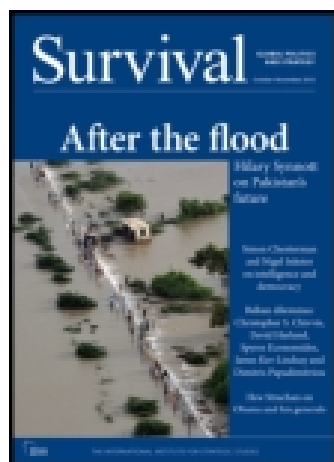


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China in Africa

Chris Alden

'Hegemony is raising its ugly head.'

Wen Jiabao, Addis Ababa, 15 December 2003

At a time when the world seems preoccupied by events in the Middle East and the 'global war on terror', China's growing engagement with Africa has gone little noticed in the West. Yet in a span of less than a decade trade between the two regions has increased from US\$10 billion in 2000 to US\$28bn in 2005. China has expended significant resources in foreign assistance towards African states, has started negotiations towards a regional economic free trade area with the Southern African Customs Union, and has embarked on an unprecedented peacekeeping mission in Liberia. These activities are all bolstered by a steady stream of high-profile diplomatic and commercial missions.

For most analysts, the drive to secure energy resources is behind Beijing's renewed engagement with Africa.¹ This certainly captures an important dimension of Chinese interests in the continent, but it would be a mistake to ascribe a single motive to the relationship. Conversely, the impetus for Africa's embrace of China has not been adequately examined.

China's interests in Africa

During then-President Jiang Zemin's tour of Africa in May 1996, he presented a 'Five Points Proposal' establishing the terms of a new relationship with Africa, centring around a reliable friendship, sovereign equality, non-intervention, mutually beneficial development and international cooperation. Jiang's position was a deliberate contrast to the period between 1963 and 1976, when ideological considerations shaped China's Africa policy. There was now a shift towards 'diversity of form and mutual benefit' accompanying the economic reforms of

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the post-Mao era.² The one continuity, to be sure, is Beijing's insistence on a 'one China' recognition policy, which has led a number of African states to cut off diplomatic relations with Taiwan.³ Four factors in particular shape Beijing's contemporary approach to the African continent: China's drive for resource security, new markets and investment opportunities, symbolic diplomacy and development cooperation, and forging strategic partnerships.

Resource security

China's dynamic economic growth fuels an ever-increasing need for energy and strategic minerals. As the world's second-largest consumer of oil, and with only limited national resources, China is attracted to Africa's relatively underexploited petroleum and other natural resources.⁴ China's turning point for energy came in 1993 when it changed from a net exporter to a net importer of petroleum. Ten years later, China was consuming 5.46 million barrels a day (bbl/d), outstripping Japan's 5.43m bbl/d but still some distance from the United States's 19.7m bbl/d.⁵ More generally, the two decades of sustained near-double-digit growth in the Chinese economy have increased its appetite for a range of commodities, from iron ore to titanium, and in so doing have provided producers based in Africa with a growing market as well as a much needed boost in prices. For example, in 2003, nickel hit a 13-year high of \$13 per tonne, while in 2004 zinc reached a seven-year high and platinum achieved a 23-year high of \$800 per oz, with Chinese imports of metals playing a critical role in all these developments.⁶

By far the most publicised example of Chinese interest in Africa is its foray into the continent's energy business. China's state oil company, China National Petroleum Corporation (CNPC), has invested heavily in partnership with national petroleum (and natural gas) interests in the Sudan, Angola, Algeria and most recently Gabon. China has used a range of other economic instruments – financial assistance, prestige construction projects and arms sales – to cement ties with these oil-producing states. As early as 1993, building on a long-standing relationship with the Front de Libération Nationale (FLN) government in Algeria, the Chinese government purchased several oil refineries in that country for \$350m. In Sudan, CNPC purchased in 1996 the largest share (40%) of the Greater Nile Petroleum Operating Company (GNPOC), and has used its technical expertise and links to other Chinese government enterprises to transform the industry into a major export earner for Khartoum. Industry analysts characterised Sudan, said to be China's largest overseas investment target to date, as China's 'premier off shore oil source' and a base for its own broader petroleum interests in the region.⁷ Sudan's 6% share of China's oil imports is set to increase sharply when new fields in the Melut basin go into production.⁸

The Chinese have been purchasing equity shares in established oil fields rather than buying rights for future exploration and development. This approach reflects a strategic judgement that greater security can be achieved through vertical integration – ownership of production facilities through to transport tankers –and thereby providing oil to Chinese consumers below the international market price.⁹ This approach may also represent the policy of China's state-controlled petroleum industry, with its relative dearth of capital and capacity compared with Western firms. Openly ambitious to transform themselves into major global players in the energy business, CNPC and other state-owned oil companies such as Petrochina and CNOOC have sought out equity positions that minimise risk, enhance ability to learn from established industry practices, and allow technology transfer.

The Chinese government's efforts to secure sources of vital commodities extend beyond petroleum and natural gas. For example, BHP Billiton established a joint venture worth \$9bn with four Chinese steel mills to secure 12m tonnes of iron ore a year over a 25-year period.¹⁰ Industry analysts see the potential for expanding the arrangement into Billiton's interests in coking coal and manganese in Africa.

