

Chinese Aid to Africa: A Foreign Policy Tool for Political Support

By Nuria Giralt

A research report submitted to the Faculty of Arts, University of the Witwatersrand, Johannesburg, in fulfilment of the requirements for the degree of Master of International Relations by coursework and research report.

Johannesburg, 2007

Abstract

China's presence in Africa has increased phenomenally over the last six years. Chinese high-level visits have intensified, investment from China on the continent has soared, trade between the two regions has quintupled and perhaps most startling of all China has cancelled US\$1.27 billion worth of debt to African countries. The extent at which China is engaged in Africa today would not have been possible had it not been for the relationship China nurtured from the very beginning between the two regions. China's aid has been used to induce the establishment of diplomatic relations with African states and once diplomatic relations have been established, aid is used to ensure the establishment of strategically, lucrative economic agreements. This study will examine China's aid policies in Africa from the 1950s through to the twenty-first century and aims to assess how foreign aid as a foreign policy tool has furthered China's national interest in Africa.

DECLARATION

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Arts in International Relations at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination at any other university.

Nuria Giralt

day of April, 2007

ACKNOWLEDGEMENTS

By all means this has been a team effort. There are a number of people to whom I am forever grateful in helping me reach the end, from family and friends to colleagues but in reaching the final product I would like to single out three specific people. I would like to extend my sincere thanks to my supervisor Dr Garth Shelton, for his patience, guidance and assistance. My mother, to whom without her never-ending support and faith I would never have been able to complete. Lastly, Sam, without your constant encouragement and friendship, I'm not sure if this would ever have come to fruition.

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ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
ADB	Asia Development Bank
APEC	Asia-Pacific Economic Cooperation
AU	African Union
BP	British Petroleum
CACF	China-Africa Cooperation Forum
CAR	Central African Republic
CCP	Chinese Communist Party
CPECC	China Petroleum and Construction Company
CNOOC	China National Offshore Oil Corporation
CNPC	China National Petroleum Corporation
DRC	Democratic Republic of Congo
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICC	International Criminal Court
IMF	International Monetary Fund
KMT	Kuomintang
LDC	Least Developed Country
MFA	Ministry of Foreign Affairs
MNC	Multinational Corporation
MOFTEC	Ministry of Foreign Trade and Economic Cooperation
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
OAU	Organisation of African Unity
OPEC	Organisation of Petroleum Producing States
PLA	People's Liberation Army
PRC	People's Republic of China

ROC	Republic of China (Taiwan)
SARS	Severe Acute Respiratory Syndrome
Sinopec	China Petrochemical Corporation
Tan-Zam	Tanzania-Zambia Railway
UN	United Nations
UNSC	United Nations Security Council
USA	United States of America
US	United States
USSR	Union of Soviet Socialist Republics
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organisation

Map 1: Africa¹



Map 2: China²



¹ Map found at Maps of the World, http://www.mapsoftheworld.com/images/maps_of_world_africa.gif, February 2007

² The Economist, "China Country Briefings" <http://www.economist.com/countries/China/economist.com>, February 2007

Introduction

Chinese Aid to Africa: A Foreign Policy Tool for Political Support

China-Africa relations go back hundreds of years. However, China's presence on the African continent only began soon after China ended its isolationist policies and came under the rule of the Communist Party in 1949. China soon realised that international interaction had become crucial for the survival of any state and a number of strategies would have to be followed in order to ensure its own survival. One such strategy was the implementation of aid policies to be used when pursuing its foreign policy objectives.

China's aid policies in Africa began in 1953, by 1976 China had aided more than 55 countries around the world and 30 of those countries were from Africa. Thus it would appear that from the outset Africa received special attention from China. Often China's aid would make its way to countries that were economically stronger than China. However, if China was initially aiding countries with a stronger economy and better standard of living than its own, could this mean that China was doing so for reasons other than its self-proclaimed altruistic motivations of helping out a fellow-developing state? Could one assume that China's determined bilateral aid efforts in Africa, which have spanned six decades, were set up to perhaps serve its own self-interest? This paper will set out to determine whether China's aid has been successful in furthering China's national interest amongst developing countries, especially in Africa. This is an important study because it will look at how China, as the biggest developing state in the world and its aid policies, will impact on Africa, the continent with the largest number of developing countries. The fact that China has long since been identified as an emerging global power will make this an important study, particularly as its influence in Africa is growing.

The first chapter deals specifically with the theoretical framework in which this paper is set. The realist paradigm is used to understand the dynamics of foreign policy making and the evolution of China's aid policies in Africa. The issues of national interest and aid as a foreign policy tool are also covered. In this section we come to understand that despite the globalisation of the world and the increased inter-

dependence amongst states, China's foreign policy outlook is still firmly rooted in the realist school of thought.

The second chapter is devoted to the examination of China's aid policies in Africa during the Cold War. During this time Chinese aid was understood as a foreign policy tool which transported socialist ideology around the world. During this period Africa was used as a proxy playground by China and Russia to fight for Third World influence. When the Soviet Union cut relations with China in the late 1960s, China began to place a greater significance on African nations. The aim of this section is to illustrate how Chinese aid was used to earn diplomatic recognition from African states. One of the best examples to illustrate this point is that of Peking gaining recognition over Taipei at the United Nations (UN) in 1971, which led to expanded Chinese influence in international affairs.

The third chapter looks at Chinese aid in the post Cold War era. This period also coincides with Deng Xiaoping's economic reform policies. As a result the Chinese aid focus shifted and projects became increasingly engineered to ensure China would gain maximum economic returns. In the mid-1990s Jiang Zemin identified Africa as a key market for Chinese products. This chapter will examine Zemin's rule, where China for the first time identifies Africa with the primary objective to build, increase and diversify trade ties in order to facilitate China's development. China's renewed interest in Africa kick started with Zemin's 1996 African Safari and eventually culminated in the October 2000 Beijing Forum.

The fourth chapter is devoted to the examination of China's presence in Africa since 2000. In the last seven years China's engagement in Africa has become almost exclusively commercially-based and this chapter will illustrate how China's commercial success on the continent has been significantly helped along by various aid packages China offers along with its trade and investment deals. In order to satisfy its booming economy China needed to look for diversified sources of raw materials. This chapter will examine the significance of the 2000, 2003 and 2006 China-Africa Cooperation Forum's in strengthening and consolidating relations between the two regions. With increased Chinese engagement on the continent certain obstacles and challenges have risen which could jeopardise the good relations. These obstacles and

challenges will also be examined. Could it be that China is shifting from aid to trade in Africa in order to pursue its political objectives?

The fifth chapter will examine the issue of Taiwan, both as a threat to China's national security and also as a possible threat to China's interests in Africa. In the early 1990s the Taiwan Issue becomes a prominent Chinese focus. Aid was terminated to those developing countries which either established or resumed diplomatic relations with Taipei. This chapter will examine if Chinese aid in Africa is used to win political support over Taiwan or rather to secure preferential trade agreements.

Chapter 1

A Theoretical Framework

1.1. Introduction

This paper aims to discuss how aid has been used as a successful foreign policy tool in furthering Chinese national interest amongst developing countries, especially in Africa. In order to understand the dynamics of foreign policy making, in general, and the evolution of Chinese aid to Africa, in particular, a variety of different foreign policy instruments within an overarching framework will need to be looked at. Therefore, this chapter will begin by looking at the realist paradigm – the oldest and most popular context in which international relations is studied and foreign policy is analysed. This will be followed by a discussion which looks at the relationship between national interest and foreign policy. Lastly, aid will be examined as a foreign policy tool.

1.2. The Realist Paradigm of International Relations

Despite claims from states to further moral causes, such as human rights, within a state the realist paradigm of international relations continues to form the rationale behind state's foreign policy decisions. Thus, the realist school of thought subscribes to three primary principles about the world: 1) statism; 2) survival; and 3) self-help.³ Let's consider each principle in a little more detail.

1.2.1. Statism

The most important assumption realists make is that states are the dominant actors in international relations. The actions and interactions of states are constrained and directed by the operation of structural elements in the inter-state system. "The state as an actor is conceived of as an autonomous political entity ultimately responsible and

³ Dunne, T., and Schmidt, B.C., "Realism", The Globalization of World Politics: In introduction to international relations (second edition), Baylis, J and Smith, S., (eds), Oxford University Press: Oxford, 2001, p. 143

accountable only to itself. The domestic dimension of the state being considered as largely irrelevant, its actions conceived as emanating, not from its own polity, but from the actions of other states.”⁴ Thus according to state-centrism, states must be regarded as cohesive, autonomous actors which have territorial boundaries. There is an assumption that the presence of a domestic sovereign authority implies that individuals need not worry about their own security, as it is provided for them in the form of a system of law, police protection, and prisons. However, in the relations amongst independent sovereign states, insecurities, dangers and threats to the state appear large. Realists claim that the reason for this is that there is no higher, overarching, sovereign authority in the international arena which can make states obey rules they do not want to obey, in other words, we live in an anarchic system.⁵ China views the growing transnational and multilateral networks through a state-centric prism, which only focuses on how China can take advantage of the new external environments to protect and maximize its national interest.⁶ This would also help to explain the vast number of Chinese state-owned businesses operating in Africa, which are used in conjunction with the Chinese government to carry out its aid commitments. Since the 1990s, China has renewed its emphasis on “the five principles of peaceful coexistence”⁷ and frequently emphasised that these principles should become the guidelines for the new international political order. Deng argues that these principles boil down to a “respect for sovereignty, whose core is a notion of political authority as lying exclusively in the hands of spatially differentiated states, they constitute the basis for an anarchy of mutual recognition, and therefore tend to promote egoistic over collective conceptions of interest.”⁸ These principles are intended to counter the hegemony and power politics, particularly of Western states, ironically though they defend the Westphalian anarchic nature of international relations.⁹

⁴ Reynolds, C., The World of States: An introduction to explanation and theory, Edward Elgar Publishing Company: England, 1992, p.55

⁵ Dunne, T., and Schmidt, B.C., Op cit, p.150

⁶ Deng, Y., “The Chinese Conception of National Interests in International Relations”, The China Quarterly, 1998, p.311

⁷ These principles are looked at in greater detail in the following chapter.

⁸ Deng, Y., Op cit, p.311

⁹ Loc it

It would therefore appear that states first organise power domestically and only then accumulate power internationally. Realists therefore view relations between states as a struggle for power. Most leaders believe that power will grant them the capacity to advance and safeguard their country's national interest.¹⁰ Power for realists comes in two forms: firstly, power is not exercised in a vacuum, but rather in relation to another entity, and second, calculations need to be made not only about ones own power capabilities, but also about the power that other state actors possess.¹¹ Traditionally, this power was translated to military strength, however the more liberal wing of realism noted the importance of power as prestige, that is, the ability to get what you want without the threat or use of force but rather through diplomatic influence.¹² Since the inception of the People's Republic of China (PRC), China has been especially successful in exercising its diplomatic influence in Africa.

1.2.2. Survival

The second element which unites realists is that in international relations, the primary goal of the state is survival, which is held as a precondition for attaining all other goals.¹³ John Mearsheimer argues that the ultimate goal of all states is to achieve a hegemonic position in the international system.¹⁴ If we are to take into consideration China's one hundred years of humiliation at the hands of Western powers and Japan and look at Chinese foreign policy rhetoric over the years it would appear that China too, hopes to become a superpower.

1.2.3. Self-help

If the primary goal of the state is survival then the central activity of the state is the pursuit and exercise of power in order to preserve itself and its political identity. The self-help assumption argues that no other state can be relied on to guarantee your own survival. Waltz argued that the key difference between international and domestic politics is in its structure. Domestically, citizens do not have to defend themselves

¹⁰ Mingst, K., *Essentials for International Relations*, WW Norton: New York, 1999, p.131

¹¹ Dunne, T., and Schmidt, B.C., *Op cit*, p.151

¹² Loc it

¹³ Loc it

¹⁴ Ibid, p.152

whereas the international system is archaic, therefore security can only be realised through self-help¹⁵. This pursuit of security leads to insecurity. The more a state builds up its power in order to improve its security, the less secure and more threatened its neighbours feel. They in turn start to build up their own power supply, such as enlarging their own military or forming alliances. One could argue that China's strategy of building alliances in the developing world has been a reaction to the insecurity created by the United States (US) hegemony. Furthermore, while the traditional Western realists considered military security as high politics and economic and social issues as low politics, Chinese realists place greater emphasis on economic and technological development. This is due to China's conviction that international politics is characterised by the competition for "comprehensive power" in a wide variety of fields, including military, political, economic and technological.¹⁶ The previously mentioned situation is known as the power-security hypothesis and asserts that whatever aims the state pursues, including the welfare of its people, the primary interest is that of preserving its own interests.¹⁷ Morgenthau believes that interest is defined in terms of power, which reveals the true behaviour of politicians and guards against the misconceptions of what determines a states foreign policy, which are the motives of statesmen and ideological preferences. While politicians cast their policies in ideological terms, they are restricted by what is desirable versus what is actually possible. Thus, the "national interest" which should be the sole pursuit of statesmen is always defined in terms of strategic and economic capabilities.¹⁸ The concept of national interest will be discussed in the following section.

1.3. National Interest

National interest is a determinate that guides state policy in relation to the external environment. Basically, at the root of the idea of national interest is the realist principle of state security and survival.¹⁹ Joseph Frankel argued that without clarification the different contexts in which national interest was used could lead to

¹⁵ *Ibid*, p.153

¹⁶ Deng, Y., *Op cit*, p.315

¹⁷ Reynolds, S., *Op cit*, p.57

¹⁸ Burchill, S., "Realism and Neo-Realism", in *Theories of International Relations*, Burchill, S., and Linklater, A., (eds.), Snt Martins Press: Boston, 1996, p.75

¹⁹ Evans, G., and Newnam, J., *The Penguin Dictionary of International Relations*, Penguin Books: England, 1998, p.345

ambiguity. National interest can thus describe the aspirations of the state, or it can describe the application in the actual policies and programmes pursued.²⁰ The realist, Hans Morgenthau believed that national interest was central to understanding the process of international politics. He said that “the kind of interest determining political action in a particular period of history depends upon the political and cultural context within which foreign policy is formulated”.²¹ Morgenthau also believed that national interest could be ascertained and advanced by the possession of power. However, this has been criticised for a number of reasons, primarily though, in the long run, a system based only on the self-centred pursuit of goals by its individual members can give no assurance of stability, safety, justice, equity or peace.²² Nonetheless, despite the occasional ambiguous definition of national interest Chinese foreign-policy makers believe that in international politics, relations in national interests are the fundamental factor influencing foreign policy behaviour, and national interests are the most long-lasting, the most influential factor and the most basic motive of the states foreign behaviour.²³ Deng Xiaoping said that “national sovereignty and national security should be the top priority. National rights are more important than human rights and the latter should by no means be allowed to undermine the former.”²⁴ This view has continued to underlie China’s foreign policy to this day.

1.4. Foreign Policy

Foreign policy provides the most vivid examples of acts of state and of the character of the state as an international actor with rights, agency, responsibility and accountability, as well as power.²⁵ Morgan and Palmer say that states struggle to have their objectives realised at many different levels, and at any moment, any state will be relatively pleased with the status quo on some issues, and relatively displeased with

²⁰ Frankel, J., International Relations in a Changing World, Oxford University Press: Oxford, 1964, p.85

²¹ Rosenau, J. N., The Scientific Study of Foreign Policy: Revised and Enlarged Edition, Francis Pinter Publishers Ltd: London, 1979, p.285

²² Sonderman, F., “The Theory of National Interest”, The Theory and Practice of International Relations (eighth edition), Olson, W.C., (ed) Prentice Hall: New Jersey, 1991, p.38

²³ Deng, Y., Op cit, p.313

²⁴ Ibid, p.313 cited in Deng, X., The Selected Works of Deng Xiaoping Vol.III, Renmin Chubanshe, Beijing, 1993, p.347-348

²⁵ Scruton, R., Dictionary of Political Thought, Macmillan Press: London, 1986, p.174

the status quo on others. States have limited resources with which to pursue their foreign policy goals, therefore the fundamental decision facing states involves allocating their resources between things to change unfavourable aspects of the status quo and efforts to maintain those favourable elements of the status quo.²⁶ Similarly, as Vale and Mphaisha say foreign policy can thus be defined as “the sum total of all activities by which international actors act, react and interact with their environment beyond their national borders.”²⁷ Foreign policy makers often perceive foreign policy as “actions chosen by the national government that maximise its strategic goals and objectives”.²⁸ In other words national interest determines how foreign policy decisions are made and carried out.

Realism emphasises that the international environment determines state action; in turn foreign policy making consists mainly of adjusting the nation-state to pressures of an anarchical world system. As a result all states and the individuals responsible for its foreign policy confront the problem of national survival in the same way. As a result because the goals and corresponding decision calculus of the states are the same, the foreign policy decision-making processes of each can be studied as though it were a unitary actor.²⁹ The different units which make up the decision-making apparatus will be looked at and policy is then explained by the way the units relate to each other.

1.5. Foreign Policy Tools

Lastly, foreign policy tools are instruments that policy makers have at their disposal to implement foreign policy for the wider benefit of the state. These tools could be carried out in a friendly, persuasive (this would include opening, increasing, expanding or supporting the foreign policy tools) coercive or even hostile (foreign policy carried out in this manner is usually restrictive, reductive or opposing) manner. These tools include diplomatic recognition, scientific co-operation, sanctions, military

²⁶ Morgan, T.C., and Palmer, G., “Chinese Foreign Policy in the Twenty-First Century: Insights from the ‘Two-Good’ Theory” in Issues and Studies, vol.35, no.3, May/June 1999, p.39

²⁷ Vale, P., and Mphaisha, C. J. J., “Analysing and Evaluating Foreign Policy” in Power, Wealth and Global Order: An International Relations Textbook to Africa, P. Nel and P. McGowan (eds), UCT Press: Cape town, 1999, p. 89

²⁸ Mingst, K., Op cit, p. 131

²⁹ Kegley, C.W., and Wittkopf, E.R., World Politics: Trend and Transformation (Eighth ed), Bedford/St. Martins Press, Boston, 2001, p. 46-47

co-operation, economic co-operation, technical assistance, aid, trade and investment. Policy makers are continuously trying to determine whether and how to use these specific tools. Aid is a popular and effective foreign policy tool and as this thesis is dealing specifically with Chinese aid to Africa, this particular tool will be focussed on.

1.5.1. Aid as a Foreign Policy Tool

Foreign aid in its simplest form is an instrument of policy used in order to achieve certain goals.³⁰ The long-range and general purpose of aid is to assist developing countries to mobilise their economies for sustained economic growth, help alleviate poverty, malnutrition, and lack of social opportunities, and as a strategic payoff, bring about political stability. Overall, donors use aid primarily to demonstrate sympathies to recipients' domestic or foreign policies, to symbolise alliance relationships, support friendly regimes facing a difficult time, either economically or from political oppositions. By-products of aid relationships include political influence and possible leverage, developing future commercial opportunities with the recipient, and for some, the satisfaction of seeing aid projects having immediate social and economic improvements at the grassroots level.³¹ Using the foreign aid framework is a useful analytical tool in improving the understanding of a country's foreign policy behaviour. Foreign aid can be identified as an output of a foreign policy and the performance of foreign policy goals. The quantification of foreign aid data, therefore, becomes an important indicator of a donor's foreign policy goals and international behaviour. As Teh-Chang Lin says, observers can analyse a decision-maker's foreign policy behaviour and improve their own interpretation of the decision-maker's perception of a political world which results in somewhat reducing the gap of perception between an observer and a decision-maker.³²

Morgenthau said that "the transfer of money and services from one government to another performs the function of a price paid for political services rendered or to be

³⁰ Evans, G., and Newnam, J., *Op cit*, p.177

³¹ Holsti, K. J., *International Politics: A Framework for Analysis*, Prentice Hall Inc.: London, 1995, p.184

³² Lin, T.C., "Beijing's Foreign Aid Policy in the 1990s: Continuity and Change", *Issues and Studies*, January 1996, p.43

rendered”.³³ Similarly, David Dollar of the World Bank and Alberto Alesina point out in a study on foreign aid, “the direction of foreign aid is dictated as much by political and strategic considerations as by the economic needs and policy performance of the recipients”.³⁴ Foreign aid is therefore justified for economic development. Morgenthau points out that foreign aid for economic development, in particular, is more powerful as a political tool because of the immediate and obvious benefits it has for the recipient country, than aid which promises obscure benefits that lie far in the future. “The political effects of foreign aid are lost if its foreign source is not obvious to the recipients. For it is not aid as such or its beneficial results that creates political loyalties on the part of the recipient, but the positive relationship that the mind of the recipients establishes between the aid and its beneficial results, on the one hand, and the political philosophy, the political system, and the political objectives of the giver, on the other.”³⁵ In the case of China and Africa, through its aid policies China was very successful in eliciting diplomatic support from African states, particularly concerning issues brought forward at the United Nations (UN).

Thus, a donor’s selection of aid recipients is influenced by its quest of foreign policy goals within a certain period of time. Different foreign policy goals result in the donor selecting different aid recipients. The selection of these aid recipients thus becomes a useful gauge of the donor country’s foreign policy. As a result, the basic, long-term goal of foreign aid is political.³⁶ Morgenthau points out that because of the very political nature of foreign aid, “its effect upon the prestige of the giving nation must always be in the minds of the formulators and executors of foreign aid policies.”³⁷ Bilateral channels are integral to China’s foreign policy when carrying out its aid programmes. The reason for this is not only for the differing political, economic, social and geographic conditions that exist in each country, but also for the fact that because of those very differences, China is able to wrangle deals very complimentary to its own foreign policy objectives. Huntington says that bilateral programs are used

³³ Morgenthau, H., “A Political Theory of Foreign Aid” American Political Science Review, vol.56, no.2, 1962, p.301

³⁴ Francis, D.R. “For rich, foreign aid is a tool of persuasion”, <http://www.csmonitor.com/2003/0626/p14s02-wogi.htm> , 26 June 2003

³⁵ Ibid., p.308-309

³⁶ Lin, T.C., Op cit, p.44

³⁷ Morgenthau, H., Op cit, p.308

when a country has special political, economic or security interests.³⁸ Therefore this paper will look at China's selection of African states as aid recipients and China's foreign policy goals at the time of giving aid.

³⁸ Huntington, S.P., "Foreign Aid For What and For Whom" in Foreign Policy, no.1, Winter 1970-71, p. 189

Chapter 2

Chinese Aid during the Cold War: A Brief Overview (1955-1990)

2.1. Introduction

Chinese aid has existed for centuries, although not called aid or assistance as such; China's aid was usually carried out in the form of the tribute system. The tribute philosophy is a practice that goes back many centuries and has been deeply embedded in Chinese procedures when carrying out foreign relations. In 1949, when China came under the rule of the Communist government, its centuries of isolation came to an abrupt end, as interaction with the international community became increasingly important for the survival of any state. However, inward looking policies continued to dominate the Communist's style of rule and despite its economic strife, China managed to continue with the legacy of the so-called tribute system that was used to acknowledge the superiority of the Chinese Empire. This manifested itself through China's foreign policy and more specifically through its aid policies, thus giving China the international legitimacy it so desperately needed.

During the Cold War China's interest in Africa was carried out through its foreign policy and sought three primary goals. Firstly, Africa served as a battlefield against US imperialism and Soviet social imperialism. Secondly, China sought the recognition and support of African states, both as a member of the international community and as members of the Third world. Lastly, according to Chinese perceptions, Africa held a place in the world's unfolding revolutionary struggle against capitalism, imperialism and social imperialism. The African liberation movements served the function of establishing and maintaining China's revolutionary credibility.³⁹

This chapter will discuss how China's aid policies during the Cold War benefited China politically, and will be illustrated by a number of approaches. The first

³⁹ Yu, G. T., "The Tanzania-Zambia Railway: A Case Study in Chinese Economic Aid to Africa" in Soviet and Chinese Aid to African Nations, Weinstein, W., and Henriksen, T. H., (eds), Praeger Publishers: New York, 1980, p.119

approach will look at the initiation and development of China's aid policies to Africa. The 1955 Bandung Conference, Chou En-lai's African tour and the Cultural Revolution all had a significant impact on the development and disbursement of Chinese aid over this period. It is also important to look at the tribute system as the core practices of this system have manifested itself through China's aid policies today. The second approach will look at the international context that prompted China to engage in Africa, the most noticeable interaction at the time was the Sino-Soviet struggle. The third approach will illustrate some of the biggest examples of where Chinese aid policies have led to the substantial benefit of Chinese national self-interest. These examples include the Tan-Zam railway and the events leading up to the change of recognition from Taiwan at the United Nations Security Council in 1971. The final approach will discuss how aid policies changed under China's second president, Deng Xiaoping.

2.2. The Tribute System

China's foreign policy developed over many centuries of relative isolation, almost three thousand years ago⁴⁰. The Chinese Empire established a so-called tribute system in managing its relationship with countries that did not belong to the empire, but surrounded it as its closest neighbours. The people surrounding the Chinese Empire were supposed to show respect for the Chinese Emperor by sending tributes to him in regular intervals and obeying certain conventions. Thus the rulers of these neighbouring countries could preserve their own authority and rule their countries in sovereignty, but at the same time acknowledge the superiority of the Chinese civilisation. It was a system heavily influenced by Confucianism and ruled by a set of rites that underlined the symbolic power of the Chinese emperor.⁴¹ China had little contact with other civilised people, contacts were usually with nomadic tribes and less

⁴⁰ It is generally acknowledged that many of China's interactions with the outside world came via the Silk Road (An ancient trade route between China and the Mediterranean Sea extending some 6440 km and linking China with the Roman Empire). This included contact during the first and second century AD, contacts with representatives of the Roman Empire, and during the thirteenth century, contact with Marco Polo. (Wikipedia, "Foreign Relations of Imperial China", February 2004 http://www.answers.com/main/ntquery?method=4&dsid=2222&dekey=Foreign+relations+of+imperial+China&gwp=8&curtab=2222_1, p.1) This interaction with the outside world would mean that some sort of set of rules, procedures or foreign policy would have to have been set up to enable China to interact with these states.

⁴¹ (No author)., "China and the Outer World- The Chinese Tribute System", February 2004 <http://www.lsc.edu/modernchina/u3s2p2.htm>, p.1

developed cultures. This resulted in a strong sense of superiority from the Chinese toward other nationalities.⁴² The Chinese attained a hierarchical view of the world with China at the top. The Chinese people considered it their responsibility to spread their civilisation to the culturally deprived, thus advocating a patronising attitude toward other people and cultures. Throughout the centuries foreign messengers visited China to learn from the Chinese or bargain for protection or trade. In respect for Chinese custom they always brought gifts or payment with them. The tribute system was thus an outgrowth of China's view of the world and its economic and political relations with the non-Chinese and thus became the basis for China's foreign relations.⁴³ The tribute system was an integral part of China's historical diplomacy and can be seen to relate to its foreign aid diplomacy. For example, important diplomatic business is carried out during aid missions or when grants or loans are made. Tribute missions represented exchanges of loyalty and friendship enhancing the prestige of ruling groups on both sides. Tribute missions were more beneficial to the tribute bearer than to China. Copper indicates that China's foreign aid provided an avenue for the export of Chinese products or credits to purchase Chinese goods, rather than in foreign currency. Tribute missions that went to China in the past were often presented with Chinese products which represented the advanced nature of the Chinese culture. Similarly, during the Cold War when China started its aid projects, the projects demonstrated China's technologically advanced skills. Copper believes that Chinese aid was motivated more by political than economic concerns, just as the tribute missions of the past gave priority to political over economic goals.⁴⁴ It is important to look at China's tribute system as it provides us with a background to the

⁴² Chinese theories of foreign relations first developed during the Zhou dynasty almost three thousand years ago and were further elaborated under the Han dynasty one thousand years later. Their foreign policy was based on Confucian ideology, with its emphasis on a hierarchical and non-egalitarian society. The emperor, far from being the ruler of one state among many, was considered to be the mediator between heaven and earth. He was the apex of the human hierarchy, the "Son of Heaven," and thus had a power qualified only by his theoretical subordination to Heaven. He presided over "all-under-Heaven", a term that encompassed the whole world, not merely the Chinese state. Relations between China and other states were in theory to be governed by the same rules, the "Confucian rules of propriety," that regulated familial and social relations within China. Only then would man's world and the cosmic order remain stable and harmonious. Therefore, China's neighbours were expected to recognize Chinese superiority by presenting tribute to the emperor. The emperor, for his part, lent the weight of his authority to the political position and powers of his tributaries, and reinforced them with economic and military assistance if needed. (Yihong, P., "Traditional Chinese Theories of Foreign Relations and Tang Foreign Policy", *Asian Review II*, 1998, <http://nacrp.cic.sfu.ca/nacrp/articles/panyihong/panyihongtext.html>, p.1)

⁴³ Copper, J. F., *China's Foreign Aid: An Instrument of Peking's Foreign Policy*, Lexington Books: Toronto, 1976, p.4

⁴⁴ *Ibid*, p.6

way in which China dealt with its foreign relations both at the creation of the PRC, as well as well into the twenty first century.

