

China's engagement in Africa: scope, significance and consequences

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ABSTRACT

China's vastly increased involvement in Africa over the past decade is one of the most significant recent developments in the region. It appears to contradict the idea of international marginalisation of Africa and brings significant economic and political consequences. China's Africa interest is part of a recently more active international strategy based on *multipolarity* and non-intervention. Increased aid, debt cancellation, and a boom in Chinese-African trade, with a strategic Chinese focus on oil, have proven mutually advantageous for China and African state elites. By offering aid without preconditions, China has presented an attractive alternative to conditional Western aid, and gained valuable diplomatic support to defend its international interests. However, a generally asymmetrical relationship differing little from previous African–Western patterns, alongside support of authoritarian governments at the expense of human rights, make the economic consequences of increased Chinese involvement in Africa mixed at best, while the political consequences are bound to prove deleterious.

INTRODUCTION

The period after the end of the Cold War, when observers would invariably name the US, France and the UK as the only foreign powers to have substantial interests in sub-Saharan Africa, is drawing to a close. Over the course of the past ten years or so, the People's Republic of China has established itself as an increasingly influential player across the continent. Given the impressive scale and scope of its engagement, China's return to Africa may turn out to be one of the most significant developments for the region in recent years. For one thing, it may single-handedly invalidate the conventional wisdom on Africa's international marginalisation, even more

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so since other states of the global South, notably India and Brazil, are also forging closer ties with Africa. For another, China's political and economic involvement in Africa has a palpable impact on the domestic scene in many African states, which will increase should China continue to pursue a more globally oriented foreign policy, particularly towards non-Western regions.

Taking the general transformation of Chinese foreign policy as a starting point, this article analyses China's foreign policy towards Africa since the early 1990s. The first half of the paper reviews the scale of China's political and economic involvement, and examines the objectives and strategies underlying Chinese foreign policy towards Sub-Saharan Africa. Although by no means Beijing's only objective, oil interests will receive particular emphasis. The second part of the paper looks at the impact that China's renewed engagement has on the countries of the region by considering its economic and political repercussions. It argues that China's economic impact may prove to be a mixed blessing, whereas the political consequences of its return are likely to prove deleterious.

CHINA'S SHIFTING FOREIGN POLICY

China's increasing involvement on the African continent is a manifestation of the remarkable transformation of the country's foreign policy over the past 10–15 years. Although China watchers are still debating the nature and scope of that change, they mostly agree that China has been seeking a more active role in the international system. Beijing has expanded and intensified its bilateral relations throughout the world, has joined regional bodies dealing with security and economic issues, and has extended its involvement in multilateral organisations. As a result, China's foreign policy as a whole is by and large considered to be more dynamic, constructive, flexible and self-confident than was the case during the preceding decades (see Medeiros & Taylor Fravel 2003; Sutter 2004). As veteran diplomat Zbigniew Brzezinski asserts: 'China is clearly assimilating into the international system' (Brzezinski & Mearsheimer 2005: 46).

Chinese efforts to conduct a more active foreign policy beyond its Asian neighbourhood set in as early as 1989.¹ The fierce reactions of Western states to the massacre in Tiananmen square (June 1989), including an arms embargo imposed by the US and the European Union (EU), and persistent Western criticism of China's human rights record, induced Beijing to seek closer ties to non-Western countries. Developing countries were effectively elevated to a 'cornerstone' of Chinese foreign policy in an effort to build coalitions to shield Beijing from Western criticism. Given their

numerical weight in international organisations, African states played an important role in the Chinese stratagem. Since many African leaders were themselves at the time under growing domestic and external pressure to liberalise their political systems, they were more than willing to go along with China's claims that Western demands for democracy and the respect for human rights amounted to thinly veiled imperialistic manoeuvres intent on interfering in the domestic politics of developing states, and undermining their stability and progress at large. Gauging the relations between developing and developed states in terms of a North–South conflict, this discourse served as a powerful glue whereby China sought to construct a common identity with African states *vis-à-vis* the paternalistic West. With these considerations in mind, China moved swiftly to increase its assistance to developing countries substantially, most of which were African nations (Taylor 1998: 450).

A second factor that led the Chinese leadership to steer a more active foreign policy course in the post-1989 period was the expected emergence of the uncontested international hegemony of the US which, it was feared, would hold back China's ascendancy as a global political power (Muekalia 2004: 10). To address the problem, Beijing advanced the concept of *multipolarity*, defined as the construction of more or less flexible alliances to contain every form of hegemony and to build a new and just international order. Since China obviously conceived of itself as one indispensable pole in the international system, the government reached out to non-Western states to bolster its international position *vis-à-vis* the US, particularly its room for manoeuvre within the UN Security Council and other international bodies. The coming to office of the administration of G.W. Bush, which conceptualised China as a 'strategic competitor' – President Clinton had referred to China as a 'strategic partner' – probably reinforced Beijing's belief in the necessity of a multipolar world and the need for new allies (see Economy 2003).