Finally, food security is a growing concern.¹¹ With a projected increase in population, the loss of vital agricultural land to industry and increasing consumption amongst urbanising people, Beijing perceives a need to obtain stable sources of key foodstuffs. Recognising the sensitivity of this issue, President Hu Jintao commissioned studies into food security in the wake of diminishing Chinese grain output in 2003.¹² The Soviet Union's dependence on American and Canadian wheat, which at the very least humiliated the superpower, is one scenario possibly feared in Beijing. One solution has been the wholesale embrace of genetically modified crops. Another is Chinese investment in agriculture, fisheries and related secondary production facilities in Africa. To this end, China's Ministry of Foreign Trade and Economic Co-operation (MOFTEC) has sought to encourage Chinese investment in Africa, stating that 'Chinese-invested companies engaged in the production of farm machinery, agricultural processing and small product trading targeted for the world market will find immense business potential [in Africa]'.¹³ For example, Chinese investors have set up joint ventures in fish processing in Gabon and Namibia, with some of the richest fisheries in the world, and leased agricultural land in Zambia, Tanzania and Zimbabwe.

*Food security
is a growing
concern*

New markets and investment opportunities

Though Africa is a relatively small consumer-goods market, trade with China has had a significant impact in two ways. Firstly, China has been able to find a

market for low-value consumer goods (many produced by loss-making State-Owned Enterprises) brought in by Chinese-dominated import companies and sold through a growing informal network of trading posts across urban and rural Africa. In the words of one Chinese trade analyst, 'Chinese products are well suited to the African market. At the moment, China is in a position to manufacture basic products at very low prices and of satisfactory quality.'¹⁴ The Chinese are also investing in industries geared to markets in the United States and Europe. Using the special provisions of the United States' African Growth and Opportunity Act (AGOA) and the European Union's Cotonou Agreement, Chinese investors have established, in the textile and agro-industries, joint ventures whose aim is to export goods to the West at concessional rates. Agricultural investment in Africa has been encouraged by the government, not only for food security reasons, but also as a means of circumventing World Trade Organisation (WTO) restrictions.¹⁵ Chinese construction firms, using lower costs (and, some have suggested, new-found political connections), have been able to aggressively outbid traditional Western firms for large road projects in the Horn of Africa.¹⁶ Here the use of contracted Chinese labour, which already numbered 24,000 on the eve of the build-up in Sudan in 1996 and rose to 74,000 by 2005, is said to play a significant role in furthering the penetration of Chinese interests.¹⁷

According to the Chinese government, over 600 Chinese-funded enterprises have been established in Africa in the last decade. One example is the investment by Qingdao municipal government in the textile industry in Zambia's newly created Mulungushi Industrial Park in Kabwe, aimed specifically at the AGOA provisions.¹⁸ At the same time, a joint venture between a Chinese and Zambian company to buy a cotton ginnery in the country's eastern province seems to echo China's vertical integration strategy in the energy sector. Chinese investment in 2004 amounted to \$139m, bringing its total investment in Africa since the early 1990s to \$625m.¹⁹ Moreover, the present levels of economic interest (measured in trade volume) will triple by the end of 2006, if the Addis Ababa Plan agreed to by China and African participants in December 2003 bears fruit.

Symbolic diplomacy and development assistance

Symbolic diplomacy, that is to say, the promotion of national representation abroad, plays an important part in China's evolving relations with Africa. A great deal of Chinese economic engagement in African states revolves around the construction of large prestige projects linked to institutional interests within these states. From the construction of new foreign ministry buildings in Uganda and Djibouti to the construction of stadiums in Mali, Djibouti and the Central African Republic and even houses of parliament

in Mozambique and Gabon, China's support is in step with its past endeavours in Africa such as the construction of the TanZam railroad.²⁰ Underlying this outlay is Beijing's desire to demonstrate its ascendancy as a key power on the world stage (or at least on the smaller stage of the African continent) and, concurrently, to thwart Taiwan's efforts to gain diplomatic footholds in Africa. Furthermore, a deep understanding of the imperatives of governance in an impoverished country informs the Chinese approach: football stadiums or new government buildings provide African regimes with tangible signs of power that can feed their need for legitimacy, if not translate into outright support from the population.

Development assistance, though still relatively limited, is an increasingly important part of China's relations with Africa. This assistance takes a number of forms – for example, the direct funding of the civil service in the Central African Republic and Liberia, and a substantial loan to an Angolan government reluctant to turn to the IMF.²¹ Training programmes in technical areas such as hydro-irrigation and small-scale agricultural production involving thousands of African farmers transfer China's experience to Africa. China has provided 'turnkey' projects such as a nuclear reactor for Algeria and modern telecommunications equipment in Ethiopia and Djibouti, along with training programmes for maintenance of this equipment. In fact, when one considers that China itself is still a developing country it is remarkable that it has been able to provide African states with, in gross terms, its largest cumulative aid disbursement between 1960 and 1996.²²

The announcement at the China–Africa Co-operation Forum in 2003 of debt forgiveness to 31 African countries, amounting to \$1.27bn, as well as aid donations to a number of states, is a further expression of this symbolic drive. The debt issue was placed on the agenda of the first China–Africa Co-operation Forum in October 2000 by South Africa, much to the consternation of Chinese officials.²³ The decision to forgive the existing debt is important as much for its symbolic value – China is responding to a key issue promoted by African leaders such as Thabo Mbeki and Olusegun Obasanjo – as for its substantive impact on payment schedules. By cancelling debt, China places itself in step with the leading foreign powers operating in Africa and, in this manner, implicitly suggests that China is on a similar footing as the West. In this spirit, China has introduced a series of trade concessions items for 25 of Africa's poorest countries.

