Strengthening International Cooperation in the time COVID-19: A Perspective on African-China Relation

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Background

The past three decades have been defining moments in human history. More than 1 billion people have been lifted out of poverty and humanity has rallied around a common purpose contained in the Millennium Development Goals and later Sustainable Development Goals. Global trade at about 59% of the world's GDP in 2019, has enabled both developed and developing countries to tap into the global supply chain and spurred shared prosperity. This progress has deepened the existing development compact in the North South Cooperation, while producing new ones like the South South Cooperation (SSC), a modality for knowledge and development solution sharing among developing countries.

Then COVID-19 strikes and now threatens this significant progress. As at 28th May, 2020, more than 5.9 million have been infected, with about 350 thousand deaths. For the first time in more than three decades, poverty headcount is expected to increase this year. Many countries will experience recession or even depression and global trade is expected to decline. This puts development cooperation at a crossroad as to whether to be strengthened or dampened. In this piece, we make a case for strengthening development cooperation at this critical juncture amid COVID-19. We illustrate the beneficial effect of international cooperation from the lens of Africa-China relation, which is couched in the SSC ideas of equality and mutual benefit. While COVID-19 crisis could affect international cooperation and disrupt prevailing global order, it is crucial to ensure no negative effect on the SSC, given susceptibility of many developing countries to adverse economic shocks. The SSC as demonstrated in the Africa-China relation is key to economic recovery and achievement of the sustainable development goals of leaving no one behind.

Before COVID-19 (BC): The good old days

Diplomatic and economic relations between Africa and China have been growing strongly over the past years. While several factors are driving this relation, it tends to reflect a two-way dynamic and symbiotic engagement for economic development. Africa has recorded about 24years of continuous growth and sustained poverty reduction in part driven by expanding export opportunities to the global south, while China development miracle benefited from natural resources from other developing countries.

In 2018, the value of China-Africa bilateral trade reaches $185 billion, which represents more than 16-fold increase from 2002. By comparison, the value of US-Africa trade in 2018 stood at around $61 billion. Although trade balance is skewed in favour of China export to Africa, it remains a win-win situation with access to quality and varieties of products. In addition, China through its Accessions Programme for Least Developed Countries (LDCs), which entails capacity building and special funding, has ensured trade facilitation and strengthened the participation of many Africa countries in the World Trade Organization activities.

Another important dimension in the Africa-China relation is in the area of development assistance. The conventional wisdom tends to view relations among countries in the global south as limited to knowledge sharing. However, China and many other developing countries have scaled up their engagement to include financial modalities in form of project and programme aids. For example, the share of China's development assistance between 2000 and 2014 is estimated at about USD354.3 billion, which exceeded the contributions by the majority of the OECD countries over the same period.

Similarly, through the ambitious Belt and Road Initiatives, China's infrastructure support to African has expanded. Overall, 40 African countries have signed on to the strategic initiatives for large infrastructural projects to reduce the infrastructural gaps and lower trading costs. For Africa, this could support regional integration efforts that require greater connectivity across countries and lower barriers to intra-regional trade.

To be clear, the Africa-China relation is not without its challenges, especially in terms of technology transfer, debt, and displacement of the local manufacturer base. However, the creation of engagement platforms like the Forum on China-Africa Cooperation (FOCAC) provides opportunities for deliberation and regular evaluation to address those challenges.

COVID-19: Testing our resolve

The COVID-19 pandemic is threatening to reshape international cooperation in many fundamental ways. According to the International Monetary Fund (IMF) forecast, African economy is expected to decline by 1.6% in 2020, while China's economy will slow down to around 1.3%, the lowest growth in over four decades. This is already manifesting in lower trade relations as China-Africa trade fell by 14% in the first quarter of 2020[1]. Prolonged crisis will worsen this trade and growth, reversing some essential aspects of Africa-China cooperation.

The disruption of the global supply chain is another area that aftershocks of the pandemic might affect international relations. Nationalists see the crisis as an opportunity for deglobalization and protectionist policies. For developing countries, the global supply chain has positively improved their participation in international trade, greater exposure and adoption of advanced technology and promoted industrialization and high economic growth in recent years. Without international production fragmentation, the income gap between developed and developing countries will have widened and the tremendous progress made in poverty reduction could not have been achieved.

While Africa has not been substantially integrated into the global supply chain, it has indirectly benefited from global demand for more inputs and natural resources. Moreover, the African industrialization plan is built on upgrading strategy from low to high-value added activities. Given that China's development trajectory also follows this trend, there is a lot that Africa can learn through international cooperation. However, the COVID-19 pandemic could halt this engine of growth, pushing the world into a past and unproductive period of autarkic states .

Tough time never last but tough 'relation' do

The COVID-19 is a test of robustness of the present architecture of international relations. While the weakness in the North-South cooperation is revealed in terms of imbalance of power, the strength of south-south cooperation is revealed with emphasis on coordination rather than competition in responses. For Africa, the crisis illustrates the need for greater regional integration and stronger collaboration with countries in the global south. Africa-China relation is built on the principle of mutual benefits, non-conditionality and horizontality and equality, which are core attributes needed to fight and speedily recover from the COVID-19 pandemic. These principles can aid economic recovery in the following ways.

a. Coordination on recovery efforts: China experience with fighting COVID-19 virus in rural and among vulnerable populations needs to be widely shared with developing countries with similar conditions to effectively curb the spread of the virus. Coordination in economic responses is also crucial, such as through debt sustainability for highly indebted countries. Given the shock to demand in many countries and the resulting foreign exchange shortages, barter exchange and other modalities can be adopted between China and African countries.

b. International coordination on epidemic prevention and control: More interdependencies among nations mean any disturbances anywhere can spread globally. Building a strong epidemic prevention and control is needed in the post-pandemic era. However, such a system should not be limited to coronavirus alone, but to any other potential risk to international cooperation.

c. Greater integration of Africa into the global value chain: As part of rebuilding efforts, China-Africa relation needs to shift more towards greater linkages of Africa into the global value chain. The relation can only be sustained when benefits are fairly spread.

[1] https://qz.com/africa/1844049/trade-between-china-and-africa-dropped-14-percent-in-the-first-quarter/