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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:**Moderators:**

MWANGI S. KIMENYI
Senior Fellow and Director, Africa Growth Initiative
The Brookings Institution

JONATHAN POLLACK
Senior Fellow and Director, John L. Thornton China Center
The Brookings Institution

Keynote Remarks:

AMBASSADOR EBRAHIM RASOOL
Ambassador to the United States
The Republic of South Africa

YANG GUANG
Director-General, Institute of West Asian and African Studies
Chinese Academy of Social Sciences

ANTHONY CARROLL
Vice President
Manchester Trade

Panel Moderator:

WITNEY SCHNEIDMAN
Nonresident Fellow
The Brookings Institution

Panelists:

HE WENPING
Director of African Studies Section
Chinese Academy of Social Sciences

YUN SUN
Visiting Fellow
The Brookings Institution

PATRICIA AIDAM
Research Fellow, Institute for Statistical, Social, and Economic Research
University of Ghana

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P R O C E E D I N G S

MR. KIMENYI: Good afternoon. I am Mwangi Kimenyi. I am a senior fellow and director of the Africa Growth Initiative here at Brookings Institution, and I am very happy to welcome you to this event that is focusing on the trilateral relations between the United States, Africa, and China.

We have had very productive sessions since the morning. We have had several sessions that were sort of smaller sessions, and I am looking forward to an even deeper understanding and opening it up to more people in this discussion.

Let me, before I introduce the panel, also note that we have guests who have come -- we are doing sort of a publication and we have been having a yearlong program where we have been doing a study on these issues, but collaboratively with African institutions, with Chinese institutions, and with the Brookings Institution. So with this program we have been working with the African Growth Initiative here at Brookings, the China Center at Brookings, and the Chinese Academy of Social Sciences, and we have groups representing CASS here. And also a think tank from Africa, Ghana, called ISSER. So we have many guests who are here who have not just the theorical talking about issues that are distant from them but people who are actually involved with these institutions.

Now, China and Africa is actually a very increasingly important topic and sometimes emotional. And sometimes we are not as well informed. I mentioned in a previous discussion that I have just come back from Cape Town, from the World Economic Forum on Africa, and every discussion on growth in Africa ends up touching on China. You talk about infrastructure, you talk about China. You talk about natural resources, there is China involved. And so on. And so I think this is a really appropriate

time for us to have a discussion on these issues between the U.S., Africa, and China.

I would like to introduce the panel, and I am actually not the one moderating anything. I am going to start with my colleague who will be moderating this panel. Jonathan Pollack is a senior fellow and director of the China Center here at Brookings and he is right at the other end. He will moderate the panel.

The next guest is Ebrahim Rasool. He is the ambassador to the United States from the Republic of South Africa. It is a long bio but I told him I would use one line because it will take a long time to introduce all of them.

Our guests on this side is Yang Guang, and he is director general of the Institute of West Asian and African Studies at the Chinese Academy of Social Sciences. Welcome.

And then we have our own colleague here, who will be talking about U.S. perspective, Anthony Carroll. He is with SAIS, but he is also with Manchester Trade. So he is in the private sector doing business in Africa, so he has many perspectives.

And with that we are looking forward to a good conversation.

I was actually not aware that I was going to be in this debate but I see a chair with my name, so I guess I'll be here.

Jonathan.

MR. POLLACK: Actually, each will speak from here and then when we are having a discussion we will be individually wired.

I don't want to add further -- I mean, I would rather take advantage of the limited time we have to proceed immediately to our three speakers. I would only say this: I think that what we saw this morning was a sense of the interconnectedness of the issues that we are grappling with here. On the one hand looking at the dynamics,

particularly in sub-Saharan Africa, obviously, but then how China and the United States separately factor into that overall equation. And not looking so much at the immediate here and now but really beginning to think longer term about the implications of developments that are evident in all these interrelationships. So I am very, very confident we will have a very, very productive discussion. The presentations, as was just noted, will be kept relatively brief so that we will then have a brief session amongst the panelists and then we will open it up for questions and answers.

So, Mr. Ambassador.

MR. RASOOL: Thanks very much, Jonathan, for not situating us in the debate very well so I am trying to use the brief time to crackle on a few things. But maybe I think that what I should do is to start with how President Zuma addressed the 5th Forum on China-Africa Cooperation (FOCAC) on the 19th of July 2012, because I think it comes right to the heart of the dialectical relationship almost that South Africa, and by implication, Africa, has with China. President Zuma in that address speaks amongst others to President Hu Jintao at the time and lists all the contributions that China has made to the African continent. And he says, and I quote him, "China's commitment to Africa has already been demonstrated through tangible and concrete results, particularly in terms of human resource development, debt relief, and investment." President Zuma then continues, "On the other hand, Africa's commitment to China's development has been demonstrated by the supply of raw materials, other products, and technology transfers." President Zuma concludes the argument and says, "As we all agree, Your Excellency, this trade pattern is unsustainable in the long term."

And I think if anyone thinks that Africa is simply seduced into a relationship that is one way and starry-eyed, I think that President Zuma's opening

remarks begin to situate that situation very well, and what the debate is between China and Africa. President Zuma continues to begin to identify where we'd like the relationship to go to. And he says, and I quote him again, "It is necessary that we lock in investments in addressing supply side constraints, diversification, and beneficiation of the resources derived from African countries through encouraging joint ventures between Africa and China." And he proceeds on that point to begin to identify which sectors we think those joint ventures, beneficiation, diversification, and others could come among other infrastructure, energy, science and technology, green economy, and agriculture and agribusiness, et cetera, et cetera.

I thought that it was important to really take the heart out of President Zuma's speech at FOCAC and to put it centrally and primarily on the table here because that is the parameters of the debate between China and Africa while there is enormous cooperation, and I think almost in the absence of serious U.S. engagement with Africa other than the historical ones like the African Growth and Opportunities Act and some of the new and recent ways in which the U.S. has come. But the U.S. has had the situation where it has, particularly after the recession of 2008, effectively withdrawn from the African continent. So I would like to quote Crosby Stills and Nash, who sang, "If you can't be with the one you love, you love the one you're with."

FOCAC itself, the Forum on China-Africa Cooperation was an attempt by Africans not simply to engage China as country to country but as continent and China in order that we in a sense coordinate our relationship with China necessarily so because we yearn for a regionally integrated economy. We yearn for cross-border decisions on infrastructure. We yearn for intra-African trade and therefore, we may exacerbate all of those negative problems if we were simply to engage China as South Africa-China,

Mozambique-China, Zimbabwe-China, et cetera. We may end up with lots of rail but nothing integrated. And so I think that FOCAC plays that particular role within us.

In response almost to this imperative amongst others articulated by President Zuma, FOCAC's focus for the next few years until 2015 is build on past achievements and open new prospects for the new type of China-Africa strategic partnerships. So in a sense there is an acknowledgement that we need to not only continue but renew the type of relationship between the two. And as a result, I think the commitments that China has been making begins to attempt some of that diversification, industrialization, and beneficiation that we are speaking about.

I think we followed that on when South Africa hosted in March this year the 5th BRICS Summit. And the summit itself focused on development, integration, and industrialization. It is a broader audience with Russia, India, Brazil as well, but China is also central to BRICS. And so those things go on the agenda. And in the leadership retreat, the issue of infrastructure is fairly central. But South Africa used the opportunity not simply as the one African BRICS country it invited and received positive RSVPs from 15 African heads of state who attended. The NEPAD leaders, the African Union leadership, the regional economic communities all in this discussion on how BRICS will make this impact on Africa. And I think again it is a way of conducting coordinated discussions with China, with very sharp objectives that go beyond simply raw materials and often infrastructure buildings. We all know some of the outcomes the BRICS Bank starting off with 100 billion USD, looking at infrastructure, contingency reserve funds, et cetera. The BRICS Business Council linking private sectors across Africa and the other BRICS members, and the BRICS think tanks to begin to generate policy options.

I want to conclude by just thinking aloud about how the United States

hopefully as it emerges increasingly from a recession and how China can both begin to find if not synergy, then enough space on the African continent. And so, for example, I look at the South Africa-China trade figures -- and China has become our number one export market, for example, of South Africa, but 80 percent of our exports to China are raw materials. The U.S. is now number three as South Africa's export markets but 70 percent of our goods to the U.S. are manufactured.

