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Emerging countries as new ODA players in LDCs: The case of China and Africa

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***'We do offer our assistance (to Africa)
with the deepest sincerity and without any political conditions.'*¹**

Premier Wen Jiabao, Addis Ababa, December 2003

China's growing public presence in Africa has captured the imagination of the world. Once an avowedly anti-imperialist leader, Beijing's recent foray into Africa has been characterised not by ideology but by a singular focus on resource acquisition and commercial opportunism. Two way trade, which stood at less than US\$1 billion in 1995, had surged to US\$50 billion by the end of 2006 while in the same period China's share of Africa's trade has jumped from 2.6% to over 6%, making it the continent's third largest trading partner after the United States and France. Chinese lending to Africa, US\$8.2 billion committed in 2006, put it on the road to surpassing the World Bank's US\$2.3 billion. Africa has featured prominently on the Chinese diplomatic circuit, benefiting from no less than five major tours in the last twelve months by Chinese leaders as well as a heads of state summit in Beijing this past November. And, while a decade ago there was little evidence of China in Africa, today there are hundreds of major Chinese businesses, bolstered by tens of thousands of Chinese labourers, retailers and tourists.

At the core of China's rapid insertion into African markets is its deliberate promotion of a foreign policy of 'no political strings' which, when coupled to Beijing's willingness to provide direct aid and concessionary loans, has proven to be tremendously appealing to Africans. Capital-rich, technologically proven and harbouring a sense of political entitlement, China has embarked on a global search for untapped resources, new markets and reliable diplomatic partners in which Africa features prominently. And, while African resources are vital to the health of the Chinese economy, the continent also occupies an important place in China's global ambitions as well. China's emergence as a key player in Africa, the impact of its presence and its challenges to traditional Western pre-eminence in African economies all form critical components of this dynamic new relationship.

This paper will examine the motivation and conduct of China's growing engagement with Africa by focusing on the context of Chinese foreign policy; the role of resource diplomacy and foreign assistance towards Africa; the structures of Chinese foreign policy; and the role of history and ideology in China's Africa policy.

China's Africa foreign policy in context

Though the official rhetoric of continuity speaks otherwise, the fact is that China's engagement with Africa has been episodic, shifting from periods of intense activism in the 1960s and early 1970s to outright neglect for much of the 1980s. To understand the changing dynamics in China's approach to Africa, it is necessary to place it in the context of Chinese foreign policy from the inception of the Communist Party government in 1949 to the rediscovery of Africa in the contemporary period.

¹ *Peoples Daily*, 16 December 2003, www.englishpeopledaily.com.cn

Since the founding of the Peoples Republic of China, the leadership has wrestled with the idea of the country's destiny and its considerable development dilemmas. As relations with the post-Stalin Soviet Union deteriorated China's claims to Third World leadership – manifested in Mao Zedong's 'Three Worlds' approach – put it at the forefront of ideological and military support for revolutionary regimes and anti-colonial struggles.² Notably, this claim to leadership was not exercised through engagement with the standard bevy of third world organisations like the Non-Aligned Movement, but 'at an aloof distance'.³ This period of support for revolution in the Third World was followed by the self-imposed isolation of the Cultural Revolution. Relations with far-flung areas like Africa were severely curtailed as the Chinese political system turned on itself in a struggle for both the leadership of the country and the economic direction that it should ultimately take.

The new leader, Deng Xiaoping, set China on a gradualist road of capitalist-oriented development in 1978 that produced over two decades of nearly double-digit growth and a rising in living standards that has brought a nine-fold increase in per capita income to US\$1,700 in 2005.⁴ In the course of this phenomenal economic growth, poverty in China was reduced from 250 million in 1978 to 26 million in 2001.⁵ Bolstering Deng's foreign policy was, with the notable exception of the contentious issue of Taiwan, a benevolent relationship with the United States and a welcoming approach to foreign direct investment (FDI). The shock of the emergence of a nascent democracy movement and the subsequent crackdown at Tiananmen Square in 1989, instigated a debate within the Communist Party as to the direction the country should take, a situation that was only resolved with Deng's 'Southern Trip' in 1991. Deng's recommitment to transforming the economy was coupled to an admonition on the best approach to foreign policy.

Observe calmly, secure our position. Hide our capabilities and bide our time. Be good at maintaining a low profile, never claim leadership'.⁶

This became the new watchword for Chinese foreign policy, helping the country to weather the international firestorm of criticism in the aftermath of Tiananmen well as reassert China's standing as a foreign investment haven and an emerging capitalist economy (or, as the official jargon preferred to call it 'socialism with Chinese characteristics'). Running alongside this renewed commitment were considerable developmental challenges arising out of the torrid streak of economic growth, from increasing inequality between the prosperous coastal belt and the interior to the decrepit condition of the loss-making State Owned Enterprise system. In particular, the certitudes of self-sufficiency – a central pillar of Chinese policy since 1949 – in a host of vital areas to development such as energy, strategic minerals, forestry resources and even food production no longer could be maintained. Even the famous Daqing oil fields, whose discovery and exploitation had inspired ideological campaigns in the 1960s, were beginning to dwindle through technological shortfalls, mismanagement and under the weight of Chinese needs. At the same time, China's economic development had begun to produce significant foreign currency reserves of its own and, tied to the growing technical and managerial expertise in China, the

² On 'Three Worlds', see William Tow, 'The International Strategic System', in Thomas Robinson and David Shambaugh, eds., *Chinese Foreign Policy: theory and practice* (Oxford: Clarendon Press 1994), p. 130; Stephen Levine, 'Perception and Ideology in Chinese Foreign Policy', in Thomas Robinson and David Shambaugh, eds., *Chinese Foreign Policy: theory and practice* (Oxford: Clarendon Press 1994), pp. 43-44.

