view of the overwhelming vote in support of the resolution discussed above. The United States is the largest financial contributor to the world body, contributing 22% of its annual budget in 2017. The first step taken in this direction was a reduction of the US contribution to the UN annual budget by \$285 million in late December 2017. The US has also repeatedly threatened to evaluate its role in UN agencies. Many UN agencies, including the UN High Commissioner for Refugees, the UN International Office for Migration, the World Food Programme, and the UN Development Programme are active in Africa. These organisations provide much needed relief to deal with so many of the significant issues confronting African nations, such as the existence of a large internal refugee population, the migration of large numbers of Africans to Europe and elsewhere, and hunger, food insecurity and drought. This calls for Sino-African cooperation that seeks to militate against any reduction in financial support for the UN and its agencies, and that aims at removing those conditions that lead to huge refugee populations in Africa, migration abroad, and hunger, food insecurity and drought.

Among the significant areas of Sino-African international cooperation needed here are peace-making, peace-keeping and post-conflict reconstruction initiatives, support for refugees in African countries, support for international efforts to deal with the migration crisis, and initiatives to promote food security in Africa, including more support for efforts against the negative effects of climate change. With regard to the latter, the withdrawal of the United States from the Paris Agreement on climate change in August 2017 raised serious concerns about the future of the agreement. By contrast, as President Xi Jinping has stated, China is taking a driving seat in international cooperation to respond to climate change, and has become an important participant, contributor, and torchbearer in the global endeavour for ecological civilization.<sup>9</sup> This is particularly significant for Africa, with many scholars showing that climate change poses a danger for Africa in many respects.<sup>10</sup> Sino-African will be enhanced by significant

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<sup>8</sup> Mwanamanga, "Does foreign aid promote growth? Evidence from Malawi", MSc dissertation, Bradford Centre for International Development, 2015.

<sup>9</sup> Jinping, 'Secure a Decisive Victory'.

<sup>10</sup> For instance, refer to Collier, Conway and Venables, 'Climate Change and Africa', *Oxford Review of Economic Policy*, 24(2), 2008: 337–353.

contributions to the Green Climate Fund created to support the efforts of developing countries to respond to the challenge of climate change.

The main challenges for Africa arising from climate change are not those posed by carbon emissions, because Africa accounts for only a trivial proportion of global emissions. The emphasis, instead, is on reducing the impact of the adverse effects of climate change on African countries and ensuring that African countries adapt to changing climate conditions. Among some of the areas of Sino-African cooperation that would be useful in this regard would be support for programmes: that lead to change in land use patterns and deal with deforestation; that provide for relocation of productive populations from areas negatively impacted by climate change to those positively impacted; that provide for training of workers in sectors negatively affected by climate change to enable them to change sectors; that provide for changes in production techniques; that ensure that Africa benefits substantially from transfers through emission trading; and that ensure that Africa has access to new green technologies.<sup>11</sup>

Finally, the Trump administration has proposed a review of all trade deals in order to make them 'fair' for America. Some of the steps taken include the withdrawal from the Trans-Pacific Partnership with 11 other nations, and ongoing re-negotiations on the North American Free Trade Agreement (NAFTA) with Mexico and Canada. Trump has repeatedly threatened to withdraw from NAFTA, while he has emphasised a shift from multi-lateral trade agreements to bilateral agreements (one-on-one). Such agreements are also likely to come with certain conditions similar to those that are becoming evident with ODA.

Total two-way trade between Sub-Saharan African countries and the United States has grown significantly since the inception of the African Growth and Opportunity Act (AGOA), which provides for preferential access to American markets for 38 of the 54 African countries. Combined two-way goods trade in 2015 was valued at \$36 billion (2014: \$50 billion, 2013: \$61 billion, 2012: \$66 billion), indicating a significant decline from the high of \$100 billion in 2008. Exports from AGOA countries to the United States dropped from \$26 billion in 2014 to \$19 billion in 2015 – a reduction of approximately 25 percent – and imports from the United States fell from \$24 billion to \$17 billion. The trade balance has consistently been in favour of the countries supported by AGOA, with a surplus of approximately \$2 billion for these countries. Nevertheless, African imports from the United States were dwarfed by the \$102 billion in imports from China in 2015. Of concern has been the growing trade imbalance between China and Africa since 2015.

In August 2015, the Trump administration engaged in its first high-level talks with Africa when a delegation travelled to Togo to discuss AGOA. Talks between African and United States officials to review AGOA ended with no decision, giving rise to uncertainty about its immediate future. It is not clear whether the US wants to change the AGOA deal before it expires in 2025 or extend it further. Sino-African cooperation in trade becomes significant in view of this uncertainty. On the other hand, the threat posed by China's trade relations with Africa forced the US to double the fund under AGOA from

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<sup>11</sup> Collier, Conway and Venables, 'Climate Change and Africa'.