At the end of the same decade, a third factor corroborated Beijing's view that a global foreign policy had become a sheer necessity. While the strength of China's economy was to no small degree based on its dynamic integration into the world economy, the financial crisis in Asia in 1997 alerted the Chinese leadership to the risks of economic interdependence as it exposed the vulnerability of the country's outward-oriented economy to external shocks. By implication, regional and international stability, mainly but not exclusively in economic terms, turned into strategic objectives (Weinstein 2005). Therefore Beijing moved to modify and broaden the conceptualisation of its (inter)national interests. For if outside events could imperil the country's continued economic growth, China's precarious

domestic situation, including increased social tensions, would no doubt pose a serious challenge to the political monopoly of the Communist Party. Consequently, the Chinese leadership regarded a more active foreign policy as the best strategy to defend and assert its national interests. The need to expand and strengthen China's bilateral relations, including those with the states in Africa south of the Sahara, was part of this strategy. Accordingly, China's rapidly increasing engagement in Africa does not so much reflect a singular or specific policy towards the continent. Rather, it is part and parcel of a wider policy thrust which manifests itself equally in China's relations towards other regions of the world such as Latin America and the Middle East.²

TAKING STOCK OF CHINA'S INVOLVEMENT IN AFRICA

Western responses to the Tiananmen massacre in 1989 provided the initial trigger which compelled the Chinese government to seek closer ties to Africa after a lengthy period of reduced activity.³ In the three years following the carnage, Chinese foreign minister Qian Qichan visited no less than 14 African countries, and thus laid the foundation for an intense diplomacy that continues unabated today (see Taylor 2004: 87; Marchal forthcoming). During the past two years, for example, more than one hundred high-level meetings have taken place between Chinese and African diplomats and envoys (see *BBC Monitoring Newsletter* 2005). In addition, and at a time when Western states are generally inclined to roll back their diplomatic presence in Africa, China maintains embassies in every African country – except for the six states entertaining diplomatic relations with Taiwan.⁴ By the same token, the number of Chinese commercial representations is growing fast.

Although an emerging economic superpower, China continues to portray itself as a developing nation, at least to African audiences, to underline the quasi-natural convergence of interests between, in Jiang Zemin's word, China, 'the biggest developing country and Africa, the continent with the largest number of developing countries' (*People's Daily* 11.10.2000). At the same time Beijing acknowledges its superior international standing and uses its permanent seat in the UN Security Council to position itself as a mentor of African countries. This includes China's claims to support fairer global trade and an enlarged UN Security Council, and Africa's various reform-oriented institutions such as the New Partnership for Africa's Development (NEPAD) and the African Union (AU). While most of these pledges have remained extremely vague, China's increasing involvement in UN peacekeeping missions in Africa

has been substantial. In 2004, some 1,400 Chinese participated in nine UN missions on the continent. The biggest contingent (558 troops) was sent to war-torn Liberia after the incoming Liberian government (2003) ended its diplomatic relations with Taiwan.⁵

As another signal of its commitment to Africa, Beijing points to its support for debt cancellation in favour of African countries. Over the past few years, China has cancelled the bilateral debts of 31 African countries, totalling some \$1.27 bn (*BBC Monitoring Newsletter* 2005). Similarly, President Hu Jintao's promise to provide development assistance 'within our power' is part of Beijing's repertoire to underline its support for Africa (*CSM* 6.1.2005). In 2002 some 44% of China's widely spread overall assistance to developing countries of \$1.8 bn went to Africa (*The Economist* 7.2.2004; *L'Humanité* 4.2.2004). Although this represents a large amount when measured against China's GDP per capita (\$911 in 2002), the country clearly lags behind the volumes disbursed by major Western nations.⁶ As a result, it is far from clear whether China is prepared to become a dedicated donor nation, with the obligations and commitments this may entail, or whether it will continue to emphasise its own status as a developing country, defining whatever it deems to be 'within its power' and thus forgoing international agreements among donors.

However, the limited financial value of China's aid is considerably enhanced by political considerations. The Chinese government and its African counterparts frequently stress that Beijing's aid comes with few political strings attached. Contrary to Western donors, China's cooperation with or support of African governments does not hinge on conditionalities pertaining to specific political objectives or standards (i.e. human rights, democracy). Of course, the notable exception from China's purported rejection of political demands is the issue of Taiwan; that is, Beijing's insistence that it is the only legitimate representative of China. The 'One China' principle therefore remains an important objective, even though the race for recognition between both countries is no longer as important as it was in the past, partly because in recent years Beijing has been considerably more successful than Taipei in its attempts to convince African countries to shift recognition away from its rival (see Taylor 2002).

Of the wide range of Chinese activities in Africa, economic transactions provide the most powerful evidence of China's increasing interests in the continent. The skyrocketing of Chinese–African trade deserves particular emphasis. Between 1989 and 1997, the bilateral trade volume grew by 430% and since then has more than quintupled. It reached \$24 bn in 2004, amounting to 6.3% of the extraregional trade of the states south of

the Sahara.⁷ In the first ten months of 2005, Chinese–African trade grew by 39% to \$32.17 bn (*BBC Online* 6.1.2006). As a result, China overtook the UK as Africa’s third most important trading partner in 2005 (after the US and France). However, Africa’s share of Chinese external trade is only about 2%, and Chinese–African trade represents a mere 40% of the US–African trade volume.

Beijing’s active promotion of economic interaction with Africa has significantly contributed to the impressive growth rates of bilateral trade. In institutional terms, this has been flanked by the creation of the Forum on China–Africa Cooperation in 2000 (see *IRIN News* 17.12.2003; Muekalia 2004: 8–10; Taylor 2004: 89–91). Furthermore, a Chinese–African Chamber of Commerce was opened in Beijing in March 2005, which aims to promote trade and economic relations with initially five African countries.⁸ That institution is only the latest among a fast growing number of initiatives and agreements between China and Africa. By 2005, China had bilateral trade and investment agreements with 75% of Africa’s states. Of the 40 bilateral investment agreements China entered into between 1995 and 2003, 18 were established with African countries (UNCTAD 2004). Enhanced Chinese economic interest in Africa is also reflected in the fact that some 700 Chinese enterprises with a total investment of about \$1.5 bn are currently operating in Africa (*Beijing Times* 16.12.2003). Finally, China has signalled its willingness to negotiate the establishment of a free trade zone with southern African states (*China Daily* 26.11.2004.).

