



AFRICA- CHINA THINK TANKS FORUM

OUTCOMES FOR THE AFRICA- CHINA THINK TANKS FORUM - FRONT

PREPARED BY
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TOPIC ONE

The Role of African Think Tanks in Spearheading the African Development Agenda

The following were the highlights of the presentation and discussion:

Highlights

Think Tanks have the potential to close the gap between Governments and the public by providing platforms for discussion and developing new concepts.

Think Tanks provide capacity building for various stakeholders in the country.

Think Tanks should be given a leading role to understand their stakeholders (Government and regional institutions) agendas and connect with them.

CHALLENGES



Think Tanks lack funding from Government and other sources.



Lack of provision for unrestricted, periodic subvention to enable Think Tanks to deliver policy relevant information.



Weak internal capacities of Think Tanks.

TOPIC TWO

China- Africa Opportunities of the Belt and Road Initiative (BRI) and Forum on China-Africa Corporation (FOCAC)

Highlights

BRI has the potential to expand road networks in Africa and Asia. Infrastructure development has the potential to set the trajectory for development in Africa.

BRI is bold and ambitious with enormous potential to reshape global trade and investment trends, hence complimenting the development of strategies of countries involved.

Physical infrastructure is essential for economic diversification, propelling agriculture, manufacturing, service, trade and even human capital enhancements while elevating incomes.

Financial institutions play a critical role in BRI because many of the envisioned projects often require large capital commitments at early stages and the pay-back period is often lengthy.

CHALLENGES



Rapid economic growth, demographic trends and urbanization tend to have negative effects on physical infrastructure and in turn development.



Lack of promotion of Research and Development (R&D) which stifles the promotion to allow for sustainability for investments made in various sectors.

TOPIC THREE

Is Africa on the Rise or Falling? What Challenges and Opportunities Exist and How to Overcome these?

The debate on whether Africa is Rising or Falling borders around economic and social indicators. The outcome of the Forum on this particular discussion highlighted the following:

Highlights

African economies have in the last ten years recorded some positive growth in large infrastructure projects, democratic transitions, new technological innovations and increase in the number of actors with both economic and political interest from across the globe.

African countries have been among the world's ten fastest growing economies since the early 2000's.

While there are positive trends on the economic front, the social front is experiencing some decline in indices, poverty, maternal mortality and inequality are on the rise on the continent.

RECOMMENDATIONS



Think Tanks should ensure that the lives of children and other vulnerable groups are at the center of the recommendations given on the development of economies.



Think Tanks need to be politically and financially supported by Governments and the sustainability of African Think Tanks is solely the responsibility of Africans.



Internal capacities of the Think Tanks should be strengthened.



Think Tanks should endeavor to take steps to explain public policies for the layman by using enhanced communication strategies into simple understandable means such as infographics, public lectures to increase public understanding and activate different public dimensions.

RECOMMENDATIONS



For BRI projects to be commercially viable, there is need to plan and match funding to recipients to ensure that development is sustained in the long term.



China and Africa should ensure that Research and Development (R&D) is promoted in order to allow for sustainability in the investments made in various sectors.



Zambia should consider dealing directly with entrepreneurs and they should be given a platform to highlight investment opportunities.



Africa should appeal for the development of industrial structures in order to increase its capacity for the BRI. TAZARA can play a critical role in the BRI in order for Zambia to maximize its benefits for the Intra- Africa trade.

RECOMMENDATIONS



African countries should invest in the rural economy which constitutes 60% of the continent's population. Investments should be made in Research and Development, Extension Services, Infrastructure and Subsidies.



African countries should increase funding towards human development and capacity. Funding should be directed towards gender responsive public services that reduce the burden of care on women and strengthen skills and technological transfer.



There is need for African Governments to ensure that the trade relations between Africa and China are complementary and supplementary with promotion for Intra- Africa trade.



Africa should open up to Foreign Direct Investment (FDI) and just like China should harness their comparative advantages and open up economic zones.



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TOPIC FOUR

Opportunities and Challenges of Multilateral and Bilateral Relations between Africa and Other Countries: A Case of Africa- China Relations

Economic and political interests in Africa has continued to rise from the outside world with China emerging as one the countries which bilateral ties with Africa are rising rapidly. The discussion had the following highlights:

Highlights

Africa-China relations are characterized by mutual understanding using a balanced model of commercial engagements and greater focus on non-resource sectors met through investments in manufacturing, construction and through technological and skills transfer a case of Huawei.

