



Strengthening Africa's Economic Performance

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Africa-China-US Dialogue

Report* of the first meeting of the Trilateral Dialogue,

Tswalu Kalahari Reserve, 4–6 August 2006

Co-hosted by

The Brenthurst Foundation, the Council on Foreign Relations, the Leon H Sullivan Foundation and the Chinese Academy for Social Sciences

Introduction

A rising China will have a profound effect on Africa and on how the United States interacts with countries south of the Sahara. In order to understand the changing political and commercial relationships between the US, China and African countries, three meetings have been planned between high level delegations selected by the Johannesburg-based Brenthurst Foundation, the Washington-based Council on Foreign Relations (CFR) and the Leon H Sullivan Foundation, and the Beijing-based Chinese Academy for Social Sciences (CASS). The first meeting was held at Tswalu Kalahari Reserve on 4-6 August 2006. A list of participants is attached as an appendix.

At this first meeting, the prevailing wisdom held that China's emerging role in Africa presents both opportunities and challenges for Africa and for American policy on the continent. The Trilateral Forum has set out to examine these issues and to seek ways to foster co-operation in support of African priorities for development. For instance, Africa is a new, increasingly important energy frontier. Africa produced 6.8 million barrels of oil per day (bpd) in 1979, rising to over 9.8 million bpd in 2005. Given its increasing dependency on foreign supplies, China is aggressively pursuing fresh oil interests in Africa – notably in the Sudan (which makes up one-tenth of all Chinese oil imports), but also more recently in Angola, where China agreed to a US\$2 billion credit line in 2004, subsequently increased to a reported US\$11 billion. Currently the US imports two-thirds of its oil needs, and 15% of this comes from Africa. This figure could increase to 25% by 2015.

Yet, oil has traditionally not benefited African citizens for a range of reasons, including the nature of governance in those oil-producing countries and poor macro-economic governance, including the overvaluation of currencies, and the same is true for the other resources enjoying the benefits of the current commodity boom. If African countries can use the new oil boom productively, they will enrich their countries and give great impetus to development. On the other hand, if the oil boom money is treated the same way as in the past, increasing demand from China and the US will not benefit African citizens. Such concerns are also set against a backdrop of the need for African economies for diversification in the face of cheap manufactured goods from China and elsewhere in Asia.

Assessing Priorities in Africa

The first session provided an overview of US and Chinese activities in Africa, as well as a sense of African priorities.

William Lyakurwa set the stage with an overview of Chinese and US involvement in Africa. Both countries' trade with Africa has increased markedly over the past five years, and China now sources more than a quarter of its oil requirements from Africa. He noted the historical depth of the two countries' interaction with the continent, and set out an ambitious vision of what Africa's priorities in this new environment, including enhanced governance, peace and security, debt

* This report was drafted by Dr Greg Mills, R.-Adm. Steve Stead, Prof. Jeffrey Herbst, Duncan Randall, Mauro de Lorenzo and Peter Fabricius. Please note that the meeting was held according to 'Tswalu Rules': while the formal presentations may be quoted, the discussion is considered off-the-record.

cancellation and increased investment. He made a forceful plea for the importance of capacity building in all ventures in Africa.

Princeton Lyman articulated two points that remained salient for the rest of the meeting. Firstly, there is no strategic conflict between China and the US over Africa, because China is active in many sectors (notably infrastructure) from which the US is absent. Secondly, China's growing interest in Africa from a commercial perspective has made Africa more important in global affairs in general. Two caveats were that it is important that investment should promote transparency and good governance, and that China should take care that its investments do not enable or prolong conflicts. He also noted that China approaches investment in Africa with techniques not available to the US, because China is able to integrate public and private initiatives into a single whole. He noted that China's investment in energy provides in fact a positive contribution if it increases the supply of oil on the world market. Where there is business competition between Chinese and American firms, this is not new to American firms or to the history of exploration in Africa.

