

South Africa-China-Zimbabwe Relations



8th June 2016, Southern Sun Hotel, Cape Town

Executive Summary

On the 8th June 2016, SALO facilitated a dialogue in Cape Town, entitled: “*South Africa-China-Zimbabwe Relations*”. Professor Mills Soko, Associate Professor of International Political Economy, UCT Graduate School of Business was the keynote speaker. Other speakers* included South African foreign policy experts, the Zimbabwean Consul-General and a Chinese academic based at UCT.

The aim of the dialogue was to initiate an informed and representative dialogue on the nature and state of South Africa-China-Zimbabwe relations. This dialogue was a continuation of SALO’s August 2015 South Africa-Zimbabwe dialogue held at UCT. At the 2015 dialogue, the issue of China’s importance and relevance to Zimbabwe was consistently raised as a key aspect to analyse in terms of better understanding South Africa-Zimbabwe relations. It is on this basis that the 8th June 2016 discussion was facilitated.

The key outcomes of the discussion include:

- ❖ an acknowledgement that China is an important and key stakeholder with regards to Zimbabwe; and therefore has an important role to play in relation to the crisis in Zimbabwe
- ❖ a realisation that South Africa needs to reengage with the Zimbabwe context, in order to initiate a constructive dialogue around Zimbabwe's future prospects in light of the dire socioeconomic context, and potentially volatile political context

The key issues raised related to the pressing need for mediation and dialogue in terms of Zimbabwe's political and economic future, especially in light of the upcoming 2018 elections.

KEY ISSUES

The importance of Africa to China

China's national interests relate strongly to the African continent. Africa is part of China's international relations and foreign policy calibration. This is evidenced by China's significant economic and political engagements with African countries through initiatives such as the FOCAC partnership initiative. China's engagement with African countries is largely premised on economic trade and commercial interests underpinned by a 'steadfast' non-interference policy. As noted by Professor Soko, this provides a "compelling alternative to western powers, whose trade and investment ties with African countries are typically conditional on good governance and other factors". Africa is therefore an important and growing market for Chinese manufactured goods. The continent is also a vital source of raw material commodities for the Chinese market.

Through FOCAC, China not only seeks to enhance and further develop economic ties, but to also strengthen and deepen political ties, Prof Soko highlighted this when he noted that China views the continent as "an arena in which to exert and grow its international influence".

The nature of China-Zimbabwe relations

The China-Zimbabwe relationship has evolved over time, with the key turning point being 2000. Prior to 2000, China and Zimbabwe had close political relations underscored in part by China's support to Zimbabwe during its liberation struggle, but these did not translate into "greater economic cooperation". However, from 2000 when Zimbabwe adopted its "Look East" policy, "economic cooperation between China and Zimbabwe [grew] at a phenomenal pace" as noted by Prof Soko.

In this context, it was with China's strong support that South Africa played a key role with regards to the adoption of the Global Pact Agreement (GPA). Prior to the GPA, China was also able to use its veto power in the United Nations Security Council to shield the Zimbabwean government from potential UN imposed sanctions in 2008. The aforementioned aspects highlight the strong political and economic ties between China and Zimbabwe. China has not only managed to support Zimbabwe both economically in terms of trade and financial investment, but politically as well, as highlighted by its solidarity in multilateral forums and support for regional initiatives to ensure stability in Zimbabwe.

Significance of South Africa-Zimbabwe relations

Zimbabwe retains a critical interest for South Africa. In terms of economic considerations, Zimbabwe is South Africa's largest trade partner on the continent; and South African businesses have made significant investments in Zimbabwe. South Africa is also Zimbabwe's immediate neighbour and has had to deal with the direct effects of the adverse and desperate socioeconomic situation in Zimbabwe pre- and post the Government of National Unity (GNU) period. The assertion by Prof Soko highlighted this: "[n]o country in Africa has a stronger interest in the unfolding developments in Zimbabwe than South Africa, and that is partly because we have also borne the brunt of Zimbabwe's crisis and it is in our self-interest to prevent crisis in Zimbabwe". Therefore it is imperative for South Africa to reprise the key role it has played in the past with regards to aiding Zimbabwe towards finding a sustainable solution to its pressing and potentially disruptive challenges. This becomes salient in light of how "Zimbabwe is also an important regional actor that is indispensable to resolving political, security and economic problems in Southern Africa" as observed by Prof Soko.

China and South Africa cooperation

South Africa is arguably China's most important strategic partner in Africa. China seeks to use its close economic and diplomatic ties to South Africa as a means of deepening its China-Africa cooperation initiatives. This is important in terms of South Africa's tacit leadership role in the region, and the broader continent. Ms Naidu argued that South Africa aims to partner with China in terms of facilitating and enhancing greater regional development and economic integration. Therefore, South Africa has sought to direct China from a focus on bilateral agreements towards broader regional programmes. Closely related to this is the observation made by Ms Naidu that the economic agreements that South Africa and Zimbabwe signed in 2015 indicate that "South Africa is looking more at how to position the region in terms of regional development issues".

