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Maxi Schoeman

China and Africa: whose challenge and whose opportunity?

Scholarly contributions on China's rise as an 'incipient superpower' tend to focus on its economic 'giantism', its modernising security establishment, its energy policies and needs and, to some extent, its impact on the global natural environment in an age of climate change and environmental degradation. John Mearsheimer (2006) analysed China's rise, and its concomitant impact on the international system, on the basis of hegemony, defining the country's rise as 'unpeaceful'¹ due to the potential for an 'intense security competition' with the US that might result in 'considerable potential for war'. When it comes to China's relations with Africa, international views, especially in the United States, whether scholarly or journalistic, seem to regard China as a 'bad influence', potentially undermining 'years of international efforts to link aid to better governance', and as a prop for 'dangerous regimes, producing a new cycle of unsustainable debt, and damaging anti-poverty efforts across the region' (Chan 2007; see also Klare and Volman 2006). Often, also, the impression is created of an 'either/or' situation – that Africa's growing relations with China are a sign of a move away from its traditional trading partners (Europe and the US) and that Africa 'privileges' relations with China on ideological and political grounds.

Increasingly, though, this negative view is being challenged by more nuanced analyses of the relationship between China and Africa (see e.g. Alden 2007; Kohnert 2008). One obvious problem that commentators and analysts are confronted with, is that of 'what is Africa?' – i.e. the tendency to treat Africa as a single unit or country, in other words the tendency to oversimplify. The relationship between China and 'Africa' is not a bilateral relationship, but a series of bilateral relations between China and more than 40 countries on the African continent. At the same time, it could be argued that there is scope for generalising about Africa, provided that the analyst allows for differentiation and the fact that the nature of these relations might vary from country to country. So, for instance, Zafar (2007) distinguishes between groups of countries in Africa on the basis of the economic impact of their relations with China: winners, mixed and losers.

1 Mearsheimer's choice of the word 'unpeaceful' probably stemmed from Zheng's article (2005) in *Foreign Affairs*, 'China's "Peaceful Rise" to Great Power Status'.

This contribution focuses on relations between China and Africa *in general*, arguing that

- a) although there is a marked difference in the nature of these relations, and Africa's relations with the EU² (and the West), this is not an 'either/or' situation either economically or politically,
- b) that China's involvement on the continent might just provide the 'big push' needed to propel Africa onto a path of sustainable development and
- c) that Africa's growing ties with China pose challenges and opportunities to all three regions: Africa, China and Europe.

It should be kept in mind, though, that the current international financial crisis hovers somewhere in the background of whatever scholars and analysts have to say, and writing in November 2008, it is difficult to estimate what changes can be expected in relations between China and Africa in the face of global economic recession.

The reaction of Europe to relations between China and Africa

Europe's concerns seem to be:

- the possible negative impact of Chinese economic, political, social and environmental exploitation in African countries (see Chari and Corbridge 2008: 477);
- an implied concern that China's growing relationship with Africa might undermine European/Western influence and economic benefits and ties and
- a concern that China, as a rising superpower, together with other emerging powers in the South, might not only be a 'free-rider' in the international system, but might actually change the underlying value structure of the world order.

Europe (like the United States: see Zoellick 2005) therefore urges the Chinese to organise its cooperation with Africa along the lines of 'good international citizenship'. Politicians are careful not to criticise China's involvement in Africa, but attempt to create or emphasise a 'bond' between China and Europe and encourage cooperation in African development. In a press interview in 2007, EU commissioner Louis Michel commented as follows on the EU's view of Chinese involvement in Africa:

I think that our partner states will always find in us ... a preferred development partner. So I am not scared of ... competition ... we have to try to attract China and its development policies to bring them closer to our concepts and to what is best for developing countries.³

² There is, of course, also an increasing tendency to treat the EU as 'a single country'.

³ Much the same view was expressed by Javier Solana (2007).

