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China, the US, and Africa's transforming trade environment
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(MUSIC)

PITA: Welcome to Intersections, part of the Brookings Podcast Network. I'm your host, Adrianna Pita. With me today are Yun Sun, Nonresident Fellow here at Brookings and visiting scholar with the East Asia project at the Henry Elliston Center, also Witney Schneidman, also a non-resident Fellow at Brookings and Senior International Advisor for Africa at Covington and Burling. Thank you both for being here.

SCHNEIDMAN: Thank you.

SUN: It's nice to be here.

PITA: So, when we had originally planned this discussion,

So, when we had originally planned this discussion, we were going to talk about the now former Secretary of State, Rex Tillerson's visit to Africa. So, I still want us to talk about his trip and maybe what effect his dismissal may have had on the outcomes of that trip. We also wanted to particularly look at the state of U.S. and Chinese policies, investment and competition on the continent of Africa.

So, to dive right in, Rex Tillerson visited Djibouti, Ethiopia, Kenya, Chad and Nigeria, ultimately cutting his trip short by one day. So, Witney, does his firing make his trip just a complete washout? How have people reacted to any of the assurances he might have made or what that means for their assessment of the Trump Administration's priorities?

SCHNEIDMAN: Well, let's just say we have not seen a Trump Africa policy emerge. What we have seen has not been positive. There is no question that President Trump's alleged derogatory comments about Africa were really very unfortunate. Whether it happened or not, very unfortunate.

Secretary Tillerson's trip, I think, had promise. Secretary Tillerson hosted 37 foreign ministers in Washington last November to set the priorities. This trip, I guess, was an extension of that, in my mind, sort of a listening tour, but I think many of us were in a watching mode. What is Trump's Africa policy? Now, Tillerson is gone. There is no Trump Africa policy yet. A new Secretary of State has been appointed and I think for the near future, we are going to continue with many of the problems that we have, a lack of appointments in critical positions. No ambassador, South Africa. No ambassador to Democratic Republic of the Congo. No

ambassador to Tanzania. No Assistant Secretary. Oh, the deputy assistant secretaries are acting.

So, we really don't have that key political core to drive the policy. That's problematic from the administration side. So, if I may just continue for a second --

PITA: Please.

SCHNEIDMAN: Congress, however, has taken some really interesting steps as it concerns Africa. One was the introduction of legislation that will give the Millennium Challenge Corporation the ability to do regional compacts. So, if there are 2 countries that are contiguous, they can have a third compact that goes across to fund roads, or railroads, or some connective tissue, as it were, to really contribute to Africa economic integration.

Even more significantly, I would argue, just several weeks ago, there was bi-partisan legislation that was introduced to create the first ever U.S. development finance corporation. Basically what this does, is this takes the private sector components of U.S.A.I.D. and brings them into OPEC, but then doubles the size of OPEC from a thirty billion dollar lending operation to a sixty billion dollar lending facility that can also do 20 percent equity in projects.

So, this is extremely important because American companies perceive Africa as a continent of risk. They like having the perimeter of the U.S. involved. They like U.S. capital. U.S. capital is more senior. It's more patient. I think Congress is doing a good job of moving the U.S., Africa agenda forward in this time of flux or uncertainty as it relates to the Trump Administration.

PITA: Okay. Well, that's good to hear. It did seem like counter terrorism and security issues were of particular main focus of Tillerson's trip. Were some of these economic issues brought up at all or was it really mainly security.

SCHNEIDMAN: So, the Trump Administration has made, I think, a fifty million dollar commitment to the countries around the Sahel for security issues. So, very much, security was the number one issue. However, just before he left, Secretary Tillerson also made a five hundred million dollar contribution to increase humanitarian aid. So, security, humanitarian, the missing piece was the commercial piece.

PITA: Actually that is a great entry. Speaking of the commercial piece, so by 2030, 43

percent of Africans will belong to the middle or the upper class and household consumption is expected to reach 2.5 trillion dollars. That is basically nearly doubling since 2015. So, basically, Africa is really coming into its own as an economic power, obviously differences amongst different countries, but it's making some good progress.

