

China's growing economic influence in Africa

[Zhou Enlai](#), the first premier of the People's Republic of China, was once asked what he thought were the implications of the French Revolution. He replied succinctly: "[too early to say.](#)" We can only suppose that had he been alive today, his views about China's involvement in Africa might have followed not too dissimilar a line.

According to Karen Foerstel's [Global Researcher Report](#), China's involvement in Africa goes back to the 15th century, when Admiral Zheng headed a flotilla of 300 ships on seven journeys across the world. After Zheng, China had little to do with Africa for the next 500 years. Economic and military power subsequently shifted westwards with the industrialisation of Europe and the Opium Wars.

During the period of Africa's decolonisation in mid-late 20th century, China began reaching out once more to Africa. In 1955, representatives of Asian countries and soon-to-be-independent African states met in Indonesia for the [Bandung Conference](#). The aims of the conference were to promote Asia-Africa economic and cultural cooperation and to spur political autonomy from the West.

China established its first African ties with Nasser's Egypt in 1956. By a decade later, strong relationships had been developed with a dozen African countries. In the early 1960's, Zhou travelled to ten of these countries to offer Chinese support. Additionally, he positioned China as an alternative to America and the USSR, and attempted to ensure African opposition to Taiwanese sovereignty. In the years that followed, China provided aid to Africa in many forms including through medical staff and scholarships, as well as financial and technical assistance across the continent.

By the 1980s, China had established relationships with about 40 African states. However, the political problems caused by the death of [Mao Zedong](#) ensured China's inward turn. Consequently, its [influence and involvement in Africa declined](#). With China absent, many African nations turned to the West for help. This assistance, though, came with conditions attached and structural adjustment programmes which aimed to address the economic and fiscal issues of numerous African countries. Requirements included the slashing of public sector budgets and the privatization of state-owned businesses. Such actions negatively affected the poorest, and as a result, by the early 1990's, African states were seeking alternatives to such programmes.

China's rapidly-growing economy in the 1980s and 1990s prompted its re-entry into Africa. The primary reason for this was the potential that China saw in Africa as a huge market place and in Africans as potentially avid consumers.

[In 2000, the Forum on China-Africa Cooperation was established](#). It aimed to promote investment and trade between China and Africa. Between 1999 and 2004, trade between the two regions increased five-fold from \$5.6 billion to \$29.5 billion. By October 2005, this figure had reached \$32.2 billion. [At the second FOCAC session in 2003](#), China pledged to cancel \$1.27 billion in debt to 31 African nations and increase trade to \$28 billion by 2006.

China sees Africa as a space from which it can propel its own economic transformation. According to [Padraig Carmody and Francis Owusu](#), elements in China's geo-economic

strategy include: (1) ensuring access to critical natural resources, particularly oil and gas, (2) converting its foreign exchange into investments overseas, (3) facilitating the development of Chinese multi-national companies, and (4) finding markets for Chinese products.

[At the third FOCAC in 2006, Hu Jintao pledged:](#)

- \$5 billion of preferential loans and credits;
- to increase the two-way trade to more than \$100 billion by 2010;
- a \$5 billion development fund to encourage Chinese companies to invest in Africa;
- cancellation of debts owed to China from the least-developed African countries;
- doubling exports to China from Africa's least developed nations, which receive zero-tariff treatment;
- construction of 30 hospitals, 30 malaria medical centres and 100 schools in rural Africa;
- and, apart from the promised government aid, Chinese companies and African governments (and firms) signed \$1.9 billion in business agreements.

Chris Alden, the author of 'China in Africa', has commented that the effect of FOCAC has been to provide African leaders with a level of respect they had hitherto been denied. And Africa has reciprocated. Chinese firms have won contracts for more than \$30 billion in infrastructure projects in Africa. In 2005-6, close to 800 Chinese firms operated in China – a figure which has [doubled in five years](#). "If these trends continue, China will be the dominant economic trader across the continent," Alden said at the time. The trends have continued and African economies have grown as a result of this.

[The Trade Law Centre for Southern Africa \(Tralac\)](#) has stated that two-way trade between Africa and China rose to \$106 billion by 2008. With the importation of cheap Chinese goods, locals can now afford previously-inaccessible goods. And rising labour costs in China may prompt manufacturers to consider Africa as a base for production with the benefits this would entail for African economies.

However, the influx of Chinese goods has caused a number of African producers to lose their livelihoods. Whilst academics such as [Stephen Chan have argued that local labour has been harmed by the influx of Chinese migrant workers, the Chinese deny their presence has created this effect](#). According to Moeletsi Mbeki of the South African Institute of International Affairs, "Africa sells raw materials to China and China sells manufactured products to Africa. This is a dangerous equation that reproduces Africa's old relationship with colonial powers."

