

FES Briefing Paper

China and Africa – Continuing an Unequal Relationship

Over the past 15 years China has evolved as Africa's largest trading partner. Bilateral trade between China and the 54 African countries skyrocketed from US\$ 10.6 bn in the year 2000 to approximately US\$ 220 bn in 2015. Chinese diplomatic and commercial ties to African countries reach far into the past and originate at the time when many of them were still struggling for independence.

Since then China has built thousands of kilometers of railway lines and roads, uncountable factories, power plants, public transportation systems, skyscrapers, government buildings, schools, hospitals, conference halls and football stadiums all over the continent. Orville Schell, one of the leading Western experts on China, describes the country's effort in realizing infrastructure projects in Africa as "an incredible accomplishment."¹

Yet, the interpretation of China's role in Africa on a local as well as international scale could hardly be more controversial. This polarity is fittingly illustrated by an open exchange between the former governor of the Central Bank of Nigeria, Lamido Sanusi, and China's Special Representative on African Affairs, Ambassador Zhong Jianhua. While Sanusi claims China to be exploiting African resources and people and practicing a "new form of imperialism", Zhong defends the Chinese undertaking as boosting African economies so they could become competitive on the global market.² This public debate is backed by an equally

contested academic discourse, which, due to a lack of Africa experts in China and China experts in Africa, is widely dominated by European and North American scholars. Many of them view China as a threat to Western interests on the African continent.

Although Chinese FDI to Africa currently constitutes not more than 3 % of China's total foreign investment³, the excessive growth and nature of Sino-African relations might give us a idea of China's strategic and long term interest in Africa.

As it is a wrong to sum up 54 independent economies and thousands of most diverse ethnic groups under the term "Africa", it is similarly misleading to view China, comprising almost one fifth of the world population, as a homogeneous unit. China-Africa researcher Giles Mohan notes that, given the vast number and diverse origins of Chinese businesses in Africa "it is impossible and unwise to talk of 'China's' African interests or even a 'Beijing Consensus'"⁴ and calls out for more critical analysis on the topic.

Being aware of the danger of generalization, this paper tries to single out some key aspects and discuss the "hot issues" of "China in Africa" with a particular interest in local perceptions in order to enhance African agency. In the first part we will briefly introduce the nature of Chinese engagement in Africa and then highlight

¹ The Cairo Review Interview, "Waiting for the next Act" (Interview with Orville Schell), in: *The Cairo Review*, 8/2013.

² Cfr. Africa Research Institute, "Ambassador Zhong Jianhua, China's Special Representative on African Affairs, on Trade, Aid and Jobs", in: *The Conversations Series*, 2013.

³ Venezuela's share of Chinese investment in the past three years, for instance, reaches \$50 bn. This is as much as the total China has lent to the whole of Africa in several years (cf. Nicholas Norbrook, "When the dragon sneezes, does Africa catch a cold?", in: *The Africa Report*, No. 75, November 2015).

⁴ Giles Mohan, *China in Africa: A Review Essay*, in: *Review of African Political Economy*, Vol. 35, Issue 115, 2008, pp. 7-8.

major grievances concerning human rights abuses, environmental concerns and bad governance. In a second step we will display some concrete experiences and opinions on China's presence in East Africa and discuss the threats to local economies and culture. Finally we will present eight recommendations to promote African agency, which are the outcome of a meeting of East African Young Leaders in November 2015 in Dar es Salaam.⁵

The Nature of Chinese Engagement in Africa

While during the Cold War China engaged in strategical cooperation with socialist countries all over the developing world, analysts view the country's current economic interests in Africa as merely pragmatic and "non-ideological".⁶ Describing the recent growth of the Chinese economy as "Neoliberalism with Chinese characteristics", David Harvey questions this assumption, for it conceals the operation of an underlying (neoliberal) ideology and an authoritarian state.⁷