Chinese contact with Africa dates as far back as the fourteenth century when a famous Chinese explorer made several voyages down Africa's eastern coast, as far south as Zanzibar. On every expedition Cheng Ho received valuable tributes or gifts from the local inhabitants for Emperor Yung-Lo. Tributes included gold, ivory, tortoise shell and animals and were meant to indicate acknowledgement of the emperor's distant authority. Occasionally Cheng Ho would bring back "Devil Slaves" to serve in the Imperial Chinese Court.⁴⁵ However after Cheng's seventh voyage China began to adopt an inward looking policy and the new emperor denounced expansionism and put an end to all voyages. Documentation relating to the voyages were burnt and for many centuries China's interest in the land beyond its borders did not exist. The last medieval contact between China and Africa was in 1411 when the ruler of Egypt sent emissaries to the Chinese court complete with various gifts and products. Interestingly, the next recorded official contact between the two regions came some 540 years later when the premier of the People's Republic of China (PRC), Chou En-lai, shook the hand of Egyptian President Gamul Nasser, at the Bandung Conference of African-Asian nations.⁴⁶ Thus the modern links between China and Africa were initiated.

2.3. The Bandung Conference

The Bandung Conference of African-Asian states took place in April 1955 between 29 African⁴⁷ and Asian states in Indonesia. It is interesting to note that at the time of the Bandung Conference, as a new regime with ideological commitments that did not conform to the ideals of the Western world, China was a country alienated by the West, which gave China its own reasons for its anti-colonial stance. Also most African and Asian states had not yet gained their independence from their colonial rulers. At this stage there was a great resistance to colonial influence and anti-imperialist sentiment was rife among the Third World countries. In terms of China's

⁴⁵ Greig, I., The Communist Challenge to Africa: An Analysis of Contemporary Soviet, Chinese and Cuban Policies, South African Freedom Foundation: Sandton, 1977, p. 68

⁴⁶ Hutchinson, A., China's African Revolution, Hutchinson and Co.: London, 1975, p.11

⁴⁷ Only six African states attended the conference, they were: Egypt, Ethiopia, Golden Coast (Ghana), Liberia, Libya and Sudan. Golden Coast, Libya and Sudan were still under colonial rule.

objectives this was the perfect time to gain support from the Third World countries, as most if not all countries were fed up with colonial rule.

The meeting of Premier Chou and President Nasser marked the first official contact between China and Africa in over 500 years. At the conference Premier Chou succeeded in creating an impression that there existed a united front of Communists and non-Communists, based on a common conviction that Western colonialism and Western military pacts were the only real dangers threatening the independence of the new Asian and African states. As a result militant anti-imperialism was encouraged.⁴⁸ Chou stressed the fact that Asian and African countries needed to co-operate in the fields of economics and culture in order to facilitate common efforts to end the economic and cultural backwardness that had resulted from long time plunder and oppression from colonialism. In Premier Chou's speech, he proposed the "Five Principles of Peaceful Coexistence", which he had signed in an earlier bilateral agreement with India's Nehru in 1954, and made additions that would appeal to all African and Asian countries. At Bandung the Five Principles became Seven Principles:

- 1) Respect for sovereignty and territorial integrity of nations;
- 2) Abstain from the use of aggression and threats;
- 3) Non-interference in the internal affairs of nations;
- 4) Racial equality and non-discrimination;
- 5) Equality of all nations;
- 6) Respect for the freedom to choose and economic and political system; and
- 7) Mutually beneficial relations between nations.⁴⁹

These principles were to serve as the foundation for the Sino-Africa relationship into the next century.

The Bandung Conference was followed by Chinese efforts to increase diplomatic, economic and cultural contacts in Africa. Just over a year later in May 1956, the first Chinese embassy in Africa was established in Cairo, with the wider function of contacting as many African groups as possible and making a concrete analysis of the

⁴⁸ Lowenthal, R., "China" in Africa and the Communist World, Brzezinski, Z., (ed), Stanford University Press: California, 1965, p.151

⁴⁹ Cooley, J. K., East Wind Over Africa: Red China's African Offensive, Walker: New York, 1965, p.11

situation in Africa in general.⁵⁰ During 1956 and 1957, Chinese delegations visited Ethiopia, Morocco, Sudan, Tunisia and Ghana. The Chinese got their first bridgehead advance for political activity in Africa when the Afro-Asian People's Solidarity Conference met in Cairo in December 1957 and established a permanent international secretariat there. The Bandung conference had taken the Chinese several steps out of isolation, and the proliferation of new African states provided China with plenty of new opportunities to gain international acceptance and diplomatic recognition.

2.4. Chou En-Lai's African Tour

The importance of Africa in Chinese foreign policy manifested itself during Chou En-lai's African Tour. From December 1963 until February 1964 Chou En-lai and approximately forty Chinese officials toured ten African countries (Algeria, Ghana, Tunisia, Egypt, Ethiopia, Morocco, Guinea, Mali, Sudan and Somalia), with the official purpose of enhancing the mutual understanding between China and these countries. During his trip Chou pointed out that one of the major aims of China's foreign policy was to "actively support the national liberation movements in Asia, Africa and Latin America."⁵¹ He also stressed that China was itself a country that had been liberated from imperialism and colonialism, thus it was her "duty to support" those countries in a similar situation.⁵² There are four less important but connected reasons for his tour. Firstly, his tour symbolised China's efforts to break out of US containment and to show that China had global interests. Secondly, the tour was undertaken to boost China's image that had been tarnished by her support for subversive activities in many African countries. Thirdly, to explain to her friends that China's decreasing aid efforts were caused by the temporary Chinese economic crisis - that had begun as a result of the policies implemented by Mao's "Great Leap Forward"⁵³ - but would be expanded once the circumstances permitted her to do so.⁵⁴

⁵⁰ Ogunsanwo, A., China's Policy in Africa 1958-1971, Cambridge University Press: Cambridge, 1974, p.9

⁵¹ Ping, A., "From Proletarian Internationalism to Mutual Development: China's Cooperation with Tanzania 1965-95" in Agencies in Foreign Aid: Comparing China, Sweden and the United States in Tanzania, (eds, Hyden, G and Mukandala, R.), Macmillan Press Ltd: London, 1999, p.163

⁵² Loc it

⁵³ The Great Leap Forward centred on a new socio-economic and political system created in the rural and some urban areas. However, Mao's Great Leap Forward was an economic failure. Favourable production reports had been exaggerated, there were food shortages, shortages of raw materials for

Finally, Chou was gathering African support for a second Bandung conference, which China wanted to initiate before the holding of a proposed second non-aligned summit.⁵⁵ Specifically, China wanted to exclude the Soviet Union from the conference on the basis that it was neither an African nor an Asian country, and it was also searching for support for Mao's revolutionary aims.

On his tour Chou stressed the similarities between Africa and China, and played down the differences, however the tour did highlight many of the problems facing China in Africa. At this time relations between the Soviet Union and China were far from friendly. China had developed a policy which was based on the thesis that there could be no thought of co-existence between communists and non-communist countries until all the people's "oppressed" by "imperialism" had secured their freedom and "imperialism" itself had been destroyed.⁵⁶ The Soviet Union's policy of peaceful coexistence with the non-communist and imperial US clearly ran against this policy. In Egypt Chou was shown the great Soviet-built Aswan Dam (as the biggest aid project in Africa at the time, this project greatly influenced China's decision to sponsor the Tan-Zam railway when negotiations started between Tanzania, Zambia and China a year later). In Algeria he found that African's resented Chinese pretensions to lead the revolutionary struggles, China's help was welcome but Africa's revolutions would be won and led by Africans. In West Africa, especially Ghana, his attention was drawn to signs of considerable Soviet influence, and thus had to compare large-scale Soviet aid schemes with China's more modest programmes.⁵⁷ Chou En-lai's Africa tour was a significant point in Chinese foreign policy; it was the first time such a large Chinese delegation had visited Africa. Chou En-lai's Africa tour was also the first time where China explicitly set out its principles for foreign aid.

industry, over-production of poor quality goods, deterioration of industrial plants through mismanagement; and exhaustion and demoralisation of the peasantry and of the intellectuals, not to mention the party and government cadres at all levels. (Chang, P.H. Power and Policy in China. University Park: Pennsylvania State University Press, 1975, p. 48.)

⁵⁴ Hutchinson, A., Op cit, p.62.

⁵⁵ Ogunsanwo, A., Op cit, p.122

⁵⁶ Greig, I., Op cit, p. 71

⁵⁷ Hutchinson, A., Op cit, p.63

In Somalia, the last country of his African tour, Chou set out the eight principles which China would follow when providing economic and technical assistance, they emphasised self reliance and the development of an independent national economy. The principles are as follows:

First, the Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries.

Second, in providing aid to other countries, the Chinese government strictly respects the sovereignty of the recipient countries as far as possible.

Third, the Chinese government provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment so as to lighten the burden of the recipient countries as far as possible.

Fourth, in providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China but to help them embark on the road of self-reliance step by step.

Fifth, the Chinese Government tries its best to help the recipient countries build projects which require less investment while yielding quicker results, so that the recipient governments may increase their income and accumulate capital.

Sixth, the Chinese Government provides the best quality equipment and material of its own manufacture at international market prices.

Seventh, in giving any particular technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master such techniques.

Eighth, the experts dispatched by the Chinese Government to help in construction in the recipient countries will have the same standard of living as the experts in the recipient country.⁵⁸

Chou's Africa Trip was the first time that China was able to speak not only to leaders (as it had done several years before with a handful of African representatives which had not yet gained their independence, in Bandung), but also to large groups of ordinary African people and the rest of the world through the mass media.⁵⁹ At a

⁵⁸ Copper, J. F., *Op cit*, p.155

⁵⁹ Ping, A., *Op cit*, p.163

farewell dinner in Mogadishu , Somalia, Chou told his audience that the revolutionary prospects were excellent throughout the African continent. Chou and his delegation left Africa satisfied with the Chinese Communist influence in Africa.⁶⁰

2.5. The Cultural Revolution

The Great Proletarian Cultural Revolution (1966 – 1969) was a ‘rectification campaign’ directed against the more conservative members in the Chinese Communist Party (CCP) and sought to re-establish the dominance of Maoist ideology over economics.⁶¹ At this time China’s interest in Africa, and with the outside world in general, was contracted. During the period of the Cultural Revolution most senior officials and policy-makers were preoccupied with internal developments, and their own survival. Relationships with foreign countries were important only as long as those relations bore on developments within China. Peking remained friendly only with a few governments, it withdrew its ambassadors - except from Egypt, the first country where it had established an embassy - it drastically reduced its foreign aid, and renewed its support for armed struggle by Maoist insurgent forces against their local governments. The third world was still seen as the force that would cause the collapse of the west.⁶²

Aid agreements formed during the Cultural Revolution period illustrated a polarisation of relationships. The vast majority of aid went to radical countries friendly with China. There were not enough resources or political will to help countries whose relationship with China was half-hearted. Aid was used to reward old friends, not to win new ones. Aid was withheld, or at best implemented slowly, in countries which openly criticised the Cultural Revolution or which too publicly condemned or banned importation of revolutionary propaganda. For example, Egypt adopted a very lukewarm stance toward the Cultural Revolution and as a result did not receive industrial machinery China had said it would supply between 1965 and 1968,

⁶⁰ McDonald, P.L., “China and Africa” in Sino-Soviet Intervention in Africa, Pearson, R. (ed), Council on American Affairs: Washington D.C., 1977, p.84

⁶¹ (No Author)., The Hutchinson Dictionary of World History, Speake, J., (ed), Helicon Publishing Ltd: Oxford, 2001, p. 125

⁶² Harding, H., Op cit, p.264

neither was it able to draw on a Chinese loan pledged in 1964.⁶³ In return for aid received from China, China's most insistent demand from her African friends was public support for the aims of the Cultural Revolution and verbal praise to the brilliance and superiority of Mao Tse-tung's thought.⁶⁴

2.6. The Sino-Soviet Struggle

During the Cold War China's basic foreign policy goals were to ensure the state of security in China and to ensure the continued authority of the Communist Party within the state. Specifically though, China's foreign policy objectives were to establish and maintain secure borders; to diversify and expand its foreign trade and state economy; to gain international recognition and influence; to achieve a position of leadership among the developing world countries; to win the responsibility of ideological guide in the Communist world; and to undermine Western influence in the international system.⁶⁵ In light of its foreign policy, Africa's newly independent states provided wonderful opportunities for China to attain these goals. However, as mentioned earlier, one of China's primary goals in Africa was to use the continent as a battlefield against Soviet social (and Western) imperialism. At this point I will briefly discuss Sino-Soviet relations and how these relations influenced Chinese foreign policy, more specifically Chinese aid policies, in Africa.

In 1950 China first extended economic aid to North Korea, on an unofficial basis, merely as an extension of Soviet aid. China and the Soviet Union had just signed a treaty of mutual assistance, in which China envisioned large amounts of assistance from the Soviets.⁶⁶ When the Korean War broke out in 1950, a "fellow-Communist state" was threatened and both China and the Soviet Union went to its aid. China went to its assistance, while at the same time receiving aid from the Soviet Union. However at this time, China was expecting better terms and more assistance than it was getting, but could not argue as it was not in a very good bargaining position due to its alienation from the West. Thus, as mentioned earlier, at this stage China's aid was

⁶³ Hutchinson, A., *Op cit*, p.141

⁶⁴ *Ibid*, p.142

⁶⁵ Smaldone, J. P., "Soviet and Chinese Military Aid and Arms Transfers in Africa: A Contextual Analysis", in *Soviet and Chinese Aid to African Nations*, Weinstein, W., and Henrikson, T. H., (eds), Praeger Press: New York, 1980, p.102

⁶⁶ Copper, J.F., *Op cit*, p.116

merely an extension of Soviet aid. China's purpose was to cement economic ties between members of the Communist bloc and provide China with allies against the West.⁶⁷

After Stalin died, Mao began to express disappointment in the Soviet Union's aid to China. He became apprehensive of Soviet efforts to gain a hold over China's economy and to interfere in China's internal problems. Mao began to take actions to preserve China's independence, and started to give aid to non-communist countries, thus showing that China was also a leader of the Communist world and not just another Soviet-satellite. The Soviet Union reacted by giving aid to some of the same countries that China had aided, suggesting that it did not approve of China's attempts to win an independent sphere of influence. Thus tensions between the two countries started to develop. Tensions escalated in 1960 when China openly expressed its disapproval for the leadership of the Soviet Union and the policies it set forth in the communist world, in retaliation Moscow immediately cut all aid to China.⁶⁸ Furthermore, China's policies were based on the presumption that there could be no thought of co-existence between Communist and non-Communist countries until all the people 'oppressed' by imperialism had secured their freedom and imperialism itself had been destroyed.⁶⁹ It was at this time that China's aid shifted to non-communist Asia, the Middle East and Africa, and often favoured the more revolutionary nations. China's aid was used to support wars of national liberation, this was done to create an alternative, revolutionary kind of communism and to gain international recognition for Mao's regime, which China believed both the US the Soviet Union were trying to deny it.

In 1964-1965 aid competition between China and the Soviet Union escalated, the focus was primarily on Asian and African countries. Both countries provided loans and gifts to the African and Asian countries in order to try gain support for the second Afro-Asian conference which was scheduled to open in Algeria in 1965 – although in the end the conference never took place. However during this time China's range and depth in its aid programme increased, specifically China gave economic assistance to

⁶⁷ Loc it

⁶⁸ Ibid, p.117

⁶⁹ Grieg, I., Op cit, p.71

many countries it had never given aid to before. In total China spent more than US\$ 500 million to win over support for its views and get promises of support for the proposed Afro-Asian conference.⁷⁰ The Soviets had spent more than twice that amount. China's efforts in persuading Africa and convincing itself of the Soviet Union's imperialist tendencies began to pay off in the late 1960s. Two major incidents which happened within in a year of each other, confirmed to many African leaders that their fears of the Soviet Union as just another imperialist power, no better than its former colonialists, was in fact true. In 1968, when the Soviet Union invaded Czechoslovakia, it released the Brezhnev Doctrine, which justified Soviet intervention in socialist countries judged to have "bad tendencies".⁷¹ The armed conflict along the Sino-Soviet border the following year in 1969 confirmed China's convictions. These two acts confirmed to the rest of the world that perhaps China had a legitimate cause for worry.

The 1969 border clashes heightened China's fears that the Soviets would take major military action against China. China's very survival was at stake and in an attempt to counterbalance the Soviet threat; China began to look for allies to deter the Soviet Union. The best choice was obviously the US it was the only country that would be able to stand up to the Soviet Union militarily. Thus it tried establishing political relations with the US.⁷² Based on the common interest of deterring the Soviet Union and its hegemonic tendencies, China and the US normalised relations in 1972.

2.7. The Tanzania-Zambia Railway

After virtually having terminated its foreign aid programme during the Cultural Revolution, China undertook an ambitious programme of economic assistance to developing countries in the early 1970s. New aid extensions rose from US\$16 million in 1969 to about US\$640 million per year for the next four years. The new Chinese aid programme was ambitious and within two years China extended more aid to the Third World than in the sixteen years between its initial aid disbursements in Africa

⁷⁰ Copper, J.F., *Op cit*, 118

⁷¹ Hutchinson, A., *Op cit*, p.287

⁷² Franklin, Z. W., *China's Foreign Relations Strategies Under Mao and Deng: A Systematic Comparative Analysis*, A Working Paper Series from the Department of Public and Social Administration, City University of Hong Kong, Hong Kong, February 1998, p.11

and the end of the Cultural Revolution, 1954 – 1969. During this period new aid policies were nearly ten times the annual level attained in the 1950s and 1960s.⁷³ After five years of negotiations between China, Tanzania and Zambia, the final protocol was signed and construction of the prestigious Tanzania-Zambia (Tan-Zam) railroad began in 1970. The Tan-Zam railway was China's single largest foreign aid project, costing over US\$455 million. It was equal to nearly one half of China's total aid commitments to all African countries in the period 1954-1971 and at the time was by far the largest construction project in both Tanzania and Zambia.⁷⁴ In terms of cost, the Tan-Zam railway far outranked the Soviet Union's biggest aid project in Africa, the Aswan Dam project in Egypt. Previous proposals for financial assistance to build a railway between the two countries had been submitted to the World Bank, an Anglo-Canadian Consortium and the Soviet Union, however all proposals had been rejected on grounds that economic development in the two countries would be better served by other projects.⁷⁵

The project itself is a single-track railway line linking Dar es Salaam to the copper-rich, central Zambian town, Kapiri Mposhi, 1850 kilometres away. The railway runs through some of the most rugged land in eastern Africa which necessitated the need to build 2500 bridges and viaducts, and nineteen tunnels. Construction finished two years ahead of schedule in 1974 with a workforce of roughly 15 000 Chinese and 36 000 Tanzanians and Zambians. The aid was given in the form of an interest free loan to be paid over a thirty-year period and payment would only commence in 1981.⁷⁶ At the time of completion this meant that both Tanzania and Zambia would have to find US\$2.7 million a year in order to complete payment. However, it was expected that the railway would ultimately pay for itself and also raise a surplus to help pay for the loan. The main freight would be copper from Zambia. It was also hoped that the line would assist in the agricultural development of southwest Tanzania.⁷⁷ Today the Tan-Zam railroad is still functional but has never been profitable, nor has it carried the projected volume of traffic, owing partly to the congestion at the port of Dar es Salaam and partly to problems with track and rolling stock. Political changes in

⁷³ Harding, H., The China Factor: Sino-American Relations and the Global Scene, Prentice Hall Inc.: New Jersey, 1981, p.274

⁷⁴ Hutchinson, A., Op cit, p.222

⁷⁵ Copper, J.F., Op cit, p.104

⁷⁶ Hutchinson, A., Op cit, p.224

⁷⁷ Greig, I., Op cit, p.98

southern Africa have lessened the need to use northern routes. South African ports are being used more and copper is also trucked through Namibia's Caprivi Strip.⁷⁸ As a result in 2005, the governments of Tanzania and Zambia agreed to privatise the Tan-Zam.⁷⁹

The Tan-Zam railroad is an excellent example indicating how the political advantages of building the railroad outweighed the economic considerations. From the outset China was seen to be a friend of two African countries sorely in need of help. The West had refused to provide funding for the project but China's willingness to construct the railroad highlighted the political alignments in southern Africa. Therefore the offer to build the railroad won friends not just in the two countries benefiting from the railway, but also amongst all independent African nations opposed to white supremacist rule. Thus the project had the real and symbolic meaning of supporting Africa's total liberation. International prestige was attached to such a massive and difficult project by illustrating China's technological capabilities and power of building a major industrial project. It bolstered Mao Tse Tung's bid for leadership of the developing world and represented a triumph over the West. The West had had a chance to build the railway but had turned the opportunity down, and as a result China and Africa had built the line together, symbolising their own technological capabilities and socio-economic values.⁸⁰ By using Chinese technology and resources the construction of the railway ensured a continued Chinese presence in eastern Africa.⁸¹ Lastly, in constructing the Tan-Zam, China had won a struggle with the Soviet Union; it had built a bigger project than Moscow in Africa.⁸²

2.8. Chinese Recognition at the United Nations

Perhaps one of the greatest examples of where Chinese aid won China political support was in 1971 when China was admitted into the United Nations. Copper

⁷⁸ Seay, L. "Missed Perception and Missed Opportunity: US policy and the Tanzania-Zambia Rail road", Department of Government, University of Texas, Austin, Speech delivered at the Annual Meeting of African Studies Association, November 2004, p.10.

http://www.utexas.edu/cola/depts/government/content/research_papers/asa_papers/seayasa04.pdf

⁷⁹ Wikipedia, "TAZARA Railway", http://en.wikipedia.org/wiki/Tanzania-Zambia_Railway_Authority, April 2006

⁸⁰ Yu, G. T., *Op cit* p.104

⁸¹ Hutchinson, A., *Op cit*, p.225

⁸² Copper, J.F., *Op cit*, p.108

believes that China's foremost goal in giving aid to African countries was to win diplomatic recognition. The main reason was that at this stage China was still on the sidelines of international affairs and was not recognised as a world power.⁸³ Furthermore, in terms of the Sino-Soviet struggle, fighting along their common borders had become serious and the Soviets had turned the conflict into a world-wide effort to isolate and contain China. With membership in the UN, China would be able to balance the Soviet threat by getting support from the international community. Africa held out the highest possibility for China to increase its diplomatic ties, especially considering that more nations in Africa than in any other region of the world had no commitments to Taipei – the then-current seat at the UN.⁸⁴ It is interesting to note that at this stage that there are 53 countries in Africa, which account for roughly half the members of the Non-Aligned Movement (NAM) and nearly one third of the members of the UN.

During the 1950s and 1960s all loans made by China were low-interest loans, usually from less than 1% to 2.5%. From the late 1960s these low-interest loans were gradually replaced by interest-free loans. However, from the beginning of the 1970s China announced that all loans would be provided with no interest.⁸⁵ (This was still the major trend in Beijing's foreign aid programme during the 1990s). From the time when China initiated aid in 1953 until the end of the Cold War in 1990, the highest amount of Chinese aid (US\$ 1.1 billion) was given in 1970 - the year before China won the seat at the UN. The aid given in 1970 was almost double to the next highest amount (US\$ 690 million) given two years later. See Table 2.2.

⁸³ Copper, J.F., *Op cit*, p. 85

⁸⁴ Loc it

⁸⁵ Lin, T.C., "Beijing's Foreign Aid Policy in the 1990s: Continuity and Change", *Issues and Studies*, January 1996, p.34

Table 2.1: Beijing's Foreign Aid Commitment and the number of Recipient Countries, 1953-1990 (US\$ million)⁸⁶

Year	Aid amount	No. of recipients	Year	Aid amount	No. of recipients
1953	120.0	1	1972	690.9	23
1954	17.5	1	1973	495.0	13
1955	340.0	1	1974	336.0	15
1956	102.8	6	1975	501.3	15
1957	40.7	2	1976	150.1	10
1958	118.9	7	1977	149.9	10
1959	185.4	3	1978	157.3	9
1960	287.7	5	1979	275.9	4
1961	435.7	6	1980	198.3	7
1962	22.3	4	1981	41.8	7
1963	127.3	4	1982	80.1	10
1964	235.5	8	1983	114.4	28
1965	367.6	9	1984	467.3	32
1966	251.6	7	1985	248.6	35
1967	474.0	9	1986	303.6	26
1968	349.8	5	1987	272.0	25
1969	10.3	5	1988	60.4	13
1970	1,111.3	11	1989	223.5	24
1971	590.0	13	1990	374.6	43

On 26 October 1971 at the UN General Assembly, the Albanian Resolution, which seated China at the UN and expelled Taiwan, was adopted. Of the seventy-six countries that voted in China's favour, twenty-six were from Africa, accounting for more than one third of the total votes. Fifteen of the sixteen African countries that

⁸⁶ Lin, T.C., "Beijing's Foreign Aid Policy in the 1990s", *Issues and Studies*, January 1996, p.38 This data was originally found in Lin, T. C., "The Foreign Aid Policy of the Peoples Republic of China: A Theoretical Analysis" (Ph. D. dissertation, Department of Political Science, Northern Illinois University, De Kalb, Illinois, 1993).

China had given aid to voted in favour of the Albanian resolution. The Central African Republic was the only country which did not vote for China (See Table 2.2).

Table 2.2: Voting of the African Recipients of Chinese Aid on the Admission of China to the UN (Albanian Resolution 1971)⁸⁷

Country	Vote	Country	Vote
Algeria	Yes	Mauritania	Yes
Central African Republic	No	Morocco	Yes
Congo (Brazzaville)	Yes	Somalia	Yes
Ethiopia	Yes	Sudan	Yes
Ghana	Yes	Tunisia	Yes
Guinea	Yes	Uganda	Yes
Kenya	Yes	Tanzania	Yes
Mali	Yes	Zambia	Yes

Therefore, looking at the large sum of aid given in 1970 (Table 3.1) and the number of votes received from those countries a year later (Table 3.2); it could be said that China's diplomatic efforts in Africa, based largely on aid giving, primarily influenced the UN vote. Later when expressing his appreciation, Mao said that it was China's African friends who had carried them back to the UN.⁸⁸ Having been voted onto the UN one of China's biggest objectives had been achieved, with the support of the African countries she was recognised as a world power and a member of the Third World.