What are the factors behind the Chinese–African trade boom? The massive export of goods to Africa is part of the story. Due first to its large and cheap labour force and second to the acute poverty in vast parts of Africa, China offers low-price export goods such as textiles and clothing, electronic devices and machines, which find a huge and soaring demand. In 2003 China was the second biggest exporter of goods (11%) to the member states of the Economic Community of West African States (ECOWAS). Given its burgeoning exports to Nigeria, West Africa’s largest economy, China has since then almost certainly narrowed the gap with ECOWAS’ leading supplier, France. After Nigeria’s imports from China had multiplied by a factor of ten in the period between 1994 and 2002, Nigerian imports from China climbed from \$1.76 bn in 2003 to \$2.28 bn in 2004 (*Mail & Guardian* 23.5.2005).

Chinese imports from Africa have grown even faster. In comparison to the primarily *commercial* objectives of its export trade with Africa, the *strategic* value of China’s imports from the continent stands out. It is driven by Beijing’s need to secure natural resources to sustain its economic boom

TABLE 1

China's most important African trading partners in 2004 (imports)

China's imports from Africa	(US\$m)	%
Angola	3422.63	27.4
South Africa	2567.96	20.6
Sudan	1678.60	13.4
Republic of Congo	1224.74	9.8
Equatorial-Guinea	787.96	6.3
Gabon	415.39	3.3
Nigeria	372.91	3.0
Algeria	216.11	1.7
Morocco	208.69	1.7
Chad	148.73	1.2
TOTAL	11043.72	88.4

Source: International Monetary Fund, Direction of Trade Statistics (May 2005).

at home (see Zweig & Janhai 2005). For instance, China's share in the increase in global demand for some mineral resources such as aluminium, nickel and copper varies between 76% and 100% (Kaplinsky 2005). Similarly, China's oil consumption will increase dramatically over the next three decades; and so will its reliance on oil imports, which accounted for 37% of its oil consumption in 2003 (*JIR* 2004: 56).

Africa's resource-rich countries are in a position to provide an ample percentage of China's requirements. There is little doubt that natural resources are at the core of China's economic interests in Africa – or perhaps even its overall interest in the continent. In terms of China's imports from Africa, nine of its ten most important trading partners are resource-rich countries. Remarkably, the list even includes emerging oil producer Chad, one of the few African countries to recognise Taiwan.

It is probably no coincidence that Beijing's rising interest in Africa comes at a time when sizeable new discoveries of oil have been made on the continent, particularly in the Gulf of Guinea. Africa's largest producers, Angola and Nigeria, are set to at least double their production within the next decade. Important oil fields have also been explored in Equatorial Guinea, São Tomé e Príncipe and Chad, while minor reserves are located in Mauritania and Côte d'Ivoire (Ellis 2003: 135). Together with long-standing producers Congo-Brazzaville and Gabon, these new discoveries could bring Africa's oil output to 7 million barrels a day within the next 10–15 years (*IHT* 31.7.2004). Bolstered by the massive investments of \$360 bn (2001–30) announced by transnational companies, production

could reach 13 million barrels per day in 2020 (IEA 2003: 167; *Africa Confidential* 28.5.2004).

Regardless of these projections, Africa's contribution to China's oil imports is already significant. In 2004, Africa's share of Chinese overall oil imports reached 28.7% (*Dow Jones Newswire* 21.1.2005), up from 25.2% in 2003 (IEE 2004). Angola, Beijing's most important African oil supplier, exported 117 million barrels to China in 2004, a 60% increase from the previous year (EIA website). With a share of about 13% of Chinese oil imports, Angola came close to the level provided by China's leading oil supplier, Saudi Arabia (125 million barrels).

STRATEGIC ELEMENTS OF CHINA'S POLICY TOWARDS AFRICA

The extent to which China appears to be welcomed with open arms by many of Africa's leaders is perhaps the most striking element in recent Sino-African relations. By offering their African counterparts a mix of political and economic incentives, the Chinese government is successfully driving home the message that increased Sino-African cooperation will inevitably result in a 'win-win situation' for both sides. The power of this argument is enhanced by a subtle discourse which posits China not only as an appealing alternative partner to the West, but also as a better choice for Africa. While this is certainly debatable with respect to Africa and its ordinary citizens as a whole, there can be little doubt that sizeable benefits of China's return will accrue to state elites.