The focus in military cooperation has been on providing training programmes, basic equipment and arms sales. China provided Mozambique's army with uniforms, training and some light equipment in the late 1990s. China's arms industry sold fighter jets to the cash-strapped government in Zimbabwe, helicopters to Angola and Mali, light arms to Namibia and Sierra

Leone and, during the Ethiopian–Eritrean war, it reportedly sold US\$1bn worth of arms to both sides of the conflict.²⁴ Arms were apparently provided via Dar es Salaam to Laurent Kabila's Democratic Republic of the Congo in 1998, when Rwandan forces appeared to be on the verge of bringing it down.²⁵ China has been Sudan's largest arms supplier in recent years, providing helicopters, arms and ammunition, and anti-personnel mines that have turned up in Khartoum's campaign against the southern Sudanese.²⁶ Contract workers based near conflict zones, estimated at between 4,000 and 10,000, are said to be armed as well.

China has broken its own past precedents on humanitarian assistance and has sent 600 peacekeepers to Liberia (a country which briefly recognised Taiwan), 218 peacekeepers in the Democratic Republic of the Congo, and joined in several other missions on the continent, recognising the importance of participating in UN-sanctioned operations that promote stability. Between 1986 and 1990, donations to UN agencies that target Africa, such as the UN Trust Fund for African Development and the UN Environment Programme, amounted to \$22m.²⁷ It has also provided financial support, amounting to \$200,000 in 1999, to combat drought in the Horn of Africa and more recently offered to contribute \$610,000 to Darfur.

Forging strategic partnerships

A key dimension of Chinese foreign policy at the global level is an overriding concern with American hegemony. In part this reflects the position of the United States, as the only power with the political will and military means to actively thwart Beijing's interests, especially with respect to Taiwan. At the same time, America's ambivalence towards China's emergence as a world power – reflected in crises such as the incident in 2000 when a US spy plane was forced to land in Chinese territory – and its (selective) promotion of human rights and democracy ensure friction between the two states. In the aftermath of 11 September 2001 ('9/11'), with the promulgation of the American doctrine of pre-emption and the invasion and occupation of Iraq, Beijing is deeply worried about Washington's intentions and long-term objectives. This concern manifests itself in a search, breaking with the traditional aloofness of Chinese foreign policy, for strategic partners with whom Beijing can make common cause around issues that reflect its core interests as well as the promotion of the idea of China's 'peaceful rise'. These interests centre on mutual respect for state sovereignty as a guiding principle of the international system, and non-intervention in domestic affairs of states. The drive for such strategic partnerships is manifested in the largely symbolic bilateral cooperation with key global actors outside America's hegemonic reach, such as Russia; in multilateral cooperation; and in securing the necessary means to maintain economic growth.

As a significant player in multilateral organisations, and with its recent ascension to the WTO, China recognises that it needs to court votes to protect and promote its interests. African states have the largest single bloc of votes in multilateral settings and, as China's economic and political interests do not clash with Africa's in the way they do with fellow Asian states', Beijing has decided to actively develop partnerships with the continent. In the words of Prime Minister Wen Jiabao in Addis Ababa in December 2004: 'China is ready to co-ordinate its positions with African countries in the process of international economic rules formulation and multilateral trade negotiations'.²⁸ African votes have been crucial to Beijing's multilateral diplomacy, whether it be blocking resolutions at the UN Commission on Human Rights condemning alleged human-rights abuses in China or garnering sufficient support to win a second bid to host the Olympics in 2008. Beijing believes this strategic relationship with Africa while seen as diversionary in some Chinese circles, will enable it to secure its interests in the WTO and other multilateral venues at relatively low cost over the long term.²⁹

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Finally, the ongoing diplomatic-recognition battle with Taiwan, though no longer as important as in the past, remains a feature of relations with African countries in both bilateral and multilateral settings. Though Taiwan's diplomatic space has been severely circumscribed over the years, persistent activism by Taipei in Africa means China must remain vigilant to thwart any gains Taiwan may make on the continent. Competition between Beijing and Taipei was reflected in the fact that China agreed to invite eight African countries that recognise Taiwan to the second ministerial conference of the China–Africa Co-operation Forum, in Addis Ababa in December 2003.

Africa's interests in China

Africa's interests in China complement much of the agenda being promoted by Beijing. Governing and business elites within Africa see new opportunities in China: trade and investment opportunities, ways to bolster regime stability, and strategically significant partnerships.

