

# **One-way traffic or highway to mutual benefit?**

## **Part 2: China and Africa since 1976**

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### ***Opsomming***

Daar is 'n lewendige diskoers oor hoe die onlangse dramatiese toename in die ekonomiese betrekkinge tussen die Volksrepubliek van China en Afrika binne die breër konteks van internasionale betrekkinge beoordeel behoort te word. Die doel van hierdie tweedelige artikel is om die geskiedkundige feite oor die evolusie van Chinese betrekkinge met Afrika oor 'n periode van sestig jaar objektief-wetenskaplik weer te gee. Deel 1 handel oor die "eerste golf" van China-Afrikabetrekkinge tydens die bewind van Mao Zedong en deel 2 oor die "tweede golf" in die tydperk sedert 1976. Tendense, patrone, kontinuïteit en diskontinuïteit tussen die twee golwe word vergelyk om die leser in staat te stel om 'n beter insig in die huidige situasie te verkry.

In hierdie tweede deel van die artikel word die evolusie van Beijing se betrekkinge met Afrika teen die agtergrond van die transformasie in die Chinese Kommunistiese Party se benadering tot ekonomiese beleid in die post-Maotydperk geskets. Daar word aangedui hoe Beijing se Afrikabeleid onder drie geslagte van Chinese kommunistiese leiers, verteenwoordig deur presidente Deng Xiaoping, Jiang Zemin en Hu Jintao, ontplooi is en gekulmineer het in die huidige strategiese vennootskap tussen China en Afrika. Formele strukture is geskep en gebruik om betrekkinge op verskeie terreine progressief uit te bou. Statistiese data dui die fenomenale groei in ekonomiese betrekkinge tussen China en Afrika aan. Beide die Chinese en Afrika-perspektiewe op die doelstellings van en die potensiele voordele en risiko's verbonde aan hierdie betrekkinge word krities beoordeel. Ten slotte word spesifieke voorstelle gemaak oor hoe Afrika die betrekkinge met China as opkomende reus tot die voordeel van die kontinent kan bestuur.

## Introduction

Intense diplomatic interaction and a dramatic increase in two-way trade have characterised China-Africa relations during the months since the People's Republic of China (PRC) launched its new Africa policy in January 2006. The take-off in economic relations between China and Africa in recent years is shown in figure 1.

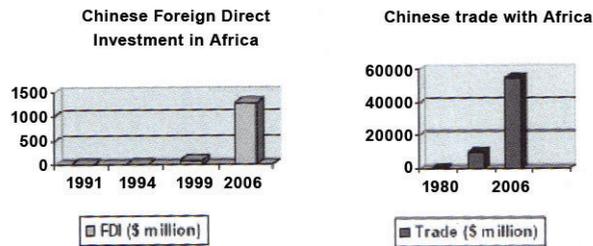


Figure 1<sup>1</sup>

There must be logical explanations for such an amazing intensification of foreign relations. This two-part article provides a historical perspective on the development of China-Africa relations since 1949 in an effort to determine the causes and significance of the strengthening of diplomatic and economic relations. The first part of the article deals with Chinese relations with Africa during the reign of Mao Zedong (the so-called “first wave”) and the second part investigates these relations after the Mao era (the “second wave”). Trends, patterns, continuities and discontinuities between the two “waves” are analysed to put the current relations between China and Africa in their proper context.

## Post-Mao Chinese relations with Africa, 1976-1990

In the first part of the article it is shown that evidence of contacts between China and the African continent goes back hundreds of years, but that direct relations started only after Mao Zedong had assumed power in 1949.

<sup>1</sup> These graphs are based on statistics given in the sources cited in footnote 30.

During the slightly more than a quarter of a century of Mao's reign in the PRC significant progress was made in Chinese relations with Africa. By the mid-seventies Africa had become a prominent component of Beijing's foreign relations. This was evidenced by the following:

- Beijing maintained cordial relations with the majority of African countries and formal diplomatic relations with 29 African states existed.
- By the end of Mao's rule China's trade with Africa amounted to over 6 per cent of her total world trade and about 30 per cent of her total trade with the non-communist world, although it still played only a minor role in the economies of African countries.
- The bulk of China's economic aid went to Africa. By the end of Mao's rule 36 African states had received \$2.4 billion in aid commitments from Beijing, a huge sum of money for a poor Asian country and 58 per cent of the grand total of Chinese economic aid. China provided development assistance to African countries to build infrastructure and dispatched engineers, doctors and teachers to Africa.
- China had established her anti-colonialist revolutionary credentials in Africa by actively supporting a number of liberation movements.
- Africa's diplomatic support had been decisive in securing a seat for the PRC in the United Nations General Assembly at the expense of Taiwan or the Republic of China (ROC).
- Several forms of cultural exchange between China and Africa had been established.<sup>2</sup>

Asia played the primary part in the PRC's foreign relations, but Beijing regarded Africa as the region of "greatest secondary importance". Africa had come to play a crucial role in China's fight against "American imperialism" and "Soviet revisionism" and her bid for international legitimacy and power.

Both Mao Zedong and Zhou Enlai died in 1976 and new leaders took over the reins in Beijing. Deng Xiaoping, who never actually held office as the head of state or government, served as the de facto leader of the PRC from 1978 to the early 1990s. Deng was the core of the "second generation" Chinese Communist Party (CCP) leadership, who desired to transform the PRC into an advanced and powerful state. Economic development

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<sup>2</sup> See JA du Pisani, "One-way traffic or highway to mutual benefit? Part 1: China and Africa in the era of Mao Zedong" in *New Contree*, 52, November 2006.

became the central strategic objective of the Chinese government. Under Deng's tutelage Chinese economic reform, referred to as the "socialist market economy", was pioneered and the PRC would develop one of the fastest growing economies in the world, reaching an average growth rate of around 9 per cent per annum in the twenty five years between 1979 and 2004. This caused the PRC to move up from the hundredth position in the world in terms of the size of her economy in 1978 to the fourth position in 2007.<sup>3</sup>

How did China-Africa relations evolve after Mao had disappeared from the scene? The political and economic repositioning of the PRC, that had already started towards the end of the Mao era, was continued and involved the following elements:

- There was an urge in the PRC to concentrate primarily on China's own development needs. Foreign commitments were regarded as being of secondary importance.
- China's position in the bipolar Cold War system had changed. Both the USA and Europe at that stage regarded China as a semi-ally in their confrontation with the Soviet Union.
- The leaders in Beijing exploited the relaxation of relations with the West to press ahead with the Chinese economic modernisation programme, aided by Western capital and technologies. The "four modernisations", a programme of the CCP to modernise agriculture, industry, national defence, and science and technology, was announced in 1978. These reforms, facilitating China's opening to the West and the partial transition to a market economy, were intended to improve the performance of the PRC's command economy and caused a drastic transition in China from 1979. The PRC was a stable high-growth authoritarian regime.<sup>4</sup>

It was inevitable that Deng's new approach would affect China-Africa relations. From the mid-seventies to the eighties China kept a rather low profile in Africa. Distinctive features and phases of China's relations with Africa in this period are discussed below.

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3 P Snow, *The star raft; China's Encounter with Africa* (London, Weidenfeld and Nicolson, 1988), pp. 134-135; R Benewick and P Wingrove, *China in the 1990s* (Basingstoke, Macmillan, 1995), pp. 22, 25, 27, 34; I Taylor, *China's foreign policy towards Southern Africa in the 'socialist modernisation' period* (Johannesburg, East Asia Project, University of the Witwatersrand, 1997), pp. 1, 4, 5; Liu Guijin, "A peacefully rising China, new opportunities for Africa", G le Pere (ed), *China in Africa; Mercantilist predator, or partner in development?* (Midrand, Institute for Global Dialogue and Johannesburg, South African Institute of International Affairs, 2007), p. 15.

4 P Snow, *The star raft*, p. xv; R Benewick and P Wingrove, *China in the 1990s*, p. 2; A Hussain, N Stern and J Stiglitz, "Chinese reforms from a comparative perspective", G le Pere (ed), *China in Africa ...*, p. 54.