³ Stephen Levine, 'Perception and Ideology in Chinese Foreign Policy', in Thomas Robinson and David Shambaugh, eds., *Chinese Foreign Policy: theory and practice* (Oxford: Clarendon Press 1994), p. 44.

⁴ CSIS/IIIE, *China: the Balance Sheet* (Washington, DC: Center for Strategic and International Studies/Institute for International Economics 2006), p. 19.

⁵ CSIS/IIIE, *China: the Balance Sheet* (Washington, DC: Center for Strategic and International Studies/Institute for International Economics 2006), p. 18.

⁶ 'Deng Puts Forward his New 12-Character Guiding Principle for Internal and Foreign Policies', in *Ching Pao* (Hong Kong), 5 November 1991.

possibility arose that Chinese themselves would be able to address these resource deficiencies. The situation was ripe for a new outreach to Africa.

Chinese engagement, African resources and new markets

For Africa, China's transition from an oil exporter to an oil importer in 1993 was a significant milestone in its development. Chinese officials recognised that, in order to maintain the roaring pace of its economy, the country would need to have a secure source of energy as well as other critical resources.⁷ China's current strategy of engaging developing countries and locking in these resources through government-to-government agreements is an outgrowth of this recognition and, more recently, the dangers of political instability from Middle Eastern sources. It is for this reason, inspired primarily by the Anglo-American military intervention and occupation of Iraq in 2003 as well as the serious disputes over Iran's nuclear programme that Africa is in the process of assuming greater prominence in China's global strategic calculus. For instance, over 25% of all of China's oil requirements are sourced from Africa and that is set to expand further with the recent purchase of significant stakes in Nigeria's delta region.

Africa's relatively unexploited energy sources, timber, agriculture and fisheries offer the Chinese a unique opportunity to lock in through formal or informal means a steady supply of key resources. Big projects, such as the investment in Sudan's oil industry from 1996 onwards, where the China National Petroleum Corporation has transformed the moribund energy sector into the country's leading export (with China as its top destination, providing nearly 10% of its oil requirements), are clearly at the forefront of China's interests in Africa. With a 40% share of the Sudanese government's Greater Nile Petroleum Corporation, China's leading oil multinational has demonstrated its ability to manage all facets of a petroleum extraction operation to international industry standards. Equivalent investments, if not as significant to Chinese domestic consumption, have been made by Chinese multinationals in Nigeria, Angola and Gabon, as well as purchases of shares in Algeria's natural gas fields. Linked to these investments are projects aimed at improving the physical infrastructure of these countries, especially roads and port facilities which aim enhance the attractiveness of Chinese ventures to African governments as well as improving the export efficiency of these enterprises. Here Chinese companies have often successfully outbid their Western counterparts (as well as that of other developing countries such as India, Brazil and South Africa) through the traditional strategies of linking investment to tie-in projects and providing lower labour costs in the form of less costly managerial staff and by introducing their own contract workers.

Energy resources are the most important focus of China's involvement on the continent, and occupy the bulk of the thrust of its investment and diplomacy, but other forms of resource-based commercial engagement with Africa play an important part in shaping trade and investment ties. Commercial logging in Equatorial Guinea, plantation agriculture in Tanzania and Zambia, the rehabilitation of railroads in Botswana, and manufacturing in Zimbabwe and the installation of sophisticated telecommunications systems in Djibouti and Namibia. Some of these ventures are promoted and managed not by high profile Chinese multinationals but small and medium enterprises. For example, China's third largest trading partner in Africa, Nigeria, non-oil exports topped US\$500 million in 2004 based on the sale of agricultural products such as cotton and timber products, both of which involve Chinese companies or joint ventures. The government has established eleven Trade Promotion Centres around the continent and Chinese businesses are actively encouraged to see Africa as a trade and investment destination. Hundreds of Chinese retail trading shops are now strung across much of the continent, selling low cost and low value

⁷ David Zweig and Bi Jianhai, 'The Foreign Policy of a Resource Hungry State', *Foreign Affairs* 84: 5 2005.

products made in China directly to Africa's rural population. The product of individual entrepreneurship, these shops are generally family owned and staffed and rely upon a supply chain stretching back to Hong Kong and the mainland. Criminal gangs from Hong Kong have moved into Africa as well, joining other unscrupulous traders who use front companies to illegally export everything from timber, diamonds and products based on endangered wildlife back to China.

The result of all of this economic activity is a sharp increase in trade between the two regions. Total trade between China and Africa stood at US\$10 billion in 2000, rising to US\$18 billion in 2003 and exceeded US\$50 billion in 2006. Moreover, Chinese investment in energy resources has played a key role in propelling African growth figures into an annualised rate of over 5% in 2005. China has become the continent's third largest trading partner after the United States and France and a leading investor, topping US\$15 billion in 2004 alone.