2.9. The era of Deng Xiaoping

China's foreign aid extensions dropped drastically in the latter part of the 1970s, from approximately \$600 million per year from 1970 – 1973 to an average of \$324 million per year during 1974 – 1975, and to an average of \$170 million per year in 1977 – 1978.⁸⁹ This decline in foreign assistance seems to have been caused by several factors. By the mid-1970s China had already achieved the goals that had prompted it

⁸⁷ Copper, J.F., *Op cit*, p.13

⁸⁸ Guijin, F., "Sino-African Relations and China's African Policy", Lecture given at the Department of African Affairs of the Ministry of Foreign Affairs, South Africa, 2000, p.9

⁸⁹ Harding, H., *Op cit*, p.275

to increase its foreign aid programme in the first place: it had become a member of the United Nations; it had diplomatic relations with most developing nations; and it was regarded as a major force in the developing world. However from the mid-1970s, from a domestic point of view, China itself was experiencing serious domestic economic problems, which made it especially difficult to maintain the levels of foreign assistance Peking had been providing earlier in the decade.⁹⁰

Mao Zedong died in 1976 (incidentally Chou En-lai died in the same year) and a two-year transitional period (1976-1978) ensued under the leadership of Mao's handpicked successor, Hua Guofeng. However, this short period had little if any influence on China's foreign policy strategy.⁹¹

When Deng Xiaoping took power in 1978, China's economy was in dire straits. Mao's policies: The Great Leap Forward in the 1960s and the Cultural Revolution shortly thereafter had seriously injured the Chinese economy. China was in desperate need of a stable and peaceful international environment in order to pursue its own modernisation efforts. Therefore, it was at this time that China initiated a major strategic reorientation of foreign policy, shifting its support for proletarian revolution and anti-imperialist wars of national liberation to the establishment of new foreign relations intended to support domestic economic reform and development.⁹²

During the Deng era the economic relations between China and Africa shifted from China providing economic assistance to Africa to developing economic and trade co-operation with African countries on the principles of equality and mutual benefit. Deng repeatedly expounded the importance of developing Sino-Africa relations. Starting in 1983, as the economic and financial situation in China improved, China's foreign aid began to slowly increase. Between December 1982 and January 1983, Chinese Premier Zhao Ziyang visited 11 African countries. During his trip Ziyang announced four principles guiding China's economic and technical co-operation with African states. They were: 1) equality and mutual benefit; 2) a stress on practical

⁹⁰ Loc it

⁹¹ Franklin, Z. W., Op cit, p.4

⁹² Shelton, G., "China and Africa: Building an economic partnership" in The South African Journal of International Affairs, vol.8., no.2, Winter 2001, p.112

results; 3) diversity in form; and 4) attainment of common progress.⁹³ The four principles essentially built on the original eight principles of economic co-operation. African countries were encouraged by Deng to find political and economic models of development to suit their own particular circumstances and thus finally end the drive for Maoist revolutionary ideology. The main theme's of foreign policy under Deng was peace and development, as opposed to Mao's war and revolution.

Domestic issues and economic reform within China became the primary focus, and foreign policy, at least in Africa, took a back seat until the mid-1990s. Deng continued to follow Mao's normalised relations with the US. China had emerged from isolation to the world community and a solid foundation had been laid for the next phase of reformation. Good relations with the US were encouraged. Deng knew that Western financial support was very important to China.⁹⁴ Good relations with the US would give China access to the scientific and technological knowledge and equipment necessary for national development. The dramatic international events such as the collapse of both the Soviet Union and the bipolar system and the end of the Cold War, did little to influence Chinese foreign policy. In fact China's foreign relations maintained considerable continuity. China's essential strategy under Deng was to ensure China's economic modernisation and development.⁹⁵ Deng continued to rule China until his death in 1995.

2.10. Conclusion

Through the above analysis it is hoped that certain characteristics of Chinese foreign policy in Africa during the Cold War are identified. The main aim is to illustrate how Chinese aid policies benefited China politically. This was done in a number of ways.

Firstly, in a chronological order of events. The tribute system was identified as a philosophy, which the Chinese Empire established several centuries ago. It was used to manage foreign relationships with the empire and the basic characteristics of the tribute system are still evident in Chinese foreign policy today. The 1954 Bandung

⁹³ Ping, A., *Op cit*, p.169

⁹⁴ Franklin, Z, W., *Op cit*, p.12

⁹⁵ *Ibid*, p.14

conference marked the first time China and Africa had any sort of official contact in over five centuries. It was at this conference that China proposed the “Five Principles of Peaceful Co-existence” and shortly thereafter China increased its efforts to develop economic and cultural contacts in Africa. When Chou En-lai made his African tour in 1964, this was the first time such a large Chinese delegation had visited Africa and it was also the first time China explicitly set out its principles for foreign aid. However by the time Mao’s Cultural Revolution was taking place, China had developed an inward looking policy dealing primarily with domestic issues. During this stage China’s foreign aid decreased substantially.

Secondly, in terms of the international environment. During the Cold War China had a number of foreign policy goals it was trying to achieve. The most pertinent included the diversification and expansion its economy, gain international recognition and influence, achieve a position of leadership among the developing world countries, and undermine Western influence. However in the early 1950s China had little international standing, but Africa’s increasing, newly independent states provided wonderful opportunities for China to attain these goals. As tensions between the Soviet Union and China escalated, China sought new possibilities to gain support. It increasingly shifted its aid to Africa and often favoured revolutionary nations. The Brezhnev doctrine and the Sino-Soviet border clashes of 1969 finally persuaded African leaders that the Soviet Union was in fact just another imperialist power.

Thirdly, by concrete examples. The Tan-Zam railway is a very good example which indicates how the political advantages of building the railway outweighed the economic considerations. Significant aid disbursements a year before China won the UN Security Council seat could indicate how many of the African countries decisions were influenced to vote in favour of China because of these aid agreements. Despite not being an economically lucrative project and its need of frequent repairs, today the Tan-Zam railroad is still quoted as being one of the greatest Chinese aid projects in Africa.

Finally, the era of Deng Xiaoping. Under Deng China had a major foreign policy reorientation. China shifted its support from revolutionary and anti-imperialist governments to policies that supported its economic reform both within China and the

recipient country. Deng's influence in the post-Cold War era will be discussed in the next chapter.

Chapter 3

Chinese Aid during the Post Cold War era (1990-2000)

3.1. Introduction

Bloc politics and ideological differences were very important to Western countries at the end of the Cold War. However to China these points were less important, instead national interests, especially economic interests had become dominant.⁹⁶ In other words, up until the end of the Cold War China's aid was used primarily as a vehicle to export its programme of proletarian internationalism (it was very idealistic). However during the 1990s, under the leadership of Deng Xiaoping and from 1995 under Jiang Zemin, Chinese aid evolved to have two strategic aims. The first was an increased focus on enhancing its own economic self-interest and the second was integrating China into the international community. Africa proved to be an increasingly vital player in helping China realise these aims – especially after the 1989 Tiananmen incident. At the same time aid was used in ways that would further or compliment China's foreign policy objectives. Diplomatically China's aid was able to win over its African allies at the UN, and economically China's aid projects were now structured so as to ensure maximum economic gain.

This chapter will start by looking at China's Africa policy in the pre-Tiananmen Square crisis. At this stage Africa's relations with China were marginal, economic assistance had come to a standstill, and China was exerting all its efforts into rather attracting foreign direct investment from the West. However the West's condemnation of China after its Tiananmen Square crackdown forced China to reconsider its stance on Africa relations. This chapter will also follow Jiang's policies on the continent which, more than any other time in the history of the relations between the regions thus far, placed economic cooperation with African states at the forefront of its relations with the continent. These economic policies also

⁹⁶ Deng, Y., "The Chinese Conception of National Interests in International Relations" in The China Quaterly, 1998, p.315

revolutionised Chinese aid to the region. Finally, after reviewing China's aid policies to Africa through the 1990s, this chapter will look at China's publication of its 1998 White Paper. The White Paper expressed for the first time, China's need for natural resources to ensure its overall national security.

3.2. Deng Xiaoping and the Pre-Tiananmen crisis

As mentioned in the previous chapter, China's primary foreign policy aim under Deng was to promote China's economic development. Deng realised that maintaining world peace and stability was crucial to achieving this aim. A few years after coming to power Deng said: 'We should continue to carry out our foreign policy of opposing hegemonism and work to safeguard peace. Its successful application will enable us to secure a peaceful environment in which to carry out our reconstruction for a relatively long period.'⁹⁷ As the world rushed toward the end of the Cold War, China's relations with Africa took the back seat – yet again.

Towards the end of the Cold War, two distinct reasons had emerged to explain China's decreased relations with Africa. Firstly, bloc politics were thawing and China realised that its rational to back anti-Soviet (and anti-American) elements on the continent were largely irrelevant. Thus, in terms of Sino-US relations, China no longer saw Africa as a source of disagreement as had been the case in the past, especially the 1970s. As a result, China took an increasingly tough stance against Africa's demands for aid and assistance.⁹⁸ China built a number of "monumental" projects such as sports stadiums and auditoriums. These projects were attractive to the Chinese because they did not involve complicated problems of raw materials and marketing, which were posed by industrial projects.⁹⁹ Requests from Guinea and Mali to build another railway similar to the Tan-Zam railway were turned down, as was a request to build a dam on the border between Mali and Senegal. Furthermore, China also declined to give any substantial aid to Nigeria – the most populous country on the

⁹⁷ Xiaoping, D., *Selected Works of Deng Xiaoping, 1975-1982, Vol. II*, (English Edition), Foreign Language Press, Peking, 1984, p.92-93

⁹⁸ Taylor, I., "China's Foreign Policy toward Africa in the 1990s" in *The Journal of Modern African Studies*, vol. 36, No. 3. September 1998, p.445

⁹⁹ Ping, A., "From Proletarian Internationalism to Mutual Development: China's Cooperation with Tanzania, 1965-95" in Hyden, G. and Mukandala, R., (eds) *Agencies in Foreign Aid, Comparing China, Sweden and the United States in Tanzania*, Macmillan Press, London, 1999, p.190

continent.¹⁰⁰ In 1985 Deng criticised the developing world’s errors in policy-making. When addressing President Yoweri Museveni of Uganda, on his first trip to China in 1989, Deng said that African countries should take advantage of the peaceful environment to develop. “Strategies and policies for development should be worked out in accordance with actual conditions in each country, and they should unite so that all their people can work together to promote economic development”.¹⁰¹

Secondly, in order to modernise the life of 1.1 billion Chinese, the government needed to attract foreign investment and technological assistance. African states had been unsuccessful in making progress in terms of modernisation. They had failed to efficiently liberalise their economies and open up to the international market. This was a big obstacle for Chinese economic aims. Basically, Africa was seen as immaterial to China’s increasingly commercial nature of external relations and chase for modernisation.¹⁰² However, despite China’s more stringent policies in Africa, China continued to remain friendly with African nations and issues about South-South relations were still discussed, although they were now backed solely by rhetoric rather than concrete commitments. During the 1980s China’s aid to Africa had either stagnated or declined (see Table 3.1). Africa was now expected to contribute to the maintenance of many of the aid projects, which had never been the case before, and from the mid-1980s there was also a noticeable lack of high-level visits from China to Africa. Africa’s political importance was increasingly ignored and by the late 1980s it had suffered a comparative decline in Chinese foreign policy.

Table 3.1: Chinese Aid to Africa during the 1980s (US\$)¹⁰³

Year	1980	1981	1982	1983	1984	1985	1986	1987
Amount	157	412	390	309	222.5	262	230	306

¹⁰⁰ Segal, G., “China and Africa” in *Annals of the American Academy of Political and Social Science*, vol.519, January 1992, p.122

¹⁰¹ No Author., “Chinese Leaders on Sino-African relations” July 2004, <http://www.china.com.ca/english/features/China-Africa/82054.htm>, p.2

¹⁰² Taylor, I., *Op cit* p.443-444

¹⁰³ Figures adapted from Taylor, I., “China’s Foreign Policy toward Africa in the 1990s” in *The Journal of Modern African Studies*, vol. 36, No. 3. September 1998, p.444 derived from Bartke, W., *The Agreements of the People’s Republic of China with Foreign Countries, 1949-1990*, Munich 1992, p8-9

3.3. Post-Tiananmen Crisis

Things took a dramatic turn after the Tiananmen incident on 4 June 1989. Countries which had been trading with China such as the United States, Europe and Japan, condemned China for its human rights abuses and economic sanctions were imposed on China. As a result of the violent suppression of the Tiananmen Square pro-democracy protests the European Union (EU) and the US immediately imposed an embargo on weapon sales to China (the arms embargo remains in place 17 years after the incident).¹⁰⁴ The sharp international reaction to China's suppression of the Tiananmen protests seemed to have caught the Chinese leaders by surprise. Up until this moment China had been perceived by the West as going through a much-applauded modernisation programme with social and economic consequences. Favourable treatment was given to China, throughout the 1980s, in the hope that China was being remade in the West's self-image.¹⁰⁵ Furthermore, until this time complaints about China's forced labour system, public executions and lack of democracy were never mentioned in the Western media or by Western policy-makers. China felt that criticism for its human rights abuses began only once it started to develop. The Tiananmen Square incident had ended China's honeymoon period with the West.

However, despite pressure from the West, most African countries refused to criticize China. The governments of Mauritania, Ghana, Egypt, Kenya, and Gabon issued statements saying that the Tiananmen incident was an internal affair and voiced their opposition to foreign interference in China's domestic affairs. Angola's Foreign Minister and Namibia's Sam Nujoma sent telegrams of congratulations and "support for the resolute actions to quell the anti-revolutionary rebellion."¹⁰⁶ Where high level contact had been suspended between the West and China, several African leaders visited China to demonstrate support for the Chinese government. Captain Blaise Compaore of Burkina Faso was the first foreign head of state to visit Beijing after the killing. He was rewarded with a loan and a children's playground for his country.¹⁰⁷ It

¹⁰⁴ Wolfe, A., "France, Germany seek to resume China Arms Sales", 12 February 2004, p.1, <http://www.atimes.com/atimes/China/FB12Ad06.html>

¹⁰⁵ Taylor, I., *Op cit*, p.446

¹⁰⁶ Taylor, I., *Op cit*, p.447

¹⁰⁷ Segal, G., *Op cit*, p123

is interesting to note that Compaore had seized power via a coup, executed his predecessor, and was himself widely criticised for human rights abuses – hardly the kind of man any government would like to be associated with. Compaore’s visit was followed by heads of state from Burundi, Uganda, Togo, Mali in 1989 and the presidents of Egypt, Chad, Equatorial Guinea, Central African Republic, Sierra Leone and Sudan in 1990. The visits were hailed by China as proof that the international community was not united in its condemnation of China’s efforts to crush its democracy movement.

African states blocked any attempts from Western states aimed at condemning China’s human rights record at the United Nations. African governments supported the argument that human rights violations are a domestic matter and should not be the concern of the international community. It is worth mentioning once again that African states makes up one third of all UN members (and half of the Non-Aligned Movement). Taylor gives three main reasons for Africa’s poles-apart reaction compared to that of the West. Firstly, African elites, who committed human rights abuses in their own country, were under threat from democratisation projects themselves. Any public uprising of a section of the population against entrenched elite threatened to set an example that Africans could follow. Secondly, Third World solidarity resulted in resentment at Western “neo-imperialist” interference in the affairs of a fellow developing country. Many African countries viewed the West’s emphasis on human rights abuses as a pretext to undermine China’s development and interfere in its own path to modernisation. And thirdly, a realistic understanding that overt criticism of China could mean an end to Chinese developmental aid.¹⁰⁸ It is important to keep in mind that from 1956 to 1987, China had provided Africa with nearly US\$4.783 million of economic aid and assistance, which accounted for 62% of the total of China’s overseas assistance, and a source of assistance African countries were not willing to give up.¹⁰⁹

After the Tiananmen incident, China’s attitude toward the Third World, especially African nations, changed from benign neglect to that of renewed emphasis and as a

¹⁰⁸ Taylor, I., *Op cit*, p.447-448

¹⁰⁹ *Locit*, cited in Bartke, W., The Agreements of the People’s Republic of China with Foreign Countries 1949-1990, Munich, 1992, p.7

result the developing world was elevated in Chinese thinking to become a cornerstone of China’s foreign policy. China announced that “from now on China will put more effort into resuming and developing relations with old friends (in Africa) and Third World countries.”¹¹⁰ And China did just that, starting off in the summer of 1989, Foreign Minister Qian Qichen set off on a very successful, six-nation African tour, including Tunisia, Egypt, Cote d’Ivoire and Lesotho. By June 1992, Qian had visited fourteen African countries on what had become annual visits to the continent. China offered aid to any supportive state, a move characteristic of the time. For example, Mozambique was granted a US\$12 million financial reward, for its political understanding and support during one of Qian’s visits.¹¹¹ Chinese aid and the number of its recipients increased radically in the post-Tiananmen era as China tried to win over allies and sympathetic friends (see Table 3.2).

Table 3.2: China’s Foreign Aid Commitments, 1988-1992 (US\$ million)¹¹²

Year	Amount	No. of recipients	Year	Amount	No. of recipients
1988	60.4	13	1991	302.9	36
1989	223.5	24	1992	345.0	44
1990	374.6	43			

3.4. Jiang Zemin from the mid 1990s

Until the mid-1990s China, under Deng Xiaoping, had adopted a low-profile strategy to ensure that China’s economic modernisation would not be disturbed and that China would continue to seize every opportunity to develop its economy. On the global level though, China became increasingly wary of the threat posed from a new and possibly uncontested hegemon, the US which, it was feared, would hold back China’s rise as a global political power. Thus, China centred on a foreign policy pushing for a multipolar world and its Africa policy became the centre of that policy. China’s policy in Africa became centred on gaining support from African states whilst China felt under pressure from the West. In mid-1995 China embarked on an intensive

¹¹⁰ Taylor, I., *Op cit*, p.447 cited in Foreign Broadcast Information Service-China, 3 October 1989, p.3

¹¹¹ Taylor, I., *Op cit*, p.450

¹¹² Lin, T.C., “Beijing’s Foreign Aid Policy in the 1990s: Continuity and Change”, *Issues and Studies*, January 1996, p.38

diplomatic campaign in Africa. This campaign also marked the dividing point marking Jiang's solo reign.¹¹³

It may be no coincidence that at the time of Jiang's concerted Africa campaign, China had just lost a no-action motion proposed for the condemnation of China's human rights record at the UN in Geneva in March 1995. Furthermore, it may be no coincidence that the countries singled out for high-level visits, were for the most part members of the commission.¹¹⁴ In October-November 1995, well before the 1996 commission convened, vice premier, Li Lanqing travelled to Mali, Guinea, Senegal, Gabon, Cameroon and Cot d'Ivoire. Of these, all but Senegal were on the commission. Qiao Shi, a member of the Central Committee, visited Egypt – another key member on the commission.¹¹⁵ Many countries managed to get some sort of bilateral agreement signed. For example, Mali signed agreements on economic and technological cooperation and promised to assist Mali in building several factories.¹¹⁶ Gabon stressed the importance of its relationship with China and the rights of developing nations. All seven countries included on these high-level visits voted against the proposed condemnation of China's human rights record in Geneva in April 1996. Again in 1997, when several Western countries submitted a human rights proposal at the 53rd session on the commission, China's motion of "no action" was approved by a vote of 27 to 17. Fourteen of the 27 votes were from African states.¹¹⁷ Such motions were seen by many African nations as unnecessary interference by the West in the internal affairs of developing countries.¹¹⁸ Once again, China had achieved its goal of diplomatic support through the power of the African vote.

Starting from mid-1995, high level visits from China to Africa became increasingly frequent (and continue unabated today). In that year alone three vice premiers, Zhu Rongji, Li Lanqing and Qian Qichen, visited several African states. Most notably, the states visited were the states which were sitting on the commission at the UN. Chinese

¹¹³ Deng Xiaoping had retired in 1989, but remained a powerful voice behind the Chinese government until his death in 1997. Deng had named Jiang to the top leadership in office and government in 1993.

¹¹⁴ Human Rights Watch., "Africa", 12 February 2003, <http://www.hrw.org/reports/1997/china2/China-03.htm>, p.1.

¹¹⁵ Loc it

¹¹⁶ Human Rights Watch., Op cit, p.2.

¹¹⁷ Shelton, G., "People's Republic of China and Africa, Special Focus" Corporate Intelligence Review, vol.7, no.8, 2000, p.35.

¹¹⁸ Taylor, I., Op cit, p.459.

experiences and lessons on reform were introduced, as was the Chinese government's support for Africa's efforts in its economic development. The vice premiers also encouraged cooperation and joint ventures between Chinese and African enterprises. At the conclusion of his visit, Zhu said that with greater political stability, the Southern African region offered a new opportunity for economic development.¹¹⁹ The high-level visits seemed to pay-off and in 1995, China's trade with Africa had risen 67% from the previous year (see Table 3.3) and Chinese companies had signed 4 742 agreements on contracted projects and labour cooperation.¹²⁰

Table 3.3: China's Total Trade with Africa in the 1990s (US\$ million)¹²¹

Year	Amount	Year	Amount
1990	1 665	1995	3 921
1991	1 426	1996	4 027
1992	1 806	1997	5 030
1993	2 531	1998	5 600
1994	2 643	1999	6 484

From 8-22 May 1996 President Jiang Zemin visited six African countries. This was a momentous trip as it was the first time the Chinese president had ever visited the continent, it was regarded as an important step in consolidating Sino-African relations. Jiang visited Kenya, Ethiopia, Egypt, Mali, Namibia and Zimbabwe. While in Ethiopia, Jiang addressed the Organisation of African Unity (OAU) and put forward a five-point proposal on developing a long-term and stable relationship of all-round cooperation with all African countries. The five points included the following: to foster a sincere relationship and become each other's reliable "all-weather" friends; to treat each other as equals, respect each other's sovereignty and refrain from interfering in each others internal affairs; to seek common development on the basis

¹¹⁹ Peoples Daily, 28 March 1995, <http://www.people.com.cn> , p.1.

¹²⁰ Shi, W., "Sino-African Economic Cooperation: New Dimensions" in *ChinaAfrica*, no.64, April 1996, p.5

¹²¹ Taylor, I., *Ibid*, p.455, figures for 1990-95 from *China's Customs Statistics Yearbook* and *China Statistical Yearbook*, various years. Figures for 1996 and 1997 from "China enhances economic ties with Africa", *Embassy of the PRC in the United States of America*, 16 February 1997, <http://www.china-embassy.org/Cgi-Bin/Press.pl?289> and calculated from statistics given in *China Daily* (Beijing), 9 February 1998. Figures for 1998 and 1999 found at "China ready to expand Trade, Economic Cooperation with Africa: Official" 9 June 2000, p.1. http://english.people.com.cn/english/200006/09/eng20000609_42592.html

of mutual benefit; to increase consultation and cooperation in internal affairs; and to look to the future and create a more peaceful world.¹²² Jiang had signed 23 economic and technological cooperative agreements with the six countries he had visited.¹²³ A year later in order to further develop relations and expand cooperation amongst African states, Chinese Premier Li Ping visited Zambia, Mozambique, Gabon, Cameroon, Nigeria, Tanzania, and the Seychelles. After Li's visit China decided to grant preferential loans with governmental interest deductions to enterprises engaged in specific projects in Africa.¹²⁴ The implementation of a number of projects was accelerated and the scale of aid to advance commercial cooperation was enlarged.¹²⁵

During these high-level visits, which remained steady through to the end of 1990s, one repeated theme cropped up again and again, and that was how to improve Sino-African economic cooperation. Jiang's Africa trip also came remarkably soon after the Taiwan Strait Crisis of March 1996 where China was warned that the US would intervene militarily and support Taiwan if China used force to unite with Taiwan. China was shaken by the unchallenged US hegemon and realised it needed to counter this threat by strengthening its ties with the region which had in the past supported it unconditionally, that is, Africa. (The Taiwan issue will be discussed at length in chapter 6.)

3.5. The 1998 White Paper from the Chinese Ministry of Defence

Deng's economic reforms were in full swing during the 1990s, foreign investment was pouring in from all over the world, and China's economy was growing at an unprecedented rate (between 8 -10%). As with any growing economy China's reliance on natural resources was also growing. Moreover, the Asian financial crisis in 1997 exposed the vulnerability of China's outward-orientated economy to external shocks and alerted China to the risks of economic interdependence. In 1998 the Chinese Ministry of Defence released a White paper. The paper stated that struggles centred on markets, natural resources and other economic rights and interests were

¹²² Zeng, P., "Jiang's African Visit Successful" in China Africa, no.67, July 1996, p5-7

¹²³ Ibid, p.5

¹²⁴ Shelton, G., "China and Africa: Building an Economic Partnership" in South African Journal of International Affairs, vol.8, no.2, Winter 2001, p.115

¹²⁵ Loc it

intensifying globally and that economic security, which is linked to energy security, was very important to China's overall security.¹²⁶ As a result China's global, economic, and foreign and security policies have become closely intertwined. The release of the 1998 White Paper was the first time China explicitly expressed its need for natural resources and how that was linked to its overall national security. Regional and international stability became Chinese strategic objectives, which led to Beijing stepping up its efforts to expand its oil imports and diversify its oil suppliers. This policy led to an increase in oil imports and African suppliers to China¹²⁷ and set in motion the measures that would lead to the China-Africa Forum.

3.6. Chinese Aid in the 1990s

Beginning in the early 1990s, China's foreign aid system went through significant restructuring where China began to use its limited foreign aid funds to achieve maximum economic gain and to diversify its recipients. Pure bilateral inter-governmental economic and technical cooperation in the traditional form of project construction was no longer meeting the needs of the time. Therefore in an effort to better spread economic aid to the needs of the recipient countries, China began delivering "contracted projects" carried out through bilateral cooperation initiatives. Basically, loans would be used by the recipient country either as a direct state investment or as a re-granted loan to a local company so that capital could be used to establish a joint venture with a Chinese company. In this way, the amount of funding flowing into the recipient country would increase because the Chinese partner could also make its own investment through which it would become responsible for management and operation. Technical and management skills would be imparted to the local partner through the process of the operation of the joint venture.¹²⁸ Projects involved copper and chromium mining, the petroleum industry, forestry, agriculture and fisheries.

¹²⁶ No Author., "China's National Defence Paper", July 1998, p.1, <http://www.china.org.cn/e-white/5/index.htm>

¹²⁷ Tull, D.M., "China's Engagement in Africa" in *The Journal of Modern African Studies*, vol.44, no.3, September 2006, p.469.

¹²⁸ Ping, A., *Op cit*, p.191

Similarly, when Jiang made his five-point proposal, the following was mentioned in relation to the third point “seek common development on the basis of mutual development”. China would continue to provide “government assistance” to African countries with no political strings attached. An emphasis was made on revitalising assistance projects which China had sponsored in the past through establishing cooperative joint-ventures. Chinese companies would also be encouraged to conduct mutually beneficial cooperation in extensive areas.¹²⁹ In an interview in late 1998, the Chinese director of the African Department of the Ministry of Foreign Affairs, Liu Guijin, stated that there were three major ways in aiding foreign countries: favourable loans with the interest paid by the Chinese government; joint-ventures and cooperative companies in foreign aid projects; and aid grants.¹³⁰ Some of the biggest projects carried out after Jiang’s visit included: in 1997 the construction of an oil refinery in the Sudan, contracted by the China Petroleum and Construction Company (CPECC) and a year later CPECC signed another contract for a petroleum export equipment project also in the Sudan; the blast furnace refurbishing for Ziscosteel in Zimbabwe; and the railway refurbishing project in Nigeria undertaken by the China Civil Construction and Engineering Company.¹³¹ Investment, development and trade centres were also set up across the continent to promote China’s trade and development objectives. The trade centres were designed to provide a host of services, including storage, offices, accommodation, customs entries, insurance, transportation, business tours, account settlement, legal advice, and accounting assistance for Chinese organisations that invested in Africa.¹³²

Thus, it would seem that by the 1990s aid projects had become commercial projects that generated funds for both the recipient country and China. Gone were the days of monumental political projects which had been fairly common in the preceding years.¹³³

¹²⁹ Ping, A., *Op cit*, p.192

¹³⁰ Zeng, P., and Wand, Z., “Prospects of Sino-African Friendly Cooperation Inspiring” in *ChinaAfrica*, no.93, September 1998, p.14

¹³¹ Chen, G., “Sino-African Economic and Trade Cooperation” in *ChinaAfrica*, no.110, February 2000, p.15

¹³² People’s Daily, “China Vows to Support Africa in Social and Economic Development”, 11 October 2000, p.1, http://english.peopledaily.com.cn/english/200010/11/eng20001011_52337.html

¹³³ Political projects included conference halls, palaces, children’s playgrounds, stadiums, theatres, broadcasting stations and so on.