So, if I could ask you both to just kind of lay out for listeners -- what is the current state of both U.S. and Chinese investment or foreign aid? Like what's that picture look like between the U.S. and China in Africa?

SCHNEIDMAN: So, U.S. trade investment, it's a mixed picture. On the one hand, you have about 600 U.S. companies in South Africa. Many are blue chip corporations, you know, the GE's, Proctor and Gamble, Coca Cola, Chevron, Exxon, Mobil. So, you have some of U.S.'s very strongest companies on the continent. We have trade that in 2008 was at a high of about a hundred billion dollars. Today, two way trade is down to 40 billion dollars. The reason for the big drop off, by and large, is we don't import oil any more. We used to import a lot of oil. Twenty-five percent of our oil came from Nigeria --

PITA: Wow.

SCHNEIDMAN: -- and AGOA and Equatorial Guinea. Today we import zero because of our energy of self-sufficiency. Those figures have dropped precipitously. At the same time, we're working with a trade framework, the African Growth and Opportunity Act that's a non-reciprocal trade agreement, where we agreed to lower to zero the duties on some 6,400 products coming from Africa in order to strength the emergence of African's export capability on the belief that this would lead to job creation across the continent and be a stimulus for economic development.

So, we wanted to move from traditional aid to trade. We wanted to move from a donor recipient relationship to a relationship of mutual gain and mutual benefit, and in that way be part of Africa's economic development process.

That's sort of where we are. I think Angola has a little bit been overtaken. The EU has pursued a very active policy of creating this web of free trade agreements with some 40 African countries in sub-Saharan Africa called an economic partnership agreements. This puts the U. S. at a tariff disadvantage in the African market.

The real challenge to the U.S. is how do we move beyond AGOA. How do we get to a trade relationship that is based on reciprocity at a time when Africa is moving toward a continental free trade agreement? How do we merge our need for reciprocity with Africa's effort to create more integration on the continent? I think that's sort of the challenge in front of us.

PITA: I'm going to have to come back to that later, but for now, Yun, if you wouldn't mind giving us the picture on China's involvement.

SUN: Sure. So, Witney mentioned the principles of reciprocity which has been an operating principle for the Chinese economic engagement in Africa. Chinese always emphasizes a win-win which means a win for China and a win for Africa, although some people jokingly call it a win for China and China wins and China wins again, but the Chinese has made it very clear that the Chinese contribution or the Chinese economic engagement with Africa is not a one-way street.

So, China is willing to provide, for example, a department of finance or provide concessional loans to Africa to meet African government's demand for financing for some of the projects that other international financiers are unwilling to provide the financing for, but at the same time, the Chinese also look for returns to either their investment or their loans.

In terms of China's trade with Africa, we know that around 2009, 2010, China has emerged as the largest trading path in North Africa and it has remained so as since then. Because of which, they are having a lot of criticism on China only focusing on natural resources that Africa has to offer, which is true but it is only partially true because Africa, like you pointed out, has tremendous market potential. So, China also identifies Africa not only as a supplier of natural resources, but also as a destination of Chinese consumer goods and Chinese products. So, Africa is both a supplier and the market for the Chinese economic relations.

In terms of the investment, because there is much data that is not necessarily conspicuous or present in the official data that we can see from China in terms of the investment, there are private investments. There are investments that are going through the Cayman Islands or go through Hong Kong or investments made by Chinese companies or Chinese individuals best through African nationals.

So, to have a very clear cut picture of the Chinese FDI in Africa is difficult, but there are several trends that we can more or less generalize. Although everyone is talking about how China's investment or China's FDI in Africa is tremendous, if you compare it to Chinese FDI in other regions, I think Africa is still the smallest in the whole chart, but 3 to 4 percent of the Chinese total FDI globally, but one changing trend in the Chinese investment in Africa, like in the past, we have this 80/20 ratio, meaning that 80 percent of China's total FDI in Africa was made by 20 percent of the Chinese company and most of these companies are state-owned enterprises. So their investment is usually pretty large.

