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Engagement, Compromise and Controversy***

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China-Africa Relations in the 21st Century: Engagement, Compromise and Controversy

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ABSTRACT

China's foreign policy agenda in Africa forms a part of its thrust to foster cooperation among the developing countries and demonstrate its status as an emerging superpower. The 2000 Beijing Declaration and the Program for China-Africa Cooperation in Economic and Social Development are the basis of the renewed relations. China has developed diverse and varied relations with Africa in all spheres of interaction. However, Africa's mineral and energy resources, required by China's burgeoning industry, are the major attraction of its re-engagement with Africa in the 21st century. The accelerated growth of China's trade and investment in Africa has stirred controversy among academics and policy makers in terms of the nature of opportunities and challenges for the continent's development, and whether a neo-colonial pattern of relationship akin to the one with the West is likely to develop. The imbalance in trade and investment relations, partly due to economic asymmetries, and China's failure to condemn the repressive African governments and poorly managed economies point to a foreign economic policy which is self-serving and influenced by immediate short-term gains.

Keywords: Engagement, Cooperation, Compromise, Competition and Controversy.

21. Yüzyılda Çin-Afrika İlişkileri: İlgı, Uzlaşma ve Çatışma

ÖZET

Çin'in Afrika ile ilgili dış politika gündemi, gelişmekte olan ülkeler arasındaki işbirliğini artırma ve yükselen bir süper güç olarak statüsünü gösterme hamlesinin bir parçasını oluşturmaktadır. 2000 Pekin Deklarasyonu ve Çin-Afrika Ekonomik ve Siyasi İşbirliği Programı yenilenen ilişkilerin temelini oluşturmaktadır. Çin, Afrika ile tüm karşılıklı ilişki alanlarında Afrika ile farklı ve çeşitli ilişkiler geliştirmiştir. Ancak Çin'in büyüyen sanayisinin ihtiyaç duyduğu Afrika'nın maden ve enerji kaynakları, 21. yüzyılda Çin'in Afrika ile iyi ilişkiler kurmasının ana sebebidir. Çin'in Afrika'daki ticaret ve yatırımındaki hızlı artış, kıtanın kalkınması ile ilgili fırsatlar ve zorlukların yapısına ilişkin ve Batı ile olduğu gibi yeni-sömürgeci tarzı ilişkilerin gelişme ihtimalinin olup olmadığı konusunda akademisyenler ve siyasetler arasındaki uyuşmazlıkları açığa çıkarmıştır. Kısmen ekonomik asimetriden kaynaklanan ticari ve yatırım ilişkilerindeki dengesizlik, Çin'in Afrikalı baskıcı yönetimleri kınamaması ve iyi yönetilmeyen ekonomiler; kendisine hizmet eden ve kısa dönem kazanımlardan etkilenen bir dış ekonomik politikayı işaret etmektedir.

Anahtar Kelimeler: İlgı, İşbirliği, Uzlaşma, Rekabet ve Uyuşmazlık.

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Introduction

Increasing numbers of Chinese companies are developing connections in Africa with the aim of increasing trade between China and the African continent. However, this relationship between China and Africa has not happened without tension. The aim of this paper is to analyze how the increasing numbers of Chinese companies in Africa impact China-Africa relations. Questions related to this development and its consequences are being raised. Is China Africa's neo-colonial power? Are China and African relations tension-free? What would China and Africa gain from the advancement of this relationship? How is the behavior of African states affected by the manner in which they receive financial support from China? How are the human rights practices of African governments affected by the conditions associated with Chinese aid? The paper presents an overview of China-African relations in the past, China's aid programme to Africa, the China-Africa Cooperation Forum, China's trade relations with Africa, with special emphasis on natural resources and the export market for Chinese products and investments in Africa as well as the controversy over China in Africa.

The relationship between China and Africa has developed noticeably over the last five decades and three separate periods can be distinguished within this time frame. Initially, relationships were established between China and African nation states as they gained independence. Then came the period when China was given a permanent seat on the UN Security Council in 1971. The final phase covers the post-Maoist period and is characterized by the liberalization and subsequent growth of the Chinese economy. China's relationship with Africa started to develop in the early 1950s. Before 1955, Africa was of no significant importance to China but from then onwards China sought international recognition and political allies, hoping to strengthen international alliances against the capitalist West and the revisionist communist Soviet Union.¹ The Bandung Conference was held in 1955. This meeting of 29 Asian and African states aimed to promote economic and cultural relations between the two continents. The topics that were on the agenda included colonialism, imperialism and the hegemonic position of the Western powers. According to Wright:

The conference enhanced the unity and co-operation of the Asian and African countries, inspired by the people in the colonies to struggle for national liberation and played a significant role in promoting the anti-imperialist and

¹ T. M. Kanza, "Chinese and Soviet Aid to Africa: An African View", W. Weinstein (ed.), *Chinese and Soviet Aid to Africa*, Praeger Publishers, New York, 2006, p. 1.

