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The Political and Economic Implications of China's Interest in Africa: A Case Study of Angola and Sudan

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ABSTRACT

Over the last three decades, China has started marching into Africa and its primary interest is raw materials, markets and spheres of influence through investment, trade and military assistance. The chances are increased by the fact that Africa has abundant resources but with no capacity to process them. The aim of this study is to analyse the political and economic implications of China's growing interest in Angola and Sudan. This study will investigate the emerging relationship between China, Angola and Sudan in order to determine whether this relationship will be that of a development partner, economic competitor or new hegemony.

In the contemporary environment, an emerging discourse among different scholars warns that China's engagement with Africa is driven primarily by its need for raw materials, which could mean 'new imperialism'. Some argue that this is another form of neo-colonialism while others maintain that China has consistently proved to be a reliable friend of Africa and Africa has responded positively. However, this study argues that China's relationship with Africa will benefit both parties as well as other countries around the world if it is given ample opportunity and properly managed. The author is of the view that if correctly managed, this relationship will be based on the principles of sustainability, mutual benefit and respect rather than charity. In addition, over the past fifty years the development of the relationship between China and Africa has been based on equal treatment, respect for sovereignty, solidarity and common development.

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I would like to thank my brother Shingange Jim, my mother Grace Mokumo and my late father Rifose Mapotlelo Shingange for their moral and financial support. Here, at last, the result of your undying love and support for time spent away from you. Finally, I would like to thank the Almighty God for giving me strength and wisdom to write this piece of work.

DECLARATION

I declare that this research report is my own unaided work. It is being submitted to the Degree of Masters of Arts in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

Signed on this 25th day of January 2010



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Shingange Sekgathane Judas

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LIST OF ABBREVIATIONS

AAPSO	- Africa People's Friendship Association
AU	- African Union
CACF	- China Africa Cooperation Forum
CCP	- Chinese Communist Party
CNPC	- China National Petroleum Corporation
CRBC	- Chinese Company Roads and Bridges
DRC	- Democratic Republic of Congo
ECOWAS	- Economic Community of West African States
EU	- European Union
FOCAC	- Forum on China and Africa Cooperation
FDI	- Foreign Direct Investment
FNLA	- National Front for the Liberation of Angola
GDP	- Gross Domestic Products
GOS	- Government of Sudan
IMF	- International Monetary Fund
MNCs	- Multinational Corporations
MPLA	- Movement of Popular Liberation of Angola
NAM	- Non Alignment Movement
NEPAD	- New Partnership for Africa's Development
NIF	- National Islamic Front
NOCs	- National Oil Companies
ODA	- Official Development Assistance
OPEC	- Organisation of Petroleum Exporting Countries
PRC	- People's Republic of China
SPLM/A	- Sudan People's Liberation Movement / Army
UN	- United Nations
UNDP	- United Nations Development Programme
UNITA	- Union of Total Independence of Angola
USA	- United States of America
USSR	- Union of Soviet Socialist Republics
WTO	- World Trade Organisation

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CHAPTER 1

1 Research Report

1.1 Introduction

The motives of western imperialist activities in Africa from 1869 to 1912 were strategic, defensive, to search for raw materials, and world prestige. But the current scramble for Africa is intriguing because it is not only Western powers which are vying for continued access to Africa's markets and invaluable resources, a rising power – China – is also a major player.[1] China's interests in Africa are not new. In the 1960s and 1970s Beijing's interests centered on building ideological solidarity with underdeveloped nations to advance Chinese style of communism and on repelling western "imperialism." China has long viewed itself as a leader of the developing world providing developing aid to African socialist regimes and supporting anti-colonial insurgencies. The crown jewel of this development assistant was the Tanzania – Zambia Railway (TAZARA), which ran intermittently from Dar es Salaam in Tanzania to the copper cobalt belt of Zambia.[2]

Following the Cold War, Chinese interests evolved into more pragmatic pursuits such as trade, investment and energy. In recent years China has identified the African continent as an area of significant economic and strategic interests.[3] The rise of China as a great economic power is one of the defining events of the early 21st century. After twenty-eight years of economic reform, China enjoys robust economic growth momentum and rapidly emerging as one of the world's leading trading nations. Its exports are nearly US$800 billion and could overtake those of the United States (U.S.) and Germany by 2009.[4] China's manufacturing output now exceeds US$1 trillion and could be larger than the U.S. within

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[1] Lee, C. M. 2006. "The 21st Century Scramble for Africa," in *Journal of Contemporary African Studies*, 24,3, September, p 325.

[2] Butts, K and Bankus, B. 2009. "*China's Pursuit of Africa's Natural Resources*," Center for Strategic Leadership, U.S. Army War College, June, Vol 1-09, Available at: http://www.csl.army.mil/usacsl/publications/CCS1_09_ChinasPursuitofAfricasNaturalResources.pdf, p 2.

[3] Brookes P. and Shin J.H. 2006. "China's influence in Africa: Implications for the United States, Available at http://www.heritage.org/research/asiaandthepacific/bg1916.cfm.

[4] Hale, D. 2006. *China's Economic Take-Off: Implications for Africa*," http://www.thebrenthurstfoundation.org/Files/Brenthurst_Commisioned_Reports/BD0601_Chinas_Econ_Takeoff.pdf, Brenthurst Discussion Paper 1.

five years. As a result, China has emerged as a huge importer of raw materials. China's economic growth has exceeded its domestic resource base and has made it dependent upon imports for critical supplies of fuel and minerals. Its quest for resources is driving its significant presence in Africa. China is also using debt forgiveness, development aid and participation in African peacekeeping operations to gain influence and access to resources.[5]

Past Chinese leaders seldom travelled to Africa. But now Africa is high on China's foreign policy agenda and top Chinese leaders have frequently visited Africa in recent years. Most of these high-level visits have centered on economic and energy cooperation. In January 2001 the now traditional New Year tour of Africa by the Chinese Foreign Minister Li Zhaoxing, who visited Cape Verde, Liberia, Mali, Senegal, Nigeria, and Liberia was followed by the release of China's first Africa policy statement and tours by President Hu Jintao (Morocco, Nigeria and Kenya) in April and Premier Weng Jiabao (Egypt, Ghana, Democratic Republic of Congo (DRC), Angola, South Africa, Tanzania and Uganda) in June. The wide geographical extent of these tours was reinforced by regional meetings of the Macau Forum and the Conference of Sino-Arab Friendship.[6] However, the relationship came into the spotlight during the summit of the Forum on China-Africa Cooperation (FOCAC) in Beijing in November 2006 with forty eight heads of state or government in attendance. The FOCAC summit signalled the arrival of a new era in Africa's relations with the outside world. During the summit, the Chinese government committed itself to an ambitious programme centred on provisions for US$5 billion in loans and credits, the doubling of its development assistance by 2009 and, in a bid that would make China Africa's single largest trading partner, increasing two-way trade to over US$100 billion by 2010. African leaders and business groups met with Chinese counterparts to discuss trade and investment opportunities that totalled US$1.9 billion.[7]

China's much increased economic activities in Africa in recent years – investments in energy and natural resources extractions and loans to African governments – have provoked

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[5] Ibid

[6] Zhiqun, Z. 2007. China's Africa Policy and its Implications," Available at: http://www.allacademic.com//meta/p_mla_apa_research_citation/1/8/0/6/3/pages180639/p180639-1.php February 28, March 3, p 14.

[7] Alden, C. 2007. "*China in Africa*, London, Zed Books, p 2.

criticisms especially from Western countries that it is becoming a new colonial power in the continent. China is also criticised by the West for aiding and abetting oppressive and destitute African dictators by legitimizing their misguided policies and praising their development models as suited individual national conditions. However, there is another side to this story, one that belies the moral certainties of this simple fable of exploitation. China is building hospitals, schools, hundreds of miles of tarmac and railway tracks in Africa.[8] In less than a year, in countries such as Sudan, Angola and Ethiopia, which had been accustomed to crumbling transport infrastructure for decades, the Chinese built highways that connected the major urban centres with rural communities. Seen from this angle, Chinese involvement in Africa, far from being a curse, had actually been the catalyst for development and with that, a new level of improved livelihoods such as some African countries had not known for decades.[9]

There are conflicting viewpoints as to how African countries should respond to the People's Republic of China's (PRC) activities in Africa. Some authors suggest that the PRC's efforts undermine African interests while others are calling for more engagement with China in Africa in order to meet strategic international objectives. The author is of the view that only a through examination of China's activities in Africa will reveal whether China's activities are truly in the interests of African countries or not. Africans have so far been uncertain how best to respond to China. Neither the African Union (AU) nor sub-regional organisations like the Southern African Development Community (SADC) have an articulated policy regarding China and its influence in Africa. Each of the forty eight sub-Saharan countries goes its own way, responding to China and Chinese entreaties idiosyncratically instead of responding with one voice. The challenge for Africa is to think critically how to engage with China's rising profile in the continent.

1.2 Problem Statement

Following the establishment of the PRC in 1949, the nation was largely self-sufficient in energy. The largest oil field, Daqing, was discovered in 1959 and played a very significant role in meeting China's petroleum demand. Thus, the first two oil shocks (1973-74 and

[8] Loc cit.
[9] Loc cit.

1979-80) had little impact on the Chinese economy and energy sector. Indeed, China exported crude oil to several of its Asian neighbors during this period. Over the past decades, China's economy has grown by an impressive rate. Since 1996, China averaged an economic growth of 9.5 percent (measured in Gross Domestic Product - GDP) – more than twice the world average of four percent over the same period.[10] This skyrocketing and sustained economic growth, in conjunction with a population of more than one billion people, demanded more energy supplies. The country's domestic production had failed to keep path with its growing energy demand. In 1993 China became a net importer of oil and in 2006 Beijing was the world's third largest importer of oil behind the U.S. and Japan. This current large gab between stagnant energy production and fast growing production is projected to expand further in the next two decades.[11]

Chinese activity in Africa is increasing at an exponential rate. To say the least, the increasing trade volume between China and Africa has in recent years grown rapidly. By 2007, China was ranked as Africa's second-highest trading partner, behind the U.S. and ahead of France and Britain.[12] By 2003 trade between China and Africa was 18.5 billion USD, and by 2007 the Sino-African trading volume amounted to 73 billion USD. By 2008 total trade between African countries and China reached 106.8 billion USD. Up until the end of 2005 the number of Chinese state-owned companies investing in Africa was more than eight hundred. The companies are involved in trade, manufacturing, resources exploitation, traffic and transportation, comprehensive agricultural development and other areas.[13] China has now renewed its interest in Africa based upon a similar resource quest and is dedicating most of its development aid to natural resources rich states. Sudan, Algeria, Nigeria, Zambia, Zimbabwe, South Africa, Madagascar, and Angola have all received hundreds of millions of dollars in Foreign Direct Investment (FDI), most of it dedicated to the exploration for, and exploitation and transportation of resources. In several oil rich countries, China has helped build roads, bridges, hospitals, power plants and other infrastructure projects. In return,

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[10] Parenti, L.J. 2008. China-Africa relations in the 21st Century, How USAFRICOM should respond to China's growing presence in Africa, April, p 3.

[11] Bahgat G. 2007. "China's Energy Policy, Strategic Implications," Available at http://www.mees.com/postedarticles/oped/v50n03-5OD01.htm, Vol. XLIX, No 3, January.

[12] Lagerkvist, J. 2009. "Chinese eyes on Africa: Authoritarian flexibility versus democratic governance," in Journal of Contemporary African Studies, Vol, 27 No 2, April, pp 122.

[13] Ibid, p 123.

China has allowed these countries to pay the cost with oil.[14] However, concerns have also been raised that China's extreme focus on oil and minerals in its investment in Africa will tend to sidetrack Africa's development and lock the continent into a one sided, raw material selling dependency with dire implications for the development of the continent's general social structure. In many African countries such as Angola, Sudan, and the DRC Chinese companies continue to build stadia, parliament buildings and infrastructure. The constructions mentioned above are engineered by Chinese construction companies often using cheap Chinese labour while unemployed Africans were ignored. This stalemate widens the unemployment rate in Africa and closes down on China's. For instance, South African textile and clothing manufactures shed jobs by their tens of thousands when faced with cheaper Chinese-produced imports.[15]

China's main interest in the continent is the energy resources, investment, markets and spheres of influence. Whatever primary resources are buried beneath the soils of sub-Saharan Africa, China needs them to feed its massive industrial surge. No world power, not even during the official colonial period, had an appetite equal to China's today.[16] Therefore, Beijing's key concentrations are on the oil rich African states like Angola, Sudan, Nigeria, Ethiopia, Algeria and Chad. China considers Africa as an alternative source of an energy supply from other countries such as Iran, Saudi Arabia and Iraq in the Middle East. Today, twenty five percent of China's imported oil comes from Angola. In 2006, Angola took the first place among China's foreign oil supplier replacing Saudi Arabia. Angola and Sudan are China's biggest African trading partners, selling 25% of its total oil imports.[17]

Another large African oil resource for China is Sudan. Sudanese oil reserves are estimated at about 1.6 billion barrels per day. But due to the Darfur crisis, this is the area where Beijing and Washington's interests clash. China, unlike the U.S., is developing its relations with the continent using a non-ideological approach and 'non-interference' in their domestic affairs.

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[14] Butts, K and Bankus, B, Op Cit, p 6.

[15] Alden, C. Op Cit, p 4.

[16] Rotberg, R. (ed) 2008. "China's Quest for Resources, Opportunities and Influence in Africa," in *China into Africa, Trade, Aid and Influence*, Brooking Institution Press, August 12, p 1.

[17] Tillayev, A. 2008. "Rising Chinese interest in Africa", Available at: http://www.ipcs.org/article_details.php?articleNo=2722, 9 November.

This contributes to China's image as a convenient and attractive partner.[18] China's interest in Sudan is concerning oil and arms. China sold small arms used in the Darfur region in order to gain access to Sudan's oil. China is seen by many analysts as the new imperialist power in Africa, committed not only pillaging and investing in ways that would benefit her, but also perpetuating Africa's continuing instability by exporting Chinese armaments to Africa and by building armaments factories on the continent.[19] Ever since the colonization of Africa by European countries, the continent is still in abject poverty. Why would Chinese involvement in Africa be singled out for a particular criticism? Perhaps the fact that China gets about a third of its oil from Africa and that there are over seven hundred active Chinese companies in Africa is an indicator of a growing relationship that may be sustainable and mutually beneficial.

1.3 Aim and Rationale

This study focuses on the political and economic implications of China's growing presence in Angola, and Sudan. In so doing, it is particularly concerned with issues such as China's quest for natural resources, Chinese development aid, weapons sales and military cooperation, Western criticism and how African countries should respond to China. Angola and Sudan were chosen since they are China's largest trading partners in the continent.

This study investigates the emerging relationship between China, Angola and Sudan in order to determine whether this relationship is that of a development partner, economic competitor or new hegemony. It could be argued that in order to understand Chinese involvement in Africa, we need to look thoroughly at the economic and political rationale behind China's Africa development policy in Angola and Sudan. In the contemporary environment, an emerging discourse warns that China's engagement with Africa is driven primarily by its need for raw materials, which could mean 'new imperialism'. However, this study argues that China's relationship with Africa will benefit both parties as well as other countries around the world if it is given ample opportunity and properly managed. The author is of the view that if correctly managed, this relationship will be based on the principles of sustainability, mutual benefit and respect rather than charity.

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[18] Loc cit.
[19] Lee, C. M. Op. Cit, p 325.

This research is original in three significant ways. Firstly, much has been written in recent times about the so called Chinese 'colonisation' of Africa, and 'new imperialism', but it seems to me that the authors did not look at how African countries should respond to China. This project also set lessons for African countries on dealing with foreign powers such as China. Secondly, while there has been much research about China in Africa, there has been limited information on the political and economic implications of China's interest in Angola and Sudan. Thirdly, nowhere in the world is China's rapid rise to power more evident than in Africa and its recent involvement continues drastically and unabated.