Tao Wenzhao agreed with Princeton Lyman that there was no strategic conflict with the US, and with Dr Lyakurwa that Chinese activities on the continent should serve African interests. He noted the key role played by African states in the recognition of the People's Republic of China at the United Nations (UN), and emphasised a cardinal tenet of Chinese foreign policy: non-interference in the internal affairs of sovereign states. China allows nations to choose their own social and political systems. Derivatively, China considers that human rights are an internal matter, and that Africa and the West may have different priorities in the hierarchy of rights: the right to 'existence and development' is more important than civil and political rights. In cases where serious violations of human rights are occurring, foreign powers should first turn to the African Union (AU) for a solution, and only then to the UN Security Council, which should apply sanctions only in the most extreme situations.

The discussion first turned on the question of whether there were any disagreements with Lyman's assertion that there is no strategic conflict between the US and China in Africa. While there was no disagreement, it was noted that some American opinion makers do see China's push into Africa as part of a broader strategic rivalry between the two countries. Another caveat was that while there is in fact no conflict now, one could develop in the future if the stakes rise, particularly in the energy sector.

It was noted that while China has no present intention of rivalling the US, it needs space to go out into the world, because of its large population. The US should be careful not to give the impression that it intends to thwart China's economic development.

The event was also reminded that there is a third set of interests – African ones – and that Chinese and US interests are probably closer to each other than either is to African interests. 'Africa is in play like never before'; but can this moment of opportunity be seized by Africans themselves, or will the benefits mostly accrue to foreign interests? But in spite of this concern, the feasibility of getting 54 countries in Africa to come together and adopt a common approach did not engender confidence. It will therefore be important for each African country and region to develop a strategic perspective on how they will benefit from a rising China.

Factors that could affect Africa's economic salience were considered. Since the current interest in commercial possibilities in Africa is a result of commodity prices, Africa's importance could diminish when the current 'commodities supercycle' turns down. Globalisation, the rise of India, Russia and Brazil, changes in demand from the Chinese and US economies, political changes in the Niger Delta oil-producing areas, alternative sources of energy and increased demand for energy within Africa could all affect the current picture.

Good governance is a prerequisite for the higher-order investments in Africa that Africans consider essential, such as beneficiation of natural resources and diversification of economic interests. It is important that Chinese and US economic activities do not implicitly or unconsciously undermine good governance, but also that Africa was not subjected to different rules than the US and others applied to different regions notably the Middle East. A concern was

expressed in regard to the energy sector that Chinese competition could weaken the progress on governance that has been made in this industry. One of the best guarantees that a venture will promote African interests is the tenure of its engagement: A company that builds factories and sinks deep mine-shafts has a greater stake in stability and responsible government than does the short-term speculator.

Will increased Chinese and US investment in Africa be accompanied by positive social, economic and political change? Will it fundamentally alter the trajectory of African states? Will important investments be made in critical infrastructure? The track record on this is not encouraging. China and the US risk adapting themselves to Africa rather than helping to transform it.

Maximising the Opportunity for Trade and Investment in Africa

This session examined a number of questions: What African sectors are the most attractive for foreign direct investment? What strategies should African governments pursue to increase investment? What can be done to increase the export of manufactured and value-added products from Africa? How do Chinese and American companies assess risk in Africa? What is Africa's comparative advantage, and how can this be used to stimulate economic development? What can be done to promote good governance by outside actors? What were the prospects and difficulties associated with investment in the energy sector?

In answering these questions, the session picked up on the discussion flowing from **Eddie Keizan's** talk on the first night, which highlighted the experience of Tiger Wheels as an African manufacturing business.

Keizan's shrewd investment of the R3,000 prize from winning a local motor-racing championship in buying Tiger Wheels for R14,000 in 1973 has seen the company grow to among the top ten alloy wheel manufacturers world-wide, with an annual production of seven million wheels. Listed on the JSE, Tiger Wheels Limited has a market capitalisation of R1.3 billion, and is expected to turn over R3.8 billion this year.

The alloy wheel industry had started to expand globally, following the twin oil-price shocks of 1973 and 1979. This led to manufacturers' redesigning cars with a focus on lighter alternatives to the traditional steel wheel and with greater offsets, allowing for smaller cars with better space optimisation. From a virtual zero base, apart from a few high-performance exotica in 1973, today alloy wheels are supplied to 50% of cars as so-called original equipment (OE).