Ideologically Beijing's approach to relations with Africa had changed rather dramatically by the late 1970s, when Chinese diplomats started encouraging African states to follow the Chinese example and pursue a Western-style free-market economy. This turnaround shocked radical African leaders, who condemned Deng and his associates as apostates. China lost her grip on the imagination of those African leaders who had been devout followers of Mao. For a while the Chinese leaders, who were moving closer to powerful allies such as the USA, Western Europe and Japan, seemed to respond by washing their hands of the African continent.<sup>5</sup>

However, the new Chinese leadership realised that it would not be wise to squander the good relations that had been built with Africa. Zhao Ziyang, who became prime minister in 1980, was dispatched in 1982 on a mission to Africa to promote the idea that the developing world had to counterbalance superpower influence, and to prepare the ground for the stepping up of China-Africa trade as part of China's economic modernisation programme. He reassured African leaders that Beijing had not forgotten them and that China had not really changed. Zhao said that Mao may have made mistakes, but not in relation to African policy. During Zhao's trip, which was a deliberate reenactment of Zhou Enlai's African visit of 1963/64, he visited eleven countries in the different regions of Africa.<sup>6</sup> At the start of his visit he said in a statement that his purpose was "to promote understanding and friendship, strengthen solidarity and cooperation and learn from the African people".<sup>7</sup> Zhao established a personal relationship with old friends of China in Africa, such as Julius Nyerere and Kenneth Kaunda. He did not ask African countries to take sides in the PRC's battle with other world powers, but emphasised, just like Zhou twenty years before, that both China and Africa were part of the Third World and the league of the poor, and would therefore benefit from economic fellowship.<sup>8</sup>

Towards the end of Mao's rule the PRC had already started moving away from the exhortation to armed revolution in Africa to a policy of dissuading conflict and promoting stability on the continent. Beijing focussed, as far as political relations with African states were concerned, on the development

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5 P Snow, *The star raft*, pp. 135-138.

6 Zhao visited Egypt, Algeria, Libya, Guinea, Gabon, Congo-Brazzaville, Kenya, Tanzania, Zaire, Zambia and Zimbabwe.

7 United Press International, "Around the World; China's Premier in Egypt at Start of African Tour", 21 Dec. 1982, *New York Times* archive, (available at: <http://query.nytimes.com/gst/fullpage.html?res=9C00E4DB1738F932A15751C1A964948260>, as researched on 24 July 2007).

8 P Snow, *The Star Raft*, pp. 140-142; I Taylor, *China's foreign policy towards Southern Africa ...*, pp. 6-7.

of government-to-government relations with African states. In the mid-seventies the PRC expanded her diplomatic relations with Africa and by the end of 1977 had formal relations with 40 African states. China did not totally withdraw from support for African liberation movements and armed struggles, but preferred to channel assistance to the liberation movements indirectly through economic and financial assistance to countries such as Tanzania and Zaire. Beijing still offered qualified support for the armed struggle against white minority governments in Southern Africa. Personal contacts between Chinese leaders and leaders of the liberation movements, particularly Oliver Tambo of the ANC and Sam Nujoma of SWAPO, were maintained to bolster the PRC's image as champion of African liberation.<sup>9</sup>

In terms of China-Africa economic relations there were ups and downs between 1976 and 1990. After the completion of the Tanzam Railway project Chinese economic aid to Africa declined from \$182 million to six countries in 1975, to \$70 million to five countries in 1976, and \$67 million to two countries in 1977. Economic aid was not abandoned as an instrument of foreign policy, but because of adverse experiences in some foreign aid projects Chinese elites questioned the returns on foreign aid. Although Beijing treated African recipients of aid, some of whom had run up huge debts, with a considerable measure of indulgence, China's crusade of charity was drawing to a close. African appeals for development assistance were not easily granted and the Chinese made it clear that they would no longer act as a free maintenance centre for struggling projects in Africa. On his African trip in 1982 Zhao laid down four principles of aid, emphasising that aid must bring advantages to both the recipient and the donor.<sup>10</sup>

Chinese business activity in Africa started picking up from the late 1970s. But now trade, rather than aid, became a priority. This was signified when the Ministry of Foreign Economic Relations in Beijing (the ministry previously involved in development aid) amalgamated with the Ministry of Foreign Trade in 1982. As a "market-facilitating state" the PRC was increasingly engaging in profit-seeking activities. Quasi-state institutions, owned by the state but operating like business enterprises, mediated between the state and

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9 I Taylor, *China's foreign policy towards Southern Africa ...*, pp. 1-4; EK Lawson, "China's policy in Ethiopia and Angola", W Weinstein and TH Henriksen (eds), *Soviet and Chinese Aid to African Nations* (New York, Praeger Publishers, 1980), pp. 179, 180; P Snow, *The star raft*, pp. 140-142.

10 GT Yu, "The Tanzania-Zambia railway: A case study in Chinese economic aid to Africa", W Weinstein and TH Henriksen (eds), *Soviet and Chinese aid to African nations*, p. 141; P Snow, *The star raft*, pp. 174-175, 181-182.

foreign capital. Aid was turned into business by the Chinese, who offered their services to Africa as cut-price engineering contractors or invested side by side with Africans in profit-making ventures. By the mid-eighties the PRC was involved in more than 100 aid projects in Africa and her aid commitments remained steady at an average of around \$200 million a year. There were large numbers of Chinese technicians, as many as 150,000 in the early 1980s, in Africa. The crux of the changed approach to development aid by the Chinese was that priority was given to China's own needs over African needs in a "judicious mixture of philanthropy and commerce". Commercial links with Africa were based on realistic economic appraisals rather than ideological considerations.<sup>11</sup>

The PRC, in need of foreign currency for the modernisation programme, mobilised state companies to boost exports to Africa. China was in a position to export garments and simple household wares to Africa at a price that could not be matched by other producers. Chinese exporters realised that they had to meet international quality standards and gradually Chinese production was moving upmarket. The Chinese bought African raw products, such as coffee, chocolate and cotton, processed them in Chinese factories and re-exported them to other parts of the world. There was a spectacular increase of 70 per cent in China-Africa trade during the late seventies to a total value of \$1.1 billion in 1980. The increase in China-Africa trade was not an unqualified blessing for Africa. Cheap Chinese goods threatened to suffocate infant African industries. For that reason some African countries placed quota restrictions on Chinese imports.<sup>12</sup>

From the mid-eighties, when Beijing focussed on improving relations with the superpowers, there was a noticeable decline in the PRC's interest in Africa at a time when the continent was losing its strategic significance for the Chinese. A China National Africa Trading Corporation was established in 1985 to promote China-Africa trade and Foreign Minister Wu Xueqian reaffirmed the PRC's commitment to Africa during a visit to the continent, but Chinese relations with Africa were low-key and restricted to maintaining existing links. In response to the unsatisfactory performance of African partners (e.g. on the Tanzam railway) sharp comments were made in the Chinese press. There

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11 P Snow, *The star raft*, pp. 147, 179, 184-185; P Snow, "China and Africa: Consensus and Camouflage", TW Robinson and D Shambaugh (eds), *Chinese Foreign Policy: Theory and Practice* (Oxford, Clarendon Press, 1995), p. 310.

12 P Snow, *The star raft*, pp. xv, 177-178, 180, 183; R Benewick and P Wingrove, *China in the 1990s*, pp. 169, 179.

was criticism in the People's Daily about errors in policy making by African leaders. This was evidence that China-Africa relations had cooled down.<sup>13</sup>

Cultural exchanges also created problems. African students complained about their isolation in China and the hostility and alleged racial prejudice of the local population. Sporadic conflict flared up and in 1986 a big confrontation between African students and their Chinese hosts occurred in Tianjin. A new strategy for the student exchange programme had to be devised. Chinese education officials set up training centres in Africa, where African students, instead of studying in China, could receive instruction in the Chinese language and culture.<sup>14</sup>

The decline in China-Africa relations in the late 1980s at the political, economic and cultural levels did not continue for a very long time.