1.4 Research Questions

With this paper, I aim to answer the following questions:

- Why is China interested in Africa?
- What are the political and economic implications of China's interest in Angola and Sudan?
- Will Chinese influence bring about the development that has escaped Africa since independence?
- How can Africa best engage China so as to avoid the pitfalls of an exploitative colonial and neo-colonial era?

1.5 Literature Review

In reviewing literature, we identify authors with different views on particular issues related to the political and economic implications of China's interest in Africa and make our contribution by adding relevant facts which we intend to put forward in the course of conducting this study in areas where such facts are lacking.

The impetus for this topic concerns China's growing presence in the African continent. Most political analysts see economic relationship with China as a source of income while others see its investments in Africa as another form of robbing the continent of its resources, bolstering repressive governments and perpetuating Africa's secondary economic standard in the world. Beyond the stereotypes China insists that it is not interested in dominating Africa. Instead China says it seeks a harmonious world for peaceful coexistence and it wants

to coax African countries in the path towards development.[20] Whilst there are numerous criticisms about China's involvement in Africa, the study attempts to show from different angles why China's presence in Africa will benefit both parties as well as other countries around the world if it is properly managed. Additionally, based on the criticisms and some positive comments stated above there is a need to reflect more thoroughly and theoretically on China's involvement in Angola and Sudan.

Chinese relations with Africa have undergone a process of metamorphosis since the late 1950s. From anti-imperialist postures and support for liberation struggles of the late 1950s and 1960s in Africa, contemporary Chinese foreign policy in Africa is a reflection of neo-liberal realpolitic or the Beijing consensus which is driven by power and an unprecedented need for resources in a fast competitive global market. China's resurgence in Africa has seen tremendous increase in trade, aid, investment, and exchange of human capital and has become the envy of western countries.[21] Critics of Chinese resurgence in Africa have questioned China's motives and characterised Chinese interest in Africa as a form of neo-imperialism, neo-scramble, and new colonialism. However, on whether China is a new colonialist power Simon Freemantle state that in Africa we speak of China 'colonising' the continent. There are at present eight hundred sizable Chinese firms on the continent, whereas in Singapore (which is a fraction of the size of Gauteng) there are approximately 2,500 Chinese companies doing business. The Singaporeans are begging for more Chinese investment, while in Africa we are terrified of a perceived invasion. Moreover, eight hundred companies in fifty four countries on the second largest continent on earth is hardly the colonial venture that some people claim to be.[22]

What the U.S., China, Brazil and South Africa have in common is their growing focus on Africa's energy and mineral resources, amongst which the first prize is oil. The twenty first century scramble for Africa has two faces: the basket case / Saving Africa and 'Naked

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[20] China's Africa Policy, January 2006, Available at http://www.fmprc.gov.cn/eng/zxxx/t230615.htm.

[21] Obuah, E. 2008. "Understanding Contemporary Sino-Africa Relations: Continuity and Change," Available at: http://www.allacademic.com/one/www/www/index.php?click_key=1 March 26.

[22] Freemantle, S. 2008. "China in Africa, Is the continent being recolonised?" http://www.sagoodnews.co.za/newsletter_archive/china_in_africa_is_the_continent_being_re-colonised_.html, 09 May.

Imperialism.' The Saving Africa face is the one that has proposed myriad economic programmes that are allegedly designed to alleviate poverty and spearhead economic development in Africa, largely through increased Official Development Assistant (ODA). In contrast, the second face of the scramble called 'Naked capitalism' is guided by an aggressive, consumer capitalism that destroys and exploits everything in its path, including people, in the name of capital accumulation or profit making.[23] The major question raised in the article is whether Saving Africa serves as a mask to disguise 'Naked Imperialism' for many of those at the forefront of the movement to save Africa appear to be directly supporting events to rob the continent of its natural resources and gain greater access to its markets. There have been growing concerns sometimes articulated through the discourse of 'neo-colonialism' that China's relationship with Africa replicate and reinforce established patterns that are unfavourable to African development.[24]

Ian Taylor explores the nature and implications of China's burgeoning role in Africa and argues that Beijing is using Africa not only as a source of needed materials and potential new markets, but also to bolster its own position on the international stage.[25] Maxi Schoeman's article explores China's international role with reference to Africa in order to answer the question whether China can, in fact, be considered an emerging hegemon that is using, as Western countries have done in the past, Africa in order to promote its own position. It concluded that there is not sufficient evidence of perceiving China's role in Africa as that of an emerging hegemon.[26]

Zhou's Zhiqun's article examines Chinese foreign policy toward Africa since the mid-1990s, with focus on China's efforts in securing energy supplies and raw materials, its expanding trade and investment, and its growing political and cultural influence in the region. The article further explores why and how China is so diplomatically active in Africa and discusses

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[23] Lee, C. M. Op. Cit, p 326.

[24] Alden C. Large D. "et al." 2008. *China Returns to Africa: A rising power and a continent embrace,* London, Hurst, http://books.google.co.za/books?id=k9JT3qRqxzYC&dq=china+returns+to+africa+a+rising+power+and+a+continent+embrace&printsec, p 4.

[25] Taylor, I. 2006. "China's Africa rise: the democracy dimension," Available at http://www.opendemocracy.net/democracy-africa_democracy/china_africa_4056.jsp November.

[26] Schoeman, M. 2007. "China in Africa, the rise of hegemony?" Available at http://www.accessmylibrary.com/coms2/summary_0286-34385431_ITM.

the impact of Chinese activities on political economy of Africa. The article argues that the current Chinese policies towards Africa are mainly driven by China's need for energy to satisfy robust economic growth at home. While Chinese investment and debt relief measures have helped the continent to develop, Chinese policies and practices have also created problems for some African countries in their political and economic reforms. In the long term, competition between China and other powers may intensify over Africa's strategic and economic values. To become a respected and responsible global power, China needs to pay more attention to other issues of concern such as governance, human rights and labour safety in Africa.[27]

Today in return for promises of more ODA, FDI and personal financial gain, African leaders are allowing the Western powers and China to gain greater control over, and exploit, African markets and natural resources. Success for Africa will depend on the ability of its leaders to create strong legal and regulatory frameworks to guide foreign investment from China. Studies have shown that where rules exist and are enforced in Africa, China and its companies are happy to comply.[28]

Western political forces and media have criticised every aspect of China's activities in Africa, while Chinese, with significant support from Africans, have mounted a spirited defence. Sautman and Hairong's article examines several factors that make China's links with Africa distinctive, including China's aid and migration policies, the distinctive "Chinese Model" of foreign investment and infrastructure loans, and the development model known as the "Beijing Consensus." Particular aspects of China's links with Africa make the PRC seem lesser evil than the West in terms of support for Africa's development and respect for African nations. They seem to be convinced that China, unlike Western states, is not obstructing development in the world's poor countries. This epitomizes the distinctiveness of the China-Africa links for many Africans.[29]

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[27] Zhiqun, Z. Op Cit.
[28] Alden C. Large D. "et al. Op Cit.
[29] Sautman, B. and Hairong, Y. 2007. "Friends and Interests: China's Distinctive Links with Africa," in *African Studies Review,* Vol. 50, No.3, December, p 77.

1.6 Theoretical Framework

The theories of new colonialism, naked imperialism, democracy and good governance will be used trying to look at whether China's new engagement with Africa is part of a long term strategy aimed at displacing the traditional Western countries in the continent. In this study, the political and economic implications of China's involvement in Angola and Sudan are placed in the historical context of imperialism with the view of investigating whether it shows important continuities with the original nineteen century colonialism or not. Africa was colonised by the European powers but today the continent provides the competition between the U.S., European Union (EU), China and other emerging countries such as India, Brazil, and South Africa. There is also an international battle by the major powers to capture Angola and Sudan's untapped resources. China wants to gain greater control over the continent and exploit African markets and natural resources. Is China a neo-coloniser in Africa?

Imperialism provides a far more useful starting point than globalisation to understanding Africa's relations with the global political economy. One of the reasons for that reality is that imperialism reveals that capitalist development in Africa fails to be developmental.[30] Here imperialism is characterised by the following: (a) the inexorable expansion of capitalism as a socio-economic system on a world scale; (b) the unequal nature of capitalist expansion, and the reproduction on a world scale of socio-economic inequalities; (c) the creation on a world scale of structures of inequality of power and wealth not only in the economic, but also the social, political, legal, and cultural spheres; (d) The generation, through the very process of capitalist expansion, of movements of resistance, of anti-imperialism.[31]

The current wave of imperialism in Africa is being supported by African leaders and their cohorts. These individuals are involved in rent seeking, the exploitation of Africa's natural resources, and serving as conduits for greater trade liberalisation, even at the expense of undermining local African production and markets. Although China, like the Western imperialist powers, projects an image of helping to develop or 'save' Africa, it appears that naked imperialism also describes China's scramble for Africa. China, like the Western

[30] Lee, C. M. Op. Cit, p 310.
[31] Ibid, pp 310-311.

imperialist powers, is involved in the scramble for Africa's markets and natural resources.[32] Unlike the West, however, Chinese are not deemed to be imperialist, and in fact are seen as friends of Africa, especially by African leaders. This is partly as a result of the support the Chinese provided to liberation struggles during Africa's fight for independence against colonial rule. In addition, many African leaders are more amenable to the Chinese presence in Africa because Chinese policy towards African countries is not guided by demands for good governance, democracy, human rights, or transparency. The only thing China requires is that their partner countries do not recognise Taiwan.[33]

In response to naked imperialism, anti-imperialism is spreading throughout the continent as the masses fight for a fair share of the huge profits that African leaders and transnational corporations are accumulating from the exploitation of Africa's resources and markets. The ongoing conflict in the Niger Delta is a vivid example. In early 2006 the crisis deepened as militants attacked oil installations and took foreign oil-workers hostage in a bid to force oil companies to increase their contribution to the development of the impoverished region. The uprising resulted in oil production being decreased by a fifth. As the leaders of the Western powers and their respective corporate cohorts become richer, the African masses are sliding deeper into an abyss.[34] It would be in the interest of this research to widely apply the above mentioned theories and exploring their relevance to the contemporary world.

1.7 Research Methodology

While there are currently two broad research approaches in the social sciences, namely, quantitative and qualitative, I opted for the latter in the study. From a brief overview of the state of art of qualitative inquiry, it is clear that such research has an impressive history and continues to be applied in many varied ways basically all known disciplines and study areas.

What is qualitative research?

Denzin and Lincoln define qualitative research as a situated activity that locates the observer to the world. It consists of a set of interpretive material practices that make the world visible and then transform it. In addition, these practices turn the world into a series

[32] Ibid, p 317.
[33] Ibid, p 318.
[34] Ibid, p 317.

of representations including field notes, interviews, conversations, photographs, recordings and memos to the self.[35] At this level, qualitative research involves an interpretive, naturalistic approach to the world. This implies that its researchers study things in their natural settings, attempting to make sense of or to interpret phenomena in terms of the meanings people bring to them. The qualitative method enables us to develop "explanations and generalisations that are close to concrete data and context but are more than simple generalisations."[36] The qualitative approach performs a careful "content analysis" of the primary and secondary sources (documents), which adduce as evidence-speeches, press statements, governments reports, diplomatic messages, personal memoirs, interviews, scholarly studies etc.[37]

Both primary and secondary texts have been used throughout the research. The primary data is basically information obtained from international treaties, and policy documents. This has included China's Africa Policy, speeches and policy documents of the governments of China, Angola and Sudan. Secondary documents have been obtained ranging from books, scholastic journals, and online academic information through the internet. The extensive information was obtained from the University of the Witwatersrand Libraries including Jan Smuts Library, and University of Johannesburg main library in Auckland Park.

1.8 Limitations of the Study

The author would have preferred to conduct this research in Angola and Sudan in order to come up with a comprehensive conclusion, but due to the limitations of funds, only primary and secondary studies were used.

1.9 Organisation of Work

This research report is organised thematically, which allows the author to provide a detailed historical narrative and establish a foundation for exploration of the contemporary texture

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[35] Denzin, N.k., Lincoln, Y.S. 1998. "Introduction: entering the field of qualitative research in strategies of qualitative inquiry," in Denzin, N.K, Lincoln Y.S. (Eds), *Strategies of Qualitative Inquiry*, Sage, London, pp 4-5.

[36] Neuman, W. Lawrence. 2000. *Social Research Methods: Qualitative and Quantitative Approaches*, Needham Heights, MA, Allyn and Bacon, p 419.

[37] Doughorty, J.E. and Pfaltzgraff, J. 1981. *Contending Theories of International Relations: A Comprehensive Survey,* Harper and Row Publishers, p 37.

and challenges of China's engagement with the continent and how African countries should respond to the rising dragon. The rest of the report is structured as follows: Chapter one is an introduction. The introduction looks at China's objectives, motives and strategic interests in Africa.

Chapter two provides the historical context of China in the African continent and its recent intensification. This chapter looks at how China's foreign policy towards Africa has evolved since the birth of the PRC in 1949. The study also looks at the post-Mao era in the 1980s where Chinese leaders have sought to assign priority to economic modernisation and to maximise access to foreign markets, technology and capital. The study also looks at the shift in China's Africa policy in the 1990s due to China's dynamic economic growth which fuelled an increasing appetite for energy and other raw materials. Furthermore, China's growing political and diplomatic clout led it to rethink its international voice and status in the 1990s.

This is followed by chapter three which looks at the political and economic implications of China's involvement in Angola. This chapter looks at the brief historical background of China's policy in that country; the political and diplomatic relations of the two countries, China's quest for raw materials, Chinese migrants in Angola, Chinese development aid, and the implications and recommendations of China in Angola.

Chapter four discusses the political and economic implications of China's interests in Sudan. This chapter looks at the brief historical background of China's policy in Sudan; political and diplomatic relations, Chinese development aid, weapons sales and military cooperation, and China's oil development policy in Sudan.

Chapter five looks at China's interest in Angola and Sudan which are attracting huge international criticisms particularly from Western countries. China's investment projects and development aid seem to be essential aid to the continent, allowing Angola and Sudan to finally pull themselves out of poverty. Yet most of these deals are widely criticised by Western actors and are seen as potentially U.S. and Western interests in the region. The chapter also looks at the effects of China's activities in Angola.

Chapter six provides qualitative assessment or analysis of where China is headed with its national strategy and how Africa should respond. This chapter recommends that African

countries should cooperate with China in order to meet strategic international objectives and for the development of the continent in particular. Africans have so far been uncertain how best to respond to China. Neither the AU nor sub-regional organisations like SADC have an articulated policy regarding China and its influence. Each of the forty eight sub-Saharan countries goes its own way, responding to China and Chinese entreaties idiosyncratically.

Chapter seven is a concluding section which summarises all the key arguments about the political and economic implications of China's interests in Angola and Sudan. It also concludes by raising important questions about the prospects for development in Africa. This chapter also concludes the study by setting lessons for African countries on dealing with foreign powers such as China. This framework will facilitate the massive study and analysis of China's interests in Angola and Sudan.

CHAPTER 2

2 Historical Contexts of Sino-Africa Relations

2.1 Introduction

This chapter looks at how China's foreign policy with respect to Africa has evolved since the birth of the PRC in 1949. Although China has long had a role in Africa the shape of current China-Africa relations can be traced back to the 1950s and the connections forged during the anti-colonial struggles for independence and the revolutionary period of Chinese foreign policy from 1950s to the early 1970s. Running through this engagement is China's emphasis on South-South co-operation based on a number of perceived similarities between China and African states. Furthermore, Beijing has argued that China and Africa are both cradles of human civilisation, victims of colonialism that both 'belong to the developing world' and face common enemies and as a result they have common strategic interests and a shared perspective on major international issues. Beijing has also suggested that as a result China and Africa should support each other in close co-operation on key global issues and has sought to mobilise and maintain African support on those issues.[38]

2.2 The Early Years (1950s – 1970s)

China has always engaged strategically with Africa and used the continent to bolster its geopolitical interests, which marks it out as similar to other superpowers. Broadly speaking, these changes in Chinese policy have seen a shift from Cold War ideology to a more classical pursuit of economic self-interest in the form of access to raw materials and the construction of spheres of influence through investment, trade and military assistance. The transformation in Sino-African relations since 1949 has gradually changed its tactics from confrontation to co-operation, from revolution to economic development, and from isolation to international engagement.[39] China's current engagement with Africa is not new but in fact it has its roots in policies pursued since the mid-1950s as well as earlier historical precedents. New China-Africa contacts were made in the early 20th century when European

[38] Mohan. G and Power, M. 2008. "New African Choices? The Politics of Chinese Engagement," in *Review of African Political Economy*, Vol. 35, No.115, March, p 27.