The role of diplomacy and development assistance

A key dimension of Chinese engagement with Africa is its diplomatic crusade aimed at displacing Taiwan's official relations with African countries. The battle for diplomatic recognition between Beijing and Taipei has, of course, been a cornerstone of Chinese foreign policy since the declaration of the Peoples Republic of China in 1949 and has guided China's Africa policy since Zhou Enlai's Africa tour of 1963-64 and famously declared Africa to be 'ripe for revolution'. African states were instrumental to Beijing's strategy of voting the Republic of China (as Taiwan was referred to) out of the permanent seat in the UN Security Council in 1971. Despite this major setback, Taipei's diplomacy has proved reasonably successful in retaining official support in many parts of Africa until 1997, when post-apartheid South Africa jettisoned its diplomatic links with the island. The diplomatic practices of the past, which saw China summarily 'punishing' those states which broke diplomatic ties with it by withdrawing foreign assistance and other projects, have been replaced with a more flexible approach that allows for selective involvement of businesses and Chinese provincial representatives, emphasising the mix of pragmatism and necessity that characterises China's new Africa policy.

Even as recently as October 2005, Taipei was able to claim that it held official relations with seven African countries including Senegal. The loss of Senegal, a key state in the Francophone constellation of leading African nations, to Beijing puts the rebel island province in the unenviable position of holding diplomatic relations with some of Africa's most impoverished fiefdoms, unstable kingdoms and corrupt petro-states. This final push from Beijing to win over recalcitrant African states in advance of the China Africa Summit meeting in 2006 was seen to be a fitting culmination of its forty-year policy of isolating Taipei on the continent.

Africa's importance to Chinese diplomacy is further underscored by its numerical advantages as the largest single regional grouping of states and its tendency towards 'bloc-voting' in multilateral settings like the United Nations and its agencies. With an outlook that, despite the recent emphasis on 'good governance' emanating out of the West and some African circles, is solidly statist in orientation, African governments have proven to be reliable source of support whenever Chinese conduct has been criticised. For instance, African votes have been crucial for China in areas as different as the International Olympic Committee decision to award the 2008 Olympics to Beijing to blocking resolutions tabled at the UN Commission on Human Rights that condemn Chinese human rights abuses. In the words of Premier Wen Jiabao : 'China is ready to co-ordinate its positions with African countries in the process of international economic rules formulation and multilateral trade negotiations.'⁸ Beijing officials are said to believe that this

⁸ BBC Monitoring Asia, 15 December 2003.

strategic relationship with Africa will give it, at relatively low cost, the means to secure its position in the WTO and other multilateral venues.

A crucial component to expanding China's presence in Africa has been the use of foreign assistance to cement ties with governments as a means of securing resources and winning new diplomatic allies. Africa occupies the largest percentage of China's development assistance (44%, or US\$1.8 bn), with ODA divided between tied aid, outright grants to recipients, a limited number of loans and new mechanisms such as government guarantees for sectoral investment in the region. However, the conflation between 'co-operation' and 'aid', coupled to the opaque character of China's foreign assistance (which does not publish detailed annual figures of its disbursements along the OECD lines), means that much has to be inferred from public announcements. Since Zhao Ziyang's trip to Africa in 1982, the emphasis on co-operation and aid which holds economic gains for China has become official policy.⁹ Gifts in kind, the construction of specific facilities such as a sugar mill, the sending of technical teams to manage these sites are all standard features of Chinese foreign assistance. The use of Chinese firms and Chinese-sourced materials, which has become a matter of some controversy recently, has in fact been a consistent component of China's aid programme.¹⁰ Prestige projects, such as public buildings and stadiums, have also played an important part in securing agreements with African governments. This form of symbolic diplomacy has great appeal to African elites who welcome the opportunity to replace colonial-era public buildings as well as a vivid demonstration of Chinese largesse. Moreover, the shift towards profit-making in the early 1980s has meant that Chinese engineering firms have used government financed construction projects to gain a foothold in the local African market, setting up offices and bidding for contracts.

The key institutions involved in foreign assistance and co-operation are the Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs and the China Export-Import Bank. The overall budget for foreign aid is prepared by the Ministry of Finance but it is MOFCOM's Department of Foreign Aid that is responsible for planning and management of funds and their disbursement. Monitoring and evaluations also feature in the work of the Ministry.¹¹ The Ministry of Foreign Affairs is involved in the organisation – though not implementation – of humanitarian assistance along with other ministries.

In this regard, the China Export-Import (Exim) Bank plays a central role in Beijing's contemporary outreach to African governments. Established in 1994, the China Exim Bank is a government-owned institution under the State Council whose principal activities are to finance export credit, provide international guarantees loans for overseas construction and investment, and offer official lines of credit.¹² Its official role in Africa began only Based on a comparison with equivalent financing institutions in the United States, Japan and Britain which lend in Africa, the Chinese Exim Bank has a larger portfolio, with US\$15 billion being extended in support of a host of projects in 2005, that is thirty times greater than that of its nearest rival.¹³ Interestingly, one assessment of its impact on international lending in Africa finds that it deviates from established OECD 'best practice' in its willingness to ignore potential environmental impact and social standards for given projects. Indeed, the political imprint on China Exim Bank lending is evident in that there are weak reporting requirements of the Chinese firms as well as an apparent willingness (as government owned or managed firms) to operate at a loss.¹⁴ This effectively both

⁹ Deborah Brautigam, *Chinese Aid and African Development* (New York: St Martins Press 1998), pp. 49-50.