Now, that I think is not only a description of what exists but the reason that the U.S. should either cooperate with China on the continent or contest China on the continent. Hopefully it is cooperate and contest. So I think that that's a very important statistic that begins to define the relationship and why we need the U.S. to be able to come in a lot more. I think the U.S. must use its own bilateral engagements with China to begin to understand how to utilize this moment of democratic growth, political depth, and human rights cultures and the rule of law in its emerging economy and how Africa can be a benefit to the world and how the world can keep an upward momentum on Africa's growth projector. But I also suspect that Stephen Hayes is correct when he says that the U.S., in order to come into Africa, must also address its competitive disadvantages that U.S. firms encounter in relation to Chinese firms. And it may require the U.S. government to become a lot more active, whether it is how they allow tax repatriations and offsets and all of those kinds of things, its agency coordinations in order, I think, to be able to do it and simply how it does its economic diplomacy in Africa. The U.S. is reducing its foreign commercial officers. China, almost has a foreign commercial officer in every country. And I think that the table is not being laid for the kind of cooperative and competitive relationships between China on the one hand and the U.S. on the other hand on the African continent. I think for Africa's sake we need both based on what

President Zuma said and based on the trade figures that I've spoken about. I think our moment is there and the rising tide in Africa can raise both U.S. and Chinese ships.

Thank you very much.

(Applause)

MR. GUANG: Good afternoon, ladies and gentlemen.

This morning and the beginning of this afternoon we have had a very fruitful trilateral dialogue. Though it is called trilateral dialogue, actually most of the discussions focus on China and Africa. So I think it is probably useful for me here to first give some background about China-Africa relations.

Actually, China-Africa relations are not something new. I don't know whether you know, these relations can trace back to 1000 and 300 years ago. In the 8th century, China and Africa had the very first direct contact, but since the late 1970s, when China began the reform and opening up policy, China-Africa relations reached a new peak and got a very rapid development. And the China-Africa relations generally in China is just generally defined as kind of a strategic partnership. In other words, the relations are based on some long-term and co-interests of both sides.

At the political level, China and Africa have been supporting each other for many years concerning some respective core interests and sovereignty issues. China, for instance, has been actively participating and involved in ensuring the peace and security of Africa. And the two examples that I can give here is one, China has participated actively in the U.N. Peacekeeping Program in Africa and has sent the largest number of soldiers for peacekeeping among the five member countries of the U.N. Security Council. Another well known example is China's participation in the anti-pirate air force in the Indian Ocean.

And at the economic level, the cooperation is becoming more and more intensive. I have to say that economic cooperation is indeed a very new dimension of China-Africa relations.

Why China-Africa economic relations have developed so fast? I think it's based on the complementarity of the two economies. Africa is a very important source of raw material supply for China as it is for many other countries. Nowadays, Africa is the supplier number two of China's energy imports -- all imports to be more specific. And in addition to energy, China also imports other raw materials, like timbers, iron, magnesium, copper, and many others. And these imports play a very important role in ensuring a high growth rate of the Chinese economy.

In exchange for this import of raw materials, China is a big provider of manufactured goods to Africa. And it is also a major provider of service to Africa. By service here I mean basically the construction service. So you may see a lot of Chinese construction workers nowadays are working in Africa, building infrastructure -- stadiums, schools, hospitals, so far and so on. So this is the basic pattern of trade between China and Africa which is based on the mutual complementarity of the two economies.

And I have to say that this trade has also significantly contributed to African development as well because according to statistics released by MOFCOM Chinese Ministry of Commerce, until 2008, China-Africa trade contributed to 25 percent of African GDP growth. So this contribution was quite visible.

Apart from trade, China is becoming also a source of foreign direct investment for the African economy. Nowadays, around 2,000 Chinese companies are operating in the African market. Here, I mean, direct investors, with most of them, around 80 percent of them are private business firms. And these companies, by investing in

Africa, have created jobs. According to some statistics, Chinese companies have created 80,000 jobs in Africa, generated taxes, enhanced exports, and promoted industrialization of African companies.

And finally, I have also to mention the Chinese assistance to Africa, which has been significantly diversified. Nowadays, China not only provides some project-related assistance to African countries, but also provide assistance in the form of foreign debt exemption, exemption if import duty, and human resources development assistance, and many other forms of assistance. And the amount of Chinese assistance to Africa, although it is still difficult to be available, but I am so happy to have learned that two American think tanks have just released their studies, and according to their studies from the year 2000 to the year 2011, China provided assistance to African which was totaled 75 billion USD. And for the same period of time, the United States provided 90 billion USD.

And finally, China, in recent years, the Chinese government has also put emphasis on promoting cultural exchange with African countries because with the economic and political relations enhanced the Chinese government and Chinese people realized that without promoting mutual understanding at the cultural level, the economic ties and the political ties could not be properly maintained. So bearing that idea in mind, in recent years China has developed the so-called Confucius Institute Program in Africa. Nowadays there are already 29 Confucius Institutes in a number of African countries. And in the framework of FOCAC, the China-Africa Cooperation Forum, which was mentioned by the ambassador just now, the six forums of dialogue have been created, which include, for example, the dialogue of NGOs, the dialogue of think tanks, the dialogue of educational institutions and so far and so on. And with this dialogue, with

these forums, the people-to-people dialogue is implemented.

And I would like here to finish also by mentioning the FOCAC. The FOCAC was established in the year 2000, which is the coordinating mechanism for China-Africa relations. It is held every three years and each time the forum reviews the achievements and problems of cooperation with Africa over the past three years and makes a plan for the coming three years. So a lot of Chinese policies towards Africa are formulated in the framework of FOCAC.

And the very topic, subject of this dialogue is China-America-Africa trilateral cooperation. In other words, we're trying to discuss the issue of how China, the United States, and African countries cooperate in favor of African development. A lot of ideas have been raised during the discussion and we realize that in the continent of Africa, China and the United States don't have major conflicting interests. On the contrary, this is an area where we can cooperate. Areas like education, infrastructure, and many others, have been mentioned as possible areas for future trilateral cooperation. But this discussion is only the very beginning. I hope this discussion will continue and the coming discussions will find more concrete measures and policy proposals to make China, the United States, and Africa trilateral cooperation a reality.

Thank you very much.

(Applause)

MR. CARROLL: Well, using references to my old songbook, "Love the One You're With," I guess as an outside observer we will remember the song by Bob Dylan, "All Along the Watchtower." I am here to observe on the comments of the first two speakers and perhaps offer my observations over a 35 year career of doing business in Africa. I first started as a Peace Corps volunteer in Botswana in 1976. Fortunately, I

have the opportunity to have participated in this morning's discussion and was recruited at the last minute to substitute for my good friend, Don Teitelbaum, who was called away on other State Department business. So I'm not in any way trying to represent the U.S. Government here and I hope that none of you will go away inferring that my position is a position that's reflected either in the White House or Foggy Bottom. As it turns out, it's probably far from the case.

However, I would like to offer some observations. Firstly, I think echoing the director's last comments, I think there's a relevant space for both America and China in Africa, and I have a lot of good things to say about that space. In the outset of the Olympics in South Africa, which were so wonderfully hosted by South Africa, the opening phrase was "Ka Naka", "It's time." Well, it's time for Africa, and it has been time for Africa for the last several years. Africa is growing. Of course, we have to distinguish between some of the more achieving and less achieving countries, but across the board Africa is growing. Certain economies are just absolutely surging ahead, and I think part of that is a product of investments by both the United States and in China, in both complementary and sometimes competition ways.

First of all, the U.S. has brought over the years a persistent, consistent pattern of development assistance. Some of it is certainly driven to support our commercial interests it has been written, but a lot of it has been really for developing institutions of governance. It's been directed at assisting in health. PEPFAR has been a remarkable success across Africa in bettering and keeping the lives of millions of people alive. Looking at new models of development in the Millennium Challenge Corporation. We have really pushed the envelope in our development assistance by being smarter and more nimble and trying to help provide Africa I think with the support that it needs to

integrate to grow economically.