As mentioned, Europe's approach to China, especially with regard to Africa, is less cloaked in strategic terms, more in terms of a concern that China's involvement with Africa will result in exploitation, the destruction of productive capacity and employment opportunities (especially with regard to light manufactures such as textiles), the undermining of good governance and a refusal to become involved with the promotion of regional security etc. Another often expressed fear is that this relationship will further breed corruption. A more recent concern is that of Chinese immigration to Africa and the fact that supposedly large numbers of Chinese workers will push out local labour.

For Europe, in short, the concern is that China will exacerbate and prolong various socio-economic and governance crises on the continent, undoing the EU approach to addressing these crises. The European perception of China's impact on Africa is well summarised by Berger (2007:3):

The baseline of China's non-interference policy, combined with a neo-liberal, one-size fits-all economically based foreign policy approach, has earned China a reputation as a neo-colonial powerhouse. China has repeated European post-colonial strategies of asserting influence and shackling countries into dependency.

The question is, of course, whether this perception of China – that it spells danger, if not disaster for the continent – is based on reality. But it is also worth looking at how Europe's relationship with Africa is constructed – European development assistance very often conceals the 'message' that Africa is a problem. Therefore, aid and development are necessary in order to secure Europe (and the West), migration should be controlled and prevented and failed and failing states propped up in order to prevent them from becoming havens for terrorists. In short, Africa is viewed as a problem to be solved and a place in need of being 'saved'. In this sense there is a huge difference between the Chinese perception of its relations with Africa (that of an opportunity) and that of Europe (Africa as a continent that poses a 'problem'). A second question that is raised by European concern about Chinese-African relations, is whether this concern is genuinely about the 'shackling' of the continent into dependency or whether European concern also harbours a fear that its access to markets and resources might be threatened. Kohnert (2008: 15) questions the altruism of the European approach, and implicitly cautions against treating the EU as a single entity – he points to complaints by European Commission officials that countries such as France, Spain, Italy and Portugal might revert to economic nationalism in their attempts to protect their economies against Chinese competition in Africa. The following sections will deal with these questions.

The nature of Chinese-African relations

China's relations with Africa – its approach to the continent – are usually discussed in terms of its need for natural resources for its growing domestic industrialisation and manufacturing demands, and its concomitant need for external markets. In descriptions of its economic ties with Africa, its import needs are usually emphasised, especially with regard to oil and minerals – the two commodities, together with timber, that Africa can provide in abundance.

According to the World Bank (Foster et al 2008), China's natural resource imports from Sub-Saharan Africa reached US\$22bn in 2006, with petroleum accounting for about 80 %. China depends on Africa for 30 % of its oil imports, 80 % of its cobalt and 40 % of its manganese imports, with Angola its largest partner. 40% of Africa's oil production exports go to the US, 15 % to Europe and 16 % to China. The point is, of course, that China's trade with Africa is growing, albeit it from a low base. China accounts for 19 % of Sub-Saharan Africa's exports, up from less than 10 % in 2000, but considerably lower than Sub-Saharan Africa's exports to the US and EU (the latter accounted for approximately 43 % in 2000 and 40% in 2006). What is obvious here is that the EU's share of Sub-Saharan African exports is declining relative to that of China. Interestingly, taken as a whole Sub-Saharan Africa still has a positive though small trade balance with China, US\$28.8bn exports to China and US\$26.7 imports from China in 2006. How long this will last, is uncertain. This surplus favours natural resource exporting countries so several African countries show a negative trade balance.

Thus, for instance, South Africa is increasingly concerned about the structure of its trade with China: China recently surpassed Germany as South Africa's largest import market, and South Africa accounts for about 25 % of China's African trade, with South Africa exporting goods to China to the value of US\$2.2b and importing goods to the value of US\$7b. Apart from the trade balance in favour of China, there is apprehension about the nature of the products traded. According to South Africa's deputy minister of trade and industry, Rob Davies (2008:1), '... the content of trade approximates a typical colonial relationship ...'.