### **China-Africa relations in the 1990s**

In 1989 the Tiananmen Square clampdown on student protestors dominated news about China. This brought about a wave of protest from the West, threatening to obliterate the positive image of China as a reforming country that had been carefully nurtured in the preceding years and replacing it by that of a repressive authoritarian regime. Whereas the 1984-1989 period had been a productive period in the PRC's foreign relations, in which good relations with both the USA and Soviet Union had been consolidated, Tiananmen caused a crisis in Chinese relations with the West. Sanctions, including an arms embargo, were imposed and World Bank loans to the PRC halted.<sup>15</sup>

Threatened once again by international isolation the PRC needed friends and sympathisers. In this pressure situation the PRC, deeply resenting the West's critique of her human rights record, resorted to anti-hegemonic (i.e. anti-American) posturing and turned to her "old friends" in Africa for support. African countries gave Beijing the much-needed backing in the UN Human Rights Commission and at the World Conference on Human Rights in Vienna and subsequently to foil attempts by Western countries to condemn China for human rights abuses.<sup>16</sup> This showed at the start of the 1990s that

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13 I Taylor, *China's foreign policy towards Southern Africa ...*, pp. 8, 9, 13.

14 P Snow, *The star raft*, pp. 200-201, 205, 211.

15 R Benewick and P Wingrove, *China in the 1990s*, pp. 235, 237; I Taylor, *China's foreign policy towards Southern Africa ...*, p. 16.

16 P Snow, "China and Africa ...", TW Robinson and D Shambaugh (eds), *Chinese foreign policy ...*, p. 293.

China could still rely on Africa for diplomatic support.

All African states were, however, not equally inclined to back the PRC. After Tiananmen, for the first time in twenty years, the Republic of China (ROC) made diplomatic progress. Several African states, including Liberia, Lesotho, the Central African Republic, Niger and Guinea-Bissau, switched allegiance from Beijing to Taipei and a total of eleven African states recognised the ROC. A diplomatic tug of war between Taipei and Beijing for African support developed. The regime in Beijing claimed to be the legitimate government of all of China and would not be prepared to back down from this position and lose face. Several factors, including her possession of nuclear arms, membership of the UN Security Council, huge population and growing economic power helped the PRC to retain her status as a global actor.<sup>17</sup>

The PRC did not abandon the path of economic reform and the market reformers in the CCP gained a decisive victory at the party congress in October 1992. New market-oriented economic policies were introduced: trade was decentralised, tariffs were slashed, the dual exchange rates were unified, and exchange controls on current transactions were removed. Beijing's "gradualist" path of economic reform, phasing in market forces into a centrally planned economy over an extended period of time, is often regarded as the secret of the PRC's economic success. During the 1990s the processes required for economic growth – enhanced efficiency and productivity, the accumulation of capital, and the sectoral reallocation of factors – were combined to give the PRC high economic growth rates. China contributed 28 per cent of the the total global increase in GDP between 1990 and 2005 and emerged as a major force in world markets and a recipient of huge inflows of foreign capital in the form of both FDI and loans.<sup>18</sup>

The economic boom necessitated the stepping up of foreign relations. Africa once more became one of the focus areas of Chinese foreign relations. By courting non-Western countries, especially in Africa, Beijing attempted to offset US dominance and strengthen the PRC's position in the international

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17 P Snow, "China and Africa ...", TW Robinson and D Shambaugh (eds), *Chinese foreign policy ...*, p. 310; I Taylor, *China's foreign policy towards Southern Africa ...*, p. 15; R Benewick and P Wingrove, *China in the 1990s*, p. 239.

18 R Benewick and P Wingrove, *China in the 1990s*, pp. 2-3, 180; D Dollar, "Asian century or multi-polar century?", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 7; A Hussain, N Stern and J Stiglitz, "Chinese reforms from a comparative perspective", G le Pere (ed), *China in Africa ...*, p. 54; LY Yueh, "Perspectives on China's economic growth: prospects and wider impact", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, pp. 1, 3, 4.

system. Conditions in the 1990s were very favourable to strengthen China-Africa relations. To counter international isolation Beijing needed recognition of its sovereignty over Taiwan, indifference to its human rights abuses, and support in international organisations from African countries. Likewise Africa was also fighting against marginalisation in the post-Cold War era. China took the initiative to strengthen her links with Africa by increasing her aid to African governments and resuming her earlier rhetoric of “mutual respect”, which made a favourable impression in a continent highly sceptic about the perceived neocolonial reflexes of the former colonial powers.<sup>19</sup>

During the 1990s several high-level visits to Africa by Chinese leaders such as Foreign Minister Qian Qichen and President Yang Shangkun took place. The Chinese government used these contacts to consolidate ties and shore up African support. The main focus was on economic cooperation between China and Africa. Viewing Africa as an integral part of China’s opening to the outside world the PRC pledged herself to aiding African development. Mutual visits by Chinese and African leaders were followed by cooperation in energy exploration, technological exchanges and fast-growing trade links.<sup>20</sup>

The most significant event in China-Africa relations during the second half of the 1990s was President Jiang Zemin’s visit to six African countries in May 1996. During this visit Jiang, representing the “third generation” of CCP leadership, outlined a “five-point proposal” for developing a stable long-term relationship between China and Africa. Jiang’s proposal did not really depart drastically from those of some of his predecessors, but it served to recast and refocus China’s African policy and laid the foundation for consolidating China-Africa relations. Jiang was in favour of an “Africa first” policy. He signed 23 agreements on economic and technical cooperation with the six African countries which he visited.<sup>21</sup>

China received handsome dividends on its diplomatic investments in Africa. The African bloc in the UN gave support to the “One China” policy of the People’s Republic, aimed at reunifying Taiwan with mainland China. They helped the People’s Republic to defeat several attempts by Taiwan to rejoin the

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19 I Taylor, *China’s foreign policy towards Southern Africa ...*, p. 17; N Obiorah, “Who’s afraid of China in Africa? Towards an African civil society perspective on China–Africa relations”, F Manji and S Marks (eds), *African perspectives on China in Africa* (Cape Town, Nairobi and Oxford, Fahamu, 2007), p. 36.

20 I Taylor, *China’s foreign policy towards Southern Africa ...*, pp. 11-14, 17.

21 G Shelton, “China and Africa: advancing South-South co-operation”, G le Pere (ed), *China in Africa ...*, pp. 106-108.

UN and other international organisations.<sup>22</sup> This demonstrated the strategic benefits for Beijing of the backing of the majority of Africa's 53 countries in international forums.

### **The new “strategic partnership” between China and Africa**

The new millennium brought an intensification of efforts to strengthen China-Africa relations. The Chinese government took the initiative to establish the Forum on China-Africa Cooperation (FOCAC) as a high-level official structure to promote China-Africa relations. Its overall objective would be to strengthen economic cooperation between the PRC and Africa. Specific aims included the expansion of trade and investment, joint projects, and increased cooperation in the fields of agriculture, transport, medical care, natural resource exploitation and banking. A meeting at ministerial level would be held every three years and the PRC's Ministry of Foreign Trade and Economic Co-operation would play a key role in FOCAC.<sup>23</sup>

FOCAC's first Ministerial Conference was held in Beijing in October 2000. Two documents, the Beijing Declaration and the Programme for China-Africa Cooperation in Economic and Social Development, were adopted, which launched a programme towards the creation of a long-term strategic partnership between China and Africa.<sup>24</sup>

The second FOCAC Ministerial Conference, involving foreign and trade ministers of the PRC and 44 African countries, met in December 2003 in Addis Ababa and adopted the Addis Ababa Action Plan. This plan outlined wide-ranging cooperation in many fields, including science and technology, peacekeeping, security issues, the struggle against poverty, agriculture, trade, investment, tourism, debt relief, development assistance, natural resources and energy development.<sup>25</sup> At this stage Beijing offered the prospect of zero-

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22 W He, “Africa: China's top priority”, *Beijing Review* 49(44), 2 November 2006, p. 16; Ethiopian News Agency, “China-Africa growing relations”, *The Ethiopian Herald*, 4 November 2006.

23 G Shelton, “China and Africa: advancing South-South co-operation”, G le Pere (ed), *China in Africa ...*, p. 109; United Nations Development Programme (UNDP), *Asian Foreign Direct Investment in Africa; towards a new era of cooperation among developing countries* (New York, UNDP, 2007), p. 62.

24 People's Republic of China, Ministry of Foreign Affairs, “China-Africa relations”, 25 April 2002 (available at: <http://www.fmprc.gov.cn/eng/ziliao/3602/3604/t18059.htm>, as researched on 30 March 2007); UNDP, *Asian Foreign Direct Investment in Africa ...*, p. 62; G Shelton, “China and Africa: advancing South-South co-operation”, G le Pere (ed), *China in Africa ...*, p. 109.