[39] Loc. Cit.

powers took Chinese labour to work in mines and plantations in their African colonies such as South Africa.[40]

During the Nationalist (Guomindang) government's intermittent rule of the mainland from 1911 to 1949, relations with Africa were irrelevant mostly due to domestic upheaval and the Japanese invasion. In the 1960s, China's third world policy became much more aggressive. At the height of the Cold War, Africa was seen primarily by Chinese leaders as a terrain for ideological competition not only with the U.S., but also with the Union of Soviet Socialist Republics (USSR), as well as remaining European influences. This took the form of Chinese diplomatic and military support in southern Africa, for instance, liberation movements which were ideologically committed to Maoist China as opposed to the USSR. The PRC's involvement in Africa took different forms – including support for liberation struggles and aid programmes – but its foremost motivation was not based on resource needs.[41]

China's Africa policy kicked off slowly in the 1960s after the Bandung Conference held in Indonesia on April 18 to 24 1955. There were attempts by Beijing to assert its leadership over the Third World and the Non Alignment Movement (NAM). At the conference in 1955, contacts were made for the first time between PRC and African diplomats, leading to the establishment of a Chinese Embassy in Egypt as the first on the African continent.[42] The Bandung conference enhanced the unity and cooperation of the Asian and African countries, inspired the people in the colonies to struggle for national liberation and played a significant role in promoting the anti-imperialist and anti-colonialist struggle of the Asian and African people. China shared with these nations a sense of humiliation, the urge to restore dignity and a determination to take control of its own destiny. The leaders present at Bandung sought to affirm their nation's independence from 'Western imperialism' while keeping the Soviet Union at a distance. This strategy laid the foundation for what came to be known as the NAM.[43]

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[40] Alden, C. and Alves, A C. 2008. "History and Identity in the Construction of China's Africa Policy." in *Review of African Political Economy*, Vol. 35, No.115, March, p 46.

[41] Ibid, p 48.

[42] Meidan, M. 2006. "China's Africa Policy: Business Now, Politics Later," in *Asian Perspective*, Vol. 30, No. 4, p 72.

[43] Muekalia, D. 2004. "Africa and China's Strategic Partnership," in *African Security Review* 13(1), Available at: http://www.iss.co.za/pubs/ASR/13No1/F1.pdf, p 6.

The following years saw an intensification of cultural and diplomatic missions. Over the past decade, a cultural shift in Chinese domestic occurred that made it acceptable to engage in matters external to the PRC. The current African wave is an example of this new perspective and understanding the roots of this cultural shift is central to understanding the intent behind China's Africa policy and its interests on the African continent.[44] In 1963 to 1964 the Chinese Foreign Minister visited ten countries accompanied by an impressive entourage of more than 50 official dignitaries. In 1964 alone, Beijing signed eight agreements with six African countries ranging from communications to all inclusive economic aid and technical assistance. In the same year China was particularly active in extending loans to African states, being responsible for 53 percent of the loans given to the continent. Loans were given on an interest-free basis in the form of complete equipment and technical assistance provided by Beijing and to be repaid over an extended period of time with African exports to China, having no conditions attached – a pattern which can be easily recognized in present China-Africa loans.[45]

The PRC's engagement with Africa waxed and waned according to its domestic situation, Cold War politics and its dispute with the Soviet Union. Beijing rhetorically championed Third World causes during the different phases of its involvement with Africa, including the revolutionary 'national liberation' struggles of the 1960s and 'self reliant development' of the 1970s. Africa in the Cold War era was seen primarily by Chinese leaders as a terrain for ideological competition with the Soviet Union and the U.S., as well as the remaining European influences. The relations with Africa first developed during a period when China's foreign policy was fiercely critical of the bi-polar Cold War world (1947 to 1989) and was seeking to wrest the leadership of NAM away from Moscow.[46]

Chinese Premier Zhou Enlai's tour of Africa in 1964 confirmed Beijing's support for African struggles against imperialism (which he called 'the poor helping the poor') and set the stage for Africa as an ideological battleground with both Washington and Moscow. In his tour Zhou Enlai famously declared Africa to be ripe for revolution as "excellent," effectively calling for a second, post colonial struggle against the new ruling African bourgeoisie.

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[44] Alden, C. and Alves, A C, Op. Cit, p 49.
[45] Loc. Cit.
[46] Mohan. G and Power, M. Op. Cit. p 28.

However, domestic economic and social difficulties, as well as China's own second revolution, the "cultural revolution," undermined the PRC's efforts to implements foreign policy objectives in Africa. The Chinese leaders were preoccupied with reviving the Chinese economy under post-Mao leadership of Deng Xiaoping, and then African policy shifted from support for Maoist inspired revolution to the search for new commercial engagements that would strengthen the PRC's economy.[47] By spreading the gospels of nationalism and independence and its good works, China set out to knit the African countries together into a Third World alliance with China at its head as a counterbalance to the Cold War superpowers and wealthy advanced economies of the North. In distancing itself from western approaches, China also drew on 'missionary-like' convictions of its righteousness in assisting Africa.[48]

In those early days China's presence was noted by lavish infrastructure projects, often with little connection to the actual needs of economic development of African countries. All along the coastal countries of West Africa huge, Olympic style stadiums – the hallmark of Chinese donations – were erected. In eastern Africa, competition was little tougher and China found itself financing and building a 1,860-kilometer long railroad linking Tanzania and Zambia, as the Western powers built nearly paralleled road system.[49] Despite waning interest in Africa in the late 1960s, the massive Tanzania-Zambia railway (1967-1975) which cost over US$600 million was built with the help of 15,000 Chinese workers stands out as a symbol of Sino-African solidarity. However, its success was limited by factors that are very familiar to other donors and in other areas. The Chinese not only failed to understand local political and institutional factors, but there were limited evaluations in the early period and a persistent over centralisation in decision-making. There was also a lack of transparency and more project linkages were held with Chinese agencies than with local institutions.[50]

There was a cultural wound down in the 1970s as China's domestic and foreign policies began to lose its strong ideological inflection particularly after the death of Mao Zedong in 1976. The early days of PRC diplomacy primarily involved attempts to counter the

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[47] Shelton, G. 2001. "The Beijing Sino-Africa Forum: consolidating a new paradigm for China's Africa policy," Global Dialogue, Vol. 6 (1) February, Available at www.igd.org.za.

[48] Mohan. G and Power, M. Op. Cit. p 28.
[49] Meidan, M. Op. Cit. p 74.
[50] Loc. Cit.

international recognition of Taiwan as the representative of China and thus to shore up votes for the eventual rejection of Taiwan's credentials in the United Nations (UN). China also wanted to compete with Western and Russian influence in the African continent.[51] In Zimbabwe in the 1970s, for example, China backed ZANU, the liberation movement of Robert Mugabe, while the Soviet Union backed Joshua Nkomo, ZAPU. China's confrontation with the U.S. in the 1950s and 1960s and with the Soviet Union in the 1960s and 1970s were particularly important. China's Africa policy was marked by anti-colonialism, anti-imperialism and anti-revisionism and pursuing an ideology-based foreign policy only hindered China's ties with the continent. Sino-African commercial exchanges reached, at their height in 1977, a mere $817 million.[52]

During the 1960s and 1970s Chinese assistance was provided mainly to "freedom fighters" and revolutionary groups in African countries. Estimates are that between 1955 and 1977, China sold $142 million worth of military equipment to Africa, which accounted for 75 percent of all military aid from outside the continent.[53] During the Cold War, as the U.S. and the former Soviet Union fought over spheres of influence in the international arena, wars were spawned throughout the continent in the name of either spreading or containing communism. Economies were destroyed, a blind eye was turned on despotic leaders who perpetuated human rights violations, including the imprisonment, torture and killing of opponents; and massive corruption was encouraged as these despotic leaders and their entourage were allowed to funnel billions of dollars in international economic development assistance and money amassed from exports of Africa's vast natural resources into their private Western bank accounts. Thus the economies of Western Europe and the U.S. were subsidised by the riches of Africa, just as, during the earlier European invasions, they were by slavery, and colonial rule.[54]

2.3 Turning Inward in the 1980s and Outward in the 1990s

In the post-Mao era Chinese leaders have sought to assign priority to economic modernisation and to maximise access to foreign markets, technology and capital. Africa

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[51] Mohan. G and Power, M. Op. Cit. p 28.
[52] Meidan, M. Op. Cit. p 73.
[53] Loc. Cit.
[54] Lee, C. M. Op. Cit, p 304.

policy shifted from support for Maoist-inspired revolution to the search for new commercial engagements that would strengthen the PRC's economy. Deng Xiaoping reaffirmed a policy of non-interference, encouraging African countries to find political and economic models of development to suit their own particular circumstances. During Africa's 'lost decade' of the 1980s Chinese economic attention was firmly directed towards Japan and the U.S. whilst Sin-African trade was increasingly marginalised. After June 1989, China underwent a major re-evaluation of its foreign policies as it ended its 'honeymoon' relationship with the west.[55] Attention to Africa waned in the 1980s as China embarked upon its modernization and opening up to the developed world. China also found itself unable to compete with Western aid programs. Less development aid was destined to Africa (as China was also a receptor of development aid) and it was not until the Tiananmen events in 1989 in which China was isolated and it turned its attention to Africa once again. The fierce reactions of Western countries to the 1989 Tiananmen Square incident induced Beijing to seek closer ties with non-western countries.[56]

Current relations are developing in a markedly different context from previous periods of Chinese involvement in Africa. China's engagement today is occurring under new circumstances in which a more developed China operates under conditions of growing interdependence and plays an increasingly important role in the global economy. The ideological disagreements of the Cold War have been superseded by economic competition and political differences, as China participates in the global economy and pursues better trade terms rather than an alternative socialist vision.[57] Beijing's engagement appears to be predicated upon a longer term timeframe and driven by economic diplomacy rather than the ambitious ideology of the past. The key factors propelling Chinese engagement in Africa can be summarised as a combination of domestic Chinese dynamics, desire to expand into new markets and international political factors.[58]

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[55] Mohan. G and Power, M. Op. Cit. p 30.
[56] Meidan, M. Op. Cit. p 74.
[57] Alden C. Large D. "et al." Op. Cit, p 3.
[58] Loc. Cit.

2.4 The shift in China's Africa Policy

Toward the late 1990s China's view of Africa changed for a number of reasons. First, China's dynamic economic growth fuelled an increasing appetite for energy and other raw materials, such as iron ore, titanium, copper, uranium, manganese, and timber, all to be found aplenty in relatively untapped markets in Africa. Second, China's growing political and diplomatic clout led it to rethink its international voice and status, consequently raising speculation and apprehension with regard to the nature of rising Chinese power and its long term global objectives. While China's initial interest in Africa was undoubtedly economic and commercial, the need has arisen in Beijing to rethink of China's global policy and its diplomatic objectives. By the middle 1990s securing energy resources became a key driver of China's foreign policy. In terms of resource security, oil is clearly a crucial concern.[59]

2.4.1 The Forum on China-Africa Cooperation (FOCAC)

In 1996, Beijing's fears of further damage to its relations with the west reappeared with the Taiwan missile crisis. In this setting, Africa emerged as an important supporting platform for China. President Jiang Zemin and Premier Li Peng's Africa-Asia tours of 1996 and 1997, respectively, can be thus viewed as a preparatory stage for the full revival of Africa in China's foreign policy. In fact, it was during that trip that Jiang launched the idea of creating FOCAC, which was held in Beijing in 2000. FOCAC is a distinctively bilateral arrangement in China's relations with the current 49 African countries recognising Beijing. Its four meetings to date (Beijing in October 2000; Addis Ababa in December 2003, Beijing in 2006, and Beijing in 2009) combined bilateral meetings at which aid and business deals are discussed, with parallel business meetings facilitating exchanges and state of relations.[60] FOCAC is an institution controlled by the Chinese Ministry of Foreign Affairs with the purpose of coordinating Chinese political objectives in Africa. The central purpose of the Forum is also to strengthen economic co-operation and to consolidate areas of common interest. The conference was seen by Beijing as a meeting of "natural allies" on the road to economic

[59] Mohan. G and Power, M. Op. Cit. p 76.
[60] Alden C. Large D. "et al." Op. Cit, p 4.

development and the long hoped-for the restructuring of the global economic architecture.[61]

The fourth leadership generation of the Chinese Communist Party (CCP) that took over in 2002 further committed the country revitalizing the third world dimension in China's foreign policy. This is then reflected in the surge of diplomatic exchanges with Africa since the early 2000s and further stressed by the promulgation of a white paper on China's Africa Policy in January 2006, the same year that China celebrated fifty years of diplomatic relations with Africa and when the FOCAC summit took place. The issuing of this policy paper, coupled to the fact that there were two high level visits the same year to the African continent, the first one in April, headed by President Hu Jintao himself and the second one in June by Premier Wen Jiabao, leaves no doubts of the importance of Africa in Chinese foreign policy.[62]

This resource diplomacy has seen various high level visits and policy fora. During President Jiang Zemin's 1996 Africa visit he signed 23 economic and technical cooperative agreements with six African countries. He also outlined a five point proposal for long term Sino-African cooperation, which included fostering 'sincere friendship', interaction based on equality, respect for sovereignty and non-interference, common development on the basis of mutual benefit, enhanced consultation and co-operation in global affairs, and the pursuit of a just and fair international economic and political order. Furthermore, this was followed up in the Beijing Sino-African ministerial conference in October 2000 which led to the establishment of a permanent FOCAC. The forum has since become the principal instrument for fostering dialogue and co-operation with African countries even those that still maintain an official contact with Taiwan.[63]

In some ways the 2006 Beijing FOCAC meeting marked the end of the beginning of China's latest engagement with Africa, a process qualitatively different from the past. The FOCAC meeting brought together forty-eight African delegations and forty-one heads of state in the Chinese capital. It also brings together the Chinese and Africa political and business leaders

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[61] Shelton, G. 2005. China, Africa and Asia Advancing South-South Co-operation, En libro: Politics and Social Movements in a *Hegemonic World: Lessons from Africa, Asia and Latin America*, Buenos Aires, Argentina, p 350.