Although China's engagement in Africa is widely interpreted as development aid by Western media and policy makers, it transcends by far any conventional understanding of aid. Compared to other donors China's actual aid budget for Africa is rather small. China moreover applies a broad mix of tools in its economic cooperation. Among the most prominent ones are probably the so-called "commodity-backed infrastructure loans". Chinese banks offer huge loans to African countries which are not granted in cash, but through infrastructure projects, such as roads, dams, railways or industrial plants built by Chinese companies. Then again the

loans are paid back in resources or commodities like oil, copper, cocoa or sesame over an established period of time, and not in cash. One advantage of this kind of development financing is that the recipient country pays back its subsidized industrialization with the very profits from the same.⁸ Other tools range from zero-interest or concessional loans, over preferential export buyer's credits and the establishment of overseas economic zones to diplomatic gifts, cultural exchange programs and large media offensives, the latter frequently framed under the term "soft power".

In general, Chinese development cooperation has always been criticized by Western authors for its opaque *mélange* of aid, trade and investment, and for "illegitimately" subsidizing Chinese economic interests. They tend to omit, however, that their own governments draw on similar mechanisms when it comes to debt cancellation obligations or state visits of economic delegations.

Another major aspect of constant critique is China's non-interference policy. While traditional donor countries tie their aid to a tight set of political and economic conditions (e.g. practice of good governance, fight against corruption, respect of human rights, implementation of multi-party democracy, structural adjustment plans) which are undermining recipient countries' sovereignty, Chinese cooperation pretends to follow merely economic terms and meticulously avoid the interference into a country's internal affairs.

Human rights, Environment and Bad Governance

China's unvarnished quest for resources and business opportunities all over the African continent does not stop at the gates of pariah states and questionable regimes. On the contrary, Chinese investors enjoy

⁵ The "Regional Young Leaders Forum" with 48 participants from eight East African Countries, organized by the Friedrich-Ebert-Stiftung, took place in Dar es Salaam, November 25-28th, 2015.

⁶ Mohan, *op. cit.*, p. 5.

⁷ David Harvey, *A Brief History of Neoliberalism*, Oxford: Oxford University Press.

⁸ Cf. Deborah Braeutigam, *China in Africa: What can Western Donors Learn?*, A Report for Norfund, 2011.

free rein in countries such as Zimbabwe or Sudan with little competition from the West, who refrains from diplomatic and commercial ties with these nations due to their non-democratic rule. Although, in sum, China does not disproportionately favor 'rogue states', critics claim that Chinese economic cooperation tends to reinforce corrupt structures, bad governance and even repressive and violent action against the civil society in pariah states and weak democracies.⁹

On a more general note, human rights organizations throughout Africa report offences, such as massive land grabbing, inhumane labor conditions, and repressive measures against trade unions, committed by Chinese investors. Mohan and others argue that it is probably China's powerful development model that promises large-scale economic growth which neutralizes concerns about human rights issues. De-facto abuses are considered a necessary evil on the way to progress and prosperity. Here it is to highlight the importance of local agency and the initiative of CSOs as main advocates for human rights, since rentier regimes who benefit directly from Chinese investment have little interest in bringing up the topic.¹⁰

The same applies to environmental matters. Although Chinese firms are frequently accused of bypassing ecological standards, the environmental impact of Chinese-led projects in Africa is actually not worse than that of other foreign investors.¹¹ Considering the state of degradation of African ecosystems, this remains an alarming development and a charge against foreign investors in general, be they from East or West.

⁹ Cfr. Axel Dreher et al., "Many in the West fear Chinese 'aid' to Africa. They're wrong. Here's why.", in: *The Washington Post, The Monkey Cage*, 20th October 2015; cfr. Roudabeh Kishi, Clionadh Raleigh, "When China gives aid to African governments, they become more violent", in: *The Washington Post, The Monkey Cage*, 2nd December 2015.

¹⁰ Cfr. Mohan, *op. cit.*, p. 10.

¹¹ *Ibid.*, p. 9.

