Afro Asian Journal of Social Sciences
Volume 3, **No.** 3.1 **Quarter** I 2012
ISSN: 2229 - 5313

THE DYNAMICS OF CHINA-AFRICA COOPERATION

BERTHA Z. OSEI-HWEDIE
Professor, Department of Political and Administrative Studies, University of Botswana, Botswana

Abstract

The paper analyzes the changing China-Africa relations. Initially driven by the need for mineral and energy resources for its growing industry, China has re-oriented and deepened its cooperation with Africa to become a partner in development through the Forum on China Africa Cooperation (FOCAC). These emanate from China's quest to offset the one-sided ties and improve its image in Africa, respond to criticisms against its activities in Africa, promote sustainable development, and assert its leadership in the age of globalization. Overtime, China has diversified investment beyond strategic resources to manufacturing; infrastructure; entrepreneurial development; cultural ties; and peacekeeping. The principle of non-interference has been accompanied by persuading allies to conform to international norms. Whether Africa benefits from China's new stance depends on the continent's ability to formulate beneficial engagement strategies at country, regional and continental levels. Keywords: China, Africa, FOCAC, economic, political and socio-cultural relations, infrastructure, peacekeeping

Introduction

China's re-engagement with Sub Saharan Africa (SSA) in the twentieth century was primarily motivated by the need to access Africa's mineral and energy resources to feed its booming industrial sector. This has culminated in rapid expansion of Sino-Africa trade and investment, which the West views as a challenge to its traditional dominance on the continent and detrimental for Africa. African scholars and practitioners, while acknowledging the benefits, are more concerned with unbalanced economic and political ties and Africa's inappropriate response to China's overtures. Controversies have arisen about whether: China is only interested in Africa's mineral and energy resources; Africa benefits from investment, trade and political relations with China; and China is a neo-colonial power in Africa.

The article discusses the changing nature of China-Africa ties to highlight the dynamism, transformation, and consequences. It starts with a brief examination of China's foreign policy towards Africa taking into account the changing domestic and international context that paved the way for cooperation between China and Africa, and Africa's development problems. The Forum on China-Africa Cooperation (FOCAC) serves as the framework for nurturing China-Africa cooperation. This is followed by an analysis of the nature of relations to appreciate the extent of the linkages, and diversification of cooperation from mineral and energy sectors to manufacturing, infrastructure, socio-cultural spheres, and peacekeeping. Of particular significance is the FOCAC IV Action Plan of 2009-2012 which is the basis for transforming, broadening and deepening Sino-Africa cooperation. The article also examines benefits accruing to SSA, the challenges, and what needs to be done to maximize cooperation for mutual gain.

China's Foreign Policy on Africa

In realist thinking (Morgenthau, 1993), every state's foreign policy is targeted at pursuing national interests. China's active and assertive foreign policy is consummate with its emerging power position within the global political economy as the current second largest economy after the United States of America, and as a rising nuclear power, with the acquisition of anti-satellite missile in 2007 (Mockli, 2007: 1). China's foreign policy towards Africa is determined by its economic and political needs. As an emerging socialist market economy and capitalizing on opportunities provided by a globalized economy, China's foreign economic objectives include access to raw materials, investment areas and markets for trade. Africa has become an attractive market given that it is rich in natural resources. To demonstrate the seriousness it attaches to relations with Africa, China publicized the African Policy in 2006. Its policy towards Africa has shifted from one based on political and ideological considerations of anti-imperialism and anticolonialism, and limited economic links in the 1970s (Wenping, 2009: 106) to active and substantive economic engagement, with thriving political ties in the post Cold War era.

China seeks to nurture friendly and accommodative relations with Africa based on the principle of non- interference. Thus, its foreign policy is not based on respect for human rights but on equality of the states, which is the fundamental principle in international relations. This principle has enabled China to pursue a pragmatic and inclusive foreign policy, interacting with all African states, including Zimbabwe and Sudan, with poor governance. By emphasizing equality of states, China has elevated the international norm of sovereignty, non interference in domestic affairs, and territorial integrity, and uplifted the status of Africa in the international community. Africa is seen as the most reliable ally of China in international forums, such as the United Nations (UN) and in its confrontation with the West, especially on issues of human rights, and the North-South gap.

'The Beijing Consensus' (Thompson, 2005) based on respect for equality of states, non-interference in internal politics and no political and economic conditionality, departs significantly from the Washington Consensus. The West has not taken Africa as an equal and insists on Africa fulfilling neo-liberal political and economic conditions to qualify for economic assistance from both donors and private banks. China encourages African countries to shape their domestic political and economic agenda and has rewarded states that support its one China stance. As a sign of flexibility and depending on the issue and circumstance, China has combined the principle of non-interference with cajoling its allies to conform to international demands, such as peaceful resolution of conflict. For example, China has encouraged Sudan to resolve the Darfur crisis through dialogue rather than force (Meng, 2009).

China has relied on its soft power. It has used diplomacy - development, cultural**,** and shuttle - to cultivate economic, political and socio-cultural relations with Africa. Reciprocal high level exchange visits by presidents, prime ministers, foreign ministers and other dignitaries have been instrumental in establishing firm political foundations upon which to build economic and social relations.

A combination of domestic and global dynamics explains China's interest in the African continent, since 1980s. The renewed relations between China and Africa could be traced to Deng's Economic Reforms and Open Policy in 1980, desire to take a lead role as an emerging power to champion concerns of developing countries within the context of economic globalization, and the search for new international allies in the face of Western pressure on China to respect human rights after the Tiananmen Square incident in 1989 (Wenping, 2009: 106). Reforms and Open Policy accelerated economic interactions with Africa in search of raw materials for China's growing economy and in the process challenge Western dominance on the continent.