In January 1987 came a life-changing experience. Keizan then enrolled in Harvard Business School for a strategic management course for 'serial entrepreneurs with a mid-life crisis'. Realising that his business was overgeared, he resolved to 'fix the balance sheet by selling the manufacturing business'. However, instead, his new partner persuaded him not to sell up, but rather to list the company.

Since its October 1987 listing, Tiger has not looked back. During the late 1980s and early 1990s, it expanded its aftermarket business into 40 countries, and, in 1994, bought Dorbyl's wheel company, which had the OE contract for Toyota. The local tyre and aftermarket business expanded from just three outlets in the 1980s to 44 South African retail and two (South Africa and Britain) wholesale stores today. The trading business now comprises 25% of its revenue.

The purchase of 74% of the German ATS wheel concern in 1998, along with the construction of a R300 million state-of-the-art South African plant at Babelegi capable of producing 1.5 million wheels annually, signalled Tiger's ascendancy as a global OE manufacturer. Today its five factories in the US (two), Poland, Germany and South Africa supply wheels directly to Volkswagen, Audi, Volvo, Jaguar, Ford and Mercedes.

But there is a twist in the otherwise positive Tiger's tale. Virtually all aftermarket wheels – about 600,000 annually – are today manufactured in China. The reason? Costs. For example, one South African wheel designer costs the same as a team of 21 in China. But South Africa is not

only uncompetitive when measured against Chinese counterparts: Babelegi has the highest manpower-to-wage costs of any of Tiger's factories. South Africa's skills shortage means that blue-collar skills attract a premium. 'But even an unskilled floor sweeper in Babelegi earns more than a graduate fresh out of university in Poland.'

South Africa is a great place, Keizan notes, to do business, but the high cost of skills and overvalued exchange rate is increasingly making it difficult to run a competitive manufacturing enterprise. Currently South Africa is protected from China's growing involvement in the market by the short just-in-time lead times required to supply motor vehicle manufacturers with original equipment. The challenges of building manufacturing capacity in Africa are therefore clearly daunting.

In the formal Session Two, **Neo Moroka** noted that Africa offers good opportunities for business, given moves made towards freeing up markets, the continent's commitment to regional integration and its rich natural resource endowment. To create a more conducive environment for doing business, governments need to improve governance; streamline bureaucracies; open markets further, especially on a regional basis; focus on capacity building; improve infrastructure; and uphold and respect the rule of law with regard to the security of contracts. Attractive sectors include natural resources, in particular their beneficiation; services; banking; tourism; and telecommunications. Going forward, there are several priorities. Africa needs to adapt itself to increased competition brought about by globalisation (for foreign direct investment and talent), build partnerships (e.g. Debswana), engage the Diaspora, further deepen regional integration, focus on beneficiation and increase commitment to good governance.

Chester Crocker identified several investment risk and deterrent factors in Africa. One is the small size of African economies – 'the size of the economy of the entire sub-Saharan Africa is the size of that of Ohio' – which makes it difficult to get the attention of boards of directors of American companies. This is particularly the case given the number of competing investment destinations. Increased regionalism is a key to addressing this issue. Poor governance and corruption together make up another important deterrent – the Foreign Corrupt Practices Act makes it difficult, indeed illegal, for American investors to invest in parts of Africa. Africa is also perceived to be conflict ridden or at least conflict prone. The issue of rule of law, in particular the risk of arbitrary government action, was also raised. The fact that Africans themselves are not investing in their countries (an estimated 40% of African capital has fled the continent) gives foreign investors neither comfort nor confidence. Governance, according to Crocker, is 'Africa's number one priority'. Instituting 'performance-based legitimacy' is critical. African countries need to identify their respective comparative advantages and focus on exploiting these. Capacity building and retention of African skills are also important. More needs to be done to harness the resources of the African Diaspora. It was noted that there are 50,000 African PhDs residing outside of the continent. Lastly, Crocker stated that Africa has a unique opportunity – the continent is 'in play', receiving more foreign interest than ever before. How long this 'magic moment' lasts, given commodity cycles, is a key question.