The crucial importance of Chinese investment to South Africa and Zimbabwe

Both South Africa and Zimbabwe's domestic development priorities and agendas stand to benefit substantially from Chinese investment. In terms of the objectives set out in South Africa's National Development Plan (NDP), and Zimbabwe's Agenda for Sustainable Socio- Economic Transformation (Zim Asset), partnership with China in terms of certain goals and programmes could potentially yield tangible developmental outcomes. This is highlighted by the announcements made during President Xi Jinping's respective state visits to South Africa and Zimbabwe in December 2015 pertaining to China's notable credit loans to South African parastatals; as well as the important investments China has made in terms of Zimbabwe's energy projects including the Hwange thermal plan.

Recommendations

South Africa has to critically re-engage on Zimbabwe

South Africa seems to have somewhat disengaged from the Zimbabwe situation, in spite of its support and constructive engagement between 2000 and 2013. From 2013 onwards, it seems as though South Africa has not

initiated a much-needed dialogue or forum through which to address Zimbabwe's future prospects in light of its alarming economic state, and tense political situation. This includes having honest deliberations about controversial yet crucial concerns such as the succession issue in Zimbabwe, and the vital need for various reforms ahead of the 2018 elections. South Africa stands to be significantly impacted by developments in Zimbabwe, therefore it is in South Africa's interest to re-engage on Zimbabwe with a view towards supporting economic and political stability.

South Africa can build on its enhanced and strengthened bilateral ties with Zimbabwe, which were formalized and cemented in 2015; as a means of engaging around the Zimbabwe context. However it is critical for South Africa's re-engagement on Zimbabwe to be broadly supported by regional actors (such as Angola for instance).

China and South Africa need to support Zimbabwe's economic regeneration to avoid the total collapse of the Zimbabwean economy

Zimbabwe's economy is in a dire state, and Chinese and South African investments have essentially kept it afloat. However, in order for Zimbabwe to attain sustainable economic development it needs to reindustrialise so as to support its ailing manufacturing sectors and stimulate broad commercial services. Zimbabwe will also need sustained and focused investment with regards to the development of infrastructure, to underpin its drive towards inclusive economic growth.

Mr Mugobogobo, Consul General at the Zimbabwean Consulate in Cape Town, commented that China and South Africa were vital trade and economic partners for Zimbabwe. Consul General Mugobogobo went on to note that the trilateral trade between the three countries was noticeably asymmetrical and "skewed in favour of South Africa, and much more so in favour of China". However, one of the ways in which to address this imbalance, is for the stronger economies of China and South Africa to aid Zimbabwe's economic reconstruction. As noted by Consul General Mugobogobo: "as we go forward we want to put in place mechanisms where we can transfer technologies to Zimbabwe because this will help to industrialise Zimbabwe. Currently most of our industries are operating well below capacity, so we can see an opportunity for growing [these relationships with China and South Africa] by way of helping Zimbabwe to recapitalize and organise its factories, thereby helping Zimbabwe to recover and grow economically".

South Africa should use its diplomatic engagement to persuade China to prioritise greater SADC economic integration

SADC stands to significantly benefit from Chinese investment and economic partnership in a manner which will have far-reaching positive outcomes relating to infrastructure development, which will support greater intra-regional trade and stimulate industrialisation processes throughout Southern Africa. Therefore it is important for South Africa, as China's key strategic partner within SADC, to influence China to also focus on regional initiatives as a means of complementing its much valued bilateral partnerships with respective SADC countries.

*LIST OF SPEAKERS

1. Prof Mills Soko, Associate Professor of International Political Economy at the Graduate School of Business (GSB), University of Cape Town (UCT)
2. Ms Sanusha Naidu, Senior Research Associate, the Institute for Global Dialogue (IGD)
3. Dr Philani Mthembu, Senior Researcher, the Institute for Global Dialogue (IGD)
4. Mr Andreas Quasten, Assistant Director, Friedrich-Ebert-Stiftung (FES)
5. Dr Showers Mawowa, Research, Development and Coordination Manager, SALO

The dialogue was enhanced by the participation of a representative and involved grouping of participants including members of civil society, policy makers including a number of African and Northern diplomats, as well as academics and members of the public.

Notably: There were key contributions from the floor, from: Mr Mugobogobo, Consul General at the Zimbabwean Consulate in Cape Town; and Dr Yanyin ZI who was representing the Confucius Institute at the University of Cape Town.

The analysis and recommendations included in this Policy Brief do not necessarily reflect the view of SALO or any of the donors or conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. The contents of the report are the sole responsibility of SALO, and can under no circumstances be regarded as reflecting the position of the donors who provided financial assistance for this policy dialogue session.

About the Southern African Liaison Office:



The Southern African Liaison Office (SALO) is a South African-based not-for-profit civil society organisation which, through advocacy, dialogue, policy consensus and in-depth research and analysis, influences the current thinking and debates on foreign policy especially regarding African crises and conflicts.

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