Africa has willingly embraced China's overtures, primarily in an effort to deal with enormous development challenges. These include being home to 300 million of the world's poor; two-thirds of the population with the Human Immunodeficiency Virus (HIV) and the Acquired Immune Deficiency Syndrome (AIDS); political instability; marginalization in the global economy; and unattractive to foreign direct investment (FDI). China, with abundant liquidity, a growing economy at almost 10 percent per annum, and international influence, is a reliable source of investment, finance, technology and international support for Africa.

China's renewed interest in Africa has changed its negative image and came at an appropriate time when the West, characterized by aid fatigue and loss of interest, re-oriented its assistance to Eastern Europe, with the break up of the former USSR. China's re-engagement with Africa has catapulted the continent to the centre of the great power struggle for its resources and influence, akin to the new scramble for Africa. Such great power rivalry peaked in the mid 2000s as each consolidated its ties with Africa. The November 2006 Sino-Africa Summit in Beijing, was a catalyst for other big powers to do the same. In November 2006, there was the EU-Africa Business Forum in Brussels; January 2007, the Germany Africa Partnership Forum in Accra; February 2007, the Franco-Africa Summit in Cannes; and May 2008, the Tokyo International Conference on Africa Development (TICAD).

China's interaction with Africa has re-positioned Africa as a stable and reliable economic partner in the global commodity chain (GCC) as a source of strategic natural resources, investment area, and a market. Africa has regained its importance to the West for two main reasons: Africa has become the most reliable source of mineral and energy resources as the Middle East remains unstable, and Latin America has been radicalized and opposed to the West. Also, Africa has been incorporated as a partner in the fight against terrorism and Islamic fundamentalism.

Western governments, institutions and organizations have expressed outrage at China's aggressive and rapid re-engagement with Africa. The West seems to appreciate the fact that China's inroads in Africa threaten its economic dominance and influence on the continent. Therefore, it has to compete with China for space on the African continent. The shift of economic power to Asia; the integration of the global economy and the imperatives of interdependence have made both China and Africa important within the global economy. As the world's factory, and a source of liquidity, especially, after the 2008 global financial crisis, China has become a major trading partner and investment destination for the West, and a source of investment for Africa. The West, especially the Obama administration in the USA, seems to realize the significance of partnering with China to help tackle Africa's development challenges (Adebajo & Fakier, 2009: 3; Cargill, 2010: vii).

FOCAC: Institutionalizing Cooperation

FOCAC serves as the institutional arrangement for promoting bilateral and multilateral dialogue and cooperation between China and Africa, and for implementing China's foreign policy objectives. Since FOCAC of 2000, which was promulgated at the joint Ministerial Conference in Beijing, it has been held every three years, in 2003, 2006 and 2009. The Conference culminated in the Beijing Declaration and the Programme for China-Africa Cooperation in Economic and Social Developments which became the foundation of the strategic 'win-win' partnership in the twenty-first century (Hongming, 2009; Peiling, 2005). FOCAC is the most important indicator that China seeks serious, long term and durable cooperation with Africa. It aims to cultivate solidarity and cooperation based on equality, consultation, consensus, friendship, partnership and mutual benefit.

FOCAC of 2000 underlies the three primary goals of Sino-Africa relationship, which continue to underpin subsequent conferences: To promote mutual economic development, with emphasis on poverty elimination. As developing areas, China and Africa desire to face the challenges of economic globalization by developing their international competitiveness and productive capacities. The ultimate aim is to establish a new, just and equitable global economic and political order that advances interests of developing countries. Lastly, they seek to develop South-South cooperation for mutually beneficial relations. It also seems to be the trend in contemporary global economy given the limited effectiveness of North-South cooperation in investment and trade (Andrade, 2009; Morais de Sa e Silva, 2009). The inability of the global economy to respond to the demands of the developing countries, especially Africa, and the failure of the liberal trade regime of the World Trade Organization (WTO) to promote equal and fair trade for all members, have resurrected the North-South tensions and given rise to resistance and collective stand of the Global South. Hurrell and Narlikar (2006) point to the North-South confrontation at the Cancun Ministerial Conference in 2003 where developing countries put up a collective stance against the industrialized countries. The deadlock of the Doha Development Agenda and lack of progress on trade issues also illustrate the North-South divisions. China has provided leadership to challenge both US hegemony and liberal globalization (Melville and Owen, 2007).

Similarly, the 2008-2009 global financial crises have given China and Africa more legitimacy to challenge the neo-liberal international economic order based on unequal relationship in the Western-dominated international financial institutions, the World Bank, International Monetary Fund and WTO. China and Africa also have a common interest in pushing for the UN reform, especially the Security Council (SC). Africa aspires to acquire a permanent seat on the UNSC to ensure its security interests. The UN reform is of interest to China and Africa to press for effective peacekeeping, human rights, and socio-economic development (Adebajo and Fakier, 2009: 2).

Transforming Cooperation Beyond Resources

China has, over time, re-oriented its economic, social and political cooperation with Africa for three main reasons: Western donors and African scholars have been critical of China's concentration of investments in the extractive sector which indicate self-interest and a neo-colonial power bent on exploiting Africa. It is also accused of neglecting ordinary's people's needs. In addition, trade imbalances with Africa have remained a source of tension, especially, with more developed countries such as South Africa. Finally, China seeks to play a role befitting a rising world leader.

To offset criticisms and demonstrate that it is a true partner of Africa's development, China had to modify its ties with Africa. Such re-orientation started in the 1990s with investment in infrastructure. The changing economic interactions have been manifested through diversified Chinese engagement from mineral and energy into investment in manufacturing, physical and social infrastructure, agriculture, tourism, construction, retail trade, and entrepreneurial development, most of which are accompanied by technical assistance to many SSA countries. These investments might diversify Africa's economies away from raw materials, develop industrial and human capacity, infrastructure and tourism. It has also intensified cultural relations and peacekeeping activities.

