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***Emerging China–Africa Relations Under Neo-Colonialist
Perspective***

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ABSTRACT**Emerging China–Africa Relations Under Neo-Colonialist Perspective**

Since the beginning of the 1990s, the People's Republic of China has displayed a reinvigorated and economically motivated interest in Africa, owing to the continent's abundant natural resources and untapped markets. This paper gives a specific view of this extremely complex and constantly changing process to ascertain whether the neo-colonialist characterization of this phenomenon is correct. The author focuses both on the economic area of China's varied involvement and on diplomatic relations. The attitude of African elites and average people on this engagement will be also examined along with the sources of concerns and the prospects of the Sino-African alliance. The analysis concludes that China's engagement with Africa is based on strategic political and economic considerations and lasting interests as that of the Western states, and utilizes similar methods, too.

ÖSSZEFOGLALÓ**A kortárs Kína–Afrika kapcsolatok neokolonialista szemszögből**

A Kínai Népköztársaság az 1990-es évek óta egy megélénkült, gazdasági motiváltságú Afrika- politikát folytat, köszönhetően a fekete kontinens gazdag természeti erőforrásainak és kiaknázatlan piacainak. A tanulmány speciális szemszögből vizsgálja ezt a rendkívül összetett és folyamatosan változó folyamatot, hogy megállítsa helytálló-e a jelenség neokolonialista jellemzése. A szerző mind Kína változatos tevékenységeinek gazdasági oldalát, mind a diplomáciai kapcsolatokat tárgyalja. A tanulmány az afrikai elitek és átlagemberek hozzáállását is vizsgálja, az aggodalmak forrásai és a sino-afrikai szövetség kilátásai mellett. Az elemzés konklúziója, hogy Kína afrikai elköteleződése stratégiai politikai és gazdasági megfontolásokon, illetve hosszútávú érdekeken alapszik, akárcsak a nyugati országoké, és módszerei is hasonlóak.

MÁTÉ SZAKÁLI**EMERGING CHINA–AFRICA RELATIONS UNDER NEO-COLONIALIST PERSPECTIVE****I. INTRODUCTION**

Africa has a growing population above 1 billion, this is the continent with the largest number of developing states, and according to current estimations possesses almost fifty per cent of the planet's key mineral reserves. Yet, the Chinese engagement has been the foremost single factor that has elevated Africa's position in contemporary international relations.¹ This paper examines the nature of this engagement.

Besides the People's Republic of China, other non-western powers such as India and Brazil, and even smaller countries such as South Korea and Iran have been also striving steadily to gain influence on the black continent throughout the first decade of the 21st century. However, as David H. Shinn, a former U.S. ambassador to Burkina Faso and Ethiopia, assessed: "China has contributed more to this process [replacing western influence in Africa] than any other single non-western nation and perhaps more than all of the others combined".²

This development seems newfangled, albeit modern Sino-African relations already began almost 60 years ago. In First Section, this historical background and the context of contemporary Sino-African relations will be summarized by examining China's Africa policy and the absence of African China policy. In The neo-colonialist prism of research, the main features of the engagement that draw both Western and African criticism and neo-colonialist accusations will be presented. In the following two sections the Sino-African political and economic relations will be elaborated, in terms of Chinese non-interference policy, bilateral and multilateral diplomatic relations, features of trade and investment ties. The African leaders' and average people's points of view on Chinese presence will be also scrutinized in Section Five.

All examined areas of Sino-African engagement deserve deep investigation. Although to explore the complex nature of Chinese engagement in Africa, this paper is focusing on selected aspects with the intent of ascertaining whether the initiator China's activities and presence in Africa are mutually beneficial or the neo-colonialist characterization of this phenomenon is correct.

¹ LARGE 2009: 2.

² SHINN 2012d.

I.1. HISTORICAL BACKGROUND FOR CURRENT SINO-AFRICAN TIES

Sino-African ties date back to Ming Dynasty explorer Zheng He (1371-1433), who took his fleet to the east coast of Africa. The modern Sino-African relationship began five centuries later with the formal establishment of diplomatic ties between China and Egypt in 1956 and can be categorized into three phases.³

In the first phase, Chinese involvement was based on enhancing South-South cooperation, which had been initiated in Bandung in 1955, and on support for African liberation movements and ideologically like-minded governments. In addition, China contributed to constructing what has come to symbolize the Sino-African cooperation, the nearly 2,000-kilometre long Tazara railway, which helped free landlocked Zambia from its dependence on trade routes to the sea dominated by white-minority ruled Rhodesia.⁴

The second phase started after the adoption of the Chinese Open Up and Reform policy. In this post-Mao era, Chinese interests gravitated toward internal market-led modernization and rapprochement with the West and the Soviet Union, still Beijing attached importance to Africa. The Chinese Premier Zhao Ziyang, for instance, embarked on a series of diplomatic visits to eleven African countries in 1982, promoting the Four Principles of Chinese cooperation with Africa. These were equality and mutual benefit, stress on practical results, diversification in form and economic development.⁵

The third and current phase began after Western reactions to the Tiananmen Square massacre and the end of the Cold War when Chinese foreign policy on Africa turned to focus on commercial ties and practical political cooperation. As Daniel Large notes, unlike the early Chinese explorers in Africa dating back to 1433, the current involvement will be lasting, hence the Chinese this time are there to stay.⁶

I.2. CONTEMPORARY SINO-AFRICAN RELATIONS

The burgeoning of Sino-African relations is attested almost every day by fresh news, stories and research. The engagement has many spectacular and less visible elements, but China-Africa ties are certainly in their golden era. This is indicated by three features.

³ CHUN 2012: 10.

⁴ AIDOO 2012.

⁵ VAN DE LOOY 2006: 5.

⁶ LARGE 2006.

The first feature is the excellent state-to-state ties. Only the strategically insignificant states of Burkina Faso, Swaziland, and Sao Tome and Principe recognize the Republic of China (Taiwan).⁷ Gambia was the last African nation to cut diplomatic ties with Taipei in November 2013. Besides the success of the One-China principle, high-level personal contacts are also important for Beijing. Beginning in 1991, China's foreign ministers make their first overseas visit every year to Africa, and all officials of Chinese leadership are frequent visitors to the black continent.⁸ In turn, Beijing often invites African leaders to China. These visits are often accompanied by announcements of Chinese packages of aid and loan to African states in exchange for infrastructure building and trade deals.

The second hallmark is the deepening economic links. Owing to the liberalisation and significant development of many African economies, the macroeconomic environment in Africa is currently suitable to meet some of China's key economic needs. This way, trade has increased to such an extent that China is now Africa's largest bilateral trading partner. State-owned and private Chinese companies have become major investors in Africa, and even Chinese individuals are investing in enterprises ranging from shops and restaurants to acupuncture clinics.

A third factor signalling the booming relations between Africa and China is the rapid establishment of African and Chinese migrant communities on both continents and the increased interaction between ordinary Africans and Chinese. There is a reciprocal entrepreneurial migration between China and Africa. Chinese are attracted to the black continent by the African „golden rush”, Africans are motivated to move to the Asian country by the „Chinese dream”. Educational and cultural cooperation is increasing as well, along with tourism and the number of African-Chinese marriages. However, prejudices and cultural and linguistic differences tend to lead to conflict and Chinese practices to increasingly sceptical African perceptions of China.

I.2.1. CHINA'S AFRICA POLICY

China's African engagement gained impetus in the context of PRC's "Go Out" policy from 1999 onwards, which links China's domestic socioeconomic priorities and needs to its global strategic aspirations as soft power. In 2006, the Chinese government has adopted a

⁷ AIDOO 2012.

⁸ 2011 was an exception because of the Sino-America summit held in mid-January. However, if counting the lunar New Year, the first trip of Chinese Foreign Minister in 2011 was still Africa.

comprehensive strategy to engage with the whole continent.⁹ The "China's African Policy" document describes Beijing's relationship with Africa and in Africa. It presents objectives, proposals and measures to achieve them.

The general principles of China's African policy according to this strategy are:

- 1) Sincerity, friendship and equality (the political dimension)
- 2) Mutual benefit, reciprocity and common prosperity (the economic dimension)
- 3) Mutual support and close coordination (the international dimension)
- 4) Learning from each other and seeking common development (the cultural dimension).

An additional principle is the One-China principle which is the political foundation of Beijing for the establishment and development of relations with African countries and regional organisations.

Beijing aims to establish and develop a strategic partnership with the continent, which features political equality and mutual trust, the principle of non-interference, economic win-win cooperation and cultural exchange.¹⁰ By using the rhetoric of mutual development, win-win partnership and South-South solidarity, China has deliberately opted to reverse the Western patronizing approach to present itself as a potentially better ally for Africa. However, apart from the official Africa policy, the Asian state has four principal interests in the black continent.

The top priority of Beijing is sustained rise in prosperity and growth in the economy to maintain the governing Chinese Communist Party's legitimacy and thus internal political and social stability. Therefore, with only limited natural resources, but an ever-increasing energy appetite, China has been positioning itself to secure supplies of African oil and mineral resources for its rapidly growing demand.¹¹ In this regard, China's relations with Africa represent only one strategy of Beijing's expansion across the developing world outside of its traditional regional sphere, ranging from emerging ties with Central Asia, the Gulf states and Latin America, to guarantee its energy security. Secondly, Beijing seeks to develop good relations with all African countries to dedicate them supporting roles in international forums. China enforces the isolation of Taiwan on the continent, as well. The fourth interests are the vast, unexploited African markets and the total of 1 billion consumers with growing

⁹ That year marked the 50th anniversary of the inauguration of diplomatic relations between the PRC and African countries. 2006 was also the year of Africa in China.

¹⁰ "China's African Policy" 2006.

¹¹ AKSHAY 2013.

purchasing power, which is important for an export-oriented Chinese economy.¹² In the current Sino-African relations initiator China has had success in all four agendas, although trade and investment activities have become the key drivers of interactions since the millennium.¹³ Neo-colonialist claims, under which this paper examines the phenomenon, derive from this fact.

Regarding practical Chinese engagement, given the diversity of African states, China's involvement on the continent varies according to local contexts and interests and operates usually like major established powers in Africa. Beijing has engaged in many initiatives to construct a symbiotic relationship with all its African partners, irrespective of the nature of the governing regime. Therefore, Beijing has close relations with the Islamist government in Sudan, authoritarian governments in Togo, and democratic governments in Botswana and Mauritius, too.

Nevertheless, China's Africa strategy is not free of problems or controversies. As Yun Sun denotes, the most vocal criticism inside the Chinese policy community is that Beijing lacks a comprehensive Africa strategy. There is a persistent tension between the quest for economic interests and their impact on the Sino-African relationship and China's international image. This tension partly contributes to the bureaucratic competition between the Chinese Ministry of Foreign Affairs and the Ministry of Commerce for the leading role in China's policy toward Africa.¹⁴

I.2.2. (THE ABSENCE OF) AFRICAN CHINA POLICY

Hence African nations are inclined to find both China as an investor and a strategic partner, and the Chinese economic development model very appealing, China's pursuit to develop close government-to-government relations with most African leaders has generally been more successful in recent years than Western countries' similar efforts. There has been also a realization within African elites that their traditional partnerships with the West have not helped Africa eradicate its poverty and reverse its economic marginalisation. China, in turn, seems an ideal commercial partner that imposes no special conditions upon its suppliers, invests remarkably, whilst emphasizes non-interference in each other's internal affairs and

¹² SHINN 2012c.

¹³ PANNELL 2008: 760.

¹⁴ SUN 2014: 2.

provides (and requires) diplomatic backing.¹⁵ Thus, the African governments' receptivity to cooperation with Beijing can be seen as a way of addressing some of their problems.

However, African governments need to assess their relationship with China in reality; and the reality is, that China "has no enemies or friends in Africa, it only has permanent interests."¹⁶ These interests also present enormous opportunities for the continent, and many African governments have realized, it is in their national interest to seize them. Their positive reactions to Chinese presence may create a perception that the Sino-African partnership lies on a more equal plane than Africa's relationship with the West does. African countries are dependent – to different extents – on China due to the international division of trade, the African states' lack of know-how and technology and their lack of a long-term, common China strategy.

While China knows what it wants from Africa and has a clear policy to engage with the continent as a block, African countries have not adopted a coherent national or a continental China policy. Although several countries have adopted "Look East" policies, the approach to China remains largely ad hoc, resulting in weak negotiating power in certain aspects, while long-term national strategies could encourage investment in a range of higher-value-added sectors, promote positive spillovers, and minimize adverse effects.¹⁷ To harness the opportunity to its fullest extent, a unified regional or continental China policy would be needed. The adoption of one, however, appears unlikely due to the structural weaknesses of the African Union. The phasing of fifty-four African voices is difficult in Beijing as well, as African diplomatic missions are coordinated by the longest-serving ambassador from Africa and thus highly dependent on personality. Regional organisations offer some framework for coordination, although the degree of their internal cohesion varies substantially.¹⁸ A common African response is more likely in the civil society – whose attitude towards the growing Chinese influence will be elaborated in Section Five – where there are increasing concerns about human rights, democracy, labour and trade issues.¹⁹

In the absence of a common strategy, African governments regulate China's presence differently, as each country is pursuing maximum benefit for its own best interests based on their specific needs. Robert Mugabe's Zimbabwe eschewed by Western countries, for instance, pursues very actively its "Look East" policy, wherein China plays a particularly significant

¹⁵ LAFARGUE 2005: 10.

¹⁶ The former British Prime Minister, Lord Palmerston (1784-1865), is reputedly once to have said this of Great Britain.

¹⁷ ASONGU 2013.

¹⁸ GRIMM 2012: 2.

¹⁹ OBIORAH 2006.

role. Nonetheless, one of the continent's most successful and transparent countries, Cape Verde has imposed strict conditions on Chinese investment such as requirements on hiring local labour and environmental standards. A similar situation obtains in Botswana and Namibia.

II. THE NEO-COLONIALIST PRISM OF RESEARCH

The extensive and deepening engagement between Beijing and African capitals since the end of the Cold War has attracted significant research attention and has yielded a growing number of journalistic accounts and publications in the academic literature on Sino-African relations. While there is general agreement regarding China's motivations for engaging, arguments regarding the political and economic implications for Africa are more varied. Some observers, like Deborah Bräutigam, Christopher Alden or Harry G. Broadman or Richard Dowden claim that China's increased presence is rather a stimulus that can help to emancipate Africa from constant underdevelopment and marginalisation. Others, like David Blair, Peter Hitchens or Thierry Bangui and Fweley Diangitukua are concerned that Africa is at risk of being colonized under the motto of economic partnership with China. The basic arguments for the latter claim will be presented here, as this paper examines the phenomenon from a neo-colonialist perspective.

Africa has a long history of colonialism and exploitation. Classic colonialism beginning in the 15th century involved full or partial domination of a dependent territory, control over its economic and political affairs, occupying it with settlers, and exploiting it economically. European states acted as colonizing powers by this definition in Africa and Asia too, where decolonization movements successfully fought for independence after the Second World War. Bolstered by globalization, however, a new colonialism paradigm emerged, in the 1960s as some Western nations became new colonizers by economic means, like capital investments, one-sided commercial policies and hi-tech production.²⁰ The essence of this neo-colonialism, according to then Ghanaian President Kwame Nkrumah, was that "the state, which is subject to it, is in theory independent, and has all the outward trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside".²¹

20 ADELAKUN 2007.

21 WILLIS 2014.

China's expansion into Africa in the last two decades has led to similar accusations. In 2006, Britain's then foreign secretary, Jack Straw remarked during his visit to Nigeria, that what China was doing in Africa was much the same as Britain had done 150 years before.²² In the same year, even the pro-Chinese South African President Thabo Mbeki cautioned a partnership based primarily on the exportation of raw materials and importation of manufactured goods – which is typical of African countries' trade connections with China (as well) – to be only a replication of "colonial relationship".²³ These asymmetrical features of Sino-African trade relations will be discussed in details in Section Four.

There are also academic opinions that China's increasing activities on the African continent are tantamount to the exploitative neo-colonialist practice. These scholars consider Beijing's economic relationship with Africa as essentially imperial, focusing exclusively on extracting maximum, short-term profit, with little regard for the host countries' national interests and development goals.²⁴ Thus it leads to the black continent's further underdevelopment and marginalization in the long term. To confirm claims of this sort, the following features of China's involvement in Africa tend to be labelled as neo-colonialist,

- a) China has super-power aspirations and views Africa from a strategic perspective in seeking unimpeded access to natural resources and new markets for its export-driven economy.
- b) China is heavily investing in Africa and provides aid funds, but it does not facilitate true development owing to corruption and lack of transparency in its activities.
- c) China has bypassed multinational institutions like the World Bank and the International Monetary Fund in its untransparent financial activities on the black continent and flouted many of their lending criteria.²⁵
- e) African countries are increasingly linked to internal economic trends in China, due to their asymmetrical trade balances and deepening cooperation.
- f) China has dented Africa's efforts at industrialisation, hence Beijing has perpetuated Africa's dependence on natural resources, and the dumping of cheap Chinese imports into Africa has caused significant injury to local industries.²⁶

²² MOHAN & POWER 2008: 24.

