

Taiwan errors in Burkina Faso open door for mainland

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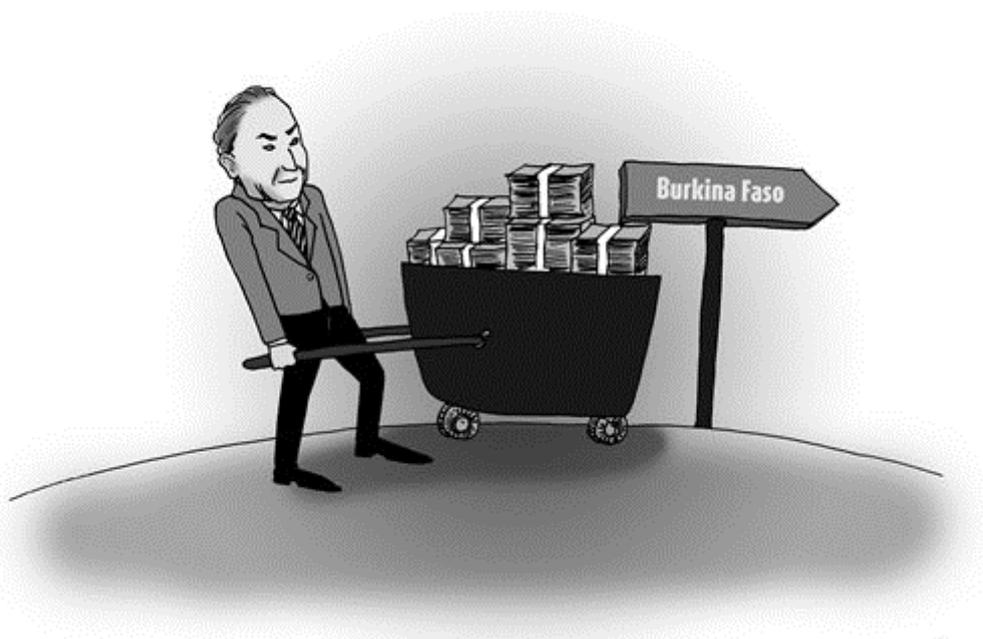


Illustration: Luo Xuan/GT

Panama has recently cut ties with Taiwan in favor of the Chinese mainland. Will Burkina Faso be the next one to follow suit? Although Taiwan's aid to the African country is extremely generous, the economic assistance, which is politically motivated, has proved to be insufficient.

Burkina Faso is one of the world's poorest countries. According to the Human Development Index, it was ranked in 2015 at No.183 among the world's 188 countries. In the past two decades, the country's economic growth has been relatively slow, while its

population has grown very rapidly, from 7 million in 1994 to 17 million in 2016.

Taiwan's aid to Burkina Faso is mainly focused on five areas: agriculture, healthcare, technical training, cultural exchange and energy.

In terms of the strategic objectives of the assistance, Taiwan's starting point is to maintain "diplomatic relations" with Burkina Faso, while the development of the local economy and trade is not so important. Following this logic, Taiwan's aid does not need to use trade and investment tools nor to tighten trading ties. Taiwan's aid to Burkina Faso is only for political purposes and is completely decoupled from real business activities. Although the scale of Taiwan's aid to Burkina Faso is growing, the investment and trade ties are almost negligible.

In reviewing Taiwan's aid, it can easily be seen that some of the projects are not sustainable. For instance, in 2006, Taiwan invested \$3.9 million to carry out cooperation with Burkina Faso and Germany. The plan was to use the red sorghum produced by Burkina Faso to make medical alcohol. The project achieved some success in 2009, but after that the factory construction and production was stopped abruptly. Now, many government officials in the country also support the move to dismantle ties with Taiwan.

Burkina Faso's relationship with Taiwan can be seen as offering only fragile development cooperation and uncertain relations. There are two reasons for this. First, it is difficult to benefit most of the people in the country if there is not investment and trade. Not mobilizing the participation of commercial funds makes it difficult to effectively expand the scope and effect of aid. Second, this lack of investment means the relationship between the two cannot get support from the public in Burkina Faso. Also, decision-making related to aid doesn't fully involve the country's economic sector and other stakeholders in the projects, which shows that the Taiwan-Burkina Faso relations have weak foundations.

There are several things that can be learned from this kind of aid model. First, regarding the strategic objectives of foreign aid, it is not advisable to separate the diplomatic strategy and economic strategy; the two should share a complementary relationship. Second, when optimizing the foreign aid management framework, great importance should be attached to strengthening mutual cooperation in sectors related to investment and trade promotion. Third, full use should be made of the policy tools for the economy and trade, which will not only expand the number of participants, but also improve the capital usage efficiency of the foreign aid.

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