3.7. Conclusion

It is hoped that this chapter was able to illustrate the pivotal role African states played in helping China achieve its strategic aims, and the role Chinese aid played in coercing African states to support China. In the pre-Tiananmen era we notice that China had marginalised Africa as it did not compliment its growing economic needs. Instead, China focused on building economic ties with developed states, especially in the West. However, after the Tiananmen incident those same countries condemned China for its human rights abuses and economic sanctions were imposed. African governments on the other hand, refused to criticise China and repeatedly stated that Tiananmen incident was a domestic matter which did not need interference from outside parties. Aid packages also encouraged African states, especially autocratic and repressive governments, to block any mention of China's human rights abuses at the UN.

African states had their own reasons for supporting China. Resentment toward the West's neo-imperialist intervention strengthened Africa's Third World solidarity as well as an understanding that criticism of China's human rights abuses could end China's aid. African states which make up one third of the UN membership embraced China and helped it achieve one of its biggest strategic aims, that of integrating itself with the international community and as a by-product also gaining support from all those states. This was carried out particularly well by China when it increased the amount of aid and the number of its aid recipients.

Under Jiang China's Africa relations focused progressively more on its second strategic aim, that of enhancing its own economic self-interests and as a result, methods to improve Sino-African economic cooperation became the cornerstone of China's Africa policy. An increasing number of high-level visits from China to Africa boosted the number of trade, economic and technological cooperative agreements and helped consolidate relations between the two regions.

The release of the White Paper from the Chinese Ministry of Defence in 1998 confirmed that with China's fast-growing economy and its need for a steady and reliable source of oil, its need for natural resources and global economic rights was

also intensifying and thus very important to China's overall security. China began to increase its oil imports and diversify its oil suppliers. The scene had been set for the creation of the China-Africa forum.

Chinese aid during the 1990s also evolved. Project construction was replaced with bilateral contracted projects. These projects formed joint-ventures with Chinese companies which emphasised maximum profit. Also, China had begun to dramatically increase and diversify its aid recipients; this was a successful measure which China would build after the CACF was established.

In conclusion, it would appear that China managed to achieve its goals in the 1990s, namely integrating itself into the international community and enhancing its economic self-interest. As a result, Chinese aid had shifted its focus from once-off monumental projects to projects which were engineered to ensure China would gain maximum economic returns. Where China had marginalised Africa at the beginning of the decade, Africa's growing importance to China could not be underestimated when the decade came to a close, and the world entered the new millennium.

Chapter 4

The China Africa Cooperation Forum: A catapult for China-Africa engagement

4.1. Introduction

China's interests in Africa have shifted over the years, from the Cold War era where China used its aid policies to help it become leader of the Third World, to the 1990s, an era of peaceful coexistence and economic growth, to the present where China is expanding its spheres of influence and ensuring continued and diverse access to energy and natural resources. During the 1990s the aim of Chinese aid became infused with enhancing its own economic self interest and integrating the PRC with the donor community. However, despite these aims, China failed to transplant its own experiences from home. Its aid did not have much incentive to develop a full understanding of Africa's social formation and economic characteristics. However, as China's economy grew, these perceptions needed to change if China was to gain access to a continued and diversified source of natural resources and energy. Thus, from the mid-1990s, aid was increasingly directed toward broader strategic objectives, and in particular toward the development of links with resource-rich countries. The China Africa Cooperation Forum (CACF) was a big step in consolidating China-Africa relations.

China's successful engagement with Africa has happened for a number of reasons. This chapter seeks to explore the factors and the events which made this possible. This chapter will begin by looking at what factors China and Africa find attractive in each other. This is followed by the creation of the CACF and a discussion looking at the policies and follow-up actions that emerged from the summit and the two summits which followed in 2003 and 2006. Aid and debt forgiveness will be looked at in detail as will China's need for natural resources. China's trade and investment policies on the continent are closely linked to China's need for natural resources. The last half of the chapter will look at the challenges and obstacles arising from China's Africa relations. Areas of mutual cooperation will be covered and before concluding the implications of future Sino-Africa aid relations will be covered.

4.2. Mutual Attraction

Economic and diplomatic relations between China and Africa has increased exceptionally since the mid-1990s. Africa's importance to China can be summed up in three primary reasons: 1) ensuring national security, 2) carrying out political objectives and 3) altruistic reasons. In terms of ensuring national security, Africa is a resource-rich continent, and China's access to these resources is probably its key motive for befriending African states. Natural resources are essential to feed China's rapid economic growth and thus maintain internal stability. Economic growth is the cornerstone of social stability and is thus also linked to national security. Therefore China's search for new markets and investment opportunities is essential in this regard. Since the establishment of the PRC, the Chinese government's political objectives have been linked to the country becoming a great power and playing a more prominent role internationally. However, one of China's biggest foreign policy concerns is the US hegemony. China fears that the US may prevent it from rising as a superpower. Therefore, building strong relations with countries across the world is essential to countering the US and ensuring a multipolar world order, rather than the current unipolar world order. African countries have proved to be successful in backing China, mostly because of the large number of states on the continent and the historical links each region share with each other. Lastly, although not the strongest motivation, China does have altruistic reasons for wanting to help poorer developing countries by providing technical, medical and agricultural assistance.¹³⁴

At the same time China too is attractive to African states. As a developing country that is increasing in global status, African states believe that the two regions share a similar world view, which is often expressed in China's south-south rhetoric. Linked to this, is the fact that China is the only developing country in the world to hold a seat on the UNSC and is willing to align itself with the developing countries. Another factor is centred on China's assistance. China's aid is not linked to any conditions – apart from the one-China principle – and believes strongly in the notion of non-interference of the internal affairs within a country. Western donors on the other hand impose conditions of good governance, human rights and democracy before financial

¹³⁴ Sidiropoulos, E., "Options for the Lion in the Age of the Dragon", South African Journal of International Affairs, vol.13, issue 1, Summer/Autumn 2006, p.101-2

support is handed out.¹³⁵ China is not a former colonial ruler and thus does not have to deal with any colonial legacies and as a result Africans feel more comfortable making trade and investment deals with the Chinese. China also represents a growing market for African goods and offers an alternative to Africa's traditional reliance on the West. Lastly, China's economic achievements inspire many African states to develop, if a once impoverished nation can raise itself to the position of third strongest economy in the world, despite its own colonial past, then so can Africa.¹³⁶ This is reflected in what an Ethiopian businessman said "China is going through what we hope to go through, and it did it recently, not 100 or 150 years ago".¹³⁷

4.3. China-Africa Cooperation Forum 2000

Jiang's policies in Africa sought a commercially based partnership with the continent through the confirmation of Africa's economic potential. Thus, in order ensure a strong and solid basis for Sino-African relations into the next century; China decided to convene the CACF. In October 1999, starting at the highest level, Jiang wrote to the heads of State of African countries and invited them to send their ministers to attend the forum which would be held a year later.¹³⁸ As a result, in October 2000, the first large-scale conference on Sino-African cooperation was held in Beijing.¹³⁹ According to China, the purpose of the China Africa Cooperative Forum was "to conform to the changing international situation, meet the requirements of economic globalisation and seek co-development through negotiation and cooperation"¹⁴⁰ through equal negotiation, enhanced understanding, increased consensus, strengthening friendship and promoting cooperation with African states. Over 40 African states with 80 foreign ministers and ministers in charge of international economic cooperation were present. In addition, 17 international and regional organisations, Non-Governmental Organisations (NGOs) and entrepreneurs were in

¹³⁵ *Ibid*, p.100

¹³⁶ Versi, A., "A meeting of minds- and needs" in *African Business*, July 2006, p.19

¹³⁷ Integrated Regional Information Network (IRIN), "Angola: Oil-backed loan will finance recovery projects", <http://www.irinnews.org>, 28 February 2005, p.3

¹³⁸ Galal, M.N., "Sino-African Cooperative Forum" in *ChinaAfrica*, no.97, September 2000, p.9

¹³⁹ The Forum is to be held every three years, each time hosting will alternate between China and Africa states. The second forum was held in Addis Ababa, Ethiopia in December 2003 and in November 2006 the third forum was held in Beijing. The fourth forum will be held in Egypt in 2009.

¹⁴⁰ No Author, "Creation of the Forum", 10 December 2003, <http://www.china.org.cn/english/features/China-Africa/82047.htm>, p.1

attendance to discuss South-South cooperation, the North-South dialogue, debt relief, and Chinese economic cooperation with African states.¹⁴¹

The conference produced two key documents, namely, the Beijing Declaration and the Programme for China-Africa Cooperation in Economics and Social Development. The Beijing Declaration reflects the common views of China and the African states on major international and political issues and seeks to provide a framework for future China-Africa cooperation through support for the UN charter, the peaceful settlement of disputes, reform of the UN and international financial institutions, respect for human rights, and the expansion of existing areas of cooperation.¹⁴² The Programme for China-Africa Cooperation in Economics and Social Development elaborated on the purpose, plans and procedures of the two sides for boosting Sino-African cooperation in diverse sectors.¹⁴³ This would be carried out through continued interaction of prior Sino-African relations; new emphasis on past activities; and brand new activities to expand the agenda of China-Africa cooperation.¹⁴⁴ It described Chinese investments in Africa, financial cooperation between China and the African Development Bank (ADB), debt relief and cancellation, agricultural cooperation, natural resources and energy, education, and multilateral cooperation.¹⁴⁵ The Programme for China-Africa Cooperation in Economics and Social Development indicated that in order for China's economic growth to be satisfied, urgent expansion of commercial activities in Africa would have to take place. In his speech during the closing ceremony of the CACF, Premier Zhu Rongji stressed that "economic and trade cooperation constitutes a critical part"¹⁴⁶ of China's relations with Africa. Zhu's speech indicated that China's primary aim in Africa for present and future relations was economic interaction with Africa, meaning that political cooperation in the form of South-South interaction would only be a secondary aim.

¹⁴¹ Loc it

¹⁴² Shelton, G., "China and Africa: Building an Economic Partnership", in South African Journal of International Affairs, vol.8, no.2, Winter 2001, p.117

¹⁴³ People's Daily, "China-Africa Cooperation Forum" 9 October 2000, http://fpeng.peopledaily.com.cn/200010/09/eng20001009_52153.html, p.2

¹⁴⁴ Shelton, G., Op cit, p.117

¹⁴⁵ Muekalia, D.J., "Africa and China's Strategic Partnership" in African Security Studies, vol.13. no.1. 2004, p.7

¹⁴⁶ Rongji, Z., "Strengthen solidarity, enhance cooperation and pursue common development" in ChinaAfrica, no.11, November 2000, p.9

4.4. China Africa Cooperation Forum in Addis Ababa 2003

In December 2003 the second CACF was held in Addis Ababa, Ethiopia. To ensure the implementation of the proposed actions at the previous CACF, China established a follow-up action committee consisting of 21 government departments. By the time the 2003 CACF convened a number of follow-up actions had been completed. China had signed 40 trade agreements and 34 investment treaties with a number of African states. Chinese investors had established 117 new businesses in 49 African countries.¹⁴⁷ It had wiped clean a collective debt worth US\$1.27 billion for 31 African countries. China had also helped to build roads in Equatorial Guinea, dams in Morocco, an airport and nuclear reactor in Algeria, and government offices in Cote d'Ivoire, Djibouti and Uganda.¹⁴⁸ The main task for the second ministerial meeting would be to review the progress in the implementation of the two documents passed during the first ministerial meeting, and outlining a new, more focused action plan.

The Addis Ababa Action Plan proposed cooperation in four, broad fields: 1) Political Affairs, Peace and Security; 2) Multilateral Cooperation; 3) Economic Development and 4) Social development. Let's look at these fields in a little more detail. In terms of political affairs, peace and security, frequent high-level visits which led to high-level political dialogue and cooperation would continue. Since the first CACF more than 30 African leaders had visited China, and President Zemin and Premier Zhu Rongji also visited African countries a number of times. China renewed its promise to actively participate in African peacekeeping operations and increase its cooperation with organisations such as the UN, the African Union (AU), and other sub-regional organisations in Africa to help prevent, mediate and resolve African conflicts. China promised to help combat terrorism through close and effective cooperation with the African states, the UN and other international organisations.

China stated that economic globalisation had reinforced interdependence amongst countries and regions and therefore brought more challenges than opportunities to developing countries. In this light, in terms of multilateral cooperation, two broad

¹⁴⁷ China Daily, "Hope High for China-Africa Forum", 15 December 2003, http://www1.chinadaily.com.cn/en/doc/2003-12/15/content_290486.htm, p.2

¹⁴⁸ Giry, S., "Out of Beijing: China's Africa Strategy", 15 November 2004, www.cerium.ca/article1268.html, p.1

objectives were covered. Firstly, China reaffirmed its support for African countries and their proposals for the restructuring of the UN, the World Trade Organisation (WTO) and other international organisations. Secondly, China strongly supports the AU and the New Partnership for Africa's Development (NEPAD) which leads to strong South-South cooperation and creates increased Chinese support for African development.

The section under economic development has been the field where the Chinese have been the most active by far:

Agriculture - China promised to expand agricultural support to African countries through technical support and training.

Infrastructure – China pledged to continue to give assistance to African infrastructure projects, such as transport, telecommunications, energy, water-supply and electricity. Particular focus would be given to land-locked countries.

Trade – China's trade with Africa had grown by more than 400% since 2000 and reaching over US\$40 billion.¹⁴⁹ The trade balance sitting significantly in China's favour, however in order to readdress the imbalance, China decided to grant zero-tariff treatment to some commodities from the least developed African countries.

Investment – In order to boost investment and cooperation, the China-Africa Business Conference was held in parallel with the ministerial conference. Chinese companies made a contracted investment of US\$1.25 billion to Africa and in 2003 were are involved with more than 300 projects covering construction, pharmaceutical, chemical, light industry and textiles.¹⁵⁰ Trade promotion centres for investment were set up by the Chinese government in 11 African countries. Special funds and preferential discount loans were offered to encourage and support Chinese enterprises to invest in Africa.

Tourism Cooperation - To boost economic development, China-Africa tourism was enhanced by granting Approved Destination Status (ADS) to Chinese tourists to Mauritius, Zimbabwe, Tanzania, Kenya, Ethiopia,

¹⁴⁹ Timberg, C., "In Africa, China's trade brings growth, unease" 13 June 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/06/12/AR2006061201506.html> , p.1

¹⁵⁰ Le Pere, G. and Shelton, G., "An Evolving South-South Partnership" in South African Journal of International Affairs, vol.13, Issue 1, Summer/Autumn 2006, p.42

Seychelles, Tunisia, Zambia, Egypt, Morocco and South Africa. During 2005, Chinese tourists to Africa had doubled to more than 110 000.¹⁵¹

Debt relief – A debt from 31 of the poorest African countries, totalling US\$1.27 billion was cancelled.

Development Assistance – China agreed to economically assist African states without attaching any political conditions.

Natural resource and energy development – Africa was identified as a key supplier to the Chinese market. Cooperation in natural resources exploration and energy development would have to be expanded.

Finally, in the last field, that of social development, China pledged to increase its African Human Resources Development Fund for the training of 10 000 African personnel in fields such as human resources, science and technology. Educational cooperation would be increased through teacher exchanges and new scholarships. China annually offered 1500 scholarships to African students to go study in China. China promised to enhance its cooperation in medical care and public health to help fight diseases such as Malaria, Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome (HIV/AIDS), tuberculosis, Ebola and Severe Acute Respiratory Syndrome (SARS). Lastly, China would cooperate in cultural exchanges and people-to-people exchanges. Overall, the Action Plan which emerged from the Addis Ababa conference was carried out efficiently and effectively by both China and the African states and served to broaden and deepen China-Africa relations in a diverse array of fields.

4.5. The African Year

The year 2006 marked the 50th anniversary of China-Africa relations and to mark this momentous occasion China released for the first time a Chinese policy paper on Africa. Chinese high-level official engagement in Africa was unprecedented and once the third CACF from 3-5 November 2006 had closed in Beijing, China's pledge to forge "a new type of strategic partnership" with its fellow-African states had been warmly embraced.

¹⁵¹ Le Pere, G. and Shelton, G., Op cit, p.43

4.5.1. China's African Policy

The China Government's Official African Policy was released in January 2006. The document was published in order to calm the West's (especially the US) growing unease of China's rigorous competition in Africa.¹⁵² It stated: "China will unswervingly carry forward the tradition of China-Africa friendship, and, proceeding from the fundamental interests of both the Chinese and the African peoples, establish and develop a new type of partnership with Africa, featuring political equality and mutual trust, economic win-win cooperation and cultural exchange."¹⁵³ The document (see appendix number 1) is based mostly on previous Chinese policy objectives and published policy papers, such as China's Five Principles of Peaceful Coexistence, the Beijing Declaration (October 2000), the Programme for China-Africa Cooperation in Economic and Social Development (October 2000), and the Addis Ababa Action Plan (December 2003). The policy paper did not provide any significant changes and called for enhanced all-round cooperation between China and Africa in the fields of politics, economics, education, science, culture, health, social, peace and security. However, to increase understanding and friendship, new emphasis was placed on cooperation between political parties and local governments. Under the peace and security section, China proposed some new options for expanded cooperation, such as law enforcement agency exchanges and information sharing which did not appear in any previous official China-Africa policy documents.¹⁵⁴ China's basic policy and approach to its Africa relations thus remains basically unchanged.

4.5.2. High-level Visits

The extent to which Africa has now become a focus of China was indicated by the number of high-level visits from China to Africa as 2006. In January Li Zhaoxing, China's foreign minister, swept through West Africa – Cape Verde, Liberia, Mali, Senegal, Nigeria and Libya, President Hu Jintao visited Nigeria, Morocco and Kenya

¹⁵² Vines, A., "The Scramble for Resources: African Case Studies" in South African Journal of International Affairs, vol.13, issue 1, Summer/Autumn 2006, p.68

¹⁵³ Chinese Government, "China's Africa Policy" in Beijing Review, no.10, 9 March 2006, p.2 (This is the official Africa policy document of the Chinese government published on 12 January 2006)

¹⁵⁴ Le Pere, G., and Shelton, G., Op cit, p.48

in April, and Prime Minister Wen Jiabao visited seven African countries in June – Egypt, Ghana, the Republic of Congo, Angola, South Africa, Tanzania and Angola.¹⁵⁵

These visits served to further advance China-Africa interaction and solidarity. In his speech to the Nigerian National Assembly, Hu said “To enlarge the scope of China-Africa cooperation and diversify ways of conducting such cooperation and enable both sides to draw on their competitive strengths is in our mutual interests”.¹⁵⁶ Hu also reiterated China’s longstanding policy of non-interference in other countries internal affairs. This was Hu’s second visit to the continent in as many years. A series of agreements focussing on technological and economic cooperation were signed after each visit, not to mention agreements which consolidated China’s access to oil reserves and other key raw materials. “We are ready to work with African nations... to reinforce cooperation in various fields, namely that of energy exploration”, said Li in Nigeria. On 9 January 2006, just two days before the start of his African tour, the Chinese state-controlled energy company China National Offshore Oil Corporation (CNOOC) Ltd. announced that it would buy a 45% stake in a substantial off-shore oil field in Nigeria at the cost of US\$2.3 billion.¹⁵⁷ To quell increasing criticism about China’s interests in Africa being linked exclusively to energy exploitation, Assistant Foreign Minister He Yafei expressed that the Premier Wen’s last visit was not just about oil. He said “Some people think energy, the import of oil, is China’s sole purpose in developing economic ties with Africa. This view is erroneous and one sided. China and Africa have very comprehensive economic and trade cooperation. We’ve even adopted some measures to help African nations, including subsidies for imports. That reflects China’s sincerity.”¹⁵⁸

4.5.3. China-Africa Cooperation Forum 2006

¹⁵⁵ From 31 December 2006-8 January 2007, Foreign Affairs Minister, Li Xiaoxing, visited another seven African countries – Benin, Equatorial Guinea, Guinea Bissau, Chad, Central African Republic, Eritrea and Botswana – on what has become an annual visit to the continent. This was followed at the highest level when President Hu Jintao made a third visit to eight African countries from 30 January – 10 February 2007. He visited: Cameroon, Liberia, Sudan, Zambia, Namibia, South Africa, Mozambique and the Seychelles. Once again after each visit and with each country agreements on technological and economic cooperation were signed.

¹⁵⁶ Xinhua News Agency, “Hu Puts Forward Proposals on Sino-Africa Ties”, <http://www.china.org.cn>, 28 April 2006, p.2

¹⁵⁷ Goodman, P.S., “CNOOC Announces \$2.3 B Nigeria Investment” Washington Post <http://www.washingtonpost.com/wp-dyn/content/article/2006/01/09/AR2006010901524.html> , 9 January 2006

¹⁵⁸ Vines, A., Op cit, p.68

China's relationship with African states has grown in leaps and bounds since the first CACF in 2000. The summit, held from 3-5 November 2006 in Beijing, marked the biggest-ever gathering between Chinese and African leaders. All 48 countries that have diplomatic relations with China took part and over 40 heads of state attended. This marked increase from only the four heads of state present at the first summit, indicates the increasing importance that African governments themselves place on China-Africa relations. "Building strong ties between China and Africa will not only promote development on each side, but also help cement unity and cooperation among developing countries and contribute to establishing a just and equitable new international political and international order", said President Hu Jintao at the Forum's Opening Ceremony.

To build on several years of growing exchanges between China and Africa, the summit approved a three-year action plan to forge a "new type of strategic partnership" based on pragmatic cooperation, equality and mutual benefit. China pledged the following:¹⁵⁹

- Double aid to Africa by 2009
- Set up a US\$5 billion China-Africa development fund to encourage Chinese companies to invest in Africa
- Provide US\$3 billion in preferential loans and US\$2 billion in preferential buyer's credits to African countries
- Cancel all debt stemming from Chinese interest-free government loans that matured by the end of 2005, for the 31 highly indebted and least developed countries (LDCs) in Africa that have diplomatic relations with China
- Further open up China's market to exports from Africa's LDCs by increasing from 190 to 440 the number of products receiving zero-tariff treatment
- Establish three to five trade and economic cooperation zones in Africa
- Build a conference centre for the AU to support African countries efforts

¹⁵⁹ Chinese Government., "Forum on China-Africa Cooperation Beijing Action Plan 2007-2009", 16 November 2006, <http://za.chinaembassy.org/eng/zfgx/zfhzlt/t281763.htm>

in integration and strengthening themselves

- Train 15 000 African professionals, double the number, to 4000, of Chinese government scholarships given annually to African students and send 100 senior agricultural experts and 300 youth volunteers to Africa
- Build 30 hospitals, 30 malaria treatment centres and 100 rural schools

If the most recent forum is anything to go by, China-Africa relations will continue to grow from strength to strength.

4.6. Aid and Debt Reduction

China's economic engagement in Africa is advanced by technical aid and debt forgiveness as techniques for building influence on the continent. During the opening ceremony of the Addis Ababa CACF, Premier Wen thanked African countries for their support and stated that despite China's economic volume being one of the largest in the world, in per capita terms it was still low. He went on to describe China as a big country with uneven development and a relatively low productivity level, which made the goal of modernisation a long way off. He stated "against such a background, the assistance China can provide African countries is limited. However we do offer our assistance with the deepest sincerity and without any political conditions... we will never forget the invaluable support China has received from African countries over the years in our endeavours to safeguard China's sovereignty and territorial integrity."¹⁶⁰ Wen's opening statement emphasises two points firstly, despite its economic growth, China is still a developing country and can thus relate to developing African countries. Secondly, China is willing to unselfishly help its fellow African states for no political gain. This could be reflected by the fact that in 2002 about 44% of China's widespread assistance, a total of US\$1.8 billion, to developing countries came to Africa.¹⁶¹ However, despite this sentiment Chinese aid to Africa appears to be very closely linked to China's strategic and political objectives and can thus be grouped into six categories: 1) Financial assistance, 2) Limited debt relief, 3)

¹⁶⁰ Wen, J., "Speech by Premier Wen at Opening Ceremony of China-Africa Forum", <http://www.china.org.cn/english/international/82543.htm>, p.3

¹⁶¹ Tull, D.M., "China's Engagement in Africa" *The Journal of Modern African Studies*, vol.44, no.3, September 2006, p.463

Training programmes, 4) Technical Assistance, 5) Tariff exemption, and 6) Peace-keeping activities in Africa. Let’s look at these categories in a little more detail.

In the first category, financial assistance has been provided for key investments and is perhaps the oldest form of Chinese aid to Africa. China offers to fund infrastructure projects, which the World Bank and other bilateral funders stopped funding decades ago. From 1956 to 2005, the Chinese government had provided aid to about 887 projects in Africa (see Table 4.1). These projects covered a broad range of sectors such as agriculture, animal husbandry, fishery, textile, energy, infrastructure, water conservancy, and power generation. The agricultural, fishery and animal husbandry projects will become essential in helping to feed China’s population in the future, especially once China is no longer able to produce enough food domestically.