²³ "Mbeki warns on China-Africa ties" 2006.

²⁴ ASONGU 2013.

²⁵ FRENCH & POLGREEN 2007b.

²⁶ ANCHARAZ 2013: 5.

g) Chinese firms tend to import their workforce to a much greater extent than Western companies do, and thus they limit beneficial spillover effects to African economies and impede local job creation.²⁷

h) African exporters of manufactured and processed goods have to face stiffer competition from China in their traditional export markets.

i) By its non-interference policy China supports anti-democratic African regimes, and thus the Beijing Consensus undermines Western support for political and economic progress in Africa.²⁸

j) Despite the Chinese government's pledges, one of the main causes of Africa's dependency on China, the technological gap is not narrowing.²⁹

k) The control over arms sales of China to Africa is inadequate. It is alleged that Chinese weapons are being used by repressive governments in conflict zones in Sudan, the Democratic Republic of Congo, Somalia and the Ivory Coast.³⁰

l) The quality of China's resource-for-infrastructure projects, the poor worker safety standards, the questionable human rights and environmental practices are indicative of Chinese indifference to African interests.³¹

m) Further concerns relate to local social and cultural implications of Chinese presence.

The assessment of this phenomenon is not consistent within directly not involved political and economic elites either, although its importance is widely acknowledged. The relationship increases China's world economic and political importance at the expense of the West, and at the same time generates security policy concerns. Therefore, the evolving and expanding relationship of the most successful developing country and the continent with the largest number of developing states is of crucial importance in contemporary international relations. This relationship appears to be driven by symbolic diplomacy and economic pragmatism. The diplomatic relations will be discussed in the next section and economic relations, the key drivers of interactions, in Section Four.

²⁷ MASWANA 2007: 11.

²⁸ KABEMBA 2012b.

²⁹ MASWANA 2007: 15.

³⁰ AKSHAY 2013.

³¹ MEYER 2012.

III. CHINA–AFRICA POLITICAL AND DIPLOMATIC RELATIONS

China finances more infrastructure projects in African states than the World Bank and provides billions of dollars in low-interest loans to them. Based on its principle of non-interference, China provides these investments and loans with no political strings attached except for recognition of the One-China principle, typically in exchange for securing access to natural resources. Nonetheless, the political implications of China's involvement in the black continent are significant, regarding amongst other things democracy, human rights, good governance and stability. The political programme of the African Union's New Partnership for Africa's Development aims at promoting these values.³²

III.1. CHINESE POLICY OF NON-INTERFERENCE

Since former Chinese president Jiang Zemin (1993-2003) inaugurated China's reengagement with Africa in 1996, the involvement has been governed by the principles of non-interference and state sovereignty. Beijing maintains that it is national governments alone that should determine and respond to the domestic affairs of a country. As it is stated in the Chinese White Paper (2006), "China adheres to the Five Principles of Peaceful Coexistence, respects African countries' independent choice of the road of development and supports African countries' efforts to grow stronger through unity."³³

China's investments in Africa are not only needed but are welcomed by African governments along with this non-interference approach. Cooperation with Beijing has allowed African leaders to enjoy access to expertise and loans and has aided them in meeting the increasing public demands for services and infrastructure more quickly. This way, incumbent governments could gain some performance legitimacy, without political conditions.³⁴

Moreover, the policy of non-interference has allowed China to sell weapons to Africa.³⁵ Nonetheless, Beijing is not alone in supplying the arms to Africa, and there is no

³² "NEPAD – Transforming Africa".

³³ "China's African Policy" 2006.

³⁴ MARU 2013: 5.

³⁵ "Sudan has long been a recipient of arms from China, Nigeria has bought quantities of weapons too and recently Tanzania has invested in Chinese arms. Namibia and Cameroon have bought arms in smaller numbers. It's important to mention Morocco and Algeria - which have larger defense budgets than other African countries - there China has in the last five years found markets for its arms and those are probably the most important markets for Chinese arms in Africa right now." CALDWELL: 2015.

proof that China or its arms exporters have intentionally violated U.N. embargoes.³⁶ China-critics also claim, that for economic advantages Beijing uses non-interference policy as a justification for developing and sustaining relations with rogue regimes in key resource-rich countries while underpinning their continuance and impede the continent's democratization.³⁷ China's policy has been most controversial and have come under special scrutiny in its cooperation with governments in metal- and mineral-rich Zimbabwe and oil-rich Sudan. Regarding Robert Mugabe's regime (1987-), it has been accused of state-sponsored human rights violations, including oppression of political activists, extra-judicial killings, disappearances and tortures.³⁸ In the case of Sudan, the government-backed militias in Darfur attract international condemnation. Nonetheless, before South Sudan's independence in 2011, China had supported the Khartoum government. With most of the oil located now in South Sudan, China has had to redefine its stance towards the southern Sudanese rebels and has since become the main negotiator in the oil dispute between the two states.³⁹

Beijing's primary political agenda in Africa is pragmatic rather than ideological or anti-democratic, concentrated on the security of its assets and citizens and the risks to its international reputation. The nature of Chinese involvement has not facilitated Western norms of governance, notwithstanding China has declined to demand African governments' political remodelling.⁴⁰ When its non-interference approach was challenged, Beijing has for the most part moved in line with the international community. China sent election observers to South Sudan's referendum on independence.⁴¹ In 2011, Beijing too voted in favour of UN sanctions against Muammar Gaddafi (1969-2011), and had high-level meetings with the National Transitional Council, although it was one of the last countries to officially recognise it.⁴²

Notwithstanding, Western condemnation is founded. When external actors develop diplomatic and commercial relations with undemocratic or weak governments they can consolidate or exacerbate cycles of underdevelopment, insecurity and conflict.⁴³ China's economically motivated involvement in Africa can have similar implications. However,

³⁶ LYNCH 2012.

³⁷ SPEERS MEARS ed. 2011: 27.

³⁸ "Report on State of The World Human Rights" 2012: 371-373.

³⁹ ALESSI & HANSON 2012.

⁴⁰ FRENCH 2010.

⁴¹ "Friend or forager?" 2006.

⁴² CLARKE 2012.

⁴³ That weak governance and conflict are interrelated is illustrated by the Ibrahim Index of Governance in Africa which uses a wide set of measures to make its assessments. Starting from the lowest score, the bottom ten are Somalia, Democratic Republic of Congo, Eritrea, Central African Republic, Chad, Zimbabwe, Guinea-Bissau, Equatorial Guinea, Cote D'Ivoire and Congo. "Ibrahim Index of African Governance." 2013: 8.

Western criticism of China's diplomacy in Africa is somewhat hypocritical, hence China's perceived amorality rather suits the long-term paradigm of Western interactions with Africa.

In this regard, the most important question is not China's intentions, but whether African states have an interest in adopting the Chinese political model. Cooperation with China can provide a lifeline to countries such as Togo, greatly cut off from European aid, and comfort to rogue regimes, denounced by the international community. Although, most of the politicians in Africa have tended to rather utilise rather than imitate China in pursuit of their purposes. Many African governments seem to see their relationship with China mainly in economic terms. In democratic countries, where the Chinese presence constitutes a domestic political issue – in South Africa, Senegal, Botswana, Zambia, Namibia, or Lesotho – governments usually have close ties with the United States and the European Union, too.⁴⁴ Especially in Southern Africa, opposition parties frequently campaign on anti-Chinese platforms, and every country south of Rwanda has had public disputes about Chinese presence.⁴⁵ In addition, Africans have deep political, cultural, and linguistic ties to the West, and this affinity cannot be changed easily. In 2006, a state visit by Chinese President Hu Jintao was timed to coincide with a vote in Nigeria's National Assembly to change the constitution to allow then president Olusegun Obasanjo (1999-2007) a third term in office. Hu received a warm welcome, but the parliament voted Obasanjo down. In the 2008 Zambian presidential elections, Michael Sata's unsuccessful campaign was based on a hostile anti-China platform, and he threatened to recognize Taiwan. After he becomes president in 2011, his rhetoric emphasized preserving economic relations with Beijing.⁴⁶

African leaders are adept at employing foreign relations in pursuit of domestic goals, but governance and institution building are more related to internal politics than Beijing's influence. China is indeed an increasingly important partner for many African states, however, its ability to directly and adversely influence African politics should not be overestimated.

⁴⁴ SAUTMAN & HAIRONG 2009: 734.

⁴⁵ "Trying to pull together" 2011.

⁴⁶ CLARKE 2012.

III.2. DIPLOMATIC RELATIONS

III.2.1. BILATERAL DIPLOMATIC RELATIONS

This section will focus on the universal Chinese tactic for political engagement with African states – besides non-interference and no-strings-attached policy – the top-level diplomacy.

III.2.1.1. HIGHEST LEVEL INVOLVEMENT

The hallmark of China's relations with African countries is excellent bilateral state-to-state ties. One of Beijing's most important diplomatic tactics in Africa to develop such partnerships is the dispatch and invite of high-ranking delegates on official bilateral visits. It suits Chinese rhetoric, carries great symbolic importance of equal partnership, and reflects the importance of Africa on Beijing's foreign policy agenda.⁴⁷ As David Shinn claims, the high-level personal contact is "at the heart" of Chinese diplomacy in Africa.⁴⁸ Albeit it requires a lot of time, costs less and restores a sense of dignity and importance to African states.

It is highly unlikely that the new Chinese leadership will pursue any major change in this policy towards Africa.⁴⁹ In 2013, for instance, the black continent was one of the destinations in Chinese President Xi Jinping's (2013-) first foreign trip after assuming the presidency in March. When visiting Tanzania, he promised that China would continue to facilitate Africa's development, "China will strengthen mutually beneficial cooperation with African countries in the fields such as agriculture and manufacturing, and help African countries to translate their advantages in resources into development advantages to achieve internally-driven development and sustainable development."⁵⁰ In 2015, following the tradition, Foreign Minister Wang Yi has chosen African countries on his first trip abroad in the new year. He made a week-long tour to Kenya, Sudan, Cameroon, Equatorial Guinea and the Democratic Republic of Congo.⁵¹

⁴⁷ BOTHA 2006: 68.

⁴⁸ SHINN 2011a.

⁴⁹ SUN & AGBOR & SMITH 2013: 7.

⁵⁰ JIABAO 2014.

⁵¹ "FM's Africa visit strengthens ties, cooperation" 2015.

III.2.2. MULTILATERAL DIPLOMATIC RELATIONS

Collective bargaining through regional organisations could be a useful tool for Africa to achieve indeed mutually beneficial China-African agreements. This section will study Beijing's relations with these organisations, alongside the Forum on China-Africa Cooperation (FOCAC) – the main multilateral framework for collective Sino-African dialogue – and the China-Africa cooperation in the international arena.

III.2.2.1. AFRICAN REGIONAL ORGANISATIONS AND CHINA

The African continent has several regional organisations, including the African Union (AU) and sub-regional organisations such as the Economic Community of West African States (ECOWAS), the Southern Africa Development Community (SADC), and the Common Market for Eastern and Southern Africa (COMESA).

China has preferred to establish bilateral relations with African countries, hence Beijing's strategy aims more global multi-polarity, rather than multilateralism. Yet, over the last decade, Beijing has improved political, diplomatic, economic and security ties with these African organisations. China made an explicit commitment to cooperate with them in the 2003 FOCAC Addis Ababa Action Plan. Beijing appointed representatives to ECOWAS, SADC and COMESA in 2005, and permanent mission to AU in 2015.⁵² In 2008, the first annual African Union-China Strategic Dialogue was held in Addis Ababa, and they agreed that future strategic dialogue meetings would be held once a year, alternately in Addis Ababa and Beijing.⁵³ China has also committed itself to provide training and financial assistance to Africa's regional organisations, although actual support has been limited.⁵⁴

In many African countries, Chinese investment tendencies are similar, such as the extraction of natural resources, the financing of infrastructure projects or labour policies. In these areas, regional African organisations could be used as effective forums for cooperation of African positions to achieve mutually beneficial agreements.⁵⁵ However, conferences between China and African organisations tend to simply pledge more investments and reiterate the existing goals of the regional organisation. The main obstacle for a greater role of

⁵² VAN HOEYMISSEN 2010: 10.

⁵³ "African Union Commission Newsletter" 2008.

⁵⁴ SPEERS MEARS ed. 2011: 59.

⁵⁵ LEGRADI 2013: 1.

African regional organisations is their own internal divisions and absence of agreement on mutual interests.

There are examples of Chinese support for African regional organisations in the international arena. Voicing the African Union's opposition to the International Criminal Court's arrest warrant against President of Sudan Omar al-Bashir (1993-) is one case. In the process of peace and reconciliation in Darfur, the AU's position influenced China's decision to support UN Resolution 1769, which created a hybrid United Nations–African Union Mission in the region (UNAMID).⁵⁶

Gerritt Olivier argues that there is a positive development in regional integration, however, African regional organisations are facing numerous challenges.⁵⁷ The underdevelopment of member states, the dominant role of the state with its top-down decision-making processes, or the limitations of NGOs and civil society in Africa restrict their efficiency. The regional organisations collective bargaining power is also weakened by their financial dependence on non-African states, like China itself.⁵⁸ The construction of the new African Union headquarters, for example, was funded by the Chinese government.

III.2.2.2. THE FORUM ON CHINA-AFRICA COOPERATION

In the late 1990s, some African countries – including Ethiopia, Mauritius and Madagascar – sought a common multilateral Sino-African platform. A high degree of institutionalisation was initially met with scepticism in Beijing, which has emphasized the bilateral character of FOCAC.⁵⁹ However, on China's side the growing superpower ambitions, on Africa's side the growing concerns about their largely unproductive engagement with the West contributed to a stronger desire to strengthen their bonds.

In 2000, China and Africa have institutionalized their relationship in the Forum on China-Africa Cooperation. The Forum was created to enhance and strengthen the cooperation between the two regions in political, social, economic, diplomatic and cultural issues. FOCAC is a multilateral platform and important dialogue mechanism, in which interaction and decision-making operate at three levels, Chinese and African state heads, senior officials and diplomats, and host countries.⁶⁰ FOCAC resembles institutions such as the Franco-African

⁵⁶ JIANG 2010: 4.

⁵⁷ OLIVIER 2010: 39.

⁵⁸ LEGRADI 2013: 1-2.

⁵⁹ GRIMM 2012: 1.

⁶⁰ ANSHAN 2011: 3.

Summit or the Commonwealth Conference.⁶¹ There is a joint Ministerial Conference every three years, alternating between China and Africa, and there was a summit at the level of heads of state and government in 2006. Declarations and action plans are adopted at summits that assess the situation between the actors, list all points of agreement, and provides guidelines for projects financing and implementation.⁶²

The Forum faces many challenges and in many ways lacks transparency, but has had several successes in achieving its aim. Through the FOCAC process, China eased the debt burden of 31 African states, and the Forum facilitated Beijing to become an aid donor to Africa. Human resource and environmental cooperation, and medical collaboration are also examples of results. Beijing has even gained a reputation for abiding by its commitments made during conferences.⁶³ Although implementation is sometimes unexpectedly slow, hence only China, South Africa and Ethiopia have institutional mechanisms for further planning and monitoring. In most other cases, decisions of African governments are made on an ad hoc basis without follow-up systems.⁶⁴

1. Table - FOCAC Ministerial Conferences

Year	Place	Results
2000	Beijing	Beijing Declaration of FOCAC Program for China-Africa Cooperation in Economic and Social Development
2003	Addis Ababa	Addis Ababa Action Plan (2004-2006)
2006	Beijing	Beijing Declaration Beijing Action Plan (2006-2008)
2009	Sharm El Sheikh	Declaration of Sharm El Sheikh Sharm El Sheikh Action Plan (2010-2012)
2012	Beijing	Beijing Declaration Beijing Action Plan (2013-2015)

Source: Compiled using FOCAC homepage

⁶¹ GRIMM 2012: 1.

⁶² CHUN 2012.

⁶³ ENUKA 2010: 210.

⁶⁴ GRIMM 2012: 2.

The first FOCAC Ministerial Conference focused on economic and social development, and the program was unspecific. Later summits have been still dominated by economic agenda however, the program and the emphasis of the Forum is becoming more concrete. There has been a willingness to expand the focus to environment protection, communication, people's livelihoods and on exchanges between think tanks.⁶⁵ Non-governmental participation, has also been increasing, the African Union became a member in 2010.⁶⁶ Both of these trends should deepen in the future, although a more functioning process and follow-up system are also required, along with a detailed and comprehensive African agenda vis-à-vis Beijing.