Michael Spicer emphasised the need to focus on micro-economic reform initiatives. The example of South Africa's Accelerated and Shared Growth Initiative (ASGISA) was given with its emphasis on 'binding constraints'. A key issue is the capacity of government departments to implement policies. Emphasis was also given to the Investment Climate Facility promoted by the Commission for Africa, and its focus on micro-initiatives such as property rights, business registration polices, taxation and customs regulations. To this Spicer added that African governments need to go beyond rhetoric and increase their commitment to regional integration. There was also a genuine need to reform agriculture, in particular to deal with tenure issues. Spicer also noted that the activities of countries other than US and China (e.g. Russia and South Africa) should not be overlooked. Lastly, it was important to improve accountability. Governance schemes such as the Extractive Industries Transparency Initiative need to be built on.

Yu Yongding noted that given the combination of a high investment (45%) and savings (50%) rates, China will be able to sustain its current high growth rates for the next two decades. China's current demand for energy will be sustained for some time. China's oil dependency ratio (proportion of imports) is also likely to increase from the current 40% to 60% in 2010. Yu did

not see any major rivalry between US and China. It was important that China talk with the US and other powers to ensure an alignment of policies to 'help countries solve their problems'. China's energy strategy involves increasing its energy efficiency through more market-related pricing, the readjustment of the economy towards light manufacturing and services, and the introduction of new technologies. Lastly, China has the resources to be a heavy investor in Africa, but concedes to not having much experience with outbound investments, and has graded the African investment climate as difficult. With improvements in this area, more private sector Chinese investors are likely to enter the continent.

Witney Schneidman made five key points with regard to Africa's extractive sector. Firstly, there is mutual interdependence among China, US and Africa – with the former two becoming increasingly reliant on Africa for oil imports, and Africa increasingly reliant on the oil sector revenues. Secondly, ensuring security of supply is critical. This will require focusing on sources of instability, e.g. the Niger Delta; ensuring that revenues are used to promote local development; and promoting initiatives such as the mooted Gulf of Guinea Commission. Thirdly, international regimens such as the Extractive Industries Transparency Initiative should be promoted. The Kimberley process has been generally successful, and lessons learned can be applied to other natural resources. Fourthly, deepening the corporate social responsibility efforts of multinationals is important. The Angola example (where more is spent by major oil corporations than by the US Agency for International Development) was cited, where oil majors have agreed to commit US\$1 million for every 100,000 barrels of oil produced to development projects. While some have invested in micro-finance initiatives and programmes for the resettlement of former combatants, others have hired teams of development specialists. Lastly, it is important that the 'Dutch disease' of economies dependent on single sectors and resources is understood and addressed. To this end, local procurement and broader capacity building should be promoted.

In the open discussion that followed, the notion of an African-specific development model was raised. The question was posed as to whether there are certain elements of each country's development model that should be non-negotiable. It was suggested that African success stories be researched, and elements of these models replicated. The point was made, however, that instead of trying to arrive at a standard business model, devising guiding principles would perhaps be more effective, particularly given the tremendous diversity of African countries.

Much emphasis was given to the need for capacity building, which, it was agreed, is a critical foundation for improved development in Africa. It was argued, for example, that an educated population was a crucial underpinning to good governance. There was a consensus on the need to prevent what one delegate called the 'asset stripping' of African talent. In addition to the building of 'soft capital' capacity, the point was also made that investment was required in growing Africa's physical infrastructural capacity.

The question was raised as to how the 700 Chinese companies that are reputedly operating in Africa had performed, given all the obstacles to investment raised by several of the presenters. Reasons advanced were their willingness to take bigger risks, and the fact that they had significant investment resources behind them. It was noted that European and South African companies are also already heavily invested in Africa – and additionally outside of the natural resources sector. This was ascribed to their willingness to invest for the long term, and their ability to build experienced management teams able to navigate the local business terrain. Lastly, there was discussion around the need for African countries to sell themselves more aggressively by way of trade missions and other international marketing initiatives.

Promoting Conflict Resolution, Human Rights, Governance and Democracy in Africa

This session focused discussion on five key questions: Which countries are ripe for conflict resolution, and what strategies are the most effective for ending conflicts? Under what circumstances is governance likely to improve? Are elections essential for countries emerging from conflict? To what degree do poverty reduction strategies reduce the likelihood of conflict and corruption? What are the most effective strategies for advancing human rights in Africa?