The FOCAC of 2000, 2003 and 2006 have been successful in implementing China- Africa relations, primarily, reduced tariffs for some exports, debt cancellation, and human resources development (Wenping, 2011: 1). Most significant are the 2009 'Sharma El Sheikh Declaration and Plan of Action', which seem to offer "new opportunities" for Africa's development' (Shelton, 2011:2). Also known as the FOCAC IV, the three year Action Plan of 2009-2012 has laid the foundation for transforming and deepening relations in economic, political, and social spheres; and South-South cooperation. It marked a dramatic shift from largely commercial concerns to engagement into socio-economic and cultural activities in Africa. The Plan has been viewed as the basis to spearhead sustainable development in Africa as it addresses eight important issues during the three years: climate change; market access; finance; science and technology; agriculture; human resource development and education; health; and culture (African Union (AU) Executive Council, 2010: 3; Shelton, 2011:2).

Climate change and environment are important to Africa prone to natural disasters. Market access means more goods will enter China tariff free, which will boost Africa's ability to export. The least developed countries have been given zero tariffs for 95 percent of the traded goods, and 60 percent of traded products have been accorded tariff free entry into the Chinese market from the end of 2010. To strengthen financial capacities of African states, China availed US$10 billion in concessional loans to heavily indebted poor countries and cancelled their debts regarding interest-free government loans due for repayment at the end of 2009. This will ameliorate Africa's debt burden and provide an opportunity to channel resources to development.

China will undertake joint projects in science, technology, and agriculture in Africa. To ensure durability of these projects**,** China offered to train 2,000 Africans in agricultural technology. Partnership in science, technology and agriculture would pave way for technology transfer, agriculture development, food security and poverty alleviation. It also increased scholarships for Africans to study in China, as part of human resource and educational development. Moreover, China will invest more in health infrastructure to boost capacities for providing primary health care. The bias is towards malaria treatment and prevention, and fight against HIV and AIDS. These are Africa's fatal diseases. For instance, China pledged US$37.5 million worth of anti-malaria materials to 30 hospitals and built 30 malaria prevention and treatment centres throughout Africa (Jobarteh, 2009: 6).

In the twenty-first century, cultural relations have been deepened, thus, encouraging people to people interactions and advance further mutual friendship. China has established cultural agreements with most African governments. These have paved the way for mutual exchange of cultural performing groups, art exhibitions, music and movies festivals, book fairs, and human resources training in various arts. There have also been commercial cultural exchanges involving Chinese tourists into Africa (Haijin, 2009). The Nairobi Declaration of 2011 institutionalized China-Africa People's Forum (Mothibi, 2011:6) which symbolizes the importance attached to grassroots linkages. People to people interaction might correct misconceptions the African public has regarding Chinese business community, and vice versa.

Beyond Commercialism – Towards Diversification

Undoubtedly, China's re-engagement with Africa was driven by the need to access mineral and energy resources for its growing economy. This explains why its investments, initially, were predominantly in the extractive sector at the expense of manufacturing and social or service sectors. In 2006, Chinese investment in Africa stood at US$ 1.2 billion. By 2008, it increased to US$ 5 billion, making it the sixth largest investor in Africa, after the United Kingdom, USA, France, Canada and Germany (Manji, 2009: 36). However, Africa's share of the total Chinese global investment is only 5 percent, far below that of the US, Europe and Asian powers such as India and Malaysia (Chun, 2009: 136; Manji, 2009: 36). Most of the Chinese investment, approximately 50 percent, is in oil and mineral endowed countries such as Angola, Chad, Democratic Republic of Congo (DRC), Nigeria, Sudan, and Zambia (Broadman, 2008).

In the past few years, China has been pragmatic to diversify its investment and trade relations with Africa, which signify its intention to widen and deepen relations, demonstrate that it is not solely driven by commercial interests, respond to demands for food by its growing population, and even more important, provide a training ground for Chinese corporations in the African regional market in readiness to compete in the global economy.

Chinese investments have been extended beyond the extractive sector to manufacturing, especially, textile and clothing; agriculture; and transport (such as road construction); power generation; tourism; and telecommunications (Xiaofeng, 2009: 246, Broadman, 2008: 97-98). Overtime, its investments have gone beyond a handful of mineral- and oil- rich African countries, expanding to Botswana, DRC, Ethiopia, Kenya, Madagascar, Mauritius, Mozambique, Senegal, South Africa, Egypt and Uganda (Broadman, 2008: 98). What is also remarkable is the channeling of China's investment in moribund sectors in Africa, which helps build Africa's production capacity, transfer technology and knowledge, and avert job losses. These include agro-processing in Namibia; and cotton production as well as Kafue Textile factory in Zambia.

The Chinese government has taken the lead in investing in Africa, and encourages its companies, both public and private, to invest in all sectors, in mutually beneficial manner. It does this by providing its companies with special funds and concessional loans at low interest, and organizing investment visits to Africa. For example, the Chinese government, through the Export-Import Bank, and through the China Development Bank, offers export credits, loans and investment guarantees to Chinese investors in Africa (Broadman, 2008: 99). In addition, the Chinese government created the Sino-Africa Development Fund with start up capital of US$ 1 billion to entice its enterprises to invest in Africa. The Fund is projected to increase to US$ 5 billion (Xiaofeng, 2009: 247). It has also established investment and trade promotion centres in numerous African countries. China has used the political goodwill of host governments in Africa to guarantee a wide range of investment opportunities and protection of its investments.