[62] Alden, C. and Alves, A C, Op. Cit, p 54.
[63] Mohan. G and Power, M. Op. Cit. p 31.

with the aim of collective consultation and dialogue and a cooperation mechanism between the developing countries, which falls under the category of South-South cooperation. This forum, gathering heads of states and key ministers, held alternately in China and Africa, met for the third time with great pomp and ceremony.[64]

The closing statements at the 2006 summit hailed "new strategic partnership" between China and the African continent and included a Chinese call for reform of the United Nations to give Africa a permanent seat on the Security Council. China also pledged to increase its two-way trade with Africa from the current $40 billion to $100 billion by 2009. China will also set up three to five special economic zones, providing US$3 billion in preferential loans and US$2 billion of exports credits and institute a $5 billion development fund to encourage Chinese investments in Africa.[65] Moreover, 100 new schools will be built, 16,000 professionals will be trained, and the Chinese language and culture will be massively introduced into the continent. Chinatowns are springing up all over Africa to cater to some 80, 000 Chinese nationals working and living on the continent.[66]

In January 2006 China published the equivalent of a white paper, *China's African Strategy*. Whilst reaffirming older principles of non-interference and the 'one China' policy, it put more emphasis on increasing trade balance, massive investments in African national resources and economic cooperation as the basis for engagement and also outlines China's intention to deepen political relations. There is also a clear emphasis on access to African commodities, on co-operation in the multilateral system and on Chinese support for the AU/ New Partnership for Africa's Development (NEPAD) and other regional initiatives and organisations. Coupled with political statements about change in the global system, these Chinese initiatives are making analysts wonder about the nature of the PRC's renewed interest in the continent.[67]

Moreover, Hu Jintao embarked on an eight nation tour of Africa in February 2007 (his third visit in as many years) dispensing billions of dollars of debt relief and announcing discounted loans and new investment. A US$5 billion China-Africa Development Fund was also recently

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[64] Meidan, M. Op. Cit. p 71.
[65] Zhiqun, Z. Op. Cit. p 11.
[66] Meidan, M. Op. Cit. p 70.
[67] Mohan, G and Power, M. Op. Cit. p 32.

launched that aims to encourage Chinese firms to invest in Africa whilst the 2006 Beijing FOCAC meeting pledged to open three to five trade and economic co-operation zones in Africa by 2009.[68]

A statement by Chinese Vice Foreign Minister Wang Yi at the open debate of the Security Council on the relationship between the UN and regional organisations said that "both China and Africa follow the principle of mutual respect, treating each other as equals, mutual benefit and win-win cooperation in forging a new type of strategic partnership and carrying out cooperation that serves the interest of China and African countries and peoples."[69] During the China-Africa Summit in 2009 Beijing pledged $10 billion in loans to Africa and countered criticism that it was plundering the continent's resources. Following on Beijing's promise of new loans and debt forgiveness, Chinese and African officials capped the FOCAC with a document outlining joint priorities in boosting relations and a roadmap for implementing the plan. China also said that it would help Africa deal with climate change challenges such as desertification. The new initiatives, announced by Chinese Premier Weng Jiabao and to be implemented over the next three years, build on a previous three year plan from 2006 in which Beijing pledged $5 billion in loans. They are a response to the requests by the African people to improve their livelihood. The two agreements represent a comprehensive plan for a new stage of Chinese African cooperation, Chinese Foreign Minister Yang Jiechi told reporters at the summit.[70]

2.5 China's Quest for Raw Materials

An unprecedented need for resources is driving China's foreign policy. A booming domestic economy, rapid urbanization, increased export processing, and the Chinese people's voracious appetite for cars are increasing the country's demand for oil and natural gas, industrial and construction materials, foreign capital and technology. Twenty years ago, China was East Asia's largest oil exporter. Now it is the second world largest oil importer.[71] In 1993 China became, for the first time, a net importer of oil. Despite being the fifth largest

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[68] Loc Cit.

[69] Loc Cit.

[70] Europafrica.net. 2009. "China-Africa summit yields promise of new aid" Available at: http://europafrica.net/2009/11/10/china-africa-summit-yields-promise-of-new-aid/.

[71] Zweig, D and Jianhai, B. 2005. China's Global Hunt for Energy, in *foreign Affairs*, Vol 84. No 5, p 25.

global producer of crude oil, China's indigenous production is stagnating (production in demand has been rising by almost 10 percent), and China is having difficulties keeping up with growing domestic demand. In order to meet increasing demand, China has been engaging global oil producers for growing quantities of imported oil. Estimations are that China will remain heavily reliant on oil and on oil imports, even if it does not manage to use its energy more efficiently. Moreover, conservative estimate speak of 7.9 million barrels of oil a day (mb / d) by 2010, whereas the upper figures tend toward 9.2 mb / d. With rising car ownership, rapid industrialisation, and the government's difficulties in reining in growth, oil consumption is sure to keep following this trend.[72] The most common explanation for China's increasing interest in Africa is that China is desperate to secure a steady supply of the raw materials needed to sustain its remarkable economic growth.

Most of China's imports originate in the Middle East, but China is trying to reduce its dependence on any one source so as to avoid putting all its eggs in one basket. China has now embarked on an ambitious quest to diversify its imports sources. In 1998, the Middle East accounted for over half of China's imports, but due to the political instability in that region and the perceived domination of the U.S. in these countries' oil markets, China has started to privilege ties with other oil producing countries and to diversify its oil imports. Whereas the Middle East now provides fewer than 40 percent of Chinese imported oil, Africa's share is slowly rising. In 20003, China imported 22.5 million tons of Africa oil, 18 percent of its total imports, and in 2005, Africa's share rose to almost a quarter of total imports, with 38.5 million tons.[73]

China's vision is that of strong state control over national oil resources and a preference for consolidating long-term political ties with oil producers instead of relying solely on the markets. As a result, China has been encouraging its national oil companies (NOCs) to "go out" and build up their international experience. Since the Chinese NOCs are important contributors to the central government's tax revenue, it is in both the government's and NCOs' interest to expand their activities overseas. China's activities in Africa have, however, not been limited to the energy sector. In the space of three years, these activities have

[72] Meidan, M. Op. Cit. p 77.
[73] Loc. Cit.

expanded to include other raw materials and infrastructure projects in countries such as Angola, Gabon, Nigeria, Gabon, Congo, Ivory Coast, Namibia and Kenya.[74]

2.5 Conclusion

The PRC's engagement with Africa waxed and waned according to its domestic situation, Cold War politics and its dispute with the Soviet Union. In the post-Mao era Chinese leaders have sought to assign priority to economic modernisation and to maximise access to foreign markets, technology and capital. Africa policy shifted from support for Maoist-inspired revolution to the search for new commercial engagements that would strengthen the PRC's economy. Toward the late 1990s China's view of Africa changed for a number of reasons. First, China's dynamic economic growth fuelled an increasing appetite for energy and other raw materials all to be found aplenty in relatively untapped markets in Africa. Second, China's growing political and diplomatic clout led it to rethink its international voice and status, consequently raising speculation and apprehension with regard to the nature of rising Chinese power and its long term global objectives. China's rapid economic growth created an unprecedented need for resources is driving China's foreign policy.

The Following chapter looks at the relationship between China and Angola. It also considers how China was able to successfully enter and develop its relations with Angola and how the basis of its success would produce unexpected challenges with Angola. It goes on to trace the Chinese role in the development of Angola's oil export sector which is a great contribution that established the foundation for a broader and deeper Chinese economic role in that country.

[74] Ibid, pp 77-78.

CHAPTER: 3

3 China in Angola

3.1 Introduction

This chapter looks at the relationship between China and Angola. It also considers how China was able to successfully enter and develop its relations with Angola and how the basis of its success would produce unexpected challenges with Angola. It goes on to trace the Chinese role in the development of Angola's oil export sector which is a great contribution that established the foundation for a broader and deeper Chinese economic role in that country. It also looks at Chinese migrant workers, China's commitments and promises and the implications and recommendations of China's involvement in Angola. This study argues that China's relationship with Africa will benefit both parties as well as other countries around the world if it is given ample opportunity and properly managed. The author is of the view that if correctly managed, this relationship will be based on the principles of sustainability, mutual benefit and respect rather than charity.

After almost three decades of civil war (1975 – 2000), Angola has enjoyed a period of sustainable peace since April 2002 and it had some successful legislative elections in 2008 – the first since 1992. From having one of the most protracted conflicts in Africa, Angola has within five years become one of the most successful economies in sub-Saharan Africa.[75] Fuelled by record high international oil prices and robust growth in both the oil and non oil sector, Angola has experienced exceptionally high growth rates in recent years. In 2006, real GDP reached 18,6 percent, following the already impressive 20,6 percent in 2005. The IMF projects GDP growth to remain high at 23.4 percent in 2007 and 26,6 percent in 2008. Meanwhile inflation has fallen over 300 percent in 1999 to 12 percent in 2006, and surging oil revenues have led to large fiscal and external current account surpluses.[76]

With the war now over, rapid post conflict reconstruction has become the government's priority. The PRC has in particular played an important role in assisting these efforts.

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[75] Campos, I and Vines, A. 2008. "Angola and China, A Pragmatic Partnership," Available at http://csis.org/files/media/csis/pubs/080306_angolachina.pdf, p 1.
[76] Loc Cit.

Chinese financial and technical assistance has kick started over 100 projects in the areas of energy, water, health, education, telecommunications, fishery and public works. On the occasion of Chinese Prime Minister Weng Jibao's visit to Angola in June 2006, Angolan President Eduardo dos Santos described bilateral relations as being "mutually advantageous" partnerships that were "pragmatic" and had "no political preconditions." He simply stated that "China needs natural resources and Angola wants development."[77]

3.2 Political and Diplomatic Relations

China's involvement in Angola dates back to the early years of the anti-colonial struggle through its support for the three major liberation movements in the country: Popular Movement for the Liberation of Angola (MPLA), National Union of the Total Independence of Angola (UNITA), and the National Front for the Liberation of Angola (NFLA). At that time, the Cultural Revolution was raging in China, and relations were defined by Cold War politics.[78] In Angola, although China strongly opposed Portuguese imperialism in Africa, China did not provide clear support to any one liberation movement and when relations with the MPLA soured in the late 1960s and early 1970s (as the MPLA moved closer to the Soviets) China increased its support to the UNITA and even sided with the U.S. in an attempt to weaken the USSR's grip on Angola. Moreover, Chinese support switched back to the MPLA in the late 1970s and early 1970s however suggesting that Angola was more like a testing ground for the PRC's position towards the superpowers than a setting where China demonstrated and adapted its committed support for national liberation. Hence, China's support to African liberation movements was shaped largely by its own geopolitical interests and oscillated between different nationalist groups, lacking consistency and continuity.[79]

When independence was achieved in November 1975, the MPLA controlled the capital, and its leader, Agnostinho Neto, became the first president of Angola. Although China subsequently severed its ties to UNITA, the two countries did not establish diplomatic relations until 1983, a reflection, perhaps, of the previously strained relationship between the two governments. During the next two decades, China maintained a fairly low profile in Angola, providing only small scale assistance. There were reports that Beijing had helped

[77] Loc. Cit.
[78] Ibid, p 2.
[79] Mohan, G and Power, M. Op. Cit. p 29.

establish fishing cooperative, an electric appliance factory and a low cost housing project. In light of what was to come, however, the Chinese role during these decades was modest.[80]

Relations between the two countries took an about face in March 2004 when China's Export-Import Bank (Eximbank) offered a US$2 billion oil backed loan to Angola on very favourable terms. The reasons for an offer of this magnitude soon became clear. Shell had divested itself of its oil interests in Angola and had negotiated a deal with Indian oil companies to take over its 50% equity-stake in deep water Bloc 18 operated by British Petroleum. Sonangol, which is Angola's national oil company exercised its rights of first refusal and instead, gave the equity stake to Sinopec, one of China's national oil companies. In another development reflecting China's increased clout, Sonangol refused to extent France based Total's concession over one part of offshore oil Bloc 3, presumably because of an Angolan pique with the French government over the "Angolagate" affair, Sinopec was the end beneficiary of the new arrangement.[81]

China-Angola relations showed a sound momentum of growth with increasing exchanges at all levels. The two countries also support each other in international and regional affairs with close cooperation. Premier Weng Jiabao lauded the sound growth momentum of China-Angola relations since diplomatic recognitions twenty one years ago. He said that the realization of nationwide peace in Angola made it possible for greater personnel exchanges and faster development of trade and economic cooperation between the two countries with all the heartening achievements, Angola had become China's important cooperation partner in Africa.[82]

3.3 China's Quest for raw materials in Angola

Angola is Africa's second largest oil producer after Nigeria. If the current trend continues, Angola will overtake Nigeria as the continent's biggest oil supplier. This oil boom is pouring billions into the government's coffers. On 1 January 2008, Angola was admitted as the 12th

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[80] Hare, P. 2007. "China in Angola: An Emerging Energy Partnership," China Brief volume: 6, Issue http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=3997&tx_ttnews%5BbackPid%5D=196&no_cache=1, 22, May.

[81] Loc cit.

[82] China's Africa Policy, Op Cit.

fully fledged member of the Organisation for Petroleum Exporting Countries (OPEC). Angola with crude oil production of 62 million tons in 2005 and in January 2006 became the first exporter of crude oil to China, displacing Saudi Arabia and Iran. This evolution came, however, against the backdrop of major loans granted by China for this purpose. In 2006, Angola earned more than $30 billion from oil export. The country is now the largest supplier of oil to China, and, in four years, Angola is expected to produce as much oil annually as Kuwait. Angola's economy is almost entirely dependent on oil revenues. For example, in 2005, the oil sector accounted for more than 52 percent of GDP, 78 percent of government revenues and 93 percent of exports.[83]

In 2005 Angola was given a $2 billion loan from China in exchange for oil deals, supplemented by an additional $1 billion in March 2006. This credit was approved by Chinese export bank Eximbank for rebuilding infrastructure destroyed in the civil war. In return China would receive 10, 000 barrels of oil a day.[84] This credit line was then put to use by China's Sinopec as it acquired stakes in three Angolan oil exploration blocks, estimated to have total proven reserves of 3.2 billion barrels of oil. The deal is expected to boost oil production Sinopec by 100,000 barrels a day after they come on stream next year. In addition, Sinopec acquired stakes of 27.5 percent, 40 percent, and 20 percent in the off-shore blocks through its joint venture with Angola's state national oil company (Sonangol Sinopec International), in which it holds a 75 percent stake in the joint venture. Sinopec is said to have offered $2.4 billion for the oil blocks.[85]

Across Angola, Chinese workers are busy building roads, railways and technical institutes with the help of $2 billion oil backed loan from China's Export and Import Bank (Exim-Bank) that is to run until 2016. One of the key Chinese-funded projects is the reconstruction of the 1,300 kilometer railway from the west coast city of Benguela to the mineral rich area on Angola's eastern border with the DRC.[86] Furthermore, Angola plans to begin rebuilding the roads destroyed in its civil war. It will start with a 300 kilometer stretch between the capital

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[83] Keenan, P. 2008. "Curse or Cure? China, Africa and the Effects of Unconditioned Wealth," August, in *Berkeley Journal of International Law,* and Available at: http://www.boalt.org/bjil/docs/BJIL27.1_Keenan.pdf, Vol.27 1, p 97.

[84] Meidan, M. Op. Cit. p 78.

[85] Loc cit.

[86] Ibid, p 79.

Luanda and the northern agricultural and mining province of Uige, which is rich in copper deposits. China has granted Angola a $211 million credit to finance the first stage of the project, which will be carried out by the private Chinese Company Roads and Bridges Corporation (CRBC) over the next two years.[87]

Nevertheless, international critics raise concern over the lack of public scrutiny of either specific reconstruction projects or the procurement process. Meanwhile, many Angolans have voiced fears that local firms may get waylaid in the reconstruction process by Chinese firms, despite the country's laws stipulating that 30 percent of the work must be given to local companies.[88] Trade between China and Angola is estimated to be approximately $5 billion per year. There is concern that the oil wealth will not be distributed among all the regions of the state and will not reach the poverty stricken Angolans in the Ovumbundu regions, from which Jonas Savimbi fought the recently concluded civil wars. Additionally, the thousands of jobs created by these huge construction projects are primarily going to Chinese workers and this is causing increased resentment by the local population. While the Angolan economy is growing at a rapid pace a majority of the population live in poverty; taking jobs that could be offered to the local population may exacerbate the situation.[89]

Currently, Angola exports 25 percent of its oil to China. In an effort to secure a major stake in Angola's future oil production, Beijing provided the Angolan government with an unconditional $2 billion soft loan for infrastructure development and the building of schools, hospitals, and offices as well as the laying of a fibre-optic network and the training of telecommunications workers. Although the government of Angola was very pleased with the loan, many local entrepreneurs were not happy. This was because the loan agreement stipulated that only 30 percent of the construction contracts would be allocated to Angolan companies while the remaining 70 percent would go to Chinese companies.[90]

China's trade, aid and investment linkages with African countries have increased exponentially in the past few years. These links appears to have resulted in increased migration between Africa and China. Along with Chinese small business owners and migrant

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[87] Loc cit.
[88] Loc cit.
[89] Butts, K and Bantus, B, Op. Cit, p 6.
[90] Lee, C. M. Op. Cit, p 319.

workers settling in African cities, Chinese companies involved in banking, construction, infrastructure, mining and oil extraction projects also tend to bring their own workers to Africa.