Lopo do Nascimento stated that peace could only be attained and consolidated if all antagonists were brought into a power-sharing, consensual project of national reconciliation. This was important, as most armed conflicts in Africa resulted from political, social or economic exclusion. He believed that the Western-style winner-takes-all democratic system was not appropriate for Africa. Consensual nation building was also more important than elections.

Tao Wenzhao said there were many different reasons for conflicts in Africa, including the colonial legacy, tribalism, religious differences and competition for resources, and so each case had to be treated on its merits. He felt that development and social stability were very important prerequisites for good governance. Democratisation could be good or bad. It was good when it helped establish political consensus and shake government complacency. It was bad when it awakened sleeping ethnic divisions, as in the Democratic Republic of the Congo (DRC) and Sudan. So the international community should not push too hard for democracy. Tao also distinguished a different Chinese view from the West's on human rights, saying that in developing countries the responsibility to society was more important than personal rights. Tao also felt the world should leave African conflicts to African countries and the AU to resolve. The world should be more patient about letting them do the job. And he also, like Do Nascimento, believed that the only real basis for enduring peace was national reconciliation and consensus on a political agenda. This was in some ways more important than elections.

Nancy Soderberg said that 12 years after the Rwanda genocide, the world's inaction in Darfur showed how little progress it had made in figuring out how to prevent genocide and crimes against humanity. Consensus between the US and China on Darfur could help resolve the Darfur problem. The inaction existed despite UN Secretary-General Kofi Annan's enunciation of the principle that the world had a 'responsibility to protect' suffering people. Soderberg said China needed to give consideration to this principle, as opposed to its present commitment to the principle of non-interference in the internal affairs of countries – which was no longer internationally acceptable. She said Sudan had played a very sophisticated game of talking peace but doing nothing, and playing the African card by insisting on only an AU peacekeeping force in Darfur, knowing that it would not be effective. One way China could help would be to train a brigade of African peacekeepers for the proposed AU African Standby Force, to join other brigades trained by the G8. She disagreed with Tao that the world should leave the resolution of African conflicts to African nations and the AU, as the AU was very far from being able to deploy its standby force. She proposed a joint East–West approach to Darfur led by South Africa, as the leading moral force on the continent.

Tom Pickering said that the veto right of the permanent five members of the UN Security Council created a problem when dealing with issues like Darfur. He suggested that the permanent five members of the UN Security Council should agree that on decisions about intervention to stop genocide, a large consensus in the UN should prevail over anyone's veto right. This 'drove a dagger into the heart' of China's principled opposition to interference in a country's internal affairs. But the world was moving forward, and for China to block intervention to stop genocide would constitute a problem. Returning to the energy debate of earlier sessions, Pickering questioned whether it was ethical for countries to use aid and arms sales to win oil contracts in Africa. But he thought the competition for African oil should be put on a purely commercial footing, in which case the competition between the US and China would benefit Africa.

In the ensuing discussion, many participants expressed the view that African countries had not identified or expressed their own self-interests – as opposed to the interests of the US and China – or what it felt the world should do to help the continent. A comment was made that Africans should address their own problems first, such as improving economic and military integration, before calling on the world. The question was raised what exactly comprised US policy on Africa, apart from the almost exclusive focus on Darfur. The case of Zimbabwe was used as an example, and it was agreed that this was partly fair criticism, as President Bush was not engaging Africa as much as he should. His concern with Sudan was interpreted to largely reflected pressure from the constituency of the Christian right, rather than a general interest in Africa. Nonetheless it was felt that Africa, and especially South Africa, had also failed on Zimbabwe. It was, however, noted that Bush had launched or supported several significant programmes on Africa, including

the African Growth and Opportunity Act (AGOA), the Millennium Challenge Account and the President's Emergency Plan for Aids Relief (PEPFAR – announced in 2003 and comprising a five-year US\$15 billion initiative to turn the tide in combating the global HIV/AIDS pandemic). But criticism was levelled at a failure to bring these programmes together into a coherent Africa policy. There was some debate around the contention that US Africa policy was more value-driven and China's driven more by its own interests. There was also discussion around Tao's view that consensual politics was more important for Africa than multiparty elections. A contrary view was expressed that in dozens of African countries, citizens had demonstrated that they did in fact want the vote. Polls demonstrate that Africans overwhelmingly want democracy including specifically elections as a legitimizing process and not just the vote. Ultimately the decision should lie with Africans themselves as to whether they are guided by the US or Chinese political models, given that multiparty democracy may or may not be the optimum solution for Africa. There was also a lively debate on China's policy of non-interference, which had been repeatedly articulated during the dialogue.