25 G Shelton, “China and Africa: advancing South-South co-operation”, G le Pere (ed), *China in Africa ...*, pp. 113-115.

tariff trade and further debt relief to 31 African countries on top of the \$10 billion of debt owed by African countries that had already been cancelled.<sup>26</sup>

Hu Jintao, representing the “fourth generation” of CCP leadership, succeeded Jiang Zemin as President of the PRC. He visited Africa in 2004 and made it clear that he would consolidate, strengthen and advance his predecessor’s African policy. Beijing’s new African drive was picking up momentum. At the beginning of 2006, which may be called China’s “Year of Africa”, the Hu government launched its “new” African policy, aimed at strengthening political, economic and cultural ties between China and Africa. This was followed by high-level visits to African countries by Foreign Minister Li Zhaoxing in January 2006 to Cape Verde, Senegal, Mali, Liberia, Nigeria and Libya; President Hu Jintao in April 2006 to Morocco, Nigeria and Kenya; and Premier Wen Jiabao in June 2006 to Egypt, Ghana, the Republic of the Congo, Angola, South Africa, Tanzania and Uganda.<sup>27</sup>

In November 2006 China-Africa relations reached a new peak when more than 40 African heads of state and government attended the third FOCAC meeting, upgraded from a Ministerial Conference to a Summit, in Beijing. It was the largest gathering of African leaders ever organised by a foreign power with no colonial ties to the continent.<sup>28</sup> The summit showed that the Chinese government was serious about developing its African relations, and cemented the official apparatus of cooperation. It was clear that China’s engagement with Africa was moving into a phase that was qualitatively different from the past.<sup>29</sup>

Each consecutive FOCAC conference moved China-Africa relations forward: from a political commitment and a broad programme of cooperation in 2000 to a more detailed action plan in 2003 and finally an even more detailed road map of cooperation with specified pledges in 2006.

Statistics (shown in graphic form in figure 1) reflect the huge growth in economic relations between China and Africa in recent years. From less than US\$5 million a year in 1991, Chinese foreign direct investment (FDI) in

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26 N Obiorah, “Who’s afraid of China in Africa? ...”, F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 36.

27 W He, “Africa: China’s top priority”, *Beijing Review* 49(44), 2 November 2006, p. 14.

28 W Bello, “China provokes debate in Africa”, FPIF Column, 9 March 2007 (available at: <http://www.fpif.org/>, as researched on 30 March 2007).

29 D Large, “As the beginning ends: China’s return to Africa”, F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 154.

Africa rose to around \$25 million in 1994, just short of \$100 million in 1999, and over \$1.25 billion (perhaps even as high as \$6 billion) in 2006. China's trade with Africa shows a similar trend: it rose from around \$12 million in the 1980s to \$10 billion in 2000 and \$55 billion in 2006. China has become Africa's third most important trading partner, after the United States (US) and France. The Chinese target of \$100 billion in four years may cause China to overtake the US as Africa's major trade partner.<sup>30</sup>

Not surprisingly, these impressive statistics have caused heated debates about the significance of the expanding China-Africa relations. Some analysts warn that China is the latest in a line of exploiters of Africa's rich natural resources, whereas others argue that China's engagement provides a genuine opportunity for African countries to escape from the tyranny of debt and therefore constitutes an extension of 'South-South solidarity'.<sup>31</sup> The different perspectives on current China-Africa relations are evaluated in the following sections.

### **The Chinese view on relations with Africa: objectives, benefits and risks**

Viewed from China's vantage point the strengthening of relations with Africa is part of a foreign policy strategy aimed at opening opportunities for foreign investment as well as creating new markets for Chinese investments abroad. A key feature of this strategy is a desire to improve South-South relations in order to strengthen the role of developing countries in international affairs.<sup>32</sup>

According to the official announcement in January 2006 China's African policy is based on the following principles and objectives: sincerity, friendship and equality; mutual benefit, reciprocity and common prosperity; mutual support and close coordination; and learning from each other and

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30 A Akosile, "Here comes a giant", *This Day* (Lagos), 27 February 2007; A Amosu, "China in Africa: It's still the governance, stupid", *Foreign Policy in Focus* (Washington, DC), 9 March 2007 (available at: <http://fpif.org/fpif.txt/4068>, as researched on 30 March 2007); J Cilliers, "Guest column", *Zimbabwe Independent* (Harare), 9 March 2007; B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa: towards a new era of cooperation among developing countries*, chapter 3, pp. 51-62.

31 See F Manji, "Preface", F Manji and S Marks (eds), *African perspectives on China in Africa*, p. vii; P Alves and P Draper, "China's growing role in Africa", G le Pere (ed), *China in Africa ...*, pp. 27, 28.

32 J Rocha, "A new frontier in the exploitation of Africa's natural resources: the emergence of China", F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 17.

seeking common development.<sup>33</sup> Rhetorics in Chinese policy documents on relations with Africa include terms such as “solidarity”, “equality”, “win-win relations”, “friendship”, “brotherhood” and “mutual trust”. A striking feature of Chinese Africa policy statements is their friendly language and “soft power” approach.<sup>34</sup> Have these so-called “motherhood and apple pie” rhetorical expressions been converted into meaningful concepts and have Chinese-African relations moved into the realm of concrete and measurable mutual benefits?

The Chinese African policy provides for comprehensive cooperation between China and Africa in the fields of political and economic relations, education, science, culture,<sup>35</sup> health, social aspects and security.<sup>36</sup>

At the FOCAC summit in Beijing in November 2006 President Hu Jintao announced steps to forge the strategic partnership between China and Africa. The summit approved a three-year action plan to turn these proposed steps into real benefits. The action plan includes: doubling China’s 2006 assistance to Africa in three years; setting up a China-Africa Development Fund of \$5 billion to encourage Chinese companies to invest in Africa; providing \$3 billion in preferential loans and \$2 billion in preferential buyers’ credits to African countries; cancelling debts of heavily indebted and least developed countries in Africa stemming from Chinese interest-free government loans that have matured; further opening Chinese markets to African exports by increasing the number of products receiving zero-tariff treatment; training 15,000 African professionals; doubling the number of scholarships to Africans to 4,000 per annum; sending 100 senior agricultural and 300 youth volunteers to Africa; building 30 hospitals, 30 malaria-treatment centres and 100 rural schools in Africa; and supporting the African Union (AU) and the New Partnership for Africa’s Development (NEPAD).<sup>37</sup> At the summit Chinese companies signed trade deals worth \$1.9 billion with African governments

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33 People’s Republic of China, Foreign Ministry, “China’s African Policy”, 12 January 2006 (available at: <http://www.fmprc.gov.cn/eng/zxxx/t230615.htm> as researched on 30 March 2007). See also G Shelton, “China and Africa: advancing South-South co-operation”, G le Pere (ed), *China in Africa ...*, pp. 110-111.

34 M Chidause, “China’s grand re-entrance into Africa – mirage or oasis?”, F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 109.

35 There are already Confucius Institutes in, amongst others, South Africa, Kenya and Rwanda, where Africans can study the Chinese language and learn more about the Chinese culture.