3.4 Chinese migrants

Migration to Africa from China has existed for at least 500 years, but has accelerated in the past five years (2004 to 2009) as new business opportunities become apparent. Ethnic business communities are certainly not new to Africa, but the scale and dynamism of the Chinese communities are likely to shape economic, social and political relations on the continent for decades to come.[91] The most astonishing incidence of Chinese migration to Africa may be found in Angola. The ever-creative rumour circuit in Luanda has suggested that the Angolan government planned to invite up to three million Chinese, many of whom would be settled in the central highlands to restart the moribund agricultural sector. With a population of twelve million in a state still emerging from decades of civil war, this would certainly introduce a volatile dynamic into fragile environment. To date the bulk of Chinese migration has been to Cabinda province in the north, attracted by the oil industry and infrastructure projects, and the total number of Chinese is estimated at 40, 000.[92]

Most of these Chinese are low skilled migrant workers who enter the country under the ambit of the Chinese credit line. They usually come on one to two year contracts and return to China on the completion of their contacts. They live in closed compounds, often at the site of the actual construction. There have been reports of serious social problems, as these workers barely have any contact with local Angolans and language remains a serious challenge for them. According to an independent Chinese entrepreneur in Angola, these workers earn a very low salary and therefore lack the financial ability, language skills, and contacts to establish their own businesses in Angola, where the official estimated that setting up a business costs at least $400,000.[93]

Despite the cost of doing business in Angola there is a growing number of young Chinese entrepreneurs pursuing business ventures throughout the country. They often complain,

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[91] Alden, C. Op. Cit, p 53.
[92] Loc Cit.
[93] Campos, I and Vines, Op Cit, p 22.

however, about the language barriers, the lack of infrastructure, and the bureaucracy. Angola has inherited the Portuguese bureaucratic system, which gives Portuguese and Brazilian businessmen cultural and linguistic advantage over others. With talk of establishing Chinatown in Luanda, and weekly flights linking Beijing to the Angolan capital, the number of professional Chinese venturing into Angola may rise.[94]

The massive influx of Chinese businesspersons and companies into Angola has been received with a mixed response. Anecdotal evidence suggests that there is already a growing resentment of the Chinese presence in Angola. There has been talk of "Chinese invasion" and complaints that the Chinese are taking jobs and contracts away from the Angolans. They further complain that the Chinese have not been transferring skills or technology to the Angolans, raising the question of what happens once a project is completed. Others, including those in high levels of government, have criticised the low quality of goods and services that Angola has been receiving from China. As potential evidence of the growing tensions between the two countries, President Jose do Santos chose to visit Moscow with a high powered delegation, while sending his Prime Minister to the FOCAC summit in his stead.[95]

3.5 Chinese Development Aid

3.5.1 China's Commitments and Promises

Twenty first century Sino-African relations have been steered chiefly by the China-Africa Cooperation Forum (CACF), established in Beijing in 2000. The forum meets every three years and the second CACF was held in December 2003 in Addis Ababa, Ethiopia. The FOCAC serves as a platform to display the benefits of regional cooperation between Chinese officials and their African counterparts.[96] During this meeting, the Chinese government announced, among other things, that the debt of 31 African countries had been cancelled ($1.3 billion); that support for NEPAD would be forthcoming; that China would increase its participation in UN peacekeeping missions in Africa; aid to Africa would gradually be increased; 10 000 Africans would receive professional training over three years; duty-free

[94] Ibid, p 23.
[95] Hare, P. Op Cit.
[96] Alden, C. Op. Cit, p 30.

access would be granted to the least developed countries on the continent, Chinese tourism would increase, and Chinese firms would be encouraged to invest in Africa.[97]

Not only have these commitments been kept, but also, currently 900 Chinese doctors are serving in Africa, and in West Africa Chinese have commenced the development of a malaria vaccine programme. Thousands of students and workers are sent to Chinese Universities for training. All these gestures are designed, critics argue, to enhance goodwill for contentious political issues and investment opportunities. Partly as a result of China's investment, in 2005 Africa's economic growth was 5.2 percent, which was the highest ever; and the IMF projects that Africa's growth for 2006 will be even higher at 5.8 per cent, largely as a result of China's trade with the continent.[98]

In order to cement ties, and keeping with its Third World rhetoric, China has also promised steps to expand economic and trade ties and help Africa by offering zero tariff treatment for some exports and increased aid and debt relief, while at the same time helping to build infrastructure.[99] During the FOCAC summit, Hu Jintao pledged that china would further open up its market to Africa by increasing the number of tariff-free export products from 190 in 2003 to 440 by 2007 and would establish three to five trade and economic cooperation zones in Africa. In terms of development aid, the FOCAC provided an excellent opportunity for China to sustain its image as leader of the Third World. Furthermore, in light of growing Western criticism, China sought to seize the moral high ground by calling for greater investment and aid from rich nations to help poor African countries, regardless of who governs them.[100] China then provided the first example as the concluding statements promise the following:

> The Chinese government has decided to assist African countries in building 30 hospitals and provide 300 million Yuan (approximately 37.5 million U.S. dollars) of grants for providing anti-malaria drugs to African countries and building 30 demonstration centres for prevention and treatment of malaria in the coming three years....The Chinese government will establish more Confucius Institutes in African countries to meet the locals' needs in Chinese language teaching and will encourage Chinese Universities to teach Africa languages....China will help

[97] Lee, C. M. Op. Cit, p 318.
[98] Loc cit.
[99] Meidan, M. Op. Cit. p 82.
[100] Ibid, p 83.

> African countries set up 100 rural schools in the coming three years and increase the number of scholarships for African students in China to 4,000 a year by 2009 from the present 2,000. The Chinese government also vowed to provide annual training for a number of educational officials as well as heads and leading teachers of universities, primary, secondary and vocational schools in Africa.[101]

There is also aid of different kind by China into African countries. China also actively engaged in peacekeeping missions in the continent. In January 2003 Beijing sent its first contingent to Congo, followed by 598 troops to Liberia. Since 1990 China has engaged over 3,000 troops in peacekeeping mission in Africa, allowing China to improve its image and develop military cooperation projects with countries like France and the United Kingdom, which are also involved in the region. China currently has 1,200 officers in peacekeeping missions in Africa.[102]

While these are some of the projects and promises undertaken by the Chinese companies in Africa in the last few years, it is clear that they are concentrated essentially on raw material extraction, and often development of the related and required infrastructure. Agriculture and fishery are also important components of China's Africa thrust, but it would seem that China's track record, at least in Central Africa, has been more impressive in infrastructure projects than in resource extraction.[103]

3.6 Implications and Recommendations

The Chinese seem to be settling in for the long haul in Angola. Although both China and Angola stand to benefit from the increased economic cooperation, the relationship also raises new policy challenges for Angola. There is an urgent need for better mutual research and understanding. The absence of historical, cultural, and linguistic links between China and Angola leaves both countries ill equipped to do this. Angola does not have a Chinese language program at present.[104] In late 2007, the Catholic University in Luanda created a small cell to explore the Sino-Africa relationship. Lopo do Nascimento, a former Angolan Prime Minister, is one of the few Angolan intellectuals thinking about the long term impact

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[101] Loc cit.
[102] Ibid, p 84.
[103] Loc cit.
[104] Campos, I and Vines, Op Cit, p 24.

of Africa's relationship with China and its implications for Angola. Likewise Beijing has very little knowledge of Angola, with only one ambassador acting as an advisor on Angolan issues to Chinese research institutes. Chinese researchers complain that despite the growing economic importance of Angola to China, China's intellectual capacity to analyse the country has not increased. This highlights a serious socio-cultural deficit for promoting a more realistic understanding of non-elite bilateral relations. Both governments need to take more aggressive steps to broaden their bilateral cooperation beyond their narrow elite business dialogue.[105]

Having recently emerged from civil war, Angolan policy is focused on reconstruction. Rebuilding infrastructure quickly and at the lowest possible cost is the top priority. In this regard, the Chinese have made a broadly positive contribution. With well over half of Angola's working age population jobless, the rapid influx of Chinese workers and businessmen raises both employment and transfer of know-how prospects. Under existing agreements, Chinese companies have access to 70 percent of the contracts, leaving 30 percent for Angolan contractors. However, the Angolan government is finding it difficult to fulfil their contractual obligations. Competent Angolan companies are overstretched and in much demand, and the Chinese have raised concerns regarding the standards of quality of the services provided by Angolan contractors, as well as time frames for delivery.[106]

Angola should be wary of outsourcing jobs that Angolans could do themselves. According to a senior government official, Angola spends over $800 million annually on transportation of materials. Therefore, the government should do more to promote and improve national companies such as Secil Maritima, the country's maritime shipping company. Angolan contractors should at least be able to provide basic services such as the supply and transportation of materials, as well as provision of services such as security. Moreover, the absence of local players to enter joint venture with Chinese multinationals may limit opportunities to achieve real transfer of know how and technology. The government needs to design policies to consolidate local firms and position them as a matter of policy to partner and learn from Chinese companies.[107]

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[105] Ibid, pp 25-26.
[106] Loc cit.
[107] Ibid, p 25.

China's massive credit lines to finance infrastructure development also raise important questions related to the sustainability of these projects. Without downplaying the importance of the schools, hospitals, dams, roads and bridges that are being built around the country, there is a legitimate concern about the government's capacity to maintain such investments after their completion, taking into account the country's enormous deficiency in human and institutional capacity. Although the government is making effort to train people, it would be unrealistic to think that they train people as quickly as they build infrastructure. Furthermore, with Angola's low level of technology, there is the threat of long term dependence on China. The government of Angola will need to focus more attention on planning and organisation to ensure the sustainability and transfer of know-how or risk relying on Portuguese and others returning in the near future to rebuild what the Chinese have just completed.[108]

3.7 Conclusion

With the war now over in Angola, rapid post conflict reconstruction has become the government's priority. The PRC has in particular played an important role in assisting these efforts. Chinese financial and technical assistance has kick started over 100 projects in the areas of energy, water, health, education, telecommunications, fishery and public works. In fact, the two countries need each other. The realization of nationwide peace in Angola made it possible for greater personnel exchanges and faster development of trade and economic cooperation between the two countries with all the heartening achievements, Angola had become China's important cooperation partner in Africa. Chinese commitments and promises have also been kept to enhance goodwill for contentious political issues and investment opportunities in both Angola and Sudan.

As the economies of China and African countries become integrated, the movement of students, business people and temporary workers will grow exponentially. However, history shows that permanent settlement brings integration challenges. For instance, Chinese in apartheid South Africa faced discriminatory laws throughout the 20th century. African countries also have a history of cracking down on foreigners deemed an economic threat to natives, most notably the expulsion of Asian Indians from Kenya, Uganda and Tanzania in

[108] Loc cit.

the 1960s and 1970s and the recent xenophobic attacks in South Africa. African countries could also opt to limit immigration from China. Perhaps African and Chinese leaders could recognise such obstacles and place migration issues on the agenda of future ministerial meetings.[109] The following chapter will look at China's involvement in Sudan and its recent intensification. It will also look at the political and diplomatic relations, China's oil development policy and weapons sales and military cooperation between the two countries.

[109] Politzer, M. 2008. "China and Africa: Stronger Economic Ties Mean More Migration," August, Available at: http://www.migrationinformation.org/Feature/display.cfm?id=690.

CHAPTER 4

4 China in Sudan

4.1 Introduction

The Republic of Sudan is among the first African countries to establish diplomatic relations with the PRC. The two countries established diplomatic relations on January 4, 1959 and have since maintained friendly relations and cooperation. Sudan gave China firm support on the question of Taiwan at the 59th Session of the UN General Assembly and the 57th World Health Assembly of the UN Commission on Human Rights. Trade and economic relations between China and the Sudan made further headway, with smooth progress in the energy field. Trade volume kept rising, making Sudan China's third largest trading partner in Africa after Angola and South Africa.[110]

4.2 Political and Diplomatic Relations

The diplomatic relationship between China and Sudan was established in 1959. More recently, the Chinese government has claimed to be a 'responsible' power that exerted 'influence' on the Sudanese government to accept a UN-AU peacekeeping force in Darfur and sought credit for its 'constructive' role in passing Security Council Resolution 1769 on 31 July 2007 that enabled this. During President Hu Jintao's state visit to Sudan in February 2007, billboards sponsored by the CNPC in Khartoum proclaimed the friendship between the peoples of Sudan and China to be 'evergreen.' President Hu Jintao is also reported to have told President Bashir to accept a proposal by the then UN Secretary General Kofi Annan to allow a UN-AU peacekeeping mission into Darfur, saying that 'Darfur is part of Sudan and you have to resolve this problem'.[111]

China's doctrine of non-interference had previously benefited from the absence of wide-spread involvement in Sudan. Since the mid-1990s, the Chinese role has become more embedded and, as this inevitably has become intertwined in Sudanese politics, more

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[110] China's Africa Policy, Op Cit.

[111] Large, D. 2008. "China and the Contradictions of 'Non-Interference' in Sudan," in *Review of African Political Economy*, Vol. 35, No.115, March, p 93.

consequential. The nature and evolution of China's involvement in Sudan has given rise to a number of challenges for Beijing to the point where Sudan has become a notable issue affecting China's role in Africa and international politics more generally.[112] The continuity in the formal principles governing political relations between China and Sudan after independence is striking: from Premier Zhou Enlai's visit to Khartoum in 1964 to President Hu Jintao's visit in 2007, the Chinese foreign policy principles organised around sovereignty, territorial integrity and non interference have endured at the level of political discourse. As Premier Zhou Enlai asserted at the Bandung Conference in 1955 that "We are against outside interference, how could we want to interfere in the internal affairs of others?" He also affirmed that 'Peace can only be safeguard by mutual respect for each other's territorial integrity and sovereignty.[113]

The Chinese government supported Khartoum during the first post-independence civil war which ended in 1972. It also supported the civil wars in Southern Sudan after 1983 and conflict in Darfur since 2003. In the three decades of relations prior to 1989, China's economic and aid relations with Sudan featured forms of barter, concessionary loans, arms transfers and medical assistance as well as assorted infrastructure construction projects, including Khartoum's Friendship Hall. However, even during the 1970s, when relations were comparatively good, China's links with Sudan did not involve a significant, lasting Chinese social presence within Sudan. Large further argues that the Chinese government may be an 'old friend' of Sudan, but in practice China has only recently come to be a notable part of Sudan's foreign relations. China can thus also be considered as a 'new actor' in Sudanese politics since the early 1990s.[114]

The oil-rich country of Sudan is one such partner for China. Since 1996, over US$15 billion had been invested by China, primarily in the oil industry and related infrastructure projects. As in Angola, a network of refineries, roads, railways, hydroelectric dams, gold mining and telecommunications has blossomed across the country. Tens of thousands of Chinese workers, technicians and managers have been brought in to build and run these massive

[112] Loc cit.
[113] Ibid, p 94.
[114] Ibid, p 95.

infrastructure and industrial projects. As a result, bilateral trade between Sudan and China, which stood at US$890 million in 2000, shot up at US$3.9 billion in 2005.[115]

Of all its activities in Africa, China's relationship with Sudan had received the most scrutiny. As with Angola, the current Sino-Sudanese relationship has its roots in the country's complicated history. Nonetheless, China's actions in Sudan are instructive. Recently, Sudan has gained notoriety for the ongoing genocide in the western province of Darfur, but there have actually been two distinct conflicts there. For much of the past two decades, the Arab government of Sudan engaged with a war with black inhabitants of South Sudan, far from the Darfur region. China played a role in this by seeling arms to the Sudanese government, but its role increased dramatically in the 1990s. In 1996, the Chinese national oil company bought into a consortium of oil companies to exploit oil fields in South Sudan. When oil revenues began to increase substantially in 1999, the Sudanese government stepped up its purchases of weapons and took a more aggressive stance against the Southern rebels.[116] Due to its multilayered interests, China has acted as Sudan's protector on the UN Security Council and enabled Khartoum to continue its genocidal campaign in Darfur.

