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Patterns and Impact of Diplomacy Economy in Forum on China-Africa Cooperation (FOCAC)

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Abstract

This study aims to analyze issue political related role of assistance abroad of the People's Republic of China (PRC) to Africa. The PRC looks to be a strong global economy as a result of the success of the fusion of communist ideology and capitalism economics during the Deng Xiaoping era. The idea has open access to international economic markets for the PRC. In order to filling the African market, the PRC formed Forum on China-Africa Cooperation (FOCAC). The institution has done a lot activity cooperation development in Africa. The PRC is utilizing FOCAC as a tools of political diplomacy in the South South cooperation dialogue forum in all field. Infrastructure development economy Africa develop fast. In the FOCAC agreement there are: scheme package credit development capital loan with condition good goods, services and energy Work foreign must originate from the PRC. Governments in African countries are facing risk burden debt term long, while the PRC gained profit net gainer from his position as a creditor country. PRC's success in carrying out international cooperation with Africa has drawn criticism and prejudice. PRC is considered to have deliberately implemented debt date diplomacy through a number of OBOR projects that have turned into debt traps (debt trapped diplomacy) in African countries.

Keywords: FOCAC, Debt Book Diplomacy, China, Africa.

Introduction

The abundant natural resources wealth makes Africa always a destination for developed countries to exploit and gain profits. Karl Marx, in his theory, puts forward those strong countries always dominate other countries by creating dependency in order to fulfill their national interests. Refer to Marx, the practice of capitalism and imperialism by developed countries towards Africa looks having inherited injustice.

African Continent is description about disparity social economy society. The African region is still a portrait of poverty, oppression, and backwardness of the population. An ironic reality The African continent, the Black Continent, has the largest area second in the world reaching 30.365 million square kilometers stretching 8,000 km from north to south and 7,400 km from east to west and the wealth source Power abundant nature; its inhabitants the majority are poor.

Africa is a continent that produces various mineral mines including gold, copper, uranium, tin, petroleum, coal, iron ore, marble, limestone, and others. Not only that, Africa is also blessed by God the Creator with various biological riches including fruits, corn, beans, sweet potatoes, cocoa, rice, cotton, corn, and coffee, and many others. Because of this abundant wealth, since the Middle Ages Africa has been a colony of European countries, especially France and England

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for hundreds of years. European countries came and went to exploit Europe's natural resources and leave Africa in poverty.

Many countries in Africa rich in natural resources, but the majority of the population remains below the poverty line. After European, there is strength hegemony of the United States (US). Africa in the point of view of US is the area prone to violent conflict armed. The US considers Africa as a hotbed of terrorism movements such as the militant movements of Al Shahab, Al Qaeda. Therefore, the US feels it has justification to deploy military force to enforce the rule of law, human rights and maintain security stability. The main reason behind the deployment of power is US interests in protecting its investment assets.

In contrast to the US, Europe and other developed countries; PRC is present on this continent not with violence armed but through approach economy. African countries consider the presence of the PRC as fresh air to feel treated equivalent as partner strategic. There is a similar interest in doing mutual cooperation profitable for the second split party although different motivation. African countries work together with PRC for motivation economy to obtain profit and wealth from mark results exchange source Power nature that they have. While that, PRC can fulfil need resource nature obtained from Africa and at the same time expansion its economy myself. Since the intertwining cooperation with the PRC, in particular gradually happen change positive economy Africa. PRC has changed the face of Africa which is marked by progress economy from various development achievements.

Through the One Belt *One Road* (OBOR) initiated by President Xi Jinping since 2013, African countries now in the condition of development. OBOR is part of from PRC's vision to show its existence in the global world. Around 50 PRC state-owned companies are implementing 1,700 infrastructure projects worldwide worth around \$900 billion. Since its launch, OBOR has touched 60 percent of the world's population across three continents. No less than 65 countries have signed OBOR, including African countries as contributors to 30 percent of the world's GDP and 75 percent of its energy reserves. (Florian Zandt, 2021).

The PRC actually faces a big risk in investing in Africa. The PRC's presence in several African countries has been responded with riots, confrontations, and form attack violence directed at its citizens and investments. PRC companies tend to take greater risks than their Western counterparts and even seek business opportunities in locations left vacant by others (Hellstrom 2009).

The negative sentiment apparently did not dampen the PRC's intention to expand its investment in Africa. Through the Forum *on China-Africa Cooperation* (FOCAC) in 2000, the PRC invited 49 African countries to join. FOCAC has become instrument important for the PRC in facing its competitors. Through FOCAC, PRC provides flexibility, autonomy for the country, controlling information, reduction cost transaction term short, minimization bureaucracy, and handling to uncertainty in Africa to facilitate investment in the area in order to protect interest geo economics in the African region. (M. Ghazzian Afif, 2014).

The existence of FOCAC then strengthened with the Belt Road Initiative (BRI) lighthouse project or also known as OBOR target Africa as a field for long-term investment. On the other hand, Africa positions China as a strategic business partner to boost development. economy. PRC investment has helped Africa accelerate development to catch up. For decades, Africa 's development has lagged behind due to its resources being exploited by Western countries. In addition, internal conflicts triggered by corruption, war, and unstable political economic

conditions have worsened the situation. PRC capital is source strength global investment for Africa's national interest is thirsty for development in order to catch up its construction.

