



AFRICA-CHINA
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Q & A

SINO–AFRICAN VOICES

Q&A with:

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*In this Q&A, ACCPA interacted with **Mikatekiso Kubayi**, who is a Researcher at the **Institute of Global Dialogue** at the University of Johannesburg.*

He shared key insights on Sino-African investments trends, geopolitics and BRICS.



How has China's financial assistance and investments in African countries evolved over the years?

China has been the largest source of FDIs for Africa over the last 20 or so years. Its investments on the continent have steadily risen, while Western investment has declined over the same period.

However, China does not want to be a source of endless capital for wasteful projects and programs. China has begun to seek an outcomes-based orientation to projects, feasibility, viability, and value. This is, of course, a correct approach considering the debt burden on African taxpayers.

It would also be helpful to consider the types of projects that have attracted Chinese funding—universities, Hospitals, Railways, Roads, Airports, and ports, among other critical infrastructure investments. This seems to be a better approach, investing to stimulate economic productivity and growth rather than administration (public sector salaries and associated items).



What is the impact of China's investments and economic activities in Africa on the continent's overall economic growth?

Some scholars argue a positive direct correlation to GDP from Chinese investments in West Africa. It is always a positive to have fresh currency entering the system and generating multiplier impacts.



Investments in infrastructure have the potential to stimulate economic activity and, in so doing, help generate jobs, expand the tax base, and set up a foundation for industrialization. However, Chinese investments are new and insufficient to develop the ‘Africa we Want’ by 2063.

The impact of Chinese investments in infrastructure particularly, may be felt a lot more in some years coming once Africans have exercised agency over the said infrastructure to generate economic activity and development.



What are some potential opportunities for increased collaboration between African countries and China in finance and investment?

The African Union (AU) has fifteen flagship projects in Infrastructure and governance that it believes will help propel the continent towards the “Africa we Want”. One such program is the Africa Continental Free Trade Area (AfCFTA).

This program involves the movement of goods and people on a massive scale in the conduction of intra-Africa trade and trade with others. This requires logistics infrastructure, Information Communication Technology, investments in the production of value-added goods, generation of a regional value chain, and potential for expansion of access to the global value chains.

There is massive potential for collaboration in financing and joint development of value-added goods, Research and Development (R&D) (localization of production, especially in energy and fuels for future technologies), and the further industrialization of the continent. Africa has an increasingly educated, youthful population, a growing middle class, and a generally tech-savvy society offering a significant trillion-dollar market and potential.



How does China's vastly increased involvement in Africa over the past decades contradict the idea of international marginalization of Africa and bring significant economic and political consequences?

There is no hiding the problematic history of economic, political, and other marginalization of Africa.

Many scholars today argue a 'second scramble for Africa.' Many have not forgotten the painful consequences of structural adjustment policies and other policy impositions on Africans, its emasculation and stripping of their agency.

Even vaccine nationalism and its humiliating rejection of Africa's bid to purchase lifesaving COVID-19 vaccines on time is a reminder of such. However, Africa has always existed and has had a right to play its role in global affairs and contribute possible solutions to global challenges.

It has been a long and difficult path toward the reclamation of its agency, its voice in global affairs, its contribution to global GDP, and so on. The rise of China has been a significant factor in both global GDP and the global south's economic and political rise. The Contribution of India, Brazil, Russia, and South Africa, to name a few among others, to this rise of the global south cannot be overlooked.

The recent success of the 2023 BRICS Johannesburg Summit and its implications on geopolitics testify to such an impact. Similarly, recent positive developments at the G21 India including the new membership of the AU, and pro-global south resolutions, particularly on financing, indicate Africa's continued movement towards reclaiming its rightful place among the world's powers.



How do African countries balance their relationship with China while also engaging with other global economic powers?

Africa has taken a position of non-alliance generally. It has done so correctly to embrace all and retain all rights to trade and collaborate in its continental interests for development and growth.

Africa has not created the conditions nor agitated the contestations between the big powers. Africa has done well to stay clear of zero-sum games and instead focus on promoting peace, global collaboration, and solidarity. Africa has and continues to exercise its agency on this.

There is no contradiction in its engagements with all powers, China and the West.



What is the BRICS-Africa partnership and how has it evolved over the years?

The relationship between BRICS and Africa began with the inclusion of South Africa in 2010. It can also be argued to have begun in 2009 by adopting the pro-global South agenda to reform and democratize global governance, the United Nations (UN), and Multilateralism.

Over the years, this relationship has expanded to an extent that on African soil in 2023, two more African economies, Egypt and Ethiopia, joined the bloc. More can be expected to join next year and years to come.

The BRICS outreach program has also made headway in providing a platform for African states to meet and exchange with BRICS members and conclude arrangements at bilateral, trilateral, and even quadrilateral levels or their beginnings.

BRICS and the New Development Bank (NDB) have also been champions for reforming the global financial architecture for Africa's benefit and the global south. With the AfCFTA gaining momentum, opportunities for finance, investment, and collaborations through and/or from the BRICS platform are a real possibility. It was a BRICS declaration to argue and lobby for the inclusion of the African Union in the G21.



What are some of the main motivations for the BRICS countries' engagement in Africa?

The motivations were founded in 2009 in Yekaterinburg, Russia, at the founding of the BRICS bloc. The reform of the global governance system through the reforms of the global financial architecture and its governance, as well as the reform of the UN and the negotiation for a much more representative and equitable international system, have motivated engagement in Africa.

Development has been central to the BRICS agenda since its formation. Africa is both a motive force and a partner in this reform and development Agenda.



What role does the BRICS-New Development Bank play in supporting African infrastructure development?

The NDB is a year old. It continues to grow strong and fast. It now has nine members, with the possibility of more members joining.

The implication is that it will have access to more sources of capital, gain a foothold in different regions/markets, grow its loan book, and advance its portfolio to include African investments.

The NDB already has an Africa center in Johannesburg. It is keen to participate in financing projects on the continent and participate in the general movements in new trade mechanisms and discourse on the future of finance and payments. Much can be expected from the NDB in the coming years.

About **Expert**



*Mr Mikatekiso Kubayi is a Researcher at the **Institute for Global Dialogue** associated with **UNISA (IGD)**.*

He is also a fellow at the Institute for Pan African Thought and Conversation (IPATC) at the University of Johannesburg (UJ) as well as a PhD Candidate, also at UJ.

He is an avid researcher on Power and its dynamics in the international system and specialises in the global political economy of finance. The title of his PhD research is ‘The Role of the NDB as a Development Finance Institution in Support of the BRICS Reform and Development Agenda.

He previously worked as Political Advisor in the Speaker’s Office under Hon Max Sisulu (Speaker of the National Assembly RSA for six years). He holds a master’s degree in Global Political Economy from the University of Sussex (UK).

He has a chapter (Chapter 3) titled ‘BRICS, structural power and the BRICS bank as a potentially progressive instrument for a passive revolution’ in the published book ‘The Political Economy of Intra-BRICS Cooperation – Challenges and Prospects’ (Palgrave MacMillan).



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INSIGHTS

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