To a great extent, Sudanese government actions in Darfur have benefited from the protection provided by the threat of the Chinese veto in the UN Security Council but, at the same time, authorities in Khartoum have felt that Beijing has not always sufficiently supported their position as expected (as the periodic organised street protests at the Chinese embassy indicate). Despite signs that the Chinese government is beginning to shift its thinking on Sudan (as indicated by its decision to remove Sudan from the list of countries in which it provides financial incentives to Chinese companies to invest), a US$3 million preferential loan organised in July 2006 aimed at rehabilitating infrastructure signals Beijing's continuing economic commitment to the regime.[117] Moreover, it is the hope of Chinese officials that they will be able to convince the newly autonomous southern Sudanese government, which had vehemently opposed Chinese support for Khartoum during the civil war, to award them the rights to exploit oilfields in their region, a position

[115] Alden, C. Op. Cit, p 61.
[116] Keenan, P. Op Cit, p 99.
[117] Alden, C. Op. Cit, p 62.

that may raise concerns in northern Sudan should the south opt for independence at a later stage.[118]

With the Sudanese government seemingly locked in perpetual conflict, first for over two decades in the South and since 2004 in Darfur, the role of the Chinese in support of Khartoum has been under the international spotlight since the advent of forcible removals in 1998. The development of Chinese oil concessions in Blocks 1, 2 and 4, which were located in parts of the contested central provinces, brought Chinese construction workers in direct contact with the Sudan People's Liberation Army (SPLA) and reportedly required them to be armed.[119] Moreover, in order to lay pipelines, villages of Nuer-dominated region were forcibly cleared out by the Sudanese army and militia. Increasing oil revenues from the sale of oil to China have allowed Khartoum to purchase sophisticated weaponry as well as develop (with Chinese assistance) its own arms manufacturing capacity which reportedly produce light arms, rocket launchers and anti-tank weapons.[120]

The onset of a new conflict in Darfur, coming in the aftermath of the official ending of the North-South civil war in 2005, did not directly involve Chinese economic concerns in the way that the civil war had. Nevertheless, Beijing came to the support of the regime when the U.S. government declared that Khartoum was engaged in acts of genocide and asked the UN Security Council to pass sanctions against the regime. The Chinese threat of a veto, which would have hurt its own economy (nearly 10 per cent of its oil imports are derived from Sudan), forced the Security Council to water down its measures against the government. At the same time, the costs to China continued to grow, from financial penalties for Chinese oil companies attempting to raise money on the international capital markets to the realization that its international standing was being harmed.[121]

Big projects, such as investment in Sudan's oil industry from 1996 onwards, whereby CNPC has transformed an energy sector plagued by war and Western sanctions into the country's leading export (with China as its top destination, providing nearly 10 per cent of its oil

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[118] Loc cit.

[119] Loc cit.

[120] Walden, B. 2007. "China eyes Africa, the new imperialism?" January 1, Available at: http://www.allbusiness.com/environment-natural-resources/environmental/5515174-1.html, p 3.

[121] Alden, C. Op. Cit, p 63.

requirements) are clearly at the forefront of China's interests in Africa. With a forty per cent share of the Sudanese government's Greater Nile Petroleum Corporation, China's leading oil multinational has demonstrated its ability to manage all facets of a petroleum extraction operation to international industry standards.[122]

China has very substantial interest in Sudan. China obtained oil exploration and production rights in 1995 when the CNPC bought a 40 percent stake in the Greater Nile Petroleum Operating Company, which is pumping over 300, 000 barrels per day. Sinopec, another Chinese firm, is building a 1, 500-kilometer pipeline to Port Sudan on the Red Sea, where a tanker terminal is being constructed by China's Petroleum Engineering Company. Chinese interests go beyond oil. Its investment in textile mills is estimated at $100 million. It has emerged as one of Sudan's top arms suppliers, with one deal being a barter arrangement whereby it would supply $400 million worth of weapons in return for cotton.[123]

China is also involved in key hydropower projects, the most controversial being the Merowe Dam, which is expected to ultimately cost $1.8 billion. The construction of the Merowe Dam has involved forced resettlement of the Hambdad people living at or near the site, and repression and armed attack on the Amri people who have been organising to prevent authorities' plan to displace them to the desert. Local police and private agencies now provide 24 hour security to Chinese engineering detachments. But civil society observers say the aim of these groups is less protection of the Chinese than repression of the growing opposition on the ground. The Chinese and the Sudanese government "are joining hands to uproot poor people, expropriate their land, and appropriate their land," says All Askouri, Director of the London based Phianki Research Group.[124]

In 1997, while the Muslim led Sudanese government was waging a gruesome war against Christian rebels in the South, Washington barred U.S. oil companies from doing business with Khartoum, leaving the door open for their Chinese counterparts to expand their operations there. Now China gets about five percent of its oil from Sudan and has reportedly stationed 4,000 nonuniformed soldiers there to protect its oil interests. Beijing has brushed off accusations that it is helping to prop up Khartoum. "Business is business.

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[122] Ibid, p 12.
[123] Walden, B. Op Cit, p 2.
[124] Ibid, p 3.

We try to separate politics from business" said the Deputy Foreign Minister Zhou Wenzhong in the summer of 2004. "I think the internal situation in the Sudan is an internal Affair, and we are not in a position to impose upon them." Meanwhile, Beijing has deftly protected its oil interests there. In September 2004, it successfully watered down UN resolution condemning Khartoum, undermining U.S. efforts to threaten sanctions against Sudan's oil industry.[125]

However, Chinese and Sudanese officials dismiss such criticism, which they often attribute to the mechanisation of Western powers who are alarmed at China becoming the top international player in a country that they had long treated as the West's sphere of influence. Defending its close relations with the Sudanese government, a Chinese Foreign Ministry Official, Zhai Jun, noted the contrast in African governments perception of China and the West. "Some believe that by taking resources and energy from Africa, China is looting Africa... If this was so, then African countries would express their dissatisfaction... They would approach China, as they did against countries that exploited the continent in the past."[126]

4.3 Weapons Sales and Military Cooperation

Perhaps the most disturbing and dangerous aspect of Sino-Africa relations in the new century rests with military equipment China is either exporting to the continent or manufacturing in Africa. This is contrary to the Beijing Declaration of 2000, which clearly states that China and Africa would work together to stop the illegal production, circulation and trafficking of small arms and light weapons. In fact, although China has been a champion of peace, as reflected in the fact that it has at least 1 500 UN peacekeepers in Africa, it also continues to fuel conflicts in the continent.[127]

Africa is also a market for China's growing weapons industry. Between 1996 and 2003, Chinese arms sales to Africa were second only to Russia. The Sudanese military buys its arms from China; allegedly, there are close ties between the Chinese military and the military junta that has ruled the Sudan since 1989. China has built three arms factories in Sudan in

[125] Zweig, D and Jianhai, B. Op Cit p 32.
[126] Walden, B. Op Cit, p 3.
[127] Lee, C. M. Op. Cit, p 323.

return for access to the oil fields in Southern Sudan. About 88 percent of the Sudan imported arms come from China. China also sells military aircraft to the Sudan and is training military pilots.[128] Between 1998 and 2000, it is estimated that $1 billion-worth of arms were sold to both Ethiopia and Eritrea, thus further encouraging their border conflict. Chinese helicopters have been sold to Mali and Angola, army uniforms to Mozambique, and arms to Namibia and Sierra Leone. China has also provided arms to factions in Burundi, Chinese light arms have been found in the Congo, and land mines in other regions. China's military support for the Mugabe regime in Zimbabwe has received a tremendous amount of media attention. Radio-jamming devices for a military base have been sold to prevent independent stations from broadcasting in the country. Twelve fighter jets, along with 100 trucks are scheduled to be delivered to the army, and the Chinese have allegedly designed Mugabe's new 25 bedroom mansion, which will include a helipad.[129]

The National Islamic Front (NIF) took power in Sudan through a military coup in June 1989. The Chinese government initially appeared uncertain about the NIF's Islamic politics. It became evident when the leader of NIF Omar el-Bashir visited Beijing in November 1990. However, relations resumed through an Iranian-funded Chinese arms deal to Khartoum in 1991. Worth an estimated US$300 million, this included two helicopters, one hundred 1,000-pound high-altitude bombs, and a large ammunition cache and would be followed by further Chinese exports of military aircraft, small arms and light weapons to the government of Sudan during the 1990s.[130] Efforts were made to expand economic ties, and Khartoum hosted a Chinese trade fair in 1993. The Government of Sudan (GOS) expressed interest in Chinese involvement in developing Sudan's oil sector in 1994 (after chevron, which had discovered oil in 1978, sold its concessions at a loss in 1992), and CNPC conducted a preliminary survey.[131] In September 1995 China's 'energy cooperation' with Sudan gathered momentum when President Omar el-Bashir visited Beijing and secured a reduced rate loan, with an agreement between the China Exim Bank and the Bank of Sudan to finance oil development following in December. At the beginning of March 1997, after commencing

[128] Rotberg, R. Op Cit, p 5.
[129] Zhiqun, Z. Op. Cit. p 6 and Lee, C. M. Op. Cit, p 324.
[130] Large, D. Op Cit p 95.
[131] Loc Cit.

operation in Southern Sudan, CNPC signed a co-operation agreement with Petronas, Talisman and Sudapet to develop three oil blocks thereby sharing investment risk.[132]

The circumstances of Sudan's foreign relations of the 1990s and its untapped economic potential rendered Sudan a strong investment opportunity for China. In addition, Khartoum's hard line Islamist government had backed Saddam Hussein during the 1991 Gulf War and was associated with supporting terrorism designated by the U.S. state Department on 12 August 1993. The attempted assassination of the Egyptian President in June by Sudanese security elements further contributed to Sudan's regional isolation in the Middle East, reinforcing the NIF's need to turn to China.[133] Having extremely difficult relations with the IMF and World Bank, it also became the object of sanctions by the UN Security Council in 1996 and by the U.S. in 1997. The U.S. missile attack on a pharmaceutical factory in Khartoum followed in 1998. Sudan was viewed by China as a friendly state with a more open oil market not, as elsewhere in Africa, dominated by established Western corporations. Sudan held high potential even if its difficult politics and war-affected economy were seen to present a combination of risks and potential benefits to Chinese businesses.[134]

Military cooperation and the growth of arms sales are an important aspect of relations with some African governments, especially those under threat owing to civil war, insurgency or even domestic opposition but which are barred from obtaining weapons from traditional Western sources. China's arms sales to Africa stood at $1.3 billion in 2003, more than double those of Britain but considerably lower than those of Russia whose US$7.6 billion worth of weapons make it the leading arms exporter to the continent. While China suppliers only 6-7 percent of all arms delivered to Africa, Chinese weaponry have nevertheless proved to be significant in some of Africa's bloodiest conflicts, especially in the Horn of Africa. This is where decades of civil war in Sudan and Ethiopia have provided a welcome market for foreign arms merchants. During the late 1990s, light arms and ammunition from China have been shipped through Dar es Salaam and on to the conflict in the DRC, while Chinese arms

[132] Loc Cit.
[133] Ibid, p 96.
[134] Loc Cit.

played an important role in Sierra Leone's civil war, in the Ethiopian-Eritrean conflict and more recently in the conflicts in Darfur and Chad.[135]

4.4 China's Oil Development Policy

To be certain, China has significant energy interests in Sudan. Sudan's oil reserve estimates of 6.4 billion barrels are considerable, and China has invested heavily in the country's oil infrastructure. According to Chinese customs data, during the first 11 months of 2005 China imported more than 765 barrels of oil per day form Africa, representing 30 percent of its oil imports.[136] China, as the second largest consumer of oil after the U.S, is competing with the latter for access to Africa's oil. China, through the CNPC, is the most visible and significant investor in Sudanese Oil Exploration, transportation and production infrastructure.[137] These investments enabled Sudan to begin exporting oil in 1999 and eventually become a net oil exporter. Though Sudan's current production capacity of 310, 000 barrels per day is relatively insignificant compared to the global production of approximately 82 million bpd, its products is of high quality. Such so called "light sweet crude" is in short supply in global markets, and sells at a premium over Middle Eastern crude which has higher sulphur content. China is Sudan's single largest customer of oil, taking over half of Sudan's exports in 2003.[138] It seems unlikely; therefore, that China's oil interests in Sudan are the sole consideration behind its actions or lack thereof.

The case of Sudan is a classic example of U.S-China competition. Sudan began exporting oil in 1999, but because of U.S. sanctions against the country U.S. oil companies could not be involved in exploiting the oil until the civil war ended. This left China, Canada, and Sweden to exploit Sudan's oil resources on their own. The desire to have access to Sudan's access partly explains the U.S. involvement in initiating peace between the warring factions in southern Sudan that resulted in a peace agreement being signed in December 2004 to end Africa's longest running civil war. Also, the failure to send in troops to stop what the former U.S. Secretary of State Colin Powell termed genocide in the Darfur region of Sudan is linked

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[135] Alden, C. Op. Cit, p 25.

[136] Marks, S. 2006. China in Africa-the new Imperialism? Issue 244, Available at: http://www.pambazuka.org/en/category/features/32432, Issue 244.

[137] Loc Cit.

[138] Loc Cit.

to oil.[139] It can be seen that China's interests are not necessarily aligned with peace in many African countries such as Sudan

Specifically, since China has a veto power on the UN Security Council, it was not willing to put in jeopardy its relationship with the Khartoum government over the killing of tens of thousands of Africans. More than $8 billion has been invested by China in joint oil exploitation contracts which include the Darfur region. Between 50 and 60 percent of Sudan's oil is exported to China, which represents between 7 percent and 12 percent of China oil imports. It is also estimated that there are at least 200 000 Chinese workers in the country, the majority of whom have had a minimum of three years of military training. Therefore, one can envisage these workers as a reserve army prepared to defend China's oil reserves in Sudan.[140]

The most important factor through which China's role in Sudan has contracted tenable claims of non-interference has been its involvement in oil development. 'Oil cooperation' between China and Sudan took relations into a more consequential phase. Chinese oil engagement was part of longer efforts to create a functioning oil industry in Sudan. Oil has been central to politics in Sudan before China entered in the 1990s. It had been an important factor contributing to the breakdown of the 1972 peace accord. The role of the U.S. (through Chevron) and France (Total) in Sudan's oil sector had previously rendered both far from disinterested observers. The operations of national oil companies from China and Malaysia after the mid-1990s continued this position, albeit with greater practical impact.[141]

4.5 Conclusion

Beijing has become the subject of much international criticism for its failure to utilize its leverage over Khartoum to halt the violence and persuade President Omar al-Bashir to permit UN peacekeepers to enter into the region. China never put a lot of pressure on Sudan and it protected President al-Bashir in order to protect its oil interests. China protected its interests in Sudan by repeatedly using its UN Security Council veto power to block further sanctions on the regime. China's involvement in Sudan entails both political

[139] Lee, C. M. Op. Cit, p 319.
[140] Loc Cit.
[141] Large, D. Op Cit p 96.

and economic collaboration. China is reportedly desperate to secure oil sources over the long term to fuel its development efforts, which explains the several billion dollars invested in Sudanese infrastructure, including airports and dams. China is also one of the primary arms suppliers to the government of Sudan. These weapons are meant for the Sudanese government to stabilize the security of the oil fields in that country.

Without downplaying the importance of the schools, hospitals, dams, roads and bridges that are being built by China in Sudan, there is a legitimate concern about China's political and diplomatic relations with Sudan. China's continuous sale of weapons and arms to the Darfur region is also a source of concern. China's oil development policy and her unwillingness to deal with the Darfur crisis shows how China's presence in Africa is not for economic development of the continent but for the creation of infrastructure to secure access to strategic resources, African markets and geopolitical interests. Beijing's response toward the situation it reflects not only its pragmatic interests, but also its fundamental and ideological concerns. Beijing is certainly worried that the U.S. led effort to stop rights abuses in Sudan could at some point be directed at China itself. China is likely to be troubled with the implications that the intervention would present for its own sovereignty, national unity and territorial integrity which are ideals that are highly valued by China. China's ability to expand its economic and energy interests might be affected by the conflict and it may damage its reputation as a responsible stakeholder.