36 For details, see People’s Republic of China, Foreign Ministry, “China’s African Policy”, 12 January 2006.

37 A Akosile, “Here comes a giant”, *This Day* (Lagos), 27 February 2007; W Bello, “China provokes debate in Africa”, FPIF Column, 9 March 2007; C Onunaiju, “African people won’t welcome colonialists – Chinese Minister”, *Daily Trust* (Abuja), 13 March 2007; S Marks, “Introduction”, F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 1.

and business people.<sup>38</sup> The summit was followed by a two day African trade fair in Beijing, where over 170 enterprises from 23 African countries exhibited their products.<sup>39</sup>

From the above it is clear that the Chinese plan of a strategic partnership with Africa has developed beyond broad strategic objectives to more specific targets of assistance and collaboration. The PRC's main objective in her African policy is to advance her national interest through expanding her geopolitical influence and becoming the dominant extra-regional power, by securing sustained access to Africa's natural resources, making inroads in Africa's expanding markets, enhancing the legitimacy of the "One China" policy in Africa, and establishing new axes for South-South cooperation.<sup>40</sup>

China's strategic partnership with Africa has definitely brought some very obvious economic benefits. The most important benefit to China, the world's second largest oil-consumer, is that African oil-producing countries, and Angola, Nigeria and Sudan in particular, are now supplying more than a third of China's crude oil imports. China needs huge energy supplies to maintain its 8-10 per cent per annum economic growth rate. It imports more than 40 per cent of its daily consumption of 6 million barrels of oil. Therefore, the oil imports from Africa are strategically crucial for the Chinese economy. At the moment African oil exports to China are still much smaller than to Europe or the United States. However, plans to increase these exports are under way, with Chinese companies exploring and drilling for oil in eleven African countries.<sup>41</sup>

Apart from oil China also gets supplies of minerals and other raw materials from Africa. Chinese imports from Africa include copper, cobalt, timber, platinum, chrome, iron ore, diamonds, uranium, titanium, coal, nickel and

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38 R Callimachi, "China courts Africa with aid, projects" (Associated Press report), *China Digital Times*, 4 January 2007.

39 S Marks, "Introduction", F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 3.

40 G le Pere, "Foreword", G le Pere (ed), *China in Africa ...*, p. 13; G Shelton, "China and Africa: advancing South-South co-operation", G le Pere (ed), *China in Africa ...*, p. 102.

41 A Amosu, "China in Africa ...", *Foreign Policy in Focus* (Washington, DC), 9 March 2007; J Rocha, "A new frontier in the exploitation of Africa's natural resources ...", F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 21; FM Mwega, "China, India and Africa: prospects and challenges", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, pp. 3-4. For a detailed discussion of the oil issue, see DA Yates, "Chinese oil interests in Africa", G le Pere (ed), *China in Africa ...*, pp. 219-37.

aluminium.<sup>42</sup> With a population of much more than a billion people and very little natural resources of her own the name of the economic growth game for the PRC is to conclude deals with countries possessing the required natural resources. It is therefore not surprising that in 2004 oil exports accounted for a massive 67.3 per cent of all African exports to China, other raw materials for 18.8 per cent, and manufactured goods for only 10.7 per cent.<sup>43</sup>

Africa, being a large continent with a relatively large population, also provides a market for China's manufactured products. African markets are especially well-suited to cheap Chinese goods. Over 800 Chinese companies, mostly state-owned, now operate in 49 African countries.<sup>44</sup>

Officially the PRC still projects the image of an altruistic partner.<sup>45</sup> Apart from her profitable economic relations with Africa, China has indeed maintained her humanitarian assistance to African states. Since 1964 she has sent more than 15,000 doctors to 47 African countries, who treated about 180 million African patients.<sup>46</sup> China has also dispatched more than 3,000 peacekeepers to participate in twelve UN peacekeeping operations in Africa.<sup>47</sup>

For China there are some risks involved in her African drive. Political instability and conflicts in countries such as Sudan may pose dangers to Chinese investments and Chinese citizens residing there. However, the Chinese government has clearly made its calculations and decided that the benefits are far greater than the risks. Hence the 2006 plan to move ahead energetically in strengthening ties with Africa. Africa, once again, has become the continent of choice for the PRC in terms of expanding foreign relations.

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42 A Akosile, "Here comes a giant", *This Day* (Lagos), 27 February 2007; A Amosu, "China in Africa ...", *Foreign Policy in Focus* (Washington, DC), 9 March 2007; B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa: towards a new era of cooperation among developing countries*, chapter 3, pp. 4-5.

43 E Aryeetey, "The new global demand for natural resources: opportunities for structural transformation in Africa", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, slide 12.

44 A Amosu, "China in Africa ...", *Foreign Policy in Focus* (Washington, DC), 9 March 2007.

45 See for example the remarks of the PRC's ambassador to South Africa: Liu Guijin, "A peacefully rising China, new opportunities for Africa", G le Pere (ed), *China in Africa ...*, p. 16.

46 D Thompson, "China's soft power in Africa: From the 'Beijing consensus' to health diplomacy", *China Brief* (Jamestown Foundation), 13 October 2005.

47 W He, "Africa: China's top priority", *Beijing Review* 49(44), 2 November 2006, p.16.

## **The African perspective: dangers and potential advantages of the Chinese connection**

Stronger relations with Africa will increase China's sphere of influence and will change the traditional patterns of Western dominance over African affairs, thereby constituting a challenge to Western hegemony. What is very obvious in the international media in response to this challenge, is that some sections of the Western-controlled media are trying to demonise the People's Republic of China as a self-interested state that only wishes to exploit Africa for its own economic benefit in a colonial type of way.

### **The anti-Chinese viewpoint is based on the following arguments:**

- The extraction of oil, minerals and other raw materials from Africa by China perpetuates colonial-style power relations. A foreign big power exploits African resources for its own economic advancement, without the training and technology transfers to empower Africans to process and take control over their own vast natural resources.
- Chinese soft credit loans to Africa put new debt burdens on African states and may jeopardise attempts by the G8 to end the debt cycle through debt holidays.<sup>48</sup>
- China dumps large quantities of its own cheap manufactured products, often counterfeit goods, on Africa, thereby destroying sectors of the African manufacturing industries, which cannot compete successfully with the cheap Chinese products. As a result of this as many as hundreds of thousands of African jobs have been lost. The manufacturing industry and ready access to African markets of a country such as South Africa may be decimated by the flood of low-priced Chinese goods.<sup>49</sup>
- Relations between China and certain African countries take the form of a "conspiracy of silence" on human rights abuses and anti-democratic practices.

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48 SAPA (South African Press Association), "Afrika gemaan oor China. Lenings kan 'n nuwe skuld krisis begin", *Sake24*, 21 May 2007.

49 E Aryeetey, "The new global demand for natural resources ...", slide 18; *Africa Foreign Investor Survey*, 2005 cited in LP Nyuylime, "Asian investors penetrate Africa", *Cameroon Tribune* (Yaoundé), 8 March 2007; G le Pere, "Foreword", G le Pere (ed), *China in Africa ...*, p. 14. See B Sautmann, "The forest for the trees: B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa: towards a new era of cooperation among developing countries*, chapter 3, pp. 14-19 for a discussion of allegations that the PRC is destroying the textile and clothing industry in Africa.

China has not endorsed codes of conduct in international economic relations, such as the Extractive Industries Transparency Initiative (which requires full public disclosure of transactions) and the Equator Principles (a code of social and environmental standards). Usually the Chinese do not follow the NEPAD guideline for investors to insist on democracy and respect for human rights, but only want to know whether the African country can supply the natural resources that they need. Chinese loan and aid programmes contribute to consolidating the rule of non-democratic elites in the case of non-accountable governments, e.g. those in Sudan and Zimbabwe.<sup>50</sup> China's unwillingness to insist on commitment to democracy, good governance and respect for human rights as a precondition for development assistance may derail international attempts to foster good governance in Africa.<sup>51</sup>

There is of course no single "African view" about China, but rather a diversity of popular and elite views in different parts of the continent. Because no results of empirical research into contemporary African perceptions about China are available it would be risky to generalise about these perceptions. What can safely be stated is that, in response to the shift in focus from ideology to trade in Beijing's approach to relations with Africa, the dominant image of China in the African mind has also changed from ally against colonialism and Western domination to emerging economic giant and business partner.<sup>52</sup>

Many Africans view China as having the potential to bring either great promise or great harm. The China-bashing in the Western press is sometimes echoed in the African media. There is definitely some support in Africa for the anti-Chinese viewpoint. At the Seventh World Social Forum, held in Nairobi, Kenya in January 2007, Humphrey Pole-Pole of the Tanzanian Social Forum told the Chinese participants:

First, Europe and America took over our big businesses. Now China is driving our small and medium entrepreneurs to bankruptcy. You don't even contribute to employment because you bring in your own labor.<sup>53</sup>

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50 For detailed accounts of the PRC's allegedly exploitative relationship with these two African states, see A Askouri, "China's investment in Sudan: displacing villages and destroying communities", F Manji and S Marks (eds), *African perspectives on China in Africa*, pp. 71-86; JB Karumbidza, "Win-win economic cooperation: can China save Zimbabwe's economy?", F Manji and S Marks (eds), *African perspectives...*, pp. 87-105.