III.2.2.3. DIPLOMATIC COOPERATION IN THE INTERNATIONAL ARENA

Sino-African diplomatic engagement extends to their foreign relations beyond the FOCAC as well. As the press statement of the Chinese embassy in Zimbabwe formulates, "[China and Africa] support each other in international affairs, especially on major issues such as human rights, safeguard the legitimate rights of developing countries and make efforts to promote the establishment of a new just and rational international political and economic order".⁶⁷

This support is consistent with the long-held stance by Beijing that it is the de facto leader of the developing world. In this manner, China ranks the Five Principles of Peaceful Coexistence on an equal level with the Charter of the African Union and the Charter of the United Nations. Beijing also asserts that rights of subsistence and economic rights are the main priority of developing nations and take precedence over personal and individual rights. These claims are shared by many African leaders, who like to posture themselves as having to face a common enemy with China, imperialism.⁶⁸

African states are well represented in organisations of interest to China like the United Nations' General Assembly and Human Rights Council, and the World Trade Organisation. Beijing often relies on the large voting power created by Africa's fifty-four countries. The states of the black continent do not vote as a block, but there tends to be considerable

⁶⁵ ANSHAN 2011: 30.

⁶⁶ GRIMM 2012: 2.

⁶⁷ "Embassy of the..." 2004.

⁶⁸ TAYLOR 2006b: 939.

cohesion in their voting patterns,⁶⁹ and Beijing makes every effort to acquire the maximum number of African votes.

In some cases, like-minded African governments as well use the Chinese just as the Chinese use them. China has been willing to represent the positions and opinions of both African states and regional organisations through its permanent seat at the UNSC. For example, they can rely on China to counter-sanctions against certain African countries, to avoid raising controversial African human rights issues in the UN Human Rights Council and even to support them when they are criticized by Western countries.⁷⁰ South Africa, Egypt and Nigeria have also aspirations to permanent seats in the UNSC, and they hope that China will support them.

On occasions, when China and Africa have been in disagreement on how best to address a problem, the unified position of African states has often persuaded China to alter its initial position.⁷¹ This was typical, for instance, of China's decision to align itself with the decisions of the AU to impose sanctions and arms embargoes on Cote D'Ivoire in 2004 and on Eritrea in 2009.⁷² Nonetheless, the multilateral and regional dimension of Chinese involvement in Africa does not come at the expense of bilateral relations, which is what China and African countries currently value most.⁷³

III.3. THE POLITICAL IMPLICATIONS FOR AFRICA

Beijing attaches extraordinary importance to high-level bilateral interactions and gestures to symbolize equality with African countries. The new leadership of the PRC has not altered this tactic, the policy of non-interference, however, is changing, like China with substantial assets and citizens in residence on the black continent is becoming much more intimately bound to the internal affairs of its African partners.⁷⁴ Therefore, for instance, Beijing unprecedentedly dispatched 170 combat troops from the People's Liberation Army's Special Force to the United Nations peacekeeping mission in Mali last spring.⁷⁵ This action suggests Beijing's

⁶⁹ One of the most important structural features of multilateral negotiations is the emergence of coalitions. The most important developing country coalition in United Nations is the G77+China group, established in 1964 to promote the collective economic interests of developing countries and increase their negotiating powers. African countries participate in international negotiations through the G77, although country groups and delegations often negotiate in their capacity and within these coalitions. In: MAKINA 2012: 40.

⁷⁰ SHINN 2012c.

⁷¹ VAN HOEYMISSEN 2010: 12.

⁷² "Security Council should..." 2009.

⁷³ SPEERS MEARS ed. 2011: 59.

⁷⁴ HESS & AIDOO 2010: 380-381.

⁷⁵ SUN 2014a.

enhanced commitment to play a direct role in maintaining peace and security of Africa, and confirms Daniel Large's note on China's lasting interests.

Nonetheless, the current nature of China's involvement in Africa has not facilitated NEPAD's political reform initiatives to make African governments more transparent and accountable. Whilst the democratic states have not displayed interest in adopting the Chinese political model. For Western norm-oriented African policymakers the key is to become skilled at cooperating with China, while they should highlight the disjuncture between Chinese activities and the values promoted by African initiatives, and consistently hold Beijing to account with regard to transparency and human rights.⁷⁶ To promote African interests, regional organisations could be a useful tool. China has even begun to adapt to the changes of the African multilateral political landscape. However, African regional organisations have not played a significant role in Sino-African engagement, as they face many challenges mainly rooted within the African states themselves.

The main multilateral framework for collective Sino-African dialogue is the tri-annual FOCAC Ministerial Conference. The change in its agenda and the trend of growing non-governmental participation indicate the common understanding of the parties.⁷⁷ In the international arena, both China and Africa rely on the other's support regarding diplomatic backing, favourable statements and lobbying. The African governments take advantage of Chinese influence, while China makes use of African voting power.

At assessing the political implications of Chinese presence, it is important not to over-emphasize China's role in the conservation of autocratic regimes, consolidation of human rights abuses and facilitating mal-governance in Africa. Beijing does have close ties with rogue regimes and does pursue arms sales, hence its primary political agenda in Africa is indeed pragmatic and sober. Attention should be rather focused on the African elites and their ruling practices. Many African governments seem to see their relationship with Beijing mainly in economic terms, and China as a model for economic growth not as a model for governance.

IV. CHINA–AFRICA ECONOMIC RELATIONS

Today, almost each of the African continent's fifty-four states bears examples of China's economic activities, from the oil fields in East Africa to agricultural lands in the South, and

⁷⁶ TAYLOR 2006a.

⁷⁷ ANSHAN 2011: 30.

mines in the centre of the black continent. These are the hard results of China's above highlighted diplomatic engagement. Africa is now "China's major import source, second largest overseas construction project contract market and fourth-largest investment destination", according to the Information Office of the State Council of The People's Republic of China.⁷⁸ China's economic cooperation with African countries extends to all economic activities including soft loans, aids and gifts such as new parliament buildings in Malawi and Lesotho, for example. Although, as Jian-Ye Wang at the International Monetary Fund has argued, investments and trade are at the core of China-Africa economic relations.⁷⁹

China's main mode of conducting business with resource-rich African nations has been to offer development loans or become involved in the construction of infrastructure or Special Economic Zones in exchange for oil and minerals, and to a lesser extent, food and agricultural commodities. The Sino-African trade profile is reminiscent of the classic North-South model, with Africa exporting mostly raw materials to China and importing mostly value-added products, resulting in an unfavourable trade balance with Africa.⁸⁰ The neo-colonialist claims in terms of the economic activities of China in Africa are drawn by these characteristics and by the motivations of Beijing.

The key driver of China's engagement is Africa's impressive mineral wealth. Essential industrial metals such as aluminium, bauxite, columbite-tantalite, copper, iron ore, lead, nickel, zinc, and the industrial minerals of phosphate rock, coal, and uranium are all present in Africa in large quantities, as Figure 1 shows. Africa has 120 billion barrels of petroleum reserves, and particularly important are the strategic minerals of chromium, platinum, manganese, and cobalt. The reserve bases of these minerals are highly concentrated geographically in South Africa, the Democratic Republic of Congo, Zambia and Zimbabwe.⁸¹ Consequently, the PRC's strategy to diversify its energy and raw material imports and identify new markets is most energetic on the black continent, where Chinese companies – both state-owned and private – have been eager to develop business interests in even less stable countries.

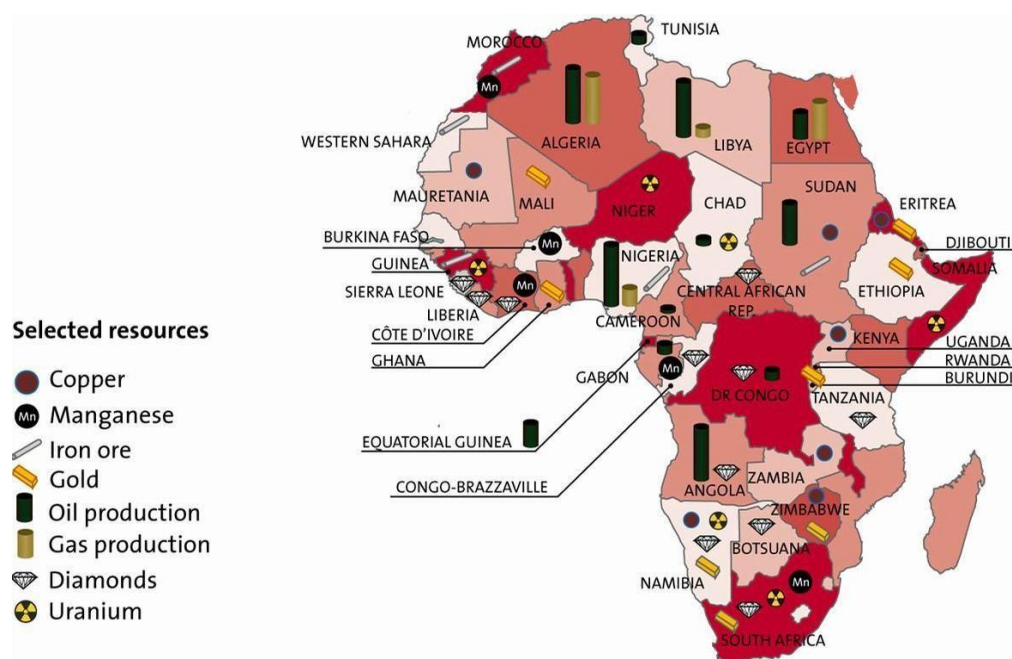
⁷⁸ "SCIO held a press conference on the release of white paper..." 2013.

⁷⁹ WANG 2007: 23.

⁸⁰ BOTHA 2006: 35.

⁸¹ HUGHES BUTTS & BANKUS 2009: 5.

1. Figure - Africa's Resource Wealth (2010)



Source: Center for Security Studies, ETH Zürich.

China's Ministry of Commerce (MOFCOM) is the central government institution supporting and regulating large scale overseas investments, as well as soft loans and gifts to other countries.⁸² In addition, several state-owned banks have backed Chinese economic activities in Africa. The China Export-Import Bank has promoted Chinese exports and foreign direct investments (FDI) specifically in the infrastructure sector.⁸³ It has also extended loans and grants for commercial projects in over 35 African countries.⁸⁴ This bank has a less risk-sensitive profile compared to private banks and Western counterparts. The China Development Bank has provided loans to Chinese firms and has launched the China-Africa Development Fund to support Chinese FDI in Africa, while the China Export and Credit Insurance Corporation has provided insurance against the risks involved in Chinese exports and investments.⁸⁵ China's presence in Africa also involves a broad range of private-sector actors, including multinationals, small businesses, traders, and migrants, as well as Chinese local governments which at times act directly, mainly through their firms.⁸⁶

Africans are not powerless in their business relations with the Chinese. African governments by and large get reasonable deals, and some, like Angola, are masterful

⁸² CISSÉ & VAN DER LUGT 2011: 11.

⁸³ WANG 2007: 10.

⁸⁴ SCHIERE 2011: 5.

⁸⁵ RENARD 2011: 29.

⁸⁶ CHEN & JIAN 2009: 15.

negotiators. Its president publicly told his Chinese counterpart, “You are not our only friend.” Brazilians and Portuguese are numerous in Luanda, and Angolans frequently play them off against the Chinese.⁸⁷ Also African citizens have increasingly reached out to China as a source of useful resources for personal and business progression. For example, Gregor Dobler mentions in his work on Namibia town twinning as a semi-formal means of encouraging inward Chinese investment and trade.⁸⁸ Another manifestation of this is the significant numbers of African traders who, since the mid-1990s, have travelled to China, especially Guangzhou – referred to as Chocolate City or Little Africa in the Chinese media – to buy Chinese consumer goods for export to Africa.⁸⁹

The dumping of Chinese manufactured products, notwithstanding, has caused many losses of local jobs, especially in the textile industry. The extent of loss varies with the ability of firms and industries to restructure. South African textiles, for instance, failed to benefit from a voluntary Chinese moratorium on exports. Other exporters replaced their Chinese counterparts in the market, while the funding that China provided for retraining was misspent.⁹⁰ Hereunder, it will be examined whether Beijing’s economic strategy in Africa targets exclusively the extraction of natural resources, along with its impacts on African progress towards achieving the Millenium Development Goals (MDGs).

The MDGs are eight international development goals that were established following the Millennium Summit of the United Nations in 2000. These goals are,

- To eradicate extreme poverty and hunger
- To achieve universal primary education
- To promote gender equality and empowering women
- To reduce child mortality rates
- To improve maternal health
- To combat HIV/AIDS, malaria, and other diseases
- To ensure environmental sustainability
- To develop a global partnership for development.⁹¹

⁸⁷ "Trying to pull together" 2011.

⁸⁸ DOBLER 2009: 125.

⁸⁹ In Ghana and Nigeria local manufacturers often argue that it is these African traders in China, rather than Chinese traders in Africa, who have been primarily responsible for the massive influx of cheap Chinese goods in recent decades. Indeed, Chinese traders in these countries regularly reported that their greatest competition came not from their co-nationals but rather from African traders who source goods from China and have a better understanding of the local market. MOHAN & LAMPERT 2013: 100.

⁹⁰ MARKS 2010

⁹¹ "Background on Millennium Development Goals" 2014.

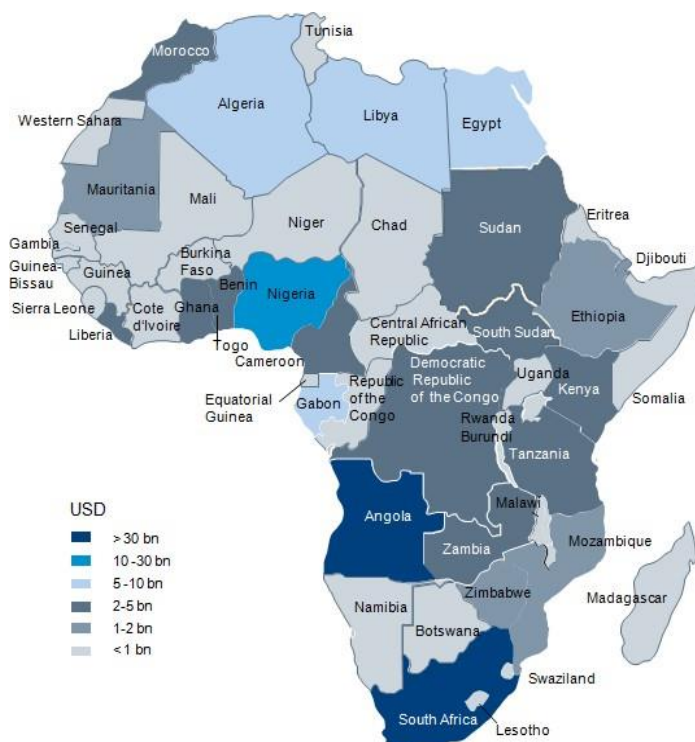
To achieve most of these goals sustainable economic development is indispensable. Therefore, this paper explores the Sino-African trade patterns between 1995 and 2014 with a focus on African exports to China. This study also examines Chinese investment in African infrastructure and industry, hence to transform their recent economic development into sustainable one and to achieve the MDGs, most African countries need to upgrade these sectors foremost.

IV.1. CHINA-AFRICA TRADE RELATIONS

IV.1.1. MAJOR TRADE PATTERNS

In 1995, before the Chinese "Go Out" policy, China's trade with Africa accounted for only 1 per cent of China's total world trade.⁹² By 2014, it raised to around 5 per cent and China has become Africa's largest bilateral trade partner. Whilst the volume and components of China-Africa trade varies at the country level, Africa's total two-way trade with China grew by a compounded annual growth rate of 30 per cent over the past decade.⁹³

2. Figure - China's Bilateral Trade Volume with Africa in 2012 (USD bn)



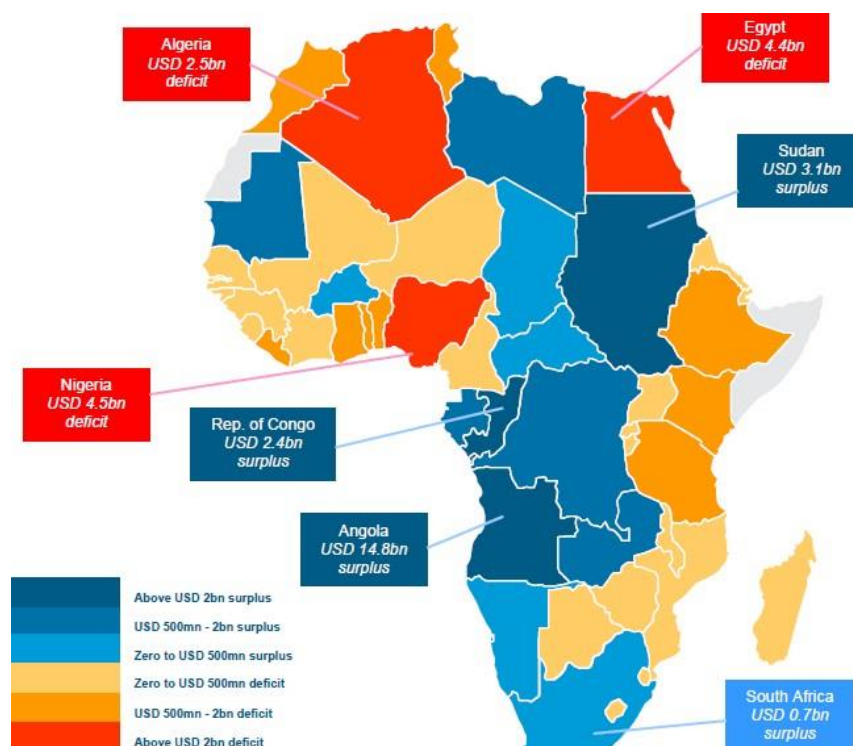
Source: IMF Directors of Trade Statistics

⁹² "Africa-China trading relationship" 2013: 2.

