

## ISSUE BRIEF

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## Obama's Trip to Africa: Make It More Than a Photo-Op

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President Obama will make his first extended trip to the Africa from June 26 to July 3, visiting Senegal, Tanzania, and South Africa. This trip provides a strategic opportunity for the United States to reaffirm its commitment to the oft-cited U.S.-Africa partnership that Obama lauded during his first visit to Ghana in 2009.

It is unlikely to do so, because the Administration has not sought to build any meaningful bilateral relations with individual African nations. The challenges posed by regional insecurity and terrorism remain under-addressed and the potential benefits from enhanced economic engagement with Africa unrealized. To address these concerns, the President's trip should focus on China's rising influence, deepening security cooperation, and realizing economic engagement.

**China's Rising Influence.** President Obama's trip follows one by China's new president, Xi Jinping, who recently visited Tanzania, South Africa, and the Republic of Congo. Many cite China's growing economic relationships and influence on the continent as a key motivation for the U.S. to ramp up its economic and political engagement with African nations.<sup>2</sup>

This paper, in its entirety, can be found at <a href="http://report.heritage.org/ib3975">http://report.heritage.org/ib3975</a>

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In the Chinese model of development, Beijing offers assistance in return for preferential access to African natural resources. The U.S., on the other hand, provides assistance aimed at economic reform, democracy, good governance, social investment, and human rights.

The U.S.'s approach promotes long-term development and prosperity,<sup>3</sup> something that African nations are desperately seeking. However, this message does not always resonate with African leaders who prioritize immediate needs over long-term reform. Chinese investment in extractive industries may help build a port today, but failure to implement regulatory and other policy reforms could cripple African entrepreneurship, which is critical for sustainable long-term growth.<sup>4</sup>

African nations have a choice to make. President Obama should make this choice clear by emphasizing that the U.S. model is a path to prosperity for all individuals, not just political elites—in contrast to the corruption and human rights abuses that are often linked to Chinese investment.

**Deepening Security Cooperation.** Porous borders, limited security capabilities, poor maritime surveillance, and historical ethnic and religious tensions offer a tempting operating environment for terrorist groups, including al-Qaeda affiliates, and other violent actors. These groups take advantage of insecure and chaotic environments to operate illicit networks, establish local support, and expand into new territories.

The Obama Administration identified countering terrorism as one of its four key policy pillars in sub-Saharan Africa,<sup>5</sup> but President Obama has no stated plans to visit Nigeria, Mali, or Somalia—three

countries deeply involved in fighting Islamic extremism.

President Obama has been reluctant to share the successes of the U.S. military's Africa Command (AFRICOM) in developing security partnerships on the continent. This should change. AFRICOM's role in developing military-to-military partnerships for professionalization and capacity training, as well as a myriad of humanitarian projects, should be publicized on President Obama's trip. The President should communicate to African leaders and African citizens that the U.S. takes it security cooperation with African nations seriously and enumerate the significant shared benefits of U.S. and African cooperation in establishing a safer and more secure environment for development. As the U.S. knows from Iraq and Afghanistan, development and security cannot be delinked from one another.

**Realizing Economic Engagement.** The U.S. claims that sub-Saharan Africa is "open for business." Yet the U.S. has fewer bilateral free trade agreements with African nations than any other region in the world. Leaving that aside, the U.S. has only six bilateral investment treaties (BIT) and one double tax treaty (DTT) with countries in sub-Saharan Africa. By contrast, France has 11 BITs and 26 DTTs, the U.K. has 15 BITs and 17 DTTs, Germany has 36 BITs, and China has 11 BITs.

Large U.S. multinational corporations often work through foreign subsidiaries or sometimes negotiate

their own agreements with African governments, such as Wal-Mart's deal in South Africa. However, most small and medium-sized enterprises lack these options. The Obama Administration can tout its Trade and Investment Framework Agreements—a potential step toward greater bilateral engagement—with African nations, but these agreements carry little weight and lack enforcement. Economic partnerships and the resulting benefits between the U.S. and African nations will fall short unless the U.S. makes a serious commitment to facilitating more dynamic trade and investment in Africa.