The view was expressed that China could not logically claim to pursue a policy of non-interference, since, by investing in African countries or selling arms to repressive regimes, it was already interfering by contributing to the ability of those regimes to suppress their people. The statement was made that 'care should be taken that no-one becomes guilty of being the last bastion of the worst rulers'. As a case in point, the Angolan government had stated that it did not need the West anymore, because it had new friends – the Chinese. The Angolans were openly playing off China and the West against each other – a strategy that should be discouraged, as this raised the spectre of a re-emergence of the Cold War. Sudan was a good opportunity and a test case for China and the US to work together in the UN Security Council to address the concerns of conflicting interests.

It was pointed out that the US had apparent contradictions in the application of its policy, in that it was prepared to make major investments in China, even though it regarded its government as a repressive regime. That being the case, why was it raising objections over China's investments in repressive African regimes? China had the interests of its own large population to consider first and foremost, before contemplating solutions in the countries with which it had relations. China considered that it could lead by example with 'quiet diplomacy', but, in a changing African environment, the AU itself had altered Africa's non-interference policy for severe cases such as genocide, and this had stimulated intellectual debate in China about whether it should also review its policy. A Chinese contribution to training the regional brigades of African peacekeepers, as proposed by Soderberg, was feasible, and China and the US could co-operate on this. On the energy issue, it was stated that since China was largely self-sufficient in oil, it therefore had much less impact on global oil markets and prices than the US.

A consensus appeared to be emerging in the discussion that the US and China were not so far apart on Africa. One US participant suggested that together it might be possible to develop a set of principles – reminiscent of the Sullivan code for US businesses operating in apartheid South Africa – on how to do business with Africa. These could perhaps be called the *Tswalu Principles*. Both US and Chinese participants noted that the US and China were already co-operating on several issues such as the Iran nuclear proliferation crisis, and through the G8 dialogue with China and other emerging economies. They should therefore be able to extend their co-operation in Africa.

Strategies for Enhancing Co-operation among Chinese, Africans and Americans

The summary session offered an assessment of what had been learned over the two days, as well as an identification of areas for future co-operation and support to African development efforts.

Greg Mills began the session by noting that while there may be no strategic conflict currently between the US and China in Africa, there could be conflict between African countries and the larger powers. He also noted that Chinese growth was the key dynamic factor, as it was changing basic relations so rapidly. Areas of possible tension among Africa, China and the US might

include governance, growth models based on natural resource growth, democracy and better use of aid. Contrary to the general assertion that there was a contradiction between China's Africa activities and improved standards of African governance and democracy, good governance was in fact in China's best interest, as it was the best means to ensure that investor interests could be safeguarded – a realisation that Western countries had already come to in Africa. Similarly, democracies have consistently performed better economically than autocracies. Moreover, support for autocratic governments by external powers was likely to pit them against African citizens who had consistently fought for such rights. Dr Mills also highlighted an important distinction between the nature of US and Chinese commercial relations with Africa. While China had a similar appreciation of the value of Africa in commercial terms, Chinese interests were pursued almost exclusively through state-owned companies. In the American case, commercial ties were by contrast almost exclusively private rather than public.

Yu Yongding continued the presentations by noting that China's Africa policy was changing, and that currently stated policies might not continue indefinitely. He noted that China wanted countries to have stable political systems, that China was opposed to genocide, and that it supported the international community in the acceptance of intervention to prevent genocide. He also expressed concerns about the instability that might be caused by the promotion of democracy.

Witney Schneidman concluded by focusing on specific areas in which China and the US could co-operate to promote their respective interests and the interests of Africa, including conflict prevention, integration into the world economy, health care (HIV and malaria), energy, good governance and capacity building. He hoped that a set of principles – coined by another participant in the preceding session as the *Tswalu Principles* (see above) – might emerge from the three dialogues that would guide actions in all of these areas.

