Evaluating Sino-African relations: new wine in old bottles?

How should we view contemporary Sino-African relations? Although the tendency is to view relations as either a departure from Western models or as continued exploitation of the continent, we suggest that the reality is far murkier.

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WHAT ARE THE UNDERLYING MOTIVATIONS for China-Africa relations? Where relations once were based largely on ideological concerns tied to Cold War conditions, today relations appear to increasingly be built on economic foundations. China is now more active in Africa than ever, with trade increasing by 681% between 2001 and 2007, reaching $73 billion.[1] Whether these relations promote mutual gain or African exploitation remains unclear. Certainly, few economic successes from the decades of Western aid to Africa are apparent, considering peak aid to Africa coexisted with rapid increases in poverty and a decrease in world trade.[2] In contrast to a literature focusing on negative aspects of growing relations or viewing China as the main actor with Africa playing a more passive role, we view relations[3] as a more complex dynamic relationship, with both great gains and negative repercussions. Thus a broader framework intends to shed light on how these interactions can both help and hinder African nations.

Historical interactions

Present-day relations cannot be fully understood outside of the Cold War origins. Striving to be seated in the United Nations (UN) as the legitimate government of all of China (and thus remove the Republic of China on Taiwan from the Security Council), the People's Republic of China (PRC) actively supported independence movements throughout the African continent. In 1959, Mao Zedong framed this as a "struggle against imperialism", implicitly tying recognition to ideology.[4] The goal was not only to win favor among countries soon to be admitted to the UN in order to assist their own entry, but to position themselves as more than simply the Soviet Union's junior partner in the communist world. As countries could only have diplomatic relations with either the Communists or the Nationalists, Africa became a fertile ground for a communist Chinese government to recruit support and bolster their own sense of sovereignty.

While Taiwan initially held onto many African allies, by the end of the 1960s the tide had turned in favor of China. With African assistance in the United Nations coupled with America's own willingness to warm relations with China, the PRC ascended into the United Nations in 1971. By 1979, forty-four African countries recognized China, compared to only five still recognizing Taiwan.[5] While China's external sovereignty concerns eroded, Sino-African relations failed to live up to early expectations. Similarly, while China offered assistance to revolutionary movements on the continent to compete with similar efforts by the Soviets,[6] by the mid 1980s, Chinese interest in the continent declined.

Only with the end of the Cold War and China's rise as a superpower did a broader interest in Africa reemerge. While a few countries maintain relations with Taiwan, Chinese economic and political might has made switching diplomatic recognition increasingly difficult. Similarly, the economic boom in China over the past twenty years has allowed the country to offer grander assistance packages than ever before, while conversely needing greater access to natural resources to maintain such levels of economic growth. Here African nations view a more stable foundation for relations, with China also becoming an important export destination for African goods and indirectly a source for increased public revenues.

The Chinese alternative

In assessing Sino-African relations, it is crucial to disentangle traditional aid packages from other forms of investment and assistance. Observers commonly lump loans, investment and aid into one category, distorting the image of Chinese influence. For example, Brautigam (2009) points out, the amount of Chinese aid reported is often wildly inaccurate, with a common failure to distinguish between Chinese renminbi (RMB) for US dollars. Within twenty-five years, China moved from the eighth largest bilateral donor to Africa to second; with only the US ahead. In contrast to Western approaches, however, most development packages have been tied to trade instead of foreign aid and subsidized loans.[8] In addition, unlike Western assistance programs that simply handed over projects to domestic officials with little oversight, China maintains a continued stake in joint projects. The result has been undeniable: discouraging increasing levels of debt among African countries.

Furthermore, while Western assistance seldom covers infrastructure, China views such projects for mutually beneficial economic development. Reisen argues that "there rarely has been such rapid and intense investment in African infrastructure as is going on today".[9] For example, of the $5billion in credit and aid China granted Angola from 2002 to 2006, more than $2billion was dedicated solely to infrastructural projects, including roads, railroads, and fiber optic networks.[10] Foreign direct investment (FDI) follows a similar pattern. Whereas three-quarters of US FDI in Africa targets access to oil, nearly two-thirds (64%) of Chinese FDI in Africa has gone towards manufacturing ventures.[11] These differences in priorities contribute to a growing view of a unique Chinese model.

More than resources?

China is the largest consumer of oil behind the US, moving from being a net exporter just twenty years ago. Eighty-five percent of African exports now to China originate from five oil-rich countries (Angola, Equatorial Guinea, Nigeria, the Republic of Congo, and Sudan).[12] Despite this and warnings regarding China's grab of national resources, China's actual holdings remain rather limited, holding roughly two percent of known African oil reserves, and constitute only three percent of all companies invested in African oil.[13] Even if Chinese companies desired a greater share, they face an uphill battle competing with other foreign companies with greater experience in the region. More broadly, Chinese business interests are geographically diverse and not restricted to oil-producing nations, with over 800 Chinese companies conducting business in 49 African countries as of 2007.[14]

The African side of trade cannot be ignored either. From 2006 to 2008 alone, African exports to China increased by 110%, with thirty-two countries exhibiting a net gain in earnings.[15] In addition, China's exports do not simply undercut domestic production; machinery and high-tech products composed nearly half of all exports to the continent in 2005.[16] Overall, more Sub-Saharan African countries gain in more economic sectors than those who lose.[17] Furthermore, many African oil producers are tying foreign investment in the oil industry to broader investment, often with Chinese acquiescence.

The negative side of relations

Growing Sino-African relations do create perverse incentives however. De Soysa argued that resources contribute to a "rentier state" where the production and sale of such resources fuel corruption due to underdeveloped political institutions.[18] The result is the long term entrenchment of corruption centered around the exploitation of natural resources to serve political ambitions, often prolonging conflict. For example, Sierra Leone's civil war was financed by the production and sale of "blood diamonds"; conflict in the DRC has been facilitated by the presence of mineral resources such as diamonds and coltan; and countries as diverse as Nigeria (oil), the Ivory Coast (cocoa), and Tanzania (a burgeoning fishing industry centered around Lake Victoria) have faced similar resource related problems.

Growing relations does not mean evenly distributed benefits within society. A popular argument among Africans is that when the Chinese enter their country they bring in their own workforce, leaving the domestic African workforce no better off than they were prior to the arrival of the Chinese. While some of this importation may be due to expertise or a lack of trust in African partnerships, as a development strategy it remains short-sighted.

Concluding remarks

Chinese investment generates both opportunities and challenges for African countries. While Chinese ventures grow in scope and depth, African countries are neither passive bystanders nor the recipients of unmitigated benefits. And new developments are no quick fixes for structural weaknesses across the continent. China faces similar constraints to other countries in terms of investing in Africa and as such cannot be naively viewed as purely exploitative or as a cure-all for African ills. The future of Sino-African relations thus requires the acknowledgment of both the agency of African actors and the promotion of long-term mutually beneficial development.

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Above: 2008, Maputo, Mozambique. Local Mozambique workers tell the photographer they are unhappy working with the Chinese as wages are low and hours are long, however, unemployment has forced hem to do so. The national stadium for Mozambique is being built by Chinese contractors and paid for, as a gift, by the Chinese government. © DJ Clark.

Notes

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