However, much of this has been covered in previous chapters. Infrastructural projects linked to the institutional interests of the recipient state are especially popular in Africa and particularly favoured by China for a number of reasons. Firstly, they form a significant part of what Alden refers to as “symbolic diplomacy” which is basically the promotion of national representation abroad.¹⁶² From the Chinese perspective, these projects demonstrate China’s influence as a rising world power; while at the same time spoil Taiwan’s efforts to gain a diplomatic grip on the continent. Secondly, China has a crucial understanding of the way governments work in impoverished countries. For example, sports stadiums or new government buildings provide the ruling elite with concrete signs of power that can feed their need for legitimacy or win support from the population.¹⁶³

Table 4.1: Assistance in Africa¹⁶⁴

Country	Chinese Assistance and Projects
Angola	Debt relief, US\$2 billion loan
Benin	Stadium, government office building, conference centre, hospital
Burkina Faso*	-
Burundi	Textile mill, hydroelectric power station, highway

¹⁶² Alden, C., “China and Africa: A New Strategic Alliance” in *Enter the Dragon*, Le Pere, G., and Draper, P., (eds), Institute for Global Dialogue: Braamfontein, 2006, p.20

¹⁶³ LOCIT

¹⁶⁴ Chinese Foreign Ministry, “Chinese Assistance By Country”, <http://www.fmprc.gov.cn/eng/wjb/zzjg/fzs/default.htm> , 20 March 2006

Cameroon	Conference building, hydroelectric power station, hospitals
Cape Verde	Government office building, conference hall
Chad *	-
Central African Republic	Agricultural technological station, radio station, training centre, clinics
Republic of Congo	Stadium, hydroelectric power station, broadcasting station, hospital, factory
Democratic Republic of Congo	Stadium, trade centre, people's palace, factories
Comoros	Government office building, water supply project, people's palace
Djibouti	Stadium, government office building, people's palace, housing project
Equatorial Guinea	Hydroelectric power station, radio station, highways
Eritrea	Humanitarian assistance, hospital
Ethiopia	Highway, veterinary centre, power station, water supply project
Gabon	Healthcare centre, primary school, assembly building
Gambia*	Stadium, hostel, health centres
Ghana	National theatre, irrigation project, vocational training centre, hospital
Guinea	People's palace, hydroelectric power station, cinema, presidential palace
Guinea Bissau	Housing project, power-generating equipment, technical cooperation
Ivory Coast	Theatre, water conservation project
Lesotho	Vegetable planting, convention centre, industrial park
Liberia	Sugar mill, rice project, sports stadium, hospital renovation, office building
Malawi*	-
Mali	Stadium, conference centre, textile mill, sugar refinery, leather-processing factory, pharmacy
Mauritius	Stadium, bridges, airport terminal building
Mozambique	Textile mill, passenger cargo vessel, water supply project, shoe factory, parliament building, housing project
Namibia	Water supply project, civil housing project
Niger	Stadium, water supply project, textile mills, housing project
Nigeria	Railway upgrade
Rwanda	Highways, cement factory, veterinary school
Sao Tome and Principe*	-
Senegal	Stadium, water conservation project
Seychelles	Swimming pool, housing projects, schools
Sierra Leone	Road bridges, stadium, sugar complex, office building, hydroelectric power station, civil housing
Somalia	Medical teams, medicines, disaster relief materials
South Africa**	-

Sudan**	-
Swaziland*	-
Tanzania	Tan-Zam railway, textile mill, rice project, sugar factory, coal mine
Togo	Conference centre, sugar refinery, stadium, hospital, irrigation project
Uganda	Rice projects, stadium, factories
Zambia	Tan-Zam railway, roads, factories, textile mill, water supply project
Zimbabwe	Stadium, hospitals, dams, factories
*These countries have diplomatic ties with Taiwan	
**The amount of total aid is unknown	

Under the second category, that of debt cancellation, Premier Wen announced the debt cancellation of US\$1.27 billion to 31 African countries at the Addis Ababa CACF in 2003. This issue was first placed on the agenda by South Africa at the previous CACF in 2000. Although the request alarmed the Chinese officials at the time, the decision to finally cancel the debt did have two important lasting effects. Firstly, at the symbolic level, China responded to a key African issue which had been pushed by many an African head of state. Secondly, by cancelling the debt, China put itself in the same league as other foreign powers with Africa relations, by implicitly suggesting that its interests and concerns in Africa are similar to those of the West and that its taking steps to counter these concerns.¹⁶⁵ China's debt forgiveness earns it considerable political capital among the Africa states which ensures, amongst other things, their support at the UN and other multilateral forums. Building on Wen's 2003 announcement, at the CACF China announced that it would cancel all debt stemming from Chinese interest-free government loans that matured by the end of 2005 for 31 highly indebted LDCs in Africa that have diplomatic relations with China. This amount is estimated at around US\$1.4 billion.¹⁶⁶

The third category covers the growing number of training programmes and education initiatives, which enhance understanding on both sides and lays the foundation for achieving sustainable social and economic development. Under the follow up actions of the CACF, China's African Human Resources Development Fund had provided training for 15 000 Africans in China, and pledged to train another 15 000 by the end

¹⁶⁵ Alden, C., "China in Africa" *Survival*, vol.47, no.3, 2005, p.150

¹⁶⁶ Harsch, E., "Big leap in China-Africa ties: Beijing offers continent more aid, trade and business" *Africa Renewal*, vol.20, no.4, January 2007, p.3, <http://www.un.org/ecosocdev/geninfo/afrec/vol20no4/204-china-africa-ties.html>

of 2009. As mentioned earlier, the Chinese government will double the scholarships offered to African students from 2000 to 4000. The students usually spend two years learning Chinese, after which they begin studies in technical projects, particularly engineering disciplines.¹⁶⁷ Rural schools will be built and annual teacher training will be encouraged. This support for education improves China's image in many countries, builds grassroots support in local communities and a better understanding of China among the educated elite.

The fourth category looks at technical assistance. China's technical aid has been particularly successful in building China's influence in the region. Medical, agricultural and engineering teams have provided technical aid to Africa since the 1950s. More than 15 000 doctors have worked in Africa since 1963 cumulatively treating 180 million cases of HIV/AIDS.¹⁶⁸ At the end of 2004 about 1 100 Chinese doctors were working on the continent. Technical support which has a chance at providing monetary returns is obviously favoured by China, as financial aid stretches resources and diverts money from important domestic requirements.

The fifth category is that of tariff exemption. This is a new initiative which was first introduced at the Addis Ababa Forum where China instituted a programme of tariff exemption for 25 African economies covering 190 products including, general machinery, mining and smelting machinery, electronic devices, food, textiles and machinery. The number of export items from Africa to China was increased to 440 at the 2006 Forum.

The last category looks at China's peacekeeping activities in Africa. This is a very recent activity for China. There are currently about 1 500 troops currently deployed on seven missions in Africa, for example Liberia, Sudan and the Republic of Congo.¹⁶⁹ China's peacekeeping contingents are usually involved in the engineering,

¹⁶⁷ Thompson, D., "Economic Growth and Soft Power: China's Africa Strategy" <http://www.asianresearch.org/articles/2438.html> , 1 February 2005

¹⁶⁸ Loc it

¹⁶⁹ Kaplinsky, R., McCormick, D., and Morris, M., "The Impact of China on Sub Saharan Africa" www.ids.ac.uk/ids/global/AsianDriverpdfs/DFIDAgenPaper06.pdf , April 2006, p.22

transport and medical fields where they rehabilitate roads and treat thousands of patients. The UN has praised them for their excellence in the field.¹⁷⁰

Thus from the discussion above we are able to see that China's various aid initiatives have helped African people at all levels of society. Infrastructure projects for the general population, tariff exemption for business people, debt cancellation for government and at the grassroots level, technical assistance and peacekeeping activities. All initiatives have helped to bolster China's international image within African states.

4.7. Africa's natural resources fuel China's successful economic reform policies

It is important to cover China's need for resources as a steady and constant supply is vital for China's national security. China succeeds in gaining lucrative trade deals come with strong incentives such as aid, especially in the area of infrastructure. Aid deals especially in the field of infrastructure help cushion China's efforts to succeed in gaining lucrative trade deals. China currently has the fastest growing economy in the world. For the past decade, it has sustained an annual growth rate at around 9% and its foreign trade has increased fivefold. From 1990 to 2003, China's share of global exports rose from 1.8% to 34% and its share of global imports rose from 1.5% to 40%.¹⁷¹ China's domestic petroleum production has declined and its coal output is insufficient and as a result China needs all sorts of commodities to sustain its booming economy and provide for the demand from its generally wealthier society and their increasing need for consumer products such as fridges and cars. Amongst other things China needs timber, minerals and oil. We will look at each one in a little more detail further on. In 2003, China displaced the US and Europe as the biggest consumer of the most industrial raw goods and in 2004 China displaced Japan as the world's second-largest consumer of petrol consumption, after the US. China's demand for natural resources has led to rising commodity prices, especially copper, gold, aluminium, nickel and timber in Africa, which combined with higher production, have helped African economies to grow. For example, the Gross Domestic Product (GDP)

¹⁷⁰ Xinhua News Agency, "Chinese Blue Helmets Play Active Role in Africa", <http://www.xinhuanet.com/english>, 29 October 2006

¹⁷¹ eAfrica, "China: Dire Threat or Dynamic Partner?", *eAfrica: The electronic journal of governance and innovation*, vol.3, February 2005, p.2

in Sub-Saharan Africa has increased at an average of 4.4% in 2001-2004, compared with only 2.6% in the previous three years.¹⁷² Africa's economy grew 5.5% in 2005 and is expected to do even better in the coming years.¹⁷³ According to the IMF, five of the world's ten fastest growing economies are in Africa. African states have enjoyed the new trading opportunities offered by China and no longer depend primarily on the traditional markets of the US and Europe.

Besides their long history of friendship and solidarity, the African continent has become vital in helping feed China's commodity hunger. Africa has 21% forest coverage and 27% grasslands. It accounts for 40% of the world's water resources. Africa's platinum, chrome and manganese account for 80% of the world's total. The continent has 60% of the world's diamonds and 50% of the world's gold, phosphate, cobalt and palladium. Africa's uranium, tantalum, caesium, zirconium and graphite account for 30% and copper 20% of the world total. And perhaps most importantly (for China) the known amount of oil is about 9.5% which is only second to the Middle East.¹⁷⁴ A report published by Deutsche Bank Research, indicated that China would remain hungry for commodities over the coming 15 years. Crude oil and metal ores head the list of China's top commodity imports and is the world's leading importer of plastic materials, metal ores, oil seeds, textile fibres and, pulp and paper (See Table 4.2).¹⁷⁵

¹⁷² Hale, D., "How Marginal is Africa?" <http://www.resourceinvestor.com/pebble.asp?relid=8425> , 25 February 2005

¹⁷³ The Economist, "China in Africa: Never too late to scramble", http://www.economist.com/world/africa/displaystory.cfm?story_id=8089719 26 October 2006, p.3.

¹⁷⁴ People's Daily Online, "Africa the vital continent", http://english.people.com.cn/200611/02eng20061102_317596.html , 2 November 2006, p.2.

¹⁷⁵ Trinh, T., Voss, S., and Dyck, S., "China's Commodity Hunger: Implications for Africa and Latin America" Deutsche Bank Research: Germany, 13 June 2006, p.2.

Table 4.2: China's Top 10 Imports in 2004¹⁷⁶

Commodity	Share in World Imports (%)	Global Rank
Crude petroleum	6.1	3
Chemical elements and compounds	9.5	2
Plastic materials	12.9	1
Iron and steel	9.0	2
Metal-ferrous ores and metal scrap	21.7	1
Non-ferrous metals	8.5	3
Oil seeds, oil nuts and nut kernels	27.8	1
Textile fibres, not manufactured, and waste	23.9	1
Chemical materials and products	6.0	4
Pulp and paper	19.2	1

4.7.1. Oil

After many years of self-sufficiency, China had to start importing oil in 1993 – the amount of which is steadily increasing every year - from 6.4% of its total consumption in 1993, to 31% in 2002, and a projected 60% by 2020.¹⁷⁷ Between 2000 and 2004 China alone was responsible for the 40% increase in oil demand around the world.¹⁷⁸ Currently, China accounts for 30% of global growth in oil demand, which is slightly higher than the 26% from the rest of the world (see Figure 4.1). In 2004 China was importing 5.56 million barrels of oil a day; it is projected to reach 12.8 million barrels by 2025.¹⁷⁹ China's future need for almost triple (130% increase) the amount of oil it requires today, will impact significantly on the world oil trends, especially the cost and the availability of oil. Like many industrialised and growing economies around the world, China is seeking to diversify its sources and ensure energy security in order to fulfil its oil requirements. It would therefore appear that China's oil diplomacy has two main goals: in the short term, secure oil supplies to feed its growing domestic economy, and in the long term, to position China as a global player in the international oil market.¹⁸⁰

¹⁷⁶ Table adapted from Trinh, T., et al *Op cit*, p.2.

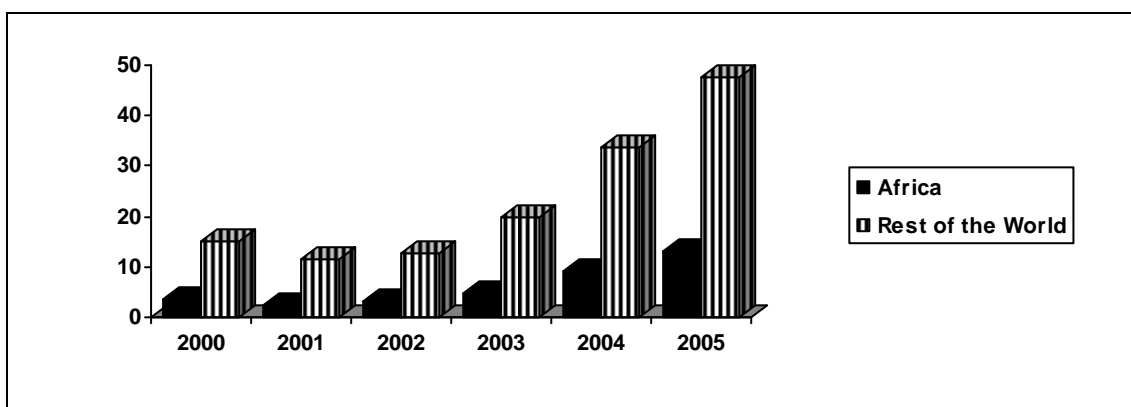
¹⁷⁷ Giry, S., *Op cit*, p.2.

¹⁷⁸ The Economist, "China in Africa: Never too late to scramble", Ibid, p.3.

¹⁷⁹ Widdershoven, C., "Chinese Quest for Crude Increases Focus on Africa", <http://www.iags.org/n1115044.htm>, p.1.

¹⁸⁰ Taylor, I., "China's Oil Diplomacy in Africa", *International Affairs*, vol.82, no.5, 2006, p.938

*Figure 4.1: China's Crude Petroleum Imports (US\$ Billion)*¹⁸¹



China imports over one quarter of its oil from Africa. Oil coming from West Africa is particularly attractive for three key reasons: Firstly, the oil coming from this region is of a high quality, light, waxy and low sulphur content which is more-environmentally friendly and is easily processed by the Chinese oil refineries which are designed to process domestic oil of a similar grade.¹⁸² Secondly, a large proportion of the oilfields are found off offshore, this is advantageous for loading oil directly onto oil tankers which provides a relative stability in oil production levels. Thirdly, aside from Nigeria, West African producers do not belong to the Organisation of Petroleum Producing States (OPEC) and are not subject to the cartel's production or exports restrictions.¹⁸³ Among the African oil-producing countries Angola, Sudan, Congo, Equatorial Guinea and Nigeria are its biggest suppliers. Angola is China's biggest supplier and accounts for 50% of its oil imports from Africa (see Figure 4.2).¹⁸⁴

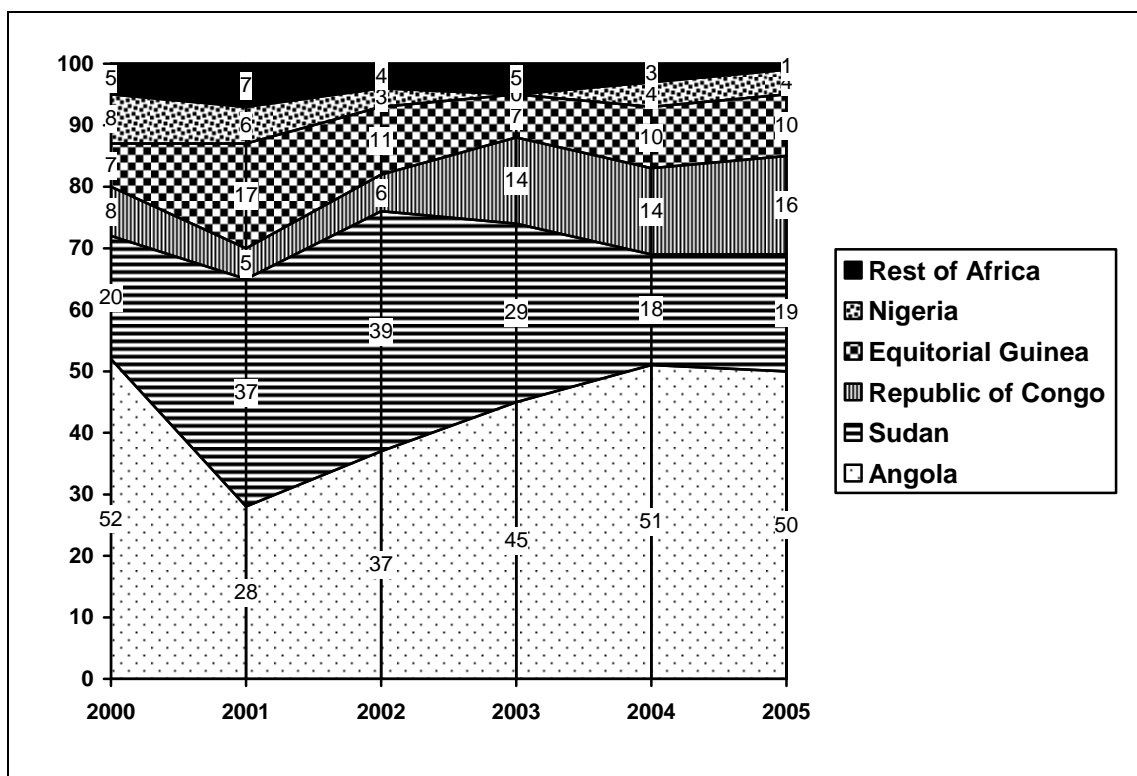
¹⁸¹ Broadman, H.C, *Op cit*, p.83.

¹⁸² Vines, A., *Op cit*, p.65

¹⁸³ Giry, S., *Op cit*, p.2

¹⁸⁴ Broadman, H.C, with contributions from Isik, G., Plaza, S., Ye, X., and Yoshino, Y., *Africa's Silk Road: China and India's New Economic Frontier*, Washington DC: The International Bank for Reconstruction and Development/The World Bank, 2006, p.83

Figure 4.2: Chinese Share of Crude Oil Imports from Africa (as a percent), by Country of Origin¹⁸⁵



Angola – China is Angola’s second-biggest importer of oil, around 30%, after the US (40%).¹⁸⁶ Half of China’s oil supply in Africa comes from Angola, making it China’s biggest oil supplier. In 2005, 14% of China’s oil came from Angola¹⁸⁷, which means that Angola had overtaken Saudi Arabia as China’s biggest single provider of oil.¹⁸⁸ In 2004, state-owned company Sinopec bought into a British Petroleum (BP) operated offshore block, securing its entry with a US\$2.25 billion loan.¹⁸⁹ Where rebuilding the infrastructure is a top priority in the war-torn country, the terms of the loan agreement provided that the money would be used for reconstruction and development projects to build the country’s infrastructure. However, 70% of the construction projects were assigned to Chinese companies, leaving only 30% for domestic contractors. This has, of course, raised much criticism amongst the local businessmen who were hoping the loan would be used to provide more opportunities for Angolans. The deal also provided that Angola would supply 10 000 barrels of oil a day. In 2006 another US\$2

¹⁸⁵ Broadman, H.C., *Op cit*, p.82

¹⁸⁶ IRIN, “Angola: Oil-backed loan will finance recovery projects”, *Op cit*, p.2

¹⁸⁷ Vines, A., *Op cit*, p.70

¹⁸⁸ The Economist, *China in Africa: Never too late to scramble*, p.2

¹⁸⁹ White, D., England, E., Hawkins, T., Mahtani, D., Reed, J., and Yeh, A., “China Winning Resources and Loyalties of Africa”, <http://yaleglobal.yale.edu/display.article?id=7051>, 28 February 2006, p.5

billion in loans was provided by China, specifically for the reconstruction of transport infrastructure. It would use US\$500 million to repair the rail network and US\$1.5 billion to upgrade other areas of Angola's transport network, including rebuilding almost half of Angola's 754 roads and highways.¹⁹⁰ Angola is one of many examples in Africa which illustrates how China's aid leads to preferential oil deals.

Sudan – Sudan is the second biggest exporter of oil to China from Africa. China currently receives 7% of oil imports from Sudan and is the country's second-biggest foreign investor. Sudan has benefited from the largest Chinese investments, which have helped to double Sudan's proven reserves.¹⁹¹ China's first big venture into Africa came in 1996 where state-owned CNPC took a 40% share, originally held by the US's Chevron, as the largest shareholder in the Greater Nile Petroleum Operating Company, which controls Sudan's oil fields.¹⁹² Soon after China built an oil refinery in Khartoum and a 1500km long pipeline that runs from the oilfields to the port of Sudan.¹⁹³ China has invested about US\$4 billion in Sudan. While the majority of investment goes into refinery, oil well and pipeline construction, a fair amount has also gone into other infrastructural projects such as the construction of electric substations and transmission lines, water systems (US\$325 million) and finance for the Kajbar Dam project (US\$345 million), which is a pipeline that will channel water from the Nile River to Port Sudan.¹⁹⁴ China later sent 4000 troops to protect the oil pipeline from banditry and pilfering once it had been built.¹⁹⁵ At one point 10 000 Chinese workers were employed to help complete projects in Sudan. China started its investments in Sudan at a time when Western companies were pulling out or putting investment on hold, due to the role oil revenue was having on fuelling the civil war in Southern Sudan. It is estimated that as much as 80% of revenue generated by Sudan's oil fields has been invested in the war. China is also Sudan's biggest arms supplier. Until 2004 China continuously used its position at the UN to dilute repeated resolutions on the crisis, preventing any threat of sanctions on the Sudanese

¹⁹⁰ Kaplinsky, R., et al., *Op cit*, p.23

¹⁹¹ Vines, A., *Op cit*, p.69

¹⁹² Brookes, P., and Shin, J.H., *Op cit*, p.2

¹⁹³ White, D., et al., *Op cit*, p.5

¹⁹⁴ Lyman, P.N., and Morrison, S.J., *More than Humanitarianism: A strategic US approach toward Africa: A report of an independent task force*, United States of America: Council on Foreign Relations, 2006, p.43

¹⁹⁵ Bork, E., "The Beijing, Khartoum Connection", <http://www.newamericancentury.org/china-20040812.htm>, 12 August 2004, p.1

government. International criticism on the way in which China has dealt with Sudan is perhaps taking its toll and making China think twice before it veto. In March 2005, China abstained from voting on a Security Council resolution that referred the possible war crimes and charges of genocide in Sudan to the International Criminal Court (ICC).¹⁹⁶ Thus in the case of Sudan, China is in a profitable partnership that brings in billions of dollars in investment, oil revenue, weapons and diplomatic protection, to a government accused by the West of genocide in Darfur and human rights abuses of people being chased off ancestral land in order to be cleared for oil production.¹⁹⁷

Equatorial Guinea - US companies dominate the surging oil business in Equatorial Guinea. The US is Equatorial Guinea's main export partner and US companies account for the biggest bilateral investors in the country, estimated at about US\$11 billion. However Chinese influence is on the rise. Exports to China from Equatorial Guinea rose by 138%, from 2003 to 2004.¹⁹⁸ China is said to be providing military training and specialists to the dictatorship in the hope of gaining oil concessions.¹⁹⁹ After President Teodoro Obiang returned from a trip to China in October 2005, he came back and announced "China is the main partner with whom we are going to develop Equatorial Guinea".²⁰⁰ Several months later, CNOOC announced that it had been awarded a contract for share-production in one of Equatorial Guinea's offshore blocks. The case of Equatorial Guinea reflects where China and the US are in direct competition for access to Equatorial Guinea's energy and where the US has had to tone down on its policy engagement on human rights and good governance.

Nigeria - Nigeria is Africa's biggest oil producer and the fifth biggest African exporter of oil to China. In July 2005, PetroChina concluded a US\$800 million deal with the Nigerian National Petroleum Corporation to purchase 30 000 barrels of oil a day for five years.²⁰¹ In January 2006, CNOOC purchased a 45 % stake in a Nigerian

¹⁹⁶ Lyman, P.N., and Morrison, S.J., *Op cit*, p.44

¹⁹⁷ Goodman, S., "China Invest Heavily in Sudan's Oil Industry", <http://www.washingtonpost.com> , 22 December 2004, p.1

¹⁹⁸ Vines, A., *Op cit*, p.71

¹⁹⁹ White, D., et al., *Op cit*, p.6

²⁰⁰ Vines, A., *Op cit*, p.72

²⁰¹ Xinhua News Agency, "China, Nigeria Sign Oil Supply Pact" http://www.xinhuanet.com/english/2005-07/09/content_3195552.htm , 9 July 2005, p.1

offshore oil and gas field for US\$2.27 billion and promised to invest an additional US\$2.25 billion in field development, particularly to repair old rail lines and supply new rolling stock and equipment.²⁰² Future deals in Nigeria have also been sweetened by additional incentives from the Chinese who are considering US\$7 billion investments in Nigeria, covering a wide variety of sectors, including agriculture and selling fighter jets and patrol boats to Nigeria.²⁰³ The oil blocs that China is bidding for are in the disputed area of the Niger Delta, where insurgency, banditry and the stealing of oil are rife. The Niger Delta is an area where the West is unwilling to invest, however China will benefit by retaining a considerable foothold in the energy sector – even if considerable amounts of money are lost until it is able to secure its investments. The case of Nigeria is a good illustration of China’s long-term strategy by way of getting a foot in the door so to speak, in order to gain greater benefits down the road.

China has also signed deals to purchase oil, develop oilfields, construct oil refineries, explore offshore oil fields and obtain drilling licenses in numerous other African states. These include Algeria, Gabon, Kenya, Republic of Congo, Mauritania, Namibia and Ethiopia. China accompanies its search for more oil with investments, infrastructure projects, arms sales, or aid.

4.7.2 Minerals

China has also been pursuing an active policy in mineral-rich countries. It is now the biggest consumer of copper in the world. In Zambia, China has invested about US\$170 million in the mining sector, mostly in the copper sector.²⁰⁴ In the Democratic Republic of Congo (DRC) China has invested in cobalt and copper mines, it is also working on infrastructure projects like roads to facilitate its mineral exports. In diamond and mineral rich Sierra Leone, China has restored a luxury hotel and in 2005 announced that it would be investing US\$200 million for an ocean-front tourism complex.²⁰⁵ In Liberia, the Chinese government announced in May 2006 that it would

²⁰² Brookes, P., and Shin, J.H., *Op cit*, p.2

²⁰³ Lyman, P.N., and Morrison, S.J., *Op cit*, p.44

²⁰⁴ Lyman, P.N., and Morrison, S.J., *Op cit*, p.46

²⁰⁵ BBC News, “Chinese cash targets Sierra Leone”, <http://www.bbc.co.uk/1/hi/world/africa/4330703.stm>, 9 March 2005, p.1

cancel US\$10 million in overdue debt incurred since 2004. It has invested in infrastructure, provided farming equipment, and provided Liberia duty-free access to its markets. In return China has been sold iron ore at below market rates, without following transparency procedures. China tried to stop a UN Panel of Experts on Liberia from drawing attention to this issue.²⁰⁶

4.7.3 Timber

China is the biggest importer of forest products in the world (refer Table5.2), and its imports of forest products have tripled in less than a decade. The primary reason is due to government placing a widespread ban on logging in large parts of China because of bad logging practices and excessive deforestation which resulted in the flooding of the Yangtze River in 1998 that killed 4000 people and resulted in billions of dollars of destruction. Until this time the demand for timber had been met by domestic suppliers.²⁰⁷ China is now importing its wood from the forests in Cameroon, Mozambique, Gabon, Congo, Equatorial Guinea and Liberia. Many of China's imports from Africa are from unlicensed loggers or from companies with environmentally unsound logging practices. Illegal logging is destroying Africa's forests and depriving governments of badly needed revenue. Illegal timber exports are as high as 70% in Gabon and 90% in Congo, Equatorial Guinea and Liberia.²⁰⁸

4.8. Trade

As mentioned earlier, trade deals in Africa are enhanced by Chinese aid and thus build influence on the continent. The Chinese government has invested heavily in Africa since the establishment of the CACF in 2000, and as a result bilateral trade between China and Africa is increasing dramatically each year. Through the CACF China has encouraged trade and investments relations and provided opportunities for governments and businesses to strengthen economic cooperation. After the

²⁰⁶ Vines, A., *Op cit*, p.72

²⁰⁷ Centre for International Forestry Research, "China's timber imports raise concerns" http://www.cifor.cgiar.org/Publications/Corporate/NewsOnline/NewsOnline35/china_timber.htm , January 2007.