But that picture has been changing and now we do see more private Chinese companies investing in Africa. Some of these investments are closely related to China's development finance commitment to Africa made through the FOCAC, Forum on China Africa Cooperation, which is mechanisms that happens every 3 years. Last time it was December of 2015 in South Africa. The next FOCAC is supposed to happen in Beijing this year.

So, in December of 2015, China made a commitment of 60 billion U.S. dollars of financing to Africa. The Chinese don't provide a -- well, they have a rough number as for how this 60 billion is divided among concessional loans and investment and also equity investment, but so far, the Chinese government has been reluctant to release the detailed chaotization and the numbers in each category, and we are trying to find out how much of that commitment has been fulfilled.

Knowing the way the Chinese government works, if they made a commitment, they will in the end make it work, meaning that they can put different categories in their FOCAC, put different investment into the FOCAC basket and make sure that the numbers in the end add up to 60 billion. So, for example, in the case of the foreign aid, we know that a majority, or more than 50 percent of Chinese foreign aid to Africa has actually been used to make up for the interest differences between the concessional loans and commercial loans. So, that is almost like a different definition of the foreign aid. So, not all foreign aid from China to Africa is actually free grant. So that is one category that we are looking at. Of course, with China's belt in road initiative, China is very interested in Africa as a market for infrastructure, as a market for Chinese construction service, for example.

So, China has proposed and has been implementing -- I will use, for example, regional transportation at work in Africa, but most of the contracts have been awarded to Chinese service contractors. That is another area that would be the definition of win/win, mutually beneficial.

PITA: Right. That's right. They have the new railway open in Kenya. Was that last year or was that already 2016?

SUN: That was 2017. Yeah. That was 2017. So, for example, that railway was primarily financed by China's EXIM Bank, export-import bank and they hired Chinese construction companies to deliver the railway.

On the bright side, now African countries like Kenya, they do have the potential to utilize these infrastructure networks, but looking into the future, how they are going to repay the loans, for example, is a question for both China as a financier and also Kenya as a country taking out a loan from China.

SCHNEIDMAN: Yeah, Yun brings up a real important issue, because there is no question of China's role in the economic development process on the continent, that the AID Data Project that William & Mary estimates that China has been involved in some 3,000 infrastructure projects. Big number. Right? Ports, railroads, roads, dams, many big projects, but Yun brings up the notion that these are loans. They may be concessional, but they're still loans. Africa went through this period of Western loans, you know, during the Cold War and the post-Cold War era. There is a big write-off of those loans. I'm concerned that we're going to face another one of those inflexion points. Every year, the African Growth Initiative puts out Outlook Africa. Right? Yun and I contributed to it.

There's an article in there that says China is already the largest creditor in Africa by a wide margin, accounting for about 14 percent of Africa's debt. In Kenya, with the railroad and other projects, Kenya's debt to China is 6 times larger than the second largest country, and that's France. So, where the U.S. is wrestling with how do we project a more active trade and investment profile across the continent. I think China, which has been so active, is going to face this juncture, how do we manage the debt problem which we've helped create while we've helped to contribute to economic development. This is where -- what I would like to see, what I

would hope to see, is China -- this is where I think the policy dialogue should be focused on frankly between the U.S. and China, is how can we work with China to get to more blended financing model between Chinese capital and Western capital?

The Millennium Challenge Corporation has invested about 6-1/2 billion dollars in 14 Sub-Saharan African countries, all infrastructure projects, but it's all been grant. So, nothing is owed to the United States. OPEC, when it makes its loans and the largest part of OPEC's portfolio is in Sub-Saharan Africa, this is all commercially based from the company. So, the burden doesn't go onto the African government. I would like to see discussion begin to get more blended financing principally so we don't overburden African governments with the need to pay back loans that really become quite burdensome and threaten to undermine the economic development that we're trying to stimulate.