anti-colonial struggle of the Asian and African people.² What all the countries had in common was their shared history and their perception of white dominance by the West. Statements such as “We all belong to the Third World, we are developing countries” were commonly heard at this time.³

During the conference, China and the African states adopted the five principles of “Peaceful Coexistence” that had earlier been formulated by India and China. These covered (1) mutual respect for sovereignty and territorial integrity; (2) mutual non-aggression; (3) non-interference in each other’s internal affairs; (4) equality and mutual benefit; and (5) peaceful coexistence.⁴ Following the conference, China supported African countries with economic, technical and military support in an attempt to restrain the dominant western powers and create a new political and international order. African states were at the same time seeking allies to help them win their fight for independence and financial support to fund these struggles. From 1966 to 1969, Chinese attention toward Africa was diverted due to domestic changes and the great proletarian Cultural Revolution. After internal disputes had been settled, China began to establish new relationships on the African continent.⁵ According to Larkin, China-African relations in the 1970s had five key characteristics.

First, the number of African countries with diplomatic ties gradually increased. In 1967, China had 13 diplomatic missions in Africa and by 1974 this number had increased to 30. Second, China joined the United Nations Security Council in 1971, taking over Taiwan’s seat and many African states welcomed this decision since their political ties with China had increased over the years. According to Moussa Traore, the presence of the People’s Republic of China (PRC) in the UN as a permanent member of the Security Council (will) contribute notably to the strengthening of the capacity of this organization in maintaining peace and international security.⁶ Thirdly, the Tanzania-Zambia railway was the biggest aid project on the continent in the 1970s and China was in the process of committing itself to more prestigious projects all over Africa. Loyal states were offered federal buildings, stadiums, factories, infrastructure, medical teams and student exchange programs.⁷ Fourthly, China continued to support the nationalist movements that were demanding independence and the

² D. J., Muekalia, “Africa and China’s Strategic Partnership”, *African Security Studies*, Vol.13, No 1, 2004, p. 5–12.

³ B. D., Larkin, “China and Africa, 1949-1970: The Foreign Policy of the People’s Republic of China”, University of California Press, 1971, p. 20.

⁴ Harry, Broadman, “Africa’s Silk Road: China and India’s New Economic Frontier”, Washington DC, *World Bank*, 2007, p. 6.

⁵ Ibid.

⁶ Ibid.

⁷ Judith Van de Looy, “Africa and China: A Strategic Partnership? ASC Working Paper 2006”, *African Studies Centre*, The Netherlands, 2006, p. 4.

end of imperialism. It provided military support for Africa on various occasions, as it saw the need for African nationalist movements to disentangle themselves from the hegemonic West. In fact, the Peking Review of 26 January 1973 legitimized armed opposition stating that “the armed struggle is the only way through which colonialism, apartheid and racial discrimination in Southern Africa and Guinea can be eliminated”.⁸ Finally, China stressed the existence of a dichotomy between the world’s super powers and their weaker opponents, assisting the latter in their survival.

Starting in 1978, the post-Maoist era was characterized by new investments in the economic sector in order to modernize China. The country’s foreign policy was therefore mainly focused on economic modernization and increased trade relations. According to China, a peaceful environment was necessary to develop a stable economy. Stability became the major theme in China’s policy toward Africa. A few decades earlier, China had held the super powers responsible for the then instability on the continent and supported African states in their struggle against imperialism. However, China depended heavily on the West for technical support and commercial links. China acted as a facilitator in the North-South dialogue but it nevertheless supported Zimbabwe, South Africa and Namibia in their struggles against imperialism but only indirectly because of its policy of non-interference.⁹ During the Cold War, tensions between Moscow and Washington grew. China remained independent and focused on other countries instead. In December 1982, Chinese Premier Zhao Ziyang visited eleven African countries and promoted the ‘Four Principles’ of Chinese cooperation with Africa: equality and mutual benefit; an emphasis on practical results; diversity in form; and economic development.¹⁰ These guiding principles marked a new era in China-African relations. China no longer wanted to assist Africa unconditionally and, in order to develop economically; it could not assist Africa with costly aid programmes. Moreover, it did not see itself as a spokesman for the Third World anymore. In the Beijing Review it was stated that “Third World countries should have no leader/follower relations among them. Any country which attempts to pose as a leader and control others will be spurned”. In fact, during the 1980s, Africa became less important for China as it sought international recognition from Washington and Moscow and intensified Chinese contact with both countries to promote economic development. African states were no longer supported by China in their struggle against dictators or assisted in times of need because China lacked the financial resources to do so.¹¹

⁸ See, Larkin, *China and Africa, 1949-1970*, p. 20.

⁹ Looy, “Africa and China: A Strategic Partnership”, p.5.

¹⁰ *Ibid.*, 17.