[China also plans to subsidise seven economic and industrial zones across Africa](#). These would provide Chinese companies with closer proximity to resource investments and consumers. Benefits for African countries could include increased employment and, potentially, huge transfer of technology and skills. As one Nigerian businessman said to [Deborah Brautigam](#), "[When Westerners come to Africa, all they are interested in is oil, oil and oil. But when the Chinese come here, they are interested in everything](#)." It's impossible at this stage to know how successful these special zones will turn out to be,

but they, at least, show two things. [One: the Chinese have intentions to be in Africa for the long haul and, two: the relationship seems based on mutuality and not simply on an extractive and 'cut and run' policy.](#)

China's rapidly growing economy demands vast quantities of natural resources, especially oil and gas. Chinese and Western interest in Sub-Saharan African oil will only continue to grow, especially in light of recent instability in North Africa and the Middle East which threaten oil supplies in that region. China has now overtaken Japan as the second largest oil consumer in the world and it now secures [just under a third of its supplies from African countries, many of which have been criticised by the West for human rights abuses and undemocratic political systems.](#)

So, what has been the effect of this rush for oil by the Chinese on the West?

The expansion of China's economy has and will continue to have a large impact on the West. "[Chinese demand is driving up commodity prices and it's making the cost of energy more expensive,](#)" says Chris Alden.

Ian Taylor, professor of International Relations at St Andrew's University believes that this quest for oil is part of a strategy to gain influence on the international oil market. Control of the oil at source would ensure that China remained unaffected by fluctuating prices. Others claim, however, that China has simply monopolized regions in which Western presence is limited.

In addition, the Chinese tend to bid low in contract negotiations and include promises of building infrastructure as inducement to defeat competitors. Furthermore, the official Chinese development policy discourse is non-prescriptive and this can seem much more attractive in comparison to Western conditional aid. Festus Mogae, former President of Botswana, and 2008 winner of [the Mo Ibrahim Foundation prize for exceptional African leadership, said:](#) "China treats us as equals while the West treats us as former subjects. That is the reality."

Critics in the West have reacted sharply to China's decision not to demand transparent, democratic, environmental and human rights standards before providing financial aid to countries like Sudan and Equatorial Guinea. They claim that without such demands, loans and investments will benefit despotic regimes and do little for average Africans. According to Amadeu Altafaj, an EU spokesman, "There must be links between security and development, social issues and development, the environment and development. China is not doing that."

African and Chinese policymakers have ascribed this to typical Western double-standards. Liu Jianchao, the Chinese foreign ministry spokesman, told the Associated Press in 2006, "[When China is building roads and schools and providing health infrastructure and agricultural technology, are we damaging human rights in Africa? African people are benefiting from China's projects.](#)" In the view of Elizabeth Economy, an American who is a member of the Council on Foreign Relations, "The United States is in Saudi Arabia. Chevron is in Burma. I'm certainly no apologist for China, but before we call the kettle black we have to be very, very careful."

Also, added a senior African banker who asked not to be named: “when the West (specifically the United States and the UK) were doing all sorts of deals with apartheid South Africa in the late 1970’s and the 1980’s, - a time when the rest of the world was virtually unanimous in their calling for sanctions against South Africa – they (Reagan and Thatcher) didn’t think much about human rights, then, did they? This is a pattern that we have grown used to.”

Deborah Brautigam says that the one-dimensional image of China as bad and the West as good, is absurd. She further states that other African nations in which China is engaged such as Ghana, Botswana and Mauritius have been [lauded in recent years for their good governance](#). Besides, she also notes that its recent [abstention at the Security Council on the issue of Darfur - rather than its usual veto - shows progress](#).

All this talk about China creating a new form of colonialism by its Africa policy forgets one major point: [China’s development was \(partly\) boosted in a similar way](#). In the 1970s, it was approached by Japan, which offered credit, technology and expertise in exchange for its natural resources and the push from that developmental exercise is clearly visible today.

Nevertheless, it is important to remember that despite promoting economic growth in African states, China still tolerates unscrupulous behaviour and has questionable corporate and safety standards.

However, it would be wrong of the West (directly or indirectly) to attempt to strangle China ‘at birth’. So, let fierce competition amongst nations reign. If it is true that imitation is the most sincere form of flattery, then the West can take solace from the fact that China has embraced capitalism so wholeheartedly.

LEKE ADEBAYO

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