The steady deterioration in foreign direct investment (FDI) in Africa, especially when compared to Asia, is widely perceived to be a major factor in Africa's persistent low level of development.³⁰ With a dramatic fall in foreign assistance after the end of the Cold War, the introduction of Chinese FDI is welcome. There is genuine enthusiasm on the part of African governments for providing the requisite licensing for Chinese entrepreneurs investing in their countries and the opening of new businesses in heretofore neglected areas.³¹

While the focus of Chinese investment has been on large or relatively large enterprises, it would be a mistake to see Chinese investments purely in terms of facilitating the growth of government-driven elite networks. Indeed, African entrepreneurs in small and medium-sized enterprises have, in the past, benefited from the growth of informal and formal linkage with Chinese and Taiwanese business networks outside of government sponsorship. According to one study, African businessmen in Mauritius and Nigeria were able to use contacts with Taiwan, and via Taiwan with China, to access information, new technologies and to spur 'the development of dynamic manufacturing sectors' in these two African countries.³²

The rise of a Chinese middle class with spending power and interest in leisure travel has broadened the pool of tourists – an area of great importance to many African economies. The Chinese government has used its policy of promoting 'official approved travel destinations' to its population as a means of rewarding friendly African governments. South Africa has benefited from this official status, with the number of Chinese tourists more than tripling, from 962 to 3,423, in June 2003 alone.³³ In addition to providing a new source of revenue, Chinese tourism can throw a lifeline to regimes ostracised by the West. Zimbabwe, for example, became an official travel destination in 2003 and experienced a surge in Chinese tourists that contributed to a 40% rise in tourism from Asia.³⁴

There are instances where Chinese business acumen has fallen short. Some observers suggest that the Chinese are paying too much when buying equity stakes in established industries. For instance, industry analysts believe that China has purchased over-valued shares in African national petroleum companies in pursuit of a significant position in the local energy business.³⁵ The same could be said of some of the newly privatised industries that Chinese investors have bought in Zimbabwe and Mozambique. On the surface these may offer returns but they are often locked into arrangements with local government elites that inhibit profit making.³⁶

Regime stability

The tapering off of traditional Western sources of political influence, economic investment and development assistance – and the concurrent rise of interference in domestic affairs by bilateral and multilateral donors – have caused African leaders to seek out new sources of regime stability. This situation is especially pronounced amongst those governments whose policies have resulted in progressive impoverishment, fuelled internal conflict or systematically violated human rights. With the imposition of 'conditionalities' by Western donors, designed to punish those regimes that violate standards and practices of good governance

(economic and political), these regimes need to find an alternative source of foreign support.

Prime Minister Wen Jiabao declared at the second China–Africa Co-operation Forum that foreign assistance and investment ‘comes with the deepest sincerity and without any political conditionalities’.³⁷ Chinese President Hu Jintao reiterated this during his state visit to Gabon in February 2004, when he declared that Chinese cooperation with Africa was ‘free of political conditionality and serving the interests of Africa and China’.³⁸

Beijing has, not surprisingly, begun to win support from Zimbabwe, the Central African Republic, Sudan and others, all notorious for human-rights violations or engaged in armed conflicts. As mentioned above, China has provided diplomatic and economic support, and in a few selected instances, arms shipments, to boost these governments. Indeed, at the Second China–Africa Co-operation Forum, embattled Zimbabwe President Robert Mugabe responded to Wen Jiabao’s speech by attacking the ‘Anglo-Saxon unholy alliance against Zimbabwe’, saying that China provides ‘a new alternative direction, which in fact could be the foundation of a new global paradigm’.³⁹

Beijing has pursued its position forswearing conditionalities with considerable vigour. For example, when asked about the role of human rights in trade decisions, Li Xiaobing, the deputy director of the West Asia and Africa division of the trade ministry, said, ‘we import from every source of oil we can’.⁴⁰ This reflects, in part, a strategic calculation that China can take advantage of, for example, the sanctions imposed against Khartoum in the mid-1990s by Western governments. In the words of one Chinese research analyst, ‘Chinese companies must go places for oil where American (and) European companies are not present. Sudan represents this strategy put into practice’.⁴¹

Of course, the glaring exception to China’s position forswearing political conditionalities is on ‘matters of territorial integrity’, that is to say, diplomatic recognition of Taiwan. In this case, the government application of conditionalities has been, with the notable exception of South Africa, decisive and swift. With Chad’s recognition of Taipei in 1997, which came on the back of a \$125 million loan from Taiwan, Beijing brought an end to its diplomatic presence as well as its more limited development assistance.⁴² The establishment of diplomatic relations with Taipei by rebels temporarily in control of the Liberian capital Monrovia between 1993 and 1997 was followed by Beijing’s cessation of assistance and public denouncement (as well as support for a rival Liberian faction). On the other hand, South Africa’s unexpected continuation of official relations with Taiwan after 1994, compounded by the audacious diplomacy undertaken by Nelson Mandela to promote ‘dual recognition’ of Beijing and Taipei, caused Beijing to adopt a more pragmatic approach. Quiet persuasion, coupled with counter-proposals of development assistance, finally persuaded

Pretoria to give way in mid-1996 to the inevitability of China's strategic international position and switch recognition. Nonetheless, the experience proved to be a potent symbol of South Africa's centrality to China's African interests, recognised and utilised by South African officials on a number of occasions.

Forging strategic partnerships

South African and Nigerian aspirations for the proposed African seat on the UN Security Council, as well as other African states' needs to preserve their interests in that setting, ensure that China occupies a crucial position in their foreign policies. The same could be said of the WTO, and African countries seem to accept the somewhat paternalistic argument Chinese officials make regarding Beijing's role in preserving these interests. More broadly, China's traditionalist approach to non-interference in domestic affairs accords well with the outlook even of democratically elected leaders in Africa, who view the unity of the state as a *sine qua non* of effective governance. Chinese foreign assistance (financial or 'in kind') and investment is therefore a welcome alternative to Western aid.