CHAPTER 5

5 Sino-African Engagements: Implications

5.1 Introduction

Former colonial powers have expressed fears that the recent surge in Sino-African interaction, especially China's economic interest in Africa will consolidate bad governance. According to this school of thought, China is presented as a totalitarian state with the worst human rights record, and is coming to support, fund and protect African dictators who were just beginning to come under closer and genuine western watch to respect international standards. The jury is still out there whether China's strong engagement with Africa is a good or bad thing. Some have praised Chinese involvement in Africa, while others have called it 'neo-colonialism.' The following chapter looks at the huge criticisms by western and African countries against China. It also looks at China's proponents and the effects of Chinese activities involvement in Africa.

5.2 Huge Criticism by Western and African Countries

The international concern about China's growing involvement in Africa has probably less to do with the competition over energy and resources, but more with China's behaviour. China's practice of separating politics and business worries many people. China's willingness to deal with authoritarian regimes such as Sudan, Zimbabwe and Libya, to overlook corruption, and to ignore safety and human rights concerns may undermine democratic institutions and Western efforts to promote transparency and good governance in developing countries. For instance, the U.S. and China are clearly at odds over Sudan. The U.S. has accused Sudan of carrying out genocide in the Darfur region and China is reported to have sold weapons to the Sudanese government.[142]

China's raw material related projects in Africa are attracting huge international criticisms particularly from Western countries. China's investment project and development aid seem to be essential aid to the continent, allowing African countries to finally pull themselves out of poverty. Yet most of these deals are widely criticised by western actors and are seen as

[142] Zhiqun, Z. Op. Cit. p 23.

potentially U.S. and Western interests in the region. It is of course undeniable that Beijing is not acting out of pure altruism and that most of the development projects serve Chinese companies' interests as well, but these projects do indeed help Africa's development and are contributing to the continent's economic growth. Nevertheless, some aspects of China's overseas activities are unfavourable to African countries and are considered potentially harmful to other international actors, particularly in terms of international order.[143]

African criticism of China has been growing lately. The major issues are the employment of mostly Chinese workers, thus contributing only marginally to the local employment situation, and the flooding of African markets with cheap consumer goods, which poses risks to local producers. Chinese investors had brought with them notoriously low labour standards and a wholesale disregard for the environment that mimicked the pattern of accidental injuries and deaths, periodic strikes and long standing ecological degradation found back in China. When faced with cheaper Chinese produced imports, African textile and clothing manufacturers, the backbone of employment for many economies, shed jobs by their tens of thousands. It was for many observers, in short, the stripping of African resources by a foreign power to the benefit of a few fabulously wealthy leaders while ordinary Africans were left with a barren heritage.[144] Criticism has also been directed at China for illegal commercial practices in crude oil extraction and the logging trade. For example, the end of Multi Fibre Arrangement on January 1, 2005 opened the continent's doors to a flood of Chinese cheap clothing. Cultural differences especially of language have also given rise to tensions.[145]

Although many African governments have welcomed Chinese investments, including such rogue regimes as that of President Mugabe of Zimbabwe, for many in Africa, Chinese investments are problematic. Vey often Chinese labour is hired instead of African labour, such investments are used to help maintain undemocratic and despotic leaders in power; Chinese companies underbid local businesses for contracts, which are often then awarded to the former. Chinese shops, in both rural and urban areas, undermine local entrepreneurs with cheap imported Chinese products. For example, according to an informal trader in

[143] Meidan, M. Op. Cit. p 86.
[144] Alden, C. Op. Cit, p 4.
[145] Meidan, M. Op. Cit. p 86.

Zimbabwe, Chinese shop-owners sell cheap plastic Chinese shoes for the equivalent of $5 a pair. If one buys five pairs, the price is then reduced to $3.[146] The cheapest Zimbabwean produced shoes were $24 and many poor African consumers like the cheap Chinese goods.

The growing Chinese presence in Africa has been greeted with a mixture of appreciation and resentment. In South Africa, China's largest trading partner on the continent, the foreign ministry issued a statement prior to President Hu Jintao's visit in February 2007 that "China's resources and energy needs have certainly contributed to Africa's economic growth by boosting prices and exports from Africa and will continue to do so in the foreseeable future."[147] When many developing countries in Africa have grown disenchanted with the so-called Washington Consensus, they show interest in learning from China. There is a talk of a rival "Beijing Consensus," which emphasises innovation and growth through a social market economy, while placing less emphasis on free markets and democracy. However, China's presence in Africa has also met with suspicion, and even resentment. There have been talk of Chinese invasion and complains that the Chinese are taking jobs and contracts away from the locals. The Chinese have not been transferring skills or technology to the locals either.[148]

Poor quality of some projects constructed by Chinese companies has created tensions between China and several African countries. For example, Marc Ravalomanana, the then President of Madagascar, reportedly refused to meet with a visiting Chinese leader in August 2006 to express his dissatisfaction with the shoddy Chinese-assisted projects and China's breach of agreements to build a cement factory and an international conference center.[149] Grassroots resentment is perhaps strongest in Zambia, where disputes over wages and working conditions have roiled Chinese run copper mines, resulting in riots and shootings. Trade unions have come out strongly against China's control of Zambia's economy. Anti Chinese sentiment has mushroomed in Zambia since 2005, when an explosion at a Chinese copper mine killed at least 46 workers and spawned complaints of unsafe working conditions and poor environmental practices. Chinese businesses have also squeezed out some local competitors. Nigerians, South Africans and Angolans among

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[146] Lee, C. M. Op. Cit, p 321.
[147] Zhiqun, Z. Op. Cit. p 26.
[148] Loc Cit.
[149] Loc Cit.

others, have been upset by the loss of hundreds of thousands of jobs in the textile industry.[150]

One of the reasons Chinese companies are able to invest to the extent they do in Africa is because a special fund has been created by the Chinese government that provides help to state-owned enterprises along with preferential loans to Chinese companies.[151] Observers have also noted that another reason the Chinese have been so successful is because of the way they do business. Specifically, it is alleged that they pay bribes and provide unconditional aid money, which is counter productive to transparency, good governance, and IMF and World Bank-inspired macroeconomic reforms. Others counter this argument by noting that the U.S. and EU do the same.[152]

Another problematic issue is that of good governance and promoting human rights in connection with development aid. The EU, IMF and other international institutions link development aid to the promotion of political transparency and good governance in African countries, but what baffles many people is that Chinese aid comes with no strings attached. For some African leaders, China is a way out of economic stagnation due to international ostracism, as is the case with Mugabe's Zimbabwe, the Central African Republic and Sudan. For some African leaders, China's defence of sovereignty and non-intervention may no longer be very appealing, and China may find itself facing a block of states that is no longer unanimously willing to defend its position in the international arena.[153] By offering aid without condition, China has presented an attractive alternative to conditional Western aid, 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.[154]

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[150] Loc Cit.
[151] Lee, C. M. Op. Cit, p 321.
[152] Loc Cit.
[153] Meidan, M. Op. Cit. p 86.
[154] Tull, D. 2006. China's Engagement in Africa: Scope, Significance and Consequences, in *The Journal of Modern African Studies*, Vol. 44, No 3:459.

5.2 China's Proponents

> What I find a bit reprehensible is the tendency of certain Western voices to ...rais[e] concerns about China's attempt to get into the African market because it is a bit hypocritical for Western states to be concerned about how China is approaching Africa when they have had centuries of relations with Africa, starting with slavery and continuing to the present day with the exploitation and cheating.[155]

The presence of Western powers has been felt in Africa – from the colonial legacy and their geo-strategic influence during the Cold War, to the current advantage that their transnational corporations hold on the continent. Western countries still considers Africa in terms of their "spheres of influence" and China is usually considered as an "external player" in the region. As the Chinese presence in Africa spreads and deepens, it is increasingly likely that conflicts between Chinese and Western interests will emerge, particularly in the competition to secure energy supplies.[156]

Some Western analysts have criticised China's developing relations with Africa as based purely on securing oil suppliers and other natural resources, which has led to claims that China supports authoritarian regimes at the expense of "democracy" and "human rights." Sino African relations were established long before China's demand for raw materials caused it to shift from a net oil exporter to importer in 1993. Also while China imports oil from Africa, it also exports electromechanical and high-tech products that satisfy critical needs in Africa, creating a rough equilibrium in the economic and trade relations between China and Africa.[157] It is convenient to dismiss China's perceived amoralism as fitting the long term pattern of foreigner's interaction with Africa. At one level this is true: after all, French policy towards the continent has never been guided by "liberty, equality and fraternity and other western powers in Africa do not exactly possess exemplary records. Washington's relations with Libya, Algeria or Ethiopia are equally not guided by concerns

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[155] Guerrero, D. and Manji, F. 2008. *Introduction: China's new role in Africa and the South, A search for a new perspective,* Nairobi, Oxford and Bangkok, Fahamu and Focus on the global South, http://www.fahamu.org/downloads/china_2.pdf.

[156] Anshan L. Op Cit. p 63.

[157] Loc Cit.

over democracy.[158] In addition, allegations have been made that both the U.S. and British government officials turned a blind eye to the March 2004 planned coup against President Obiang. Even though the regime of Obiang of Equatorial Guinea is one of the most corrupt and brutal on the African continent, the U.S. government reopened its embassy in the country in October 2003 and Obiang was invited to the U.S. to visit President George Bush and the Secretary of Energy to discuss bilateral energy issues.[159]

The oil drilling and exploration rights China has obtained in Africa have been obtained through international bidding mechanisms in accordance with international market practices, posing no threat to any particular country. For instance, rights to oilfields in Sudan and Nigeria were purchased by Chinese companies after the withdrawal of competitors. Chinese demand for raw materials and energy enables the rich resources of Africa to be fully utilized and African suppliers. Chinese demand has stimulated raw material prices, increasing the income of resource rich African countries and accelerating African development. For example, Nigeria has paid off its outstanding loans. Sudan has gone from being a net oil importer to exporter. The investment of eight hundred Chinese enterprises has promoted African industries and is breaking the longstanding hold that the West has had over trade in commodities between Africa and the rest of the World.[160]

Development analysts such as Xu Weizhong are aware of Western nation's concern and nervousness. He argues, not with dry satisfaction, that while having to acknowledge that China is more popular than the West, they are jealous of the successes achieved in Sino-African co-operation and Western nations want to strengthen cooperation with China on African issues. They are also hoping that China will join the Western track, play by Western rules, and share the costs in African affairs.[161]

As for the criticism that China is dealing with corrupt African regimes, a number of issues are at stake. First the limits and norms of the international system only allow China to deal with sovereign states through their governments. Second, China has its own problems of human

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[158] Taylor, I. 2006. "China's Africa rise: the democracy dimension," Available at http://www.opendemocracy.net/democracy-africa_democracy/china_africa_4056.jsp November.

[159] Lee, C. M. Op. Cit, p 317.
[160] Anshan L. Op Cit, p 83.
[161] Lagerkvist, J. Op Cit p 124.

rights and corruption and therefore feels it does not have the right to criticise others. All governments, Western included, as well as international financial institutions, have corrupt elements. Rather than preaching good governance to others, they would gain far more credibility and avoid the level of hypocrisy if they first tackled their own corrupt practices. Third, each nation may have a different judgement and opinion of "corruption." China does not necessarily accept the naming and shaming of certain African regimes as corrupt by Western standards.[162]

In its relations with Western powers in Africa, China needs both courage and wisdom – the courage to withstand Western criticism of its African policy and the wisdom to fully engage with Africa while at the same time reassuring Western powers that such acts will not contradict their interests. The West and China have common interests in Africa regarding economic development and environmental protection, for example. China, Africa and Western countries must discuss effective methods for increasing cooperation on the continent together. Creating mechanisms of mutual trust and improving dialogue is the best way to prevent potential conflicts between China and the West over Africa.[163]

5.3 The effects of Chinese activities

Civil society organisations and even some governments are beginning to ask critical questions about the effects on Africa of such Chinese activities in Africa. The main questions and critical concerns are in the following: Firstly, commerce – where Chinese imports and Chinese traders on the ground are ousting small local traders, which is, in turn, resulting in pronounced anti-Chinese feelings or xenophobia. Secondly, mining – where little attention is given to health and safety standards and workers rights, or damaging pollution of neighbouring communities and broader environmental effects. Thirdly, forestry – where vast extractive operations of precious woods and timber are being carried out by Chinese companies with no local processing and with highly destructive effects. Fourthly, construction – where many such projects rely on imported Chinese workers, skilled and unskilled, therefore do not create much local employment and do not transfer production / management skills. Fifth, capital equipment supplies being brought in from China – which

[162] Ibid, p 84.
[163] Ibid, p 85.

therefore exclude possible local suppliers – and, being subsidised in China, discourages local production of capital goods. Lastly, manufactured goods – which are flooding into African markets and displacing small and even relatively larger producers that do not enjoy the (direct and indirect) subsidies that Chinese industries receive from their authorities.[164]

Dot Keet also states that questions also need to be asked about the financial flows from China to Africa. These flows take various forms such as enterprise investment in the above projects, which raise questions about the capital transfer rights back to China attached to such investments. How will the growing scale of such investments affect African countries' international reserves and financial security and stability? Secondly, unconditional government grants given to unaccountable and even corrupt governments reinforce these characteristics and help to entrench such abusive or authoritarian regimes in power. Thirdly, 'soft' loans, provided to these governments or attached to projects, as above, which will over time inevitably accumulate into growing African indebtedness to the Chinese government and Chinese banks, repeating the patterns of indebtedness that were previously created by Western governments and banks.[165]

Whatever good intentions the Chinese government may say it has, the objective and fundamental problem is that these relations are based upon highly uneven levels of development and a very different capacity to benefit from such interactions and cooperation. This pronounced inequality will results in China making greater gains from what it obtains from Africa, even if this is undertaken 'fairly' and with some generous gestures. Africa may indeed receive (some) quantitative returns, but it is China that will achieve the further vast qualitative transformation of its economy, using the material and financial resources it gains from Africa.[166]

Cheng argues that Beijing's unwillingness to obey the imperialist powers' rules in making trade deals and loans with other underdeveloped countries, however, has attracted the Western corporate and political elite's disapproval. The Western dominated IMF, for

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[164] Keet, D. 2008. The Role and Impact of Chinese Economic Operations in Africa, in *China's new role in Africa and the South, A search for a new perspective*, Nairobi, Oxford and Bangkok, Fahamu and Focus on the global South, http://www.fahamu.org/downloads/china_2.pdf.

[165] Loc Cit.

[166] Loc Cit.

example, imposes a neoliberal agenda of privatisation of public assets and cutbacks in government health and education spending as conditions for granting much needed loans to Third world countries has weakened the IMF's blackmail of these countries. Thus, Beijing's 2004 $2 billion credit line to Angola on generous terms came after Angola refused the IMF's conditions.[167]

During a trip to Nigeria in February 2006, Britain's then foreign secretary, Jack Straw, remarked that what China was doing in Africa now was much the same as Britain had done 150 years before. Moreover, issuing a warning shot, the then South African President Thabo Mbeki (speaking in December 2006 prior to the visit of Chinese President Hu Jintao) argued that Africa would be 'condemned to underdevelopment' if China replicates in Africa 'a colonial relationship' of the kind that existed under white rule for many years.[168] Not surprisingly, the Chinese government has been quick to refute such claims. For example, Chinese Premier Wen Jiabao said that the cap of neo-colonialism could never adorn the head of China. Adding that for over 110 years 'China was the victim of colonial aggression. The Chinese nation knows too well the suffering caused by colonial aggression. China's memory of being colonised by Western powers and the long history of support to anti-colonial movements in Africa is thus invoked to 'prove' that China does not want to control Africa's economic and political systems.[169]

Looking at the broader canvas of international politics, China's developing relations with Africa have implications on a number of fronts. In the first instance, China's growing political clout in Africa is based on its surging economic presence across the continent, something that derives from the profound transformation of the Chinese domestic economic environment since 1978. This enormously powerful economy in turn poses opportunities and challenges for Africa's own development prospects as well as the continent's economic ties and political orientation towards its traditional partners in the West. And, finally, the emergence of China as a leading actor in Africa is compelling precisely because it is the most

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[167] Cheng, E. 2007. "Is China Africa's new imperialist power?" Available at: http://towardfreedom.com/home/content/view/992/63/, Green Left Weekly, March.