²⁰⁸ Lyman, P.N., and Morrison, S.J., *Op cit*, p.46

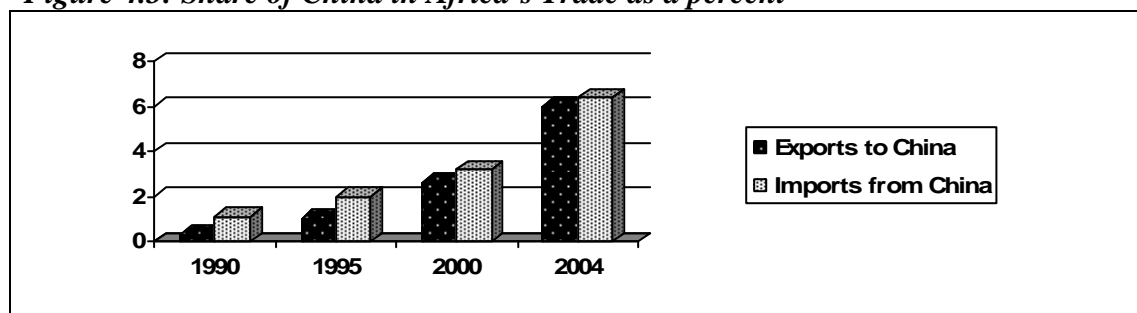
establishment of the CACF trade between China and Africa had quintupled from US\$ 10.6 billion in 2000 to US\$5.5 billion by the end of 2006 (see Table 4.3).

Table 4.3: China-Africa Trade in US\$ billion²⁰⁹

Year	Amount	Year	Amount
1999	5.6	2003	18.48
2000	10.6	2004	29.46
2001	10.7	2005	39.75
2002	12.39	2006	55.5

As a result, the share of China in Africa’s trade has also increased. For example, African exports to China was less than half a percent in 1990, by 2000 the figure had risen to roughly 2.5% and by 2004, African exports to China was sitting at 6% (see Figure 4.3).

Figure 4.3: Share of China in Africa’s Trade as a percent²¹⁰



Africa’s current trade links with China are relatively small in relation to its trade with the rest of the world. Although Africa’s trade with the US has also increased, more than doubling from US\$29 billion to US\$58 billion in 2004, African trade with China is growing at a much faster rate, at an average of more than 50% per year since 2002.²¹¹ Europe’s trade with Africa has decreased over the last decade but it is still Africa’s biggest trade partner. In 2005, Europe constituted 32% of Africa’s total trade. China’s share of trade with Africa is growing the fastest and reached 10% in 2005 and

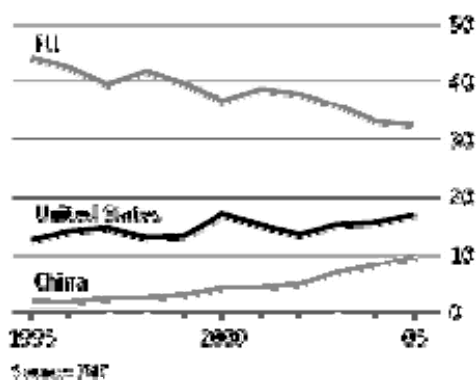
²⁰⁹ Trade statistics from 1999 to 2003 and 2006 have been adapted from various articles from People’s Daily Online at <http://www.peopledaily.com.cn> . 2004 China Trade Statistics and 2005 China Trade Statistics were found at Chinese Ministry of Commerce website <http://www.mofcom.gov.cn/>

²¹⁰ BBC News, “Africa-China meet means business” <http://news.bbc.co.uk/2/hi/business/6111256.stm> , 2 November 2006 (figures adapted from IMF/OECD)

²¹¹ Brookes, P., and Shin, J.H., *Op cit*, p.5

is expected to double by 2010²¹² (refer Figure 4.4). At the same time, it should be kept in mind that China's trade with the rest of the world has also expanded so China's trade with Africa accounts for only 2.3% of China's total trade.²¹³ It is likely that the dramatic rise in China-Africa trade will have a substantial impact on the continent. Already the redirection of exports has been dramatic for some countries. For example, 70% of Sudan's exports go to China, whereas in 1990 it was only 10%; Burkina Faso sends about a third of all its exports (mostly cotton) to China, compared to basically nothing in the 1990s; and now China is Angola's second biggest export market after the US.²¹⁴

Figure 4.4: Africa's trade with China, EU and the US as a % of trade²¹⁵



Trade between China and Africa is further encouraged by business conferences, trade exhibits and promotion fairs. The second China-Africa business conference was held directly after the last CACF in November 2006. At the summit Premier Wen announced that China hoped to increase trade between the two regions to US\$ 100 billion by 2010. Hundreds of African business people attended and trade and investments agreements worth US\$1.9 billion were announced between 12 Chinese companies and 11 African nations. The areas covered included telecoms, technology, mineral resource development, insurance and specifically included a US\$ 300 million new aluminium production plant in Egypt, a US\$300 million contract to upgrade a highway in Nigeria, and a US\$200 million copper project in Zambia.²¹⁶ Furthermore,

²¹²The Economist "China and Africa: A cautious welcome", http://www.economist.com/daily/news/displaystory.cfm?story_id=8649776 , 3 February 2007

²¹³Loc it

²¹⁴The Economist "China and Africa: A cautious welcome", *Op cit*, p.4

²¹⁵Table from The Economist "China and Africa: A cautious welcome", *Op cit*, p.4

²¹⁶BBC News, "Summit shows China's Africa clout", <http://www.bbc.co.uk/go/pr/fr/-/business/6120500.stm> , 6 November 2006, p.1

Sinopec will start preliminary explorations for oil in Liberia, and Sino Hydro Corporation started negotiations to build a hydroelectric dam in electricity-short Ghana.²¹⁷ When looking at China’s African trade partners, nine out of the top ten are all oil-producing states (see Table 4.4). South Africa, the only non-oil producing state from China’s top ten trade partners is a well developed industrialised economy. It is China’s second biggest trade partner and an almost exclusive supplier of ore and diamonds to China.²¹⁸ It is interesting to note that Chad, an emerging oil producer, is also on the list, especially considering that its one of the few countries in Africa to recognise Taiwan. Perhaps most interesting though is China’s tenth biggest trade partner, Chad, one of the few countries in Africa to recognise Taiwan. Perhaps, China’s strong insistence to adhere to the one-China policy can be bent when national interest is at stake. (A detailed analysis of the China-Taiwan issue and its impact on Africa will be looked at in the following chapter.)

Table 4.4: China’s top ten African trade partners in 2004²¹⁹

Country	% of Sino-African Trade
Angola	27.4
South Africa	20.6
Sudan	13.4
Republic of Congo	9.8
Equatorial Guinea	6.3
Gabon	3.3
Nigeria	3.0
Algeria	1.7
Morocco	1.7
Chad	1.2
Total	88.4

Some critics in the West and in Africa have complained that China’s approach to Africa is neo-colonialist because it focuses on extracting natural resources and raw materials from Africa and selling manufactured goods back for instance when looking

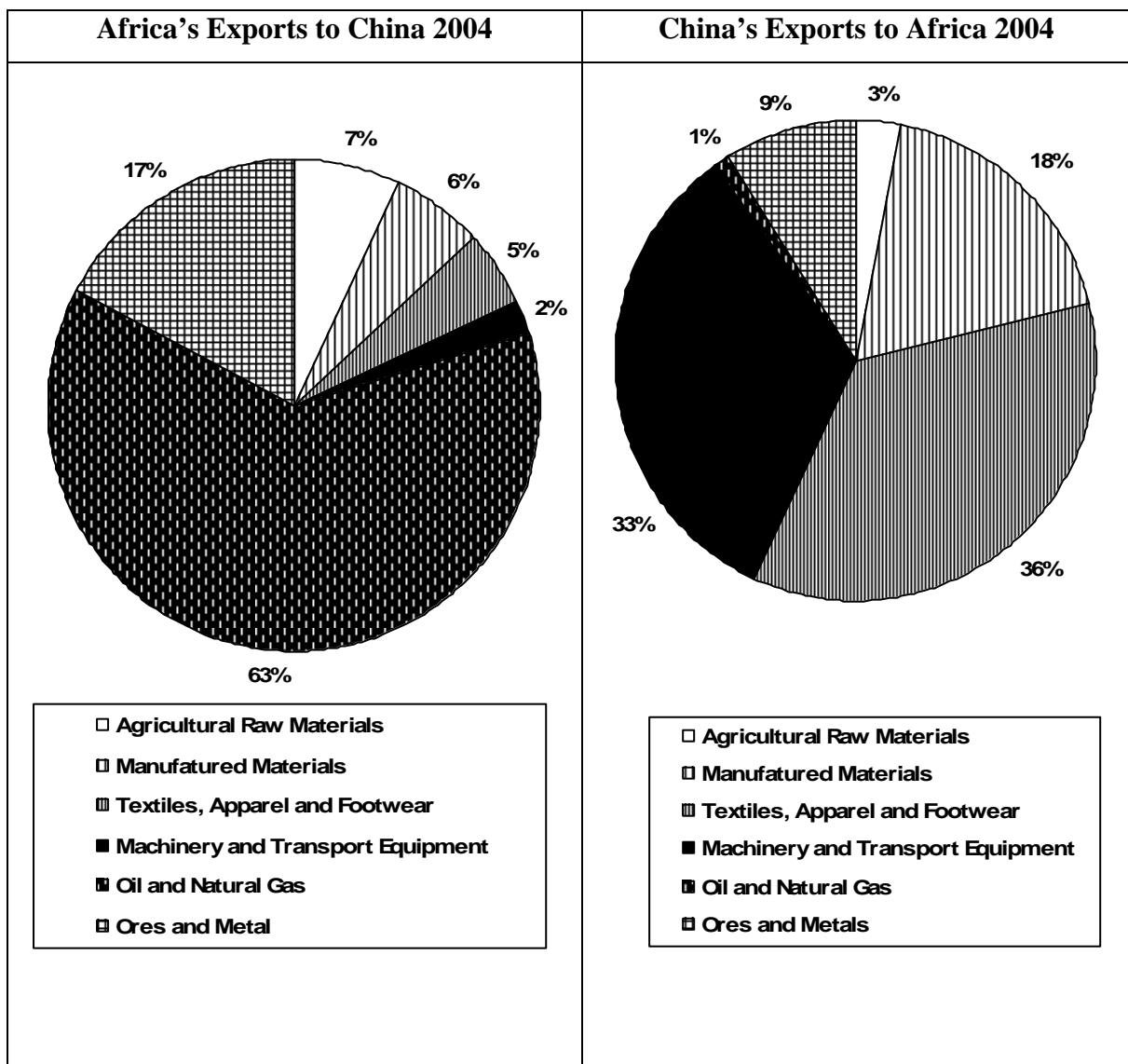
²¹⁷ IRIN, “Angola: Oil-backed loan will finance recovery projects”, *Op cit*, p.3

²¹⁸ Broadman, H.C., *Op cit*, p.82

²¹⁹ Table adapted from Taylor, I., “China’s Oil Diplomacy in Africa”, *Op cit*, p.938, found at International Monetary Fund “Direction of Trade Statistics”, Washington DC: IMF, 1995.

at China's trade with Africa. Oil and natural gas is the single most important commodity exported from Africa at 62%, followed by ores and metals at 17% and agricultural raw materials at 7% of total exports, while Africa's biggest imports from China are textiles, apparel and footwear (36%) and machinery and transport equipment at 33% (see Figure 4.5). Furthermore, it is argued that the increased commodity prices in African states will benefit the elite only, and not the population at large.

Figure 4.5: Product Distribution of Africa's Trade with China²²⁰



China's growing global drive to gain access to overseas markets for Chinese manufactured goods has been successful in Africa. Even though the African market

²²⁰ Broadman, H.C., *Op cit*, p.81

(around 800 million people) is relatively small for consumer goods, China has found a ready market for its cheap, low-quality consumer products. China is focusing its exports (mostly household utensils, mechanical and electrical products, textiles and clothes) on countries with large populations and relatively high purchasing power. As a result South Africa, Nigeria, Egypt, Morocco and Algeria account for 58% of African imports from China.²²¹ Chinese companies have opened up manufacturing operations aimed at regional markets or even export markets in the US and the EU and exploit the duty-free access granted to products from poorer African countries.²²² This has had an adverse effect on African textile manufactures and recently China's textile exports have begun to weaken local African production which is unable to compete with merchandise made in China. For example, in 2005 more than ten clothing factories closed in Lesotho, and South African exports to the US dropped from US\$26 million in the first quarter of 2004 to US\$12 million in 2005.²²³

4.9. Investment

There are currently roughly 700 Chinese companies operating in 49 states in Africa and by the end of 2005 China had invested US\$6.27 billion on the continent.²²⁴ By the end of 2006 China had signed investment protection agreements with 28 African states, and agreements on avoidance of double taxation with 8 African states. China has found it difficult to establish markets where it must compete directly with large Western multinational corporations (MNCs) and as a result prefers to invest in less competitive areas, usually in countries where sanctions, unreliable political situations or other potential liabilities have prevented Western companies from investing.²²⁵ The Chinese state companies have invested primarily in energy and resource sectors and infrastructural projects.²²⁶

²²¹ Van De Looy, J., and De Haan, L., "Africa and China: A Strategic Partnership?" *Strategic Analysis*, vol.30, no.3, July-September 2006, p.570

²²² White, D., et al., *Op cit*, p.2

²²³ *Ibid*, p.24

²²⁴ Jianguo, W., "Vice Minister Wei Jianguo Briefing on China-Africa Economic and Trade Cooperation", <http://preview.english.mofcom.gov.cn/column/print.shtml> , 13 November 2006, p.1

²²⁵ Wolfe, A., "Upcoming Summit Highlights Africa's Importance to Africa", http://www.pinn.com/report.php?ac=view_report&report_id=578&language_id=1, 3 November 2006, p.2

²²⁶ Kaplinsky, R., et al., *Op cit*, p.17

The extent to which Chinese energy companies have become involved in Africa has been adequately discussed in section 4.7.1 of this chapter. For now, it is sufficient to say that Chinese energy companies have become increasingly prominent in Africa and as long as China's economy continues to boom, they will continue to do so.

Chinese firms have also become increasingly important in the construction sector. Many of the firms are also state-owned and build things like stadiums, roads, presidential palaces, dams, railways and government buildings. Most of the construction projects are aid-related and built under terms of gift-aid or concessional loans. Chinese firms have a reputation for providing good quality projects and at a discount price of 25-50% of other foreign investors. China is able to keep its costs so low for a number of reasons:²²⁷

- Largely because most of the companies are state-owned they are subsidised by the government and are therefore able to work for lower profit margins than Western companies which work to maximise short-term profits
- Chinese investors have access to much cheaper capital than local investors
- The almost exclusive employment of low-paid Chinese staff, often living in standards lower than the local population in secluded barracks
- The use of Chinese materials, with very little local sourcing
- Very little attention to environmental impact

Despite not making short term profits, the Chinese investments will yield significant returns in the long run. As most infrastructure projects are public sector works, China considers these investments as goodwill projects to charm African state leaders, which in return gains China political influence, that then opens doors to commercially or strategically more attractive businesses in other sectors.²²⁸

10. Mutual Benefit

²²⁷ *Ibid*, p.19

²²⁸ Tull, D.M., *Op cit*, p.468

There have been different reactions to China's engagement with Africa. The elite have praised China's model of modernisation and claimed it to be better suited to Africa's needs. Also its policy of "no strings attached" is welcomed. Amongst the general population, reactions are varied. Local consumers are happy with the cheap consumer products supplied by the Chinese, trade unions are concerned about the loss of jobs and businessmen claim that all Chinese capital goes to Chinese businessmen already in Africa. Lastly, NGOs claim that China's involvement undermines environmental, labour and human rights standards on the continent. Despite talk of China's rising influence in Africa as a threat, China denies this and affirms that its relations with Africa are to benefit both regions. Thus, mutual benefit comes in many forms:

Infrastructure Projects - Most obviously perhaps, Africa's inconvenient and costly transport has been a big factor leading to Africa's marginalisation in global trade and investment. China's strong support and heavy interest in infrastructural projects on the continent has helped to make the extraction and transportation of its natural resources more accessible, while at the same time ensuring that China gets what it needs to feed its own domestic economy.

Economic lifeline for "pariah states" – Pariah states, especially oil-producing states (such as Sudan), which have been cut-off politically and economically from the rest of the world for bad governance or human rights abuses, benefit from Chinese trade and investment in their state. While pariah states, have found a reliable economic partner in China that does not question their domestic political policies. China has been able to diversify its oil resources and become less dependent on other oil producing countries.

Diplomatic protection - China can use its position on the UNSC to look after its (economic) interests, especially where those interests interfere with its interests in African states. Specifically Sudan, which has been accused by the West of committing genocide in the Darfur region, has avoided serious sanctions because of China's veto power. China has also blocked efforts by the UN to investigate and punish President Mugabe of Zimbabwe for a "clean-up campaign" in 2005, where police destroyed slums and markets and as a result deprived 700 000 Zimbabweans of homes and

jobs.²²⁹ In return the Chinese government has retained access to its lucrative investments in each country (Coal and iron ore in Zimbabwe and oil in Sudan).

4.11. Challenges and Obstacles

With China's rising influence in Africa there are a number of challenges and obstacles both regions will have to overcome if African states want to ensure sustainable growth and China wants to avoid the perception that its engagement with Africa is self-serving. The first challenge relates to the fact that natural resources are finite. African states which do not diversify their economic base will, once those resources have been exhausted, become dependent on aid flows (once more) and become marginalised within the global economy (once more). Therefore African states need to adopt mechanisms which will encourage the better management of natural resources and make them more sustainable.²³⁰ As a Nigerian columnist observed "unless steps are taken to alter this pattern of trade, the relationship in the future will come to resemble the Europe/America and Africa relations, that is, lopsided, dependent and even detrimental to Africa".²³¹ Secondly, China's environmental impact. China should ensure that greater environmental sensitivity is adopted when making deals in Africa. While the policy of non-interference in the domestic affairs of other states serves China well to gain access to commodities, as China's power increases it will need to become more internationally responsible. Thirdly, the issue of Chinese competitiveness in marginal small economies has resulted in African states being undercut by Chinese manufacturers, especially in the textile market. African states have fallen into a false sense of security by the China-fuelled commodity boom, and in return accommodated modes of economic engagement dictated by Chinese investors.²³²

The lack of infrastructure in Africa is a major constraint to Africa when exporting its commodities. Although there are many Chinese projects in Africa working on infrastructure-related projects. These projects all serve to accommodate China's interest in the region. African states should therefore work toward integrating Chinese

²²⁹ Timberg, C., "In Africa, China Trade Brings Growth, Unease", <http://www.washingtonpost.com/wp-dyn/content/article/2006/06/12/AR200606120150.htm> , 13 June 2006, p.2

²³⁰ Sidiropoulos, E., *Op cit*, p.106

²³¹ Harsch, E., *Op cit*, 4

²³² Sidiropoulos, E., *Op cit* p.107

assistance into their own broader development strategies.²³³ Fifth, China's massive transfer of personnel does not have a positive impact on African job markets, the building of local capacities and the transfer of technologies.²³⁴ Xenophobia is growing against migrants from China.²³⁵ Lastly, increasing criticism from the West over human rights is another obstacle China and Africa will have to overcome. China has been accused of ignoring human rights abuses in Sudan and Zimbabwe and the economic engagement China has with these countries have helped to support the (mal-)practices of these governments. For example, Zimbabwe is currently in negotiations with China over a US\$2 billion loan to help prop up its collapsing economy under the burden of 1000% inflation. Western governments and international financial institutions have cut off all support to Mugabe's regime.²³⁶

4.12. Implications of Chinese Aid policies for future Sino-Africa relations

China's engagement with Africa has been greeted with enthusiasm across the continent and its aid has been welcomed with open arms. Chinese aid has been praised across the continent for having brought concrete benefits to Africa and its people. Chinese aid has helped China secure diplomatic relations within Africa. Since 1956 China has helped African countries build over 700 projects in the fields of agriculture, fishery, light and textile industry, energy, transportation, hydropower, education and communication.²³⁷ Chinese-aided infrastructural projects have been essential in helping African countries become part of the global playing field. The construction of road and rail networks across the continent have been essential in helping to transport the extraction of raw materials to ports and thus the rest of the world. This has led to greater freedom amongst African states to control their own affairs and decrease their reliance on Western aid and the conditions that accompany it. China's willingness to do business anywhere and go into countries that are deemed to risky by its Western counterparts, earns it great leverage over the recipient country to negotiate further strategic trade and investment deals.

²³³ *Ibid*, p.109

²³⁴ Tull, D.M., *Op cit*, p.473

²³⁵ Pienaar, H., "Veni, Vidi but no Vici" *The Saturday Star*, 1 February 2007, p.8

²³⁶ Mail and Guardian, "Chinese aid to Africa may do more harm than good" http://www.mg.co.za/articlePage.aspx?articleid=298420&area=/breaking_news/breaking_news_africa/, 8 February 2007, p.1

²³⁷ Jianguo, W., *Op cit*, p.2

However, China's aid has not had a significant impact on the socio-economic sector of the recipient state.²³⁸ In fact, much of China's aid and assistance is tied, as Tull argues, and pays out by way of Africa's support of the one-China policy, diplomatic support, especially at the UN, ensures favourable trade deals and much to the consternation of the West, it helps to support the political economies of narrow state elite. However, judging from its increasing influence in the region, China's elite-centred methods of assistance have proven to be extremely effective. China's assistance has helped to cultivate goodwill among the African elite who reciprocate with diplomatic support and favourable aid deals, thus making the state elites, rather than the ordinary African citizens, the economic and political winners from China's involvement in Africa.²³⁹ In other words China's aid is being used to subsidise squandering governments who fail to advance the notions of democracy and socio-economic reforms for the greater good of their population, some may say then, that Chinese aid does not meet its altruistic aims. However, as China has often claimed, its assistance comes with no political strings and that what happens within the borders of one's own country is a domestic affair, thus with policies like this China is sure to maintain access to Africa's markets and resources.

With China's self-declared support for African organisations like the AU and NEPAD this could spell trouble. For instance, one of the objectives of the NEPAD is to promote corruption-free and good governance in Africa, for its own sake and to secure sustained developmental aid from rich G8 countries (which despite China's increased aid policies in Africa, still provide the majority of aid to Africa), thus aid which fails to advance these objectives is counterproductive.²⁴⁰ Chinese aid can reduce the independence of the recipient African state and "make it a hostage to Chinese foreign policy" which can result in detrimental consequences, such as the plight of the textile industry in South Africa and Lesotho.²⁴¹ China has also been criticised by the West for the way in which it offers billions of dollars of unconditional aid and cheap loans to Africa. It is argued that these procedures risk driving African countries that have only just recovered from debt relief, back into debt

²³⁸ Tull, D.M., *Op cit*, p.476

²³⁹ *Loc it*

²⁴⁰ Laurence, P., "Chinese aid comes at a price" *Star Newspaper*, June 2006, p.8

²⁴¹ *Ibid*, p.8

and thus undermine efforts to create democratic and accountable administrations.²⁴² It would appear though, that by insisting that an ethical field of human rights, corruption and good governance which economic relations should be respected at all times, is a mechanism employed by those states and institutions to counter their growing economic competition with China in Africa.²⁴³

4.13. Conclusion

It is hoped that this chapter was able to illustrate how China's engagement in Africa has become almost exclusively commercially based. China's commercial success has been significantly helped by the various aid packages China uses to close its trade and investment deals. As a developing country that has a booming economy, China has served as an inspiration to many African states. By establishing the CACF, China was able to take the first step in creating long-lasting and concrete relations with Africa.

China's need to feed its growing economy led it to look for diversified sources of raw materials. Africa, a resource-rich continent, together with its strong historical ties with China was an obvious choice. The creation of the CACF was the first step which would ensure a strong and solid basis for Sino-Africa relations. The forum also highlighted that economic interaction was China's primary purpose in Africa and that south-south interaction would only be secondary. The Addis Ababa forum in 2003 highlighted an impressive list of follow-up actions that China had carried out in diverse fields; however China had been the most active in the field of economic development. Trade had grown 400%, investment was booming but perhaps what impressed African leaders the most was China's announcement to cancel US\$1.27 billion,

The year 2006 heralded as the "African year" by the Chinese, marked the 50th anniversary of China-Africa relations and coincided with the release of China's Africa policy paper, an unprecedented amount of high-level visits to Africa and the launch of the third CACF in Beijing. 2006 highlighted Africa's increasing importance to China and that China was here to stay. Similarly, the increasing opportunities African states

²⁴² Mail and Guardian, "Chinese aid to Africa may do more harm than good" *Op cit*, p.1

²⁴³ Van de Looy, J., and De Haan, L., *Op cit*, p.574

see with Chinese engagement is highlighted in the number of African heads of states attending the last CACF, over 40 heads of state versus only 4 at the first summit. China's pledge to double its aid to Africa by 2009, and make US\$10 billion available for preferential loans, preferential buyers credit and to use for encouraging Chinese companies to invest in the continent, reflects China's serious commitment to the continent. However, Africa only accounts for 2% of China's international trade which makes Africa less important to China than China is to Africa.

In terms of aid, China has always favoured providing for infrastructural projects which demonstrate its power as a rising world power and its knowledge that these projects also provide legitimacy for the ruling elite. We saw that the request to cancel Africa's debt initially alarmed Chinese official, however China's subsequent decision to cancel debt has reaped a number of rewards. These rewards include the everlasting support from African states at the international level in return for China having acted on one of Africa's developmental needs. Aid has also come in the form of training programmes, educational initiatives, technical assistance, tariff exemption and peacekeeping activities. All forms of aid have been successful in helping China achieve its objectives in Africa, especially that of securing diplomatic relations.

With a massive population and a booming economy continued access to natural resources is vital for Chinese national security which entails sustained economic growth and providing for its population. Increased trade between countries is always seen as a precursor to positive transformation in that country. Trade between China and Africa has quintupled since 2000. China's biggest imports from Africa are oil, ores and metals, while its biggest exports to Africa are manufactured goods such as machinery and textiles. This has brought criticism from the West and within Africa itself that China's approach to Africa is neo-colonialist. Investment on the continent, not surprisingly, also falls primarily in the energy and resource sectors and is usually aid related. China has placed a high priority on maintaining strong ties with African energy suppliers through investment, high-level visits, and its strict policy of non-interference in internal affairs (which Africa's dictators find comforting).

This chapter also discovered that if China wants to avoid the increasing perception that its interests in Africa are self-serving, a number of challenges and obstacles will

have to be overcome. This includes diversification of Africa's export markets, adopting mechanisms which encourage the better management of natural resources, becoming environmentally sensitive, and taking more responsibility when dealing with regimes that abuse human rights. It is implicit that with China's rising global power status comes more responsibility to ensure good governance, democracy and development in its relations with other states.

Chapter 5

Taiwan and the One-China Policy

5.1. Introduction

Ever since the Kuomintang (KMT) departed mainland China to Taiwan in 1949, the question of reunification of China has been haunting both sides of the Taiwan Strait. From the Chinese point of view, Taiwan is a renegade province and therefore a domestic matter. Although it is no longer recognised as an “independent” state by the vast majority of states around the world, Taiwan, on the other hand, believes that it is a sovereign state and that it has the legal right to self-determination. Taiwan’s mission to gain international recognition and China’s resolve to stop it has come to force in Africa. Thus, the competition for diplomatic recognition between China and Taiwan has become an increasingly important issue in China’s Africa policy.