**Forward-Looking Policy.** If President Obama is serious about engaging with African nations and moving toward a true partnership, he needs to show that where U.S. and African nations' interests align, much can be accomplished. President Obama should therefore:

■ Make the case that a partnership with the U.S. is in the interest of both parties. For African nations to realize their growth potential and maximize the prosperity of their own people, they should move to become more than recipients of U.S. aid and mere short-term commodity providers to China. The key to ensuring economic dynamism for the continent lies in advancing economic freedom through good governance and much-needed policy reforms that would unleash African entrepreneurs' potential. This process should be supplemented by deeper trade and

<sup>1.</sup> The White House, "Remarks by the President to the Ghanaian Parliament," July 11, 2009, http://www.whitehouse.gov/the\_press\_office/Remarks-by-the-President-to-the-Ghanaian-Parliament/ (accessed June 19, 2013).

<sup>2.</sup> Stephen Hayes, "An Obama Visit to Africa Is Long Overdue," U.S. News and World Report, May 13, 2013, http://www.usnews.com/opinion/blogs/world-report/2013/05/13/an-obama-visit-to-africa-is-long-overdue (accessed June 19, 2013).

<sup>3.</sup> Terry Miller, Kim R. Holmes, and Edwin J. Feulner, 2013 Index of Economic Freedom (Washington, DC: The Heritage Foundation and Dow Jones & Company, Inc., 2013), p. 15, http://www.heritage.org/index/download.

Alexis Okeowo, "China in Africa: The New Imperialists?" The New Yorker, June 12, 2013, http://www.newyorker.com/online/blogs/newsdesk/2013/06/china-zambia-resources-imperialism.html (accessed June 19, 2013).

<sup>5.</sup> The White House, "U.S. Strategy Toward Sub-Saharan Africa," p. 4, http://www.whitehouse.gov/sites/default/files/docs/africa\_strategy\_2.pdf (accessed June 20, 2013).

<sup>6.</sup> Francisco Sanchez, "Making It Easier for American Firms to Do Business in Africa," The White House Blog, November 29, 2013, http://www.whitehouse.gov/blog/2012/11/29/seize-opportunity-and-expand-africa-doing-business-africa-campaign (accessed June 19, 2013).

<sup>7.</sup> Peter Hansen, "Unleashing the U.S. Investor in Africa: A Critique of U.S. Policy Toward the Continent," Heritage *Lecture* No. 1219, February 4, 2013, p. 2, http://www.heritage.org/research/lecture/2013/02/unleashing-the-us-investor-in-africa (accessed June 24, 2013).

<sup>8.</sup> Sikonathi Mantshantsha, "Wal-Mart's Massmart Takeover Bid Approved, Angering Unions," *Bloomberg*, June 31, 2011, http://www.bloomberg.com/news/2011-05-31/wal-mart-s-2-4-billion-bid-for-south-africa-massmart-approved-with-terms.html (accessed June 19, 2013).

<sup>9.</sup> News release, "Fact Sheet: Obama Administration Accomplishments in Sub-Saharan Africa," The White House, June 14, 2012, http://www. whitehouse.gov/the-press-office/2012/06/14/fact-sheet-obama-administration-accomplishments-sub-saharan-africa (accessed June 19, 2013).

investment engagement with the U.S. and a more secure and stable environment.

- **Promote security cooperation.** The U.S. should continue to train and support professionalization of African militaries to better enable them to assume responsibilities for addressing domestic and regional threats while not themselves posing a threat to stability. The African countries facing the gravest of threats from extremism will not be stopping points on the President's trip, but they should not be forgotten in the larger African security context.
- Advance the discussion beyond "trade, not aid." Negotiating a greater number of BITs and

DTTs with African governments would be a catalyst for U.S. investment in some of the fastest growing economies in the world.

Africa Will Be Watching. The entire African continent will be watching, reading, and listening closely to the words of the President during his upcoming trip. President Obama has an opportunity to advance forward-looking engagement with the governments and peoples of Africa. It would be a shame if he settled for recycled rhetoric and an expensive photo-op.

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