[168] Mohan, G and Power, M. Op. Cit. p 23.

[169] Ibid, p 24.

prominent expression of emerging international trends that put China at the centre of contemporary global politics.[170]

While China-Africa relations are an important factor in Beijing's own domestic calculations, the burgeoning ties with China hold tremendous implications for Africa. Africa's development needs, as outlined in a host of initiatives such as the NEPAD, require an infusion of substantial foreign investment aimed at improving its physical infrastructure, the opening of new markets and better prices for its products, and an expansion of human capital, all of which would contribute to a sustained growth cycle that would allow the continent to meet its development aims for the next decade. China's engagement with Africa provides for many of these very conditions and that is why, irrespective of the concerns being voiced in some circles in Africa (see above), Chinese engagement is widely considered to be a positive-sum game.[171]

The Chinese impact on governance in Africa, which has exercised Western and African minds alike, is arguably the most contentious component of its agreement. By actively courting 'pariah regimes' like those of Sudan and Zimbabwe, Beijing has not only irritated the West – which at least initially was not seen to be a particularly worrisome outcome by Chinese officialdom – but found itself at odds with an emerging consensus on the necessity of good governance within Africa itself.[172] The voices arguing for improvements in accountability, transparency and democracy were not just civil society activists but some of the top leaders of the continent, like Nigeria's former President Olusegun Obasanjo and South Africa's former President Thabo Mbeki, and their concerns were reflected in the reformulation of the African Union and the NEPAD initiative. This unexpected development put China in an invidious position, opening it to criticism from African sources of its single-minded pursuit of profit over the needs and concerns of ordinary Africans. The paradoxical result of this has been seen in the case of Sudan, with a seemingly gradual shift away from its categorical support for non-intervention in domestic affairs to one in which it supports

[170] Alden C. Large D. "et al." Op. Cit, p 13.
[171] Loc Cit.
[172] Loc Cit

the African Union position (and with that the West) on the necessity of a peacekeeping operations in Darfur.[173]

5.4 Chinese Economic Effects

Despite concern by some analysts regarding the manner in which Sino-African economic relations are pursued, such ties are clearly producing benefits for many African countries. Many African countries are enjoying rapidly rising earnings due to Chinese demand for their exports, in the case of Angola, for instance, IMF data indicates bilateral exports to China rose from $1.68 billion in 2000 to $9.94 billion in 2006. Similar trends are true of multiple other countries. During the same period, South Africa's exports rose from $3.36 million to $2.09 billion. Chinese involvement in Africa is also leading to investment in infrastructure and the financial services, manufacturing, consumer retail, various other sectors, and in specialised markets niches that non-Chinese foreign investors have generally long ignored. Agricultural development and other technical assistance is also increasing, and African access to cheap credit and diverse, inexpensive consumer goods is increasing. Infrastructure construction is widely seen as one of the most positive benefits of PRC investment in Africa, given the widespread lack or poor conditions of such facilities in Africa.[174]

5.5 Conclusion

Outright criticism of Chinese policy in Africa may be self defeating but it would be important rather to engage in a constructive criticism to measure the extent to which this new force of development can be spread as wide as possible. One important consideration with regard to Angolan and Sudan is that their governments are seen to be fairly unaccountable to their own people, and one might argue that in such circumstances an inflow of Chinese aid or investment aid will benefit the political elite and not the general population. These negative consequences cannot fully be blamed on China, as they are the result of a much more complex political process – involving interactions between China and African governments and simultaneous interactions between African governments and their people. That is, there

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[173] Ibid, p 14.

[174] Congressional Research Service library of Congress, 2008. "China's Foreign Policy and "Soft Power in South America, Asia and Africa," April, Available at: http://www.scribd.com/doc/12824985/CRS-Report-Chinas-Foreign-Policy-and-Soft-Power-in-South-America-Asia-and-Africa, p 125.

are a whole bunch of processes that intervene casually between what goes on in the minds of Chinese foreign policymakers in Beijing and what happens on the ground in Africa. The following chapter provides qualitative assessment / analysis of where China is headed with its national strategy and how Africa should respond.

CHAPTER 6

6 How African countries should respond to China?

6.1 Introduction

There are conflicting viewpoints as to how African countries should respond to the PRC's activities in Africa. Some authors suggest that the PRC's efforts undermine African interests while others are calling for more engagement with China in Africa in order to meet strategic international objectives. Only a through examination of China's activities in Africa will reveal whether China's activities are truly in the interests of African countries or not. Africans have so far been uncertain how best to respond to China. Neither the AU nor sub-regional organisations like SADC have an articulated policy regarding China and its influence. Each of the forty eight sub-Saharan countries goes its own way, responding to China and Chinese entreaties idiosyncratically. This chapter present different views and recommendations on how African countries should respond to China.

6.2 African views on how Africa should respond

Stephen Muyakawa who is the chairperson of the Civil Society Trade Network of Zambia stated that from a civil society point of view, although Chinese loans are welcome in Zambia, they pose a potential threat for Zambia and other African countries since the loan contracting process lacks transparency, bars public scrutiny and creates incentive for corruption and inappropriate disbursement. Furthermore, secrecy surrounds the source and exact use planned for the funds. However, Muyakawa stressed that Zambian civil society is not critical of China per se, but to the Zambian government's way of contracting and managing external debt. Ignorance prevails in the views held by Chinese of Africa and Africans and, vice versa, constituting a serious impediment to the development of a strong and mutually beneficial Sino-African relationship.[175]

Philip Idro who is the former Ugandan ambassador to China argued that in order to successfully leverage Chinese financing, a collective African voice must be heard and African

[175] Muyakawa et al. 2008. "China's Role in Financing Africa's Development," Centre for Chinese Studies Panel Discussion, http://www.ccs.org.za/downloads/CCS-%20ABCDE%20Conference%20Summary%20June%202008.pdf, p 2.

states should therefore pay attention to a lack of internal cohesion and proliferation of different regional and national interests. There should be more contact and open dialogue between Chinese and African actors. African governments should reinforce a political dialogue concerning investment and business cooperation, as well as trade issues with China. It is not China's task to develop Africa, but rather is the duty of African themselves. However, Africa ought to accommodate Asia in its worldview, loosen the attachment to the prevailing Eurocentrism and create a direct trading link with China, rather than continuing to import Chinese original equipment manufactured goods from Europe.[176]

Luis Brites Pereira, Deputy Director of the Centre for Globalisation and Governance at Nova University agreed that it is not China's role to develop Africa. Instead, the real issue at hand is how Africa can respond to this new global actor and more specifically how it should formulate appropriate African governance to this new opportunity of aid, investment and trade. Trade with China opens new doors, yet this comes with the challenge of successfully managing the relationship and ensuring it will be mutually beneficial. The trade profiles between individual African countries and China vary greatly. Resource rich African countries such as South Africa and Botswana enjoy trade surpluses, whereas other countries suffer large trade deficit. The current commodity boom that has arisen partly due to growing demand from China needs to be leveraged and managed so as to avoid reinforcement of the so-called "resource curse."[177]

With regard to investment, Africa needs to redirect FDI into sectors such as manufacturing and services. It is imperative to establish development banks and formulate national, regional as well as global investment strategies. Pereira noted that he remains positive about China's engagement with the African continent, but it is dependent on Africa's ability to develop a strong development plan and leverage the relationship in a positive way.[178] If there is legislation in place that are enforced by the host state, Chinese actors and companies will, just like most other foreign companies operating in developing countries, abide by them. In cases where there is an absence of law enforcement, the situation might

[176] Ibid, p 3.
[177] Ibid, p 4.
[178] Loc Cit.

look different. The onus therefore lies with host countries to enforce their labour legislation on foreign investors to make sure that they comply.[179]

Regional fragmentation is a serious obstacle for Africa in its engagement with China. African nations need to focus on improving organisations such as Economic Community of West African States (ECOWAS), in order to facilitate a "united African dialogue" with China, arguing that a united Africa would have a stronger voice. The lack of ability to cooperate regionally is a serious obstacle to African development. Similarly integration is difficult to achieve since it requires African leaders to relinquish sovereignty, which is premature since African nations are still adapting to their independence. Although globalization most probably will encourage such a process of integration, African leaders need to find common values, issues and positions before integration can truly come about. There is also a need to understand Chinese business culture when interacting with China. If Africa could harness the situation, it could have important potential for economic growth of the continent.[180]

China's desire for African commodities could potentially provide leverage to African countries regarding the conditions that they may impose on Chinese investment, an argument that is bolstered by Chinese insistence that trade with Africa provide "win-win" outcomes for both sides. For instance, African countries might require that larger portions of Chinese loans be channeled to services or goods purchases from African firms or that Sino-African joint business ventures employ Africans in managerial and decision-making roles.[181] Investment projects could require increased technology transfer components, local secondary processing of resources prior to export or be renegotiable following an initial designated period. Similarly large Chinese plants or mining center investment deals might require PRC investors to fund more extensive "corporate responsibility" projects, such as schools, or clinics for project employees. While a few oil countries, such as Angola and Nigeria, appear to be employing such leverage, such demands may be difficult to impose for countries that are not rich in natural resource commodities, in part due to intra-African

[179] Ibid, p 5.
[180] Loc Cit.
[181] Congressional Research Service library of Congress, Op Cit p 127.

competition. Such countries may loose to other African countries that offer better terms in exchange for similar types of deals with Chinese firms.[182]

Regimes stigmatised in the West as 'rogue states', often with good reason, will not be willing or able to insist on much conditionality in return for a Chinese lifeline. But that should not prevent African civil society from researching and advancing a package of measures which could be put forward as a necessary conditional component of Chinese investment packages. These could include training programmes, technology transfer, the fostering of local management skills and the reservation of a proportion of Chinese investment and infrastructure projects for local firms and labour.[183]

6.3 China as an alternative development model

Should China be viewed as a golden opportunity, even a new model for development in Africa? The scholar Li Zhibiao, for example, has argued for caution on the part of African development specialists and leaders:

> If African nations really want to study and learn from the Chinese experience, first, they must thoroughly understand the differences and similarities between their national situation and that of China. Secondly, they must research in earnest all of the aspects of China's, and even other countries', developmental experience, and moreover, on the basis of that, search for the development strategy and road that contains the characteristics [most appropriate for] themselves.[184]

This is a far cry from telling people that your model of success is a 'one size fits all' solution to be emulated everywhere. Another Chinese Africanist, Liu Hongwu, is of a similar opinion when he observes how some view China as the new saviour that will reduce Africa's poverty. He believes this to be as ridiculous as when people in the past regarded the West as Africa's saviour. The same argument is also heard from China's government agencies. The Chinese government's State Council Leading Group Office of Poverty Alleviation and Development, for example, has, like China's Africa watchers, also

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[182] Loc Cit.

[183] Marks, S. 2006. "China in Africa-the new Imperialism?" Issue 244, Available at: http://www.pambazuka.org/en/category/features/32432, Issue 244.

[184] Lagerkvist, J. Op Cit, p 127.

stressed the importance of formulating policies that are context specific, as opposed to a fixed model. As the factors causing poverty vary, different approaches were needed in different regions in China. Gradual reform is also seen as a key, to introduce pilot projects on a small scale to test different development ideas on a local level. This together with a multidimensional approach to poverty reduction through capacity building of farmers, and a long-term focus where growth is coupled with poverty reduction, were said to be key lessons. Rather than buying advice wholesale from the World Bank and IMF, China has adapted basic economic principles according to its own circumstances and perceived needs.[185]

6.4 Recommendations

Fuelled by the highest sustained growth rates in modern history, China's economy is increasingly dependent on Africa's resources. The region already accounts for more than a third of China's oil imports. China and Africa should focus on cooperation on several fronts, including enhancing the effectiveness of investment, increasing the level of trade, furthering political stability and ensuring the process of peacekeeping operations in the region. The author is of the view that:

- Chinese and African leaders should initiate a dialogue on the best way to develop the latter's natural resources especially in the oil and gas sectors. The African petroleum producers, the African hard mineral producers, and the African vulnerable industrial cases would each benefit by developing specific policies toward China and by bargaining with China on the basis of such new functional groupings. Moreover, Africa also needs to have policies regarding the importation of Chinese labourers, special taxation privileges for Chinese firms. African countries also need policies for protecting domestically produced goods.
- China and Africa should identify specific African countries threatened by instability to coordinate steps to prevent or mitigate the conflict. African states ought to participate in joint military exercises with the PRC. Africa needs to make the environment conducive for large investment from China. African states should craft

[185] Loc Cit.

policies that welcome Chinese investment and trade but condemn the taking of African jobs and the destruction of African industries.

- African countries should support and encourage local companies to grow and compete with their Chinese counterparts since the absence of local players to enter joint venture with Chinese multinationals may limit opportunities to achieve real transfer of know how and technology. Moreover, African governments need to design policies to consolidate local firms and position them as a matter of policy to partner and learn from Chinese companies. Africa should successfully pursue the kind of export growth and diversification that spurred economic growth and development in much of Asia in the past few decades.

6.5 Conclusion

Having said the above, Chinese involvement in Africa offers up new opportunities for the continent, but only if African actors approach such openings prudently. The discussion above had highlighted some of the main challenges in Sino-African relations pertaining to governance. In many cases, political leverage in Africa is concentrated with the executive, a situation that in some cases may lead to mismanagement of possible opportunities offered by China. African countries and its people need to focus on democratic accountability, ownership of their own growth trajectory and focus on internal cooperation to leverage China's engagement on the continent. A cooperative approach to security and development in Africa, working with the PRC and the AU, holds the highest potential benefit to all parties. Cooperation between the PRC and African countries will help to ensure that Chinese efforts in the continent do not undermine African short and long term interests. Potential areas of cooperation include maritime security, peacekeeping and peacekeeper training of African forces by China. China and Africa should focus on cooperation on several fronts, including enhancing the effectiveness of investment, increasing the level of trade, furthering political stability and ensuring the process of peacekeeping operations in the region.

CHAPTER 7

7 CONCLUSIONS

In the coming years, China will almost certainly increase its interests in Africa. There will be many opportunities for it to work with the rest of the world. Conducted properly, this could be a process to everyone's advantage including the west. However, there are some challenges and some hard lessons already learned in this relationship. The governments of Angola and Sudan will need to focus more attention on planning and organisation to ensure the sustainability and transfer of know-how or risk relying on Portuguese and others returning in the near future to rebuild what the Chinese have just completed. Angola and Sudan should recognise the full consequences, economic and political, of China's great power status and attempt to play a leadership role in shaping China's new Africa policies. If the two countries could become very influential in Beijing, they would not only achieve greater power on the African continent, but would also enjoy greater respect throughout the world especially from Western countries such as the U.S. African interests would be best served by quietly encouraging China to use diplomacy, aid as well as trade policy for engaging African leaders to promote good governance. They ought to spend oil and natural resource revenue responsibly and manage it as a public good in a transparent fashion in order to attain the mutually agreed upon set in broad terms by initiatives such as Millennium Development Goals.

The 21st century is indeed being made in Africa. As the largest developing nation and the largest developing continent respectively, China and Africa do not have any historical grievances against each other. Instead, they share a similar history of being colonized and bullied by Western powers. Both China and African nations have a strong desire to promote cooperation and take up new challenges of peace and development in the 21st century. Sino-African cooperation also provides a significant lesson for other developing regions as to how they can help each other, other than simply relying on Western powers to be lifted out of poverty.[186] Certainly, a number of African countries are benefiting in the short term from the Chinese economic and political presence in Africa. In the past China sought Africa as an ally in its struggles against imperialism and hegemony, now Africa should seize the

[186] Zhiqun, Z. Op. Cit. p 22.

opportunity and make sure it becomes prosperous. As stated above, this study argues that China's relationship with Africa will benefit both parties as well as other countries around the world if it is given ample opportunity and properly managed. The author is of the view that if correctly managed, this relationship will be based on the principles of sustainability, mutual benefit and respect rather than charity. In addition, over the past fifty years the development of the relationship between China and Africa has been based on equal treatment, respect for sovereignty, solidarity and common development.

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