So we've really played a strong role. We've brought technology. Most Africans with graduate degrees hold them, at least outside of Africa, from U.S. institutions. We've had a longstanding economic and education cooperation with Africa. So I think we've had a very strong role.

But I think the accelerant, the multiplier effect that's been brought by China with its enormous amount of investment, has also played a very important role. The Chinese investment and loan assistance has gone into areas that the U.S. has vacated for 15 and 20 years, large infrastructure projects, long-term vision that they bring to projects I think has also helped Africa grow. China is borrowing from its wonderful development experience of bringing hundreds of millions of people out of poverty in the last 15 years, and I think that's not a point that's lost upon the Africans. They also bring with them a development experience which is more relevant to many of the African economies. They've dealt with small holder agriculture. They've dealt with small industrialization. They understand many of the challenges that Africa contends. So I think there's a relevance there that echoes among the Africans.

I think also the Chinese, to their credit, have invested a lot of their diplomatic resources in trying to improve their relations with the United States. We look at the proliferation of Chinese economic outreach to Africa and it's quite outstanding that even countries like Burundi have economic and trade counselors operating in their countries, learning their local languages, getting to know the culture. And of course, it's a work in progress. Fifteen or 20 years ago it wasn't probably as effective but now you're finding Swahili-speaking Chinese diplomats in East Africa. Our good friend, David Shinn has written extensively about this for many, many years, and he was here this morning

again reminding us of his great wisdom and observation over the years.

So the Chinese are being more nimble. They're being more thoughtful. They're being more progressive. But I think there are areas where we can all work together. I don't think it's an us versus them. When I first started working in Africa it was more about our fears in competitions with Europeans, whether it be French or whether it be Italian, FCPA, and all these other problems that haunted us back then. But I honestly think that there are many areas where the Chinese and the Americans can play a continuing useful role.

I think one of the areas that has always concerned me is the deindustrialization of Africa. I think over the course of joining the WTO and opening of markets, what has unfortunately happened is the deindustrialization of Africa. Some of that has been China's entry onto the scene offering low cost consumer products and manufacturers, which the African consumers want, but unfortunately, it's been at the expense of the African textile industry. Some agro processing many consumer goods. And I don't think it's in China's best interest, nor Africa's best interest, nor our best interest to see Africa become deindustrialized.

So I do think that there are opportunities now that Africa is offering labor surplus which we all know exists in abundance for the Chinese to perhaps be a little bit more creative and a little bit more conscious about trying to reinvest in Africa's industrial capacity so that we can create wealth and jobs and foster technology transfer.

On the other hand, I think there are areas where we can cooperate with the Chinese in advancing Africa's interest in the global trade agenda. I think the Doha round has long been dormant. I think we have to take a long, hard look at where we can make improvements in really making this a development round and be meaning for

Africa. I think the Chinese have been very successful in wooing the support of the Africans in such plurilateral and multilateral fora as the WTO. But I think securing that support has not been followed by leadership of those interests, and I think the Chinese could do a lot more in bargaining for the Africans in these fora to try to maintain greater market access in the BRICS countries, to foster more technical assistance. I think there are many things that the Chinese can do in the lead in helping Africa have a greater place in the global agenda.

In closing, just let me say that in the spirit of this event today, I don't fear; I welcome many of the corporate interests. As Director Guang said, we've seen in the last six or seven years a real shift away from sort of government bilateral assistance to private assistance, about 79 or 80 percent from across the street from the Institute of Global Development -- not the Institute of Global Development -- the Center for Global Development has come up with some studies, so there's been a real seat change in the last six years of moving towards the private sector. I think there are ways in which we heard from our fellow colleagues from Africa this morning about some of the more conflicted areas of business practices. I think that the Chinese private sector that's going into African now needs to also play a larger leadership role, needs to assume more responsibilities in trying to set standards for its groups and its fellow companies to try to adhere to good practices. I'm talking about the natural resource sector especially.

So my observations are only those today. I'd be happy to answer questions but I don't want to be seen as portraying or representing any U.S. government interests, just as an observer of things between Africa and China over the last many years. So thank you.

(Applause)

MR. POLLACK: As our panelists get miked up, given the tightness of time, I'm going to forgo any comments that I might have made other than to observe that all three of the panelists here I think have imparted a sense that there's this extraordinary mosaic that is developing in Africa today. And what is most important it seems to me is not to dwell on necessarily the competitive or conflictful interests between the United States and China but to recognize that long-term Africa can't be an object; it has to have a dynamic of its own. It has interests of its own and that has to be the basis on which I think an intelligent long-term policy has to proceed.

The only other observation I'd make, and then I'm going to open the floor to comments, is that so much of what we heard about today replicates the dynamics that we are seeing in a number of regions of the globe today and that there are, to be sure, inherent tensions around certainties because I think from the perspective of the United States and China, each country may see a certain comparative advantage that it possesses in terms of longer term transitions. But if there is one thing that I take away from the comments here is that although development is central to these relationships, economics alone, economic interest alone cannot carry these relationships long term. They have to be embedded on a deeper political concept it seems to me of how Africa emerges long term.

With that as introductory comments, everyone else is miked up. That's fine. I will simply welcome your questions for the time that we have available. Given that the time is very, very limited, I would ask you to be very brief in your questions. Please identify yourself. If you want to direct a question to a specific panelist, by all means do so.

The first hand I saw is right there. That gentlemen. Yes. And you get

the mic first.

MR. ASIKA: My name is Joseph Asika, Howard University.

My question is directed to the director of the Chinese, you know, speaker. Can you address briefly your contributions towards human rights and your relationship with Africa? And what attempts are you making to develop human resources, not just extracting minerals or investing to extract profits? What are your efforts to develop human resources, human development, because the West has been engaged in this for the century?

MR. POLLACK: Why don't I take several questions at the outset.

Yes, another hand is up right there.

MS. SUNDERAY: I would like to intervene --

MR. POLLACK: Please, can you identify yourself?

MS. SUNDERAY: I would like to intervene to try to --

MR. POLLACK: Could you identify yourself, please?

MS. SUNDERAY: -- to improve -- my name is Reese Sunderay. I work with the African Union for four years and I prepared the meeting on the Strategic Partnership between India, China, and Brazil. And we had a meeting -- I think this was on similar things, et cetera.

But I would like to try to improve the scheme proposed by my friend from China, and I would like to connect the observation made by the gentleman over there about African deindustrialization. I believe the scheme has to be improved. It has to be improved based --

MR. POLLACK: Excuse me. Can you pose a question rather than a commentary? We don't have time for long comments. Can you pose a question? Thank

you.

SPEAKER: Yeah, it is not a question. I am proposing to improve the scheme. And at the same time it is a question.

And so I am saying this, the change, the exchange between raw material and manufactured goods is not proper. What I would like to suggest, given the availability of cheap natural resources in Africa, we are close to 200,000 megawatt of electricity, not counting gas in the north of Nigeria, 3 billion metric tons of gas in Nigeria or Africa, a lot of natural energy, we have I&O high quality --

MR. POLLACK: Sir, I'm going to have to ask you in the interest of everyone --

SPEAKER: -- up to 80 percent. And so what I am proposing is is it possible to produce semi-products in Africa, be it in the field of steel or methanol, propane in the field of petrochemistry and/or flat feet in the field of (inaudible) and export those semi-products not only in China at a cheaper price, better quality also, but also to America, cheaper price, since we are still exporting steel in America, but maybe it is a higher price. And so this will improve a lot the efficiency of the three economies.

MR. POLLACK: Yes. Thank you.

I saw a hand up right here. Yes, this gentleman right here.

MR. ALPHER: My name is David Alpher with Safer World.

I wonder if you could speak to I think extending a bit on a question that was asked how dynamics of conflict in state fragility are being entered into the discussions of development policy and interests in various parts of Africa, especially where the perceptions of U.S.-China conflicting interests are affecting that kind of dynamic.

MR. POLLACK: Why don't we quickly ask the panelists, anyone who wants to make comments on any of these questions, and then as time allows we'll try to get another round of questions. I'm sorry that this is going to have to be very, very brief.

So, shall we begin in the same order of speaking, if there are any comments that any of our panelists wish to make.

MR. RASOOL: Thank you very much.