This chapter will begin with a short history of China’s Taiwan policy, which can be divided into five basic periods: the military offensive, the diplomatic offensive, the peaceful offensive, the sudden crisis, and return to a slightly modified peaceful offensive. This is followed by the Taiwan issue and its role in Africa seen from the Taiwanese perspective. We ask why China even bothers competing with Taiwan. Lastly, we look at Taiwan’s response to China’s increasing presence in Africa and offer some suggestions.

5.2. A Brief History

It is important to look at the history of Chinese-Taiwanese relations as actions taken by China in response to Taiwan have evolved over the years and reflect directly on its Africa policy. Up until the late 1970s China’s stance on Taiwan was confrontational based on the notion of the reunification with Taiwan. Lee Lai To divides China’s policy at this time into two distinct strategies: the military offensive from 1950 to the early 1960s and the diplomatic offensive from the early 1960s through to the late 1970s.

During the military offensive China tried to reunify the country three times. As early as 1950, China was planning an amphibious attack on Taiwan, this was however, disturbed by Taiwan's preventative actions and the need to move northward many of the People's Liberation Army (PLA) troops in the south because of the outbreak of the Korean War.²⁴⁴ However, President Truman had announced in 1950 that the US would use the Seventh Fleet to prevent any attack on Taiwan. This announcement was later set in stone when the Mutual Security Treaty was signed in 1954, committing the US to come to Taiwan's defence should it come under Chinese attack. US presence was instrumental in stopping a major China-Taiwan armed conflict.

With the military option out of bounds, Beijing tried other measures to reunify China. This became known as the diplomatic offensive. These measures included propaganda broadcasts, infiltration agents, and mobilisation of support from overseas Chinese. China also started fighting for international recognition as the sole and legitimate government of China. However, soon after China became engulfed in the Cultural Revolution and was too concerned with its domestic chaos on the mainland to give attention to the Taiwan issue.²⁴⁵ Once China emerged from the turbulent conditions of the Cultural Revolution, it started a concerted campaign to gain support for international recognition. This campaign was most notable in Africa where at the time we see a marked increase in the aid China gave to African states. This is best shown through the example of the fight for the seat at the UN. Beijing's diplomatic breakthrough to membership, and the expulsion of Taiwan at the UN in 1971, became China's most impressive achievement in its contest for international recognition.²⁴⁶ In 1972 the Shanghai Communiqué was signed between China and the USA. It stated that:

The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China. The United States Government does not challenge that position. It reaffirms its

²⁴⁴ Lee, L.T., "A History of the PRC's Policy Towards Taiwan" in South Africa and Two China's Dilemma, SAIIA and FGD: Braamfontein, October 1995, p.19

²⁴⁵ Lee, L.T., Op cit, p.20

²⁴⁶ Lee, L.T., Op cit, p.21

interest in a peaceful settlement of the Taiwan question by the Chinese themselves.²⁴⁷

Chinese Foreign Minister Qiao Guanhua and US national security advisor, Henry Kissinger wrote the paragraph for the communiqué. This was an important step to finding a formula for both sides to agree to disagree and thus set the grounds for renewed US-Sino ties.²⁴⁸ “The Taiwan paragraph of the Communiqué,” Kissinger later wrote, “put the Taiwan issue in abeyance, with each side maintaining its basic principles.”²⁴⁹ Besides the US’s acknowledgement of the “one China” stance regarding Taiwan, perhaps the most beneficial outcome from the Shanghai Communiqué was the cancellation of the US-Taiwan mutual defence treaty.²⁵⁰ This action lifted a grave threat and a big worry for China. Furthermore, in 1979 the US cut its official ties with Taiwan and established diplomatic relations with China – an event which Taiwan believes led to many other countries breaking off official relations with Taiwan and recognising China.²⁵¹ In 1970, Taiwan had diplomatic relations with 67 countries, while China had relations with 54. In 1971 the numbers were 56 and 74, respectively. By 1979, only 23 countries maintained diplomatic relations with Taiwan, and 127 countries had official relations with China.²⁵² It is important to take into consideration that the actions of the US, China and Taiwan are all interrelated and thus have an impact on Sino-Africa relations. For example, during this period China was concerned about the US’s growing global influence and feared that the US would prevent its rise as a superpower and also its efforts to reunify with Taiwan. Thus by gaining its UN seat China gained international recognition and allies to help counter the US threat. Shortly after the Shanghai Communiqué, China began to issue peaceful gestures and proposals for reunification. This shift coincided with Deng Xiaoping’s coming to power and, of course, the adoption of his economic

²⁴⁷ Bernstein, R., and Munro, R.H., The Coming Conflict with China, Vintage Books: New York, 1998, p.150

²⁴⁸ Bernstein, R., and Munro, R.H., Op cit, p.150

²⁴⁹ Ibid, p.151

²⁵⁰ Swaine, M.D., “Chinese Decision-making Regarding Taiwan, 1979-2000” in The Making of Chinese Foreign and Security Policy in the Era of Reform, Lampton, D. (ed), Stanford University Press: California, 2001, p.311

²⁵¹ Kuan, E.H.C., “Domestic Politics of Foreign Policy: Explaining the Formulation of Taiwan’s ‘Participate in the UN’ Policy” in Issues and Studies, vol.42, no.1, March 2006, p.140

²⁵² Kuan, E.H.C., Op cit, p.140

reform and open-door policies. This became known as the peaceful era and lasted until early 1995.

In order for China's economic policies to be successful, the development of a peaceful and stable external environment conducive to economic growth, including friendly relations with the major powers and its Asian neighbours, as well as Taiwan, was vital for China.²⁵³ China believed that its open-door policy and the ensuing rapid development would increase Taiwan's dependence on the Mainland and thus create a good reason for Taiwan to move to reunification. At this time, as already mentioned, peaceful reunification through negotiation was emphasised. To show its commitment China stopped shelling the off-shore islands, stopped all propaganda references to the liberation of Taiwan, appealed for discussions to end military confrontation, and suggested a variety of cross-strait links.²⁵⁴ It was during this era that Deng publicly formulated the "one country, two systems" concept. Under this system China is the sole legal government of China and Taiwan is an inalienable part of China.²⁵⁵ Deng had also reflected a desire for a speedy resolution to the Taiwan crisis. In September 1994 China made a statement indicating that it would use all economic and diplomatic resources to reward countries that were willing to isolate Taiwan and punish "hostile foreign forces" that encouraged Taiwan's independence.²⁵⁶ Furthermore, China claimed that it would focus its limited resources and foreign aid on "dangerous areas", which included countries that might develop strong ties with Taiwan, or whose economic relations with Taiwan might change into political relations.²⁵⁷

The peaceful era and the policies set out by Deng continued into Jiang Zemin's rule. However, in 1995, minor adjustments were made to China's Taiwan policy and the Jiang Eight Points were formulated. Although based on the core principles laid out by Deng, Jiang's Eight Points focused primarily on the possibilities of cross-strait discussions leading to reunification. Where Deng's approach had been a desire to resolve the Taiwan issue during the 1980s, Jiang's approach did not anticipate such a hasty reunification, instead, it sought only agreement on a transitional framework that

²⁵³ Swaine, M.D., *Op cit*, p.311-312

²⁵⁴ *Ibid*, p.310

²⁵⁵ Lee, L.T., *Op cit*, p.24

²⁵⁶ Lin, T.C., "Beijing's Foreign Aid Policy in the 1990s: Continuity and Change", *Issues and Studies*, January 1996, p.44-45

²⁵⁷ *Ibid*, p45

would stabilise the status quo, facilitate economic exchanges, and generally pre-empt any permanent separation of Taiwan from the Mainland.²⁵⁸ In response to Jiang's proposal Taiwan issued a counter-proposal for talks, stating that before any negotiations could begin, China must renounce any threat of force against Taiwan. From the Chinese perspective this was an unacceptable demand and viewed by most Chinese leaders as an outright rejection.

However, a series of events that started in May 1995 soon obscured the conciliatory policy of Jiang's Eight Points. Three key events provoked China and led to what became known as the Taiwan Strait Crisis. Firstly, a US\$6 billion sale of F-16 fighter planes to Taiwan from the US (which was a response to China's acquisition of Russian SU-27s). Secondly, Taiwan's President Lee Teng-hui began a campaign to get Taiwan re-elected into the UN. Lee was offering to pay US\$ 1 billion to get a UN seat. Thirdly, the US withdrew an earlier ban and allowed Lee to visit the US and make a speech at his alma mater, Cornell University, this trip was used by Lee to polish Taiwan's independent image.²⁵⁹ In Taiwan's view, independence was the only way to break its international isolation, and joining the UN would effectively demonstrate that independence.²⁶⁰ These developments hastened China to develop a hard-line strategy.

Beginning in early 1996, the PLA mobilised its forces opposite Taiwan and on 5 March 1996, China announced that it had plans for missile tests and live-fire air and naval exercises in the Taiwan Strait. Incidentally, this coincided with the election run-up for Taiwan's first and fully free democratic elections. Three days after China made its announcement it fired missiles into the Taiwan Strait close to Taiwan's two largest ports and disturbed its shipping. Tensions escalated when China repeated their refusal to renounce the use of force to settle the Taiwan question. In response the US dispatched two aircraft carriers and their battle groups to the Taiwan Strait.²⁶¹ Of course, China was enraged with the US's interference in its internal affairs, but for the most part, China had to accept that its threats had been neutralised. America had sent a clear message to China: it would not stand by idly as China used military force

²⁵⁸ Swaine, M.D., *Op cit*, p.314

²⁵⁹ Bernstein, R., and Munroe, R.H., *Op cit*, p.153

²⁶⁰ Kuan, E.H.C., *Op cit*, p.144

²⁶¹ Bernstein, R., and Munroe, R.H., *Op cit*, p.154

against Taiwan. China had lost ground diplomatically, but it did send a very clear message that it would respond if Taiwan made moves that displeased it.

After the sudden crisis, the Jiang Eight Points became part of a larger strategy China designed to constrain Taiwan's freedom of action internationally and deter the US from intervening militarily in the event of a future Taiwan-China confrontation.²⁶² Soon after China had fired its missiles into the Taiwanese Strait, Jiang left for his Africa tour. Jiang's policy was reinforced when all six countries he visited made clear that they supported China's stand on its reunification and vowed not to have any official relations with Taiwan in any form.²⁶³ It was at this time that China became particularly aggressive in up-holding the "one-China, two systems" policy.

Throughout his reign Hu Jintao has continued to encourage a peaceful resolution to the Taiwan issue. In March 2005 Hu stated that China promises to resolve the issue through peaceful means, which was also stated in the Anti-Secession Law passed by the National People's Congress immediately after. However, China has also warned that it will use "non-peaceful means" if Taiwan legally breaks away from China. Moreover, if a war across the Taiwan Strait should arise, China has even threatened to use nuclear weapons against the US if the American military tries to intervene.²⁶⁴

5.3. Taiwan: A Taiwanese Point of View

Taiwan believes that international recognition will legitimise its regime, thus making it less likely that China will use military force to unite Taiwan with China. Therefore Taiwan has used foreign economic assistance as a very successful method to achieve its foreign policy objectives. This has been particularly successful amongst the smaller African states. This section will look at Taiwan's efforts for diplomatic recognition amongst African states.

Gaining worldwide recognition is an important factor in attaining international legitimacy and has thus become the most important foreign policy objective for

²⁶² Swaine, M.D., *Op cit*, p.328

²⁶³ Zeng, P., "Jiang's African Visit Successful" in *ChinaAfrica*, no.67, July 2006, p.9

²⁶⁴ Zhidong, H., "Obstacles to Integration: What would it take to reconcile people on the two sides of the Taiwan Strait?" in *Issues and Studies*, vol.42, no.1, March 2006, p.49

Taiwan. Therefore, recognition from African states will help Taiwan break from China's diplomatic grip which recognises Taiwan as an economic body but not a political body. Taiwan for the last two decades has been an economically powerful state. With a per capita income of US\$29 000 in 2006²⁶⁵, compared to China's per capita income of US\$7 600²⁶⁶, Taiwan clearly has the upper hand when it comes to economic matters. Taiwan has used its economic strength to deepen its relations with friendly countries and widen its network, or as Taylor points out "Taipei's 'dollar diplomacy' has been relatively successful in aiding Taiwan to raise its international profile."²⁶⁷ Dollar diplomacy refers to a state's efforts to secure its objectives through financial and economic instruments of control.²⁶⁸ Taiwan has vast foreign exchange reserves which it is able to use in its international relations. Of course, at times these reserves have helped to persuade some African states to switch recognition from China to Taiwan.²⁶⁹

Philip Liu suggests that cross strait competition for legitimacy does not happen within states of important strategic interest to China, such as Muslim Africa where those states would more than likely decline Taipei's attempt to exchange aid for political recognition. However, the main area where Taiwan does focus is the low-income states in Africa, where Sino-African cooperation is low, the governments are unstable and the aid needs are high.²⁷⁰ Or as Segal points out "it's a sign of the poverty in Africa and lack of principle in international relations with poor African states that can be bought by the higher Taiwanese offers of aid."²⁷¹ In addition, the provision of aid incentives to poor states with minimal trade relations with Taiwan can also easily sway a decision. For example a country like Swaziland, which has no substantial trade relations with China has nothing to lose if it sides with Taiwan in the "one-China" dispute, whereas South Africa on the other hand had almost US\$2 billion trade deals

²⁶⁵ No Author., "CIA World Factbook: Taiwan", 23 January 2007, <https://www.cia.gov/cia/publications/factbook/geos/tw.html>

²⁶⁶ No Author., "CIA World Factbook: China", 23 January 2007, <https://www.cia.gov/cia/publications/factbook/geos/ch.html>

²⁶⁷ Taylor, I., "China's Foreign Policy to Africa in the 1990s", in *The Journal of Modern African Studies*, vol.39, no.3, September 1998, p.457

²⁶⁸ Evans, G., and Newham, J., *The Penguin Dictionary of International Relations*, Penguin Books: London, 1998, p.132

²⁶⁹ Taylor, I., *Op cit*, p.457

²⁷⁰ Liu, P., "Cross-Strait Scramble for Africa: A Hidden Agenda in China-African Cooperation Forum", Spring 2001, p.6, <http://www.people.fas.harvard.edu/asiactr/haq/200102/0102a006.htm>

²⁷¹ Segal, G., "China and Africa" in *The Annals of the American Academy of Political and Social Science*, vol.519, January 1992, p.123

with China when it switched recognition from Taiwan. Thus it would have been impractical for South Africa to jeopardise that kind of economic advantage.²⁷² African states have been successful in playing China against Taiwan to maximise the foreign aid they can get from each country. For example, Guinea Bissau and the Central African Republic (CAR) switched diplomatic recognition to China because Taiwan had rejected a loan request for US\$ 90 million and US\$120 million respectively. In 1997 China had extended a US\$ 14 million loan to Sao Tome and Principe but four months later switched recognition because of a US\$30 million loan from Taiwan.²⁷³ Therefore, if Taiwan or China cannot satisfy their allies demands for aid, their allies can reverse recognition at any time (refer to Taiwan’s current allies in Table 5.1).

Table 5.1: Taiwan’s Allies in Africa and Year of Recognition²⁷⁴

Country	Year Diplomatic Relations Established with Taiwan	Year Diplomatic Relations Established with China	Country	Year Diplomatic Relations Established with Taiwan	Year Diplomatic Relations Established with China
Burkina Faso	1961, 1994	1973	Sao Tome and Principe	1997	1975
Gambia	1968, 1995	1974	Swaziland	1968	
Malawi	1966				

As from January 2007 only 24 states recognise Taiwan and about one fifth of those are from Africa. From Africa’s 53 countries, only five maintain official diplomatic relations with Taiwan. They are Burkina Faso, Gambia, Malawi, Sao Tome and Principe, and Swaziland. In 2003 Liberia switched relations to China after China promised to provide it with loans and resource assistance.²⁷⁵ In 2005 Senegal switched relations and stated that the decision was made on “results from an objective

²⁷² Liu, P., *Op cit*, p.6

²⁷³ *Ibid*, p.3

²⁷⁴ Table adapted from Liu, P., *Op cit*, p.9

²⁷⁵ Taipei Times, “Taiwan, Liberia cut diplomatic ties” http://th.gio.gov.tw/show.cfm?news_id=19216 , 13 October 2003, p.1

and deep analysis of the global geopolitical situation”.²⁷⁶ After Senegal’s decision to swap recognition and in an effort to save its remaining diplomatic ties, Taiwan’s foreign minister set off on a six-nation Africa tour. The small African states managed to squeeze aid from the desperate Taiwan and Malawi managed to gain an agreement for the construction of a road in the isolated north-east of the country.²⁷⁷ In August 2006 Chad was the most recent country to switch recognition. It was a move that greatly embarrassed Taipei and forced the island’s premier to cancel a visit to that country at the last minute.²⁷⁸

During the 1990s competition between China and Taiwan to win diplomatic recognition from African countries escalated drastically. While Taiwan used aid and trade as an inducement. China relied heavily on its rising status as a global power and its great potential as a trading partner and in addition offered large amounts of economic assistance with the promise of its new allies to adhere to the one-China policy. As a result, China was able to secure recognition from six of Taiwan’s former allies. Lesotho and Niger switched recognition to China in 1994 and 1996 respectively. The CAR, Guinea Bissau and South Africa all switched in 1998, and Liberia switched in 2003 just before China deployed 558 peacekeepers to Liberia and sent PLA troops to assist with Liberian water-supply projects.²⁷⁹

Under President Lee Teng-hui Taiwan began a policy of “pragmatic diplomacy”. Under this policy Taiwan aimed to broaden its international space by strengthening non-political relations with other countries and by attempting to participate in as many international organisations as possible.²⁸⁰ This would legitimise Taiwan in world politics and by implication this recognition would mean that the world would recognise Taiwan as a separate entity from China, which in turn would make it more difficult for China to utilise force to unite Taiwan, thus diluting China’s claim that

²⁷⁶ BBC News, “Senegal picks China over Taiwan”, 26 October 2005, <http://news.bbc.co.uk/2/hi/asia-pacific/4377818.stm>

²⁷⁷ AsiaNews.it., “Taiwan minister visits Africa to ‘save island’s remaining diplomatic ties””, 13 July 2006, <http://www.asianews.it/view.php?!=en&art=6690>

²⁷⁸ Chua, C.H., “China Woos Taiwan’s Remaining African Allies”, 19 October 2006, <http://taiwansecurity.org/ST/2006/ST-191006.htm>

²⁷⁹ Brookes, P., and Shin, J.H., “China’s influence in Africa: Implications for the United States”, 22 February 2006, p.6, <http://www.heritage.org/Research/AsiaandthePacific/bg1916.cfm>

²⁸⁰ Larus, E.F., “Taiwan’s Quest for international Recognition” in *Issues and Studies*, vol.42, no.2, June 2006, p.31

Taiwan is a domestic issue.²⁸¹ From Taiwan's point of view, similar to that of China's, each country carries one vote at the UN, even the smallest country such as Swaziland is important to Taiwan because of its international standing.²⁸² Taiwan was particularly active throughout the 1990s, using several of its allies to petition the General Assembly to consider dual representation for China and Taiwan. From 2000 the request for dual recognition was dropped and the focus shifted to the "exceptional international situation pertaining to the Republic of China on Taiwan."²⁸³ Overall, Taiwan's pragmatic diplomacy has been fairly successful. By the end of Lee's period in office, Taiwan had increased its number of diplomatic allies from 22 to 28, and had expanded its membership in inter-governmental organisations from twelve to sixteen. Under Taiwan's present president, Chen Shui-bian, the number of inter-governmental organisations Taiwan belongs to has increased to 26, including the World Trade Organisation (WTO), Asia-Pacific Economic Cooperation (APEC), the Asia Development Bank (ADB) and observer status at the World Health Organisation (WHO).²⁸⁴

However, it would appear that China has aggressively intensified its diplomatic tug-of-war with Taiwan over the last several years. In its first African policy document, Beijing said that the one China policy remains "the political foundation for the establishment and development" of relations with African countries. "The Chinese government appreciates the fact that the overwhelming majority of African countries abide by the one China principle, refuse to have official relations and contacts with Taiwan and support China's great cause of reunification".²⁸⁵ Furthermore, in order to show the "comprehensiveness" of China's cooperation with Africa, China decided to invite the five Taiwanese allies to the 2006 CACF. As a result, private sector representatives from Burkina Faso, Gambia, Malawi, Sao Tome and Principe and Swaziland attended the forum, which clearly unsettled the Taiwanese.²⁸⁶ In March 2007 Taiwanese Foreign Minister James Huang stated "the rise of China has indeed

²⁸¹ Loc it

²⁸² Taylor, I., Op cit, p.457

²⁸³ Larus, E.F., Op cit, p.34

²⁸⁴ Ibid, p.32

²⁸⁵ Chinese Government, "China's Africa Policy"

²⁸⁶ Ministry of Foreign Affairs (Taiwan), "Taiwan needs a new plan for Africa", <http://english.www.gov.tw/TaiwanHeadlines/index.jsp?categid=8&recorded=101646>, November 2006

posed a great threat to us”.²⁸⁷ China has used its economic clout to “lure away allies” and “expand its influence [in Africa]”.²⁸⁸ Since President Chen took office in 2000 three African states have decided to switch recognition, they are Chad, Senegal and Liberia.

Overall though, it would appear that the chances of China using force to reunify China and Taiwan are very slim. The primary reason would have to be that a war with Taiwan would disrupt China’s economy and scarce resources used in its more pressing nation-building would have to be diverted.²⁸⁹ Secondly, three quarters of China’s trade is carried out with the Asia-Pacific region, therefore the continued support and cooperation of the countries in that region is needed for China’s continued economic growth. Of course, this region includes Taiwan, which has perhaps the largest source of foreign investment in China.²⁹⁰ Thus it would appear that China would prefer use its economic strength and squeeze Taiwan by way of diplomatic pressure and wining over its last few remaining.

5.4. Why does China bother?

One may ask why China even bothers to compete with Taiwan when only five of some of the smallest and poorest states in Africa have diplomatic relations with Taiwan in the first place? There are basically four reasons. Taylor suggests two primary reasons: first, not solving the Taiwan issue would be an awful loss of face for China, and second, China has branded itself as a representative of the developing world.²⁹¹ When looking at the first reason, we can understand that if Taiwan did in fact become an independent state, this would raise questions about the Communists Party’s hold over its people and aggravate internal problems with separatist movements and thus weaken China’s international status. This could set a precedent for particularly rebellious parts of China, such as Tibet, Xinjiang and Inner

²⁸⁷ Business in Africa, “Taiwan Accuses China of ‘chequebook diplomacy’”, http://www.businessinafrica.net/news/west_africa/143986.htm, 16 March 2007

²⁸⁸ Locit

²⁸⁹ Klintworth, G., “China and Taiwan: From Flashpoint to Redefining One China”, 7 November 2000, <http://www.aph.gov.au/library/pubs/rp/2000-01/01rp15.htm#taiwan> , p.1

²⁹⁰ Loc it

²⁹¹ Taylor, I., Op cit, p.457

Mongolia.²⁹² Muslim ethnic minorities in Xinjiang have begun to reassert demands for greater autonomy. In 1997, Muslims clashed with police officers, smashed storefronts, and attacked ethnic Han Chinese, and terrorist bombed three public buses, killing five people and wounding over 60. These developments reinforce China's determination to prevent Taiwan from gaining international recognition.²⁹³ When looking at the second reason, as self-appointed representative of the developing world, it is important for China to uphold this image, especially in Africa where those states add political and numerical support to its claims. A third reason, is that for every state China manages to persuade to come to its side, is one state less that recognises Taiwan. If this trend continues Taiwan's campaign for international competition may just fizzle out and in the end, the Taiwan issue could just be a "domestic matter". Lastly, and perhaps most importantly, Taiwan has a trade surplus of US\$7 billion with the US, including many high-tech industries and a well educated and entrepreneurial population, if China does get control of Taiwan it will add the world's thirty-third biggest economy²⁹⁴ and perhaps the largest source of foreign investment to its already booming existent economy.²⁹⁵

Thus far, it would appear that China's engagement in Africa is inseparable from its efforts to displace Taiwan's official relations with Africa. This is of course true, however, whereas in the past China would punish those states which recognised Taiwan by cutting diplomatic links and withdrawing all foreign assistance and other projects, China presently has a far more flexible approach. Now there is the selective involvement of businesses and Chinese provincial representatives which remain in country and work to emphasise the mix of pragmatism and necessity that characterises China's new Africa policy. A prime example of where China disregarded the one-China policy was in oil-rich Chad when it still recognised Taiwan (Chad only switched recognition in August 2006). In 2004, Chad was China's tenth biggest trading partner in Africa.²⁹⁶ In 2003 a new pipeline running from Chad to Cameroon was opened so that oil from Chad can be transported directly to a major port.

²⁹² Klintworth, G., *Op cit* , p.1

²⁹³ Payne, R.J., and Veney, C.R., "China's Post-Cold War African Policy", *Asian Survey*, vol.38, no.9, September 1998, p.869

²⁹⁴ CIA World Factbook: Taiwan, 23 January 2007, <https://www.cia.gov/cia/publications/factbook/rankorder/2004rank.html> , p.1

²⁹⁵ Bernstein, R., and Munroe, R.H., *Op cit*, p. 60

²⁹⁶ Taylor, I., "China's Oil Diplomacy in Africa", *Op cit*, p.938

Therefore, as China's economy grows and other incentives to win recognition from the remaining countries that recognise Taiwan are likely to increase and be more effective. It would appear that China is systematically advancing and fine-tuning its one-China policy and inhibiting Taiwan's efforts to expand diplomatic recognition. China's efforts will more than likely accelerate in the future.

5.5. Some suggestions for Taiwan

It is clear that with its growing clout and leverage in Africa, China is hoping to win over Taiwan's five remaining allies in Africa. Many observers say that Taiwan's ability to hold onto these allies is a losing battle, the business and investment opportunities which China can now offer on a massive scale cannot compete with the US\$900 million annual budget allocated to the Taiwanese foreign ministry.²⁹⁷ However, in order to counter the Chinese threat in Africa, Taiwan should work to consolidate diplomatic ties with its African allies by helping developing their economies.²⁹⁸ Taiwan should put more emphasis on improving the business environments in the countries it aids to in order to lure Taiwanese companies to invest there. In order to better encourage investment in Africa and consolidate its diplomatic relations, the government should help build the local infrastructure to facilitate trade (this has been a very successful measure used by China). An attempt should be made to identify niche markets and then to help develop them. Furthermore, Bill Cho from the Taiwanese department of economic and trade affairs suggests that Taipei should negotiate with insurance companies to insure Taiwanese properties in Africa in the event of war or riots.²⁹⁹

5.6. Conclusion

It is hoped that this chapter illustrated how aid from China and Taiwan has helped to gain support from African states. The Taiwan issue has generated much controversy due primarily to the fact that both the Chinese and Taiwanese governments have

²⁹⁷ Business in Africa, "Taiwan Accuses China of 'chequebook diplomacy'", Op cit, p.1

²⁹⁸ Ministry of Foreign Affairs (Taiwan), "Taiwan needs a new plan for Africa", Op cit, p.1

²⁹⁹ Locit

completely different views on the fate of Taiwan. As previously mentioned, China views Taiwan as a renegade province and thus a domestic affair, whereas Taiwan believes it has the right to self-determination and is thus seeking international legitimacy.

The significance of the African states and the role they play in the China-Taiwan issue did not become important until 1970, the year before China was admitted into the UN. In the preceding years any attempt by China to reunify with Taiwan was blocked by the US, who had promised to militarily intervene if China used force. The fact that the US was willing to use force in what China saw as a purely “domestic” matter, threatened China enormously. The year before China was elected onto the UN Security Council, its aid agreements and the number of aid recipients increased dramatically, especially amongst the African states. The number of countries which recognised China after entering the UN rose dramatically, even more so in 1979 when the US changed recognition. The fact that the US recognised China eased its perceived threat and thus began a peaceful period where China could pay more attention on developing its economy in a peaceful environment.