Growth in Chinese investment has translated into booming trade between China and Africa. The rapid increase in trade with Africa, within a short time span, took place between 1980 and 1999, especially, since 2000. It has made China Africa's second largest trading partner in the world, after the USA. This means that China has over taken the continent's traditional, Western trading partners, such as France and United Kingdom. Trade has continued to grow tremendously, from US$2 billion in1999 to US$11 billion in 2000, US$12 million in 2002, US$18 billion in 2003, US$30 billion in 2004, US$40 billion in 2005, US$50 billion in 2006 to US$107 billion in 2008 (Chun, 2009: 136; Xiaofeng, 2009: 242-247, Alden, 2005: 159). The 2008 figures surpassed earlier projections; however, they constitute only four percent of China's total foreign trade (Xiaofeng, 2009: 248).

The natural resources sought by China include oil, copper, iron ore, bauxite, uranium, aluminum, manganese, diamonds, timber and cotton. Of these, oil is the most important, followed by minerals. Oil makes up 71 percent of the total 80 percent African mineral and energy exports to China. Angola contributes 47 percent, Sudan 25 percent, the DRC 13 percent, Equatorial Guinea 9 percent, and Nigeria 3 percent to the total exports. The top eight trading African countries with China are Angola, South Africa, Sudan, Nigeria, Algeria, Congo and Kenya (Chun, 2009: 136). All, except for South Africa and Kenya, export oil to China. China exports a variety of commodities to Africa, mostly manufactured goods (Xiaofeng, 2009:245).

To help improve African exports, as a means to reduce trade imbalances, China introduced duty free status for over 10 major export products of 31 Africa countries. These include agricultural goods, stone, minerals, leather, textile and garments, electric goods and furniture (Xiaofeng, 2009:247). In 2006, China granted trade concessions by lifting tariffs on 190 goods from Africa's least developed countries. In 2007, the number of African goods entitled to duty free entry in Chinese market was increased to 440 (Broadman, 2008). By 2008, duty free goods from Africa amounted to US$ 680 million (Xiaofeng, 2009: 247). Furthermore, to build the export capacity, promote development of African economies, and create chances of technology transfer, China has constructed Special Economic and Trade Zones including the Zambia-China Economic Cooperation Zone, Nigeria-Guangdong Economic Cooperation Zone, Suisse

Economic and Trade Zone in Egypt and Oriental Industry Park in Ethiopia (Xiaofeng, 2009: 247).

An Emerging Donor – Finance and Infrastructure

China has emerged as the new donor in Africa, rendering economic assistance in the form of concessional loans and grants, and technical assistance. By 2005, Africa received a total of US$ 800 million in concessional loans from China (Broadman, 2008: 99). In 2006, US$5 billion in concessional loans and credits went to Africa. This was projected to double by 2009. Most of China's official development assistance (ODA) is spent on infrastructural projects, primarily, schools, hospitals, and roads. For example, Zambia has been a recipient of Chinese ODA for agriculture and infrastructure projects as well as economic and technical cooperation to help alleviate poverty (Chang, 2009:1).

What is most commendable is the instrumental role in building infrastructure in Africa. China's economic assistance to Africa has built bridges, roads, railroads, schools, hospitals, electricity, dams, legislative buildings, stadiums and airports, which Western ODA has neglected. Since FOCAC of 2000, development of infrastructure has continued to receive priority. In 2006, China invested US$ 7 billion in constructing infrastructure in Africa. In 2007, China made available US$ 20 billion to Africa for infrastructure development (Jobarteh, 2009: 5). Between 2004-2009 China won contracts to construct and completed a wide range of infrastructure projects including Expressway in Algeria in 2009, Hydropower Station in Nigeria in 2007, President's Official Building in Mali in 2007, Highway in Ethiopia in 2008, National Stadium in Tanzania in 2008, Medium and Low Income Residential Housing in Kenya in 2008, and Railway Tunnel in Morocco in 2009 (Zhongxiang, 2009: 231-233). China's contribution to expanding Africa's national and regional infrastructure, including railroads, roads and hydroelectric power, has been commended by the World Bank, which is eager to partner with China in Africa.

Infrastructure investment has also gone into broadcasting. For example, China spent US$6 million in revamping the Liberian Broadcasting Corporation; and has refurbished government-owned radio stations in Guinea, Kenya, Nigeria and Zambia (Myers, 2011: 20). Infrastructure is important as it stimulates socio-economic growth and development. Once built, infrastructure stays in Africa and improves living standards of the majority of Africans. China Civic Engineering Construction Cooperation has undertaken almost all construction of infrastructural projects because it wins tenders by bidding low prices which are below "market rates of returns" (Asche, 2008: 167) and finishing them on time.

Economic assistance has also been extended to human resource development, agriculture, health care, social development and education. Since 2007, China has trained approximately 10, 916 personnel for 49 African countries, sent 100 senior agriculture experts to African countries, built hospitals, and constructed the African Union Conference Centre (Xiaofeng, 2009: 247). The FOCAC III in 2006 increased Chinese aid to developing human resource through education and boosted cooperation in science and technology, culture, sports, environment and tourism. In response to demands from African countries for assistance to education, China doubled the number of government scholarships for African students to study in China from 2, 000 a year in 2006 to 4, 000 in 2009; provided short-term training to 15, 000 professionals from Africa between 2006 and 2009; sent 300 young volunteers to Africa in 2006 in fields of teaching, information technology, sports, heath and agriculture; built 100 rural schools in Africa, and increased the number of Confucius Institutes, which double as cultural and educational symbol, and University-University collaboration (Changson, 2009: 257, 259-60). These exchanges encourage people to people interaction, thus, moving beyond government to government cooperation.

To date, China has cancelled the debt owed to it by 33 African countries (Broadman, 2008: 99). Specifically, China wrote off US$ 10 billion debt owed by Africa countries at the second Sino-Africa business conference in December 2003, and gave debt relief to 31 African countries. Also, in line with the Monterey Conference on Financing for Development, China cancelled US$ 1.3 million of the debt of the least developing countries, the majority of whom are African (Alden, 2005: 163).