Although much attention is paid to Chinese exports of 'cheap' products to Sub-Saharan Africa flooding markets, ruining employment opportunities etc., one should also take notice of the fact that a sizeable portion of Sub-Saharan African imports from China are in light machinery and transport equipment – almost one third of imports from China. This indeed could be part of the 'real' concern of EU countries. France has already complained of trade diversion and this is an important aspect for future research: what exactly is happening in terms of expanding trade between China and Africa – is it trade diversion or trade creation? South Africa's change in import direction from Germany to China (mentioned above), might suggest trade diversion, but a more general

view of African natural resource exports, shows a more nuanced picture: Goldstein et al. (2008: 35) point out that 80 % of China's manufacturing exports are produced by multinational corporations and that China's 'high demand for raw materials partially reflects relocation of raw material demand from production sites elsewhere.' In other words, the *origin* of trade diversion to some extent lies 'elsewhere'.

As to fears caused by the influx of Chinese migrants and their pushing African labour out of markets, one could caution against confusing possible xenophobic tendencies with resentment against Chinese migrants per se. In South Africa, for example, xenophobic attacks in May 2008 were directed against foreigners from other African countries, and specifically against Somali refugees accused of 'stealing local people's work' (Joubert 2008). In other words, perhaps poor people in poor countries will view all foreigners with suspicion and will perceive their success as threats. It is therefore not necessarily Chinese migrants who pose threats to local employment and business opportunities and this is a topic that needs much more investigation before one can draw the conclusion that Chinese migrants are a threat. Another allegation concerns the undermining of the textile industries of various African countries, with South Africa and the DRC often cited as examples. Again, such allegations should be treated with caution. The closing of the DRC's biggest textile factory in 2006 was in no small way brought about by exports from China to the DRC by Congolese exporters now living in China. And, after South Africa had reached agreement with Chinese textile and clothing exporters in 2006 to curtail such exports to the South African markets, these 'gaps' were filled by other Asian exporters and the Chinese-South African agreement therefore brought no relief.

There is, though, another aspect of China's economic relations with Africa that is crucial in the debate about its impact on Africa, and it is one seldom referred to or analysed (with the exception of a new World Bank Report of July 2008 by Foster et al). This is the area of infrastructure financing for Sub-Saharan Africa. One of the biggest problems standing in the way of African development is its lack of standard indicators of infrastructure development. Over time it has become increasingly difficult for Sub-Saharan Africa to attract finance for infrastructure – a product of the tendency of international investment to seek quick profits and high returns on investment. Yet, infrastructure development has become the one area in which China is increasingly involved, and it is from this contribution that the World Bank report on 'Building Bridges' (Foster et al 2008) takes its name. China's biggest investments are in hydropower generation (once the current initiatives are completed, it will have increased access to electricity by 30 %) and transport, especially railways, with investment having increased fourfold between 2001 and 2005.

The biggest recipients of infrastructure finance are Nigeria, Angola, Sudan and Ethiopia, but a total of 35 countries have benefited from such deals or are currently discussing funding opportunities with the Chinese. A large share of this investment goes to general multi-sector infrastructure projects allocated in accordance with government priorities. As is rather typical in developing country co-operation practices, the state is seen to have a central role, and developing countries have never been much taken with the idea of the privatisation of basic needs provision in the infrastructure sector. In fact, in some instances, such as water provision in Mozambique, their experiences have been decidedly negative and go some way to explaining why the Chinese model is so popular.⁴

When one turns to China's political relationship with Africa, the fears are, as mentioned, that China will not be a responsible global player and that its principle of non-interference will encourage/reinforce bad governance on the continent, and Angola, Zimbabwe and Sudan are often mentioned as examples. Yet, here it would seem that things are changing:

- Over the past year at least, China has become increasingly critical of Sudan and Zimbabwe, putting pressure on Sudan to accept the hybrid UN-AU peacekeeping force in that country (see e.g. Kleine-Ahlbrandt and Small 2008; Meidan 2006). China also did not, as is often portrayed in the media, veto Security Council resolutions criticising Sudan, but abstained from voting. As to Zimbabwe, China exerted pressure on Mugabe and his ZANU/PF party shortly before the start of the 2008 Olympics to negotiate with the MDC in compliance with SADC and AU decisions, thereby making it possible for former president Mbeki to broker a deal (Evans, 2008; see also China-Africa Strategic Business Review 2008:3).
- China is increasingly participating in UN peacekeeping missions and at present has the second highest number of P5 peacekeepers in the field.