⁹³ GAMACHE & HAMMER & JONES 2013: 1.

Since Beijing's accelerated engagement with the black continent, Angola and South Africa have been its main trading partners. In terms of trade components, Chinese import from Africa is highly concentrated within the natural resource exporters, since African states' exports to China have been dominated by mineral products since the mid-1990s, as it will be elaborated in a sub-section. China's main export products, on the other hand, have been mainly manufactured goods, although the composition of the top five of them has changed. Between 1995 and 2006 textiles and clothing, between 2007 and 2009 machinery was China's main export product to Africa. Since then China has mainly exported transport equipment.⁹⁴ In contrast to its concentrated import, China's export influence a larger number of African countries, hence it exports the referred goods to all of Africa. In aggregate, this results in a relatively balanced trade relationship. However, in substance, China-Africa trade is considerably uneven, both in terms of geographical distribution and trade components.⁹⁵ There are large country-by-country disparities. Some fifteen African oil and mineral exporters have surpluses with China, while more than thirty African countries, including the poorest ones, have significant deficits.⁹⁶

3. Figure - Sino-African Average Trade Balance 2006-2010



Source: China Customs, Standard Chartered Research

⁹⁴ "Africa-China trading relationship" 2013: 2.

⁹⁵ WING 2011: 1.

⁹⁶ SHINN 2012c.

Figure 3 shows this diversity of trade balances, while deficits reflect on two key implications,

a) Trade with China is not dominated by commodities in every African country.⁹⁷

b) Some African states may be a strategic supplier of natural resources, but a far greater number of African countries represent export destinations for China, with their considerable markets.⁹⁸ China's export power simply overwhelms that of African countries.⁹⁹

China has opened its market wider to African countries by offering zero-tariff treatment to 95 per cent of the categories of exporting products from least developed African countries such as Benin and Burundi.¹⁰⁰ This has given a strong boost to African exports to the PRC since China is a market for various African businesses too. By entering the Chinese market, they can develop interests in other Asian countries as well.¹⁰¹

As the Working Paper of the African Development Bank Group asserts, the impact of Chinese activities varies according to the very size, economic structure, and quality of governance and institutions in certain African economies. China's impact is probably greatest on resource-rich African economies, and probably the smallest on the more diverse ones.¹⁰² One approach to performing a cost-benefit analysis of Sino-African trade, argues Richard Schiere, is to compare the commodity intensity of trade with China with each country's comparative advantage. Countries that export primarily crude oil (Angola, Gabon, Uganda or Chad) benefit from Chinese demand without facing competition from Chinese exports in global markets. On the other hand, African countries that export manufactured goods, such as refined oil products (Algeria, Egypt or Kenya), manufactured wood products (Cameroon), tobacco products (Benin) and processed food (Mauritius) encounter little demand from China but face Chinese competition in the global market.¹⁰³

Regarding the regional dimension of Sino-African trade, the relatively small market size of regional trade groupings in Africa contributes to the limited amount of intra-continental trade. By contrast, China's share of each regional groups' trade increased steadily from 1998 to 2008. As Figure 4 shows, it was most notable for the Economic Community of Central African States (ECCAS), where trade with China reached 25 percent of total trade in

97 WING 2011: 4.

98 BRÄUTIGAM & XIAOYANG 2011: 49.

99 SHINN 2012b.

100 "2013 Witnessed Fruitful Economic..." 2014.

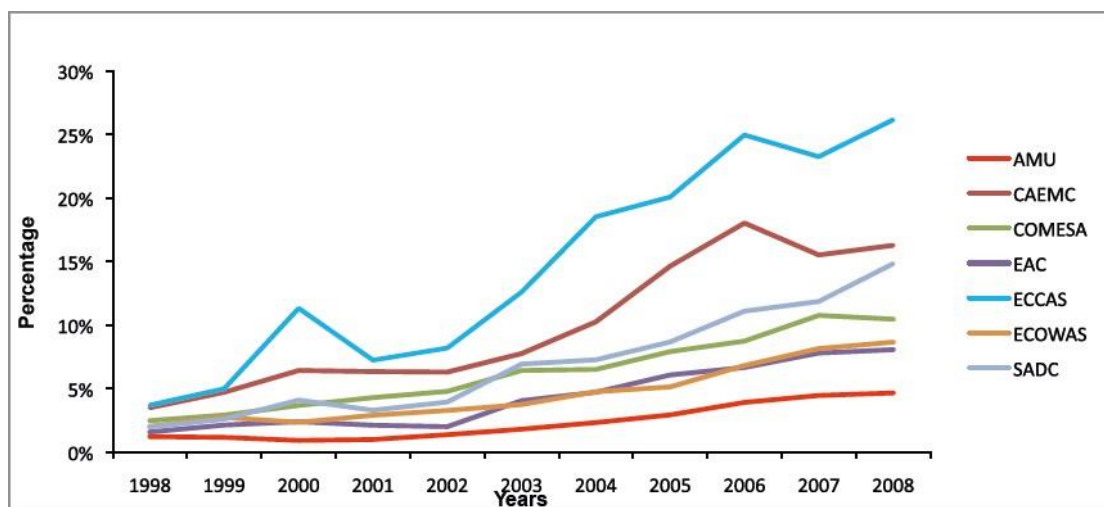
101 CISSÉ 2013: 82.

102 SCHIERE 2011: 3.

103 Ibid.

2008, due to strong rise in commodity exports.¹⁰⁴

4. Figure - Share of China-Africa Trade by Regional Organisations (1998-2008)



Source: IMF trade statistics & SADC trade statistics

IV.1.1.1. ETHIOPIA–CHINA TRADE - A REPRESENTATIVE EXAMPLE

With its non-diversified economy, Ethiopia provides an example of trade relations between China and most African countries. Ethiopia's trade with China rose from US\$100 million in 2002 to US\$860 million in 2008, with a significant Ethiopian trade deficit. Ethiopia exports to China products like sesame seeds, leather goods, and coffee, and imports from China clothing, machinery, food items, pharmaceuticals and electronics.¹⁰⁵ Beijing supports Ethiopian exports through a zero-tariff policy, leading for instance to a rise in Ethiopia's exports to China from US\$14 million in 2004 to US\$85 million in 2005.¹⁰⁶ Chinese exports of textiles and footwear reduced the income, assets and property of small-scale Ethiopian producers, leading many to close their business and lay off their employees or to turn towards production in the informal sector. On the other hand, medium-size Ethiopian firms have attempted to improve quality, designs, delivery time and invest in newer technologies to cope with Chinese competition.¹⁰⁷ Furthermore, the Ethiopian government has listed a number of areas of investment reserved for domestic investors only, including the export of raw coffee, qat, oilseeds, pulses, leather hides

¹⁰⁴ SCHIERE & RUGAMBA 2011: 94-95.

¹⁰⁵ THAKUR 2009: 7-9.

¹⁰⁶ GU & SCHIERE 2011: 19.

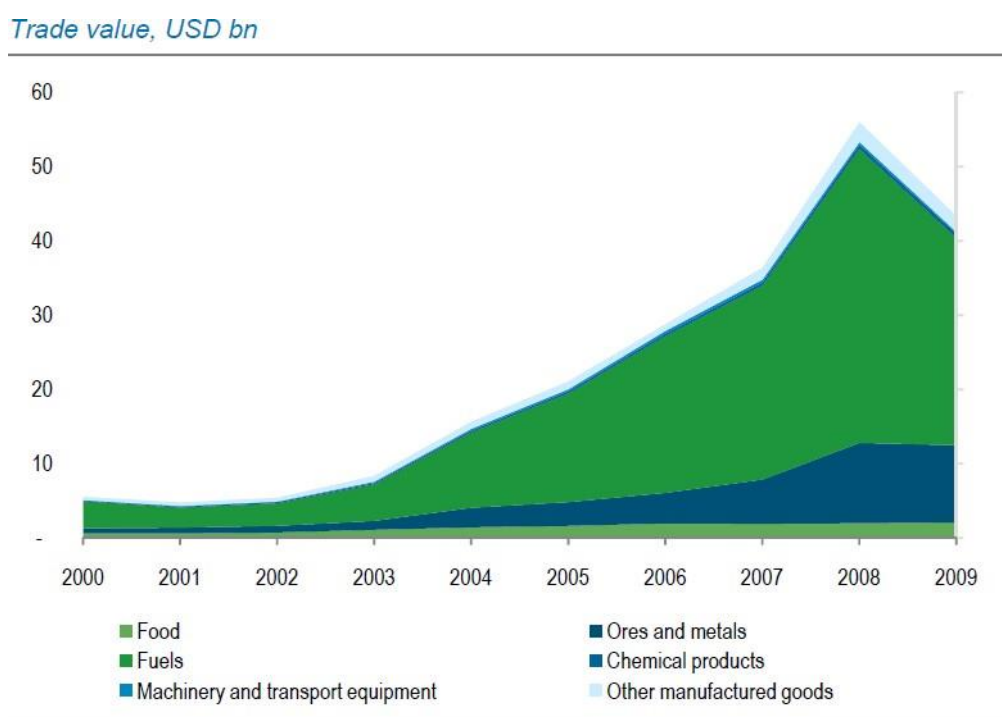
¹⁰⁷ THAKUR 2009: 7-9.

and skins, grinding mills, sawmilling and timber-making products, and printing industries.¹⁰⁸

IV.1.2. AFRICAN EXPORTS TO CHINA – OIL IS PRIORITY

China's imports of natural resources from Africa are the major driver behind booming China-Africa trade. Fuels account for most of Africa's exports to China, followed by other commodities, such as ores and metals and food items and agricultural products.¹⁰⁹

5. Figure - Fuels in China's Import from Africa (2000-2009)



Sources: UNCTAD, Standard Chartered Research (2011)

Regarding the trade of commodities in detail, China imports timber, inter alia from Gabon, Cameroon or Liberia, copper from Zambia, uranium from Namibia, and diamonds and nickel from Botswana. Ferrochrome and platinum are imported for instance from Zimbabwe, iron ore from South Africa, tin, cobalt and tantalum from the DRC, aluminium from Mozambique or gold from Mauritania.¹¹⁰ China is the biggest consumer of zinc, nickel, copper

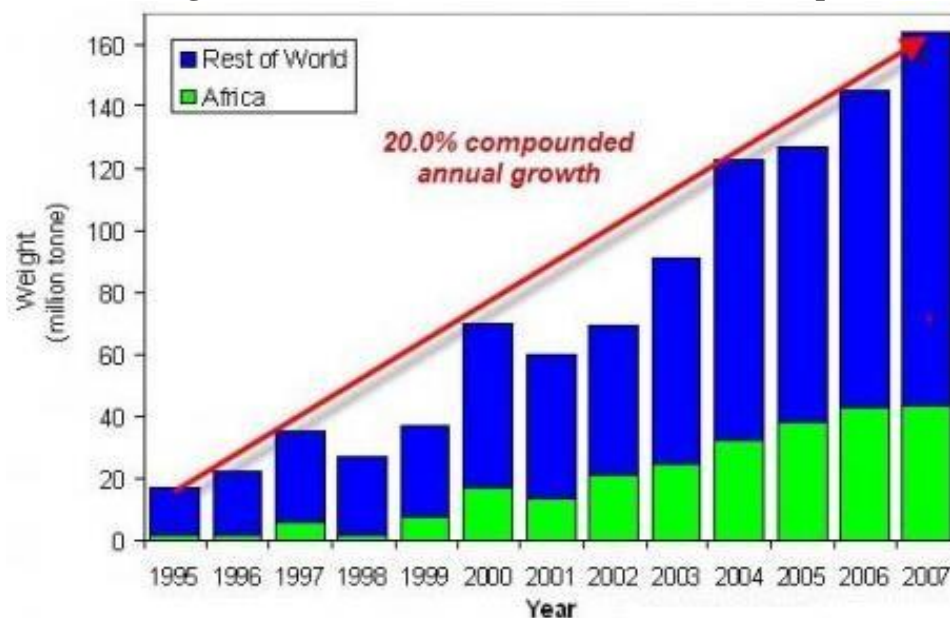
¹⁰⁸ GU & SCHIERE 2011: 19.

¹⁰⁹ WING 2011: 4-5.

¹¹⁰ ENUKA 2010: 210.

and tropical woods, although crude oil is the major component of China's imports from Africa.¹¹¹

6. Figure - Africa's Share in China's Crude Oil Imports



Source: World Trade Atlas, UN Comtrade, China Customs

The volume of oil imports has increased significantly in the first decade of the 21st century. This was driven, on one hand, by the increasing Chinese demand, which has been well above global growth, according to the International Energy Agency. The Chinese share of the world's oil demand rose from 6 per cent in 2001 to 11 per cent in 2011, while its reliance on oil imports reached 56 per cent in 2012.¹¹² Therefore Africa's rich oil deposits and increasing oil production have just found an eager buyer in Beijing. Currently, Africa, as a region, is China's second-largest source of crude oil after the Middle East. Nowadays, around one-third of China's oil imports are sourced from Africa.¹¹³ Its largest African suppliers are Angola, Sudan, the DRC, Libya, Equatorial Guinea, and Nigeria.¹¹⁴

The growth of Sino-African oil trade was driven on the other hand by Africa's new oil which China has managed to trade with. Africa's oil production surged from 7.11 mn barrels per day (bpd) in 2000 to 9.25mn bpd in 2010. While production of Nigeria, Algeria and Libya – the three traditional OPEC members in the region – has fluctuated over this period, emerging

¹¹¹ LEMOS & RIBEIRO 2006.

¹¹² WU 2014.

¹¹³ AKSHAY 2013.

¹¹⁴ ALESSI & HANSON 2012.

oil producers, such as Angola, Sudan, the Republic of Congo and Equatorial Guinea, have steadily increased their oil production.¹¹⁵

Because Nigeria and Angola, the continent's largest oil producers, have decades-long relationships with Western oil companies, China has offered integrated packages of aid to the largest oil producers, and it has pursued exploration and production deals in smaller countries such as Gabon, Equatorial Guinea, and the Republic of Congo.¹¹⁶

All giant Chinese oil companies, the China Petroleum and Chemical Corporation (SINOPEC), the China National Petroleum Corporation (CNPC), and the China National Offshore Oil Corporation (CNOOC) are present in Africa, operating in various sectors of the oil industry, offshore, exploration and refinery.¹¹⁷

Africa's natural resource exports in return for Chinese manufactured consumer goods have received many criticisms. Although, it should be noted that Africa's trade structure with China indeed mirrors the continent's state of industrialization and Africa's total trade with the rest of the world. When evaluating Africa's export profile in relation to, for example, the United States a similar trend emerges. In 2012, 87.5 per cent of US imports from Africa were primary commodities, down from a high of 92.8 per cent in 2007.¹¹⁸

Nevertheless, since the mid-2000s, Chinese import from Africa has shown a gradual trend of diversification into ores, metal and food items. In terms of food and agricultural raw materials, China has been increasingly signing farmland leasing contracts with African countries such as Ethiopia and Mauritius to secure its food supply.¹¹⁹

China can generate both gains and losses for African countries as major trends in Sino-African trade and the Ethiopian example show. The main effects of Sino-African trade links, according to Jing Gu and Richard Schiere are,

- a) increased demand for African exports
- b) rising commodity prices due to Chinese demand
- c) reduced prices on consumer and investment goods in African economies
- d) reduced demand for African production due to competition from China, in both domestic and third markets.

In this manner, the impact of China depends on the commodity specialization of each African country. Countries exporting labour-intensive goods have to face competition with

¹¹⁵ WING 2011: 5.

¹¹⁶ HANSON 2008: 2.

¹¹⁷ CISSÉ 2013: 76.

¹¹⁸ EDINGER & SANDREY 2013.