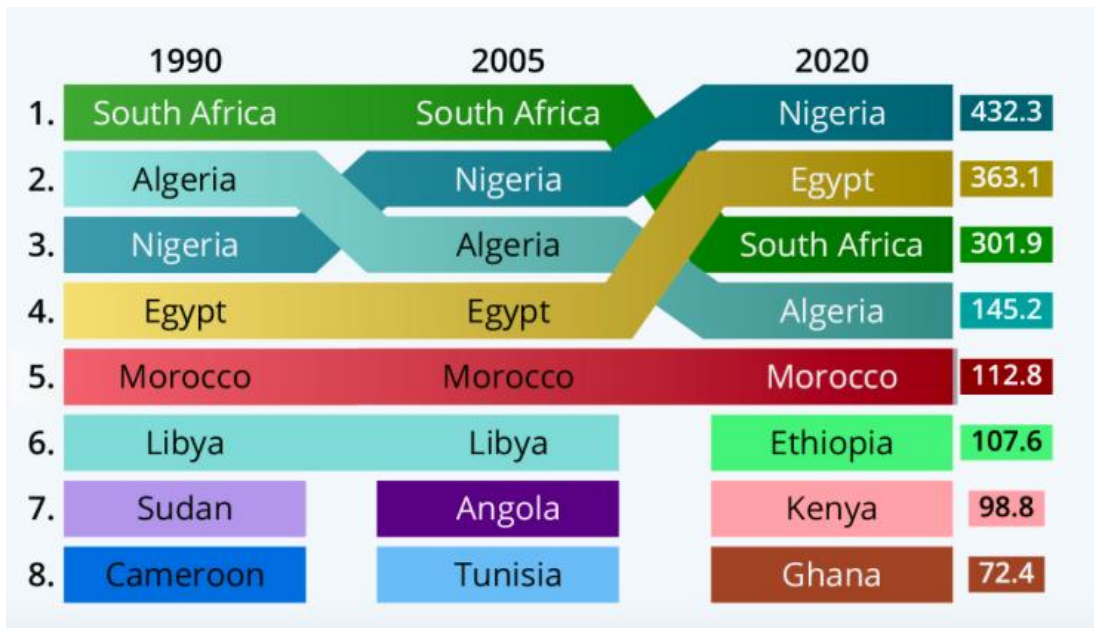
Top 10 Countries Receiving Grants from the PRC Government (Based on cumulative total amount)					
	Country	Total value (USD 2011, in million)	Amount project	grant funds	Information % value monetary project
1	Zimbabwe	1081.83	19	19.08	42.01
2	Angola	1029.11	30	18.15	83.33
3	Cameroon	957.10	19	16.88	47.36
4	Ghana	841.70	17	14.85	52.94
5	Cote D'Ivoire	254.01	6	4.48	100.00
6	Sudan	149.24	15	2.63	40.00
7	Kenya	131.55	15	2.32	66.67
8	Mauritius	116.13	7	2.05	71.42
9	Uganda	108.76	24	1.92	54.16
10	Zambia	73.68	19	1.30	26.31
Total		4,743.11	171	83.66	

Source: Please Shajalal, Junfang Xu, Jun Jing, Madeleine King, Jie Zhang, Peicheng Wang, Jennifer Bouey and Feng Cheng, "China's engagement with development assistance for health in Africa" in *Global Health Research and Policy* (2017).

Table 1

The table above shows total grant accumulation helping PRC overseas to Africa. The funds to mark the start of the rapid development of infrastructure, movement export-import activities, and exploration of mineral mines, coal and other mega projects. The cooperation between the two parties extends to other fields such as politics, education and culture.

Africa countries considered cooperation scheme with this mutual benefit drives the PRC increasingly expanding its influence on the African continent. On the other hand, the success of PRC's foreign aid has change Africa's economy to higher level develop from previously.



Resources: Statistics

Table 2: GDP TOP 8 GDP of African Countries

The table above shows the significant growth of GDP of African countries. Nigeria is in the top position ahead of Egypt, South Africa, Algeria, Morocco, Ethiopia, Kenya, and Ghana. Nigeria, which is in the top position, ranking First from eight the size of Africa 's GDP even succeeded enter to top 30 ranking strength world economy. Economists predict that Nigeria will be a major power by 2050. The financial and petroleum sectors are the biggest contributors to Nigeria's economic growth. However, this cannot be ignored. it is undeniable that economic gap society in Nigeria is relatively still quite wide. Nigeria was not originally considered a capable country increase GDP, continues to boost its economy until it rises to the status of an income country medium. Africa's success in increasing its GDP could be relate from international cooperation with the PRC. Refer to the PUNCH Report via CNBC Indonesia, Nigeria spent US\$ 591.11 million in five years to pay off debt to Exim Bank of China. As of the end of June 2021, Nigeria still owed the PRC an amount US\$3.48 billion. (Thea Fathanah Abrar, 2021).

In contrast to European countries and the US and its allies, the PRC is taking advantage of cooperation trading international rides political outside. Africa is not only an object for distributing humanitarian aid *charity* but as a strategic business partner. In his position as the world's largest creditor country, the PRC is taking advantage of its aid program abroad as tool of diplomacy to interact and carry out cooperation international with developing countries in Asia, Latin America, Eastern Europe, and 53 countries in Africa.

The only country on the African continent that refuses cooperation with the PRC is Eswatini which used to be called the Kingdom of Swaziland. Eswatini has a diplomatic connection with Taiwan which has been in progress for 50 years. Eswatini is of the opinion that it will not interest change alliance and remain maintain connection diplomatic with Taiwan.

In establishing international cooperation with countries in the world, the PRC carries out

diplomacy with utilise position and power as a creditor country. Diplomacy execute with pretext for establishing mutual cooperation profitable and does not interfere in the country's internal affairs partners. At least, there are 3 (three) things that underlie and become the considerations of the PRC in establishing international cooperation relations with Africa. First, the PRC offers infrastructure development that Africa needs. Second, African countries are facing the burden of increasing population which is urging the government to provide a decent living for its citizens. Third, the similarity of historical backgrounds as victims of colonialism. Africa was colonized by Western countries while the PRC was annexed by Japan as the US ally.

PRC has incarnated from developing countries grow as strength largest economy world. On the other hand, countries in Africa remain become a developing country and still hard to catch up. Refer to official statement, the PRC said that similarities past experience become base commitment to establish cooperation with developing countries that are mutually supportive profitable. Development solidarity and cooperation with African countries has become the cornerstone of PRC's foreign policy, as well as a solid and long-standing strategy (Ministry of Foreign Affairs of Republic of China, 2021).