¹¹ *Ibid.*

In 1989, the events in Tiananmen Square shocked the western world, which questioned the operations of the Chinese government. Third World countries were silent and relations were less affected by the trouble in Beijing. As a result of these events, however, China was forced to focus on old relationships, giving African states a new priority. From then onwards, South-South cooperation was embraced. When official Chinese visits were made to Africa, the main theme was non-interference in each other's affairs. According to one official, "respect for each other's affairs and non-interference should be the basis of the emerging new international order", which referred indirectly to the position that the West takes regarding human rights.¹² The dichotomy between the West and Africa and China, often stressed when establishing relations, continues to this day. State leaders are still addressing their position toward the West. During a speech in China in 2001, Thabo Mbeki, the South African ex-President announced that:

The world and all of us are defined by the divide between rich and poor, the haves and the have-nots, the developed and the underdeveloped... It constitutes the difference between the countries of the North and those of the South. Together with China, we are commonly defined by our situation as belonging to the South.¹³

China's Aid Program to Africa

China's relations with Africa have been characterized by aid agreements. In the struggle for independence in Africa, China was willing to assist the new nation states with prestigious projects, emphasizing that it had given all it could in terms of financial and technical resources.¹⁴ China's strategy was simple: it was trying to cultivate as many allies as it could and maintain old friendships. Today, relations between China and Africa are more pragmatic. Trade and mutual benefits are central in current partnerships. However, China still supports a number of African countries with direct aid. Three major themes can be distinguished: building projects; Chinese medical teams; and scholarships for Africans to study in China. China has assisted Africa with numerous projects, the largest of which was the construction of the 1800-km Tanzania-Zambia railway which cost over US\$450 million.

China has also constructed roads, wells and telecommunication facilities in Africa, with political allies being granted large projects such as airports, stadiums, palaces, government buildings and factories to mark their independence. Besides the construction of buildings and infrastructure, China supports Africa with medical teams. China has a long history in health

¹² Ibid.

¹³ *Speech by Mr Thabo Mbeki at Tsinghua University*, Beijing, China, 11 December 2001.

¹⁴ D. Thompson, "China's Soft Power in Africa: From the Beijing Consensus to Health Diplomacy", *China Brief*, Vol. 5, No 21, 2005, p. 1-5.

diplomacy in Africa, with the first medical team having started in Algeria in 1964. From then onwards, some 15,000 doctors and health workers have been sent to more than 47 African countries. Approximately 180 million patients have been treated by Chinese doctors over the years. Nowadays, Chinese medical assistance is declining because fewer Chinese doctors are willing to leave their own country to work overseas for two years. Statistics do not highlight this trend however, as in 2003 there were still 860 medical personnel working in 35 teams in 34 different countries. African states keep supporting the medical teams, covering their expenses and presenting national awards. Most importantly perhaps is the fact that these Chinese medical teams are building sustainable relations with the African population based on expertise and trust.

China's other aid program in Africa is in the area of human resources. One of the agreements made at the China-Africa Cooperation Forum related to an increase in human resources. China established a fund that is jointly used by several Chinese ministries, such notably those of foreign affairs, commerce, education, and science and technology, and together they are responsible for the training and education of Africans. In 2003, 6000 people were trained and 1500 students visited China on educational exchange programs. By providing these scholarships, China has contributed significantly to the development of human resources in Africa. In addition, scholarship programs like these encourage bonds between Chinese and African institutions and students.¹⁵

China's support for Africans through the construction of buildings or infrastructure, by giving medical assistance or through the development of human resources is a strategy aimed at creating a long-term relationship based on mutual respect, understanding and friendship. According to Thompson, the relationship between China and Africa must be seen in a broader perspective.¹⁶ China's influence and sound relationship in Africa are the result of many years of investment in building relations through aid, trade, and cultural and technical exchange, not just the by-product of China's recently booming economy and soaring demand for African raw materials.¹⁷ China's aid to Africa was never unconditional. Over the years, Beijing restructured its aid policy and imposed more restrictions. Interest-free government loans became discount loans offered through Chinese banks and aid grants were replaced by joint ventures and other forms of cooperation. By the late 1990s, China had established 480 joint ventures in 47 countries in Africa.¹⁸

¹⁵ Muekalia, "Africa and China's Strategic Partnership", *African Security Studies*, Vol.13, No 1, 2004, p. 5-12.

¹⁶ Thompson, "China's Soft Power in Africa", p. 1-5.

¹⁷ Muekalia, "Africa and China's Strategic Partnership", p. 5-12.

¹⁸ G. Shelton, "China and Africa: Building an Economic Partnership", *South African Journal of International Affairs*, Vol. 8, No 2, 2001, p. 111-119.