Africa- China relations through initiatives such as the South corporation increases opportunities for the African industrialization agenda.

The Africa- China relations offers opportunities for human development through the people to people exchange which promotes cultural cooperation and partnership.

Africa- China relations face a challenge of conditionalities that come with Chinese investors that do not favor citizens such as working conditions.

CHALLENGES



African industries are constrained by limited access to financial resources which in-turn affects competitiveness of African businesses and, therefore, making them low on competitiveness and getting credit parameters.



Infrastructure development remains a significant hurdle and **Africa Development Bank (AfDB)** estimates Africa's infrastructure needs at least \$130-170 billion a year.



Weak productive capacities are a characteristic of manufacturing in Africa and productive capacities also limited by quality of human capital and Research and Development (R&D).



The Foreign Direct Investment (FDI) from China is concentrated in the mining and construction sectors and a little in the social sector.

RECOMMENDATIONS



There is need for African Governments in their negotiations for BRI to negotiate for Agro-industrialization which is beneficial to 60% of African population which is dependent on agriculture.



Think Tanks should help African Governments to develop strategies that will take advantage of the trade war so that through the increased interest of China in Africa, Africa can receive maximum benefits.



China should focus on transferring skills in order to help Africa add value to their exports.

TOPIC SEVEN

Rebranding Africa in the New Global World Order

African countries and the continent as a whole have been misrepresented for centuries. The following were some of the highlights of the discussion on this particular topic:

Highlights

- 1 Africa has been branded by the Western world as having corrupt regimes, characterized by coup d'états and wide spread violence.
- 2 While the Western world has branded Africa as such, the continent has its unique characteristics that the West has failed to recognize such as its diverse culture, its endowment in natural resources and its unique location.
- 3 The negative traits that the West tend to use to brand Africa are characteristics of almost all countries in the world.

TOPIC FIVE

Impact of the Belt and Road Initiative (BRI) on African Manufacturing and Industrialization (Opportunities for BRI)

The BRI presents an opportunity for improved connectivity which may have a positive bearing on the advancement of African manufacturing and industrialization. The outcome of the discussion highlighted the following:

Highlights

African Countries can leverage the BRI for Foreign Direct Investments (FDI) and investments in Research and Development and manufacturing.

African industrialization and Africa Continental Free Trade Area (AfCFTA) nexus presents a means in counteracting growth challenges in manufacturing and industrialization.

Africa industrialization challenge is that the growth of the industries is unconventional. Developed economies move from agriculture to manufacturing to services. However, African economies moved straight to increased services without capitalizing on manufacturing.

Leveraging the BRI for industrialization and increased Intra-Africa trade.

TOPIC SIX

Impacts of US- China Trade War on Africa's Development Agenda

The US-China trade war poses as the biggest current threat to the global economy. The following were some of the highlights of the discussion:

Highlights

The US- China trade war is about copyrights, trademarks and tariffs and will have negative effects on the resources as it will increase the need for African natural resources by China thereby, increasing resource extraction.

The predicted impacts of tariffs on African economies have already shaken investor confidence, precipitating drops in commodity prices, local currencies and major stock exchanges.

The trade war is predicted to depress global commodity prices and decrease Chinese demand for imports, potentially exacerbating Sub-Saharan Africa's economic vulnerabilities. USA appetite to invest in African markets is likely to decrease if continued tariff tensions slow growth in both Sub-Saharan Africa and the United States, simultaneously lowering U.S. demand for goods and adding risk to African markets.

RECOMMENDATIONS



Think Tanks have a mandate to work with Governments to develop strategies aimed at reducing the negative characteristics of most African countries by building stable economies and development of human capacities, which are essential in the building of the African image.



Africa should take advantage of the Africa-China natural relationship to dedicate the type of trade it wants with China in order to avoid making Africa a dumping site.



While there are calls for Africa to rebrand itself, it needs to reposition itself in the global agenda through reduction in interdependence on foreign funding and most importantly investments in its people's capacities.