Most obviously, an important appeal stems from the fact that China stubbornly sticks to the dogma of national sovereignty. It fiercely repudiates the increasingly powerful notion that outside interference into the domestic affairs of a state can be legitimate. China's donor policies reflect this state-centred orthodoxy to the degree that, the issue of Taiwan aside, no political conditions are attached to its development assistance. Western donors, in contrast, have progressively undermined the sovereignty of African states by imposing reform agendas on them: first in the guise of Structural Adjustment Programmes (SAPs) in the 1980s, followed in the 1990s by demands for democratic reform. In the light of the persistent stress which economic and political conditionalities have forced on African governments, it is hardly surprising that the Chinese stance on the issue of sovereignty is gratefully acknowledged by African governments. In a barely concealed complaint against the intrusive attitudes of Western donors, a spokesman of the Kenyan government no doubt echoed a widespread sentiment on the continent when he noted: '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' (cited in *USA Today* 21.6.2005). Such observations underline that non-intrusive China presents an attractive partner for African governments; that is, not only for plainly authoritarian leaders, but also for the great many African governments presiding over hybrid regimes for whom the distribution of patronage remains an exigency of political survival (see van de Walle 2001).

That a number of African regimes have been unable to manage the political economy of reform over the past two decades, sometimes with disastrous consequences such as outbreaks of violent conflict, was not lost on the Chinese government. In conjunction with the wholesale failure of economic reforms (SAPs), these setbacks, in Beijing's view, have but confirmed its analysis that the patchy record of Western-driven reform efforts in Africa will inadvertently facilitate Chinese advances on the continent. As *Renmin Ribao*, the official newspaper of the Communist Party, noted:

owing to the general failure in the West's political and economic behaviour in Africa, African nations, which were only suspicious at first, are now negating Western-style democracy and have reinitiated 'Afro-Asianism' and proposed 'going towards the Orient'. This has opened up new opportunities for further enriching the content and elevating the quality of China-Africa cooperation. (*BBC Monitoring Newsletter* 8.1.2004)

Furthermore, Chinese aid tends to benefit the governments of receiving countries more directly than the policies of Western donors, who are preoccupied with the reduction of poverty. The Chinese, unlike Western countries, finance grandiose and prestigious buildings (presidential palaces, football stadiums) that African leaders highly appreciate for their own political reasons.

In return, Beijing can count on valuable diplomatic support from African governments to defend its interests at the international level, particularly in multilateral organisations with 'one country – one vote' arrangements. In the United Nations Commission on Human Rights, for instance, African countries have frequently played a prominent role in frustrating Western efforts to bring about a formal condemnation of China's human rights record (*IHT* 15.5.2002). More recently, intense courting led to China's recognition as a market economy by a fair number of African states. This is a crucial status in the wake of China's WTO accession, helping to shield it from accusations of dumping (see *Inter Press Service* 13.6.2004; Rumbaugh & Blancher 2004: 12). Finally, diplomatic backing by African states pertains to the recognition of the principle of 'One China' and the pursuit of the concept of a multipolar world.

Although non-interference remains an article of faith for the Chinese leadership, it is but one factor explaining China's growing influence in Africa. Particularly in the economic realm, it has only limited explanatory power. What matters more are the strategies that Chinese companies pursue in their conquest of Africa's markets. Firstly, Chinese firms appear to be significantly less risk-averse than their Western counterparts, especially in war-torn states such as Angola, DR Congo and Sierra Leone, where a 'first mover advantage' plays out in favour of risk-taking entrepreneurs (see *SouthScan* 30.6.2005; *Financial Times* 15.3.2005). This is also true in a more general sense, insofar as Chinese businesses seem to consider the challenging political and economic environment in many African states as an economic opportunity. Thanks to their willingness to take significant risks, Chinese firms are able to derive huge profits from rates of return on foreign direct investment, said to be much higher in politically volatile sub-Saharan Africa than in other parts of the developing world (UNODC 2005: 78).

Secondly, the success of Chinese businesses in Africa may also relate to their focus on specific sectors. In no small part due to the feeble presence of Western rivals, China has become a major player in the field of infrastructure (roads, railways, dams, power plants etc.). Strictly speaking, though, many of these projects are not commercial. Some are financed through 'tied' Chinese aid. Others are not profitable because the Chinese tend to set costs below market rates. And yet the lack of short-term commercial profits does not preclude that investments will yield significant returns in the long term. Since most infrastructure projects are public sector works, China conceives its investments as goodwill projects to woo the sympathies of African state leaders. This enables China to gain political influence, which often opens the doors to commercially or strategically more attractive businesses in other sectors, e.g. to win tenders for oil and mining concessions.⁹

A third advantage is noticeable in cases where China targets African states suffering from Western-imposed sanctions. Since Western states are still by far the most important trading partners of African states, Western sanctions *de facto* turn these countries into niche markets. Having no legal or political obligation to abide by Western-imposed sanctions, China can position itself as an alternative partner of 'pariah states' (see Alden 2005b: 155). China has adopted this free-riding strategy in Sudan and Zimbabwe.

CHINA'S OIL INTERESTS

Since 1998, when a White Paper of the Chinese Ministry of Defence proclaimed energy security as an integral part of China's overall security,

the country's global economic, foreign and security policies have become closely intertwined (*JIR* 2004: 56). In the process, Beijing stepped up its efforts both to expand its oil imports and to diversify its oil suppliers. In line with this policy, China has increased its oil imports from Africa and has augmented the number of its African suppliers. In 2004, the country was reported to have oil stakes in as many as 11 African states (*Africa Energy* August 2004: 12, 19; *Africa Confidential* 28.5.2004). In January 2006, China's top offshore oil producer, CNOOC, agreed to pay \$2.3 billion for a 45 % stake in a Nigerian oil and gas field, its largest-ever overseas acquisition (*Wall Street Journal* 9.1.2006). For the time being, however, the vast bulk of Chinese oil imports from Africa is provided by two countries, Angola and Sudan. Beijing's involvement in both countries is emblematic of the approach sketched above. First, it underlines the interconnectedness of political, diplomatic and economic strategies to secure oil supplies. Second, it points to the fact that China's efforts often focus on what may be called niche markets.