The official website of the PRC Ministry of Foreign Affairs also states that in the struggle for national liberation and independence, the PRC and African countries support and strengthen each other shared political trust. In order to pursue economic development and national rejuvenation in Africa, the two sides have helped each other and increased the scope of cooperation. On major international and regional issues, the two state split party each other coordinate to align view and together maintain international equality and justice.

Africa and China establish investment cooperation that has been progress for two decades. More than 1,000 PRC companies have invested in Africa, both private and government-owned. In Africa, more than one million PRC citizens live to run centers businesses and investments operating on the continent.

PRC carries out international cooperation through an investment facilitation approach. Africa needs investment. Africa's economy has long been left behind by centuries of European colonization. Lack of infrastructure, economic backwardness and a growing population make Africa needs foreign investment of PRC as the right choice for Africa.

PRC comes with more funds and requirements more easy compared than the creditor countries from the West. For the PRC, Africa is a promising land and business opportunity. OBOR becomes guidelines for implementation of political programs overseas to connect the PRC with world market access both through land and sea routes. Africa is one of the target goals PRC exports. The following table This description about the destination country PRC exports to 53 countries in Africa, and 6 of them are the largest.

Country	Export in USD billion	PRC Exports to Africa (%)
South Africa	16.6	14.6
Nigeria	16.6	14.6
Egypt	12.2	10.7
Algeria	6.9	6.1
Kenya	4.9	4.3
Ghana	4.9	4.3
Total		54.6

Source: The SAIS China Africa Research Initiative (SAIS-CARI) at the Johns Hopkins School of Advanced International Studies.

Table 3. China's Export Destinations in Africa in 2019

The table above shows that the six largest export destination countries absorb more than half of the PRC's total exports to Africa. The main export destinations are South Africa, followed by Nigeria and Egypt. The PRC's Ministry of Foreign Affairs claims that the strategic partnership with Africa become the future interest of both parties.

Report PRC customs said that trade with Africa reached a high record in 2021. The value of trade with Africa continues to increase from year to year. In 2021, there was total value spike trading combined imports and exports reached \$254 billion, up 35 percent from the previous year. According to Global Compliance News, the trend continues with an increase of 23 percent. In addition to being Africa's largest trading partner, the PRC is also a major investor in Africa (Yike Fu, 2021).

PRC's economic diplomacy has transformed much of Africa into a more modern region. Unlike other developed countries that have already invested in Africa, PRC has taken a massive approach in the economic sector. Bank PRC development provided \$23 billion in financing for infrastructure projects in sub-Saharan Africa from 2007 to 2020. The amount is twice as much as common loans given by the United States, Germany, Japan, and France. Projects in Africa have resulting in at least 535 public-private infrastructure deals funded entirely by the PRC (Andrea Shahal, 2022)

PRC's success in carrying out international cooperation with Africa has drawn criticism and prejudice. PRC is considered to have deliberately implemented *debt date diplomacy* through a number of OBOR projects that have turned into debt traps (*debt trapped diplomacy*) in African countries. This assessment arose due to a number of problems.

This paper identifies a number of problems regarding the fact that many African countries, including Uganda, Zimbabwe and Zambia, have almost simultaneously defaulted on their debts owed to the PRC. Recipient country loan or debtor faced with difficulties due to the length of the cooperation agreement period and the large amount of interest that must be paid. Another problem is the uncertainty of the political economic situation. domestic issues such as conflict and corruption. These various problems trigger defaults.

The PRC's credit and loans, whether from government financial institutions, banks or private companies, are considered by the international community to be non-transparent and detrimental to debtors. The international cooperation agreement that is implemented covers package capital loan in it includes full capital sourced or originate from the PRC. In package loan of capital goods, services and labor work foreign (foreign workers must originate from the PRC). In the perspective of debtor country, the package PRC loans are considered giving rise to a sense of injustice among local residents so that it is prone to causing conflict. The PRC cooperation agreement rejects restructuring or relief from debt payments though debtor currently experiencing force majeure due to disaster the Covid-19 pandemic so that interest on debt is getting bigger and bigger.

Cooperation agreements with Africa require infrastructure to built on credit loan funds originating from the PRC as collateral and its management is taken over if the country debtor unable to pay debt. This happened in Sri Lanka which had to give up its only international

airport, Hambantota, to be taken over by PRC for 99 years. This conditions is the consequences of Sri Lanka's inability to pay its US\$ 8 billion debt in 2017. In fact, the capital injection received by Sri Lanka was only US\$ 1.5 billion in 2010. Sri Lanka had no other choice but to let its infrastructure be taken over because failed to pay the PRC. At that time Sri Lanka had to drain 94% of its gross domestic product (GDP). This is what then led Sri Lanka to become a *failed state* in 2022.

In addition to capital, the PRC also transferred its culture. This can be seen from the various writings in Mandarin on every landmark, building, and all infrastructure built in Africa. Giving very low wages for workers local, environmental damage, and the increasing level of social inequality and ignoring the rights of indigenous African citizens is characteristics from impact PRC investment.

PRC military base in Djibouti further strengthens the allegations that there is ambition hegemony to annex Africa. Accusation that more harshly aimed at the PRC against development base military in Djibouty which already become of base military for other countries; the United States, France, Italy, and Japan.

On the other hand, a number of observers state that what the PRC did to participate in establish base military like big countries others in the Horn of Africa country is rational thing. Djibouty is a small country populated majority Muslim That is a gateway or door enter for PRC products. In addition, the PRC through its companies has made massive long-term investments in Africa. In building various projects in Africa, the PRC relies on stable trade and investment relations that continue to depend on long-term peace and security.