¹¹⁹ WING 2011: 5.

the PRC, while those exporting primary commodities or capital-intensive and technologically advanced goods can benefit from the trade with China.¹²⁰ However, many African economies need to diversify their exports to moderate dependency on highly volatile primary commodities, with detrimental implications for their macroeconomic stability.¹²¹

IV.1.3. THE CONTEXT FOR SINO-AFRICAN TRADE VOLUME

The value of exports between China and Africa has been rising sharply in the first decade of this century, and after a lowering following the 2008 financial crisis has rebounded strongly. However, the blue line in Figure 7 confirms, that while China and Africa are doing more trade, China is certainly not the only partner of the black continent.¹²²

7. Figure - Sub-Saharan Africa's exports to China (2000-2012)



Source: IMF

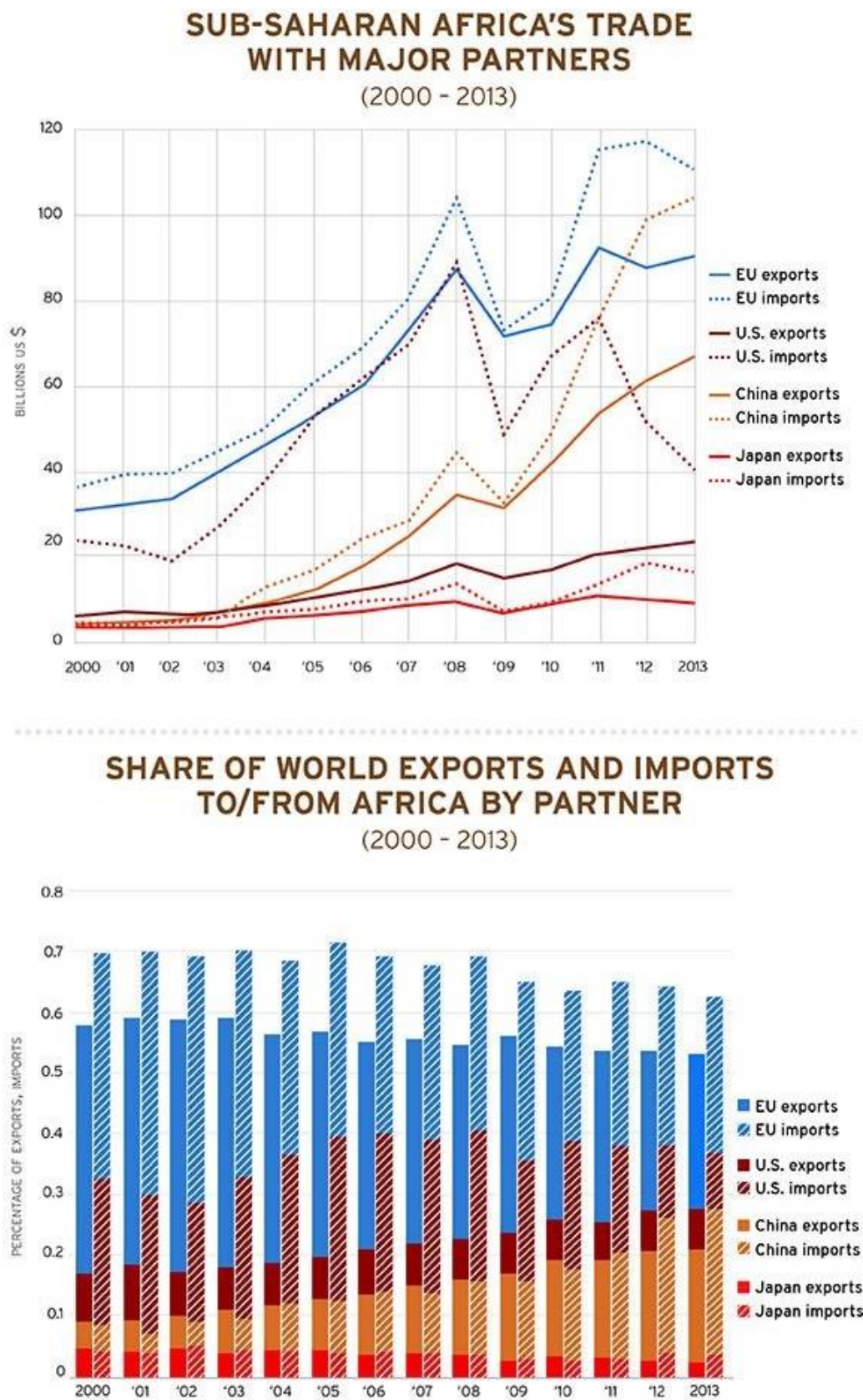
Moreover, even with the Chinese packages and rapid expansion of Sino-African commercial partnership, Europe has remained the main trading partner of Africa, not China, as Figure 8 with IMF data show.

¹²⁰ GU & SCHIERE 2011: 38.

¹²¹ GU & SCHIERE 2011: 19.

¹²² BOWMAN 2012.

8. Figure - Sub-Saharan Africa's Trade with Major Partners (2000-2013) & Share of World Exports and Imports to/from Africa by Partner (2000-2013)



Source: IMF: Direction of Trade Statistics (June 2014 edition)

IV.2. CHINESE INVESTMENTS IN AFRICA

Chinese investments in Africa are the natural counterparts to increased China-Africa trade ties, since starting with the trade flow, Beijing has exerted its economic influence in Africa through capital flows, to eventually create larger markets for deeper trade relationships.

IV.2.1. MAJOR INVESTMENT PATTERNS

China has the same reasons to engage in Africa as do other foreign states, but their respective tactics differ in many aspects. Deborah Bräutigam attests China's economic strategy in Africa is based on the country's own experience of development as a receiver of Japan's foreign investments in the 1970s. Japan provided the necessary equipment, technical training, and financing to certain Asian countries, in exchange for assured access to important raw materials. The so-called Goa formula was also used for Chinese oil and coal from the late 1970s.¹²³

From 1999 on, the "Go Out" strategy of Beijing since is implemented in Africa through China's investments. China is seeking to secure natural resources and supports the wider corporate activity of Chinese state-owned enterprises in Africa.¹²⁴ Nevertheless, the philosophy guiding China's state-owned enterprises and private entrepreneurs in Africa is quite different and both of them tend to concentrate on different sectors and countries.¹²⁵ Chinese state-owned enterprises are driven by the state's interests and largely invest heavily in the extractive sector, while Chinese private companies are driven by profit and market forces and are investing beyond that.¹²⁶

In African countries, most of the Chinese investment has gone into energy, mining, construction and manufacturing sectors. Among China's major investors in Africa are China Railways Construction, Sinomach, CITIC and Chalco, China Nonferrous, Minsheng Bank, China Power Investment Corporation, CNOOC, Sinopec, SinoSteel, CNPC, China Metallurgical and Sinohydro, and China Railways Materials.¹²⁷ The China Power Investment Corporation has spent US\$6 billion in bauxite and alumina refineries in Guinea.¹²⁸ The steelmaker Baosteel Group invested US\$50 million in Zimbabwe's mining operation in 2003.

¹²³ BRÄUTIGAM 2011: 6.

¹²⁴ BAYNTON-GLEN 2012: 1.

¹²⁵ THOMPSON & SOTOLA 2014: 7.

¹²⁶ SHEN 2013: 1.

¹²⁷ KOBYLINSKI 2012: 7.

¹²⁸ "Guinea clears..." 2012.

Sinosteel invested US\$768 million in South Africa in 2008 and 2009, and Wuhan Iron & Steel Co. invested US\$242 million in Madagascar.¹²⁹

While China's such investments in mining and infrastructure are dominated by public companies, mainly in the manufactured goods, telecommunications and wholesale trade sectors Chinese medium- to large-sized enterprises are found. Small firms are operating mostly in the light industry and retail sectors.¹³⁰ Chinese managers have a strong work ethic and entrepreneurial spirit and are willing to engage in markets where profit margins are low and supply chains are weak. They take a long-term perspective on the value of markets and hope to reap strategic advantage by entering at an early stage.¹³¹ Privately-owned Huawei and publicly-traded ZTE Corporation, for instance, have become the principal telecommunications providers in numerous African countries, and Chinese companies are moving into aviation, agriculture and tourism as well. In 2007, the Industrial and Commercial Bank of China purchased 20 percent of South Africa's Standard Bank for US\$5.5 billion. Ever since China has invested increasingly also in the financial sector of African countries.¹³² The impact of Chinese investments of this sort on African economies is varying. It is dependent on four factors, according to Jing Gu,

- a) the investment motives of the investing firms
- b) the extent of linkages to other firms
- c) the time horizon of the investment
- d) and the capacity of local firms to absorb spillovers and face the competition.¹³³

Nonetheless, the expansion of Chinese private companies in Africa, both in size and capacity has made government supervision and management particularly difficult for Beijing.

IV.2.1.1. CHINESE FDI IN AFRICA

In mid-2012, China's ambassador to South Africa, Tian Xuejun, in a speech on China-Africa relations, said "China's investment in Africa of various kinds exceeds US\$40 billion, among which US\$14.7 billion is direct investment."¹³⁴ There is, however, considerable confusion among scholars as to what constitutes Chinese investment in Africa. It is not even clear how China defines FDI. There is no consensus on a total cumulative number except that it is

¹²⁹ GAMACHE & HAMMER & JONES 2013: 2.

¹³⁰ RENARD 2011: 36.

¹³¹ GU & SCHIERE 2011: 20-21.

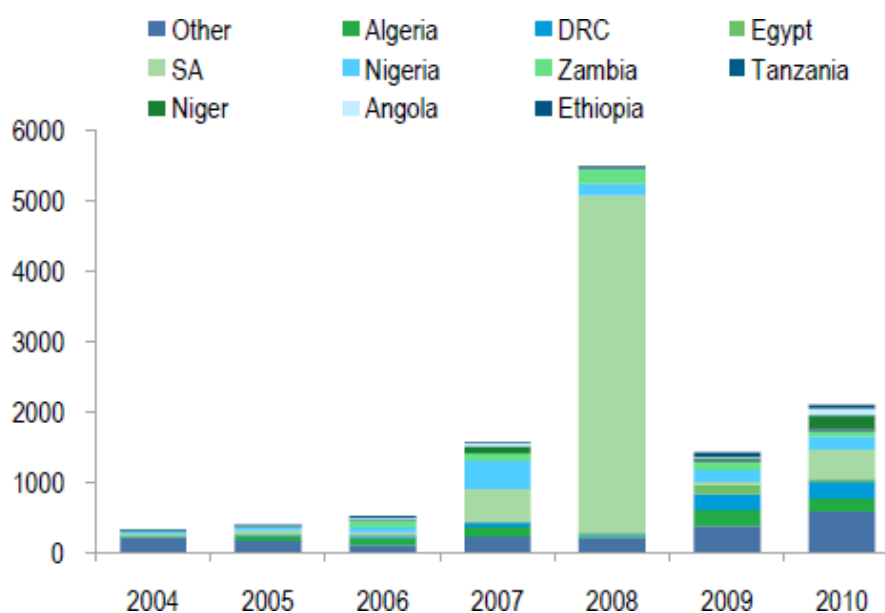
¹³² SHINN 2012a.

¹³³ GU 2009: 582.

¹³⁴ SHINN 2012b.

considerably higher than the official figure. Chinese officials acknowledged government statistics are based only on FDI reported to the government, whilst many Chinese invest without government authorization. In addition, there is no way to assess the volume of Chinese FDI channelled to Africa through tax shelters like Hong Kong.¹³⁵

9. Figure - Chinese FDI Flow to Africa 2004-2010 (US\$ mn)



Sources: MOFCOM, Standard Chartered Research Report (2012)

Albeit Chinese FDI flows into all African countries that follow the One-China policy, it is also highly concentrated as Sino-African trade is. In 2010 for instance, the top ten African recipients of Chinese FDI accounted for 76.3 per cent of its total FDI to Africa, as the following table shows. Six of the top ten recipients of Chinese FDI are also among China's top ten African trading partners and are commodity exporters.¹³⁶

¹³⁵ SHINN 2012a.

¹³⁶ BAYNTON-GLEN 2012: 2-4.

2. Table - Chinese Investment and Trade Flows in 2010

Country	Chinese FDI Flows in Africa	Total China–Africa Trade
South Africa	19.5 %	17.9 %
DRC	11.2 %	2.1 %
Niger	9.3 %	0.2 %
Nigeria	8.8 %	5.4 %
Algeria	8.8 %	4.1 %
Angola	4.8 %	19.6 %
Kenya	4.8 %	1.4 %
Zambia	3.6 %	2 %
Ethiopia	2.8 %	1.2 %
Ghana	2.7 %	1.6 %
Top Ten Country’s Share of Total FDI/Trade	76.3 %	70.9 %

Sources: MOFCOM, Xinhua, Standard Chartered Research Report (2012)

Hence Western companies began investing in Africa much earlier, their cumulative investments far exceed China’s FDI in Africa. As of the end of 2010, for example, the U.S. Bureau of Economic Analysis calculated that cumulative American FDI in only Sub-Saharan Africa totalled US\$54 billion.¹³⁷ Nonetheless, a lack of transparency limits the ability to gain a full picture of the scope and scale of Chinese FDI in Africa, but some scholars estimate that Chinese loans outweigh it.¹³⁸ These loans, however, do not appear to have undermined African debt sustainability.¹³⁹

In terms of Chinese aid funds, according to the definition of OECD’s Development Assistance Committee for Official Development Assistance, China provides Africa about US\$1.5-2 billion a year in aid, mainly allocated to states with longstanding political ties to China (e.g. Egypt, Mali, Ethiopia, Tanzania) and resource-rich countries (e.g. Nigeria, Algeria, Angola, Congo, the DRC, Zambia, Sudan). By comparison, the European Union

¹³⁷ SHINN 2012a.

¹³⁸ BAYNTON-GLEN 2012: 3.

¹³⁹ BERTHELEMY 2011: 71.

donates some US\$36 billion to the continent annually and contributes to multilateral donations as well.¹⁴⁰

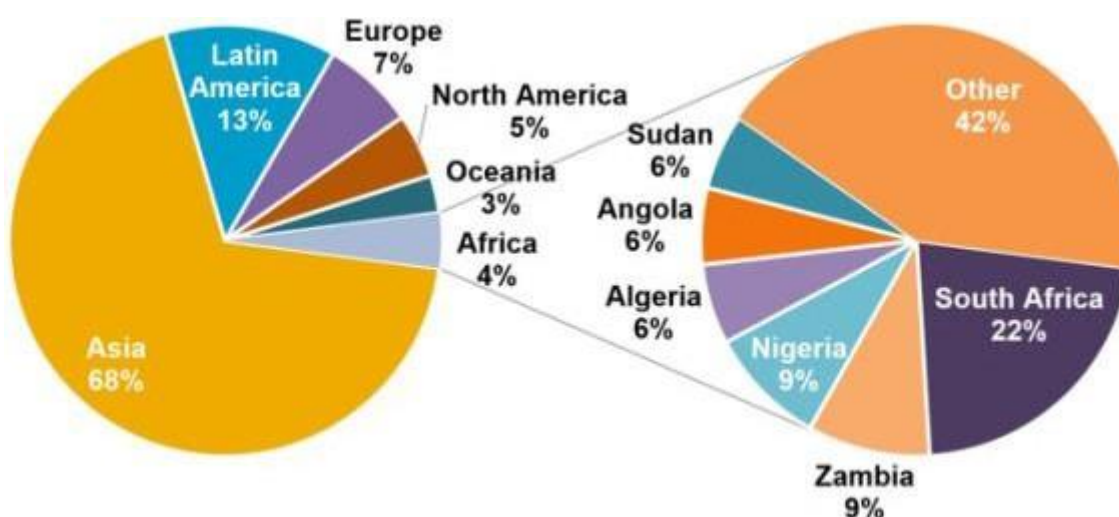
IV.2.1.2. THE CONTEXT FOR CHINESE FDI IN AFRICA

3. Table - China's FDI in Africa 2004-2010 (% of China's total FDI)

	2004	2005	2006	2007	2008	2009	2010
% of China's total FDI	4.3	2.8	2.9	5.9	9.8	2.5	0.3

Source: Unctad

10. Figure - China's OFDI Stock in Africa by Destination, End of 2012



Source: MOFCOM Statistical Bulletin 2012

Contrary to general belief, Asia attracts the biggest share of Chinese investment and not Africa. Of the global total percentage of China's FDI, as Table 3 and Figure 10 show, Africa accounted for only 4.3 per cent in 2004, peaked at 9.8 in 2008 and declined to 0.3 in 2010.¹⁴¹ The peak in 2008 was the result of a US\$5.5 billion acquisition of a 20 per cent stake in Standard Bank of South Africa by the Industrial and Commercial Bank of China.¹⁴² The main reason for the decline in turn is, that Africa is a difficult place to do business for investors. In 2013, for instance, in The Economist's China Going Global Economic Index, Lybia was

¹⁴⁰ SCHIERE 2011: 3.

¹⁴¹ KOBYLINSKI 2012: 3-8.

¹⁴² BAYNTON-GLEN 2012: 5.

the highest-ranking African country with its 43rd place from 67 countries.¹⁴³ In 2014 Tunisia was the highest-ranking on the 48th place, while Lybia lowered to 66th place.¹⁴⁴ Also not all the Chinese firms' investments are actually profitable and successful. One of China's main global investment failures took place in Africa in 2006 when US\$8 billion of China's Civil Engineering upgrade of Nigerian railways shrank to US\$850 million.¹⁴⁵ Also during the Libyan revolution three years ago, the total Chinese loss was estimated to be US\$20 billion in the region, although no official figures exist.¹⁴⁶

IV.2. CHINESE INVESTMENTS IN AFRICAN INFRASTRUCTURE AND INDUSTRY

Whilst Africa's GDP continues to grow, this growth is not high enough to achieve the MDGs and move countries up the Human Development Index. Resource-rich African countries benefit from relatively high commodity prices – partly due to Chinese demand – this represents a short-term positive.¹⁴⁷ It is infrastructure, power production and industrial development that can place countries on a durable and sustainable growth path, and this is where China could prove to be a development partner, as Beijing claims to be. Therefore, this paper examines the main Chinese investment tendencies in these areas.