The above might point to a change in China's foreign policy practice, though it is not necessarily indicative of a change in its underlying foreign policy values. Its pressure on Sudan could be related to or explained in terms of its dependence on Sudanese oil and the security of its investments in that country, as could perhaps be the case for Zimbabwe. The fact of the matter is that such pressure conforms both with the general international need for stability and peace in order to safeguard the international system and, of course, the desire to protect national interests.

⁴ Neither, incidentally, is it only China that invests in Africa – African investment in China is growing, especially coming from Mauritius (Broadman, 2007) and South Africa (Schoeman 2007; Wang 2007).

Opportunities and challenges for Europe, China and Africa

The current and growing international economic crisis, which is much more than a financial meltdown, might prove to be the biggest political and economic crisis faced by the West in the post Second World War period. The Anglo-Saxon capitalist model (savings-deficient, consumption-oriented, government deficit-burdened), is under serious threat and has already produced a casualty in Iceland, with the Euro-zone in 'official' recession since mid-November 2008. This model, which basically supported American consumption, will not remain intact. The question is; what will take its place and what role will China and its economy play? Further, what are the international political implications of the crisis for the future? Developing countries, like those in Sub-Sahara Africa, will also feel the impact of this crisis, but this time round their natural resource-based economies will not necessarily suffer as much as they did in the 1970s and 1980s. Partly this is because their economic dependency on the West has been lessened and their ties to the emerging economies of the Gulf and South and East Asia are stronger (see e.g. *The Economist* 11.10.2008:35-37).

The challenge for Europe will probably be that its relative economic and political power vis-à-vis Africa will weaken and this *may* lead to Europe seriously considering the actual fairness of relations with Africa, something that has *not* been Europe's strong point up to now. Europe's image of Africa is dismal – refugees, starving children, passive victims, disease, violent anarchy and state failure. Europe now has to confront its own degree of complicity in this sorry state of affairs and grab the opportunity to address some of these problems it helped to create and sustain. Some of these problems concern the Economic Partnership Agreements (EPAs) and their disruption of regional integration. They sow division within regional trade blocs (see Gibb 2008:1) although they supposedly encourage regional integration for economic growth and development (see Lisbon Declaration 09.12.2007). Unfair trade practices continue through CAP, the EU's fisheries policies and cotton subsidies, the latter of which result annually in a 35% loss of income for cotton farmers in West and Central Africa.

Until Europe reconsiders its divide-and-rule policies (EPA negotiations), and puts into practice its own calls for open markets and trade liberalisation, the Chinese style of engagement, much more based on economic complementarities and what is perceived to be a policy of development and cooperation (not European style development cooperation), and mutual solidarity and respect, will continue to attract and benefit Africa (see also Wade 2008).

China's major challenge would be to prove that it is a responsible international citizen, not intent only on self-interest. Cynics would ask why China needs to prove this if its Western counterparts do not stick to these principles. Yet, China's increasing involvement poses one all encompassing

challenge to this rising superpower: to decide what its role will be in the international order and, crucially, to what extent it will remain a 'global South partner' rather than a member of the West's 'old boys club'. In this regard China might do well to retain an independent stance vis-à-vis Africa and not to succumb to European calls for a 'trilateral relationship' between the EU, Africa and China.