¹⁰ See Deborah Brautigam, *Chinese Aid and African Development* (New York: St Martins Press 1998).

¹¹ Information supplied by the South African Treasury to author.

¹² Todd Mass and Sarah Rose, 'China Exim Bank and Africa: new lending, new challenges', Center for Global Development, Washington DC, November 2006, p. 1.

¹³ Todd Mass and Sarah Rose, 'China Exim Bank and Africa: new lending, new challenges', Center for Global Development, Washington DC, November 2006, p. 2.

¹⁴ Todd Mass and Sarah Rose, 'China Exim Bank and Africa: new lending, new challenges', Center for Global Development, Washington DC, November 2006, pp. 2-3.

compels and subsidises, for example, Chinese construction companies who take up the infrastructure projects that dominate the Bank's portfolio and operate at margins that, without the state role, would not be viable under a strictly commercial reading.¹⁵ Finally, in contrast to multilateral and bilateral Western lending agencies, the Chinese Exim Bank's lending is flexible, less risk-adverse and responsive to African governing elite needs.

More recently, Beijing has expanded its foreign assistance programme in Africa to include a Chinese volunteer youth corps, mirroring volunteer youth services like the US Peace Corps and Japan's volunteer corps. Drawn from the Communist Youth League of China, these idealistic youths will use their training in health, agronomy, animal husbandry and linguistics to assist African and generally serve as goodwill ambassadors. Three hundred are expected to be placed across Africa by 2009. Again, like the Chinese government's provisions for debt cancellation, humanitarian assistance and even the China-Africa summit process, this initiative suggests that China's Africa policy owes much of its overall structure to prevailing relationships between Africa with other leading external powers.

Military co-operation and the growth of arms sales is an important aspect of relations with some African governments, especially those under threat due to civil war, insurgency or even domestic opposition but who are shut out from obtaining weapons from traditional Western sources. China's arms sales to Africa stood at US\$1.3 billion in 2003, more than double that of Britain but considerably lower than Russia whose US\$7.6 billion worth of weapons make it the leading arms exporter to the continent.¹⁶ Parastatals like Norinco are key suppliers of weaponry and Chinese sales of armaments and heavier equipment, including helicopters and Shenyang fighter jets to Sudan and more recently to Zimbabwe, have targeted pariah regimes. During the late 1990s, light arms and ammunition from China have been shipped through Dar es Salaam and onto the conflict in the Democratic Republic of Congo while Chinese arms played an important role in Sierra Leone's civil war, in the Ethiopian-Eritrean conflict and more recently in the conflicts in Darfur and Chad. The Chinese have set up three small arms factory in Sudan that produces light weapons for use in the region.¹⁷ And, as mentioned above, the Nigerian government's frustration with US Congressional interference in the delivery of patrol boats for the troubled delta region contributed to its decision to switch to Chinese military equipment. In this case, the Nigerian purchase of 12 Shenyang fighter jets and missiles, along with a commitment to train Nigerians in satellite operations happened in concert with its awarding of oil contracts and to China in 2005 and 2006.

Though less publicised, China has broken its own past precedents and actively participated in UN-sanctioned peacekeeping operations in part of Africa. Chinese peacekeeping has expanded across the continent Africa, starting with a large contingent in Liberia (a country where Taiwan briefly achieved diplomatic recognition) and smaller attachments to UN missions in the Democratic Republic of Congo and even the Sudan. All in all, over 3,000 Chinese peacekeeping troops have participated in seven UN missions on the continent.¹⁸ The majority of Chinese peacekeepers, in fact, are based in Africa making it the largest contributor of all the permanent member states of the UN Security Council to peacekeeping operations. Concurrently, it has also provided financial support to combat drought on the Horn of Africa amounting to US\$200,000 in 1999 and US\$610,000 in humanitarian assistance in 2004 to address the Darfur crisis. In a dramatic step aimed at countering critics of its role in Sudan, the Chinese government announced

¹⁵ See Ian Taylor, 'China's Oil Diplomacy in Africa', *International Affairs*, 82:5 2006.

¹⁶ Mark Curtis and Claire Hickson, 'Arming and Alarming? Arms exports, peace and security', in Leni Wild and David Mephma, eds., *The New Sinosphere: China in Africa* (London: ippr 2006), p. 37.

¹⁷ Mark Curtis and Claire Hickson, 'Arming and Alarming? Arms exports, peace and security', in Leni Wild and David Mephma, eds., *The New Sinosphere: China in Africa* (London: ippr 2006), p. 38.

¹⁸ Liu Guijin, Chinese Ambassador to South Africa, 'Economic and Trade Relations Between China and Africa', press release, Pretoria, January 2007.

in the middle of 2006 that it would be providing US\$3.5 million in support of African Union peacekeeping operations in that strife-torn region.

The structure of Chinese foreign policy towards Africa

One of the complicating factors in understanding China's Africa policy has been the fact that it is being conducted on a fairly rigid bilateral basis though it is folded into a very public multilateral setting such as FOCAC. This has perplexed observers, who have pointed out the gap between the rhetoric of a Chinese partnership with the ideals and institutions of African multilateralism and its persistent use of bilateral channels to conduct its serious policy initiatives.¹⁹ Again, like so many Chinese initiatives in Africa, this approach reflects the prevailing circumstances it finds on the continent and ability to define and pursue its own interests in light of these circumstances.