The PRC through its investment has built roads, bridges, ports, hospitals, educational institutions and others that can be used by the people of a number of African countries. On the other hand, this success has raised accusations, especially from the West, that the PRC has controlled African countries in the debt trap of 'debt book diplomacy'. The research question is how are the patterns and impacts diplomacy FOCAC against development development African economy? Focus analysis is confirming the truth about the accusations of Western countries against help loan development fund debt from institutions PRC finance to Africa. Aid credit loan PRC 's development of Africa suspected of being motivated by a trap or known as debt trapped.

Literature Review

This study exclude the country of Eswatini from discussion. Eswatini adheres to policy one China namely give confession sovereignty to China Taiwan rather than the PRC. Discussion focused on analysis about to what extent does FOCAC impact economic progress? Africa in the middle Western countries' accusations about impact debt trapped for debtor countries. Researchers use the theory of Debtbook Diplomacy and foreign aid. In addition, researchers also review previous literature in order to increase insight to be able to look at problems comprehensively and objectively.

Theory of Debt Book Diplomacy

The term *Debt-book Diplomacy* was popularized by Sam Parker and Gabrielle Chefitz in 2018 to describe the PRC's global political initiative known as BRI or OBOR. According to them, OBOR has become a tool in launching *Debt-book Diplomacy* which has resulted in a debt trap *Debt Trapped* for debtor. OBOR has ushering in the PRC as a global economic player.

Through OBOR, the PRC offers to build a number of infrastructures such as roads, bridges, ports

and others in developing countries. The length of the cooperation agreement period and the amount of interest are problem for debtor countries. The problem is Still aggravated Again with the occurrence instability domestic political economic situation. Problems the become a trigger for debtors' default. The PRC often draws criticism because it is considered too easy in providing loans to poor countries, including Africa. In providing loans, PRC does not examine the feasibility debtor country capability to make a repayment.

Foreign aid is often used as an instrument by a country to achieve its foreign policy. Foreign aid is similar to diplomacy, propaganda, or military action directed by a country against another country. Weisman revealed that help abroad is component diplomacy and could be said as tool effective controller to achieve objective policy abroad of a country.

In line with the theory put forward by KJ Holsti, in his book *International Politics: Framework of Analysis*, defines foreign aid as a transfer of money, technology, or advice to influence actions of other countries. Morgenthau through *A Political Theory of Foreign Aid*, identifies 6 types policy of foreign aid: military, aid humanity, subsistence, aid need *fundamentals*, pride, and help development economy.

Literature Review

First, *The myth of 'debt-trap diplomacy' and realities of Chinese development Finance*, Ajit Singh (2020). Ajit Singh in the article results study that PRC loans are not a major driver of debt distress for African countries. The PRC does not engage in predatory behavior toward debt countries, using debt to facilitate the takeover of strategic assets and natural resources, or to promote military expansion. In contrast to the Western debt trap narrative, the PRC's non-interventionist approach has opened up space for developing countries, especially those whose governments are hostile to the US and its allies.

Second, *Policy of China's Debt-Trap Diplomacy: The Influence of Media In Forming Community Political Opinions* (2020). Hardiansyah, et al. highlighted various international public opinions about the negative image of OBOR which has become an instrument of debt trap as 'debt trapped diplomacy'. Minor accusations mainly emerged from the West triggered by the lack of transparency of the PRC and high interest rates that make it difficult for countries that receive loans to pay their debts. Such things that happen both countries in Asia, Latin America and Africa. However, Hardiansyah concluded that if managed well, the PRC's foreign debt could be beneficial for the debtor country, like Indonesia.

Third, *Cheng and Liu Yuting, Cao Ying, (3 January 2022). China-Africa trade reaches all-time high in 2021, showing resilience amid pandemic*. Li Cheng and Liu Yuting's study discusses development work with Africa and China during the Covid-19 pandemic. The study discusses the success of cooperation between China and Africa through FOCAC. The analysis uses indicators of increasing investment and employment in Africa. China helped Africa build the African Union Conference Center, Addis Ababa-Djibouti Railway, Mombasa-Nairobi Railway, and other large-scale infrastructure projects. In addition, China also cooperates closely with Africa in the fields of science, education, culture, and health. The results of the study concluded that the US, Europe and other developed countries must work harder to increase their investment in Africa. The study appealed to Africa to be careful in managing debt from China.

Fourth, *Foreign Influence in National Policy*, Irma Indrayani 2024. This book is the research of political economy studies regarding the Indonesian government's policy in developing national aircraft industry during the Old Order (“Orde Lama”), New Order (“Orde Baru”), and post-New

Order era. Irma analyzes the factors that affected the national aircraft industry development policy. The economic crisis in Indonesia in 1997 which led to the signing of the Letter of Intent (LoI) between the Indonesian government and the International Monetary Fund (IMF) in 1998 was a crucial factor. The LoI was then followed up with reform policies, one of which was the decision to terminate funding for the National Aircraft Industry (IPTN) in 1998.

The LoI signing between the Indonesian government and the IMF in 1998 arouse political consequences to discontinue providing financial assistance in the production of National Aircraft Industry. The dominant role of the state in decision-making as practiced by Soeharto can no longer continued in the post-New Order era as a logical consequence of the presence of the reform movement and pressure from IMF to restore the Indonesian economy crisis. The idea is contained in domestic policies, especially in the industrial sector, cannot be separated from the influence of external factors such as international cooperation and foreign investment; IMF. This influence can be a pull and push factor or an obstacle, depending on how the policy is formulated and implemented.

Fifth, *The Phenomenon of the State as an Individual Actor*. Since the end of the Cold War in the 1990s, each country had to play a role as independent individual actors within socializing public international. There are trend phenomenon that every country in guard continuity his life must look after itself. In the international economy, the world treats countries as individual actors as members of a liberal political system. This phenomenon must be responded to by the state with a re conception of its position, purpose and trade function. A description of this political economic reality is found in the book by Sulistyono Widayanto, et.al, *Indonesian Trade Politics. Problematika, Pikiran, dan Nyatanya*, Unisri Press, Surakarta, 2023.

