THE NEW SINOSPHERE

CHINA IN AFRICA

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Introduction
Leni Wild and David Mepham

Africa was the subject of unprecedented international political attention in 2005 – indeed, UK politicians and journalists dubbed it ‘The Year of Africa’. Along with climate change, the UK Government made Africa a priority during its joint presidencies of the G8 and the EU. 2005 was also the year of the Make Poverty History campaign, with its white wristbands and Live8 concerts. Focused on the issues of aid, debt relief and trade, the campaign engaged millions of people worldwide around the demand for greater justice for the world’s poor, especially in Africa. But there was one issue – of critical importance to the development prospects of the continent – that was almost entirely missing from these international discussions and campaigns. That issue was China.

China is not a new player in Africa. But its economic and political presence on the continent and its impact on Africa have grown exponentially in the last few years. This has huge consequences for Africa, but it also has significant implications for western policy towards the continent.

China represents opportunities and risks for Africa. Managed well, China could bring real development benefits to Africans. For example, China could be a major new source of investment and development assistance, and contribute to higher levels of trade and growth. There are also important lessons that Africa might learn from China’s remarkable development success of recent years. In just over a decade, between 1990 and 2001, the numbers in China living below the internationally agreed US$1-a-day poverty benchmark fell by 165 million. Over the same period, absolute poverty levels in Africa rose by 77 million.

Managed badly, however, China’s role in Africa may lead to worsening standards of governance, more corruption and less respect for human rights. As a one-party state, with a poor record on human rights at home, China’s foreign policy is not driven by a concern to promote human rights abroad, in Africa or elsewhere. Instead, China prides itself on respecting countries’ sovereignty, and refraining from questioning governments’ domestic policies. For example, China has opposed tougher action in the UN Security Council against the Khartoum government over Darfur, and it has been a strong supporter of Robert Mugabe’s authoritarian regime in Zimbabwe.

In thinking through how Africans and the wider international community should address the new challenges posed by China’s role on the continent, a critical starting point is to better understand the diverse impacts of China on Africa.

Like other parts of the world, Africa is being affected indirectly by the phe-
nomenal growth of the Chinese economy. Over the last 25 years, China has averaged an annual growth rate of 9.5 per cent. To fuel this economic expansion, China has sought access to raw materials worldwide, pushing up global commodity prices and leading to higher revenues for commodity exporters, including many African countries. China’s growth and its rapid expansion of manufactured exports have reduced the world price of manufactured goods, bringing benefits to many African consumers in the process. But at the same time, the rising global price of commodities, particularly oil, has disadvantaged those African countries that import these commodities.

In the last few years, China has also established a much more significant and visible presence in Africa itself. China is a major investor in Africa, particularly in the natural resource sector and in construction. China’s trade with Africa has risen four-fold in the last four years, and China has overtaken the UK to become Africa’s third most important trade partner, after the US and France. In December 2005, Chinese Premier Wen Jiabao announced that China’s trade with Africa is set to increase to US$100 billion within five years, which would represent a ten-fold increase in less than a decade.

This investment has been accompanied by a deepening of diplomatic and political relationships with various African countries. In the first six months of 2006, three top-ranking Chinese representatives visited Africa, including President Hu Jintao and Premier Wen Jiabao. And, between 2004 and 2005, China hosted 15 presidents, three vice presidents, six prime ministers, 10 parliamentary speakers and 14 foreign ministers from Africa.

These political ties have been cemented by soft loans, investment in infrastructure and through arms sales. For example, China has undertaken the construction of large prestige projects linked to institutional interests in states like Uganda, Mozambique, Gabon and Mali. This includes the building of football stadiums and even government departments or parliaments.

Structure of the report

This IPPR collection of essays addresses different aspects of China’s relations with Africa, including the history and politics of the relationship, as well as China’s impact on trade and investment, the management of natural resources, human rights and good governance, and peace and security.

In the second chapter, Lindsey Hilsum argues that western donors and NGOs have yet to wake up to the scale of China’s presence in Africa. She stresses that the closer China/Africa relationship of recent years is not simply being driven by Beijing. Many Africans are pushing for closer ties to China, fed up, as they are, with intrusive western conditionality and costly procedures for development projects. Hilsum also suggests that there may be useful lessons that Africans can learn from Latin America about how to harness the benefits of Chinese investment and trade.

Raphael Kaplinsky considers the issue of trade between China and
Africa. He identifies real benefits for some Africans, but also economic and social costs for others. He suggests that there is considerable scope for African manufacturing firms to enhance their productivity, despite the competitive challenge that China represents. Kaplinsky raises important issues about the rules of the international trading system, and suggests these should be tilted in Africa’s favour, ‘as much against Asian developing countries (like China) as against the high income countries of the North’.