I think on the second comment, I think rather than bemoan simply the fact that there's an imbalance between what we send to China and what we receive from China in terms of raw materials and manufactured goods, we may have to utilize this as a transitional moment as occasioning a transition in which Africans use the proceeds, the liquidity, the windfall that comes from what we earn at this moment through raw materials and invest it in the industrialization capacity, the ability to acquire the technologies, the skills, and so forth in order to let the next generation of exports, whether to China or anywhere else in the world, reflect the kind of situation that you are speaking about.

South Africa, for example, would look at becoming a hub in Southern Africa for adding value to natural gas and petroleum because we have a longstanding company and technology like Cecil, who can do the refinery issues and derive all the industrial byproducts of natural gas, for example. I think that's really the kind of way, and I suspect that the debates at FOCAC and BRICS and so forth are becoming a lot sharper and a lot more focused, and we're finding I think though that it would be helped by increased competition from countries like the United States, which gives Africa an option, a menu, about where to send what kind of goods. Do we only have the option to export raw materials? Or do we have the option to export both raw materials and manufactured goods? So I would see this as occasionally that transitional moment.

MR. POLLACK: Thank you.

Director Guang, do you want to make --

MR. GUANG: Sure.

I think there are three questions coming to me. The first about human resource development. Yes. Under FOCAC, the Forum of China-Africa Cooperation, there is a program for human resource development, and according to that program every three years the Chinese side would train 30,000 African professionals, should it be engineers, professors, or technicians. So every three years 30,000. In addition, each year China also provides a scholarship for a number of African students, so in this regard China does something.

And the second question I think is a very good question. It's about whether it's possible for China to extend the value train of African resources, not only just to import but to transform it into more valuable products locally. And this is exactly what China is doing. A typical example is the refinery built in Sudan. With that the Chinese company began with exploiting oil resources of Sudan, but later on with Sudanese part, a joint venture refinery was built. And with that refinery, this country, which used to depend on import of oil products, has achieved self-sufficiency of oil products. I don't know, probably one day they are going to become a McNNADI exporter of oil products.

And the third one is about whether conflict resolution has been approached during the dialogue. Yes, because I think this kind of cooperation already exists. It exists in the framework of the U.N. Security Council. Everything China is doing to ensure peace and stability of Africa is carried out in the framework of U.N. peacekeeping program or according to U.N. resolutions, which are made by the five permanent members, including the United States.

MR. CARROLL: I will only address the issue of the infrastructure beneficiation of Africa's natural resources. And I try to draw the comparison with what Brazil looked like 25 or 30 years ago. I think many of the same arguments and development patterns are occurring in Africa. And, of course, we have to distinguish among the African countries to really have an intelligent and detailed discussion on this. But I think as Africa invests in infrastructure, as Africans become urbanized, as they become more skilled as they have this youth bulge advantage, as transportation linkages become better, I think Africa will find more opportunities to transform the iron ore of Simandou using natural available -- natural gas in Westour to fuel furnaces, to put them on ships that are more frequently sailing to destination markets, and being able to be managed by Africans with the skills that are necessary. So I do think that's a process if you look at what's happened in Brazil. Anything of a model, I think that can happen in Africa.

MR. POLLACK: I'm going to allow Mwangi to make a couple of very quick comments.

MR. KIMENYI: Yeah, very quickly. I think as Africans we have to be careful not to see to the brim every time we have an issue to say that's the problem of the other party now. I think for Africa-China relations, I think Africans need to manage the relationship better. So we appear to be always being critical of China because, for example, I mean, U.S. exports, I mean, African exports to the U.S., basically 90 percent of the natural resources is oil. So it's the same thing. The question is, as Tony said, is how do we actually manage in terms of -- manage those natural resources? Africa receives a lot of revenue, a lot of windfall that could invest for economic transformation. So I think the issue is much more on what do our readers and people in Africa do to

manage those natural resources to transform their own economies.

MR. POLLACK: Thank you. I really regret we're going to have to cut off the discussion at this point. We have a concluding panel. I would encourage any of you who didn't have time to have your hands recognized that perhaps the opportunities will now arise with the concluding panel. I don't want to deny them their opportunity as well.

So if we could all thank our panelists.

(Applause)

MR. SCHNEIDMAN: Good afternoon. This is a continuation, actually, the last session of our Africa-China-U.S. trilateral dialogue. It's been an extraordinarily interesting and rich discussion that we've had all day today talking about a range of issues in terms of trade, aid, foreign investment, energy, and foreign policy, and this is a great opportunity I think to put a number of these issues into perspective.

My name is Witney Schneidman. I'm a nonresident fellow here at the Africa Growth Initiative at Brookings, and I'm accompanied by Patricia Adams, who is a research fellow at the Institute for Statistical, Social, and Economic Research at the University of Ghana, otherwise known as ISSER, as a partner think tank to the Africa Growth Initiative.

To her right is Yun Sun, who is a visiting fellow at the Brookings Institution. And to her right is Professor He Wenping, who is director of African Studies Section at the Chinese Academy of Social Sciences.

What we propose to do is just invite them to say a few words about what we've been talking about today, but I think also about their notions on trilateral partnership and trilateral dialogue and how the U.S. and China can cooperate with the focus of accelerating economic development on the African continent.

So Patricia, let me turn to you and ask you to kick it off.

MS. AIDAM: Thank you.

The first speaker for the first section, he acknowledged the fact that a trilateral agreement or collaboration is the best way to go for African development. And the saying goes that together we stand and divided we fall. So a collaboration between China and the U.S. would give African a better platform for development. As each country has their strengths and weaknesses, a collaboration between the two countries would bring their strengths together and even out their weaknesses, and this would go a long way to the advantage of the African countries.

Imagine if the U.S. provides technology, political stability, capacity building, education, and dedication, and China also complements with infrastructure abilities -- loans, grants, exports in terms of trade, and African countries also position themselves with skills, support systems with good institutions and policies, as well as implementation of these policies with monitoring and evaluation. Growth and development would really be visible in Africa.

This would go a long way to benefit the two countries as well -- that is China and the U.S. Some opportunities for collaboration among the U.S., China, and Africa from the African perspective will be in the vein of the manufacturing sector. I think it has been mentioned a lot in the first section that it would be good for us to go back to industrialization. And so also agricultural and health sector, it will be good for these two countries to get into the agriculture and health sector of North African countries. We also talk about the collaboration with education and training, especially with emphasis on vocational training. We also would want a collaboration into our political stability, corruption, and transparency in order to reduce the risks of foreign investments. So it is

really good that these two countries collaborate and help Africa with corruption and political instability issues so that they would also benefit from the risks of not putting their money and not getting what they bargained for.

Africa also needs institutional strengthening of their major political institutions and also implementing institutions. We also need collaboration in terms of job creation and capacity building because most of the issues that are raised is the fact that when they come to Africa they don't have so much skilled labor, so when they build a capacity it will be in a better position for them to employ.

Also, we have heard so much about diversification from the first section that it would be good for Africa to diversify, for the two countries to collaborate in terms of diversification in Africa so the two countries would not only import raw materials and primary products from Africa but they would also help us into our manufacturing and industrial sector so we could also export other products apart from raw materials. And so it would also be good for the two countries to help Africa to add value to our primary products.

In a nutshell, I'll say that African countries would want to be taught how to fish and not be given the fish to eat. Thank you.

MR. SCHNEIDMAN: Thank you very much.

Yun Sun, why don't you share some thoughts with us.

MS. SUN: Sure. Thank you very much, Witney.

While the last panel talked a lot about the need for the Africa, U.S., and China trilateral sides to cooperate, I want to have a little examination as for why this has not happened because it seems everyone recognizes there is a need for trilateral cooperation. We also have the intriguing question why it is not happening. So there are

a lot of challenges coming to the U.S.-China cooperation in terms of Africa. This is first of all because China and the U.S. seem to remain in conflict with each other in terms of whether they are pursuing Africa. The two countries in many cases want the same thing, and the gain is oftentimes perceived to be zero sum.

This is most conspicuous in two examples. Both the U.S. and China need African oil, gas, and other natural resources. In 2011, petroleum and petroleum products accounted for 81 percent of U.S. imports from Africa while ores, metal, and minerals account for another 9 percent. During the same period of time for China, the petroleum products accounted for 59 percent, while ores, metals, and minerals accounted for 32 percent. So therefore, in conclusion, the implication of these natural resources make more than 90 percent of both U.S. and China's imports from the African continent. Furthermore, both the U.S. and China wish to expand their access to Africa's market to increase their exports.