Methods

This study uses a qualitative approach method that is descriptive and focuses on analysis. The use of theory is a guide in focusing research based on facts in the field through data collection from various sources which are then presented in a logical, simple and understandable explanation. The goal is to obtain rational thinking results on knowledge about reality.

FOCAC is an international cooperation forum between China and African countries. This forum has become a bridge for both parties to work together. China offers investment while Africa gets loans to finance economic development. There are 3 important things that China does in Africa; investment, trade and exploitation mining. The impact is Africa's economic growth with GDP increase indicators. In the FOCAC cooperation, the PRC disbursed capital through a cooperation scheme between the government, private banks, and international financial institutions.

Result and Discussion

Development of PRC-Africa Cooperation

Before emerging as a country with global power, the PRC had going through difficult times that engulf millions of human victims' violence in the form of war, hardship economy and enforcement system political nation. The PRC after World War II which was under US control experienced destruction economy, inflation, and suffering people's poverty (Michael Wicaksono, 2010).

Difficult condition continued when communist leader Mao Zedong proclaimed the founding of the communist state of the PRC on October 2, 1949. Mao in his leadership took his cue from the Soviet Union in organizing his country, by implementing a communist system in which the

government was the main controller, private ownership did not apply or was nationalized. Although, certain sectors were relaxed, because Mao was worried that the newly formed PRC would have difficulty rising if everything had to be controlled by the government.

Conflict within the country has resulted in the PRC people becoming victims of the power struggle within political parties and pushing aside dictatorship Chiang Kaisek. The successive regime changes have colored and changed the face of the PRC. The founder of the Communist Party, Den Xio Ping, has changed the PRC's economic system, which was previously considered taboo implementing a capitalist system but still tightly controlled by socialism. The PRC prioritizes science and technology that makes the PRC open to foreign investment.

In obtain source investment foreign and world market access, PRC undergoes long journey to apply for accession or apply become GATT member in 1986. The accession process rejected by GATT members who then changed became the WTO in 1994. The PRC continued fight for accession until finally accepted as WTO member on 11 December 2001. Membership in the WTO allows the PRC to carry out expansion economy in a international fora. PRC as developing country economy utilized international market access. PRC continues become strength global economy. The PRC then, even become a donor country as source global investment.

In its development, the PRC carried out economic expansion to countries around the world, including conflict-prone Africa. In Africa region, the PRC strategies offers easy facilitation of development loan assistance packages through the Africa-PRC cooperation forum. The principle of low-cost but profitable investment continues to apply, that's why the PRC has never been complicated in providing debt. The dark past period as a poor country made the PRC rise to become a great nation and a global economic power. Africa is one of the continents that is the target of PRC investment. As player global business, PRC is interested invest massively in Africa because Africa has source Power abundant nature temporary level industrialization still not develop yet.

The condition of Africa utilized by the PRC to obtain material standard and at the same time distribution results industry. PRC has changed become center results global industry as provider product cheap and functional. The results of the PRC industry are relatively cheap compared to products originating from other industrial countries is interesting attention and interest in the world and not except Africa. Products manufacturing costly low from the origin of PRC dominate the African market. On the other hand, Africa pays import from PRC with export source power nature.

Impact of FOCAC on Africa's Economic Progress

FOCAC was officially signed in 2000, although formal relations between the two parties had actually been going on since 1979. (Taylor, 2011) In addition to cooperation in the economic sector, the development of education and human resources is also an important point of agreement, this is marked by the massive construction of schools in Africa accompanied by training programme and scholarships for African citizens. Through FOCAC, PRC changes become the largest foreign investor in Africa. China was initially only a supplier of various goods and services in several countries in Africa. In its development 20 years later, China has dominated the import market share in 30 countries in Africa.

Julia Faria, an expert researcher for Angola, Kenya and Tanzania, said that the value of PRC's exports to African countries jumped from five billion US dollars to 110 billion. The volume of trade mark export merged with mark import, experience surge. Although import increase

However African exports to the PRC also experienced improvement although now as big as imports. In 2019, the total value of Africa's exports to the PRC reached nearly 80 billion US dollars. PRC's import demand for raw materials has increase. Africa becomes Supplier primary for PRC's needs for materials mines and minerals and resources Power natural others. Export value Africa to PRC to reach around 17.5 billion US dollars in 2019.

FOCAC has an impact on Africa's economic progress. FOCAC has succeeded create employment and increase GDP in a number of African countries. Global Compliance News mention existence trend general about the occurrence sustainable bilateral trade increase between Africa – PRC. In addition to being Africa's largest trading partner, PRC is also a major foreign investor.

On the other hand, FOCAC is also considered to have a negative impact. The presence of PRC foreign workers in Africa as an integral part of the loan aid package has caused social jealousy. This foreign worker from the PRC adds gap social economy local. The reality is that the PRC remains Africa's largest trading partner for 12 consecutive years.

The PRC customs authority recorded total bilateral trade with Africa in 2021 reached 254.3 billion US dollars, up 35.3 percent year-on-year. Africa exported 105.9 billion US dollars worth of goods to China, up 43.7 percent year-on-year. China has maintained its position as the largest investor in Africa for the past 10 years. Position the to deny Western accusations that the PRC is not setting up a debt trap for Africa.

For the PRC, Africa is a strategic partner in realizing the PRC's big dream to participate create world prosperity, especially Africa, through FOCAC which is guided by the OBOR program. As for countries that experience default, this is mostly due to their inability to manage their debt. abroad. For the PRC, this is a domestic problem for those countries. The PRC does not interest do intervention to affairs domestic of other countries.