Furthermore, China's phenomenal economic growth encourages African governments and businesses to actively develop ties with a country that many perceive to be the next superpower. The symbolic attraction of China, a once-impooverished country victimised by Western imperialism and held back by its own pursuit of disastrous forms of socialism, clearly resonates with African elites looking for a positive development model from the Third World.⁴³ At the same time, China's rapid rise to power is also appealing for African leaders who are desperately looking for models of success that do not threaten established regime interests. The Chinese Communist Party provides concrete example of adaptability to the strictures of the global market economy without sacrificing interests of its members. For leaders and regimes facing domestic instability, the stress of economic restructuring and liberalisation or the pull of democratic transformation, China holds up a beacon of hope that all the gains of office need not be lost in the process of reform.

Trade friction

There are points of tension, however. One of them is trade. The balance of trade favours China and has, in the case of South Africa, been a topic of contention in ministerial meetings between the two countries for a number of years. Local industries (especially manufacturing and textiles) and merchants have been hit especially hard by the flood of cheap Chinese imports, particularly when these are linked to new Chinese wholesale and retail shops that use established networks to access goods. Across the continent, from northern Namibia to central Kenya, traditional products and retailers have been edged

out by Chinese businesses. Even in Angola's war-torn region of Huambo, five Chinese retailers have, since their arrival in 2000, managed to carve out a position that has effectively closed down established suppliers and retailers.⁴⁴

For those African companies in a position to invest in China, the obstacles are significant but, at least in the case of the larger South African multinationals, not insurmountable. SA Breweries, First National Bank, Absa, Anglo-American, Goldfields and a host of medium-sized companies have succeeded in establishing themselves in China.⁴⁵

But some South Africans also have concerns about the economic balance or advantage. Rapid development of Chinese capacity in steel manufacturing has caused Iscor to caution that its lower cost production may ultimately prove a threat to South African interests.⁴⁶ The same could be said of many, if not most, manufacturing concerns elsewhere in Africa that stand to lose if pitted against the lower-cost production found in China, especially now it belongs to the WTO.

The use of Chinese contract labour, rather than local workers, in Chinese-sponsored projects in Ethiopia, Sudan and Namibia has been criticised locally.⁴⁷ As the Chinese presence increases in Africa, the nature of its closed society and relative wealth may breed resentment and even conflict, as it has in parts of Southeast Asia. Cultural misunderstanding and even racism of the kind experienced by some African students at Chinese universities could fuel these difficulties.⁴⁸ Anti-Chinese feelings based on these sentiments, however misguided, has already spilled over into protests and scattered violence in the Zamibian copper belt and Lesotho as well as other parts of the continent.

Values friction

The AU's constitutive act explicitly codifies the possibility and terms of direct intervention into a member state as mandated by the Peace and Security Council (PSC) should it find that there are gross violations of human rights or other humanitarian reasons.⁴⁹ The New Economic Partnership for Africa's Development (Nepad), whose peer review mechanism is structured around an independent review process of an African country's adherence to good governance criteria, represents another step towards the institutionalisation of norms derived from contemporary Western concerns, from human rights to good governance. The strengthening of the link with the African Commission on Human and Peoples Rights, which has had little impact since its creation in 1987, seems to promise further institutional support for this trend. All of this moves the emerging continental architecture of Africa a considerable distance from the unconditional support for unlimited state sovereignty promoted until recently by the Organisation of African Unity.

Not surprisingly, this evolution towards new norms is contested in some African circles. Weak states and uncertain legitimacy make leaders cling to notions of sovereignty as a legal bulwark against dissent. Nonetheless, a discourse on human rights and democracy is taking root, however unevenly, and undermining the cherished principle of non-intervention. For Beijing this has troubling implications: a bloc of states that could once be counted on to defend the prerogatives of sovereignty in multilateral settings (with the exception of the case of apartheid South Africa) is no longer wedded to this position.

Strategic competition with the West

In the immediate aftermath of 9/11, relations between Beijing and Washington improved only to return to a condition of mutual suspicion following the US intervention in Iraq. In the wake of the Sudan crisis, the United States is looking more closely at the relationship between China and Africa, with some Washington-based analysts going so far as to see a kind of proxy cold war over oil in Africa.⁵⁰ The implication for the Chinese position in Africa is that Beijing's actions and decisions will no longer be seen by policymakers in Washington as outside a broader strategic framework. As a result, China's

freedom of action on forging relations across the continent could be increasingly challenged.

For example, Chinese oil interests may be vulnerable to international pressure. American jurisdiction over companies listed on the US Stock Exchange, based on an interpretation of the Alien Tort Claim Act, was used by human-rights groups to lead the Canadian oil company, Talisman Energy, to sell its 25% share in GNPOC in March 2003. CNPC was seriously interested in a listing on Wall Street themselves, and prepared for an IPO in 2000 which was expected

to raise \$10bn; however, publicity generated by human-rights activists forced a withdrawal of CNPC and a restructuring to create a subsidiary, PetroChina, that explicitly denied that any of the capital raised would go to Sudan. In the end they were only able to raise \$300m.⁵¹

At the same time, China's remarkable economic growth has encouraged Western leaders, led by Washington, to invite Beijing to participate in the premier club of industrialised nations, the Group of Eight (G8). This gradual incorporation into the G8 will affect China's economy and policy choices, one example being the US interest in getting China to stop pegging its currency to the dollar.⁵² The end result may be a convergence of interests with the West that will reduce China's claim to represent the interests of the South, and Africa in particular.