The second example is more political. Both China and the United States seek the political support of African countries at multilateral forums, such as the United Nations. The 54 African countries or the 49 sub-Saharan African countries form a powerful voting bloc that neither power could afford to ignore. Then at these forums, such as the U.N., we know only too many cases where the U.S. and China do not see eye to eye with each other.

Where the U.S. and China have different agendas in Africa, they seem to conflict with each other as well. Most importantly, the U.S. and China seek different ideological agendas in Africa. The U.S. emphasizes democracy, good governance, and human rights, while China sticks to the principle of no strings attached and no interference policy. At the same time, the China model, which we know very well,

provides a rather powerful alternative to the path that Washington is trying to promote.

More importantly, if we look even deeper, the structural problem between the U.S. and China characterized by the traditional conflict that between us is called the United States, and the reason is that rising China seems to dictate that these two countries are suspicious about each other's intentions and behaviors in Africa through the lens of geopolitical competition. This view is quite popular in China as some analyzes see it as the demonization of Chinese activities in Africa as a western conspiracy to deny and undermine China's legitimate opportunities in Africa.

Then from the African perspective, there is an intriguing question as well. Does Africa really want the U.S. and China to cooperate? It is the natural tendency of many African countries, like Ambassador David Shinn who has left wisely pointed out in his paper, is to play the U.S. and China against each other to maximize their bargaining power and their relative gains. This is noted by diplomats, officials and analysts from all three sides.

However, this narrow minded, sheer realistic views ignore the broader prospect to identify the three sides' common interests and potential areas for cooperation. Using peace and security as an example, all three parties recognize that instability and conflicts are a major threat to the future of Africa and African countries and to the political and economic interests of both the United States and China. Last year, China launched the China-Africa Cooperative Partnership for Peace and Security where China will provide support for peacekeeping missions and the development of the African Standby Force. Giving the U.S.'s interest in the peace and security in Africa as well, the policymakers in both countries should seriously consider the necessity of working together and using their respective advantages to contribute to the cause.

The same opportunities also exist on the development side, such as on training like Patricia just mentioned, on health care, medical assistance, infrastructure projects, as well as agriculture development, and it requires the individual countries to stop seeing the collaboration through the lens of their own absolute or relative gains, but on a higher level of common good. So far we are yet to see this happening, although given the good atmosphere between the U.S. and China since the inauguration of the second Obama administration and of China's new president, Xi Jinping, we would certainly like to see more constructive dialogues and engagements coming out of the July strategic and economic dialogue in Washington, D.C. where there will be a specific consultation on the issues of Africa. Thank you.

MR. SCHNEIDMAN: Great. Thank you, Yun.

Professor Wenping, let me ask you to share some thoughts with us as well.

MS. WENPING: Thank you very much.

I think since my colleague has already mentioned those details about our morning discussion and also Yun has mentioned why this is not happening, maybe I will give some evidence to say now there is something did happening on the ground. Of course, not from those offices when we're talking about or among the think tanks.

So I would like to address two issues. The first one is why this trilateral dialogue is necessary, and the second one is can we make it happen? So maybe this is also very crucial for our forthcoming dialogue. I hope we still have some dialogue in the future.

So the first one, why is this necessary? According to my own understanding, I think this is a trust-building process. So first the trust building. It is

between China and the United States. As we all know, now there is mistrust between China and the United States, and even mutual suspicion between China and the United States. So we all know during the past there is a mechanism called senior high level, the official dialogue between China and the United States. Those ministers from the Ministry of Commerce and the Ministry of Foreign Affairs. And also in recent years those high level, strategic dialogue between China and the U.S. now has to go all the way to Africa issue. So African issue is becoming one of those talking points. This is one reason.

Another reason I think is building trust in Africa for China and the United States' role in this continent because there is suspicion among African countries as well. Why those two big players are not talking about cooperation or competition in this continent? Because they have been suffering during the past, especially in the Cold War era. When two elephants are fighting, then the grass suffers. So now those two players change faces. No longer the United States and the Soviet Union; now it's becoming the United States and China. So of course there is mistrust and also suspicion coming from African countries. So we need to disperse those suspicions from those African countries. So this is the very meaning from this trilateral dialogue. It is also why the African stakeholders must be in the process of this dialogue.

So second I think is the question, can we make it happen? This is equal to my friend, Yun's argument. Why this is not happening? She mentioned this and then she gave a lot of reasons behind that. So I would like to say I am always the person who has the optimistic point of view, so that is why I am also looking forward. So I think perhaps I can take this chance to draw a roadmap by myself. You should take notes.

MR. SCHNEIDMAN: I'm taking notes. I'm here. I'm here.

MS. WENPING: Otherwise, I'll forget myself later on.

So actually, I think the roadmap should be like this. The first step to establish a mechanism for the second track dialogue. So we all know Brookings is a very famous think tank right here in the States, and the CASS, which is the organization I'm working for, is also the biggest. I'm not there to say it's the most influential one in China, so I'm glad to hear that. At least it is the biggest one. So those two think tanks now have undertaken seriously this dialogue. So it is very good. So we should keep forward.

A third partner from Africa. It seems the face has been changeable. So that's exactly what we need to address. During the morning discussion, some participants have mentioned extensively about these unique features in Africa; that is this is a continent and there has been a host of 45 countries. So how should we define a partner from the African continent?

So we used to have a South Africa. Right? That's the Brenthurst Foundation. And then this time around it's from the University of Ghana. So how should we -- maybe next time we'll change another dialogue partner from Africa. So this is a question we need to address. So first one, continental one, or coming from one country. So any scholars' opinion can represent the mainstream opinion coming from the African continent. You even cannot make sure by yourself. So anyway, this is the first step.

The second step I think is to exchange ideas and the point of view in a very deeper level. And to address the different consent from China, from the United States, and also from Africa. So let's set a platform for this flow of information. The flow of those concerns because we are not official. We are not diplomats. So all those questions and consents cannot be addressed in a very diplomatic manner, so just go forward in a very frank way and then those opinions can wow a think tank because the Chinese Academy of Social Sciences is the think tank founded by the government. So

we have our channels to pass through the messages to those decision makers.

Otherwise, you are useless in the partners in this mechanism.

And third, maybe that's not a step. I think it's a mindset issue. In the morning we talked quite a lot about this term. It's called "No strings attached." That's the Chinese one of the Chinese approach towards the issue in Africa; not only in Africa, in all other countries. So I think here I would like to put forward another new term for our trilateral cooperation; that is no ideology attached mindset. No ideology attached mindset for this dialogue. Moving forward there is a very smooth way. Why I say that? I have published several papers talking about this trilateral dialogue in some websites, so one of the criticisms I have put forward is go straight to your high level official from the United States.

So you see whenever a visit has been paid by U.S. high level officials to Africa, then we often hear those strong criticisms coming from the mouth of those high official U.S. diplomats saying China has been bound this way, that way, so a lot of criticism. But when our president just visited Africa and the previous one, you never have the chance to hear any criticism coming from those Chinese high level officials. So always nice words have been said to states and to anybody else. So that's the thing. I have a strong feeling. So when I am staying in the States I often heard those words, "Red China, Red China" so red is always there. Anyway, we like the color of the red. I even wore a red color today. So I think that shows this kind of ideology, the Cold War mindset is still there.

By the way, if you travel through China, whenever you switch on the TV or switch on the radio, I think you have zero chance to hear "capitalist United States". "Evil capitalists live there". "They want to get profit from the working class", whatever.

That's the rhetoric words we often heard during the cultural revolution time. So back to the 1970s, 1980s. But now it seems it has been completely changed, so we need to keep the pace in terms of this called "no ideology attached" mindset. So I put forward this new term.

So anyway, it also reminds me of the different way of education even. So we have learned a lot from America's education way; that is you should always bear in mind that encouragement is very important. Even though your kids haven't performed very well, you should send your encouragement.