China-Africa Cooperation Forum

China and Africa have set up various trade agreements in the past. The first initiative was taken as early as 1955 at the Bandung Conference. This agreement, however, was merely political and while establishing diplomatic ties with African countries, economic and cultural agreements were signed by both parties. In 2000, the first large-scale conference on China-African trade was held in Beijing. According to China, the purpose of the China-African Forum was ‘the construction of an international political and economic order and to explore new China-African cooperation’.¹⁹ Over 40 African states with 80 foreign ministers and ministers in charge of international economic cooperation were present. In addition, 17 international and regional organizations, NGOs and entrepreneurs were also in attendance to discuss South-South cooperation, the North-South dialogue, debt relief, and Chinese economic cooperation with African states.²⁰

The conference produced two key documents, namely the Beijing Declaration and the Program for China-Africa Co-operation in Economics and Social Development. The latter described Chinese investments in Africa, financial cooperation between China and the African Development Bank Group (ADB), debt relief and cancellation, agricultural cooperation, natural resources and energy, education and multilateral cooperation.²¹ In 2003, the second China-Africa Cooperation Forum was held in Addis Ababa when Prime Minister Wen Jiabao declared that foreign assistance and investment “comes with the deepest sincerity and without any political conditionalities”.²² During the meetings in 2000, South Africa raised the issue of debt relief, which China opposed. However three years later it announced debt relief for African countries to a total of US\$1.27 billion and granted aid packages to several states. By making this gesture toward African states, China put itself on equal terms with the West regarding operations in Africa.²³

China’s Trade Relations with Africa

The previous sections have described China’s relations with Africa during the twentieth century regarding politics, aid and trade agreements. China was geopolitically motivated in its support of Africa, as it was a way of opposing the super powers and western hegemony. China also shared a common identity with Africa, being a Third World country itself. However, in the 1990s this approach toward Africa became more pragmatic. This section offers insight into the state of China’s current relations with Africa, which are primarily based on trade. The

¹⁹ C. Alden, “China in Africa”, *Survival*, Vol. 47, No. 3, 2005, p. 147–64.

²⁰ *Ibid.*

²¹ Muekalia, “Africa and China’s Strategic Partnership”, p. 5–12.

²² *Ibid.*

²³ Alden, “China in Africa”, p. 147–64.

country's post-Maoist era is characterized by economic expansion. In trade another great leap forward was expected by 2006, with the launch of the New Asian-African Strategic Partnership, oriented toward the private sector, from which China is likely to be the main beneficiary.²⁴ During his visit to Gabon, in 2004, Hu Jintao promised “economic cooperation with emphasis on infrastructure, agriculture and the development of human resources”.²⁵

This may be no more than a pious hope, but it is certain that “henceforth China will act like any other power, on accordance with its own well-known interests. It will concentrate its cooperative efforts in countries where it recognizes high potential, whether it is a matter of raw materials, potential markets or diplomatic influence”.²⁶ It is normal and natural that China's involvement in Africa could lead to some conflict of interest with African entrepreneurs. I think most Africans are worried much about this. To help African people become better off and benefit from globalization is the common object and aim of people and countries around the world. History would show that this must be a hard and long journey.

According to the IMF, Africa experienced growth of 5.8% in 2005, the highest for 30 years.²⁷ It can be seen that from 1994 onwards growth has increased and now exceeds US\$100 billion. Trade between China and Africa has quadrupled since 2000, when trade between Africa and China totaled around US\$10 billion. Just five years later it had increased to US\$28 billion.²⁸ China is now Africa's third largest commercial partner after the United States and France, and the second largest exporter to Africa after France. Remarkably, Britain, as a former colonial power, has been left far behind by China.²⁹

In 1977 trade between China and Africa reached a record \$817m.³⁰ Throughout the 1980s, when the big cold war powers were pulling out of Africa and western development aid halved, China kept up its contacts. But it had packed away its revolution to concentrate on fostering external trade and foreign investment. By the time that post-cold war geopolitics and developments in the Middle East had drawn the traditional players back into Africa, China had turned itself into the workshop of the world and had its eye on Africa's raw materials.

²⁴ Ibid.

²⁵ Jean, Christophe Servant, “China's Trade Safari in Africa”, 11 May 2005, <http://mondediplo.com/2005/05/11chinafrica/>, (Accessed on 11 May 2005), p. 1-5.

²⁶ Ibid.

²⁷ Brian, Smith, “China's Growing Trade with Africa Indicative of Sino-Western Energy Conflicts”, 24 January 2006, http://www.asiantribune.com/oldsite/show_article.php?id=2975/, (Accessed on 24 January 2006), p. 1-3.

²⁸ Ibid.

²⁹ *Institute of Development Studies*, “The Impact of Asian Drivers on the Developing World”, Vol. 37, No 1, 2006, p. 1-6.

³⁰ Bernt Berger, “China Outwits the EU in Africa”, *Asia Times Online*, 13 December 2007, p. A1.

China is now the world's second largest consumer of crude oil, bringing in more than 25% of its oil imports from the Gulf of Guinea and Sudan. Its thirst is limitless: by 2020 it will be forced to supply about 60% of its energy needs from abroad, even from nations such as Chad that have maintained diplomatic relations with Taiwan.³¹ Although in 2004 only 2% of Chinese trade was with Africa, the continent has done particularly well as China has opened up to the world.