IV.2.2.1. INFRASTRUCTURE

The Africa Infrastructure Country Diagnostic estimated in 2010 that an additional US\$93 billion in annual spending over the next decade, divided equally between infrastructure investment and maintenance, is required to meet the MDGs in Africa and achieve national development aims.¹⁴⁸ Almost half of this amount is needed to address the continent's current power supply crisis. It is estimated that the increase in the power supply could raise business productivity by 40 per cent and add 2 per cent of GDP per year.¹⁴⁹

A Chinese proverb goes "wealth is not far away if roads are built". Africans have seized the opportunity to prove this right. Over 35 African countries are engaged with China in infrastructure financing arrangements, the largest recipients are Nigeria, Angola, Sudan and

¹⁴³ "China Going Global Investment Index." 2013: 7.

¹⁴⁴ "China Going Global Investment Index." 2014: 8.

¹⁴⁵ BAYNTON-GLEN 2012: 8.

¹⁴⁶ WU 2014.

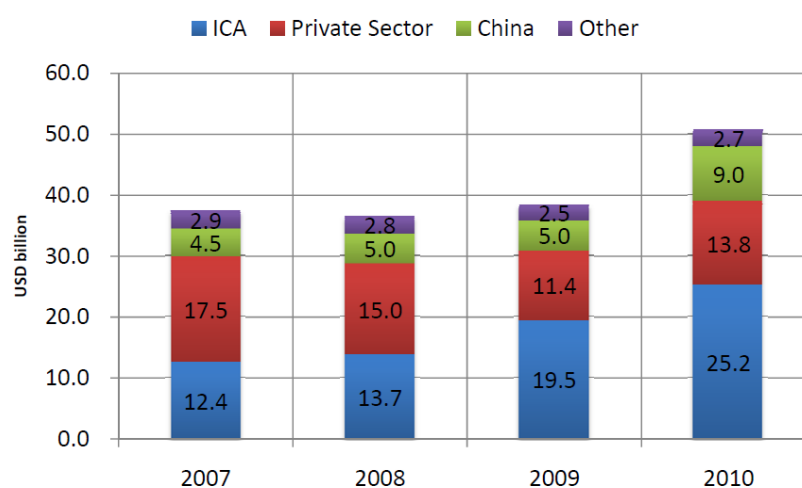
¹⁴⁷ "China's changing ambitions in Africa" 2013.

¹⁴⁸ SCHIERE 2011: 5.

¹⁴⁹ SCHIERE & RUGAMBA 2011: 96.

Ethiopia. From US\$1 billion annually between 2001 and 2003, China's commitments to infrastructure in Africa rose to US\$7.5 billion in 2006.¹⁵⁰ Chinese funding has been directed largely at hydropower and transportation projects, with important benefits for industrial productivity, crossborder trade and connectivity to global markets.¹⁵¹ As Figure 11 shows, in African physical infrastructure – where Western investors and aid agencies are unwilling to contribute – China is an important actor.

11. Figure - External Support for African Infrastructure Sector 2007-2010



Source: Infrastructure Consortium for Africa (ICA) 2011

Overall, some 30 African countries have received Chinese funding for hydropower and power stations. In 2007 China financed 10 hydroelectric power projects for US\$3.3 billion, which increased Africa's hydroelectric power production capacity by 30 per cent.¹⁵² The Export-Import Bank of China, for example, has financed African partners and large-scale projects in the power sector, such as the 400MW Bui Dam in Ghana, the 360MW Kariba North Bank hydro project in Zambia, the 1,250MW Merowe Dam project in Sudan or the US\$300 million hydroelectric Moamba Major dam in Mozambique.¹⁵³

Ghana, Ethiopia, and Sudan have been the major beneficiaries of the Chinese contribution to Africa's information and communications infrastructure in the form of supplying equipment to national firms.¹⁵⁴ Regarding physical infrastructure, China has

¹⁵⁰ RENARD 2011: 36.

¹⁵¹ EDINGER & SANDREY 2013: 65.

¹⁵² RENARD 2011: 36.

¹⁵³ SCHIERE 2011: 5.

¹⁵⁴ RENARD 2011: 36.

invested US\$10 billion to build a new port at Bagamoyo, Tanzania,¹⁵⁵ but has also financed investments in road and railway network projects; including the renewal of 1,350 kilometres of existing railway lines and the construction of 1,600 kilometres new railroads, and the rehabilitation and construction of more than 1,400 kilometres of road. The main beneficiaries of projects of this sort are Nigeria, Gabon and Mauritania.¹⁵⁶ In 2007, for instance, the World Bank proposed a railway construction project in Nigeria, which entailed measures aimed at combating local corruption. However, just as the project worth US\$5 million was about to be signed, the Chinese government offered Nigeria US\$9 billion without bids, conditions, and the need for reform to rebuild the entire rail network.¹⁵⁷ This example shows, that Beijing has bypassed multinational institutions like the World Bank and the International Monetary Fund and flouted many of their lending criteria, including minimum standards of transparency, open bidding for contracts, environmental impact studies and assessments of overall debt and fiscal policies. The access to capital itself is positive, but this Chinese policy of no-conditions is deteriorative for African states even in the short term. Furthermore, China's investments do not necessarily address the long-term sustainability of projects, therefore it is likely that new Chinese investments in Africa will not be adequately maintained.

On the other hand, Chinese firms have a good record for on-time completion. Africa can thus benefit from the Chinese contribution through low prices and efficient work.¹⁵⁸ Notwithstanding, China's infrastructure investments could be more supportive of African integration. China has typically worked on a bilateral basis in support of national infrastructure plans that may not adequately take into account regional perspectives.¹⁵⁹ In exceptional cases, China has supported major regional infrastructure ventures such as the electricity transmission lines between South Africa and Mozambique, South Africa and Zambia, and Botswana, Namibia and Zimbabwe.¹⁶⁰ Recently, China has seemed more open in this respect, although there is a large untapped potential to leverage China's investments in this regard.¹⁶¹ In terms of major infrastructure projects, it remains to be seen whether the benefits will outweigh the many problems.

155 NG'WANAKILALA 2013.

156 FOSTER & BUTTERFIELD & CHEN & PUSHAK 2009: 23.

157 GADZALA & HANUSCH 2010: 6.

158 FRENCH & POLGREEN 2007b.

¹⁵⁹ SCHIERE & RUGAMBA 2011: 98.

¹⁶⁰ SCHIERE 2011: 5-6.

¹⁶¹ GU & SCHIERE 2011: 18.

IV.2.2.2. CHINESE SPECIAL ECONOMIC ZONES IN AFRICA

There is a strong interest by African leaders to reiterate the success of China in developing Special Economic Zones (SEZs) to attract foreign investments and enhance the competitiveness of their manufacturing sector.¹⁶² As Figure 12 demonstrates, China itself has established Special Economic Zones in Africa with different industry focuses.

12. Figure - China's Official Trade and Cooperation Zones in Africa (2013)

Country/zone	Total Investment	Start of planning	Current status	Developers	Industry focus
Zambia, Chambishi	USD 410 million	2003	Partly operational/under construction	China Non-ferrous Metal Mining Group	Copper and copper mining-related industries
Zambia, Lusaka	Subzone	Not available	Under construction	China Nonferrous Metals Corporation	Garments, food appliances, tobacco, electronics
Nigeria, Lekki	USD 369 million	2003	Under construction	China Civil Engineering Construction, Jiangning Development Corporation, Nanjing Beyond, China Railway	Transport equipment, textile and light industries, home appliances, telecommunications
Nigeria, Ogun	USD 500 million for the first phase	Early 2004	Under construction	Guangdong Xinguang, South China Developing Group	Construction materials and ceramics, ironware, furniture, wood processing, medicine, computers, lighting
Mauritius, Jin Fei (originally Tianli)	USD 940 million	2006-07	Construction completed, but zone not operational	Shanxi-Tianli Group, Shanxi Coking Coal Group, Taiyuan Iron and Steel Company	Property development, services (tourism, education, finance), manufacturing (textile and apparel, machinery, high-tech industries)
Ethiopia, Oriental (Eastern)	USD 101 million	2006-07	Under construction	Yonggang (withdrew), Qiyuan Group, Jianglian International Trade, Yangyang Asset Management, Zhangjiagang Free Trade Zone (not a shareholder)	Electric machinery, steel and metallurgy, construction materials
Egypt, Suez	USD 524 million	2005	Operational/On-going	Tianjin TEAD Investment Holding Ltd., China-Africa Development Fund	Textiles and clothing, petroleum equipment, automobiles and parts, fiberglass, electrical equipment

Sources: BRÄUTIGAM & XIAOYAN (2011), SCOTT (2013), press reports

More than ten African governments expressed interest in hosting Chinese companies-operated zones after Beijing initiated the program in 2006.¹⁶³ The African countries that competed to host the Chinese SEZs saw in these zones long-term prospects for industrial development, job creation, and positive spillovers. Although it is too early to assess the real impacts of these zones, the evidence so far is disappointing.¹⁶⁴ The number of SEZs in Africa is too small to initiate a process of industrial growth at the continental level. In addition, Chinese-operated SEZs in Sub-Saharan Africa, thus far, show low levels of investment and

¹⁶² SCHIERE 2011: 4.

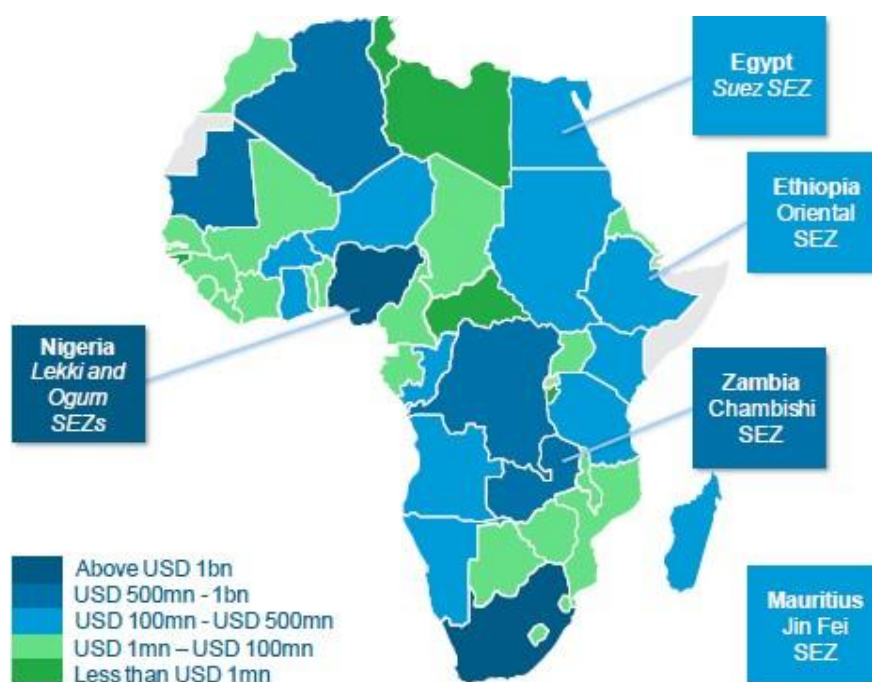
¹⁶³ BRÄUTIGAM & XIAOYANG 2011: 31.

¹⁶⁴ Ibid. 4.

exports, and their job creation impact and the integration with local economies have been limited.¹⁶⁵

In order to have any long-term impact on African industrialization, the Chinese SEZs should address the problems that have arisen in each country in the early stages of their development, the policy incoherence, financing gaps and slow pace of implementation. Zone developers are also struggling to attract Chinese firms. For example, the majority of companies operating in the Chambishi zone in Zambia are subsidiaries of the developers, while the Mauritian zone has failed to attract a single Chinese investor two years after its completion. Furthermore, prospects for the SEZs to build backwards and forwards linkages within the local economy and to transfer technology are rather weak owing to the local environment and Chinese business mentality.¹⁶⁶ Also the easing of working law rules by African governments to attract investments may cause a race to the bottom between neighboring countries. Such effects were seen in the series of zones established in southern Africa.¹⁶⁷

13. Figure - Cumulative FDI Inflows from China and China's SEZs 2004-2010



Sources: China Customs, Standard Chartered Research Report 2012

¹⁶⁵ SCHIERE 2011: 4.

¹⁶⁶ ANCHARAZ 2013: 6-7.

¹⁶⁷ SANDREY & EDINGER 2011: 67-68.

Against this result of official zones, it is interesting to note that a number of private Chinese industrial zones in South Africa and Botswana, for example, are flourishing. Even in the countries hosting SEZs, some Chinese investors – for instance, Huajian Group, a Chinese footwear company in Ethiopia – are choosing to operate outside the zones in an attempt to avoid high rent and utility costs, and governmental control.¹⁶⁸

The information on Chinese SEZ projects in Africa is dispersed and sometimes inconsistent.¹⁶⁹ The evidence thus far, however, seem to weigh in favour of the critics, who claim that the SEZs are meant to only extend China's influence to secure its market access and control over African resources.¹⁷⁰ Yet, Tang Xiaoyang and Deborah Bräutigam argue in their analysis that the zones in Africa form a unique, experimental model of development cooperation, that provides "a promising new approach to sustainable industrialization". They base their interpretation on the fact, reinforced by comments of Chinese officials, that the zones were also intended to help China's economic restructuring, allowing the labour-intensive, less competitive mature industries to move offshore.¹⁷¹ Consequently, Africa's desire to diversify its exports could fit well with China's goals of structural transformation. Some economist suggests, that in the next decades, China as the leading goose in Asia, can contribute to the formation of „African geese”, if African countries harness the opportunity.

According to Justin Lin, former chief economist of the World Bank, the Chinese economy has reached the so-called Lewis Turning Point, which refers to the time when manufacturing costs begin to outstrip productivity. Wage inflation and rising production costs will force China to become a higher-value and more efficient manufacturer. Therefore, China is forecasted to possibly lose up to 85 million labour-intensive manufacturing jobs within the next decade. This will create enormous opportunities for economies with nascent manufacturing sectors, mainly in Asia and Africa, where SEZs are now being established by Chinese companies. Although African countries have to build the necessary infrastructure, institutions and skills base to attract private investments, the opportunity for them to capture a share of this revenue is indeed enormous.¹⁷² Many textile producers are already shifting from China to Africa, and there is considerable potential to relocate the whole range of consumer durables, transport manufactures, and electronics.¹⁷³ Nevertheless, much remains to be learned

¹⁶⁸ ANCHARAZ 2013: 7.

¹⁶⁹ BERTHELEMY 2011: 87.

¹⁷⁰ ANCHARAZ 2013: 4.

¹⁷¹ BRÄUTIGAM & XIAOYANG 2011: 27-31.

¹⁷² DAVIES 2013.

¹⁷³ GU & SCHIERE 2011: 20-21.

about the extent to which these zones will promote mutual benefit as promised by the Chinese or they turn out to be primary tools to advance Chinese interests.

IV.3. THE ECONOMIC IMPLICATIONS FOR AFRICA

Sino-African links have broadened since the 1990s. The relationship is now almost as diverse as Africa itself. Economic relations are based on complementarity in the respect, that China requires raw materials, food and agricultural commodities, suitable export markets, and can demonstrate its development model to Africa. While most African economies are greatly dependent on their commodity exports, need capital investments, manufactured goods and consumables, and a reform model to improve their economies' performance.¹⁷⁴ However, the motivations of China and Western countries in Africa are surprisingly similar.