PITA: The countries that China is primarily invested in, are they concentrated in certain regions of Africa, or are they fairly widespread over the continent? Is China trying to make a move, for example, into putting more interest into a country where maybe the U.S. has become a little bit more disengaged or are, they not caring about what other countries' involvement in U.S. countries are? They're just projecting their interest.

SUN: Yeah. Any conversation with Chinese officials and the Chinese Africa experts, that's actually a point that they like to emphasize, to dispute the claim that China is only interested in natural resources in African countries, because they will raise the data and release evidence that China actually have aid and the investment was almost all African countries across the continent.

So, what other country's is resource rich or resource poor? China has some sort of relationship with those countries, but having said that, I think if we look at China's specific economic relations with specific African countries, yes, China does have good economic relations with, for example, countries I West African, Nigeria, Ghana... It was Est Africa, Ethiopia, is a strong example. Another example is Kenya. In South Africa, for example, South Africa still remains as the largest trading partner with China across continent. So, it is always pretty evenly spread, but if you look at how China makes a decision, I think those countries, for example, that are located, for example, at important geographical junctures that China can

build a port or China has built its transportation network. those countries have received more attention from China.

Then there are countries like, for example, Zimbabwe, which where I think the Western countries have mostly refrained from making major investments. China has been operating there. China has been burned in the past. They have had bad experiences when the Mugabe government had radical policies and a fact of the Chinese ambassador government back again, but the Chinese are still interested in those countries.

PITA: Okay. I guess this might be a good point where we need to come back to the point, you're starting to make a while ago. You wrote a real interesting piece you made needs to start looking back across AGOA, changing to a more specific trade agreement. I think AGOA - does that expire in 2025? Is that the right --

SCHNEIDMAN: It does. It does. So, AGOA was passed into law in 2000, then extended in 2015 to 2025. It's been important in this way. It has brought trade and investment to the center of the U.S., African policy dialogue. in trade. So, trade and investment is definitely an issue. When the U.S. hosted the African leaders' summit in 2014, one day as devoted to the Africa business forum. That was a smash hit. I mean, it was just fabulous to have the entrepreneurs from Africa, CEO's from the U.S. and then the government leaders. Sort of where we go from there, you know, it's not clear. And it's not clear how we get to that reciprocal relationship.

I think AGOA was never intended to be permanent, you know, as you said at the outset. There is this huge emerging middle class in Africa. Wealth is beginning to accumulate. It certainly is not uniform across the continent. It is not uniform within countries, but I think from the U.S. prospective, we have to begin transitioning as AGOA sort of hits the 2025 mark to a more reciprocal relationship.

PITA: Did you have any particular recommendations about what a new relationship might look like?

SCHNEIDMAN: My thought, yes, I think we should begin the discussion like today, so that when we reach 2025, it's sort of like an automatic transition that we move toward reciprocal relations in certain sectors. I mean, it's not going to happen overnight, but if we

phase it in in the post- 2025 period in an asymmetrical way in certain product lines, I think that's certainly the way to do it. I think we have to take a regional approach as well, country by country. I don't think it's going to work, but if we look at East Africa or if we look at Sadic or if we look at Ecowas, I think that's the way to engage the continent going forward.

PITA: You mentioned Ecowas and Sadic, and there are a number of regional economic organizations already operating within Africa. The African Union is also trying to establish a continent wide free trade area.

SCHNEIDMAN: Right.

PITA: It keeps being sort of imminent and about to launch. Can you tell us a little bit about what the status of that attempt to create this free trade area is?

SCHNEIDMAN: Right. So, I think they're getting very close as we speak, in the next weeks to submit the articles of ratification to the AU and that's at the head of state level. Once it's blessed at the head of state level, at the AU, then each state has to implement the trade protocols. In one sense we are at a historic juncture when the AU leaders sign this continental free trade agreement. However, to really operationalize it, is still going to take more time.

So, you know, regional trade in Africa is very much a work in progress, but the bottom line is that it's progressing. The challenge for the U.S., the challenge for China, the challenge for the EU is how do those trade relationships facilitate and strengthen this movement toward a continental free trade agreement? How do the existing trade relationships really result in more regional trade?