A second challenge is to deal with Africa's political expectations of China as a developing global superpower. In many ways China's 'attraction' for Africa lies in its shared history of colonialism, imperialism and exploitation at the hands of the West and, importantly, in China's attitude to Africa – one which recognizes that Africa is not a 'sick continent' but an underdeveloped continent, and that it is not only a place of hardship and deprivation, but one which is desperate for opportunities to develop its potential (see King 2006).

A third challenge is for China to balance partnership and leadership – it could become a hegemon (in the Gramscian sense) – and decide what values it will spread, especially in the realms of politics, governance and the environment?

Finally, the opportunities and challenges facing African states when dealing with China have to be considered. The economic benefits are uneven, depending largely, but not solely, on factor endowment. For Africa, the main challenge will be, rather obviously, to manage its relations with China in a beneficial way, but, of course, here the problem is 'whose benefit'? Will China's non-interference style of engagement necessarily undermine human rights, democratization and good governance and entrench bad governance and promote and deepen rent-seeking and corruption?

It might just be that China's willingness of late to sanction pariah states (Sudan and Zimbabwe) might prevent benefits from accruing only to corrupt and other elites in African societies. Here China's involvement in infrastructure development might turn out to be crucial. As it literally and physically opens up African geographical spaces, such openness might improve living standards and quality of life; Chinese-built (and donated) hospitals and schools might do the same, and in this way, economic growth might turn into economic development, and in turn, as was the case in Europe's development trajectory, this might fuel political liberalisation. So the challenge of China's non-interventionist foreign policy, already undergoing some change, might turn into an opportunity for ordinary Africans. Let us remember a current saying in some African states – 'we cannot eat democracy'.

A second challenge for Africa is for resource-rich countries to avert 'Dutch disease' – to prevent their resource windfalls from undermining the economic diversification of their economies. As Botswana has shown, a rather narrow resource base is not necessarily an impediment to development – much, if not all, depends on economic policy for wealth distribution. Maybe this could be an opportunity for Europe to assist, through education aid (and

not just the use of ex-pats), with the training of policy experts in these countries. In other words, the challenge for Africa is how to deal wisely and effectively with its new-found wealth resulting from an 80-90 % increase in trade for natural resource exporting countries.

Another potential opportunity for African countries, especially those whose factor endowment strength lies not in natural resources, but in agricultural production, for example, would be to foster food export opportunities to China. At this point it is Argentina, Canada and Australia who have strong comparative advantage in commodity production in agriculture, but several African countries have the potential to break into this market. Although Mozambique is one example (rice, cattle ranches, poultry farming) (see *China Business Frontier*, August 2008), such possibilities also exist in other countries like Malawi and Tanzania.

Yet the biggest opportunity for Africa in terms of its relations with China, lies at the symbolic and political level; and this is the opportunity for genuine partnership as like-minded countries. This opportunity should not be under-estimated. Africa's colonial history did not end when the continent gained independence, but continued in various forms of neo-colonialism, economic and political exploitation and, at best, junior partnership with Europe. China's rise is closely linked to, and even to an extent dependent on, continued access to African markets and political support in international forums. Both economically and politically the relationship is one of complementarities, much more so than in the case of Africa-Europe relations.

Conclusion

Does the rise of China as an economic superpower and even as a potential political superpower, supported by and, at least to some extent dependent on relations with Africa, spell a changing world order in which economic and political power will gravitate towards the global South? And will China become a new imperialist? China is not the only power investing in Africa, the Gulf states, India and other East Asian emerging markets are also doing so. And although all will be negatively impacted by the current global economic crisis, chances are that we will see a significant political shift of power, increasingly favouring a re-invigorated global South. This trend in South-South cooperation might herald a new international system structure, hastened by the current crisis. China might no longer, in the words of one commentator, 'have the luxury of choosing the time of its succession' (*Business Day* 29.09.2008). Politically and economically, Africa might be a beneficiary of such a change in the international power structure. The 'old world' of Europe needs to think carefully about the implications of such a new 'South world', and how they view their position in it.

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