But when we learned the behavior of the United States' foreign policy and then we see completely another way around, always condemn, criticism, so no encouragement at all. But our education message is completely different. So when we have done education always criticism. You have done badly so that's why say the tiger mother. So tiger mother now has done it successfully in the United States, has educated very well for her kids. But when we go to our diplomatic approach, always encouragement. So that's exactly different. That's exactly also why we need to dialogue.

So anyway, I think those are the two steps plus one suggestion, recommendation for the mindset issue.

Thank you.

MR. SCHNEIDMAN: Thank you very much. And I have it all down here.

(Applause)

MR. SCHNEIDMAN: Before we open it up let me just follow up with a couple of questions and Patricia, ask you just to talk for a minute about what we were talking about today about Chinese minors in Ghana, the Ghanaian government, and the cooperation with Chinese government and how transparency played in all of that.

MS. AIDAM: Okay. In Ghana, we have this problem of illegal Chinese miners. The idea is in Ghana it's part of the rules and regulations of the country that small skilled mining is directly and purposefully for just Ghanaian nationals. No foreign national is to be part of the small skilled mining. But fortunately, or unfortunately, the Chinese found a way of infiltrating into the small skilled mining. And what is happening is as they come in, since they are small skilled miners, they don't have much respect for the environment in the country, so the environment in Ghana where the small skilled mining happens is very well degraded and nothing is done about it.

The other problem that is being faced is because of the illegal mining, most water bodies are polluted, and these water bodies are major water bodies that feed two or three regions in the country. So with that kind of pollution, what is our consumption for these communities is quite unbearable.

What is happening now is the Ghanaian authorities have come, in collaboration with Chinese authorities, to find a way of leveling out these issues because it is so bad that even if Ghanaian policemen go to this small skilled mining site to ward off the Chinese investors, they also take guns at them. So we end up having Chinese dead, Ghanaians dead, and that is how bad it is in Ghana.

So the ambassador of China came in with other delegates from China to try and see if they could find a good situation or a good way to resolve the whole issue. So far, not much has been done, but I think a week before we came in, the president came out to specifically say that any Chinese illegal miner that is found should be prosecuted. This is how far we have done.

MR. SCHNEIDMAN: Very interesting. Very interesting.

So let me ask you a question just going back to your comments. You

say that U.S. and China conflict with each other pretty much on values, and you talk about a China model or Beijing consensus as it was known or Washington consensus. It seems to me that there's also an African consensus known as the New Partnership for African Development which sets out a very clear set of values. Do you think that that has a role in this conversation and helps to moderate those other two points of view?

MS. SUN: I have to say so far we haven't seen much, but we certainly hope that it will be direction that this trilateral cooperation will be going for. Like people mentioned in today's earlier sessions, Africa's opinion should play a dominant role in this whole process. And it will be helpful for the regional integration, which is also as stated a common interest of both the United States and China in the process.

MR. SCHNEIDMAN: Okay. So that's good.

Professor He, let me come back to you. I think we have an opportunity here where the old expression, "When two elephants wrestle it's the ground that gets destroyed." Maybe here it's the grass gets destroyed. Maybe here the grass can grow. But I propose we move from no ideology attached to no ideology dominates because it's clear that China comes to the table with its values. The U.S. comes with its values. And I guess I would differ with Sun because I think NEPAD puts forward a clear set of priorities -- development objectives and values that need to be considered. And I think really the challenge is how do we get past our own particular goals and objectives to really collaborate in a constructive way that helps to strengthen African economic development?

So going back to the paradigm of trilateralism, you know, I think we've seen some examples. We had Ambassador Princeton Lyman talking to us today about Sudan and how the U.S. and China cooperated in that situation. We've seen where

China has cooperated on peacekeeping in Africa, certainly in combating piracy in the Indian Ocean. And I sense that there are other ways that this cooperation can be built upon. But we would just be interested in taking it further, you know, how we get beyond our own particular goals and objectives to really collaborate successfully in certain areas to promote economic development in any one of a number of sectors in Africa.

MS. WENPING: Yes. I think, like I mentioned, there is no ideology attached to policy. When you have this kind of principle, bear that in mind and then you can easily adjust those different values. So this value, of course, also needs to be addressed.

I mentioned during the morning discussion when we talk about foreign policy coming from the United States in Africa and China's foreign policy in Africa, and then definitely you will find some cases -- not mentioning Libya war and like money, several conflicts, then you find different approaches or policies given by the United States or given by China or by some other players like France or Britain. And then they are either value-driven foreign policy or interest-driven foreign policy. Sometimes it has been combining with those two. So half is interest-driven decision and half of the value-driven decision. Here in the States also you have republican, you have democratic, those bipartisan debates in the Congress. Sometimes there's a debate between the interest and the value, so value should go first or interest should go first, so that's very natural. So now in terms of policy towards Africa, and then we must make that clear. Maybe sometimes it's case by case or sector by sector.

You mentioned some successful story, like the anti-piracy around the off-sea of Somalia. At that time, because we got the mandate from the U.N. Resolution. And then we don't have any problem of legitimacy issue. So that's why we have seen

very successful cooperation among not only the U.S. and China's navy forces, but also those European navy forces. So how about other issues? Other issues, like Libya, like others, and then they (inaudible) legitimate, those resolutions. So that's why (inaudible) hot topics and then we find some conflicting about value or interest, so that's exactly something we need to address.

MR. SCHNEIDMAN: Can we have Chinese-American cooperation in the Gulf of Guinea without a U.N. resolution?

MS. WENPING: So that's the thing we need to discuss in the next meeting.

MR. SCHNEIDMAN: Okay. And on that note let's open it up here. Please state our name and affiliation. And why don't we start up in the front with you, ma'am.

MS. MOLEY: Thank you very much. My name is Eliza Moley. I'm a contractor at the Department of State. Thank you very much for your presentation today.

I was hoping you could speak more about the role that Africa can play as a voting bloc in those large multilateral fora that you discussed, especially the role it could play as a mediator between conflicting U.S. and China interests.

MR. SCHNEIDMAN: Great, thank you. Let's take one or two more. Sir, Callisto.

MR. MADERO: Callisto Madavo. I teach at Georgetown.

I have two observations and I would like the panel perhaps to comment. One is that I fear that in this trilateral dialogue that the African voice is going to be muted. We can already see even in this conversation that you are all having that it is basically focusing on China and the United States. I think it is going to be very important that the

African voice be strengthened in the dialogue, and as to who participates for Africa, a point that was raised, Africa, the institution that it is building, the AU, NEPAD, and so on, I think it would be a disservice to African is one was to go out and pick some other interlocutor. Go through the African institutions.

The other observation that I would make is as an African I would be very careful about this dialogue of yours because the world is becoming much smaller. It is becoming much more integrated. Africa's solution is not going to come from whether or not the United States and China cooperate; it's going to come from an ability of Africa to deal with the institutions that are going to govern trade, aid to the extent that it continues to exist, and investment. And there the players are not just the United States and China.

MR. SCHNEIDMAN: Fair enough.

And you, sir. We'll go to the back next time.

SPEAKER: My question is --

MR. SCHNEIDMAN: I'm sorry. I meant this gentleman in the front here.

Sorry. If we have more time we'll come back.

SPEAKER: (Inaudible), *China Daily*.

MR. SCHNEIDMAN: I'm sorry, who are you?

SPEAKER: (Inaudible), *China Daily*.

I have a question to speak from Ghana. You know, the Chinese speaker said we don't have the Mao's era rhetoric against the U.S. now but we do have the Mao's era education bleeding my generation and older and the Africans are our brothers. So my question is living here the headlines you read is all about China grabbing resources, land, and (inaudible). I don't know, but all these talks are given mostly by westerners. I want you to say, and not just from a Ghanaian's point of view, but from an African point of

view because I read the DBC survey which shows China's favorability in Africa is high actually. Actually, as high as European and America. So do you think the favorability for China is high on the African continent? The other is more specific. How do you see this landing with no strings attached? Do you think it's a good thing or a bad thing? Thank you.

MR. SCHNEIDMAN: Okay, Patricia, do you want to start? A couple interesting questions there about no strings attached and favorability, and I think you can take some of the issues as well.