In the comments following the presentations, there was a focus on what had been learned and what still needed to be studied. Several speakers focused on the need for African countries to more clearly delineate the advantages created by the increased interest in the continent. African countries had some very broad goals when interacting with the US and China, but needed to become much more specific about their aims, given that all countries would be acting in their own self-interest. The need to gain greater specificity about the advantages posed by the new interest in Africa was especially great, given the fundamental differences among African countries. In particular, relatively few African countries have oil, the focus of much of the discussion over the two days. There was also some discussion about whether US policy was based on values (even if the actual values were not often reflected in specific policies), while China's policy was grounded in a more obvious set of interests. Finally, as planning began for the next session, a requirement was tabled to address how to represent the multiplicity of views on the African continent.

Topics for Further Debate

The following are suggested as specific topics – and papers to be commissioned – for the next event scheduled to be held in China in February 2007.

- What are the composite elements (business, societal, government) of US and Chinese relations with Africa?
- How might the US and China co-operate to end the Darfur crisis?
- How might the US and China co-operate to end the Zimbabwe crisis?
- How might the US and China co-operate in the commercial and economic opportunities facing African countries?
- How will China's rise affect the political and security challenges facing African countries?

- How will the rise of other actors besides China (e.g., India, Iran, Russia, the EU), affect China and America's relationship with Africa?
- How might the US and China co-operate to promote good governance in Africa – and how might the two powers define good governance?
- What is the most productive way for the US and China to assist Africa through aid, with emphasis on the area of capacity building, infrastructure development, health, agriculture, corporate social responsibility and good governance?
- What might the 'Tswalu Principles' comprise, to guide external actions in Africa?

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Appendix: Tswalu Trilateral Participants

Stephen Chan (Prof.)	Dean: School of Oriental and African Studies, UK
Chester Crocker (Prof.)	Dean of Strategic Studies, Georgetown University, US
Mauro de Lorenzo (Mr)	American Enterprise Institute, US
Lopo do Nascimento (Dr)	National Centre for Social Development, Angola
Peter Fabricius (Mr)	Group Foreign Editor: Independent Newspapers, SA
Jeffrey Herbst (Prof.)	Provost: Miami University, Ohio, US
Eddie Keizan (Mr)	Executive Chairman: Tiger Wheels Ltd, SA
Gaylard Kombani (Mr)	Ministry of Trade and Industry, Botswana
HM King Letsie III	King of Lesotho
William Lyakurwa (Prof.)	Director: African Economic Research Consortium, Kenya
Princeton Lyman (Amb.)	Senior Fellow and Director of African Policy, CoFR, US
Greg Mills (Dr)	The Brenthurst Foundation, SA
Joe Mollo (Amb.)	Former Ambassador of Lesotho to the UK, Canada and Denmark
Neo Moroka (Hon.)	Minister of Trade and Industry, Botswana
Jonathan Oppenheimer (Mr)	Director: De Beers, SA
Thomas Pickering (Amb.)	Former Undersecretary of State, and Vice-President: Boeing, US
Duncan Randall (Dr)	Africa Investment Holdings, E Oppenheimer & Son, SA
Witney Schneidman (Dr)	Leon H Sullivan Foundation, US
Wang Shi-Ting (Mr)	First Secretary: Embassy of China in South Africa
Liu Song (Mr)	Third Secretary: Embassy of China in South Africa
Nancy Soderberg (Amb.)	Former Vice-President: International Crisis Group, US
Michael Spicer (Mr)	CEO: Business Leadership, SA
J. Stapleton Roy (Amb.)	Kissinger Associates, US
Steve Stead (R.-Adm.)	The Brenthurst Foundation, SA
Tao Wenzhao (Prof.)	Institute of American Studies, CASS
Jian Xiang (Prof.)	Deputy Director: Asian and African Division, CASS
Yu Yongding (Prof.)	Director-General, Institute of World Economics and Politics, CASS
Zhou Yuxiao (Mr)	Minister-Counsellor: Embassy of China in South Africa