In the first instance, bilateral diplomacy is the arena where the resource diplomacy and its ties to China's development assistance and co-operation policies take place. The Taiwan recognition issue features prominently here, though it is consolidated through public declarations at the multilateral level. Promotion of multinational companies, bi-lateral trade frameworks and the opening of markets also feature at the government-to-government level as do the all-important cultivation of presiding African elites by Beijing.

Complicating this picture of China's Africa policy, however, is the relative prominence given to sub-state – that is provincial and municipal – initiatives in constructing new ties with the continent. Chinese provincial and municipal officials are often the drivers for particular deals in Africa. In South Africa, for example, after 1994 it was Chinese provinces that took the initiative to establish formal links with their local government counterparts and begin to pursue business ties while the cumbersome politics of recognition between Beijing and Taipei played out. In the Democratic Republic of the Congo, Guangdong and Katanga provinces signed an agreement soon after Laurent Kabila came to power while Namibian municipalities has twinning agreements with several (enormous, relative to the small population in that desert country) Chinese cities.²⁰ More recently, Osun State in Nigeria and Sichuan province in China signed a US\$50 million in the aftermath of the China Africa Summit in December 2006 to build a pharmaceutical manufacturing plant that would produce, amongst other things, malaria drugs.²¹

This proliferation of sub-state initiatives reflects the decentralisation of foreign economic decision making on trade matters that has its origins in China's opening and reform policies in the late 1970s. Provincial and municipal authorities were given special privileges, policy concessions and financial assistance from Beijing to both facilitate foreign investment and to engage in foreign trade.²² This allowed the growth of provincial trading companies and later enterprises, often derived from renovated State Owned Enterprises, with an explicitly commercial orientation and the financial resources available to realise investment abroad. The periodic tensions between the central government in Beijing and the local authorities, with the latter tending to 'subordinate national to local interests' in the pursuit of economic gains, introduces the possibility of these

¹⁹ See Ian Taylor, 'China's Oil Diplomacy in Africa', *International Affairs*, 82:5 2006.

²⁰ These include Windhoek and Shanghai, Tsumeb and Lanzhou and Mariental and Zhingzhou. Gregor Dobler, 'Solidarity, Xenophobia and the Regulation of Chinese Businesses in Namibia', in Ricardo d'Oliveira Soares, Dan Large and Chris Alden, eds., *China Returns to Africa* (London: CR Hurst – forthcoming), cf.19.

²¹ 'Osun-Chinese Govt Sets Up N5.3 Billion Pharmaceutical Factory', *This Day* (Lagos), 3 December 2006.

²² Carol Lee Hamrin, 'Elite Politics and Foreign Relations', in Thomas Robinson and David Shambaugh, eds., *Chinese Foreign Policy: theory and practice* (Oxford: Clarendon Press 1994), p. 92; Jude Howell, *China Opens Its Doors: the politics of economic transition* (Boulder, CO: Lynne Rienner 1993), pp. 22-21.

contradictions spilling over and effecting foreign policy aims and its implementation.²³ With corruption amongst local officialdom seen to be endemic in China, this form of sub-state engagement and investment would seem to be particularly open to poor practices and, as such, may contribute to problems in China-Africa relations.

China's multilateral diplomacy, the other dimension of Chinese foreign policy towards the continent, is closely attuned to African sensibilities. The sine qua non of all international politics in Africa remains dominated by the anti-colonial discourse drawn from the past. A sure sign of its continued saliency is the ability of Robert Mugabe to marshal this anti-imperialist discourse in the service of his domestic power struggle and, in the process, deflect much of the African and Western criticism of his undemocratic actions.²⁴ The premier institutional expression of Pan Africanism, the Organisation for African Unity (OAU), has been viewed as effectively twisting the human rights impulses which originally motivated African continental solidarity and turning them into a bastion of support for dictators and illiberal actions. The irony is that its successor, the African Union, along with the NEPAD initiative, has been constructed in such a way that they take this solidarity notion and inverted it so that Pan Africanism can serve as a force for continental transformation away from the uncritical support of the past. The Chinese government have a clear appreciation of the rhetorical importance of Pan Africanism to African leaders and for this reason has worked to incorporate this into their policy statements, into the formation of the FOCAC and in terms of substantive actions such as funding NEPAD projects or a new African Union building in Addis Ababa.

Regarding African multilateral institutions, China is a frequent contributor to the African Development Bank (AfDB) since it joined in 1985. Since the AfDB-9 negotiations began some years ago, China has played an active part in the six rounds of replenishment negotiations as well as providing a total commitment to the AfDB of US\$49.18 million by 2002.²⁵ And, while China does not have a directorship in the AfDB it will be hosting the annual meeting in Shanghai May 2007 so there is every possibility that this will change. It is also the largest shareholder in the Preferential Trade Area from outside the Eastern and Southern African region.