MS. AIDAM: In some self-investments in Africa from China, in the morning session we talked about some of the similarities and differences between China and the USA. China is actually doing great work in Africa. That we cannot undermine. China's investment in Africa is making Africa more visible. Actually, that is what is even creating this whole trilateral thing because of the enormity of the investment in Africa. Africans also benefit, and this is showing in our economic growth, so if you are asking if investment in Africa from China is favorable, yes. It's favorable. Just as we have our concerns and it is quite inevitable. We can't just let it go. Those are some of the concerns that we raised in the terms that sometimes if you don't strengthen your institutions enough in your country you get people coming to do illegal things. You get people bypassing or outwardly flouting your labor laws and those are some of the issues that we get from investment -- some investment in Africa from the Chinese.

The second question is also no strings attached. Is it a good thing for Africa? Yes. I didn't say for all Africa. Just from where I stand, that's my personal opinion. It is a good thing for Africa because it's not all African countries that are able to meet the vigorous targets that the western world sets for them. That is you have to have

-- this policy has to be right. Democracy has to be right. That has to be right before we give you a loan or investment. China gives us the loan, although there's a new term I learned today -- tight aid. There are no strings attached but they come with tight aid. So most Africans are running to them because the standards that are set by the western world are so high we are unable to meet and they go for an easier way out.

MR. SCHNEIDMAN: And to Callisto's question, are you concerned that the Africa voice will be muted in this trilateral dialogue?

MS. AIDAM: Personally, I don't think it's muted because we have been given the same opportunities as the U.S. and the Chinese people, whatever presentations we have been made to do the same presentations. We have been made to put our stories across, and we are not only talking from the Ghanaian perspective. It's literature or research we have done across the African countries and it's so interesting. When you read (about) most African countries we have almost the same similarities. Other problems that exist in Angola in terms of poor working conditions exist in Ghana, all the problems that are happening in the minds of South Africa happen in a small skilled mining industry. So the differences are not so much across the countries. They are quite similar.

And at the University of Ghana, for those who know, it's a really influential investee in the economy of Ghana, especially not only in Ghana but across sub-Saharan Africa. We address the issues directly to the policymakers and then in everything that's Ghanaian or everything that Africa is involved in, if it passes, the University of Ghana has a seat in it, so I don't think we are totally muted. I think we have been put in a better position to say what we want from this trilateral agreement. Unless it is not taken.

MR. SCHNEIDMAN: I think it's worth just noting the process here. Each institution has written a paper on a various theme. We exchanged those papers among us. We commented written comments. We've exchanged the comments. So there's been quite a diverse exchange of view with the idea that we're really going to publish something that's really quite substantial. Clearly, there will be places we agree, clearly there will be places we agree to disagree, and clearly there will be places where we continue to need to discuss them. So we're trying to do our best in that respect.

Let's start at the back, the way back, with a few more questions. Yes, in the back row.

SPEAKER: Thank you. My name is (inaudible) from Johns Hopkins SAIS.

My question is for Dr. He. My question is that we have seen both Chinese governmental agencies and Chinese companies, state owned or private owned, being very active in sub-Saharan Africa for the past years. But we have also seen a conflict between interests on both sides along the issues like labor rights, like what Dr. Aidam just said around corruption, corporate social responsibility, environmental protection. So my question is our government -- I'm Chinese, by the way -- does the Chinese government have a plan or going to make a plan to address this conflict? And if so, to manage this conflict? Thank you.

MR. SCHNEIDMAN: Okay, great.

Yes, sir. Right there. The blue shirt.

MR. SIMMONS: Thank you. I'm Andrew Simmons. I'm an urban development consultant and I most of my work experience has actually been in China for five years working for a firm on wide scale urban planning projects. I wanted to take that

perspective and wanted to ask if the panel would comment on the spatial patterns of urban development and the urbanization of African cities. And if you'll allow me to give a point of criticism, unfortunately, but I detect a sense of urgency I guess with this particular issue because given the relative permanence I guess of the built environment of infrastructure, transportation, infrastructure, and building setbacks, the typical Chinese city has the size of new developments in second tier cities and new developments even in the first two cities is one square kilometer. And you can imagine Pierre LaEnfant's plan for D.C., how little Massachusetts Avenue has changed. But understanding though is that this is happening right now --

MR. SCHNEIDMAN: Andrew, can we just focus on Africa for right now?

MR. SIMMONS: So that's the example. What's happening in Africa then, just if you could discuss this -- the urgency and Chinese construction firms, urban planning and practices, and how this is kind of very, very, very urgent right now because it's happening right now. And then it's sort of irreversible with African cities being transformed in this manner.

MR. SCHNEIDER: Thank you. And there's one question over there.
Yes, sir.

MR. JONES: Bill Jones from *Executive Intelligence Review*.

I would just like to add one thing to He Wenping's excellent suggestion on this second track if it comes off, that you also get together to develop a program looking at Africa as a whole for what is necessary for the industrialization of Africa. As Ambassador Rasool indicated, that's really where you want to go, and because you're intellectuals and you don't have a specific ax to ground in terms of individual nations you can look at it, present that as kind of a framework in which this can develop. The

railroads, north-south railroad, east-west railroads, the water projects, and presenting that as a plan in which the discussions among the nations, the 45 nations of Africa, as well as the China, U.S., and Africa dialogue could take place and give it kind of a framework in which it could move forward in the direction I think that Africa wants to go.

MR. SCHNEIDMAN: Great. Thank you.

Let's just to go to the front here. Wenping, do you want to respond to the first question about do you see a conflict between private and state-owned companies in issues such as labor rights, CSR, corruption, environmental protection?

MS. WENPING: Yes. Yes. So the problem our Chinese friend has mentioned I think does exist. There is a conflict between the interest of Chinese government and the interests of Chinese enterprises. And even those interest conflicts between SOE and SME. So that's the fact.

The question is whether the Chinese government is aware of those problems and what kind of plan has been already introduced. That answer I think is also yes. So the Chinese government is aware of that because I think in a think tank, like CASS, we also travel to African countries also extensively and when we find those problems, we have the right to report, to present to the decision maker to consider. But the thing is it is quite difficult to just issue a regulation or just issue some appraisal and not to guide them, but it takes time to generate real facts on the ground, but those regulations or suggestions have been already issued. For example, the (inaudible) has already sent some guidelines through workshops and suggestions and some companies have endorsed that document. But it is not a law. It is not a law so we haven't introduced a law to regulate the situation.

And also other measures have already been taken. For example, I can

give one example, like the China-Africa Friendship Association. We have this association affiliated with -- how to say the China Political Consultative Commission. So this friendship every year will organize an activity to name the top 10 Chinese companies now that they have been doing very good social responsibility in Africa. And then they have been rewarded with a medal, whatever. So that's one of the measures trying to encourage those Chinese companies to behave very well. I think many measures have been already taken but it takes time.

MR. SCHNEIDMAN: Great.

Yun Sun, the question that Andrew Simmons raised about the spatial patterns of urban development, how do you see that playing out from a Chinese perspective in Africa?

MS. SUN: I'm a policy analyst. I don't work on urban development issues. I'm afraid I don't have a lot to share.

But just related to the question Wenping just addressed, I think the problem is actually deeper than how to just manage different actors on the ground inside Africa. So it's not an issue of what regulations or what directives the government can issue from Beijing. Telling the Chinese companies with the Chinese individuals who behave themselves actually as an issue goes deeper than that. The fundamental issue is for China's foreign policy, especially in terms of the policy in Africa, which one is more important? Seeing the reform and opening up? Chinese foreign policy is foreign policy must serve economic interest. So that gives economic interest as supreme status in China's foreign engagement and foreign behavior. But then 30 years later we have come to a point where Chinese diplomats or Chinese analysts ask a question, wait a minute. Shouldn't the economic interest be a part of a larger national interest? Shouldn't at some

point economic interest be brought down to a certain level? And there's the overarching framework of China's global strategic plan. This issue has not been addressed yet, and I don't think it will be addressed anytime soon.

MR. SCHNEIDMAN: Great. And Patricia, just to go to Bill Jones' question, Ghana has been the recipient of a Millennium Challenge Corporation grant that's focused on infrastructure development. China is doing infrastructure development in Ghana. Do you see them working across purposes or is it harmonized? Is it connected?