PITA: You mentioned the EU's growing investment in the continent or some of their agreements they've been setting up. Have they been with these regional organizations or are they still operating on a country by country basis?

SCHNEIDMAN: It's quite interesting. So, the EU as a whole has about 300 billion dollars in trade with Africa which actually makes it larger than China, which is 200 billion dollars. But what the EU has done, they have taken certain countries of Sadic, let's say not all Sadic members. They've taken maybe like 5 and they've developed an economic partnership agreement with them, similarly with the Ecowas. So they haven't done it region by region per se. They've dealt with some big countries together, some little countries together, and really

used that as a strategy for trying to conclude these EPA's. It hasn't been easy and it's not clear that it's been uniformly beneficial to Africa either because when an African country grants the EU, the 27 countries of the EU, preferential access to that country, then the neighboring African country is going to be at a disadvantage. So, there's a lot of concern that these EPA's actually undermine regional integration, which is quite problematic.

PITA: Yun, has China been dealing at all with these regional organizations, or are they -- again, we've talked about China's investment in particular countries. Are they thinking about changing that to a regional approach or have they done that?

SUN: Whitney can correct me, if I'm wrong. It seems the Chinese have a very strong interest in engaging AU, not only on economic issues but also on politics and security issues. China has provided funding to AU to strengthen them. For example, their fast reaction forces and the AU's collectability to deal with political instability in specific African countries. So, I think the regional approach from the Chinese side is certainly there. China has a relationship with the different subregional and economic organizations as well.

But I would say that the Chinese' primary interest is to deal with countries on a bilateral level and to sign economic deals, because if we look at China's interests, the Chinese are interested in trade, for example, natural resources from Africa and then signing off infrastructure deals. Those deals are when the projects are sub-regional, like they cross different countries. China needs to have deals with different governments, but that probably explains why the Chinese are more interested in dealing with sovereign governments directly in Africa, rather than in terms of a substance with a sub-regional economic organizations.

PITA: Okay. There is also this agreement called the G-20 compact with Africa that looks at trying to encourage private investment in African countries. Whitney, can you tell us a little bit more about that and what it's trying to do and how it's working?

SCHNEIDMAN: So this emerged last year when Germany was chair of the G-20 anthem a policy dialogue. I have a zero progress but I don't know the they wanted to make Africa the centerpiece of this. At first, the German development minister advocated a new Marshall Plan for Africa but that didn't really get too much traction. Then the German Finance Minister came forward and said, No, we're going to take an economic reform approach to this. So, what the

G-20, Africa program is, is really sort of more of a policy dialogue than it is a resource driven initiative. I think the hope that over time, as this policy dialogue will bear fruit in improved investment environments in Africa. That will lead to more foreign direct investment.

PITA: So, it's basically policy advice for different African countries of how to improve their --

SCHNEIDMAN: Correct, correct. It's not clear to me, is there a strong private sector role or is this just government to government.

PITA: Okay.

SCHNEIDMAN: So, I think the results are a little off.

PITA: A bit deceiving.

SCHNEIDMAN: You have to be safe for sure.

PITA: Speaking of what the environment in particular countries is like for foreign investment. South Africa is currently debating a certain issue for land redistribution. Currently 72 percent of privately owned land is still owned by white South Africans. What exactly is the shape of this land for redistribution will take place is still up in the air? Have we heard any opinions from the U.S. or from China or from any other investors about what are their concerns about what shape this would be? Do we know? Are they in talks with the South African government saying hey, maybe you want to do it this way, not that way, or anything like that? Have we heard anything?

SCHNEIDMAN: Look, this land is a very emotive issue, as we know, in the region. Certainly we saw it in the Zimbabwe and it's equally true in South Africa. The notion of land redistribution without compensation was very much a part of the ANC policy Congress had elected Cyril Ramaphosa. So, it is front and center. We haven't seen how it is going to play out yet. I'm sure the U.S. has its view. You know the U.S. wants to see this as a market based exercise, but I would say this.