However, once Taiwan began to actively campaign for dual recognition at the UN and the right to independence, China became anxious and tensions rose, escalating in the Taiwan-Strait Crisis. The US intervened, the fact that the world's most powerful state was interfering in China's affairs once again, threatened China. China believed something had to be done about this uncontested hegemon. Soon after the crisis, Jiang Zemin set off on his Africa tour in order to deepen its relations and consolidate ties with the African states. On his tour Zemin expressively stated that China would not have any diplomatic relations with any country that recognised Taiwan.

One may wonder why China even bothers competing with Taiwan. There are a number of reasons. Economically, if reunification was successful China would be gaining one of the world's biggest developed economies. Politically, in terms of following through on its role as representative of the Third World, the more states that recognise China, the greater credibility China has in taking on that role. China would also be saving face should the question of the Communist Party's control over its people be questioned.

In conclusion, Taiwan is able to concentrate its greater financial resources on the small number of countries that recognise it, while strategically approaching other countries that might consider switching recognition to them. China, who has fewer resources and more countries to support, must carefully consider its investments in countries that are likely to provide a stable return. However, it's only the smallest and poorest states in Africa which are willing to develop diplomatic relations with Taiwan. Therefore when looking at China's Africa Policy, the China-Taiwan issue should not be overstressed because in the end only five out of 53 African countries recognise Taiwan.

Despite the success of Taiwan's pragmatic foreign policy, especially in getting Taiwan elected onto various international organisations, Taiwan is struggling to keep its number of African allies up. Liberia, Senegal and Chad switched sides in 2003, 2005 and 2006 respectively, in order to keep up the changing international geopolitical situation. If Taiwan were able to secure further allies in Africa, it would be unlikely that Taiwan could uphold the increasing economic assistance that African states demand in order to keep allegiance. Economic aid for diplomatic recognition is an expensive business that cannot continue indefinitely. Furthermore, with China's recent laxing of its one-China policy and its economic forays should be cause for concern for Taiwan. China's economic venture into Chad was the foothold China needed to get Chad to switch recognition.

It would therefore appear the race for recognition is no longer as important as it was in the past because in recent years China has been more successful than Taiwan in its attempts to convince African countries to shift recognition and in certain cases China may disregard the one-China policy if the conditions are right, especially where access to natural resources is concerned. However, if Taiwan were to step up and help the countries it aids to develop their own economies, through creating favourable investment environments, encouraging infrastructure development and encourage favourable insurance policies for Taiwanese businesses in Africa, this could help consolidate diplomatic relations with Africa and thus create fewer reasons for their allies to want to switch recognition to China.

Conclusion

This paper set out to explore the premise “Chinese aid to Africa: A foreign policy tool for political support”. Quite clearly, perhaps even quite obviously, we can state that Chinese aid to Africa has indeed been used as a foreign policy tool to gain support. What makes this interesting is the way in which China’s focus has changed over the years. China’s engagement with Africa has shifted radically since the end of the Cold War. From the Bandung Conference in 1955 until the end of the 1980s, China’s policy in Africa focused on support for independence and Pan-African movements and the dissemination of its communist ideologies. In the post-Tiananmen era China’s interaction with Africa took on a new focus, that of enhancing its economic self interests and integrating itself with the international community. It also devoted a significant amount of energy to counter Taiwan’s diplomatic inroads onto the continent. Presently, China’s primary objective in Africa is to ensure that it remains a secure source for oil and raw materials, a growing market for Chinese exports and a base for support for China’s expanding global interests. During each period, China’s objectives would not have been successfully achieved had it not been for its aid policies.

The realist paradigm was used to help understand the dynamics of foreign policy making and thus the evolution of China’s aid policies in Africa. Realists believe the world is anarchic, threats, dangers and insecurities to the state appear large and thus relations between states are viewed as a struggle for power. China believes that power will grant it the capacity to safeguard its national interest. Power is exercised in relation to another entity and calculations are made about ones own power as well as the power other state actors possess. From the very beginning China has been particularly successful in exercising its power, not through the traditional military means, but rather through diplomatic influence. Furthermore, the primary goal of the state is survival and its central activity is the pursuit and exercise of power in order to preserve itself and its political identity. In other words, national interest guides state policy in relation to its external environment. China prioritized its national interests above all else, even above human rights.

Foreign aid as a foreign policy tool was shown to be an instrument of policy used in order to achieve certain goals. On the one hand aid is used to assist developing countries in mobilizing their economies for sustained economic growth and political stability, but from the realist perspective, aid signifies the transfer of money from one government to another for political services rendered or to be rendered. From China's earliest engagement with Africa, China was successful in eliciting diplomatic support from African states, particularly concerning issues brought forward at the UN.

During the Cold War China's aid policies benefited China politically and like the tribute missions of the past were meant to illustrate the advanced nature of Chinese culture. Its aid policies sought to achieve three strategic goals. As a newly independent state, China realised that gaining international recognition was essential for its own survival. Anti-imperialism was encouraged and a united front of African and Asian states was encouraged in order to facilitate the common efforts to end economic and cultural backwardness. Africa's importance to China was manifested in Chou En-lai's African tour where China also explicitly set out its principles of foreign aid. Equality and mutual benefit and respect for the sovereignty of the recipient countries were amongst the most important elements mentioned and were also set to become permanent fixtures in China's aid policies. During the Cultural Revolution aid was dramatically decreased and only handed out to radical countries which openly praised the aims of the Cultural Revolution.

In order to ensure security within China and the continued authority of the Communist Party within the state, Chinese aid was used to gain support for Mao's regime and also to counter Soviet influence in Africa. China accused the Soviet Union of imperialist tendencies and soon afterwards both countries were handing out aid in order to gain support. China's aid increased dramatically. In the early 1970s the Tan-Zam railway was built. The largest Chinese aid project in Africa, it was successful in gaining political advantage, rather than providing for economic upliftment on the continent. The project won friends amongst all African states opposed to white supremacist rule, China's technological capabilities were highlighted and bolstered Mao Tse Tung's bid for the leadership of the Third World. However, when China was admitted to the UN in 1971, it was by no doubt facilitated by the significant aid disbursements handed out in Africa in the preceding year. One third of the votes for

China came from Africa. China's entrance into the UN signified recognition as a world power and support from the international community to balance the Soviet threat. Up until this point China's aid policies have helped to ensure diplomatic support from African states, most significantly in gaining recognition at the UN.

In the post-Cold War era, under the leadership of Deng Xiaoping, China is no longer concerned about gaining support for political ideologies but rather it is set on looking out for its national interests, especially economic interests. In the pre-Tiananmen era we notice that African states have been marginalised by China, aid has decreased dramatically and China prefers to focus on countries which compliment its growing economic needs, that is the West. However, once the Tiananmen crisis occurs and China is shunned by the West, China turns on the charm offensive and once more aid is offered in order to encourage support for China from African states. Subsequently, any mention of China's human rights abuses are blocked at the UN over the following few years. Under Jiang Zemin, China's relations with Africa focus on China's economic self interest and as a result methods to improve Sino-Africa relations become the cornerstone of China's Africa policy. In terms of aid, project construction is replaced with bilateral contracted projects which emphasise maximum profit and aid recipients are diversified. With the release of the 1998 White Paper, China's need for a steady and reliable source of oil is confirmed in order to help sustain China's rapid-growing economy. Up until this point we notice how China's policies have shifted to focus on relations and projects that will ensure the maximum economic gain for China.

In 1980 China's share of world trade was less than 1%, by 2003 it had risen to 6%, China's economy is booming and in order to continue expanding its economy and catering to its 1.4 billion citizens, China needs to acquire and secure access to sources of raw materials. The year 2000 marked the beginning of a dramatic shift in China's engagement in Africa, particularly the development of relations with resource-rich states. The China-African Cooperation Forum was established to consolidate relations between the two regions. The CACF is held every three years and by the 2006 CACF, nearly every African head of state attends the meeting which makes it the largest diplomatic meeting in the history of China. No other major has shown the same level of interest in Africa. The CACF, among other things, facilitated trade and investment

agreements between China and Africa, cancelled US\$1.27 billion of debt and encouraged infrastructural development in a number of African countries.

China's economic engagement with the continent is advanced by technical aid and debt forgiveness for building influence on the continent. Financial assistance from China funds infrastructure projects; debt forgiveness earns China considerable political capital among African states and ensures African support at the UN and other multilateral forums.; training programmes and training initiatives enhances understanding on both sides; technical assistance ensures Chinese influence in the region; and peacekeeping initiatives in Africa raise China's international profile. Furthermore, China's aid programme to Africa has proven to better over time, than the West's, in addressing African concerns about their expensive transport costs and crumbling infrastructure. China has built bridges, railways, highways and hydroelectric plants, whereas the West turned from infrastructure many years ago. China listened to what Africans wanted. Up until this point we can understand that China's intense engagement with Africa, its dramatic increase in trade and investment relations did not just happen over night. The flurry of activity we see today has deep roots, roots that have been nurtured by aid programmes since the 1950s and which was significantly helped along by the creation of the CACF and China's Africa Policy. China has always been successful in reading what Africa needs, China's insistence on Third World solidarity has served it well, as has its policy of non-interference in the domestic affairs of another state.

High-level visits by Chinese officials always result in the signing of trade agreements and the granting of aid disbursements from China.

China believes that Taiwan is a renegade province, whereas Taiwan believes that it is a sovereign state and that it has the legal right to self determination. Taiwan's mission to gain international recognition and China's resolve to stop it has come to force in Africa. China devoted considerable energy to this during the 1990s, however presently China's energy is less intense. Although only five countries in Africa still maintain diplomatic relations with Taiwan, China maintains that it will not have any diplomatic relations with any country that recognises Taiwan, usually the smallest and poorest states – the states which are not rich in natural resources and have nothing to

lose by maintaining relations to Taiwan. Aid is used by both China and Taiwan to win over allies. However, China's economic deals with Taiwan's allies seem to be the foothold China needs to get them to change recognition, as is the case with Chad. It is thought that if Taiwan can manage to consolidate its diplomatic ties and help develop the economies of its remaining allies it is less likely that they will want to switch recognition.

Prospects

It is clear that China's engagement with Africa has shifted over the years, as has its aid policies on the continent. Let us look at some of the prospects which lay ahead for the China- Africa alliance:

- It is no secret that China's demand for natural resources has led to rising commodity prices, which has helped African economies grow. This trend has been forecast to be around for at least the next fifteen years. However this boom has not enriched Africa's people, rather it has enriched Africa's elite who are plagued by corruption. Corruption impacts heavily on development, or rather, lack thereof.
- The inevitable friction and conflicts that are part and parcel of all serious relations will emerge with greater Chinese engagement in Africa. African governments need to be clear on what they need or want from China.
- Aid needs to be offered in a manner that strengthens African institutions, encourages transparency, improves macroeconomic policies, develops national and regional infrastructure, assists technical capacity-building, and facilitates the growth of Africa's productive sector. In other words, for both China and Africa to benefit, aid-giving must be aligned to African needs, that is promoting growth and enhancing continental productive capacity.³⁰⁰

³⁰⁰ Mollo, J., et al, "Competition or Partnership? China, United States and Africa – An African View" Brenthurst Discussion Papers 2/2007, The Brenthurst Foundation, February 2007, p.5

Appendix A

China's African Policy³⁰¹

January 2006

Foreword

The first few years of the new century witness a continuation of complex and profound changes in the international situation and further advance of globalization. Peace and development remain the main themes of our times. Safeguarding peace, promoting development and enhancing cooperation, which are the common desire of all peoples, represent the irresistible historical trend. On the other hand, destabilizing factors and uncertainties in the international situation are on the rise. Security issues of various kinds are interwoven. Peace remains evasive and development more pressing.

China, the largest developing country in the world, follows the path of peaceful development and pursues an independent foreign policy of peace. China stands ready to develop friendly relations and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence so as to contribute to peace, stability and common prosperity around the world.

The African continent, which encompasses the largest number of developing countries, is an important force for world peace and development. China-Africa traditional friendly relations face fresh opportunities under the new circumstances. With this African Policy Paper, the Chinese Government wishes to present to the world the objectives of China's policy toward Africa and the measures to achieve them, and its proposals for cooperation in various fields in the coming years, with a view of promoting the steady growth of China-Africa relations in the long term and bringing the mutually-beneficial cooperation to a new stage.

Part I: Africa's Position and Role

Africa has a long history, vast expanse of land, rich natural resources and huge potential for development. After long years of struggle, the African people freed themselves from colonial rule, wiped out apartheid, won independence and emancipation, thus making significant contribution to the progress of civilization.

Following their independence, countries in Africa have been conscientiously exploring a road to development suited to their national conditions and seeking peace, stability and development by joint efforts. Thanks to the concerted efforts of African countries and the Organization of African Unity (OAU)/the African Union (AU), the political situation in Africa has been stable on the whole, regional conflicts are being gradually resolved and economy has been growing for years. The New Partnership for Africa's Development (NEPAD) has drawn up an encouraging picture of African rejuvenation and development. African countries have actively participated in the South-South cooperation and worked for the North-South dialogue. They are playing an increasingly important role in international affairs.

³⁰¹ This is the official Africa policy document published by the Chinese government on 12 January 2006, found on the People's Daily website
http://english.people.com.cn/200601/12/eng20060112_234894.html#

Africa still faces many challenges on its road of development. However, with the persistent efforts of African countries and the continuous support of the international community, Africa will surely surmount difficulties and achieve rejuvenation in the new century.

Part II: China's Relations with Africa

China-Africa friendship is embedded in the long history of interchange. Sharing similar historical experience, China and Africa have all along sympathized with and supported each other in the struggle for national liberation and forged a profound friendship.

The founding of the People's Republic of China and the independence of African countries ushered in a new era in China-Africa relations. For over half a century, the two sides have enjoyed close political ties and frequent exchanges of high-level visits and people-to-people contacts. Bilateral trade and economic cooperation have grown rapidly; cooperation in other fields has yielded good results; and consultation and coordination in international affairs have been intensified. China has provided assistance to the best of its ability to African countries, while African countries have also rendered strong support to China on many occasions.

Sincerity, equality and mutual benefit, solidarity and common development - these are the principles guiding China-Africa exchanges and cooperation and the driving force to lasting China-Africa relations.

Part III: China's African Policy

Enhancing solidarity and cooperation with African countries has always been an important component of China's independent foreign policy of peace. China will unswervingly carry forward the tradition of China-Africa friendship. Proceeding from the fundamental interests of both the Chinese and African peoples, China will establish and develop a new type of strategic partnership with Africa which features political equality and mutual trust, economic win-win cooperation and cultural exchange. The general principles and objectives of China's African policy are as follows:

-- Sincerity, friendship and equality. China adheres to the Five Principles of Peaceful Coexistence, respects African countries' independent choice of the road of development and supports African countries' efforts to grow stronger through unity.

-- Mutual benefit, reciprocity and common prosperity. China supports African countries' endeavor for economic development and nation building, carries out cooperation in various forms in the economic and social development, and promotes common prosperity of China and Africa.

-- Mutual support and close coordination. China will strengthen cooperation with Africa in the United Nations and other multilateral systems by supporting each other's just demand and reasonable propositions and continue to appeal to the international community to give more attention to questions concerning peace and development in Africa.

-- Learning from each other and seeking common development. China and Africa will learn from and draw upon each other's experience in governance and development, strengthen exchanges and cooperation in education, science, culture and health. Supporting African countries' efforts to enhance capacity building, China will work together with Africa in the exploration of the road of sustainable development.

The one-China principle is the political foundation for the establishment and development of China's relations with African countries and regional organizations. The Chinese Government appreciates the fact that the overwhelming majority of African countries abide by the one-China principle, refuse to have official relations and contacts with Taiwan and support China's great cause of reunification. China stands ready to establish and develop state-to-state relations with countries that have not yet established diplomatic ties with China on the basis of the one-China principle.

Part IV: Enhancing All-round Cooperation Between China and Africa

1. The political field

(1) High-level visits

China will maintain the momentum of mutual visits and dialogues between Chinese and African leaders, with a view of facilitating communication, deepening friendship and promoting mutual understanding and trust.

(2) Exchanges between legislative bodies

China favors increased multi-level and multi-channel friendly exchanges on the basis of mutual respect between China's National People's Congress (NPC) and parliaments of African countries and the Pan-African Parliament of the AU, for the purpose of deepening understanding and cooperation.

(3) Exchanges between political parties

The Communist Party of China (CPC) develops exchanges of various forms with friendly political parties and organizations of African countries on the basis of the principles of independence, equality, mutual respect and non-interference in each other's internal affairs. The purpose of such exchanges is to increase understanding and friendship and seek trust and cooperation.

(4) Consultation mechanisms

Mechanisms such as national bilateral committees between China and African countries, political consultation between foreign ministries, joint(mixed) committees on trade and economic cooperation and mixed committees on science and technology should be established and improved, so as to institutionalize dialogue and consultation in a flexible and pragmatic manner.

(5) Cooperation in international affairs

China will continue to strengthen solidarity and cooperation with African countries in the international arena, conduct regular exchange of views, coordinate positions on major international and regional issues and stand for mutual support on major issues concerning state sovereignty, territorial integrity, national dignity and human rights. China supports African nations' desire to be an equal partner in international affairs. China is devoted, as are African nations, to making the United Nations play a greater role, defending the purposes and principles of the UN Charter, establishing a new international political and economic order featuring justice, rationality, equality and mutual benefit, promoting more democratic international relationship and rule of law in international affairs and safeguarding the legitimate rights and interests of developing countries.

(6) Exchanges between local governments

China's Central Government attaches importance to the exchanges between local governments of China and African countries, vigorously supports twin province/state and twin city relationship aimed at facilitating bilateral exchanges and cooperation in local development and administration.

2. The economic field

(1) Trade

The Chinese Government will adopt more effective measures to facilitate African commodities' access to Chinese market and fulfill its promise to grant duty-free treatment to some goods from the least developed African countries, with a view of expanding and balancing bilateral trade and optimizing trade structure. It intends to settle trade disputes and frictions properly through bilateral or multilateral friendly consultation, mutual understanding and mutual accommodation. Efforts will be made to encourage business communities on both sides to set up China-Africa Joint Chamber of Commerce and Industry. When conditions are ripe, China is willing to negotiate Free Trade Agreement (FTA) with African countries and African regional organizations.

(2) Investment

The Chinese Government encourages and supports Chinese enterprises' investment and business in Africa, and will continue to provide preferential loans and buyer credits to this end. The Chinese Government is ready to explore new channels and new ways for promoting investment cooperation with African countries, and will continue to formulate and improve relevant policies, provide guidance and service and offer convenience. African countries are welcome to make investment in China. The Chinese Government will continue to negotiate, conclude and implement the Agreement on Bilateral Facilitation and Protection of Investment and the Agreement on Avoidance of Double Taxation with African Countries. The two sides should work together to create a favorable environment for investment and cooperation and protect the legitimate rights and interests of investors from both sides.

(3) Financial cooperation

To further develop China-Africa cooperation in the area of finance, the Chinese Government will support the effort of Chinese financial institutions to increase exchanges and cooperation with their counterparts in African countries as well as regional financial institutions in Africa.

(4) Agricultural cooperation

China intends to further promote its agricultural cooperation and exchanges with African nations at various levels, through multiple channels and in various forms. Focus will be laid on the cooperation in land development, agricultural plantation, breeding technologies, food security, agricultural machinery and the processing of agricultural and side-line products. China will intensify cooperation in agricultural technology, organize training courses of practical agricultural technologies, carry out experimental and demonstrative agricultural technology projects in Africa and speed up the formulation of China-Africa Agricultural Cooperation Program.

(5) Infrastructure

The Chinese Government will step up China-Africa cooperation in transportation, telecommunications, water conservancy, electricity and other types of infrastructure.

It will vigorously encourage Chinese enterprises to participate in the building of infrastructure in African countries, scale up their contracts, and gradually establish multilateral and bilateral mechanisms on contractual projects. Efforts will be made to strengthen technology and management cooperation, focusing on the capacity-building of African nations.

(6) Resources cooperation

The Chinese Government facilitates information sharing and cooperation with Africa in resources areas. It encourages and supports competent Chinese enterprises to cooperate with African nations in various ways on the basis of the principle of mutual benefit and common development, to develop and exploit rationally their resources, with a view of helping African countries to translate their advantages in resources to competitive strength, and realize sustainable development in their own countries and the continent as a whole.

(7) Tourism cooperation

China will implement the program of Chinese citizens' group tour to some African nations and, grant more African countries, as they wish and as far as feasible, Approved Destination Status for out-bound Chinese tourist groups. China welcomes citizens from African nations for a tour of the country.

(8) Debt reduction and relief

China is ready to continue friendly consultation with some African countries to seek solution to, or reduction of, the debts they owe to China. It will urge the international community, developed countries in particular, to take more substantial action on the issue of debt reduction and relief for African nations.

(9) Economic assistance

In light of its own financial capacity and economic situation, China will do its best to provide and gradually increase assistance to African nations with no political strings attached.

(10) Multilateral cooperation

China is ready to enhance consultation and coordination with Africa within multilateral trade systems and financial institutions and work together to urge the United Nations and other international organizations to pay more attention to the question of economic development, promote South-South cooperation, push forward the establishment of a just and rational multilateral trade system and make the voices of developing countries heard in the decision-making of international financial affairs. It will step up cooperation with other countries and international organizations to support the development of Africa and help realize Millennium Development Goals in Africa.

3. Education, science, culture, health and social aspects

(1) Cooperation in human resources development and education

The Chinese Government will give full play to the role of its "African Human Resources Development Foundation" in training African personnel. It will identify priority areas, expand areas of cooperation and provide more input according to the needs of African countries so as to achieve greater results.

Exchange of students between China and Africa will continue. China will increase the number of government scholarships as it sees fit, continue to send teachers to help African countries in Chinese language teaching and carry out educational assistance project to help develop Africa's weak disciplines. It intends to strengthen cooperation in such fields as vocational education and distance learning while encouraging exchanges and cooperation between educational and academic institutions of both sides.

(2) Science and technology cooperation

Following the principles of mutual respect, complementarity and sharing benefits, China will promote its cooperation with Africa in the fields of applied research, technological development and transfer, speed up scientific and technological cooperation in the fields of common interest, such as bio-agriculture, solar energy utilization, geological survey, mining and the R&D of new medicines. It will continue its training programs in applied technologies for African countries, carry out demonstration programs of technical assistance, and actively help disseminate and utilize Chinese scientific and technological achievements and advanced technologies applicable in Africa.

(3) Cultural exchanges

China will implement agreements of cultural cooperation and relevant implementation plans reached with African countries, maintain regular contacts with their cultural departments and increase exchanges of artists and athletes. It will guide and promote cultural exchanges in diverse forms between people's organizations and institutions in line with bilateral cultural exchange programs and market demand.

(4) Medical and health cooperation

China is ready to enhance medical personnel and information exchanges with Africa. It will continue to send medical teams and provide medicines and medical materials to African countries, and help them establish and improve medical facilities and train medical personnel. China will increase its exchanges and cooperation with African countries in the prevention and treatment of infectious diseases including HIV/AIDS and malaria and other diseases, research and application of traditional medicine and experience concerning mechanism for public health emergencies.

(5) Media cooperation

China wishes to encourage multi-tiered and multi-formed exchanges and cooperation between the media on both sides, so as to enhance mutual understanding and enable objective and balanced media coverage of each other. It will facilitate the communication and contacts between relevant government departments for the purpose of sharing experiences on ways to handle the relations with media both domestic and foreign, and guiding and facilitating media exchanges.

(6) Administrative cooperation

China will carry out exchanges and cooperation with African countries in civil service system building, public administration reform and training of government personnel. The two sides may study the feasibility of setting up a mechanism for personnel and administrative cooperation.

(7) Consular cooperation

China will hold regular/irregular consular consultations with African countries during which the two sides may have amicable discussions on urgent problems or questions of common interest in bilateral or multilateral consular relations in order to improve understanding and expand cooperation. The Chinese side will work with Africa to facilitate personnel flow and ensure the safety of their nationals.

(8) People-to-people exchanges

China will encourage and facilitate the exchanges between people's organizations of China and Africa, especially the youth and women, with a view of increasing the understanding, trust and cooperation of people on both sides. It will encourage and guide Chinese volunteers to serve in African countries.

(9) Environmental cooperation

China will actively promote China-Africa cooperation in climate change, water resources conservation, anti-desertification, bio-diversity and other areas of environmental protection by facilitating technological exchanges.

(10) Disaster reduction, relief and humanitarian assistance

China will actively carry out personnel exchange, training and technological cooperation in the fields of disaster reduction and relief. It will respond quickly to African countries' request for urgent humanitarian aid, encourage and support exchanges and cooperation between the Red Cross Society of China and other NGOs on the one side and their African counterparts on the other side.

4. Peace and security

(1) Military cooperation

China will promote high-level military exchanges between the two sides and actively carry out military-related technological exchanges and cooperation. It will continue to help train African military personnel and support defense and army building of African countries for their own security.

(2) Conflict settlement and peacekeeping operations

China supports the positive efforts by the AU and other African regional organizations and African countries concerned to settle regional conflicts and will provide assistance within our own capacity. It will urge the UN Security Council to pay attention to and help resolve regional conflicts in Africa. It will continue its support to and participation in UN peacekeeping operations in Africa.

(3) Judicial and police cooperation

China is prepared to promote the exchanges and cooperation between Chinese and African judicial and law enforcement departments. The two sides may learn from each other in legal system building and judicial reform so as to be better able to prevent, investigate and crack down on crimes. China will work together with African countries to combat transnational organized crimes and corruption, and intensify cooperation on matters concerning judicial assistance, extradition and repatriation of criminal suspects.

China will cooperate closely with immigration departments of African countries in tackling the problem of illegal migration, improve exchange of immigration control information and set up an unimpeded and efficient channel for intelligence and information exchange.

(4) Non-traditional security areas

In order to enhance the ability of both sides to address non-traditional security threats, it is necessary to increase intelligence exchange, explore more effective ways and means for closer cooperation in combating terrorism, small arms smuggling, drug trafficking, transnational economic crimes, etc.

Part V: Forum on China-Africa Cooperation And Its Follow-up Actions

Launched in 2000, the Forum on China-Africa Cooperation has become an effective mechanism for the collective dialogue and multilateral cooperation between China and Africa and put in place an important framework and platform for a new type of China-Africa partnership featuring long-term stability, equality and mutual benefit.

China attaches importance to the positive role of the Forum on China-Africa Cooperation in strengthening political consultation and pragmatic cooperation between China and Africa, and stands ready to work with African countries to conscientiously implement the Beijing Declaration of the Forum on China-Africa Cooperation, the Program for China-Africa Cooperation in Economic and Social Development and the Forum on China-Africa Cooperation-Addis Ababa Action Plan (2004-2006) and its follow-up action plans. China will work with African countries within the framework of the Forum to explore new ways to enhance mutual political trust, promote the comprehensive development of pragmatic cooperation, further improve the mechanism of the forum, and try to find the best way for furthering cooperation between the Forum and the NEPAD.

Part VI: China's Relations with African Regional Organizations

China appreciates the significant role of the AU in safeguarding peace and stability in the region and promoting African solidarity and development. China values its friendly cooperation with the AU in all fields, supports its positive role in regional and international affairs and stands ready to provide the AU assistance to the best of its capacity.

China appreciates and supports the positive role of Africa's sub-regional organizations in promoting political stability, economic development and integration in their own regions and stands ready to enhance its amicable cooperation with those organizations.

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