Abah Ofon assesses some recent trends in trade between China and Africa. He argues that, as China continues to generate high rates of economic growth, it will continue to increase its market share in Africa. While there are challenges and risks posed by China’s growing investment role in Africa, Ofon highlights some of the important benefits that Africans could derive from this relationship. This includes increased investment in people (training and skills), and in the services sector.

John Rocha looks at the impact of China on the management of Africa’s natural resources, especially oil. He notes that China currently derives a quarter of its oil imports from Africa, through its oil operations in Algeria, Angola, Chad and Sudan, and its increasing stakes in Equatorial Guinea, Gabon and Nigeria. Rocha makes a strong case for a strengthened African response to Chinese investment in the continent’s resources, and for a concerted effort, on the part of the wider global community, to engage China in international initiatives on resource management and corporate responsibility, for example the Extractive Industries Transparency Initiative (EITI).

Mark Curtis and Claire Hickson address the impact of China on peace and security in Africa, with a particular focus on Chinese transfers of military equipment. While Chinese arms export policy is opaque, independent assessments suggest that China is a significant exporter of arms to Africa, albeit not the biggest exporter. Recipients of Chinese equipment include Sudan and Zimbabwe, as well as Algeria, Namibia, Nigeria, the Democratic Republic of the Congo, Uganda and Zambia. In the case of Sudan, some of this equipment has recently been used to attack civilians in Darfur. Curtis and Hickson argue that there needs to be sustained international pressure on China to curb military transfers that fuel conflict or lead to the abuse of human rights, in Africa or elsewhere.

Ndubisi Obiorah looks at the impact of China’s growing presence in Africa on human rights and good governance. He notes a widespread interest across Africa in the ‘Chinese model’, and a common view on the continent that this model has been more effective economically than the prescriptions foisted on Africa by western donors and the international financial institutions. However, Obiorah expresses concern that Africa’s authoritarian rulers will use the Chinese example, and their growing economic and political relations with Beijing, to fend off domestic and international pressure for democratisation.

He suggests that a central challenge for African civil society is to restate the legitimacy and value of democracy and human rights: to argue that
these things are not just important in themselves, but that they can also reinforce rather than undermine economic development on the continent.

Barry Sautman and Yan Hairong put China’s policies in Africa in comparative context. They suggest that China and western governments have behaved in many similar ways in relation to Africa. But they also note some distinctive elements to Chinese policy that are attractive to many African governments, particularly their less interventionist stance in respect of African countries’ domestic policies. China is prepared to work with African states regardless of their internal polices. As Sautman and Hairong note, while this appeals to Africa’s elites, it may be bad for many ordinary Africans, including ‘disadvantageous terms of trade, exploitative extraction of resources and oppressive labour regimes’.

In the concluding chapter, Leni Wild and David Mepham make some recommendations for engaging with China on Africa. We suggest four broad propositions for engagement.

First and foremost, it is for Africa’s elected governments, the African Union, African regional organisations and African civil society to develop their own strategies for dealing with China. Secondly, there is a legitimate western interest in China’s policies towards Africa, particularly in relation to undemocratic or repressive African states, or where Chinese policies contravene international human rights or humanitarian law. Thirdly, western governments should deepen their dialogue with China on African issues and explore opportunities for practical co-operation. Finally, to carry credibility with Africans and with the Chinese, the west should practise what it preaches on development, human rights and good governance in Africa.

The contributors have different perspectives, and there are some obvious areas of disagreement between them. However, what emerges clearly from every piece in this collection is the need to avoid sweeping generalisations about China’s impact. The question is less does Africa gain or lose from China, but rather, which Africans might gain or lose, in which countries or sectors, and in which circumstances? Similarly, the contributors suggest that policy responses to the challenges posed by China in Africa need to take full account of these differentiated impacts, and to strengthen the capacity of ordinary Africans to make the relationship with China work to their advantage.

China’s growing role in Africa also has large implications for the policies of western governments, companies and NGOs towards Africa. Whereas Africa’s external relationships were previously focused on western governments, particularly those with former colonial ties, the rise of China on the continent creates a new triangular dynamic in which Africans may benefit from increased competition for trade, investment and even aid. The effect of western-imposed conditionality on African governments may also be weakened if Africans can now ‘look east’ for investment, trade, aid and other forms of assistance. Western policymakers need to adapt their development strategies to take account of this.