	Annual average new created jobs in Africa 2010-2019	Trend 2010-2019	Annual average Africa as % of world 2010-2019	Trend 2010 -2019
China	18,562	↑	27%	↔
US	12,106	↔	4%	↔
France	7,763	↔	11%	↔
Turkey	5,047	↔	38%	↔
UK	5,063	↔	8%	↔
Germany	4,933	↔	4%	↔
India	4,165	↔	16%	↔
Japan	3,724	↔	5%	↑
UAE	2,968	↑	24%	↑
Switzerland	2,175	↔	7%	↔
Spain	2,119	↔	9%	↔
South Korea	2,050	↔	5%	↔
Canada	1,793	↔	6%	↔
South Africa	1,453	↔	43%	↑
Nigeria	1,422	↔	97%	↔
Top 15 Countries in Africa	75,370	↔	20%	↔

Table 4.1 Top 15 Investors in Africa (2010 - 2019)

Resource: Swiss-African Business Circle

The table above shows that the PRC is largest investor in Africa over the past 10 years. The US is the second largest investor in Africa, followed by France in third place and Turkey in fourth place. The report also ranks the UK as the fifth largest investor in Africa. The PRC has maintained its position as the largest investor in Africa over the past 10 years in terms of new jobs created (averaging 18,562), with a substantial gradual increase in new jobs created each year. The Swiss-African Business Circle report shows that the PRC has poured 27 percent of its total investment in Africa over the past 10 years 27%. (Victor Oluwale, 2022)

No.	Source	Total in USD billion	Field Work	Project Amount
1	PRC	72	137,000	259
2	France	34	58,000	329
3	US	31	62,000	462
4	UAE	25	there	there
5	English	18	41,000	286
Source (processed) Propio Language Services, December 2, 2024				

Table 4.2 Top Five Countries as Sources of Investment in Africa 2014 – 2018

The table above shows that the PRC occupies ranking top from the top five countries of origin investment or Foreign Direct Investment (FDI) in Africa for the period 2014 – 2018 with worth USD 72 billion dollar. PRC's FDI in Africa also created 137,000 jobs. Work most compared to four other countries namely France, the United States, the United Arab Emirates, and English. In case of the investment and creation field work, PRC has more lots compared to with other countries. Although thus, in matter amount PRC project occupies ranking bottom.

Refer to Drezner, the explanation of the global phenomenon of decisions and or actions originating from a country becoming global affairs. Countries that have political economic power have the potential or tend to become global affairs. Drezner explains that globalization economy No weaken power government national to regulate its economy alone.

The size of the country also become determinant global politics. Big countries such as the United States and the European Union Still become key player in compilation global regulations, and their power determined by the size of the economic market in their country. Global governance of the economy will be effective if get support from a big country which has strength economy. Ironically the global power possessed by the country concerned precisely originate from the same state elements globalized. PRC is example where strength global obtained from integration communism to system of capitalism. (Drezner, 2020)

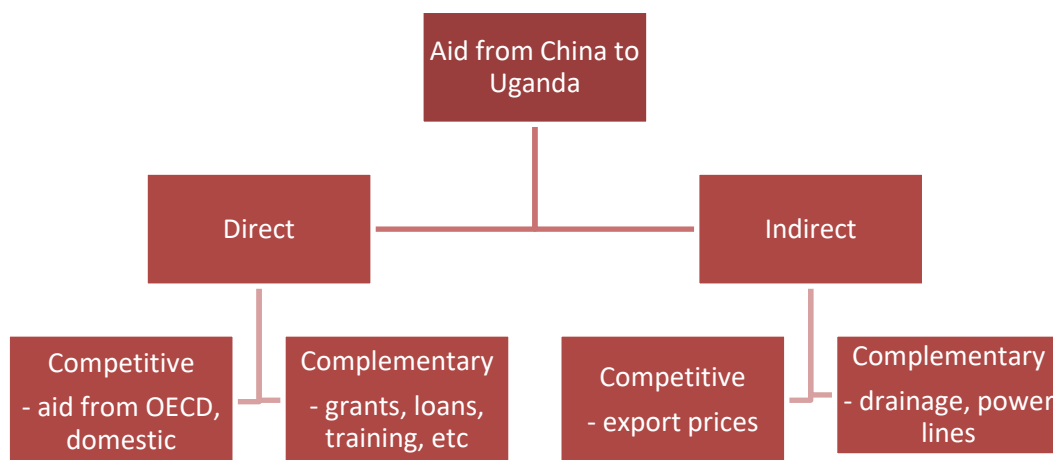
Issues Trap PRC 's Debt to Developing Countries.

As a donor country, the PRC is newcomer new in Africa. Previously, the position as the main investor was occupied by European countries, the US and other developed countries. However, since FOCAC was established, the position of these countries was taken over by the PRC as depicted in table 4. Displacement West as development capital provider the emergence reaction in form accusation against the PRC committing a debt trap against Africa and other developing

Allegations the based-on evidence, many developing countries are having difficulty paying their debts. The IMF is a multilateral financing institution that often gives warnings. to the PRC to restructure its foreign debt. High interest rates, state asset guarantees and long loan terms imposed by the PRC are the causes of debtor countries or even defaulting. As for countries that hard paying their debts to PRC, as quoted from CNBC Indonesia, which reported Gulf News, it states among others:

Uganda

Uganda owed \$ 200 million (equivalent to Rp2.8 trillion) from the Export-Import Bank (EXIM) of the PRC to expand Entebbe airport in 2015. However, Uganda is facing a national crisis that has resulted in difficulties in repaying the debt. As a result, Uganda must prepare to give up the profits of Entebbe Airport, the country's only airport, to be handed over to the PRC since 2021 due to default. The Uganda government has proposed negotiations in 2021 to restructure debt However until currently has not found any results. Uganda applied for a loan with a tenor of 20 years with an interest rate of 2 percent and a grace period of 7 years.