From a Chinese point of view, niche countries and their oil sectors are characterised by limited competition, either because Western multinational companies have no or only limited access for political reasons such as embargoes (e.g. Sudan, Iran), and/or because the countries are relatively new or emerging oil producers offering significant opportunities. Given the inadequate financial and technological competitiveness of Chinese oil companies (*NYT* 14.12.2004), the targeting of niche countries forms a strategic decision to secure oil stakes. China's widening demand for African oil thus corresponds to its overall energy security policy, insofar as Sudan and many of West Africa's oil-producing countries in the Gulf of Guinea can be subsumed under the first and second category of niche countries respectively.

A well-considered combination of diplomacy and economic incentives forms Beijing's key instrument to lock up African oil supplies. China's major oil companies are owned by the state and act as an extended arm of the Chinese government, which supports the overseas activities of its oil companies through a variety of instruments (see Downs 2004: 25, 30). As such, strategic objectives to secure oil supplies often override commercial concerns (*Petroleum Economist* April 2005; *IHT* 2.3.2005). By dispensing soft loans and credit lines, development assistance, gifts and other incentives, arms deliveries and diplomatic backing, Beijing seeks to cultivate the favour of governments in oil-producing states and, by extension, obtain privileged access and opportunities for its companies.¹⁰ Thus oil interests and bilateral relations between China and African countries go hand in hand.

Somewhat reminiscent of a mercantilist approach, this *petro-diplomacy* can be seen in Angola, where Chinese imports have grown by 400 % since 2001. Recently, the state-owned China Eximbank released a \$2 bn loan package to Angola in exchange for 10,000 barrels a day of oil (*Africa Confidential* 17.12.2004). The deal was of mutual benefit. While it enabled the Angolan regime to circumvent donor pressure for increased fiscal transparency, it will strengthen the Chinese foothold in the Angolan oil economy.

The strategic elements of China's energy security policy in Africa are brought into their sharpest relief in Sudan. Having acquired a 40 % stake in the Greater Nile Petroleum Operating Company (GNPOC) in 1996, US sanctions against Khartoum and the incremental withdrawal of other Western oil companies enabled China's state-owned CNPC to become the largest foreign investor in Sudan's nascent oil production.¹¹ When, in 2004, the full extent of Khartoum's genocidal campaign in the Darfur provinces came to daylight, the US and other Western states sought action against Sudan in the UN Security Council. There, however, attempts to bring Khartoum to book were repeatedly frustrated by China (*Reuters* 15.9.2004; *The Independent* 15.10.2004). It either abstained from casting its vote or threatened to use its veto.¹²

Despite its reference to state sovereignty and the concomitant appraisal of Darfur as a 'domestic issue', Beijing's intransigence in the Security Council was essentially linked to its oil interests. First, Sudan is a non-negligible provider of China's oil imports (6.9 %). Second, the GNPOC joint venture is the largest overseas oil investment of the Chinese CNPC. Over the years an estimated \$5 bn has been invested in the acquisition of exploration and drilling licences, the construction of pipelines, refineries and other essential infrastructure. The scale of these investments highlights China's long-term strategic interests in Sudan, which is expected to increase its production of 340,000 barrels a day to 500,000 b/d in 2005 and 750,000 b/d by 2006.

It comes as no surprise therefore that Beijing opposed UN sanctions which could have jeopardised its Sudanese investments and oil supplies for many years to come.¹³ In fact, Beijing perpetuated a highly advantageous status quo. Chinese companies can continue to operate without the competition of financially and technologically superior Western firms, whose return to Sudan could pose a severe threat to their dominance of the Sudanese oil economy. Interestingly, the peace agreement between Khartoum and the rebels of the Sudan People's Liberation Army (SPLA) of January 2005 contains an explicit guarantee for all oil concessions which the Sudanese government has granted during the war (Berrigan 2005).

The clause undoubtedly presented a reward for China's steadfast diplomatic support for Khartoum during the diplomatic height of the Darfur crisis.

CHINA'S ECONOMIC IMPACT

China's undeniable appeal to African states, notably as a trading partner, is the flipside of their fading economic importance to the West. Partly as a result, a good number of African elites and intellectuals appear to regard China as both an appealing economic model worth emulating and a potential catalyst for socio-economic development. No less important, they conceptualise emergent South–South relations as a historical opportunity for Africa's states to escape the neo-colonial ties to the West. And yet, it is not evident that Chinese–African trade differs significantly from Western–African trade patterns; nor is it clear that China's engagement will substantially improve Africa's prospects for development (see Goldstein *et al.* 2006). Judging from its most important import partners, Beijing's economic interests in Africa do not vary from those of Western states.¹⁴ This seems to suggest that rapidly growing economic exchanges between Africa and China will neither fundamentally alter Africa's asymmetrical integration into global markets, nor will they reduce Africa's dependence on a few price-volatile primary goods that account for 73% of its overall export revenues (*EIU Business Africa* 16.11.2004). Even outside the extractive sector, there is some reason to doubt that China's economic engagement will encourage sustainable economic growth in Africa. The evidence from an examination of textile industries, one of the few African economic success stories in recent years, is ambivalent indeed.