The role of a protagonist China has been playing in Africa for the last 15 or so years in terms of trade and infrastructure makes it increasingly difficult to stick to its non-interference policy. Although China's neutrality regarding countries' internal affairs is continuously being upheld by its highest representatives as well as favorable academics, the securing and defense of economic interests abroad pushes China ever more into difficult situations. Take for example China's oil deal in Sudan. After the secession of resource-rich South Sudan, China has increasingly difficulties to get access to its oil. Dubious Chinese arms exports to Sudan raise the suspicion that the country is supporting Sudanese forces in the conflict. On the other hand, China's recent significant contribution to the UN peacekeeping mission in South Sudan shows the ambivalence and contradictions of its engagement.

Local Perceptions of China in Africa

Controversy about China's performance on the continent is reflected in the every-day experiences of Africans. Complaints about China inundating local African markets with cheap and allegedly fake products are ubiquitous. Consumer goods such as textiles, shoes, household supplies, electronic devices, and even traditional artisan craftwork are imported from China on a big scale and at lowest prices destroying local competitors. Others point to the low wages paid by Chinese firms, the armies of shipped-in contract workers on construction sites and the lack of willingness of Chinese citizens to integrate into African communities. On the other hand many people benefit from hospitals, infrastructure or scholarships provided by China and praise its 'unconditional aid' as a blessing for Africa.

However, some African citizens feel uncomfortable or even intimidated by the growing mass of intruders from Far East, surpassing already one million on the African continent. Some view China as a "selfish player" only looking for profits whilst

others argue “not to cry” like helpless victims, as it is up to Africans “to do their homework” and insist on their fair share in the relationship.¹² There are also commonly shared worries: How can African economies be spurred and protected from foreign hegemony? What would be the implications for Africa if China’s growth came to a halt?

What if China sneezes?

Concerned with the current slowdown of China’s economic growth, academics and policy makers have lately discussed especially the latter question. Nicholas Norbrook finds a fitting metaphor for this in his *frontline* article: “When the dragon sneezes does Africa catch a cold?”¹³ He argues that there is no general answer to be found, but rather that “Africa will be struck in 54 different ways by any knock-on effect from the downturn.”¹⁴ Countries whose economy mainly relies on resource revenues will definitely be affected the hardest, while energy importers might even profit from the decline in natural resource prices. In order to counteract the expected negative dynamics, Norbrook and others consider it necessary for African countries to diversify their economies and improve their performance in good governance and revenue investment.

Besides the threat to African countries of losing important investments in infrastructure and resource trade, experts also see opportunities in China’s shift from manufacturing and investment towards a service and consumption-centered economy. According to Carlos Lopes, Executive Secretary of the UN Economic Commission for Africa (UNECA), rising wages and a growing middle class in China on the one hand, and the fast urbanization of many African societies on the other bear

the chance that a considerable share of jobs in the manufacturing sector might move from China to Africa. He sees in Africa the potential to become the next global “manufacturing power house”, providing the huge Asian market with “low-end value production such as shoes, textiles, toys, plastics.”¹⁵

It remains an open question which countries and which social sectors would eventually benefit from large scale manufacturing in Africa. Similar processes in other world regions have shown that massive employment of an unqualified workforce in the manufacturing sector goes along with poor working conditions, growing social inequality and conflict, and not with inclusive economic development. Take for example the case of the *maquiladoras* in Mexico or the textile production in Bangladesh and Myanmar. All in all, Giles Mohan is not very confident that China’s role in Africa will significantly alter Africa’s fate and position in the world economy and believes that Africa will continue satisfying the world’s hunger of raw materials.¹⁶

Towards a more Balanced Relationship

What seems more realistic, but not less difficult, is to achieve a more balanced relationship between China and Africa. Despite the permanent rhetoric of friendship and win-win scenarios, China undoubtedly takes the lion’s share from the cooperation, leaving Africa in the position of an aid recipient and resource supplier. Over the last 15 years China has started what it calls an open and comprehensive dialogue with African countries. Since 2000 the triennial “Forum on China-Africa Cooperation” (FOCAC) is held with the objective to discuss common interests and set the benchmarks for further cooperation. The latest FOCAC-meeting was held in

¹² These are recurrent quotes emerging from the „Regional Young Leaders Forum“, mentioned above.