\$10.96 billion to \$21.8 billion during the AGOA talks. Thus, while it appears that, for the moment, the multi-lateral trade agreement between the US and Africa is not under threat, both the commitment of the Trump administration to bi-lateral agreements and to linking any financial relationships with other countries to support for its foreign policy objectives lead to uncertainty about the future of the agreement.

In conclusion, there are several areas of concern that have emerged since the inauguration of Donald Trump as president of the United States. These arise largely from the new administration's 'America First' foreign policy, which identified international relations as a zero-sum gain in which American interests predominate. This is in sharp contrast with China's willingness to engage with other countries in a manner that is mutually beneficial. In this regard, and on the basis of the new conditions in the international environment following the election of Donald Trump, in addition to existing aspects of Sino-African cooperation, new areas of cooperation should include:

- working together against any disruption of aid trends as a result of changes in American foreign policy;
- working together to removing those conditions that lead to the aid dependency of African countries;
- working together to militate against any reduction in financial support for the UN and its agencies;
- working together to remove those conditions that lead to huge refugee populations in Africa, migration abroad, and hunger, food insecurity and drought;
- working together to reduce the impact of the adverse effects of climate change on African countries and enabling them to adapt to changing climate conditions; and
- working together to enhance Sino-African trade to deal with potential changes in US-African trade.

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## Appendix 1: American foreign aid to African countries, 2016

COUNTRY	DOLLAR AMOUNT	YUAN AMOUNT
Algeria	17,807,222	115,212,572.83
Angola	64,879,547	419,733,806.34
Benin	36,816,783	238,183,667.74
Botswana	57,252,922	370,377,258.82
Burkina Faso	74,469,144	481,727,199.11
Burundi	70,507,528	456,100,233.67
Cabo Verde	5,044,716	32,628,455.38
Cameroon	131,932,848	853,268,838.73
Central African Republic	89,327,715	577,722,354.97
Chad	117,425,683	759,478,293.06
Comoros	1,057,063	6,836,804.20
Democratic Republic of Congo	453,235,755	2,931,247,406.56
Republic of Congo	8,439,457	54,578,771.37
Cote d'Ivoire	161,860,737	1,046,768,786.01
Djibouti	24,299,878	157,162,599.51
Egypt	1,239,291,240	8,016,579,728.51
Equatorial Guinea	213,839	1,383,256.28
Eritrea	119,364	772,198.90
Ethiopia	1,111,152,703	7,188,978,176.35
Gabon	31,442,404	203,427,265.72
Gambia	3,197,858	20,689,284.35
Ghana	724,133,065	4,685,092,943.99
Guinea	87,630,410	566,962,945.64
Guinea-Bissau	782,732	5,063,521.94
Kenya	1,143,552,649	7,397,307,253.25
Lesotho	73,446,044	475,100,953.58
Liberia	473,677,614	3,064,204,778.62
Libya	26,612,087	172,152,708.39
Madagascar	102,823,791	664,943,746.54
Malawi	420,733,420	2,720,991,847.53
Mali	257,152,020	1,663,068,624.30
Mauritania	12,743,363	82,390,976.53
Mauritius	791,133	5,114,993.62
Morocco	82,023,514	530,361,193.21
Mozambique	514,007,619	3,323,588,136.54
Namibia	53,691,093	347,168,160.81
Niger	144,122,239	931,822,298.13
Nigeria	718,236,917	4,644,218,429.47
Rwanda	268,206,602	1,734,260,679.77
Sao Tome and Principe	590,373	3,817,206.81
Senegal	99,599,642	643,986,821.98
Seychelles	223,002	1,441,889.59
Sierra Leone	104,939,498	678,393,650.38
Somalia	274,784,535	1,776,376,743.93
South Africa	597,218,298	3,860,632,028.16
South Sudan	708,249,799	4,578,973,522.37
Sudan	137,878,835	891,413,644.81
Swaziland	57,448,328	371,378,841.66
Tanzania	628,785,614	4,064,760,609.63
Togo	6,067,169	39,220,982.50
Tunisia	117,490,639	759,502,188.51
Uganda	741,326,445	4,791,808,355.47
Zambia	445,752,158	2,881,266,316.05
Zimbabwe	261,181,770	1,688,372,365.08
<b>TOTAL</b>	<b>11,768,678,130</b>	<b>76,076,944,145.82</b>

Source: United States Agency for International Development.