South Africa as the end of the day is a country of loss. They have just time and time again dealt with tremendous challenges but come out in the right way on very difficult social issues and this is one of those very difficult social issues. I have to believe that given the

strength of rule of law in that country, given the strength of the private sector in that country, given the strengths of civil society, that they will be able to reach some accommodation that will lead to genuine land re-distribution without the disruption that we've seen in other countries like Zimbabwe.

PITA: They're not likely to make any really risky moves then.

SCHNEIDMAN: I would be very surprised I would not expect that, given how South Africa has dealt with so many other issues, not least of all its incredible transition from Apartheid to democracy.

SUN: I agree with Witney. I think that's really the words of true wisdom. I haven't seen too much discussion from the Chinese side about this issue, but I cannot help but remember this example for contrast, which is the indigenization in Zimbabwe a couple of years ago, because the Chinese have been a major investment, for example in the diamond industry, in the diamond mines in Zimbabwe. So, there was this question, actually acute real threat to the Chinese ambassadors when the government announced that they were going to pursue in digitation of these diamond mine assets.

I believe the Chinese way of handling that mini crisis was that the Chinese through private channels and through government to government consultations like, for example, when the Zimbabwe Foreign Minister visited Beijing around the same time, the Chinese Foreign Minister made it a very serious issue in that bilateral discussion that the Chinese Ambassador's legitimate interest and legitimate price must be protected.

So, we don't know what kind of negotiation happened under the table, but we do know that in the end, the Chinese ambassadors were fairly well protected and pleased with the result of that resolution. So, I would say the Chinese government's intervention in that case did help to mitigate the impact on the Chinese ambassadors, although I will say that South Africa is a much better and a much more mature investment environment compared to Zimbabwe, so I wouldn't think that the case would be worse.

PITA: I think for us to wrap up on, Yun, you mentioned that China, also, of course, beyond their purely economic interests in Africa, they do have interests in political and security

relationships. The U.S., of course, has a fairly long tradition of trying to encourage democratic governments in different countries and encouraging stable democracy. Currently a lot of key countries around the continent are in a state of so much shaky governments. Ethiopia's prime minister just resigned in February. The elections in Kenya last year were highly disputed. The President of the DRC was supposed to step down December of 2016. He's still there.

So, there's a lot of countries where law and order hasn't broken down, but things are a little dicey. Does China also start to take an interest? As their economic interest grows, are they starting to take more of the government's interest in the state of how countries are run? How are they running a lot of these political situations on the continent?

SUN: Well, I think you are absolutely correct when the Chinese assets and the number of Chinese nationals in the African continent increases, China's vested interest in peace and stability in other African countries also increases. An acute example that the Chinese will always remember forever is the Libya Civil War in 2011 when China had to evacuate 30,000 of the Chinese Nationals from Libya and they did scramble to pull it together because they weren't prepared for it and they didn't have the capacity to do it.

So, sad to say, I think the Chinese are interested in peace and stability in African countries, although I would say that the Chinese's approach to the government's issue is quite different from the Western approach. I think the Western countries believe in liberal democracy, accountability, transparency, better governors to be the foundation of peace and stability. China comes from a different approach. They do promote a different political vision in, let's say, also returning states. We see that more and more from the Chinese policy statements and from their policy implementations.

For example, on the policy side, at the Communist Party's Congress last year, Jinping basically started this idea called the Chinese Dream, classically another term for the Chinese Modern. In the Communist Party's congress, they do uphold this China Dream, or this Chinese's dream as one example that other countries can learn from. That is very new for the Post 1979, Chinese Foreign Policy. When we look at the, for example, the foreign aid budget and the classic beauty that the Chinese Products provide to African projects such as Ethiopia, the Chinese have classically political parties and how Chinese parties manages different political

and economic issues domestically. Those could extend, for example, how to establish a party school, how to better manage the ideological work of the political party, and how to manage the political opposition domestically. How to observe and monitor and also manage different opinions on lines that criticize government's policy.

So, we do see the conscious efforts from the Chinese side to provide those Chinese experiences to African governments and African political parties.