During the 1990s China-African trade grew by 700% and since the first China-Africa Forum in Beijing in 2000, more than 40 agreements have been signed, doubling trade to more than \$20bn over the four years to the end of 2004.³² By the end of 2005, China became Africa's third most important trading partner, behind the US and France and ahead of the UK. Long experience of projects with the World Bank will help build a "presence in Africa [that] is illustrative of Beijing's efforts to create a paradigm of globalization that favors China".³³ The economic relationship between Africa and China can be divided into three sections: China's drive for resources such as oil, minerals, and food; new export markets for its products; and new investment opportunities for Chinese companies. Exports from Africa to China are primarily commodities and oil, while African imports from China consist of manufactured goods such as industrial products, electrical equipment and machinery, textiles and household utensils.

Natural Resources

China currently has the fastest growing economy in the world, with an annual growth rate of around 8%. But such rapid economic development in the post-Maoist era has required a steady and growing supply of oil. A major change came about in 1993, when China became an energy importer instead of a net exporter. China's demand for oil has been so rapid that in 2004 the country became the world's second largest oil importer after the US. The growing demand is due to not only an expanding economy but also to a generally wealthier society with its increased demand for consumer goods such as cars and refrigerators. It is estimated that the Chinese demand for oil will increase by 156% between the years 2010 and 2025. Like the US, China is seeking new countries and different suppliers to fulfill its oil requirements in order to diversify its sources and achieve energy security. In Africa, where new reservoirs have recently been found, China has every possible chance of success when it comes to exploiting

³¹ Amosu Akwe, "China in Africa: It's (Still) the Governance, Stupid", 9 March 2007, <http://www.fpif.org/fpif.txt/4068/>, (Accessed on 9 March 2007), p. 1-4.

³² Jean Christophe Servant, "China's Trade Safari in Africa", p. 1-5.

³³ Ibid.

new sources. To gain and retain control of these sources, it is allocating considerable military, politico-diplomatic and economic resources.³⁴

Africa owns around 8% of the world's oil reserves and 11% of world oil production. It is estimated that production in Africa is rising 6% annually. By 2007, it reached seven million barrels a day and by 2010 this figure is estimated to be eight million. New deep-water oil discoveries have been made in the Gulf of Guinea, more specifically in Nigeria, Angola and Equatorial Guinea. Even though Africa is notorious for its political and economical challenges, international oil companies are continuing to invest in the continent. This is because Africa is economically attractive for foreign investors as good conditions are offered by African leaders and most of the oil is being found offshore, which has advantageous for the loading of tankers and provides a degree of stability in oil production levels.

African oil is also of high quality. A quarter of China's oil imports come from Africa: from Algeria, Angola, Chad, Sudan, Nigeria, Gabon and Equatorial Guinea. The thirst for oil is becoming so important that even the "One China Principle" is being disregarded since Chad has diplomatic relations with Taiwan. A new pipeline from Chad to Cameroon opened in 2003 so that oil from Chad can be transported directly to a major port. Even though this trade in natural resources has a positive effect on the trade balance, it has some disadvantages as well. The production of oil merely requires capital investment and laborers are not required in large numbers. And in countries where oil is abundant, governments tend to focus on the wealth-generating oil sector and to neglect other sectors. Corruption is a frequent problem. Malaquias takes an extreme position when he claims that:

All citizens become potential thieves with catastrophic consequences for stability—political, social, economic and legal—as the bases for interpersonal interaction are irremediably broken. Problematically, instead of fostering development, resource-wealth has been an important factor in the political instability, military conflict, social dislocation, and economic degradation that have characterized much of post-colonial Africa.³⁵

Countries are seeking to diversify their energy resources to meet their growing needs for energy. As the need for energy becomes even greater in the future, the scenario described above can be expected to become more common.

³⁴ Alden, "China in Africa", p. 147–164.

³⁵ Looy, "Africa and China", p. 4-5.

Investments in Africa

China's export bank, Eximbank, had approved a \$2bn line of credit to enable Angola to reconstruct infrastructure-including electricity, railways and administrative buildings destroyed during 30 years of civil war.³⁶ In return China received 10,000 barrels of oil a day. The line of credit at 1.5% over 17 years might look disadvantageous to China in the short term, but Chinese companies will secure the lion's share of lucrative contracts for national reconstruction. Local people are unhappy. As independent economist José Cerqueira pointed out:

There is a condition in the loan that 30% will be subcontracted to Angolan firms, but that still leaves 70% which will not. Angolan businessmen are very worried about this, because they do not get the business, and the construction sector is one in which Angolans hope they can find work.³⁷

Until the mid-1970s cooperation meant building solidarity between two continents that belonged to the same under-developed world. The Chinese presence in Africa was typified by technicians sent to boost nations newly liberated from colonial tutelage; some 15,000 doctors and more than 10,000 agricultural engineers went to areas of the third world that had become arenas for the cold war. In its role as an anti-imperialist counterweight to the West, China infiltrated parts of the world overlooked by the United States and the Soviet Union. It took on ambitious projects, such as the construction of the Tanzam railway between Tanzania and Zambia, and concluded agreements for military cooperation, concentrating on ideological friends in east Africa (Ethiopia, Uganda, Tanzania, Zambia) and major non-aligned countries such as Egypt.