*Chinese oil
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Crisis and economic security

By focusing diplomatic activism on Africa's governing and business elites, Beijing may find itself tied to personalities and regimes that ultimately prove difficult to influence. Africa, after all, has had more than its share of quixotic leaders priding themselves on biting the proverbial hand that feeds them and able to resist all forms of international pressure. How would China have conducted itself, for example, in the chaotic situation of Angola in the last two decades, where American and French oil interests aligned with an avowedly Marxist government in Angola were periodically threatened by American, French and South African-backed rebels? Moreover, China is learning that African governments may not be able to follow through on formal agreements – due to administrative torpor and inefficiencies, or deliberate design on the part of some officials.⁵³ Chinese development assistance, according to one scholar, has already experienced difficulties due to a combination of African states' weak administrative capacity and active disruption.⁵⁴ Disorder, as Chabal and Daloz have pointed out, serves a potent political purpose in Africa.⁵⁵

After Tiananmen Square, and more openly with the co-optation of the emerging business class into the Chinese Communist Party through Jiang Zemin's policy of the 'Three Represents', the legitimacy of one-party rule rests upon its ability to deliver sustained economic growth. Certainly any government must take cognisance of economic factors in securing its domestic popularity. The danger that this poses to China is that, despite the assurances of ownership of all stages of production, its reliance on African energy sources remains vulnerable to disruption.⁵⁶ This, coupled with the spectre of energy shortages at home, seems to have worried the government sufficiently for it to invest in 52 gigantic oil storage tanks able to supply 50 days' worth of fuel in the event of an interruption.⁵⁷ The diplomacy of European states and the role of their businesses in the Arab world did not spare them from the oil embargoes of the 1970s. The domestic political impact of a sharp fall in the economy under these circumstances could be consequential for a government that has built its reputation on the shifting sands of economic fortune.

The Sudan crisis

The crisis in Sudan, where the military regime in Khartoum is accused of perpetrating a humanitarian crisis involving genocide, could mark the end of China's African 'honeymoon'. The contentious UN Security Council debate and the ability of the American government to introduce punitive sanctions aimed at embargoing Sudan's oil industry touched dramatically on China's key interests. The rationale provided by China's ambassador to the

UN following the unanimous vote (Beijing and three other states abstained) spoke to the constraints on Chinese action: 'while the draft resolution [sponsored by the US government] has been amended it still included measures that were not helpful and which could further complicate the situations'.⁵⁸ Forced against its own anti-interventionist instincts to follow the AU lead and support a peacekeeping operation in western Sudan, and to accept the possibility of the Security Council curtailing its energy supplies, Chinese diplomacy towards Africa suffered a serious setback.

The Sudan crisis has thus undermined the key rationales for China's engagement with Africa – energy security and African support for a traditionalist defence of state sovereignty. Beijing also seems to have misjudged the power of human-rights ideals and agendas to influence events in Africa as elsewhere. Africa is as complex as any other region and assumptions that have guided Chinese action there, based to a great extent on its relative material superiority over the continent, are an insufficient guide to conducting a successful foreign policy. While Africa may be the last place on Earth, to paraphrase a French minister, where foreign powers can exert influence at low cost, history has shown that it can also be stubbornly resistant to outside influence.

After Darfur Chinese interests and actions in Africa will not be able to escape the kind of scrutiny by international actors, African governments and civil society that Western states and companies have (however reluctantly) come to expect. Authorities in Beijing, and their representatives on the ground in Africa, will find that the pressure to anticipate or 'factor in' criticism will begin to exercise influence over policy choices and outcomes, irrespective of efforts to contain such voices. Officials in Washington (with an influential part played by the Christian lobby with ties to the Republican Party), as well as non-governmental organisations with human-rights orientation, will continue to be at the forefront of castigating Chinese actions in Sudan. Increasingly, however, there is also criticism from African sources.⁵⁹ Even in Sudan, public demonstrations were held to protest Beijing's failure to block UN Security Council resolutions critical of the government. Officials in Botswana and Mozambique have already expressed concern over the difficulties in managing the influx of Chinese businesses and their impact on local retailers and producers.⁶⁰ Within Africa itself, cynicism towards Chinese intentions is deepening. A bemused diplomat from Benin put it succinctly: 'we're a socialist-Marxist state and we've had 30 years of relations with the Peoples Republic of China and yet they by passed us to go to Gabon. This tells me that China has no friends only interests.'⁶¹

China's diplomacy towards Africa aimed at fostering mutual economic interests and maintaining sovereign protection against the corrosive influence

of the West will have to find new ways to engage the continent, approaches that are not predicated on securing the compliance of African elites alone. Otherwise, it will run the danger of being portrayed – as it has been in the case of Sudan – as the friend of a military regime set on committing gross violations against African people in the name of the crudest form of self-interest.