MS. AIDAM: I wouldn't say it's connected. And I wouldn't say it's been harmonized. It's just that they're all doing it in different sectors of the economy. So the Millennium Challenge account has this major big road. It's so beautiful. This major big road in Accra that has three or four lanes, four traveling from one point to the other. China is also doing another road in another region in Ghana. So they are doing the same thing but in different experts. There is no harmonization and there is no conflict.

MR. SCHNEIDMAN: Can we conclude that actually it's the government of Ghana that's coordinating this? Say U.S., you go here; China, you go there? Or not?

MS. AIDAM: That would be a very different question.

Personally, I would say yes. The government of Ghana is part of the decision-making on where who goes. But what happens is it's dependent on the grants you bring in and what you want to do with it. Then we could suggest that we have these areas that we are lacking for you to come in.

MR. SCHNEIDMAN: Great.

Let's take another couple questions. Yes.

SPEAKER: Hi. My name is Winslow and I'm a blogger on China-Africa

relations.

But one of the questions that I ask kind of plays off on the difference between the private sector and the government sector in China. This has to do with security. And recently, if you read a lot of Chinese social media sites, you know, Weibo or QQ or what have you, there will be complaints that the Chinese government is not taking care of Chinese people in Africa, Africa is unsafe, et cetera. And there's a lot of calls for China to intervene militarily; that is obviously a very big deal. But would the Chinese government consider perhaps letting private military companies secure the rights and security for Chinese citizens? Is that a next step in this process which generally goes quite well but sometimes is fraught with security problems?

MR. SCHNEIDMAN: Ma'am.

SPEAKER: Maria Holska from the State Department.

A lot of the conversation today seems to have focused on Africa as a single unit, but certainly it's not. It's very diverse both ideologically, in terms of resources, population size, et cetera. So I'm curious if the speakers could comment on the diversity and how much the diversity is likely to complicate or strengthen the trilateral partnership we've been discussing. Thank you.

MR. SCHNEIDMAN: Yes, sir.

SPEAKER: Good afternoon. My name is Sashalam Baloy and I wanted to just ask about I'm from Zimbabwe and I think Zimbabwe's situation and the relationship with China one could argue that China was very involved in sort of sustaining Zimbabwe to some extent. I was going to ask what do you believe about sort of like issues of governance. Are the Chinese going to like -- I know you said no ideologies attached. One could argue that no ideology was attached and to go in and to do all kinds of service

projects and stuff like that where you have 90 percent unemployment among Zimbabweans, how does China plan to deal with those kind of things in the future?

MR. SCHNEIDMAN: Let me take one more back in the back.

MR. SHEPHERD: Okay. Is this on?

MR. SCHNEIDMAN: Yeah.

MR. SHEPHERD: Tom Shepherd from the U.S. Army War College.

We spent most of the day talking about economic issues but given my interest with the security comments that have been made, given the commonality of interests in the peace and security on the continent can you please expand on what is meant by the PRC will play a very constructive engagement on African security structures? What does this mean? And perhaps using something other than counter-piracy cooperation off the coast of Somalia, give an example of how this might be operationalized as an example of sector-specific security cooperation.

MR. SCHNEIDMAN: Okay. He Wenping, would you like to start with the last two questions?

MS. WENPING: Security?

MR. SCHNEIDMAN: And Zimbabwe.

MS. WENPING: And Zimbabwe. Okay.

I think the first question from the blogger and also the last one are almost overlapping. So the security, yes. I think our Chinese people now have an increasing concern about the Chinese people not doing business or even travel by themselves in Africa now facing increasing security threat. Some are being kidnapped. Some even have been killed by some rebel forces in different African countries. I think that's why during the FOCAC meeting -- that's the short name for the Forum of China-Africa

Cooperation. So that's a very high level meeting. So during the fifth FOCAC meeting, one of those five priority areas has been mentioned by then China president Hu Jintao. That is peace and security in Africa. So this priority has been never mentioned during the previous FOCAC meeting, but now it stands out as a very important issue, also because during the Libya war and then the 35,000 Chinese have to be evacuated we see in a very short time. So once again this reminds the Chinese decision makers there are at least 1 million to 2 million Chinese now in Africa. So if Libya cases happen, who can guarantee there won't be the next. So that's the issue.

So you mentioned very precisely about this private military company is either going to be a real thing, but now from me speaking it is heatedly discussed. I think especially on the ground coming from those companies, they favor this idea. So you may need to send our private military company. So go to Africa to offer this security for Chinese companies because right now the time, of course, is not suitable for Chinese government to send the PRA to the Africa continent. So that's impossible.

So I think that there are some discussions, the workshops I have been to, people learned this from Blackstone, you know --

MR. SCHNEIDMAN: Water.

MS. WENPING: Yeah, Blackwater. Blackstone is another. You messed up the company.

MR. SCHNEIDMAN: That's a lesson you want to learn. Trust me.

MS. WENPING: Yes. Yes. So Iraqi.

So I think that's the issue. But I cannot say which year, it takes how long this private military company where you mention becoming a large scale involvement. Actually, there is already one or two private military companies not already doing

business in Africa. Even one day I saw the advertisements on the back cover of one of the magazines. So they do exist.

So the Zimbabwe issue. Yes, we had a very good relation with Zimbabwe, and Zimbabwe, unfortunately, has been put in the list that is called a rogue state, right? That's the name. And Sudan, Zimbabwe were put on that list to say if the country has been on list it seems you lost your legitimacy to contact the rest of the countries on that list. But things are different. I think if you want to transfer those countries from that list to another list, maybe another list is called the good behavior, good boy list, how can you do that? Make that happen? So you're sure to make a channel or panel, whatever, like link the Britain to the European continent. So what kind of channel should be made? Through engagement of course. Otherwise, maybe they will transfer themselves from the rogue state list to the terrorist country state list. That makes things even worse. So that's why we have good contact with Zimbabwe. We want to bring that country from that list to the good boy list. Otherwise, you will put that country transfer from that rogue state list to the terrorist state list. So that's my answer.

MR. SCHNEIDMAN: Yun, do you want to comment on the question from Tom Shepherd about the PRC and the security cooperation in areas other than the anti-piracy?

MS. SUN: Actually, Tom and I, we discussed this issue in private during the breaks and we were both confounded by the idea of constructive engagement with Africa by China on the peace and security issues. I was hoping Professor He could share with us the details of that idea -- constructive engagement with Africa on peace and security.

MS. WENPING: So throw back the question to me again.

MR. SCHNEIDMAN: Well, certainly the question was where can there be security cooperate other than the Indian Ocean, the piracy. And I think we discussed in our conversations how that could take place in the Gulf of Guinea. Clearly there are security issues there, and to have cooperation on training I think would be sort of a logical outgrowth of the cooperation in the Indian Ocean.

MS. WENPING: I'll share what I think about the issue.

MR. SCHNEIDMAN: Okay. We're just about to wrap up.

MS. WENPING: In my view China has been more interested in working with AU rather than working with the United States on the issue of peace and security inside Africa. When we look at what then President Hu Jintao said about the security cooperation and the FOCAC last July, we see everything pretty much targeted on the African Union. China will make more contribution to the African Union's peacekeeping mission. China will contribute to the African Union Standby Force, and China will help to train the force under the African Union framework. So we don't see much mentioning of U.S.-China cooperation on this issue.

MR. SCHNEIDMAN: Great.

Patricia, let me give you the last word here. Does the diversity of Africa complicate our efforts?

MS. AIDAM: It does in a way and it does not in another way. It does in a way because each African country has a different need. So you can't just lump all of them together and give them one need. Although they have similarities, they are still different in their own various ways. But what happens is if we have the African Union, we still agree on very fundamental issues or very important pointers that we agree that cut across all African countries. So no, it will not degrade or it will not bring down the efforts

of a trilateral agreement, but they could come together and point out the directions, the ones that trilateral agreements to address ought to go.

MR. SCHNEIDMAN: Right. And just let me add to that. I think you should think of this effort as very much a pilot program. And hopefully, we can come up with some quality research, quality recommendations that will inspire others to do the same. And if we can be catalytic in that respect I think we have achieved our goal.

We have certainly run out of time. And let me just thank all of you for coming and ask you to thank our panelists here.

(Applause)

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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190