The 674 Chinese state companies involved in Africa have invested not only in booming sectors such as mining, fishing, valuable woods and telecommunications, but also in others that the West has neglected, even abandoned, as less profitable. As a result, Zambia's Chambezi copper mines are being worked again and supposedly exhausted oil reserves in Gabon are being explored. In 2004 Chinese investments represented more than \$900m of the \$15bn of foreign direct investment (FDI) in Africa. Of the thousands of projects under way, 500 are being exclusively directed by the China Road and Bridge Corporation, a state enterprise, helping to place 43 Chinese companies among the 225 global leaders in the area. In Ethiopia China is involved in telecommunications; in the Democratic Republic of Congo it has done work for Gecamine, the state-owned mining company; in Kenya it has repaired the road linking Mombasa and Nairobi; and it has launched Nigeria's first space satellite.

³⁶ *China Eximbank Annual Report*, 2004.

³⁷ Jonathan Holslag, "China's New Mercantilism in Central Africa", *African and Asian Studies*, Vol. 5, No 2, 2006, p. 133-169.

As an incentive to Chinese nationals, eight African countries have been officially designated tourist destinations. Beside this economic and commercial offensive there has been intense diplomatic activity. President Hu Jintao has made a much-publicized visit to Gabon since he came to power in March 2003. China's ministries of trade and foreign affairs, both of which have African sections, have sponsored 100 official meetings. In countries where relations with the West are problematic, China is benefiting from its policy of non-involvement in internal politics. Its relationship with Sudan, condemned by the United Nations over the situation in Darfur, is emblematic of a strategy untroubled by ethical considerations.³⁸

He Wenping is deputy director of the Department of International Relations in the African Studies Section of the Chinese Academy of Social Sciences in Beijing. "Common sense about human rights and sovereignty is only one of the common values shared by China and Africa".³⁹ "There is no doubt that China's success in Africa has partly benefited from it, and those common values have laid solid foundations for further promoting bilateral relations in future".⁴⁰ China first established a presence in the unexploited Muglad oilfields of southern Sudan 10 years ago. Now it imports 50% of the region's crude oil, and 13 of the 15 most important foreign companies operating in Sudan are Chinese, from the China National Petroleum Corporation to the Zhongyuan Petroleum Corporation. The cynicism of the government in Beijing became apparent in September 2004, when the UN Security Council passed Resolution 1564, announcing an embargo on arms sales to Sudan. China's UN ambassador, Wang Guangya, used the massacres in Darfur as a pretext for threatening to veto the resolution, before finally abstaining. The US-proposed resolution had already been significantly watered down. The incident is an indication of the strength of the ties linking the governments in Beijing and Khartoum.

Many African despots have echoed Omar Bongo Ondimba, president of Gabon and a long-time friend of China, and praised the spirit of "mutual respect" and the "concern for diversity" that characterize Chinese trade and cooperation.⁴¹ But this safari to Africa has alarmed the multinationals that have traditionally exploited the continent's resources.⁴² And the US, officially committed to fostering good governance, is beginning to lose patience with

³⁸ Shichor Yitzhak, "Sudan: China's Outpost in Africa", CB. 5, No 21, 2005, p. 9–11; Ibid., "China's Darfur Policy", CB. 7, No 7, 2007, p. 5–8.

³⁹ Kwesi Kwaa Prah, "Africa and China: Then and Now", F. Manji, and Stephen, Marks (ed.), *African Perspectives on China in Africa* Oxford/Nairobi, Fahamu, 2007, p. 57–61.

⁴⁰ Ibid.

⁴¹ Emma Mawdsley, "China and Africa: Emerging Challenges to the Geographies of Power", *Geographic Compass* Vol. 1, 2007, p. 1–17.

⁴² Dudley Poston, et al., "The Global Distribution of the Overseas Chinese Around 1990", *Population & Development Review*, Vol. 20, No 3, 1994, p. 631–634.