51 P Du Toit, "Industriële revolusie (II): Dit moet kom vir China Bpk., sê sy direksie", *Beeld*, 20 July 2007; J Rocha, "A new frontier in the exploitation of Africa's natural resources ...", F Manji and S Marks (eds), *African perspectives on China in Africa*, p. 16; N Obiorah, "Who's afraid of China in Africa? ...", F Manji and S Marks (eds), *African perspectives ...*, p. 47; G le Pere, "Foreword", G le Pere (ed), *China in Africa ...*, p. 14; B Sautmann, "The forest for the trees ...", p. 2.

52 N Obiorah, "Who's afraid of China in Africa? ...", F Manji and S Marks (eds), *African perspectives ...*, p. 39.

53 W Bello, "China provokes debate in Africa", *FPIF Column*, 9 March 2007.

Although the Chinese government strongly refutes any accusations of colonialist intentions in Africa and issued “nine principles” for ethical conduct by Chinese enterprises investing overseas, the arguments of their critics of course do contain an element of truth. China, in the same way as any other state, would certainly not be interested in strengthening ties with Africa if there were no substantial economic and political benefits for herself in it.

China does not try to keep it a secret that the “no strings attached” approach to relations with Africa is specifically designed to side-step “neo-liberal” objectives, such as transparency, accountability and rule of law. Among the top recipients of Chinese FDI in Africa are countries with poor governance and human rights records. In fact, Chinese investments sometimes go hand in hand with what is regarded as corruption and instability. Chinese negotiators are, according to Transparency International’s International Bribe Payers Index (last published in October 2006), more than willing to pay bribes to secure deals. Furthermore, in the new millennium China has become the third largest arms supplier to Africa (after Russia and Germany) and Chinese weapons are used in active conflicts, such as in Sudan and the Great Lakes region. There have also been reports of bad labour practices by Chinese companies, which disregard minimum wage requirements and enforce unsatisfactory conditions of employment at their African operations.<sup>54</sup>

But, of course, China is not the only culprit in this regard. Supporters of growing links between China and Africa rightly point out that the record of the United States and European powers in their relations with Africa is far from good. Western countries have also exploited African resources to the detriment of African populations for their own economic benefit and they have also propped up dictators in Africa. Therefore, it seems hypocritical of Western states to level accusations at the Chinese about how they are approaching Africa.<sup>55</sup>

Despite the danger that Africa may be at the wrong end of economic exploitation again, most African leaders have welcomed China’s renewed

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54 X Qin, “Summit new peak in China-Africa relations”, *China Daily*, 31 October 2006, p. 4; B Weidlich, “Chinese companies pay below minimum wage”, *The Namibian*, 7 March 2007.

55 J Butty, “Report on China-Africa summit”, *Voice of America*, Washington, DC, 1 November 2006; B Sautmann, “The forest for the trees: B Sautmann, “The forest for the trees: trade, investment and the China-in-Africa discourse”, paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa: towards a new era of cooperation among developing countries*, chapter 3, p. 26; KK Prah, “Africa and China: then and now”, interview with P Burnett, F Manji and S Marks (eds), *African perspectives ...*, p. 57.

strategic partnership with the continent as a positive opportunity for mutual benefits. After a period of economic decline, with negative GDP growth from the 1970s to the early 1990s, several African countries have had economic growth rates above 5 per cent in the last number of years. There is hope that the economic relations with a booming China may further boost the economic recovery in Africa.

Egyptian President Hosni Mubarak referred to the new strategic partnership between China and Africa, announced at the Beijing summit in November 2006, as “the shared desire and independent choice of China and Africa”.<sup>56</sup> Several other African leaders have welcomed closer ties with China in glowing terms. President Olusegun Obasanjo described Chinese investments in Nigeria as part of the overall reform of the national economy and a “fresh economic breeze”. He said that his country could benefit from China’s experience as an emerging super power.<sup>57</sup> South Africa’s President Thabo Mbeki, in his typically cautious manner, wrote in his weekly newsletter that Africa’s closer ties with China were a response to the realities of the world economy. Mbeki, who had earlier warned China to stop dumping goods in Africa, applauded China for extending a genuine hand of friendship and partnership, and accused the critics of the China-Africa partnership of seeing evil in something that was manifestly good.<sup>58</sup>

There are a number of potential advantages for Africa in a closer relationship with China, which have been reflected in the Chinese and African media:

- China is willing to invest in projects in Africa from which other investors have shied away.<sup>59</sup>
- African countries producing the oil, minerals and other raw materials required by China, can earn large and growing amounts of foreign exchange in trade with China. Currently 60 per cent of Sudan’s and 35 per cent of Angola’s oil exports go to China. China is now the second largest importer of oil in

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56 Cited in Xinhua News Agency, “China-Africa relations advance to new stage in 2006”, *People’s Daily Online*, December 2006.

57 Cited in A Akosile, “Here comes a giant”, *This Day* (Lagos), 27 February 2007.

58 Cited in Xinhua News Agency, “South Africa’s Mbeki defends China-Africa relations”, *China Daily*, 12 November 2006.

59 An example is the Belinga iron ore deposit in Gabon, which is now being developed on a grand scale by China although Western investors have been reluctant to take the risk. A Amosu, “China in Africa ...”, *Foreign Policy in Focus* (Washington, DC), 9 March 2007.

the world, but is expected to become the largest.<sup>60</sup>

- China's rapidly growing economy has contributed significantly to the increasing demand for commodities and higher prices, which has brought enormous benefits for African countries in the form of improved terms of trade. China may even be regarded as a major driver of Africa's recent economic growth, because her trade with Africa is calculated to have been responsible for as much as 20 per cent of this growth. Eventually trade with China may prove to be crucial in breaking the outflow of capital from Africa.<sup>61</sup>
- China's statist economy enables her to offer one-stop deals in exchange for natural resources. In return for oil, minerals and other raw materials the Chinese offer a broad-spectrum "package deal" to African partners, featuring a mix of soft loans, investment, technical expertise, training, scholarships, infrastructure projects (stadiums, roads, railways, dams, etc.) and other "add-ons". China has become the pre-eminent infrastructure builder in Africa.<sup>62</sup>
- Africa has not seen investment and trade of the size now brought by China in all the post-independence years. China has concluded bilateral trade and investment agreements with 75 per cent of the African countries. With the largest population in the world and one of the fastest-growing economies China offers huge market outlets to African products. It is evident that more and more of the developing world's trading opportunities will be in China. It is expected that the economy of the PRC will continue to grow at a rate of

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60 W Bello, "China provokes debate in Africa", FPIF Column, 9 March 2007; A Amosu, "China in Africa ...", Foreign Policy in Focus (Washington, DC), 9 March 2007; A Akosile, "Here comes a giant", *This Day* (Lagos), 27 February 2007; D Dollar, "Asian century or multi-polar century?", p. 19; IA Elbadawi, "Third plenary on Global Hunger for Natural Riches: Opportunities for Structural Transformation in Africa and the Middle East", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, slide 3.

61 J Rocha, "A new frontier in the exploitation of Africa's natural resources ...", F Manji and S Marks (eds), *African perspectives ...*, p. 24; P Alves and P Draper, "China's growing role in Africa", G le Pere (ed), *China in Africa ...*, p. 22; IA Elbadawi, "Third plenary on Global Hunger for Natural Riches: Opportunities for Structural Transformation in Africa and the Middle East", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, slides 3 and 21; FM Mwega, "China, India and Africa: prospects and challenges", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 6; H Campbell, "China in Africa: challenging US global hegemony", F Manji and S Marks (eds), *African perspectives ...*, p. 122; B Sautmann, "The forest for the trees: B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa; towards a new era of cooperation among developing countries*, chapter 3, p. 4.