Chinese FDI flows into all African countries that follow the One-China policy, albeit it is also highly concentrated based on the bilateral approach of Beijing.¹⁷⁵ While China appears to have had no significant impact on African economies' diversification so far, the imminent shift driven by market forces in China's manufacturing sector can give impetus to African industrialization.¹⁷⁶

It is difficult to generalize about the impact of Chinese trade and investment on African countries and their development. Economic trends of the decade before the launch of the FOCAC and the 10 years following indicate that increasing engagement with China has not been detrimental to African economic development. Following the establishment of the FOCAC, Africa as a region is reporting significantly higher GDP growth rates, increased GNI, and GDP per capita. This indicates that ties with Beijing do not harm the achievement of Millennium Development Goals. Notwithstanding, Beijing acts in a way to maximize its strategic interests in Africa – as other states do – and to take advantage of the continent's benefits. There are several instances of predatory behaviour on the part of Chinese businessmen and investors, both state and private, and Chinese involvement is highly concentrated in resource-rich African countries, albeit it has an impact and influence on every state. Yet, the focus on natural resources is not exclusive, neither in trade nor in investments,

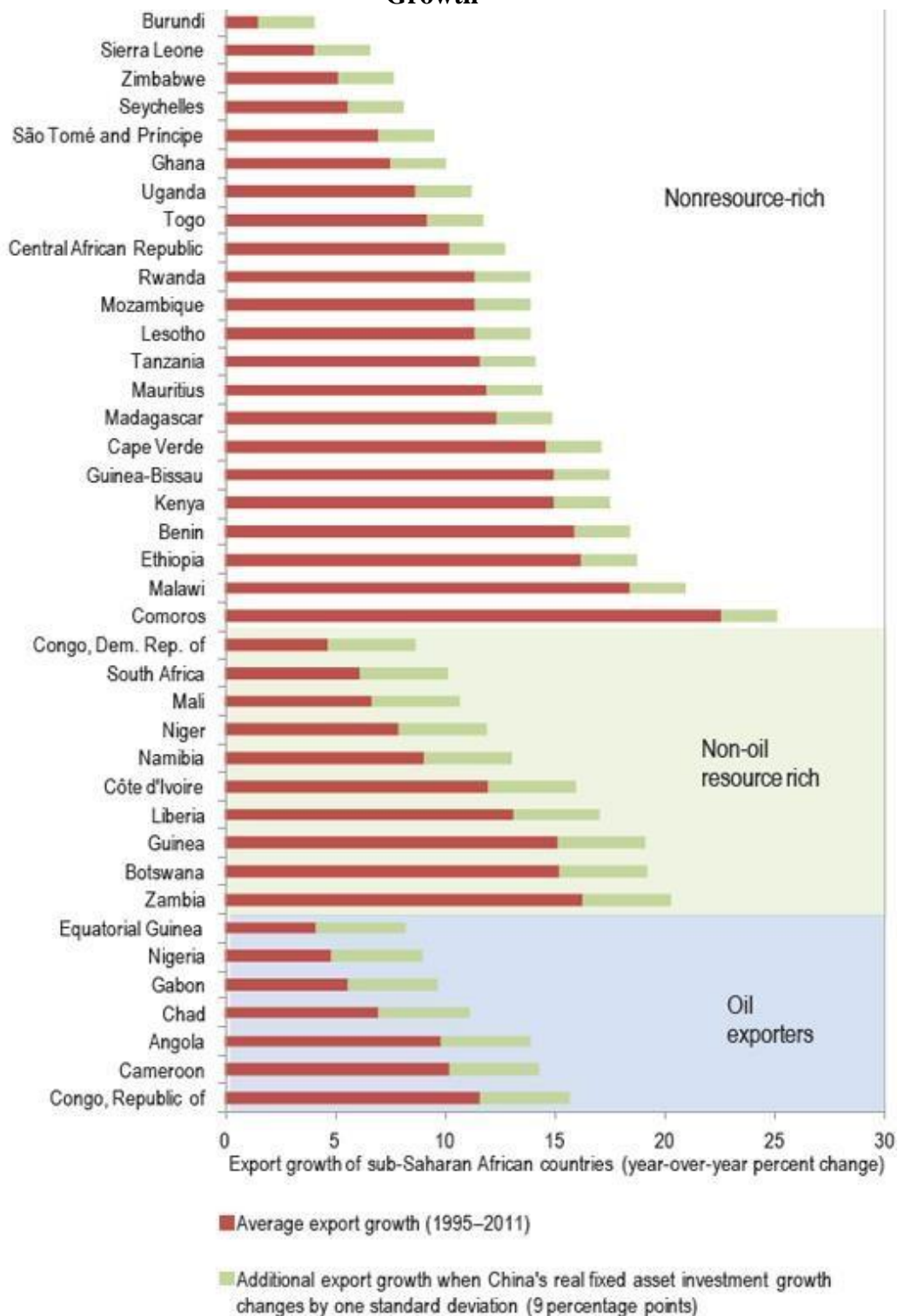
¹⁷⁴ BOTHA 2006: 42.

¹⁷⁵ BAYNTON-GLEN 2012: 2.

¹⁷⁶ DAVIES 2013.

and China’s economic relations with Africa are becoming more multidimensional.¹⁷⁷ In addition, China has an increasing impact on Africa’s economic performance.

14. Figure - Impact of China’s Investment on Sub-Saharan African Countries’ Export Growth



Source: IMF, World Economic Outlook Database, and IMF Staff Calculations

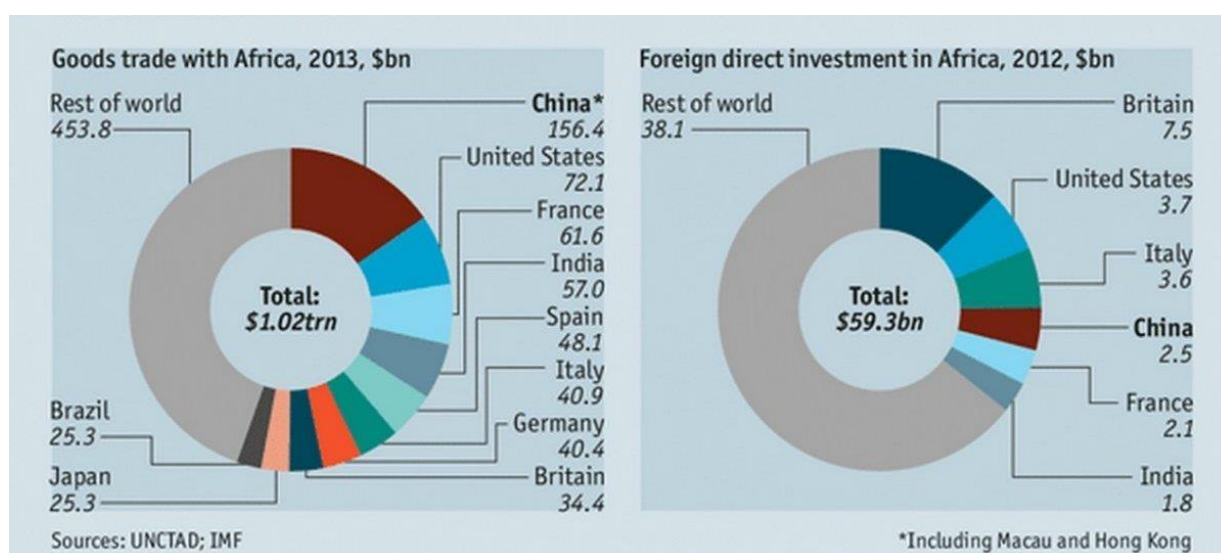
177 HORTA 2009.

IV.3.1. THE CONTEXT FOR CHINESE TRADE AND INVESTMENTS IN AFRICA

The African boom, which China has helped to fuel, is attracting many investors. The non-Western ones compete especially fiercely.

Peking's Africa-strategy is a sophisticated, assertive and progressive one, though, China has not replaced the Western countries in terms of economic presence in and relations with the continent, as Figure 15 indicates. Also, the other new actors in the new scramble for Africa impose frontier to Chinese expansion on the continent.

15. Figure - The Scramble in Africa



Sources: The Economist, UNCTAD, IMF

After the general examination of political, diplomatic and economic Sino-African relations, it can be asserted, that Chinese engagement has both significant quantitative and qualitative impacts on African development, both positive and negative.¹⁷⁸ In order to enforce the gains, however, African governments need to plan, cooperate and channel Chinese energies, finance and investment flow in directions that benefit them most.¹⁷⁹ According to John Rocha, they should invest heavily in education and training, diversifying their economies and strengthening their governance systems to be better able to sustain the current economic growth throughout the continent.¹⁸⁰ These reforms are the responsibility of African leaders, who should address the many problems regarding Chinese economic activities, for example

¹⁷⁸ BERTHELEMY 2011: 71.

¹⁷⁹ ENUKA 2010: 216.

¹⁸⁰ ROCHA 2006.

within the FOCAC framework. The opportunity is there with the Chinese interest and the new scramble for resources, it depends on the African party to harness it. Hereunder, their opinion on China's growing involvement is presented.

V. THE AFRICAN IMPRESSION OF CHINA AND THE CHINESE

In the 1990s, in parallel with the change in Beijing's focus on Africa from ideology to trade, the prevailing African image of China had shifted too, from ideological ally against colonialism and Western domination to emerging economic power and determined investor.¹⁸¹

In the Western media, the discourse of Sino-African relations often depicts that the authoritarian and corrupt African leaders are the allies of Beijing, attracted to it by mutual unconcern with Western-urged democracy, human rights, and environmental protection, while average Africans' impression of China is negative and corroborating their criticism of Beijing.¹⁸² Western governments that regard China as their strategic competitor on the black continent contribute to this depiction. It is difficult, however, to describe the real popular judgements in Africa of China or Chinese business. In most analyses of Beijing's reinvigorated engagement, little recognition is given to the local point of view. Nevertheless, the African observation of Chinese presence is of crucial importance in examining the nature of this phenomenon. Therefore, the opinions of African elites and African people will be explored based on their statements, public discourses and polls.

V.1. THE OPINION OF AFRICAN ELITES ON CHINA

Reactions to China in Africa vary as China contacts different sections of different societies in different ways. Regarding the African leaders, the Chinese provide them with substantial advantages. They provide the first-hand experience of fast development, the Chinese are unconcerned with Western norms and requirements and are accustomed to conditions in poor countries.¹⁸³ Therefore, both democratic and authoritarian African leaders tend to appreciate, that accompanied by symbolic gestures, under the slogan of South-South solidarity and common historical experiences, Beijing invests remarkably in their countries.

181 OBIORAH 2006.

182 SAUTMAN & HAIRONG 2009: 734.

183 "Friend or forager?" 2006

China consolidates its political and trade relations *inter alia* with special concessions, debt relief, aid, scholarships, or the provision of specialists.¹⁸⁴ However, the most attractive for African leaders, who are frustrated by complex donor policies and the high costs of multilateral development projects, is that Beijing asks no questions or imposes any conditionality on its investments – as it was presented above.¹⁸⁵

"The US will talk to you about governance, about efficiency, about security, about the environment. The Chinese just ask: how do we procure this license?"- stated Mustafa Bello, head of Nigeria Investment Promotion Commission.¹⁸⁶

"If a G8 country had wanted to rebuild the stadium, for example, we would still be holding meetings! The Chinese just come and do it. They don't start to hold meetings about environmental impact assessment, human rights, bad governance and good governance. I'm not saying that's right, I'm just saying Chinese investment is succeeding because they don't set high benchmarks." – stated Sahr Ermaco Johnny, Sierra Leone's ambassador to China.¹⁸⁷

"The Chinese Prime Minister agreed to give us Shs24 billion to extend the Parliament... I have spoken with the Chinese ambassador and our experts are liaising with the experts from China who will be in the country to start work in a few weeks." – stated Ezna Suruma, former Finance Minister of Uganda to Uganda's members of parliament.¹⁸⁸

"You never hear the Chinese saying that they will not finish a project because the government has not done enough to tackle corruption. If they are going to build a road, then it will be built." – stated by a former Kenyan government spokesman, Alfred Mutua.¹⁸⁹

Nevertheless, impressions of China among Africa's political leaders go beyond an appreciation for unconditional investments and trade.¹⁹⁰ The non-traditional Chinese development means inspiration to many African leaders, regardless of whether it could be replicated in Africa.¹⁹¹ Since the 1980s Western donors have demanded African governments to implement political reforms such as democratization or governmental transparency. Western environmental advocacy groups have often pressured their governments to demand

¹⁸⁴ Ibid.

¹⁸⁵ HORTA 2009.

¹⁸⁶ WALT 2006.

¹⁸⁷ CROLL & LEBZIEN & PAES 2008: 6.

¹⁸⁸ NANDUTU & LUGYA 2006.

¹⁸⁹ CRILLY 2005.

¹⁹⁰ OBIORAH 2006.

¹⁹¹ MARU 2013.

environmental impact assessments before funding projects in Africa.¹⁹² Consequently, the unipolar world characterized by Western dominance that followed the Cold War has been the source of serious difficulties for many African leaders. In this regard, China's rise is often welcomed among African elites who hope that it may lead to global multi-polarity in which Africa will have a greater role, and the Beijing Consensus may help strengthen their leadership and facilitate national developments, especially with Western economies facing severe problems,

"This 21st century is the century for China to lead the world. And when you are leading the world, we want to be close behind you. When you are going to the moon, we don't want to be left behind." - said Olusengun Obasanjo, former President of Nigeria during FOCAC 2006 Summit.¹⁹³

"We look again to the East where the sun rises, and no longer to the West where it sets." - said Robert Mugabe in 2005 on Zimbabwe's 25th anniversary of independence.¹⁹⁴

In contrast to the West, China has also explicitly rejected Africa-pessimism and the "hopeless continent" narrative.¹⁹⁵ Beijing avoids criticizing internal political issues and human rights policies in African countries, too. In return, nearly all African governments, even those with good human rights records and strong democratic credentials, seldom criticize the PRC's human rights abuses or governance deficiencies to the outside world.¹⁹⁶ State-run African media tend to be just as straightforward in its unconditional support for China.¹⁹⁷

Probably the most prominent exception was the aforementioned, three-time presidential candidate Michael Sata (1937-2014) in Zambia, who made Sino-scepticism his trademark. In the 2006 presidential election, he declared, "They [the Chinese] are just flooding the country with human beings instead of investment and the government is jumping. We have to be careful because if we leave them unchecked, we will regret it. China is sucking from us. We are becoming poorer because they are getting our wealth."¹⁹⁸ On an electioneering rally in the 2011 presidential election Sata stated, "Zambia has become a province of China, and the Chinese are the most unpopular people in the country because no one trusts them. The Chinaman is coming just to invade and exploit Africa." With his anti-

¹⁹² OBIORAH 2006.

¹⁹³ FRIEDMAN 2010: 152.

¹⁹⁴ MELDRUM 2005.

¹⁹⁵ "Hopeless Africa" 2000.

¹⁹⁶ SHINN 2011b.

¹⁹⁷ LEE 2013.

¹⁹⁸ CONDON 2012: 10.

Chinese campaign strategy, built on Chinese investors abusing Zambian mining workers, Sata was elected to be Zambia's fifth president in September 2011.¹⁹⁹ During his presidency, however, he supported Chinese involvement in the country, and Beijing's interest in Zambian copper industry even further deepened with companies such as Jinchuan Group and Non-Ferrous China Africa.²⁰⁰

Yet, amidst passive acceptance of Chinese package deals, resistance to Beijing is not unprecedented by African governments, as they are showing more and more assertiveness. As Faida Mitifu, the Democratic Republic of Congo's ambassador to Washington noted, "there are people who still consider Africans like children who can be easily manipulated. The good thing about this partnership [between China and Africa] is that it's give and take".²⁰¹ And Africans want to take as much as possible for their natural resources. In Chad, for example, where China National Petroleum's oil production has brought the country new roads and public buildings, a remodelled army, and a strengthening of government's position, the country's oil minister suspended all Chinese activities in August 2013 after discovering that they were dumping excess crude oil in ditches, then making Chadian workers remove it with no protection. Even months later the oil minister refused to allow the Chinese to resume operations, even expelling the company's local director-general and his assistant.²⁰² The government of Gabon has surprised the Chinese as well by withdrawing a license for a significant oil field from a subsidiary of Sinopec, turning it over to a newly created national oil company. Officials were threatening to cancel permits to other fields as well, accusing the Chinese of environmental missteps and mismanagement.²⁰³ These actions are warning signs for Beijing, that even poor and weak African states have the means to say no, in case they want to.

Otherwise, African leaders usually have excellent state-to-state ties with Beijing, and China has been successful at establishing relations with new African governments after elections as well. Although it has not made any particular effort to cultivate ties with opposition political parties. While Western countries enter into relations with viable ones, China usually does so only if the opposition has a role in government or the ruling party has no objections to it.²⁰⁴ Partly due to this, opposition parties frequently campaign on anti-

¹⁹⁹ FRENCH 2011.

²⁰⁰ AIDOO 2012.

²⁰¹ BAYOUMY 2012.

²⁰² BATE 2013.

²⁰³ NOSSITER 2013.

²⁰⁴ SHINN 2011b.

Chinese platforms especially in Southern Africa.²⁰⁵ For instance, in an op-ed about a large Chinese economic zone planned for Mauritius, Anil Gayan, former Minister of Foreign Affairs and an opposition member of parliament, wrote "it [the Chinese presence] is a voluntary colonization...a danger for our security."²⁰⁶

There are China-critical voices in the African intellectual elites as well. For example, the deputy chairman of the South African Institute of International Affairs, Moeletsi Mbeki observed that "China is both a tantalising opportunity and a terrifying threat".²⁰⁷ In African business elites a minority perspective, which sees China as belligerent with exploitative aspirations for Africa, also exists.

"The Chinese are all over the place. If the British were our colonial masters yesterday, the Chinese have come and taken their place." – said Trevor Ncube, Zimbabwean entrepreneur and newspaper mogul.²⁰⁸

The governor of Nigerian Central Bank, Mallam Sanusi said, "China takes from us primary goods and sells us manufactured ones - this was the essence of colonialism."²⁰⁹

Nevertheless, China has done well with most of the business community. After the Sino-African summit in Beijing in 2006, Ethiopian Prime Minister, Meles Zenawi declared that "China is a source of inspiration for all of us".²¹⁰ Other African leaders, who form the official relations of their countries with Beijing, tend to share this enthusiasm.