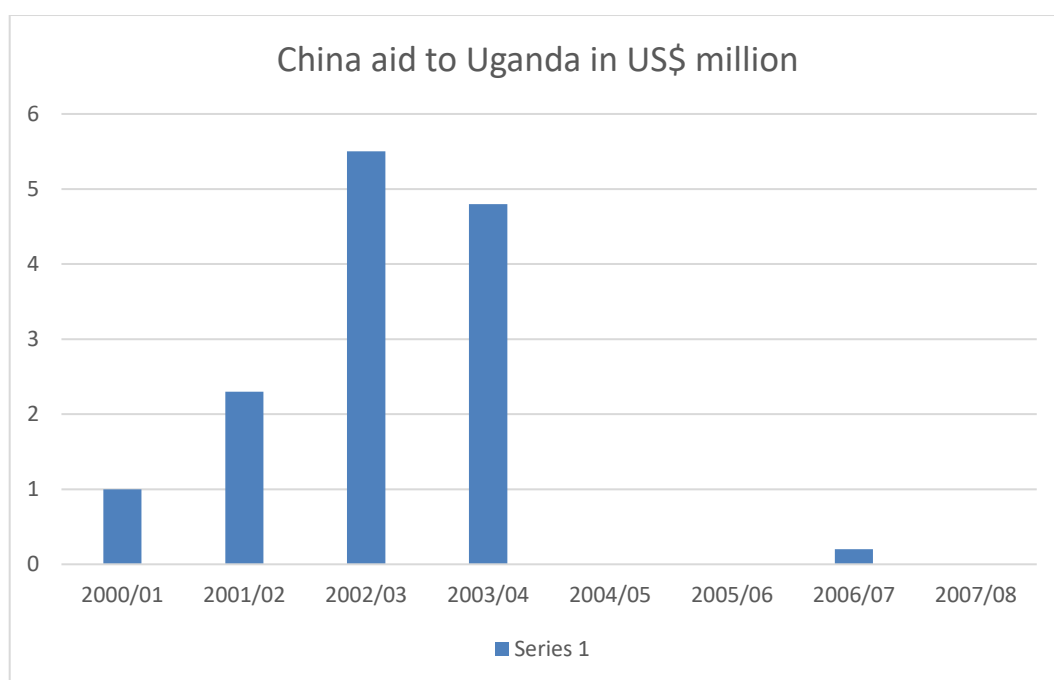


Figure 2 Aid from China to Uganda

Source: Development Cooperation Report, 2007/08, Aid Liaison Department

Credit development fund loan PRC to Uganda in the form of technical assistance, budget support, emergency assistance and investment assistance. With this assistance, the sectors that benefit include transportation, business-related services such as training and provision of medical equipment, manufacturing, and agriculture. The report shows that some of the assistance to Uganda is mostly in the form of goods from PRC as follows: operational, advice and provision power his work. Based on MFPED documents, MAAIF, Ministry of Works and Transport, revealed that Uganda has signed various agreements in various sectors with PRC support. This is in the following areas as categorized below;

Category	Form
Training	The Uganda Industrial Research Institute (UIRI) in Nakawa, Kampala produced 690 personnel for the lighting industry in Uganda in 2001.
	Based on The African Human Resources Development Fund (AHRDF) established by the PRC government, the institute is projected to train Africans from 2004-2006. The institute has become one of the most well-equipped industrial research institutes on the African continent.
	In the operation and maintenance of the facilities at Mandela National Stadium/Namboole Stadium, Ugandans are trained in areas including: timekeeping & scoreboard, power maintenance, firefighting, plumbing and sports.
Infrastructure	In September 2007, an agreement for the construction of the Waka Waka fish landing site was signed between China and Uganda and the site has been completed and handed over to MAAIF and is now in use.

Category	Form
	The PRC provided computers to the Office of the Inspector General of the Government (IGG) worth US\$0.02 million in 2007.
	In 2007, an agreement was signed to build two rural schools but the PRC government has yet to send a team to conduct a feasibility study on the project before it begins. The schools are to be built in Sembabule and Kanungu districts in western Uganda.
Health	In the last quarter of 2007, an agreement was signed for the procurement of medical equipment worth US\$266,000.
	In 2006, the PRC government sent a team of experts to train Ugandans on the latest anti-malarial technology.
	In 2006 the visit of the Prime Minister of the PRC for the provision of anti-malarial drugs worth US\$ 0.4 million and the first batch was sent to the Ugandan Ministry of Health.
	In mid-2007, an agreement to provide a second batch of anti-malarial drugs worth US\$0.4 million was signed.
Loans and debt cancellation	A US\$30 million loan agreement for the National Information Communications Technology (ICT) and e-government project was signed in 2007. This is part of a larger loan that is expected to reach US\$106 million upon completion of the project and the PRC Government is expected to provide the remainder of the loan.
	During the construction of the Mandela National Stadium, the PRC Government provided an interest-free loan of approximately US\$ 32 million to the Ugandan Government for the construction of the stadium and its payments were made on schedule.
	During the visit of the Assistant Minister of Commerce of the PRC in 2007, a Protocol for the cancellation of US\$17 million worth of debt was signed.
Grant	The purchase of the trucks in 2002 came after an agreement for a US\$1.6 million grant was reached between the two countries.
	In 2003, grants worth US\$2.67 million and US\$4.0 million were extended and in 2004 and 2005, grants worth US\$2.67 million & US\$1.33 million respectively were provided with the agreement that both governments would agree on which projects should be implemented.
	In 2003, US\$0.27 million was provided as an emergency relief grant to help 800,000 displaced people in Northern Uganda. In their support for cooperation projects, the PRC provided US\$0.2 million to the Government of Uganda to implement the project.
Technical cooperation	During the visit of the PRC Prime Minister to Uganda in 2006, a technical and economic cooperation agreement was signed between the two governments worth US\$5.33 million. Technical assistance was provided to UIRI in Nakawa through the provision of equipment and technical training in the fields of: electrical engineering, mechanical engineering, food technology, and ceramics technology.
	PRC also develops natural resources through various trainings in

Category	Form
	collaboration with Ugandan officials, through seminar and conference programs on: fish farming, disease control, meat processing, improving the quality of African women, sustainable agricultural development planning, information technology, customs management, and so on.
Etc	In 2006, China provided and delivered 50,000 lamps to the Electoral Commission worth US\$0.6 million. They also agreed to provide agricultural equipment worth US\$0.13 million which was distributed by the Indonesian Government to Internally Displaced Persons (IDPs) in Northern Uganda.