Chinese economic policy. According to Gal Luft, a specialist in energy security and executive director of the neo-conservative think tank, the Institute for the Analysis of Global Security:

The Chinese are much more prone to do business in a way that today Europeans and Americans do not accept-paying bribes and bonuses under the table. It will be much easier for some African countries to work with Chinese companies, rather than American and European companies, which are becoming more and more restricted by the “publish what you pay” initiative and others calling for better transparency.⁴³

Rwanda’s minister of finance and economic planning, Donald Kaberuka, says: “It’s a different way of doing business”⁴⁴-an alarming prospect for NGOs already fighting cynical western practices in Africa. In the past international organizations such as the World Bank have been criticized for granting loans to countries in need conditional upon non-negotiable demands. Now the situation is reversed, with China granting unconditional, instant credits that encourage white elephant projects, without concern for financial transparency. “Chinese loan distorts the whole process and gives a lot more flexibility for Angola not to comply with the conditions of other deals, such as an agreement with the International Monetary Fund”.⁴⁵ “It allows the government to escape transparency”.⁴⁶ Environmental organizations are watching the commercial development of a country that emits more pollution than any other and has not signed the Kyoto Protocol: 60% of the 4m cubic meters of undressed timber exported from Africa every year go to Asia, almost all of that to China.

Controversies Over China in Africa

China and African countries have made a great breakthrough in recent years and promoted a mutual understanding between the two peoples. That would be marvelous, if true, and it is sorely needed. The mutual understanding between Chinese and African workers is lamentable. “Yellow peril ragged across the countries in Southern Africa, and even at the Southern African Social Forum in Harare in October 2005, the largest applause in the opening ceremony went to xenophobes who insisted that “Fong Kong” products should be boycotted”.⁴⁷ South African workers are desperately trying to get relief but their corporatist

⁴³ David Shinn, and Joshua Eisenman, “Dueling Priorities for Beijing in the Horn of Africa”, CB. 5, No 21, 2005, p. 6–9.

⁴⁴ Ibid.

⁴⁵ Denis Tull, “China’s Engagement in Africa: Scope, Significance and Consequence”, *Journal of Modern African Studies*, Vol. 44, No 3, 2006, p. 459–479.

⁴⁶ Ibid.

⁴⁷ David Shinn, and Joshua Eisenman, “Dueling Priorities for Beijing in the Horn of Africa”, CB. 5, No 21, 2005, p. 6–9.

leadership has decided to ask for Social Clauses from the WTO and bilateral deals between Pretoria and Beijing, instead of the hard work of allying with the Chinese working class. On the other hand, there is a material reality to this awful new psychology, which reflects the rise of Chinese fascist-capitalism, in league with the most venal African regimes, in Sudan, Angola, Zimbabwe and the like. From the early 2000s, China became a bigger factor in the process attracting growing controversy over geopolitics (because from Sudan to Zimbabwe to Angola, Chinese loans and investments propped up corrupt regimes) and deindustrialization. Well grounded concerns over employment practices and product quality turned into xenophobia against Chinese merchants (leading to “yellow peril” sloganeering from otherwise internationalist activists within the Southern African Social Forum in late 2005). The Chinese threat to African industry is profound, with Nigeria losing 350,000 jobs directly (and 1.5 million indirectly) due to Chinese competition from 2000-2005. Lesotho’s garment industry collapsed when the Africa Growth and Opportunity Act benefits evaporated in 2005 once China joined the WTO.⁴⁸

In trade another great leap forward was expected by 2006, with the launch of the New Asian-African Strategic Partnership, oriented toward the private sector, from which China is likely to be the main beneficiary.⁴⁹ During his visit to Gabon in 2004 Hu Jintao promised “economic cooperation with emphasis on infrastructure, agriculture and the development of human resources”.⁵⁰ This may be no more than a pious hope, but it is certain that “henceforth China will act like any other power, in accordance with its own well-known interests. It will concentrate its cooperative efforts in countries where it recognizes high potential, whether it is a matter of raw materials, potential markets or diplomatic influence”.⁵¹ It is normal and natural that China’s involvement in Africa could lead to some conflict of interest with African businessmen. To help African people become better off and benefit from globalization is the aim of people and countries around the world.

The recent development shows that this must be a hard and long journey with China in Africa. According to the deputy chairman of the South African Institute of International Affairs, Moeletsi Mbeki, China represents “both a tantalizing opportunity and a terrifying threat”. It is a familiar story: “We sell

⁴⁸ Yitzhak Shichor, “Sudan: China’s Outpost in Africa”, CB. 5, No 21, 2005, p. 9–11; Yitzhak Shichor, “China’s Darfur Policy”, CB. 7, No 7, 2007, p. 5–8.

⁴⁹ He Wenping, “China-Africa Relations Moving into an Era of Rapid Development”, *Inside ASIA*, No. 3 & 4, 2006, p. 6.

⁵⁰ Hu Jintao, “Consolidating China–Africa Traditional Friendships and Deepening China–Africa All-Round Cooperation”. Speech at Joint Session of the Gabonese Parliament, Beijing: Ministry of Foreign Affairs of the People’s Republic of China, 3 August 2007, <http://www.fmprc.gov.cn/eng/wjdt/2649/t61853.htm>, (Accessed on 3 August 3 2007).