V.2. THE OPINION OF AFRICAN PEOPLE ON CHINA

The soft power diplomacy of Beijing to win African sympathy entwines the use of the rhetoric of non-alignment and comforting terms like equality, historical friendship and common development.²¹¹ The official Chinese news service, Xinhua, has more than twenty bureaus in Africa. There are almost forty Confucius Institutes and Confucius classrooms in almost thirty African countries.²¹² China is improving its radio and television transmission to Africa in

²⁰⁵ "Trying to pull together" 2011.

²⁰⁶ BRÄUTIGAM 2009: 102.

²⁰⁷ SCHOEMAN 2007: 1.

²⁰⁸ MALONE 2008.

²⁰⁹ YAZHGUNOVICH 2013.

²¹⁰ GAZIBO & MBABIA 2012: 2.

²¹¹ LEE & MELBER & NAIDU & TAYLOR: 42.

²¹² SHIH 2013.

various languages. It increased the number of scholarships offered to African students and provides various pieces of training, including for diplomats and journalists.

For many Africans, history matters, and China, unlike the West, does not have a negative historical legacy.²¹³ This is a common theme in the pages of African newspapers, where commentators argue that Western companies exploit Africa, while Chinese investors tend to invest in beneficial businesses.²¹⁴ Still, Beijing has been less successful at developing relations with African civil society, labour unions, and non-governmental organisations. Among average Africans, there is debate over whether China is exploiting or benefiting their continent. People are suspicious of the long-term implications of this partnership.²¹⁵ Especially in smaller countries, where their presence is felt all the more, the Chinese are viewed with mixed feelings.²¹⁶ In the following the main complaints of Africans regarding China's presence will be highlighted with some local governmental measures to address these problems.

The majority of the critics is related to Chinese economic activities. Although companies from China have developed a reputation as reliable business partners in Africa, there are serious complaints from African manufacturers and traders – especially in furniture, textile, footwear and leather sectors – who have been unable to compete with cheap Chinese imports and have been driven out of local markets, as it was referred to beforehand.²¹⁷

"The Chinese claim to come here as investors, but they are trading just like us. They are selling the same things we are selling at cheap prices. We pay duty and tax, but they use their connections to avoid paying tax." – said Dorothy Mainga to the New York Times, who sold Puma sneakers and Harley Davidson T-shirts in the Kamwala Market in Lusaka in Zambia.²¹⁸

"Most if not all our foreign investors come from Asia, mainly Taiwan and China. There's simply no way little Lesotho can compete with such giants... If things go on like this, we are afraid that unemployment, which already stands at 40 per cent, will end up reaching 70 per cent."²¹⁹ – noted Daniel Maraisane, head of the main clothing workers' union of Lesotho in 2006.

Additionally, the high percentage of incoming Chinese workers who occupy jobs that locals are either qualified for or could be easily trained to, is a reason to complain in many

213 MARU 2013.

214 MOONEY 2005.

215 FIORAMONTI & KIMUNGUYI 2011: 81.

216 "Trying to pull together" 2011.

217 SHINN 2011b.

218 FRENCH & POLGREEN 2007a.

219 MUTUME 2006.

African countries. Beijing has tried to respond to these problems, but with limited success especially in the case of private Chinese traders over whom the government has limited control.

"We are happy to have the Chinese here," – said Dennis Phiri, a 21-year-old Malawian engineer student in an interview. "The problem with the Chinese companies is that they reserve all the good jobs for their own people. Africans are only hired in menial roles."²²⁰

Subsequently, there are African restrictions to avoid the loss of local jobs. In Dar es Salaam, in Tanzania, the Chinese are banned from selling in markets, for instance. The government declared that the Chinese were welcome as investors, but not as "vendors or shoe-shiners".²²¹ African governments can dictate some employment terms, including the proportion of local recruits on a project, like Cape Verde, the DRC or Angola has done.²²² However, in case Chinese firms employ local workers, they tend to provide poor working conditions and low wages for them, which provokes protests. When the Congress of South African Trade Unions arranged an anniversary celebration in 2006, participants took off their red union T-shirts in disgust when word went around that they were Chinese-made.²²³ A more violent example is the local miners' protest against inhumane working conditions in the Chinese owned Collum Coal Mine in Zambia, in 2010. The Chinese managers responded by firing guns into the crowd and injuring twelve. Two managers were accused of attempted murder, but charges were dropped. A year later in another clash at the same mine one Chinese manager died and two others were wounded.²²⁴

Because of the intensifying Chinese migration, some Africans are even feeling "under siege". Sanou Mbaye, a former senior official at the African Development Bank, asserted that more Chinese have come to Africa in the past decade than Europeans in the past four hundred years.²²⁵ This is an exaggeration, although, the Chinese migration to the black continent is not insignificant. The Chinese population in Africa today is estimated between 1 and 2 million, most of them residing in South Africa. Beyond its economic implications, problems also derive from the fact that most of these Chinese socialize exclusively with their Chinese co-workers, and establish Chinatowns.

²²⁰ FRENCH & POLGREEN 2007a.

²²¹ "Trying to pull together" 2011.

²²² ASONGU 2013.

²²³ "Friend or forager?" 2006.

²²⁴ MEYER 2012.

²²⁵ "Trying to pull together" 2011.

Besides the service sector and industry, Chinese agricultural activities attract criticism, too. There is a growing fear of China's land grab ambitions as well. In 2006, China offered a US\$2 billion loan to Mozambique for the construction of a dam on the Zambezi River to create an irrigation infrastructure for fertile lands. Albeit a memorandum of understanding was exchanged between the two governments, allowing 3,000 Chinese settlers to begin farming in the area, the local civil society was so outraged, that eventually, the plan had to be rejected.²²⁶

Another complaint is that the Chinese are bringing bad habits to Africa. Chinese managers, for instance, bribe workers union leaders and take them on "study tours" to massage parlours in China to avoid protests.²²⁷ There have also been reports that Chinese companies underbid local firms for government contracts, but the quality of their projects is poor. A hospital in Angola built by Chinese firms was forced to close after cracks started appearing in the walls months after it was opened. An 81-mile South-East road constructed by the Chinese in Zambia has eroded after it was unable to withstand the weather.²²⁸

In terms of the general public opinion on China in Africa, the Pew Research Center has conducted polls by interviewing 37 653 persons across Africa in 2013, in the year of leadership change in China. The Center found, that the above-elaborated complaints are not the single determinants of the public image of the Asian country.

One of the polls asked the following question, "Do you think of China as more of a partner of [survey country], more of an enemy of [survey country], or neither?"²²⁹

4. Table - Public Opinion Polling on China 1. (2013)

Is China more of a partner, more of an enemy, or neither?			
<u>Country</u>	<u>Partner</u>	<u>Enemy</u>	<u>Neither</u>
Egypt	28 %	18 %	46 %
Ghana	70 %	11 %	13 %
Kenya	77 %	8 %	12 %
Nigeria	71 %	4 %	9 %
Senegal	78 %	4 %	7 %

²²⁶ MARKS 2012.

²²⁷ "Trying to pull together" 2011.

²²⁸ AKSHAY 2013.

²²⁹ "Pew Research Center's Global Attitudes Project" 2013.

South Africa	52 %	11 %	25 %
Tunisia	51 %	9 %	27 %
Uganda	58 %	5 %	9 %

Source: Compiled using PewResearch Global Attitudes Project (2013)

Another poll was conducted, too, with the following question, "In making international policy decisions, to what extent do you think China takes into account the interests of countries like [survey country] – a great deal, a fair amount, not too much, or not at all?"²³⁰

5. Table - Public Opinion Polling on China 2. (2013)

Does China consider your country's interests?		
<u>Country</u>	<u>Great deal/fair amount</u>	<u>Not too much/not at all</u>
Ghana	55 %	32 %
Kenya	77 %	18 %
Nigeria	70 %	17 %
Senegal	62 %	17 %
South Africa	67 %	23 %
Uganda	50 %	23 %

Source: Compiled by using PewResearch Global Attitudes Project (2013) polls

Another study analyzing public opinion surveys in 20 African countries found that while most Africans expressed positive views of China's role, those who rank human rights as high in importance were more likely to have an unfavourable opinion. Views on the importance of democracy were not correlated with negative opinions of China, however.²³¹ Max Rebol in his analysis on African public perceptions of China concludes that trade has an overall bigger impact on them than FDI. Furthermore, the trade deficit has an overall negative impact on perceptions of China, the increasing trade itself is perceived positively by consumers.²³² On the other hand, Barry Sautman and Yan Hairong assert, that the factors underpinning average African people's perceptions of China are the national

²³⁰ "Pew Research Center's Global Attitudes Project" 2013.

²³¹ GADZALA & HANUSCH 2010: 6.

²³² REBOL 2010: 3524.

interpretations of and political discourse on China-Africa engagement.²³³ They argue in their study that parts of the population may have negative reactions to certain aspects of the Chinese presence, as business competition or labour conditions, but no generalized "Chinese problem" exists until politicians decide to create it when they anticipate political advantages therefrom.²³⁴

Regarding the organisations of African civil society, they have been critical rather on the environmental aspect of Chinese presence and have been pushing hard for improved environmental standards. A typical example is Ikal Angelei, a Kenyan politician and environmentalist, who has successfully blocked the funding of the World Bank, the European Investment Bank and the African Development Bank for a Chinese hydroelectric project in Ethiopia until environmental impact assessments' preparation.²³⁵

V.3. IMPLICATIONS OF CHINA'S AND CHINESE PRESENCE

There are three dimensions of China's activities that both African people and their leaders find attractive in comparison to their engagement with traditional Western partners. These features include,

- a) The instructive merit of China's sustainable development experience for Africa.
- b) The complementarities of Chinese investment to African needs and priorities, access to capital, infrastructure building on schedule, rapid delivery of services and cheap consumer goods that are better suited to the African people's financial situations.
- c) China portrays Africa in a positive light, as a dynamic continent.²³⁶

Nonetheless, the differences in the African outlook on China are reflective of social segmentation. Trade unionists and local NGOs are more likely to voice criticism as to China's engagement, and also the average Africans have mixed, and increasingly sceptic feelings. There is certainly growing concern and opposition to China's increasing presence in many African countries, which sheds a different light on the engagement.²³⁷

Opposition has been even manifested in attacks on the Chinese. For example, a car-bomb attack in 2006 near an oil refinery in Nigeria's delta region was specifically aimed as a

²³³ GADZALA & HANUSCH 2010: 7.

²³⁴ SAUTMAN & HAIRONG 2009: 732.

²³⁵ SUN & AGBOR & SMITH 2013: 3.

²³⁶ CHERU & OBI 2011.

²³⁷ LARGE 2009: 8.

warning against Chinese expansion in the region.²³⁸ The Movement for the Emancipation of the Niger Delta stated, "We wish to warn the Chinese government and its oil companies to steer well clear of the Niger Delta. The Chinese government, by investing in stolen crude, places its citizens in our line of fire."²³⁹

Chinese energy prospectors were killed in the Ogaden Region of Ethiopia in 2007.²⁴⁰ In 2008 five Chinese oil workers were abducted by rebels in Sudan's Kordofan province and were killed during a rescue attempt. Four years later, another 29 Chinese construction workers were kidnapped in the same province and were only released after intense negotiations. The Sudanese rebels were quoted as saying that they aimed to send a signal to the Chinese government that they did not want them to be involved in the conflict over the oil in Sudan.²⁴¹ The number of attacks will probably grow in the future not only due to anti-Chinese sentiments but also because the Chinese are beginning to face the same security challenges on the continent as Western citizens.

VI. CONCLUSION

Owing to African governments' actions to end warfare, improve macroeconomic conditions, and undertake microeconomic reforms to create a better business climate, and due to in large part to a shift away from their traditional Western trading partners towards emerging markets, African countries pulled through the global economic crisis fairly well, and have experienced remarkable economic growth recently.²⁴² In order to sustain this growth, they have to continue to cultivate these promising ties.

Particularly, the scale and scope of the activities of the People's Republic of China on the continent have attracted significant interest in academic, policy and media circles. The ascertainment of Gerald Segal in 1992, "it is hard to make a case that Africa matters very much to China"²⁴³ has often been falsified since then by the strong critics of mainly Western observers. Since China's strengthened relations with the developing world, including Africa, can be seen as an indication of the emergence of the global South at the expense of the developed world. However, the gains from this for the black continent are far from certain.

238 TAYLOR 2007.

239 TAYLOR 2006a.

240 SHINN 2011a.

²⁴¹ WU 2014.

²⁴² LEKE & LUND & ROXBURGH & VAN WAMELEN 2010.

²⁴³ SEGAL 1992: 115.

The Chinese interest and involvement represent promising opportunities, but not without costs.

Considering the Chinese efforts to deepen, broaden and scale up the engagement, China's future growth trends are of high significance for Africa's development.²⁴⁴ Therefore, African states should look for ways to leverage their relationship with China to increase productivity in the natural resources and mining sectors, and to diversify into other sectors. If they cooperate and manage it effectively, Chinese aid and investment can complement the Western aid funds, focused mainly on the social sector, and programs that promote good governance and economic development. To achieve this, a clear and comprehensive African policy framework for engagement with Beijing is needed.²⁴⁵ Even more so, as Chinese engagement is not granted to assist the African development in the long term. For instance, China's economic engagement might result in higher African dependence on revenues from resource extraction, with the risk of Africa becoming a victim of the "resource curse".²⁴⁶

Regarding political development, the nature of African politics is based on neopatrimonialism in general, whereby resource revenues are utilised to ensure leaders' regime security, and for dispersal to clients of the regime.²⁴⁷ Therefore, the undemocratic Chinese practices and the corruption in African governance does not encourage political reforms on the black continent.

Consequently, there are differing viewpoints as to whether the expanding and increasing Sino-African engagement is beneficial to all parties, or whether the initiator China is simply benefiting at Africa's expense. The debate has been dominated by two opposite views. One sees the Chinese involvement as synergetic and beneficial for African states by providing them soft loans, major infrastructure projects, and a counterweight to the traditional Western dominance of the region. The second view sees China's growing presence in Africa as exploitative, neo-colonialist, and impeding Africa's development. This paper studied the nature of this phenomenon from the neo-colonialist perspective, with a focus on the general political, diplomatic and economic relations, and African perceptions of China. To answer whether neo-colonialism is the correct interpretation of Sino-African relations, certain aspects of the engagement were explored.

²⁴⁴ AKSHAY 2013.

²⁴⁵ SONGWE & MOYO 2012: 3.

²⁴⁶ The resource curse is a paradoxical situation in which countries with an abundance of non-renewable resources experience stagnant growth or even economic contraction. The resource curse occurs as a country begins to focus all of its energies on a single industry, such as mining, and neglects other major sectors.

²⁴⁷ BOTHA 2006: 108-109.

As a conclusion, it can be assessed, that Africa's economic development and political stability do not constitute Chinese interests any more than they are the interests of the United States or European nations. China contacts any African government that it sees as strategic or necessary for achieving its national goals, without concern for norms such as human rights, transparency and good governance. This tactic has not facilitated African political and social progress, though Chinese economic interest is not the marginalisation and poverty of Africans, who are the next billion buyers of Chinese manufactured goods. The enforcement of the "Go Out" policy in Africa, the establishment of FOCAC in 2000, the release of the White Paper in 2006 all show Beijing's lasting interests, and the implementation indicates pragmatism coupled with adaptive and flexible Africa-strategy.

Chinese interests have nicer wrapping than the Western ones for Africans, but they contain real and significant risks for the continent, which is a scene for an intensifying and penetrating scramble. This scramble enables African governments to sometimes refuse the Chinese, who both ask, expect and dictate. In the near term, however, China and Africa need each other. As David Haroz notes, Beijing supports Africa in areas where the latter is resource-poor, e.g., access to capital, physical infrastructure, development model, technology or training, in return for Chinese access to areas in which Africa is resource-rich, e.g., oil, minerals, huge and untapped markets for Chinese firms and products, and political allegiances.²⁴⁸

Yet, a longer period is needed to reach fully comprehensive conclusions on the nature of China's evolving engagement in Africa. To demonise and overstate China's role in Africa, however, is a tendency of Western observers, hence their reactions to Sino-African ties fell into established patterns of reactions onto China. When Beijing expands its increasingly dominant influence over Africa, China is depicted as an unscrupulous and evil conqueror.²⁴⁹ In turn, Chinese responses to Western reactions to its African partnership are related to the wider context of its foreign relations, too.²⁵⁰ Much of the Western criticism made against China mirrors, to a certain extent, their activities in Africa, the trade rules and protective subsidies, the covert arms sales, the backing of dictatorships, the double standards, etc.²⁵¹ Also China is no less interested in Africa's natural resources than the former colonizers, and Chinese companies do not operate wild capitalist methods less than firms from any developed country. This similarity of Chinese and Western interests and methods in Africa does not

²⁴⁸ BOTHA 2006: 79.

²⁴⁹ GIROUARD 2008: 2.

²⁵⁰ LARGE 2009: 4.

²⁵¹ GOMES 2008: 22.

justify Beijing's activities, albeit corresponds with Realist state behaviour. Therefore the nature of Peking's Africa policy is ambivalent, full of net positive and net negative impacts, and the growing possibility for African leaders to shape the puzzle.

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