When the US-sponsored African Growth and Opportunity Act (AGOA) came into effect in 2000, a fair number of Chinese textile companies established themselves in Africa. The move had two closely related objectives: first, to exploit the preferential access to the US market that AGOA had conceded to certain African products, including clothing and textiles.¹⁵ Second, shifting parts of the production to Africa enabled Chinese firms to circumvent the trade barriers that the Agreement on Textiles and Clothing of the Uruguay Round had imposed on them to protect markets in Europe and the US from cheap Asian imports. The combined effect of the AGOA agreement and the flexible strategies of Chinese companies contributed to the rise of textile industries, notably in southern and eastern Africa.

When the Agreement on Textiles and Clothing expired on 1 January 2005 and access restrictions for Asian textiles to Western markets were removed, Africa's intermittent textile boom witnessed a meltdown.

American demand for African textiles plunged in favour of even cheaper garments made in China, and Africa-based Chinese companies were already relocating their production back to China (IMF 2005: 15–20). In the process, tens of thousands of workers have lost their jobs or risk doing so in the near future, for example in South Africa, Zimbabwe, Lesotho and Kenya (*Business Report* 20.5.2005). Thus African textile producers will be hit by losses of global market share, while the efforts of African countries to diversify their economies and exports will endure a severe setback. Even South Africa, the continent's most sophisticated economy, is negatively affected. To begin with, manufactured goods as a share of exports to China fell from 50 % in 1993 to 8 % in 2003. The structure of South Africa's trade relations with China thus mirrors the wider problem of Africa's unbalanced trade relations, insofar as some 90 % of its exports to China consist of raw materials (e.g. ore, platinum and diamonds). In 2004 South Africa incurred a trade deficit with China of \$1.9 sbn. Were it not for Beijing's imports of oil and other raw materials, the aggregate African trade with China would show a huge deficit (see Taylor 2004: 98).

To make matters worse, most African producers are simply not in a position to compete with Chinese companies even in Africa's domestic markets, as they are unable to undercut Chinese production costs and prices (see *The Independent* 25.4.2005; *The Reporter* 27.5.2005). Local retailers, too, are faced with rapidly increasing business competition from expatriate Chinese traders.¹⁶ Although there is some evidence that the economic activities of Chinese entrepreneurs can make a positive contribution to local development (Bräutigam 2003), a cursory perusal of local press reports indicates that their remarkable presence also stirs significant local resentments (Alden 2005b: 157).¹⁷

Although the diversification of trading partners is an encouraging sign, African countries have to recognise that China will not *per se* have a positive impact on their economies. China's foreign trade policies are not driven by altruistic motives (see Mbeki 2004). Chinese and African businesses are first and foremost economic contenders for investments and markets, in particular in the field of labour-intensive and export-oriented manufacturing like textile and clothing (see Jenkins & Edwards 2004). To date, however, nothing indicates that Africa will be able to compete successfully with China, a result of which is that its exports to China are by and large limited to capital-intensive commodities. This imbalance has the effect of Africa creating jobs in China, while imports from China have undermined job markets in Africa. While this is the result of legitimate market competition, it contravenes Chinese statements that enhanced Chinese–African interaction always results in win-win situations. The least one can say is

that Beijing's high-flying rhetoric often pales in the face of stark realities. So far, for example, the relative sparseness of Chinese long-term investment in Africa outside the extractive sector belies what Beijing likes to cast as its economic commitment to Africa. Therefore African governments would be naïve to take Beijing's rhetoric of South–South solidarity at face value. The harsh reality is that China is no less self-serving than any other state. If any proof were needed, the recent episode in Chinese–Zimbabwean relations provided it.

The Zimbabwean regime of Robert Mugabe has in recent years turned to China to soften the impact of US and EU sanctions (see FES 2004). But when Mugabe travelled recently to China to secure a bail-out from the Beijing government he returned almost empty-handed, reportedly receiving a mere \$6 m for grain imports (*Zimbabwe Independent* 29.7.2005).¹⁸ According to one report, 'the platinum concessions offered by Zimbabwe were not a sufficient incentive for China to grant funds on the scale requested by Mugabe' (*BBC Online* 1.8.2005). That China's interests supersede vague discourses on 'South–South' solidarity is also a lesson learned by South Africa. Complaining that cheap Chinese textile imports threaten to annihilate local industries, South African trade unions exhorted the Pretoria government to have recourse to the WTO to protect textile industries. Reacting to these concerns, a Chinese official dryly noted that 'any move by the South African government to restrict textile imports from China would violate the WTO free trade agreement' (*IRIN News* 29.6.2005).

China's hard-nosed economic interests are also reflected in Angola, where some 2,500 Chinese workers have arrived to work for Chinese companies whose work will be financed by the oil-backed loan that Beijing granted to the Angolan government. According to one source, a total of 30,000 Chinese workers are expected eventually in Angola for the same purpose (*Le Monde* 6.7.2005). The least one can say is that China's massive transfer of personnel is unlikely to have a positive impact on African job markets, the building of local capacities and the transfer of technologies (see Alden 2005a).