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Notes

- ¹ See, for example, Mamdouh Salameh, 'China, Oil and the Risk of Regional Conflict', *Survival*, vol. 37, no. 4, winter 1995–1996, pp. 133–46; Amy Jaffe and Steven Lewis, 'Beijing's Oil Diplomacy', *Survival*, vol. 44, no. 1, spring 2002, pp. 115–34; Philip Andrews-Speed, Xuanli Liao and Roland Dannreuther, *The Strategic Implications of China's Energy Needs*, Adelphi Paper 346 (Oxford: Oxford University Press for the IISS, 2002).
- ² For a contemporary analysis of that era, see Alan Hutchinson, *China's African Revolution* (London: Hutchinson, 1975), esp. pp. 232–40.
- ³ Ian Taylor, 'Africa's Place in the Diplomatic Competition Between Beijing and Taipei', *Issues & Studies*, vol. 34, no. 3, March 1998, pp. 126–43.
- ⁴ China has 2.3% of the world's known oil reserves and 1% of the known natural gas reserves. Joshua Eisenman and Joshua Rogin, 'China must Play by the Rule in Oil-rich Sudan', *Alexander's Gas and Oil Connections*, vol. 8, no. 6, 21 August 2003, p. 1.
- ⁵ Erica Downs, 'The Chinese Energy Security Debate', *China Quarterly*, no. 177, March 2004, pp. 21–41.
- ⁶ 'Chinese Whispers Drive Metals Boom', BBC Online, 16 November 2004, <http://www.bbc.co.uk/1/hi/business/3265737.stm>; 'China Drives Surge in Zinc Prices', BBC Online, 2 January 2005, <http://www.bbc.co.uk/1/hi/business/4134963.stm>.
- ⁷ 'Oil Guzzlers Thwart China's Diplomatic Overtures', Inter Press Service, http://www.chasque.net/ips_eng/notas/2004/10/19/9:30:51.html.
- ⁸ 'Thirst for Crude Pulling China into Sudan', *Daily Star*, 17 August 2004.
- ⁹ Downs, 'The Chinese Energy Security Debate', p. 35.
- ¹⁰ 'BHP Billiton Seals 9bn Iron Ore Deal with China', *Business Day*, 2 March 2004, p. 12.
- ¹¹ See Thomas Kane and Lawrence Serewicz, 'China's Hunger: The Consequences of Rising Demand for Food and Energy', *Parameters*, vol. 31, autumn 2001, pp. 63–75.
- ¹² 'China Fears Reliance on Food Imports', *Financial Times*, 23 August 2004.
- ¹³ Cited in Garth Shelton, 'The Peoples Republic of China (PRC) and Africa', unpublished paper, 2001, p. 4.
- ¹⁴ Zhou Zhaoming, economic and trade advisor to China's embassy in Gabon, cited in 'China's Hu to Visit Three African States to Bolster Partnerships', Agence France Presse, 27 January 2004.
- ¹⁵ Domingos Jardo Muekalia, 'Africa and China's Strategic Partnership', *African Security Review*, vol. 13, no. 1, 2004, p. 10.
- ¹⁶ There are frequent complaints from locals as to the quality of the roadwork. Interview with World Food Programme official based in Ethiopia, January 2003.
- ¹⁷ Human Rights Watch, 'Report: Sudan and Oil', <http://www.hrw.org>.