Reaping the Benefits and Facing the Challenges

Africa sees China as a very important economic partner, with enormous benefits accruing to the continent. Yet the question of who benefits remains problematic to answer. Whereas China is not pursuing a pro-poor growth in Africa, both Africa and China perceive Chinese investment and trade as promoting economic growth, creating jobs, and improving living standards as well as tackling Africa's numerous development challenges. China's utility to Africa could be viewed from different standpoints: The Beijing Consensus represents an alternative model of development partnership. It is seen as more appropriate for Africa than the West because of fast discussions, negotiations and signing contracts within three months, with no conditionality. This contrasts sharply with the five years of negotiations with the World Bank. For instance, the agreement between China Exim Bank and the DRC in January 2008 for investment of US$ 9 billion in mining and infrastructure, of which US$ 3 billion is targeted at revamping existing mines and US$ 6 billion for infrastructure development (Davies, 2008: 4). China is also viewed as an alternative model of development suited to Africa since it has successfully managed economic reforms and emerged as a global power, thereby shedding its underdeveloped, poor, agriculture-based status. Therefore, the Chinese experience of rapid economic development provides lessons for Africa. Furthermore, African countries appreciate the fact that China treats them as co-equals, extends a hand of friendship and emphasizes mutual need and benefit, which contrasts sharply with the patronizing and post-colonial approach by the West (Hailu, 2008).

In addition, trade with China has contributed to Africa's economic recovery by improving export commodity prices, especially minerals, due to high demand by China for Africa's raw materials. This has led to increase in economic growth rates. Prices of Africa's exports declined since the mid 1970s due to a drop in demand in the traditional Western markets. However, since the mid-1990s, copper prices increased three-fold, which greatly boosted the Zambian economy dependent on copper. Trade and investment have had positive impacts. African economies averaged a growth rate of 5.5 percent between 2000 and 2010 (Wenping, 2007: 29; Zhongxiang, 2009: 234; Weavind, 2011). Such growth was higher that the global average of 4.4 percent (Weavind, 2011). Also, Africa is able to import relatively affordable capital goods from China to manufacture semi-processed goods which Africa exports to the European Union and the USA. This would likely improve competitiveness of African manufactures and provide Africa with an opportunity to shift from producing and relying on one commodity for export and move from the lowest level of the GCC. Similarly, China avails to a majority of the African population affordable consumer goods.

Moreover, Chinese FDI in extractive industries, especially oil and mining, benefits Africa because it advances its comparative advantage. Chinese investment has been instrumental in opening new mines, and sustaining old mines, for example, in the Zambian copper industry. Investment by China in non-mineral sectors in Africa, including manufacturing, agriculture, infrastructure and banking, could be a potential source of economic diversification. One of the most famous of Chinese investments is the 20 percent acquisition of Standard Bank by the Industrial and Commercial Bank of China (ICBC) in 2007 at a cost of US$ 5.6 billion investment. It became the second largest single foreign investment by a Chinese company. It showed the extent of China's interest in the continent as an emerging market (Davies, 2008: 3).

Joint ventures with Chinese firms that are part of the transnational corporations in different sectors of African economies allow for integration of African companies into global and regional corporate structures and trade. These include, for example, food processing in Tanzania, textiles in Ghana, fishing in Senegal, automobiles in South Africa, and apparel manufacturing in Kenya (Broadman, 2008). These give Africa an opportunity to be an important exporter of semi-processed and processed goods, in addition to exports of raw materials. Joint ventures contrast sharply with preference for privatization by the West.

For a continent ravaged by intra-state conflict, China's involvement in conflict resolution through international peacekeeping in Africa has paid dividends for Africa's order and stability, and to safeguard its investments there. Since the 1980s, China has been an active participant in UN peacekeeping missions in Africa, ranging from military observers, engineers, transportation, and medical care to soldiers and policemen. Peacekeeping forces from China formed part of peacekeeping contingent to the DRC, Liberia and Sudan in 2003. Subsequently, it expanded to West Sahara, Burundi, Cote d'Ivoire and Ethiopia-Eritrea border (Pengtao, 2009: 389-390). It also makes financial contributions to the UN peacekeeping missions (Huang, 2011). As an ally and a member of the permanent five in the SC, China was instrumental in persuading Sudan to accept a hybrid UN peacekeeping mission, and to negotiate for comprehensive peace.

Advantages, notwithstanding, China's relations with Africa are also beset with problems and challenges which impede the realization of the mutually beneficial 'win win' relationship. These have given rise to the general perception that China is a neo-imperial power bent on exploiting the continent**:** The fact that China and Africa are at different levels of development, occupy different positions in the international political economy, and have opposing national interests hinder equal and mutually fruitful cooperation between the two. In a globalized and interdependent world, the quality of economic interactions determines a country's development prospects. Unbalanced trade, with both exports and imports in favour of China, hampers the prospect that trade could be an engine of growth for Africa. It also reduces Africa's chances to overcome its marginalization in the global economy. Overall, China has trade surplus with Africa, including major trading countries such as South Africa, Nigeria and Sudan. Trade deficits continue to rise over time. In 2005, South Africa exported US$1.4 billion to China and imported US$ 5.2 billion worth of goods, incurring a deficit of US$ 3.8 billion (Alden, 2005: 161). This prompted South Africa to resort to trade protectionism against China. Trade inequalities are attributed to subsidization of Chinese exports and high levels of development of Chinese industries compared to their African counterparts. The only exception is oil imports. In 2006, for example, China had a deficit of US$ 10.9 billion for oil imports from Angola (Xiaofeng, 2009: 248).