The culmination of China's multilateral diplomacy on the continent is the Forum on China-Africa Co-operation (FOCAC) process, a summit meeting between Chinese and African leaders convened every three years. Modelled along the lines of the Franco-African Summit process, the first FOCAC ministerial summit was held in Beijing in 2000 and the follow up came in Addis Ababa in 2003. Its origins are a matter of dispute with some Chinese diplomats claiming that they responded to an African appeal while others suggest that it had more to do with the array of Africa events that characterized the latter days of the Clinton administration, from the National Summit on Africa, the once-off US Africa Ministerial Conference of 1999 and the US presidential visit.²⁶ The FOCAC serves as a platform to display the benefits of regional co-operation and a site for dialogue partnership between Chinese officials and their African counterparts. For instance, at the Addis Ababa summit China announced that it was cancelling its outstanding debt of US\$1.27 billion to 31 African countries as well as committing all parties to increase overall trade to US\$28 billion by 2006 (a target that has already been exceeded). The decision to forgive the existing debt is important as much for its symbolic value – China is responding to a key issue promoted by

²³ Jude Howell, *China Opens Its Doors: the politics of economic transition* (Boulder, CO: Lynne Rienner 1993), p. 21; Madelyn Ross, 'China's International Economic Behaviour', in Thomas Robinson and David Shambaugh, eds., *Chinese Foreign Policy: theory and practice* (Oxford: Clarendon Press 1994), p. 448.

²⁴ See, for example, a discussion of this phenomenon in Ian Phiminster, 'Mugabe, Mbeki and the Politics of Anti-Imperialism', Afrika Im Kontext Conference, University of Hanover, 2-4 February 2004, p. 5.

²⁵ 'Report by Secretary General Cheng Tao of the Chinese Follow Up Committee at the Senior Official's Meeting of the Forum on China-Africa Co-operation', in Kinfe Abraham, *China Comes to Africa* (Addis Ababa: Ethiopian International Institute for Peace and Development 2005), p. 164.

²⁶ On US initiatives, see Chris Alden, 'From Neglect to Virtual Engagement: the United States and its new paradigm for Africa', *African Affairs* 99:396 2000.

African leaders such as Thabo Mbeki and Olusegun Obasanjo – as for its substantive impact on payment schedules. In a follow up action, China reduced tariffs on 190 goods exported by the 28 poorest African countries. More recently, the release of a white paper on China's Africa policy in January 2006, which included provisions for technical training of 10,000 Africans, is part of the build up to the most recent FOCAC meeting held in November 2006 in Beijing. With Chinese leadership proudly declaring at first two FOCAC meetings that its relations with Africa were 'free of political conditionality and serving the interests of Africa and China' as well as warning against the rise of Western hegemony in international affairs, the stage seemed set for a clash of interests between a complacent West and the vibrant new China.

Constructing a foreign policy of 'rayonnement'

Since the Chinese leader, Jiang Zemin, visited the African continent in 1996 and officially set relations on a non-ideological footing with an emphasis on resource acquisition, the challenge of Chinese foreign policy towards Africa has been to frame this new approach in terms that would appeal to sceptical African governments. Having been only a minor external actor in the past – and virtually out of sight with the advent of the Cultural Revolution and concurrent closure of most diplomatic missions to the continent – Chinese leaders needed desperately to raise its profile if China was to succeed in its aims. In their favour, unlike Western countries, was a solid record of support for liberation struggles and independence (though, one blemished by occasionally backing the wrong liberation movement as in Angola). Moreover, though acknowledged as small in overall quantity, the efforts in building the Tanzam railway, the role of barefoot doctors and agricultural specialists in West Africa were remembered positively amongst Africa. Finally, the last challenge facing the Chinese government was to communicate the fact of China's rise as a major economic power and the accompanying capacity of its emergent multinational corporations to compete successfully with long established Western partners.

Three quotations capture the Chinese government's attempt to construct a relationship with African states which is founded on a mutual development agenda, shared values and, in the global context, a common analysis of threat. China's foreign policy white paper on Africa, a seminal document in the sense that it is the only one ever publicly released by the Foreign Ministry, was released in January 2006 to counter negative perceptions of its role in Africa. Drawing from public statements on China-Africa relations made by Chinese officials over the past decade, the White Paper declares:

Sincerity, equality and mutual benefit; solidarity and common development: these are the principles guiding China-Africa exchange and co-operation.²⁷

The emphasis on self-interest mingled with shared experiences and developmental aims is seen to be the 'common project' that encapsulates the rationale for a renewed engagement between China and Africa. A leading Chinese scholar on African affairs, He Wenping, adds,

Common sense about human rights and sovereignty is only one of the common values shared by China and Africa.²⁸

This suggests that the Chinese government sees an abiding cultural as well as political context, borne of a common historical experience felt both by Chinese and Africans of the international system, for interpreting the relationship between individuals and the state.

And finally Wen Jiabao, the Chinese premier, stated at the China Africa Co-operation Forum in Addis Ababa in 2003 that the broader global strategic purpose of forging closer ties with Africa was to counter Western dominance. He said pointedly, 'Hegemony is raising its ugly head,' a

²⁷ Embassy of China in South Africa, 'China's Africa Policy', January 2006.

²⁸ Cited in Ian Taylor, 'Chinese Oil Diplomacy in Africa', *International Affairs*, 82:5 2006, p. 12.

position which certainly resonates with many African elites, for whom the unadulterated use of conditionalities by Western donors have been seen as a threat both to their own position and the African political system generally.

These fundamental principles form the basis of the new terms of engagement as expressed by China. However, as presented, they still did not address what is an unprecedented and concerted surge of investment, political ties and migration by Chinese interests into Africa. For this, the authorities in Beijing turned to the historical past for inspiration.