So, I will say, that yes, Chinese do see the issue of peace and civility as of utmost importance to China and to African governments, but I think that Chinese approach or the way that they have adopted to promote that peace and stability is quite different from the Western approach.

PITA: Do you have anything you want to add to that?

SCHNEIDMAN: Yeah. So, I think it's a really interesting juncture here because I think the model that Yun just articulated here is indeed quite different from the U.S. approach on the continent. The U.S. is really predicated on promoting multiparty democracies on the continent. And I actually think that that's really the connective tissue between Africa and the U.S.

It's interesting to me when you look at different sort of opinion polls that sort of compare U.S. and China, China has sort of come up a lot, but the U.S. is still, you know, folks on the continent still look to the U.S. as #1. Why is that?

I think the values of individual expression, I think the values of democratic government, I think the values of accountability are really paramount. It's often nullified when you have leaders in power for 20 and 30 years on the continent. That undermines economic development. It limits the political space. I think that's really one of the fundamental characteristics and has been for a very long time. You notice that at the end of the Cold War when the Soviet Union dissolved and the Super Power struggle pulled back, what happened. It was the emergence of civil society across the continent. That was the beginning of the era of multi-partism.

I think that growth in governments, that improvement in governments led to an improvement in economic management and led to this era of economic growth from about 2000 to 2014 also benefited from high commodity prices, but, you know, you had good

management of the political space and the economic space. So, that's going to continue to be an issue, I think, and certainly should be a prior for the United States,

As we go to make our own democratic experiment more perfect, how can we work with those African nations who are our partners who want to make their democratic experiments more perfect as well?

PITA: Do we know if there is any interest in the Trump Administration in that sort of priority?

SCHNEIDMAN: Well, we know there's interest in Congress because Congress want cut those budgets. That's really important. It's a real issue, Adrianna, the fact that appointments aren't being made. Ambassadors aren't being made; you know. Foreign service officers, the corps are being expanded, it's reduced, because those are the best advocates for democracy. Those are the best advocates for anti-corruption. Those are the best advocates for economic development, whether it's for women, whether it's for LBDQ community, representing some of the diversity of America and helping all elements across Africa. That's sort of what we do. Unfortunately it's being hobbled right now.

PITA: Well, thank you both for a really interesting discussion. Did you have any final thoughts that you wanted to leave our listeners with about the direction of either the U.S. or the Chinese interests in the continent?

SUN: I think one issue that Witney just mentioned, and I don't think there has been enough attention devoted to the issue, is that that's the singability in America. In other words, China's belt in the road initiative, China is throwing money into all these politically unstable countries with the belief that China's belt in the road is going to bring great returns, both politically and economically, but that logic could be challenged in the near future, that so for we're 5 years into BRI, but in another 3 to 5 years, we're going to see some of the results from these infrastructure projects with just investments.

The Chinese government can make the argument that while China's domestic infrastructure market has been saturated to sustain the growth of the Chinese, for example, construction issue, they have to look beyond the Chinese border for business opportunities, but that's going to be a problem for the Chinese banks as well when these debts accumulate and

the recipient countries are unable to repay the loans. China as the financier will also face some major trouble.

SCHNEIDMAN: What I would like to see emerge is some form of trilateralism between the U.S., China and Africa. We did a project on this some time ago with the Broadhurst Foundation in South Africa, Chinese Academy of Social Sciences in Beijing and the council of Foreign Relations. We really looked at sort of U.S., Chinese engagement in African Agriculture and health and number of areas and saw actually there is a lot of overlap. I think one idea was sort of work with the African Union to try to bring in an African voice to the Chinese American engagement on the continent to give it more direction in support of economic development, so that there would be mutual gain across the board.

PITA: More cooperation, less competition.

SCHNEIDMAN: Exactly.

PITA: All right. Well, thank you both very much for being here. I want to remind our listeners they can follow up at the policy podcast at Twitter for more great episodes. As always, we'll have links in the show notes to pieces from the both of you and to related materials. Thank you very much.