Source: Madina, Guloba, Nicholas Kilimani, Winnie Nabiddo. "Impact of China-Africa Aid Relations: A Case Study of Uganda" in Economic Policy Research Center (EPRC), 2010.

Although Uganda has not actually defaulted, the ongoing difficult situation, especially the impact of the Covid-19 pandemic, has a major impact on the country's economic growth. Uganda is concerned that it will not be able to pay its debts to the PRC. Uganda is a poor country that owes large amounts to creditors other than the PRC, including the World Bank, the International Monetary Fund (IMF), and other wealthy countries. Uganda's difficulties in paying its debts have given rise to discourse and speculation about the take over of Entebbe Airport. international criticism. PRC firmly rejects the discourse.

Entebbe Airport expansion project underway by the PRC communications construction company has started since March 2016 and is expected to be completed by the end of 2022. In addition to building infrastructure, the PRC is also making *direct investments in* Uganda in other sectors such as agriculture, fertilizer, textiles, and minerals. Ugandan President Yoweri Museveni stated that the PRC sees Uganda as a country with great potential and that has not been done by the West so far. That is why various cooperation agreements continue to be carried out by both parties.

Zimbabwe

Zimbabwe owes US\$4 million, or around Rp54.8 trillion for the purchase of military equipment to eradicate horizontal conflicts within the country. The PRC extended assistance in the form of military equipment and troops to President Laurent Kabali to fight the rebellion in Uganda and Rwanda. The two countries established diplomatic relations on April 18, 1980, or right on Zimbabwe's Independence Day. Since then, the two countries have enjoyed stable relations, including economic cooperation.

Although Zimbabwe is often hit by domestic conflicts. On the other hand, even Western countries have isolated the country due to human rights violations. In conditions, the PRC came to provide foreign loan assistance. Because it could not manage foreign aid, Zimbabwe was declared in default after the maturity period ended in December 2020. As compensation, Zimbabwe must use the Yuan Reminbi currency since January 1, 2016 until now. Although since massive inflation has been experienced by Zimbabwe in 2009, the Renminbi is not the only international foreign currency that is enforced in the country, among others, the United States Dollar and South African Rand.

Zimbabwe faces situation it is difficult to provide payment funds massive loans from the PRC for infrastructure projects during the final years of President Robert Mugabe's administration. The PRC has funded the expansion of the International Airport, Victoria Falls and the southern

African country's main source of electricity, the Kariba Hydroelectric Power Station on the Zambezi River, among other major projects. Major ongoing infrastructure projects funded by PRC financiers include the expansion of the Hwange Thermal Station with a \$1.2 billion loan, and the construction of dams.

Zimbabwe is exporter of a number of commodities to PRC. In the year 2020 Zimbabwe records mark exports US \$193 million. Exports Zimbabwe is Ferroalloys (\$79.1 million), Nickel Ore (\$32.2 million), and Processed Tobacco (\$23.9 million). However, the large amount of debt that must be paid makes foreign exchange insufficient to cover the burden of debt that must be paid. In addition to the PRC, Zimbabwe also has to pay debts to other creditors such as the Bank of Africa, the World Bank and others.

Zambia

World Bank take notes that Zambia's foreign debt as of June 2020 had reached \$12 billion and \$3.4 billion of it is the country's debt to the PRC as follows: accumulation of interest that has continued to swell since 2015. The Covid-19 pandemic has worsened the situation so that Zambia, which relies on copper exports for its economy, experienced delays in payments. The Zambian government has met with the PRC Development Bank to obtain relief to temporarily postpone debt payments. Zimbabwe is among the poor countries that have very large foreign debts and is categorized as unhealthy debt because the state treasury is empty with foreign debt reaching Rp181 trillion. Zambian President Hakainde Hichilema at the beginning of his term in late 2021 stated that severe mismanagement of state funds due to corruption in the country.

Conclusion

Many valuable lessons can be picked from diplomacy PRC economy in Africa through utilization FOCAC vehicle. Developing countries need take wisdom from Africa – PRC bilateral cooperation in the field of development economy. Here some grain conclusion. First, the PRC is one of developing countries that are transforming become a country that has strength global economy and politics. Changes That happen blessing existence Deng Xiaoping's initiative to open self towards the international world through accommodation and integration principal capitalism to in ideology in system communism for business economy.

Second, openness economy. This followed up with efforts to integrate the PRC into in open market system that is join the WTO. PRC becomes actor global economy as its innovation create and produce product cheap to fill the world market. OBOR is a diplomatic strategy international based on the principle the country's economy to develop and at the same time channeling product results PRC industry.

Third, Africa is the target of economic diplomacy for a potential very basic reason. Africa's weakness is actually being targeted as a source country for imported raw materials and at the same time as a destination country for exports of PRC goods and services. PRC economic diplomacy in Africa is implemented through the establishment of FOCAC. PRC offers a complete development loan credit package facility for African debtors. The loan package consists of financial capital, project work, provision of goods and/or services including foreign workers sourced entirely from PRC.

Fourth, the results of the research questions on the pattern and impact of FOCAC diplomacy on the development of African economic development obtained the conclusion that FOCAC has a bilateral causal impact on each individual country. Through the strategy of distributing foreign

aid credit in FOCAC, the PRC has deliberately exploited Africa's weaknesses.

China, through the distribution of development loan credit has placed a number of countries in Africa as peripheral countries to support the survival of the PRC's mercantilist economic pattern. On the other hand, each African debtor country is lulled by a culture of life that depends on the exchange of ownership of natural resource-based commodities. Both parties, PRC and the debtor countries in Africa that are trapped in foreign debt, are a depiction of the reality of global politics where each country must become an individual actor to maintain its own survival.

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