62 A Amosu, "China in Africa ...", Foreign Policy in Focus (Washington, DC), 9 March 2007; S Marks, "Introduction", F Manji and S Marks (eds), *African perspectives ...*, p. 7; B Sautmann, "The forest for the trees: B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa; towards a new era of cooperation among developing countries*, chapter 3, p. 6; J Rocha, "A new frontier in the exploitation of Africa's natural resources ...", F Manji and S Marks (eds), *African perspectives ...*, p. 24.

about 5-7 per cent per year and will constitute an even greater share of global economic growth than in the previous fifteen years.<sup>63</sup>

- The affordability of Chinese imports is a benefit, especially to consumers with low income in Africa.<sup>64</sup>
- To those African states that are not ready to introduce the political and economic reforms demanded by Western donors, China's pragmatic approach to economic relations, premised on non-interference in each other's domestic affairs, is preferable to Western conditionality, demanding democracy, accountability and human rights as conditions for economic relations. The Chinese are regarded as being easy to do business with, because they do not insist on preconditions, benchmarks and environmental impact assessments. China's avoidance of conditionality means that she can move fast to produce visible results. However, to call it a "no strings attached" approach, as the Chinese like to do, is misleading, because the PRC insists on an affirmation of her "One China" policy before she would be prepared to conclude diplomatic relations with another state. Also Chinese loans often have attached to them "conditionalities", e.g. to allow Chinese firms access to Africa resources, the repatriation of profits and the use of Chinese labour.<sup>65</sup>
- The PRC, fast becoming a major investor in the developing world, has identified four areas – industrial processing, infrastructure, agriculture and natural resources - in which she will encourage investment in Africa. Chinese

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63 A Amosu, "China in Africa ...", *Foreign Policy in Focus* (Washington, DC), 9 March 2007; D Dollar, "Asian century or multi-polar century?", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 7; A Hussain, N Stern and J Stiglitz, "Chinese reforms from a comparative perspective", G le Pere (ed), *China in Africa ...*, p. 54; LY Yueh, "Perspectives on China's economic growth: prospects and wider impact", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 16; A Hussain, N Stern and J Stiglitz, "Chinese reforms from a comparative perspective", G le Pere (ed), *China in Africa ...*, p. 79; LA Winters and S Yusuf, "Dancing with giants: China, India and the global economy", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, slides 2, 6 and 20; Ethiopian News Agency, "China-Africa growing relations", *The Ethiopian Herald*, 4 November 2006; D Dollar, "Asian century or multi-polar century?", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 7; A Hussain, N Stern and J Stiglitz, "Chinese reforms from a comparative perspective", G le Pere (ed), *China in Africa ...*, p. 54; LY Yueh, "Perspectives on China's economic growth: prospects and wider impact", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 28; P Alves and P Draper, "China's growing role in Africa", G le Pere (ed), *China in Africa ...*, p. 22; FM Mwega, "China, India and Africa: prospects and challenges", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 2; B Sautmann, "The forest for the trees : trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa; towards a new era of cooperation among developing countries*, chapter 3, p. 20.

64 B Sautmann, "The forest for the trees ...", p. 13.

65 A Amosu, "China in Africa ...", *Foreign Policy in Focus* (Washington, DC), 9 March 2007; J Cilliers, "Guest column", *Zimbabwe Independent* (Harare), 9 March 2007; N Obiorah, "Who's afraid of China in Africa? ...", F Manji and S Marks (eds), *African perspectives ...*, pp. 39-40.

investment projects will create job opportunities for Africans.<sup>66</sup>

- China has committed herself to preferential treatment of the most indebted and least developed countries in Africa in the form of debt exemption and zero-tariff treatment to some imports.<sup>67</sup>
- China offers training and educational opportunities to young Africans. The PRC has cultural agreements with 42 African countries and 65 cultural exchange programmes in Africa. She has offered scholarships to 10,000 students and seconded more than 400 Chinese professors to African universities.<sup>68</sup>
- Chinese investments of capital and technology may help African countries to unlock the potential of their natural resources.<sup>69</sup>
- Increasing Chinese tourism to Africa will benefit the continent.<sup>70</sup>

From an African perspective there is hope that closer relations with China will bring not only short-term economic benefits, but also long-term strategic advantages in the global context. Both the United States (through the Africa Growth and Opportunity Act) and Europe (through the European Union Strategy for Africa) have tried in recent years to consolidate a measure of control over what is happening on the African continent. Now China has appeared on the scene as another significant factor in Africa's global relations. China's emergence as a major global power is welcomed among many African intellectuals, because they hope that it may herald a return to a multipolar system in which Africa will have more influence than in the present system. General support for political liberalisation and structural adjustment as the route to economic recovery in Africa in the late 1990s has made way for disillusionment among African elites with the ability of Bretton Woods-inspired economic reforms to alleviate or reduce poverty and reverse Africa's

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66 Ethiopian News Agency, "China-Africa growing relations", *The Ethiopian Herald*, 4 November 2006; B Sautmann, "The forest for the trees: trade, investment and the China-in-Africa discourse", paper presented at a public seminar on China in Africa: race, relations, and reflections, Centre for Sociological Research, University of Johannesburg, 28 July 2007, p. 3. For a detailed study of Chinese FDI in Africa, see UNDP, *Asian Foreign Direct Investment in Africa: towards a new era of cooperation among developing countries*, chapter 3, p. 20.

67 Ethiopian News Agency, "China-Africa growing relations", *The Ethiopian Herald*, 4 November 2006; Liu Guijin, "A peacefully rising China, new opportunities for Africa", G le Pere (ed), *China in Africa ...*, p. 17; P Alves and P Draper, "China's growing role in Africa", G le Pere (ed), *China in Africa ...*, p. 22.

68 KK Prah, "Africa and China: then and now", interview with P Burnett, F Manji and S Marks (eds), *African perspectives ...*, p. 60; Liu Guijin, "A peacefully rising China, new opportunities for Africa", G le Pere (ed), *China in Africa ...*, pp. 17-18.

69 Ethiopian News Agency, "China-Africa growing relations", *The Ethiopian Herald*, 4 November 2006; B Sautmann, "The forest for the trees ...", p. 2.

70 See e.g. L Ying, "The development of Chinese tourism in South Africa: a historical perspective to 2005" (MHCS thesis, University of Pretoria, 2006).

economic marginalisation. There is also growing resistance to the donor conditionalities contained in the type of “structural adjustment”, “economic recovery” and “poverty reduction” programmes prescribed by Western donors and international financial institutions. The slow pace of delivery on international commitments by Africa’s traditional development partners to increase overseas development assistance to Africa has caused dissatisfaction in Africa. Closer cooperation with China is seen as an alternative for Africa in efforts to address structural imbalances. China’s success in pursuing stated development reinvigorates African critics of neo-liberal IMF/World Bank policies contained in the Washington consensus. In some African circles China is regarded as living proof of a “successful” alternative to Western political and economic models. The “Chinese model” of economic relations, compared to the conventional Western approach of liberal globalisation, may indeed be more relevant for Africa in areas such as intermediate technology and rural development, because China is also a developing country. In this way the old debate about appropriate paths to Africa’s development has been re-ignited by China’s emergence as a major global power.<sup>71</sup>

Figure 2 summarises the potential gains and losses for both sides in China-Africa relations:

### **Risks and advantages for both sides in China-Africa relations**

|                         | <b>Risks and threats</b>  | <b>Advantages and opportunities</b>   |
|-------------------------|---|---|
| <b><i>For China</i></b> | <ul style="list-style-type: none"> <li>• Political instability and conflict in Africa</li> <li>• Safety of Chinese personnel in Africa</li> <li>• Western pressure</li> </ul> | <ul style="list-style-type: none"> <li>• African diplomatic support in UN</li> <li>• Reliable oil supplies</li> <li>• Supplies of minerals and raw materials</li> <li>• African markets for Chinese products</li> <li>• Investment opportunities for Chinese companies</li> </ul> |

71 J Rocha, “A new frontier in the exploitation of Africa’s natural resources ...”, F Manji and S Marks (eds), *African perspectives* ..., p. 17; N Obiorah, “Who’s afraid of China in Africa? ...”, F Manji and S Marks (eds), *African perspectives* ..., pp. 40-47. See also V Popov, “China’s rise, Russia’s fall: medium term and long term perspective”, paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 30; H Campbell, “China in Africa: challenging US global hegemony”, F Manji and S Marks (eds), *African perspectives* ..., pp. 119-137.