Remembrances of things past

As Beijing is adamant in pointing out, China's contemporary engagement with Africa is not 'new' but in fact has its roots in as policies pursued since the mid 1950s as well as earlier historical precedents.²⁹ Africa in the Cold War era was seen primarily by Chinese leaders as a terrain for ideological competition with the Soviet Union and the United States, as well as the remaining European influences. This took the form of Chinese diplomatic and military support in Southern Africa, for example, for liberation movements which were ideologically committed to Maoist China as opposed to the Soviet Union. Moreover, Chinese officials recognised that, with its numerical advantage in the General Assembly and anti-colonial perspective, independent African states held the key to removing the Republic of China from its official status as occupant of the coveted permanent seat on the UN Security Council.

While the onset of the Cultural Revolution in the late 1960s put paid to overt Chinese political activism on the continent, Chinese overseas development assistance (ODA) continued to be a feature of relations. The most notable expression of this was the construction of the TanZam railway between 1970 and 1975, linking Zambia to the coastal port of Dar es Salaam and thus breaking the dependency on white-ruled Rhodesia. Apparently the decision to build the railroad grew out of a direct request from Zambian president Kenneth Kaunda, seconded by his Tanzanian counterpart, Julius Nyerere (who greatly admired Mao's collectivisation strategies and applied it with equal 'success' in his country) to Mao. Interestingly, many of the aspects of Beijing's current approach to African relations reflect the impulses and decisions of that era. This includes the government's responsiveness to an African priority, the use state resources and preference for Chinese labour to construct infrastructure projects and the signature of a high profile prestige project to mark relations.

Finally, the saliency of the past for contemporary China-Africa relations is reflected in the degree to which Chinese officials feel compelled to summon it in their dealings with African states. In Sudan, for example, Beijing peppers its bilateral diplomatic events and official communiqués with references to General Charles 'Chinese' Gordon, who helped suppress the Taiping rebellion in the 1860s, and upon being transferred to the Sudan, was put under siege and killed by the forces of the Mahdi in 1885. The Chinese claim that this event, which 'finally punished' the imperialist, brings the two states closer together. Equally, the Chinese government likes to underscore how African slaves, who escaped from their Dutch masters on the then colony of Formosa, 'fought shoulder to shoulder' with the Chinese General Zheng Chenggong's forces in 1664.³⁰ And, the forging of Chinese relations with the coastal states in East African and Southern African is characterised as merely the revival of ties instigated in the late fifteenth century by the Ming dynasty's Admiral Zheng He. Crucially, as Chinese officials are quick highlight, the presence of what was the world's largest fleet with 63 junks and 28,000 men did not result in

²⁹ For historical accounts of Chinese-Africa relations see Philip Snow, *The Star Raft* (London: Longman, 1988).

³⁰ He Wenping, "'All Weather Friends': a vivid portrayal of contemporary political relations between China and Africa," in Kifle Abraham, ed., *China Comes to Africa: the political economy and diplomatic history of China's relations with Africa* (Addis Ababa: Ethiopian International Institute for Peace and Development 2005), p. 41.

conquest or humiliation of Africans but rather a brief trading and diplomatic venture.³¹ The analogy with the contemporary relationship is, of course, never far from the surface as the Chinese ambassador to South Africa reminded Africans in 2007:

Zheng He took to the places he visited (in Africa) tea, chinaware, silk and technology. He did not occupy an inch of foreign land, nor did he take a single slave. What he brought to the outside world was peace and civilisation. This fully reflects the good faith of the ancient Chinese people in strengthening exchanges with relevant countries and their people. This peace-loving culture has taken deep root in the minds and hearts of Chinese people of all generations.³²

At this point in time, it is the employment of history that still dominates the shaping of African elite responses to China. Those elements within the West promoting a 'discourse of fear' which is manifested in its analysis of China Africa relations is largely absent from African sources (though this does not, as noted above, mean that there is an absence of criticism of China within African circles).³³

Assessing the Chinese role in Africa

African governments have been, until South African Thabo Mbeki's recent remarks decrying the potential for a colonist-type relationship, almost universally praising of China's activities in Africa. This has not disguised some concerns, especially amongst individual government officials in the more developed African economies of South Africa and Nigeria, from expressing *sotto voce* concern as to the impact of China on specific industries. Concurrently, African civil society, disparate and chronically under-funded, even actively persecuted in countries, nonetheless plays a part in fostering debate within Africa on key political, economic and social issues. Generally, and in keeping with its self-assigned role as state 'watch dog', African civil society has been critical of aspects of Chinese aid policy and the conduct of some of its businesses. In particular, civil society groups have focused on concerns of China's negative impact on local labour, trade, governance and the environment.

Nonetheless, there is evidence that that China is in the process of modifying aspects of its approach to Africa. In the case of Sudan, Chinese diplomacy is increasingly aimed at convincing Khartoum to accept UN peacekeeping troops in Darfur rather than blocking them. Since late 2006 the abrasive language of confrontation has been replaced by talk of common interests and outlooks on key African issues between, for example, the US and China. In part this reflects an appreciation of the strengths of co-ordinated diplomacy the constructive of UN Security Council Resolution 1725 on Somalia in January 2007.³⁴ Moreover, the US special envoy on Sudan, Andrew Natsois, declared after a four day visit to Beijing in advance of Hu Jintao's 2007 Africa tour:

Our policy and the Chinese policy (on Darfur/Sudan) are closer than I realised they were, and I think the Chinese are going to play an increasingly important role in helping us to resolve this.³⁵

Chinese MNCs are, as part of their desire to emulate established global MNCs, in the process of embracing aspects of the corporate responsibility agenda.³⁶ As Chinese firms become more fully engaged in the international market – accountable to shareholders, adhering to governance

³¹ 'SA's ancient Chinese connection,' *Mail and Guardian* (Johannesburg) 7 December 2001.