- org/reports/2003/sudan1103/21.html#_Toc54492700; Chen Yi Ding, 'A Research on Economic Globalization and its Influences to Overseas Chinese Economy', *World Regional Studies*, vol. 12, no. 3, September 2003, pp. 14–19. Chen claims that overseas Chinese can serve as an economic 'bridge' between China, Southeast Asia and Africa, ultimately gaining sufficient influence in African politics to further promote economic interests.
- ¹⁸ *Business Day* (Johannesburg), 11 November 2003.
 - ¹⁹ 'Talking Points for Director-General Xu Jinhu', Forum on China–Africa Cooperation, 24 May 2005, <http://www.focac.org/eng/zt/zfhztlcsh/t196995.htm>.
 - ²⁰ Deborah Brautigam, *Chinese Aid and African Development* (New York: Macmillan, 1997), pp. 37–8.
 - ²¹ Interview with Angolan government official, August 2004; 'Angola Snubs India's Oil Advances', *Financial Express*, 8 March 2005, http://www.financialexpress.com/fe_full_story.php?content_id=84648..
 - ²² Brautigam, *Chinese Aid and African Development*, p. 44.
 - ²³ Interview with South African government (DTI) official, May 2002.
 - ²⁴ Africa Programme, CSIS, 'Opening a Sino-US Dialogue on Africa', Washington DC, 2003, http://www.csis.org/pubs/prospectus/01fall_chhabra.htm
 - ²⁵ Anonymous source within Chinese government.
 - ²⁶ Amnesty International, 'Sudan: The Human Cost of Oil', London, 3 May 2000.
 - ²⁷ Brautigam, *Chinese Aid and African Development*, p. 46.
 - ²⁸ BBC Monitoring Asia, 15 December 2003.
 - ²⁹ Zhang Yongpeng, 'On New International Environment and the Formulation of China's African Strategy', *West Africa and Asia*, January 2005, pp. 19–25.
 - ³⁰ See UNCTAD, *Foreign Direct Investment in Africa: Performance and Potential* (Geneva: UNCTAD 1999), <http://www.ipanet.net/unctad/africabooklet.htm>
 - ³¹ Ironically, this same factor played a role in Taiwan's re-establishing full diplomatic relations with nine Africa states in the 1990s.
 - ³² Deborah Brautigam, 'Close Encounters: Chinese Business Networks as Industrial Catalysts in Sub-Saharan Africa', *African Affairs*, No. 102, 2003, p. 464.
 - ³³ *Mail and Guardian* (Johannesburg), 24–30 September 2004, p. 18. These numbers must be contrasted with the number of American tourists (21,236), the largest group, that same month.
 - ³⁴ *Business Report*, *The Star* (Johannesburg), 14 April 2004.
 - ³⁵ Downs, 'The Chinese Energy Security Debate', p. 35.
 - ³⁶ The best known example of this phenomena is not Chinese but rather the Malaysian purchase of Mozambique's Banco Popular para Desenvolvimento, renamed Banco Austral. The acquiescence of key Mozambican government figures precluded Malaysians from abandoning the debt commitments of senior members of the governing party there and ultimately forced the frustrated Malaysians to sell the bank. Anecdotal evidence suggests that a few Chinese businessmen have become the victim of local scams involving the purchase of illegal goods, such as was the case with the attempt to buy abalone in South Africa.
 - ³⁷ BBC Monitoring Asia, 15 December 2003.
 - ³⁸ *Business Day* (Johannesburg), 6 February 2004.
 - ³⁹ 'Mugabe Hails China as Beijing Promises Africa Aid', Reuters, 15 December 2003.
 - ⁴⁰ *International Herald Tribune*, 8 September 2004.
 - ⁴¹ 'China Invests Heavily in Sudan's Oil Industry', *Washington Post*, 23 December 2004.
 - ⁴² Philip Liu, 'Cross-Straits Scramble for Africa: A Hidden Agenda in China–Africa Cooperation Forum', *Harvard*

- Asia Quarterly*, <http://www.fas.harvard.edu/~asiactr/haq/200102/0102a006.htm>
- ⁴³ Even Julius Nyerere admonished his fellow Tanzanians to learn from the work habits of Chinese labourers on the TanZam railroad. Hutchinson, *China's African Revolution*, p. 184.
- ⁴⁴ Interview with Moise Festo, Huambo, Angola, 16 September 2004.
- ⁴⁵ Sufficient obstacles remain for Uganda's president to complain about the difficulties experienced in accessing China's markets. *The Monitor* (Kampala), 12 January 2004.
- ⁴⁶ *Business Day* (Johannesburg), 5 April 2004.
- ⁴⁷ Human Rights Watch, 'Report: Sudan and Oil'; on Southern African fears, see long-term China expert P.J. Botha, 'China Inc: An Assessment of the Implications for Africa – New Diplomatic Initiatives', in Greg Mills and Natasha Skidmore (eds), *Towards China Inc? Assessing the Implications for Africa* (Braamfontein: South African Institute for International Affairs, 2004), pp. 59–66.
- ⁴⁸ For an open discussion of this, see Hutchinson, *China's African Revolution*, pp. 186–187. This trend apparently continued into the contemporary period; for example, it is not well remembered today but it was protests by African students in Beijing over alleged discrimination that preceded the Tiananmen protests.
- ⁴⁹ Jakkie Cilliers and Kathryn Sturman, 'Challenges Facing the AU's Peace and Security Council', *African Security Review*, vol. 13, no. 1, 2004, pp. 97–104.
- ⁵⁰ Stephanie Giry, 'China in Africa: Out of Beijing', *The New Republic*, 9 November 2004.
- ⁵¹ Eisenman and Rogin, 'China must Play by the Rule', p. 1; *Drill Bits and Tailings*, vol. 6, no. 2, 28 February 2001.
- ⁵² *This Day* (Johannesburg), 24 September 2004.
- ⁵³ This echoes the now classic interpretations of the failure of the African state through the pursuit of 'clientalism' or, as others would have it, 'neo-patrimonialism'.
- ⁵⁴ Brautigam, *Chinese Aid and African Development*, pp. 203–204.
- ⁵⁵ Patrick Chabal and Jean-Pascal Daloz, *Africa Works: The Political Instrumentality of Disorder* (Oxford: James Curry 1999).
- ⁵⁶ This vulnerability is the subject of official concern. 'China's Oil Security Faces Test of War', *People's Daily*, 21 October 2002, p. 3.
- ⁵⁷ 'China Barrels Ahead in Oil Market', *Los Angeles Times*, 14 November 2004.
- ⁵⁸ <http://www.un.org/news/press/doc/2004/sc8160.doc.htm>
- ⁵⁹ See, for example, the work of the Washington-based group International Christian Concern, <http://www.persecution.org/Countries/sudan.html>
- ⁶⁰ 'Mixed Reaction to Chinese Invasion', *Mmegi/The Reporter* (Gaborone), 24 May 2005; 'Residents Blamed for Influx of Chinese Businesses', *Mmegi/The Reporter* (Gaborone), 2 June 2005; author's interview with Ministry of Finance officials, Maputo, May 2005.
- ⁶¹ *International Herald Tribune*, 8 September 2004.