POLITICAL CONSEQUENCES

To assess the political impact of China's growing involvement on the continent, it may be useful to differentiate three groups of African countries. First, China's manifest return to Africa occurs at a time when many countries of the region continue to undergo difficult political transitions from authoritarian to democratic political systems (*democratising/transition countries*). The belief that China will make a constructive contribution

to support transitions to democracy in Africa's fragile states appears far-fetched. In contrast to other major donors in the region, except Libya, the promotion of democracy is not an objective of China's foreign policy. Such a policy appears inconceivable, since it does not square with Beijing's relativistic conception of individual human and political rights. In addition, the self-interest of the political elite of the one-party state contravenes the notion of democracy support abroad. Doing so would logically imply that China's Communist leaders would dent their domestic political legitimacy. This is one of the reasons why Beijing doggedly clings to the dogma of non-interference. Its defence of sovereignty, often to the benefit of unsavoury regimes, is likely to undermine existing efforts at political liberalisation at large. Revenues from trade (and taxes), development assistance and other means of support widen the margins of manoeuvre of Africa's autocrats, and help them to rein in domestic demands for democracy and the respect for human rights (for Zimbabwe, see *CSM* 30.5.2005). These mutually advantageous interactions are at the core of China's attractiveness to African state leaders, and they are likely to be to the detriment of ordinary Africans (see Alden 2005b: 153).

Second, China's impact on *mineral-rich countries* is also a source of concern. Chinese interest in African resources comes at a time when Western non-governmental organisations, recently supported by governments, have initiated an ever more prominent debate on the relationship between mineral wealth on the one hand and its detrimental effects on developing countries on the other. It revolves around possible options and regulatory frameworks to transform mineral wealth from a 'curse' into a vector of socio-economic development. In light of its rapidly growing reliance on imports, it seems implausible that China will join these efforts, let alone subordinate its economic interests to international attempts to solve the structural problems of richly endowed countries, as these are likely to hold back its access to resources.¹⁹

What is more, Beijing has no economic incentive to fall in line with Western views on issues such as fiscal transparency and accountability. By rejecting regulation efforts on the grounds of non-interference, China can position itself as a free-rider and is prone to win the political favour of, and by extension economic benefits from, sovereignty-conscious governments (e.g. Angola). In that regard, the case of Darfur/Sudan is illuminating, in so far as it underscores the extent to which China is prepared to defend its economic interests. If Sudan provides any clue to the future, it seems inconceivable that Beijing, unencumbered by the humanitarian tragedy in Darfur, will compromise its interests for the sake of 'minor' (domestic) issues such as transparency.

A third group of countries where China's forays may be particularly perceptible are *post-conflict states*. On the one hand, China's increasing involvement in UN peacekeeping in those states is certainly a positive development, even more so since only a small minority of Western industrialised states has shown the political willingness to make troops available for peacekeeping on the continent. On the other, however, one has to question the coherence and credibility of Chinese peacekeeping efforts if the country otherwise pursues strategies which may contribute to the eruption or prolongation of violent conflicts. For example, while China is currently an important troop-contributing country to the UN Mission in Liberia, its economic interests helped President Charles Taylor to maintain himself in power. China imported almost half of Liberia's timber in 2000, and thus provided Taylor with considerable wherewithal. It was only in July 2003 that China and France, likewise an important buyer of Liberian timber, brought themselves to reluctantly nod through UN sanctions against Liberia's timber exports, which both had previously opposed on the devious grounds of 'increased unemployment' in Liberia (Johnston 2004: 447). The plummeting of revenues from timber exports, together with the efforts of rebel groups, forced Taylor to leave the country in August 2003, when the peace process finally began.



Will China's powerful return to the continent and the concomitant diversification of Africa's external relations change in any meaningful way the position of African states in the international system? In political terms, this may well be the case in the future, but it appears that this question will not be decided in Africa, but in Beijing and Washington. Should Brzezinski's contention be correct that China is assimilating into the international system, the answer, at least in the long run, will probably be no. For if China's integration into global markets is socialising the country's foreign policy, and if in turn Beijing's interests, notably energy security, are accommodated by non-confrontational Western behaviour, China's need for allies in Africa and other parts of the non-Western world is likely to diminish. In economic terms, China's impact on Africa's place in the global economy is equally uncertain. To begin with, the diversification of Africa's external economic ties is a potentially promising development. However, the big picture so far is one in which Chinese–African economic relations are widely unbalanced and tend to replicate Africa's asymmetrical relationships with the West – a West Beijing so vividly claims to differ from. As a result, Africa's marginal place in the global system,

defined by its limited value as a provider of mineral resources, may in effect be perpetuated by the fact that China's economic interests in Africa do not differ substantially from those of Western states. As the case of textile industries demonstrates, initial economic impulses from Chinese investments may not be sustainable insofar as Chinese companies pursue cool-headed strategies in the hunt for comparative advantages in an era of economic globalisation. As for development assistance, China's aid may have a marginal socio-economic impact. Not only is much of its aid tied, it also helps to underpin the political economies of narrow state elites. Judging from its increasing influence, however, China's elite-centred modes of assistance have proven extremely effective. They help to cultivate the goodwill of African leaders who provide Beijing with diplomatic support and valuable contracts as a matter of reciprocity. In this sense, state elites are probably the economic and, by extension, the political winners from China's growing involvement in Africa.

That aspect hints at the political repercussions of China's engagement with African states. Beijing uses the pillars of its foreign policy, notably unconditional respect for state sovereignty and its corollary, non-interference, in the pursuit of its interests, be they energy security, multipolarity or the 'One China' principle. To achieve these goals, Beijing is prepared to defend autocratic regimes that commit human rights abuses and forestall democratic reforms for narrow ends of regime survival. Finally, China's increasingly prominent role as a supplier of arms to Africa is also a source of concern.

