Challenges in Data Collection: China’s Engagement with Africa

Africa’s Emerging Partnerships, Expert Meeting; 12 Oct 2010

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Overview

1. Example of how to measure Chinese activities in Africa
2. Challenges raised in analysing China’s activities in Africa
3. How to understand and overcome these challenges
Compiling Index of Chinese Engagement

• Context:
- Understand nature and level of Chinese engagement with individual African countries
- Look at economic and political aspect
- Comprised of six components:
  i) FDI
  ii) Trade
  iii) Presence of Chinese Embassy
  iv) Presence of Defense Attache
  v) Number of official visits
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source</th>
<th>Years Covered</th>
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<tbody>
<tr>
<td>Chinese embassies</td>
<td>Ministry of Foreign Affairs Website</td>
<td>2009</td>
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<tr>
<td>Chinese leaders’ visits(a president or premier)</td>
<td>Various news articles retrieved from Lexis Nexis</td>
<td>2002-2007</td>
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<td>Chinese attaches</td>
<td>David Shinn, China into Africa (Rotberg ed.)</td>
<td>2008</td>
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<tr>
<td>Strong Engagement</td>
<td>Partial Engagement</td>
<td>Low Engagement</td>
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<td>1) South Africa</td>
<td>Zimbabwe</td>
<td>Malawi</td>
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<td>Namibia</td>
<td>Congo, DRC</td>
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<td>Nigeria</td>
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<td>Seychelles</td>
<td>Guinea</td>
<td>53) Cape Verde</td>
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<td>Djibouti</td>
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Challenges

1. Hard to find country-level data
   e.g. UNCTAD data on investment inflows;
   -Centre for Chinese Studies at Stellenbosch University has data on the type and amount of projects undertaken by Chinese companies in African countries
   -Investment treaties: China Commerce Yearbook
2. Some data mostly estimates & conflicting

- E.g. Immigration figures

  - “There are already more Chinese living in Nigeria than there were Britons during the height of the empire” (approx. 1 million) – Behar 2009
  - BUT: 100,000 in Nigeria (Asche, 2008)
  - At least 750,000 Chinese working or living for extended periods on the continent (official Chinese source)
3. What is counted?

- FDI-Trade-Aid Mix:
  • Concessional loans, technical assistance, export credits, conditional grants
  • Difference between commitments and disbursements

-Danger of double counting
However, data challenges must be seen in context

1. Structure of PRC government

- national government organs still coming to terms with engagement with Africa
- some provinces have their own economic ties with African countries
- private companies acting independently of the central govt.
Structure of PRC Development Assistance Organs

**STATE COUNCIL**
Highest level of authority in the state administration. Oversees all aid programs

**Ministry of Finance**
- administers multilateral aid
- draws up foreign aid budget in consultation with MOFCOM

**China Eximbank**
- coordinates with MOC on projects to be financed
- raises $ from domestic and int'l markets
- sole concessional lending arm

**China Development Bank**
Offers non-concessional loans

**China-Africa Development Fund**
- set up in 2007 with $5bn
- provides capital for Chinese entrepreneurs to invest in Africa

**Ministry of Commerce**
- coordinates assistance flows
- subsidizes Eximbank

**Dept. of Aid to Foreign Nations:** policies, laws and regulations; budgets for other ministries

**Bureau for Economic Cooperation:** direct implementation of aid; organizes short-term training

** Tendering Board for Foreign Assistance Projects:** reviews Chinese firms that submit bids on tenders

**Ministry of Foreign Affairs**
- drafts PRC's aid policy
- announces aid packages
- advises MOFCOM
- coordinates visits to foreign countries

**Ministry of Health**
- sends medical teams

**Ministry of Agriculture**
- selection of teams for projects
- technical assistance

**Ministry of Social Welfare**
- coordinates humanitarian aid

**Ministry of Education**
- awards scholarships to African students

**Ministry of Defense**
- military and technological exchanges
- defense attaches

**Asia-Africa Development Research Institute (AARDI)**
- Research Body

*These are the three main policy banks in the PRC dedicated to Africa.*
2. Problematic data issues within China

- Study on China’s GDP in national income accounts – household consumption:
  i) different official explanations on how the various (household) consumption components are calculated are rarely identical
  ii) The official explanations of deriving the various consumption components from the underlying data is not replicable/ does not match official data
  iii) time series comparisons of the consumption data with the underlying data reveal roller-coaster relationships that stretch credulity

*Deconstructing China’s GDP Statistics*; Carsten Holz
3. How are statistics gathered in PRC?

-National Bureau of Statistics:

• Reports to State Council

• The sum of provincial GDP routinely exceeds nationwide GDP.
Min of Commerce Circular to all provinces, pvt enterprises and gvt agencies under central gvt control:

- Use of the Statistical System of Direct Overseas Investment
- Commerce depts at provincial level liaise with local foreign exchange depts
- Includes number of employed people in enterprises in host country as measure of contribution of enterprises outside China to the host country; also counts taxes paid by enterprises outside China
4. But, not unique to China

• Other emerging countries face data challenges e.g. Brazil does not publish its ODA data
• Developed countries/ Western donors have flaws too
• Need to generate capacity from the African government side to collect data and report on how much is disbursed
THANK YOU

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