Moreover, China's thriving trade links are confined to few countries and regions of Africa, and are beset with impediments. For example, China's imports from Angola make up 38 percent of its total imports. Angola and South Africa have 39 percent of the total African trade volume with China (Xiaofeng, 2009: 248). Tariffs are another obstacle to trade. While Chinese goods such as electronics , machinery, and transport equipment face relatively low tariffs, many of Africa's processed and semi-processed goods including coffee, cocoa and cashews are subject to high tariffs (Broadman 2008: 102). These show that trade relations entrench Africa's dependence on raw materials, thus, encouraging exploitation and depletion of natural resources.

Therefore, this contributes to Africa's inability to diversify from production of raw materials to that of manufactured goods, thereby perpetuating underdevelopment, peripheral position and marginalization in the global economy (Naidu, 2007; Osei-Hwedie, 2008, 2009). Another trade-related problem is the dumping of poor quality Chinese goods in African markets. This is contrary to anti-dumping provisions under the WTO to which China and Africa are signatories.

Investment relations between China and Africa are also tilted in favour of China. While Chinese investments in raw materials in Africa have contributed to good economic performance, Chinese investments in manufacturing show "little sign of expansion in manufacturing activities among the so called Cheetahs" (Hailu, 2008: 1). Furthermore, Africa has relatively little investment in the Chinese economy, while China participates in almost every aspect of the African economies. Marks (2008: 2) puts it bluntly, "Almost every African country today bears examples of China's emerging presence, from oil fields in the east, to farms in the south and mines in the centre of the continent". Apart from South Africa, no other African country has substantive investment in China due lack of capital or none existence of developed African companies. South Africa SAB Miller became the largest brewer in China in 2007, Naspers is the leading media player, Sasol is in coal projects, and other private companies have shown interest in investing in various activities in China (Davies, 2008: 2). Worse still, Chinese investments contribute little to employment generation in Africa because they are capital intensive, while Africa has abundant labour, mostly unskilled. In cases where Chinese companies in Africa avail job opportunities to locals, they are subject to poor working conditions, which has generated a lot of complaints against them. In addition, Chinese companies' reliance on imported Chinese labour in construction, infrastructure and manufacturing projects means that little or no local labour is utilized. This is in contradiction to China's proclaimed intention of contributing to employment creation and poverty alleviation in Africa.

Moreover, China's overwhelming control of economic activities, including construction and retail trading, prevents the development of local entrepreneurship. Lowest bids by Chinese construction companies have guaranteed them all or majority of tenders for construction jobs in Africa, at the detriment of local ones. Marks (2008: 2) stated that Chinese companies "have virtue monopoly on the construction business in Botswana." Similarly, Chinese traders undercut local retailers as they sell relatively cheap commodities to consumers. Such unfair competition has resulted in local businesses developing negative perspectives of their Chinese counterparts. In the manufacturing sector, African textile and clothing factories cannot compete with efficiently produced, low cost and cheap Chinese imports. They undercut local producers in the most industrialized country, South Africa, and forced the closure of factories in Lesotho, Kenya and Swaziland (Kajee, 2005: 11). Also, China has to deal with the challenge of making its companies adhere to practices that do not harm the environment. This is particularly true with mining operations, for example, in Zambia, due to pollution of rivers which supply water to households.

China's unfair acquisition of African properties, through barter practice, poses the problem of exploitation. Allegations of China's sale of exploration rights for Kenyan oil on the open market highlight a profit and commercial oriented policy. China was given 6 of the 11 blocs for free by the Kenyan government to explore for oil. However, China has been accused of selling the rights to private companies. Furthermore, China has acquired ownership and control in state corporations in mining, manufacturing, and service sectors in Africa. For example, for the US$ 9 billion investment in the DRC in 2008, China's Sinohydro Corporation and China Railway Engineering Corporation received a 68 percent share in a joint venture with the DRC state copper company, Gecamines; and rights in two large copper and cobalt concessions. In 2007, the state-owned Sinosteel Corporation bought 67 percent of Zimasco Holdings, Zimbabwe's largest chrome producing company (Davies, 2008: 4). The Chinese Quingdao Textile Corporation owns 66 percent shares of the Zambia China Mulungushi Textiles ("Top Zambian Firm Closing", 2007). For the US$ 2 billion loan given to Angola, China acquired shares in the Angolan oil industry.

Another problem is access to water resources and the acquisition of agricultural land to cater to needs for food of its increasing population and rapid industrialization. It has signed contracts with Sierra Leone, Gabon and Namibia for Chinese fishermen to fish in their coastal waters. It has also leased agriculture land in Zambia, Tanzania and Zimbabwe (Van de Leroy, 2006: 20) to grow food for its domestic consumers. This reduces acreage available for production of food for the African domestic market, and deprives the indigenous population access to, and ownership of, land, as well as fish.

In addition, the tendency of propping up failing economies and corporations, based on political expediency, worsens the problems and does not encourage African governments to implement realistic economic restructuring and management. The result has been accumulation of debt and perpetuation of unsound economic policies and programmes detrimental to sustainable development in Africa.

China's principle of non interference is being put to the test (Adebajo and Fakier, 2009: 2). Through sale of arms, China helps to fan conflict in Sudan, DRC, Burundi and Zimbabwe. China is also said to take sides in internal politics of stable countries, such as Zambia, through contributions to political parties. Increased Chinese involvement in UN peacekeeping missions in Africa highlights the need to balance between the principle of non-interference in domestic affairs and its leadership role in maintaining international peace and order. The most recent wave of pro-democracy protests in 2011 have laid bare the consequences of China's inability to promote good governance in countries such as Libya as its investments have been jeopardized. It had to toe international stance in part to safeguard its investments there, and in Africa as a whole. Also, cultural ties, including the Confucius Institutes, raise the specter of cultural imperialism.