In summary, there is virtually no way around the conclusion that China's massive return to Africa presents a negative political development that 'almost certainly does not contribute to the promotion of peace, prosperity and democracy on the continent' (Taylor 2004: 99). Despite this, Western decision-makers have little reason to claim the moral high-ground *vis-à-vis* China. A fair number of flaws and criticisms that need to be levelled against Beijing's politics in Africa do equally apply, though to a lesser extent, to Western policies towards Africa.²⁰ And yet, it also needs to be borne in mind that the policies of Western governments towards Africa have come to reflect a more normative and reform-oriented edge in recent years and, despite pervasive ambiguities, have broadly sought to promote democracy, human rights and conflict prevention.

More important, however, will prove the nature of the relationship between Africa's international organisations (e.g. AU, NEPAD, ECOWAS) and an increasingly influential China. Beijing's support for the AU and NEPAD has so far proven little more than rhetoric and is ambivalent at best. For instance, China is insisting that its support for NEPAD be

channelled through the framework of the China-Africa Cooperation Forum, thereby enabling it to avoid 'the potentially awkward position of having to support the key structural elements that are ultimately necessary for NEPAD's success: transparency, democracy, free press ...' (Thompson 2005: 2). Similar ambiguities surround China's support for the AU, which seems to be limited to warm words and smaller *ad hoc* payments. That the Chinese government donated \$400,000 in support of the AU's mediation efforts to resolve the Darfur crisis in early 2005, a move it hailed as a contribution to peacebuilding in Africa (PRC 2005), appears disconcertingly cynical. This raises important questions as to the relationship between China and Africa's reform-minded bodies, precisely because the AU, ECOWAS and NEPAD have recently espoused procedures and principles that clearly contravene the cornerstones of Chinese statecraft (i.e. sovereignty, non-interference). The progressive pathway taken by the African Union and ECOWAS in regard to the prevention and resolution of violent conflicts is particularly at odds with Beijing's political concepts, for both organisations claim far-reaching prerogatives, including military intervention, in order to prevent or terminate large-scale human rights abuses and crimes against humanity. One may also note that NEPAD's African Peer Review Mechanism is, at least in theory, an instrument of political interference in the domestic affairs of states, which aims at promoting development and democracy in Africa. In the final analysis, it is not obvious how these competing conceptions can be squared – provided that Africa's regional bodies are determined to put their pledges for democracy and human rights into practice.

NOTES

1. This section is based on Taylor 1998.
2. Note, however, that Beijing recently issued an official paper on its policy towards Africa. The paper (China's Africa Policy) is available on the website of the Chinese Ministry of Foreign Affairs <http://www.fmprc.gov.cn/eng/zxxx/t230615.htm>
3. For the historical background, see Snow 1989.
4. These are Burkina Faso, Chad, Gambia, Malawi, São Tomé e Príncipe and Swaziland. In October 2005, Senegal (once more) established relations with Beijing instead of Taiwan.
5. However, China also provided 125 police officers in the UN mission in Haiti which recognises Taiwan.
6. For example, Germany's bilateral assistance to sub-Saharan Africa was \$1.34 bn in 2002.
7. International Monetary Fund, *Direction of Trade Statistics*. The United Nations Development Programme (UNDP) puts the figure much higher, at \$29.64 bn. See <http://www.undp.org.cn>.
8. The creation of the institution was supported by UNDP. See UNDP Press Release, 18.3.2005.
9. For the example of Ethiopia, see *The Wall Street Journal* 29.3.2005; on Cameroon, see *Cameroon Tribune* 30.5.2005.
10. According to Grimmett (2004: 27), China ranked second in arms transfers agreements with African states from 2000 to 2003. See also Taylor 2004: 94–7.

11. American sanctions and the pull-out of Western companies were related to Sudan's support of terrorism and human-rights violations in the oil-producing south. See Johnson 2003: 162–4; HRW 2003.
12. Needless to say, China does not bear the sole responsibility for the international failure in Darfur. One has also to take into account the inconsistent positions of the US government and the ambiguous role of France. See Clough 2005: 24–39.
13. Oil fields in Darfur may be another reason for Beijing's position. See *NIT* 8.8.2004.
14. See Table 1. The pattern is also evident in regard to investments, since the extractive sector attracts 50–80% of all foreign direct investments to Africa. See EIU Business Africa 1.10.2004, 'FDI – oil be back'.
15. As of 2005, 37 African states are participating in AGOA.
16. For example, some 5,000 Chinese live in Lesotho, and some 3,000 in Cameroon, which now hosts more Chinese than French citizens. Nigeria has a population of some 50,000 Chinese. See *BBC Monitoring*, 7.8.2005; author's interview, Yaoundé, Western diplomat, May 2005.
17. The titles of some articles are highly indicative: 'Zimbabwe's new colonialists', *Weekly Standard* 25.5.2005; 'Mixed reaction to Chinese invasion', *The Reporter* 24.5.2005; 'Uganda should invite "real" Chinese investors', *New Vision* 10.5.2005; 'Mozambique invaded by China, claims Renamo', *AIM* 10.5.2005.
18. *Zimbabwe Independent* 29.7.2005. In the same week, however, China opposed discussion at the UN Security Council of a UN report into Zimbabwe's demolition campaign that left some 700,000 persons homeless.
19. For a useful overview of the menu of options in resource-rich countries, see Bannon & Collier 2003.
20. See various contributions on Western policies towards Africa in Taylor & Williams 2004.

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