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| <b>For<br/>Africa</b> | <ul style="list-style-type: none"> <li>• Export of raw materials and import of manufactured goods may perpetuate colonial-style power relations</li> <li>• Dumping of cheap Chinese products may threaten African manufacturing industries and cause job losses</li> <li>• Soft credit loans may increase debt burden</li> <li>• Authoritarian governments could be propped up at the expense of the strengthening of civil society</li> <li>• Continued militarisation through Chinese arm supplies</li> <li>• Unsatisfactory Chinese labour practices in Africa</li> </ul> | <ul style="list-style-type: none"> <li>• Close ties with an emerging economic giant bring new sources of trade and investment</li> <li>• Huge Chinese markets for oil, minerals, raw materials and agricultural products</li> <li>• Cheap Chinese imports</li> <li>• Foreign investment for development projects with benefits in terms of infrastructure, training and job opportunities</li> <li>• Foreign exchange through increased Chinese tourism</li> <li>• Debt reduction for poorest countries</li> <li>• Chinese humanitarian assistance (medical teams and peacekeeping missions)</li> <li>• Academic/scholarly/educational exchanges</li> </ul> |
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Figure 2

### Can Africa seize the opportunity?

It is clear from the two parts of this article that, on the one hand, the current China-Africa relations have evolved over a period of at least fifty years. Some scholars emphasise the continuities rather than the discontinuities between Maoist and post-Mao China and argue that the foundations for China's economic growth and closer relations with Africa were laid in the Mao period.<sup>72</sup> In terms of foreign policy objectives and principles some threads in China-Africa relations can be traced right back to the 1950s. This is evident when the statements by the four generations of CCP leaders are analysed. In political rhetorics the current Chinese leaders often mention the history of close affinity between the Chinese and African peoples since 1949. Thus the current drastic growth in economic relations should not be regarded as

<sup>72</sup> See V Popov, "China's rise, Russia's fall: medium term and long term perspective", paper presented at the Global Development Network Annual Conference, Beijing, January 2007, p. 1; H Campbell, "China in Africa: challenging US global hegemony", F Manji and S Marks (eds), *African perspectives ...*, p. 122.

altogether unexpected.

On the other hand it is clear that, in terms of the massive increase in the size of economic relations, China-Africa relations in 2007 is an altogether different ball-game from what it used to be, even as recently as ten years ago. The big difference is accounted for by the dramatic change in the PRC's standing as a global actor, because of her economic take-off, which has catapulted her into a position of real global power. This has caused a change of focus in Beijing with regard to African policy. When China was in a position of relative weakness, unable to compete with the superpowers, it was logical that the Chinese leaders would fall back on idealistic ideological arguments in seeking support from other "Third World" countries, including African countries. When the PRC managed to shrug off her economic weakness, the focus shifted to a pragmatic business like approach to China-Africa relations, as indicated in this second part of the article. Because of the changes in Chinese industrial production and the concurrent changes in import and export needs, the Chinese and African economies have become much more complementary than before.

Large argues that the PRC's upgrading of her relations with Africa has become the most important factor in Africa's foreign relations, because

- it has the nature of permanent relations that will persist and deepen
- the huge increase in Chinese trade and investment in Africa is bound to have a significant impact on the continent's political economy and international relations, and
- there is considerable interest in different parts of Africa to apply aspects of China's development experience in their own contexts.<sup>73</sup>

There is no doubt that China's new African policy provides both opportunities and challenges for economic development in Africa. Links with China have introduced an alternative to the dictates of the Western-oriented international financial institutions and have given African states more room for manoeuvre. Some African leaders see this relationship as an opportunity to escape Western domination and make the West less relevant to Africa.<sup>74</sup>

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73 D Large, "As the beginning ends: China's return to Africa", F Manji and S Marks (eds), *African perspectives ...*, pp. 157-161.

74 See e.g. H Campbell, "China in Africa: challenging US global hegemony", F Manji and S Marks (eds), *African perspectives ...*, p. 129; M Chidause, "China's grand re-entrance into Africa – mirage or oasis?", F Manji and S Marks (eds), *African perspectives ...*, p. 107.

## **But will African countries be able to make full use of these opportunities?**

Africa should embrace the opportunities offered by the strategic partnership with China, whilst seeking to preserve and promote its own interests. The onus to make Africa-China relations work to the benefit of Africa is not on China, but on Africa itself. Africans must shoulder the responsibility to ensure that the relations between Africa and China do not repeat the centuries of underdevelopment and exploitation.<sup>75</sup> Increases in FDI and trade do not necessarily trigger the growth that leads to development, because the benefits must be spread before it can stimulate capacity-building, employment and services in the broader economy.

To take full advantage of the opportunities of closer relations with China, Africans must

- hold both their own governments and the Chinese partners accountable for concluding mutually beneficial agreements
- negotiate the type of deals that will have lasting value in terms of economic development in Africa, and
- use those deals to empower a large section of the African population.

## **How can this be achieved?**

Firstly, Africa needs to develop a strategy for China in the same way that China has a strategy for Africa.<sup>76</sup> In the “strategic partnership” of the last few years China has effectively dealt with Africa on her own terms via the FOCAC. It is expected that China’s stance on Africa may harden in the long term, with more exploitation and less benefit for the continent. Before this happens a coherent African policy on China should be developed to ensure a more structured, secure and beneficial two-way engagement. Enhanced networking across Africa to develop a common framework for responding to issues arising from China’s role in Africa is imperative. To be effective such a framework will have to proceed from China’s economic interests. Both the

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75 H Campbell, “China in Africa: challenging US global hegemony”, F Manji and S Marks (eds), *African perspectives ...*, p. 136; KK Prah, “Africa and China: then and now”, interview with P Burnett, F Manji and S Marks (eds), *African perspectives ...*, p. 59.

76 A Amosu, “China in Africa: It’s still the governance, stupid”, *Foreign Policy in Focus* (Washington, DC), 9 March 2007.

African Union and NEPAD will play a role in developing an African strategy. Guidelines for Africa-China relations must be developed in order to

- define Africa's interests more coherently
- ensure that as much expertise as possible is brought to the negotiating table on the African side to bring Africa's negotiating capacity up to scratch, and
- ensure that bilateral economic relations between China and individual African countries do not work to the detriment of other African countries.

African governments are faced with the challenge of maintaining good relations with China without becoming economically and politically too dependent on her. An African monitoring body must be established to coordinate African needs and concerns and to check that these guidelines are being followed.

Secondly, the role of NGOs and of civil society in Africa-China relations must be expanded to counter the possible lack of accountability and transparency in inter-governmental transactions. Because of cultural divides and the structural weaknesses of the African Union an effective common African response at the governmental level is, according to Obiorah, unlikely in the foreseeable future. Therefore a common African response is more likely at the civil society level. Africa's civil society needs to investigate how best to respond to the challenges presented by China's engagement in Africa and find a balance between uncritical acceptance and rejectionism. A civil society forum inclusive of business, labour and consumer groups and bringing together non-governmental organisations from China and Africa should be instituted to monitor China-Africa cooperation. It would enhance people-to-people relations, exchange of ideas and the lobbying of the respective governments to address the social dimension of relations. Civil society should raise concerns about governance and human rights issues.<sup>77</sup>

China's deep penetration in Africa is an established fact. The Chinese are fast establishing themselves in all the strategic economic sectors across the continent, ranging from cheap quality low priced shops to gigantic mining, oil, and infrastructural projects. Africa has become a crucial part of China's growth strategy. Thus far Africa's extractive industries in a few countries have benefitted from the seemingly bottomless Chinese markets, whereas the light

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<sup>77</sup> See N Obiorah, "Who's afraid of China in Africa? ...", F Manji and S Marks (eds), *African perspectives ...*, pp. 49-54.

industrial manufacturing sectors in other African countries are suffering from growing imports from China.

It is said that Africa currently finds itself at the crossroads between the hard power of the US, the soft power of Europe, and the allure of China (and to a lesser extent in the Asian context also India). Africa's dealings in the past with the US and Europe have not brought the economic take-off needed by the continent. Now the strategic partnership with China, so strongly pursued by the latter since 2006, creates new opportunities that did not exist before. Success for Africa in this venture, which holds both potential risks and potential advantages, is not automatically assured. It will take hard bargaining and hard work to achieve the required results that will make a real difference in the lives of ordinary Africans.