³² 'Oil, Global Influence Driving Hu Jintao's Trip', Inter Press Service (Johannesburg) 29 January 2007.

³³ Reflected in academic accounts, for example, Garth le Pere and Garth Shelton, 'Afro-Chinese Relations: an evolving South-South partnership', *South African Journal of International Affairs*, 13:1 2006, pp. 33-55.

³⁴ Bates Gill, Chin-hao Huang, J. Stephen Morrison, *China's Expanding Role in Africa: implications for the United States*, CSIS Report, (Washington, DC: Center for Strategic and International Studies 2007), p. 16.

³⁵ Cited in Bates Gill, Chin-hao Huang, J. Stephen Morrison, *China's Expanding Role in Africa: implications for the United States*, CSIS Report, (Washington, DC: Center for Strategic and International Studies 2007), p. 15.

³⁶ See, for example, the websites for Sinopec and PetroChina.

principles and become more socially aware – so their business practices will begin to evolve. Both China and Africa have institutional shortcomings when it comes to the regulation of commerce and, as such, the conduct of Chinese firms whether domestically or in Africa differs little. Indeed, even critics admit that if one sets aside the particular cases of Sudan, Angola and Equatorial Guinea, ‘the rest of PetroChina and Sinopec activities on the African continent are not especially reprehensible’ or at least no more so than many of their Western counterparts.³⁷ In the long run, perhaps it is the drive to emulate Western ‘best practice’ that will be the determining factor in Chinese corporate conduct in Africa.

Far more problematic in the longer term is the conduct of Chinese small and medium enterprises, some of which deliberately flout labour and environmental standards as well as local regulations in pursuit of profit. Many African critics see the Chinese government as culpable or at least responsible for these companies’ actions not the least because of its own authoritarian political structures and past. However, though one can ascribe this relationship to Chinese MNCs, it is not the case for the thousands of smaller firms cropping up across Africa. As pointed out above, these businesses are the product of provincial or individual initiatives and, in that way, reflect these interests and practices drawn from their domestic experiences. The decentralisation of facets of economic decision making and the rise in local capital (to finance overseas investments) has constrained Beijing’s control over the activities of its citizens. The wholesale destruction of the environment in the course of rapid development, the inability of the central government to stop corrupt local officials from selling land out from under literally millions of peasants, the struggle to effectively implement newly promulgated laws and regulations: these are all regular features of the Chinese development experience at home. These attitudes, circumstances and practices are part of what is being exported along with the Chinese financial capital to Africa.

And finally, as Chinese companies spread out into Africa, and in their wake tens of thousands of migrants from the mainland, the complexities of living and working in that environment became more evident. Their presence and conduct has produced a variety of local responses which have gone beyond the unreserved enthusiasm expressed by African governments, as has been demonstrated in Zambia during the election of 2006. These changing dynamics are increasingly shaping Chinese-African relations in ways that strain the credibility of China’s official doctrine of ‘non-interference’ and, whether Beijing likes it or not, drawing China into African politics.

Conclusion: China rising, Africa swooning?

The admiration expressed by African presidents, government bureaucrats, business leaders, traders and journalists upon seeing the marvels of the New China for themselves produced a public euphoria rarely experienced in politics. As Ato Addis Dinesa, Ethiopia’s Minister of Foreign Affairs, gushed:

Never in modern history has a nation successfully made such a determined and massive effort as China has in achieving progress within such a short span of time. Ethiopia has been following this remarkable achievement with great interest and admiration.³⁸

In part, this unbounded enthusiasm reflects the exposure that some of the longer lived heads of state and their functionaries had had with revolutionary China, its limited technical capacity, meagre financial resources and general austerities. For these individuals, the knowledge that

³⁷ Douglas Yates, ‘Chinese Oil Interests in Africa’, p. 15.

³⁸ Ato Addis Ainesa, ‘Relations Between Ethiopia and China: an Ethiopian perspective’, in Kinfe Abraham, ed., *China Comes to Africa: the political economy and diplomatic history of China’s relations with Africa* (Addis Ababa: Ethiopian International Institute for Peace and Development 2005), pp. 242-243.

within a span of a few decades China had been able to scale the development heights without compromising sovereignty, party control or engaging in the elaborate formalities of Western-inspired ODA was a revelation. The Western monopoly over development had, in some sense, truly been broken.

From the Chinese perspective, the emerging relations with Africa have been ideal, providing the economic complementarities of resource abundance with relatively open markets for their goods and a surprisingly responsive investment climate. The foreign policy dimensions also favoured closer ties to the continent, with African leaders responding well to the Chinese strategy of proclaiming their investment was free from political conditions, and providing diplomatic support for Beijing in multilateral settings. Unburdened by colonialism and fears of its dominance (as was the case in parts of Asia), Chinese foreign policy makers could act with a degree of apparent impunity in Africa that allowed it to make rapid diplomatic and trade gains at the expense of other external powers. China's presence in Africa is one which is already well-embedded on the continent and set to be a major influence in the coming decades.