¹³ Norbrook, “When the dragon sneezes, does Africa catch a cold?”, in: *The Africa Report*, No. 75, November 2015.

¹⁴ *Ibid.*, p. 25.

¹⁵ Johann, Barnard, “Africa sliding back into a mess? No. And here are five reasons why it’s still rising - Carlos Lopes”, in: *Mail and Guardian Africa*, 14th November 2015.

¹⁶ Mohan, *op. cit.*, p. 10.

December 2015 in Johannesburg, being it the first China-Africa summit taking place on African ground. Together, the Chinese president and almost all of the African leaders discussed how to address the current economic challenges (the slow-down of China's economic growth and the falling commodity prices) and to rebalance the relationship between the Asian superpower and the 54 African countries. While the official language keeps sticking to the term "re-balance", one might ask if this relationship has ever been balanced.

Although the expectations concerning a stronger African voice in setting terms and conditions were high, analysts observed little more than business as usual. The very fact that China's promise to invest \$60bn in Africa's development over the coming years captured headlines all over the world, illustrates the character of the relationship. While the idea of an equal partnership remains a far illusion, the "China-Africa honeymoon continues", as the Daily Maverick puts it.¹⁷

How to Promote African Agency?

The lesson Africa can learn from its colonial and more recent experiences with the West and China is that there is no altruistic power or partner. Serious and fair cooperation can only occur on the basis of transparent, efficient state action and citizen participation. China's – and anybody else's - engagement in Africa needs to be monitored by democratic institutions and an alert civil society. Instead of simply pointing the finger at foreign donors it is Africans themselves who need to strengthen their agency and set better conditions at home for a win-win partnership with China.

The participants of the 2015 East African Young Leaders Forum critically debated these issues and came up with eight recommendations on how to promote

African agency, that is the voice and capability of Africans to actively define their own interests concerning "China in Africa":

- (1) Establish and enforce laws concerning labor rights, immigration and environmental regulations, intellectual property rights and strengthen the (judicial) institutions dealing with the standardization of quality requirements and corruption cases.
- (2) Pressurize governments and public institutions to be transparent and disseminate information on bilateral agreements so that stakeholder participation and public awareness about negotiations and contracts is increased.
- (3) Improve African value chains regarding African-Chinese and other trade and strengthen local industries.
- (4) Don't let Chinese and other companies or investment projects stifle local industries through negotiating adequate conditions for the respective cooperation and, if needed, by installing certain protections for local business.
- (5) Integrate vocational training elements, skills transfer and job creation mechanisms into all development projects.
- (6) Encourage the diversification of development partners and Foreign Direct Investment (FDI).
- (7) Deepen regional trade and integration and strengthen the African Union (AU) and implement the respective policies on trade, a common currency and East African Federation.
- (8) Invest in cultural, academic and media exchange programs to improve the knowledge of African citizens, institutions and governments about China and Chinese strategies in Africa.

¹⁷ Simon Allison, "FOCAC: Business as usual as the China-Africa honeymoon continues", in: *Daily Maverick*, 7th December 2015.

Conclusion

Over the last decade and a half, China has increasingly gained influence in Africa. Its performance has been praised and criticized by Africans but mainly observed with suspicion or envy by the West. Yet, rather than something surprising or mysterious, China's recent involvement in Africa has to be understood in the context of the country's rise as a global superpower. Even though the terms and conditions of China's international cooperation differ from those of Western donors, Chinese institutions are driven by their specific interests and encounter similar problems.

The very pace and force of Chinese engagement in Africa seems to overwhelm the competing actors. However, grievances about human rights abuses, environmental degradation, social conflicts, and corruption are not exclusive to Sino-African relations. They are common issues in a globalized world. Only by strengthening its institutions and agency African countries can achieve a more balanced relationship with their foreign suitors. It is in the hands of African citizens and their governments to ensure that the new scramble for Africa will not end up being another sellout.

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