⁵¹ Ian Taylor, “China’s Oil Diplomacy in Africa”, *International Affairs*, Vol. 82, No 5, 2006, p. 940.

them raw materials and they sell us manufactured goods with a predictable result—an unfavorable trade balance against South Africa”.⁵² In September 2004 a member organization of the powerful Congress of South African Trade Unions threatened to boycott anyone selling Chinese products, which it blamed for rising unemployment. The problem can be seen in the market stalls of the Senegalese capital Dakar, where cheap Chinese imports, from shoes to medicines, elbow rival products aside, while the textile workshops of Lesotho are threatened by the expiry of the multifibres agreement in January 2005.⁵³

The above discussions indicate that the critique of foreign investors in Africa must now extend beyond the EU, US and Japan, to China. For example, the Chinese National Petroleum Corporation (CNPC) and two other large Chinese oil firms are active in seventeen African countries. One is Sudan where \$2 billion of oil investments are underway notwithstanding the Darfur genocide, responsible already for 5% of China’s import requirements, along with Chinese financed development of a homegrown Sudanese military capacity. Arms sales to Robert Mugabe are also dubious. As Ben Schiller reports, concerns have been raised over the environmental impact of various Chinese-run mining operations in Africa, including copper mines in Zambia and Congo, and titanium sands projects in ecologically sensitive parts of Mozambique, Kenya, Tanzania, and Madagascar. Moreover, China is the importer of illegal timber from forests in Indonesia, Cameroon, Congo, and Equatorial Guinea. Though accurate figures are hard to access, www.globaltimber.org.uk says that up to 50% of all timber imported to China in 2004 was illegal.

Chinese businesses have also been implicated in ivory smuggling, notably in Sudan and Zimbabwe. According to Care for the Wild International, Chinese companies buy up to 75% of Sudan’s ivory. In its rush to expand, development experts argue that China is reinvigorating an older, crude style of development, re-establishing an era of ‘white elephants’ and ‘prestige projects’ with little benefit to local people. In Ethiopia, the Chinese state owned Jiangxi International built \$4 million worth of new housing, after a flood left hundreds destitute. But instead of accommodating the homeless, the blocks ended up being used by military officials. A Jiangxi manager later told the Wall Street Journal: “It was a political task for us and so long as Ethiopia’s officials are happy, our goal is fulfilled”.⁵⁴ Another feature of Chinese investment overseas is the use of Chinese rather than local workers. Thousands of Chinese laborers and engineers have been imported to build Ethiopia’s \$300 million Takazee Dam. In Sudan, Chinese

⁵² Alex Vines, “The Scramble for Resources: African Case Studies”, *South African Journal of International Affairs*, Vol. 13, No 1, Summer/Autumn, 2006, p. 71.

⁵³ J. Reed, “China on Track to Win many Friends in Oil-Rich Angola”, *Financial Times*, 4 March 2006, p. A8.

⁵⁴ Kwesi Kwaa Prah, “Africa and China: Then and Now”, F. Manji, and Stephen, Marks (ed.), *African Perspectives on China in Africa* Oxford/Nairobi, Fahamu, 2007, p. 57–61.

workers have constructed an oil pipeline; 74,000 Chinese remain in the country, 10,000 employed by CNPC. Chinese workers are also being used in Namibia, Zimbabwe, and a host of other African states.⁵⁵

Conclusion

There are a number of reasons why the relationship between China and many African countries is deepening. That is not to say that it is tension free. Indeed, there are signs that like most dynamic relationships, there are points of disagreement. There are worries in Africa that the Chinese are flooding African markets with low-priced goods that undercut nascent indigenous industries, for example in the textile sector, especially with the expiration of the multi-fiber agreement in 2005. There are additional concerns that trade tends to be one way, with Africans as consumers, and that this hurts African producers. Moreover, China's stepped-up lending to African countries risks saddling them with additional debt, just as some are easing that burden through the Highly-Indebted Poor Countries (HIPC) program and other initiatives. Next, while the Chinese are engaged in large infrastructure projects across Africa, there is little transfer of technology. There is also little local job creation; Chinese projects typically employ Chinese workers. China's general unwillingness to coordinate its aid programs with other donors may also reduce their overall impact. Some Africans worry that the Chinese ignore environmental and labor standards, which has potential negative implications for Africa over the long-term. Furthermore, the Chinese preferred hands-off approach to human rights and democratic governance increasingly puts China at odds with the African consensus that these are important matters. The approach adds to the perception that China is willing to coddle authoritarian regimes, including that of Zimbabwe's Robert Mugabe, whose misrule and political repression has led to seven consecutive years of economic decline amid egregious human rights conditions. The emphasis on good governance by the African Union and the New Partnership for African Development shows that Africans themselves see democracy, transparency, and respect for human rights as foundations for sustainable development. In addition, China-African trade and aid relations have implications for African countries. One advantage is the increased room for maneuver for African states now that they are no longer totally dependent on the West. Finally, increasing oil production has boosted the revenue of African states. On the other hand, the Chinese way of doing business with African countries does not take into account human rights, the environment or good governance, though this is also not uncommon among Western countries when dealing with Africa.

⁵⁵ Ibid.

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