There are underlying tensions between China and Africa which suggest a tenuous future and raise the probability that China and Africa relations under the South-South cooperation has more short term than long terms prospects. The fact that China attracts most FDI at the detriment of Africa (Alden, 2005: 160) poses a big dilemma. African exports have failed to compete with low cost producers of Chinese textiles in the global textile market. Furthermore, as China becomes more industrialized and develops into a superpower, its interests will increasingly converge with the industrialized West, the UN, international financial institutions and other global governance agencies, departing from those of the South, including Africa (Adebajo and Fakier, 2009).

Towards Improved Relations

What needs to be done to foster win-win relations? Ultimately, African top political and business leaders have to adopt a pro-active stance to initiate and negotiate cooperative arrangements at bilateral and multilateral levels beneficial to Africa at successive meetings of FOCAC. This means that political leaders have to move away from the culture of depending on China (as they do with the West) to determine their economic interests and general agenda of FOCAC. Instead, they should use China's dependence on Africa's raw materials and markets as leverage to secure concessions so that Chinese investments, trade, and ODA promote their preferred development goals and reject cooperative arrangements that are not mutually advantageous. Africa can draw lessons from how Brazil, Chile, Venezuela and Mexico successfully negotiated preferential trade deals with China based on balanced trade. There are indications of change and determination to chart a new era of relations through a three-pronged approach as shown at the Fourth Ministerial Conference of FOCAC at Sharm El Sheikh, Egypt in 2009 (AU, 2010: 6-7; Shelton, 2011: 2): The role of the African Union Commission as a coordinating organ, together with the regional economic communities (RECs), was emphasized. This is designed to energize FOCAC and ensure implementation of the Sharm El Sheikh Agreement in line with the continent's development goals, and undertake monitoring or follow up actions. Before then, the FOCAC process was coordinated by China and African ambassadors in Beijing, at the exclusion of the AU. The Conference also stressed the importance of Africa prioritizing the eight policy measures to clarify development goals and pave the way for a real win-win and beneficial relationship. In this respect, African leaders singled out agriculture, infrastructure, scientific research and transfer of technology as key, priority areas of cooperation with China, critical to fostering sustainable development and economic integration in Africa. Lastly, the Declaration provided for the establishment of an AU Commission office in Beijing to facilitate its coordinating, follow up and evaluation roles.

Similarly, African firms have to be more receptive to cooperating and undertaking joint activities with their Chinese counterparts. One way would be through active participation at meetings of Chinese and African Entrepreneurs to network with Chinese firms and learn about potential business opportunities. African businesses have not been major participants at such conferences and have been reluctant to initiate joint ventures with Chinese firms. Instead, they prefer Western business partners. African governments have to support their companies financially and diplomatically.

Conclusion

Undoubtedly, there is mutual need and benefit between China and Africa. Africa's resources will continue to be vital to China's industrial growth thus promoting Africa's comparative advantage. Africa will depend more than ever on China for capital, markets, technology and development lessons, especially that Western donors no longer prioritize Africa, and have their own financial problems. China has transformed Africa into an important source of raw materials, investment area and market for goods within the global economy. It has made Africa an area of strategic competition between the major powers of the world. Contrary to the widely held perception that China is interested in Africa for resources only, primarily minerals and oil, China has shown pragmatism. It has diversified investment into infrastructure, manufacturing, agriculture, retail trade, tourism, construction, tertiary and cultural sectors, even peacekeeping.

In reality, China-Africa relations can be characterized as a double-edged sword, with both positives and negatives. These lead to two contending viewpoints: China as not an imperial state and a new neo-colonial power. Africa's failure to maximize returns from relations with China partly lies with political and business elites' inability to grasp the imperative of formulating a common strategy and bargain for mutually beneficial relations at country, sub-regional and continental levels. However, FOCAC IV might provide a new reorientation for African leaders to coordinate, prioritize, monitor and evaluate implementation of agreements to promote continental development and pave the way for a genuine win-win relationship with China.

References

Adebajo, A and Y. Fakier (eds.) (2009). Taming the Dragon? 02 Policy Brief. Centre for Conflict Resolution and Institute for Global Dialogue.

African Union (AU) Executive Council (2010). "Report of the Fourth Ministerial Conference on the Forum of China Africa Cooperation FOCAC), 6 to 9 November, Sharm El Sheikh, Egypt", Sixteen Ordinary Session 25-29 January 2010, Addis Ababa, Ethiopia. EX.CL/544 (XVI) Annex 2. www.ccpau.org/Portals/0/.../Rep.%Strat.%20Partnership.pdf, accessed 15 November 2011.

Alden, C (2006). "Leveraging the Dragon: Towards an Africa That Can Say No", in *South African Yearbook of International Affairs 2005.* Johannesburg: The South African Institute of International Affairs, pp. 159-165.

Andrade, M (2009). "Is the South Ready for South-south Cooperation?", in *International Policy Centre for Inclusive Growth (IPC-IG),* 77, February. Brasilia: Brasilia: UNDP.

Asche, H (2008). "Contours of China's "Africa Mode" and Who May Benefit", in Journal of Current Chinese Affairs, 3. www.unileipzig.de/~afrika/index.php?option=com, accessed 21 November 2011.

Broadman, H (2008). "China and Africa Go to Africa". *Foreign Affairs*, 87,2, March/April, pp. 95-109.

Cargill, T (2010). *Our Common Strategic Interests: Africa's Role in the Post-G8 World.* A Catham House Report, June. London: The Royal Institute of International Affairs.

Chang, M (2010). "Trends in South-South Cooperation", in *International Policy Centre for Inclusive Growth (IPC-IG),* 103, February. Brasilia: Brasilia: UNDP.

Changsong, N (2009). “China and Africa: A New Paradigm in Educational Cooperation”, in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp.254-263.

Chun, Z (2009). “China Engaging into Africa – Looking for the Future”, in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp.130-146.

Davies, M (2008). “China Business Frontier”. *China Frontier Advisory.* April, pp. 1-8.

Haijin, Z (2009). “Culture Exchange and the Sustained Development of Sino-African Relationship”, in in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 290-298.

Hailu, D (2008). “Are the Cheetahs Tracking the Tigers? Probing High Growth Rates in Africa”, in *International Policy Centre for Inclusive Growth (IPC-IG)*, 70, November. Brasilia: Brasilia: UNDP.

Hongming, Z (2009). “Reflections on Promotion of a Harmonious and Win-win Relationship Between China and Africa”, in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 65-80.

Huang, C-H (2011). “Principles and Praxis of China’s Peacekeeping”. International Peacekeeping, 18, 3, June, pp. 257-270.

Hurrell, A and A. Narlikar (2006). “A New Politics of Confrontation? Brazil and India in Multilateral Trade Negotiations”, in *Global Society*, 20, 4, pp. 416-417.

Jorbateh, N (2009). “Introduction” in Jobarteh, N & O. Drammeh (eds.), China in Africa: Reflections on China’s Growing Economic Influence in Africa. Norway: Africa Center for Information and Development (ACID), pp. 5-6.

Kajee, A (2005). “Made in China, Made Scared in A Textile Mill in Africa”, in *eAfrica, The Electronic Journal of Governance and Innovation,* Johannesburg, 3, February, pp. 14-15.

Manji, F (2008). “Chinese Investment in Africa: A Blessing or a Curse?”, in Jobarteh, N & O. Drammeh (eds.), China in Africa: Reflections on China’s Growing Economic Influence in Africa. Norway: Africa Center for Information and Development (ACID), pp. 32-46.

Marks, S (2008). “China in Africa – the New Imperialism?” http://www.pambazuka.org/en/category/features/32432. Accessed 4 January 2008.

Melville, C and O. Owen (2007). “China and Africa: A New Era of ‘south-south cooperation’ ”, in http://www.opendemocracy.net/globalization-G8/south 2658.jsp, Accessed 4 January2008.

Meng, W (2009). “The Maturing of China’s Diplomatic Policies in Sudan Case”, in Hongwu, L and Y. Jiemian (eds.) *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 406-415.

Mockli, D (2007). The Rise of China: Regional and Global Power Shifts. Center for Security Studies (CSS). 2, 8, February, pp. 1-3. http://wwwisn.ethz.ch/pubs/ph/details.cfm?Ing=en&id=28895. Accessed 19 May 2008.

Morais de Sa e Silva, M (2009). “South-South Cooperation in Times of Global Economic Crisis”, in *International Policy Centre for Inclusive Growth (IPC-IG),* 76, February. Brasilia: UNDP.

Morgenthau, H (1993). *Politics among Nations.”* New York: McGraw-Hill.

Mothibi, M (2011). "Trail of the Dragon", in *Botswana Guardian*, 9 September.

Myers, M (2009). "Non-US Funding of Media Development", A Report to the Centre for International Media Association, in www.hirondelle.org/.../FundingforMediaDevelopmentCIMA2009.pdf. Accessed 15 November 2011

Naidu, S (2007). "China-African relations in the 21st Century: A "Win-Win" Relationship", in Lee, M, H. Melber, S, Naidu and I. Taylor, *China in Africa*. Current African Issues, 33. Uppsala: Nordiska Afrikainstitutet, pp. 41-46.

Osei-Hwedie, B.Z (2009). "China's Scramble for Africa: A New Form of Imperialism? In
in Jobarteh, N & O. Drammeh (eds.), China in Africa: Reflections on China's Growing Economic Influence in Africa. Norway: Africa Center for Information and Development (ACID), pp. 80-90, www.acidcenter.

Osei-Hwedie, B.Z. (2008). "China-Africa Relations in the New Millennium: Opportunities and Challenges", *The Icfai Journal of International Relations*, 2, 1, January, pp. 44-59.

Peiling, T (2005). "China in Africa", in http://www.holerafrica.com/showArticle.php?artId=1, Accessed 1 August 2008.

Pengtao, L (2009). "An Analysis of China's Participation in African Peacekeeping Operations", in in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 388-395.

Shelton, G (2011). "FOCAC IV – New Opportunities for Africa, 2009-2012", in http://www.focac.org/eng/zxxx/t647035.htm, accessed 14 November 2011.

Thompson, D (2005). "China's Soft Power in Africa: From the "Beijing Consensus"to Health Diplomacy", China Brief: A Journal of Analysis and Information, 5, 21, October 13, pp. 1-5.

"Top Zambia Textile Firm 'closing'" (2007), in *Botswana Guardian.* Gaborone, 12 January.

Van de Leroy, J (2006). "Africa and China: A Strategic Partnership?", *African Studies Centre Working Paper*67, pp. 1-28.

Weavind, T (2011). "Africa – a Continent of Hope", *Sunday Times, Business Times*, 11 December.

Wenping, H (2011). "China's Diplomacy in Africa". www.african-bulletin.com/doc/wenpingc.pdf, pp. 1-7. Accessed 16 November 2011.

Wenping, H (2009). "China's African Policy: Driving Forces, Features and Global Impact", in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 101-123.

Wenping, H (2007). "The Balancing Act of China's Policy". China Security, 3, 3, Summer, pp. 23-40.

Xiaofeng, Z (2009). "Sino-African Economic Cooperation: Achievements, Problems and Suggestions", in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 240-253.

Zhongxiang, Z (2009). "Sino-Africa Cooperation in Infrastructure Construction under FOCAC Framework" in Hongwu, L and Y. Jiemian (eds.), *Fifty Years of Sino-African Cooperation: Background, Progress and Significance.* Yunnan University Press, pp. 225-239.