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## Debating China's New Role in Africa's Political Economy

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### Introduction

Since the end of the Cold War and the emergence of rapid globalisation, China's economic role has gained remarkable prominence in a system once dominated by capital from developed countries. In this way, China's contemporary visible presence in the international political economy has attracted significant attention in both academic and media discourse across the globe but more importantly in the developing geo-political terrains such as Africa. The discussion of China-Africa relationship at policy levels is therefore compelling against such a background. The common concern has been whether China's Africa policy marks any significant change in Africa's international political economy. Trade between the two partners has grown and China is accorded access to supplies of natural resources such as oil,

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copper and diamonds among other vital resources. The article seeks to examine the most pertinent question in relation to China-Africa economic relationship: to what extent is Chinese involvement in Africa any different from the hallmarks of neo-colonialism? The argument of the article is divided as follows. It begins with a dissection of the origins of the relations; it then explores the complex relationship through the lenses of the competing views on China's policy on Africa; a position on whether China exudes the qualities of a neo-colonial power is then taken. The article concludes with proffered recommendations.

### **The Genesis of the China-Africa Economic Relationship**

China has a long history of political contact with Africa and the Han Dynasty is credited for having made the first contact with the African continent around AD 759, with further contacts developed under the Ming Dynasty (Snow, 2011). The fact alone that imperial China never attempted to conquer Africa makes the current ties considered positively. The more recent economic relationship with African countries is neither new as it can be traced back to the Bandung Asia-Africa Conference of 1955 which is widely regarded as the foundation of modern day China-Africa relations.

It is important to note that the relations between the two parties during the greater part of the Cold War were largely political. During this period, China sought ideological support and influence in Africa and this explains the motivation for its remarkably generous support for liberation organisations that were fighting for political independence on the continent. Interestingly, during the nationalist movements era there was some low-level Chinese economic activity in selected destinations on the continent. For instance, visible China-Kenya trade relations began as far back as 1964 and were reinforced in 1978 when China was under the tutelage of Deng Xiaoping (Onjala, 2008). The point to emphasise is that China-Africa economic relations are not a new episode associated with the post-Cold War environment; they have existed for several decades. What is new is the enormity and intensity of the interaction. This change is explained in terms

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of the shift in the strategic environment caused by the end of the Cold War. With that, the global political environment changed from one characterised by East-West ideological confrontation to one dominated by Western capitalist ideology. The result was the advent of an epoch of accelerated globalisation where China has assumed a much stronger role within the framework of an international economic order dominated by liberalism.

The consequences of rapid globalisation as a new phenomenon of the post-Cold War international political economy have been largely negative to many developing countries due to the inherent contradictions brought about the process. In addition to the close political history, the burgeoning China-Africa relations need to be conceptualised “as a logical outcome of the marginalisation of Africa in the age of globalisation” (Edoho, 2007: 102). Africans are realising lesser benefits due to their engagement with the West from the colonial times to the era of the “wired world” (Hering, 2008). While globalisation seeks to achieve plausible goals (expand linkages and deepen partnerships) for the international political economy, reality reveals that the process is replete with contradictions: It seeks to “integrate the world politically, fragment it economically, polarise it technologically, and differentiate it regionally” (Edoho *Ibid*). The contradictions in turn create winners and losers (Guillermo, 2006) where African economies with relatively weak capital bases are viewed as losers while the established and stronger economies that dominate global capital are perceived as winners. Globalisation is perceived as contributing to the marginalisation of Africa (Lawal, 2007). The marginalisation can be explained in terms of the decline in the amount of Western investment, volumes of trade and the levels of economic aid and technical assistance to the region (Edoho, 2007). Presumably, Africa has turned to China to fill the space left by the lack of active engagement in the post-Cold War period.

The cordial China-Africa relations are “informed by the appraisal of the consequences of its colonial experience and the realities of its post-colonial dependent relationship with the West” (Edoho, 2007:102). The end of the Cold War also contributed to the developed economies downgrading the status of Africa among its

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strategic allies. During the Cold War, the USA and Soviet Union would compete for loyalty of African states through extending economic and military aid with no or minimal strings attached. Throughout the 1990s, the USA diverted its attention from Africa to other regions such as Eastern Europe leaving a vacuum in Africa which China is nominally filling. By the mid-1990s, China adopted the “Open Door Policy” which created significant momentum for China’s interests in Africa with focus primarily being economic. The Chinese economic reform agenda was well calculated. It gained momentum at exactly the same period when the West was pre-occupied with cementing their political position and projecting their influence elsewhere outside Africa. China seized the opportunity to emerge from the shadows of an ideologically inspired closed economy to become a powerful global economic player in the age of rapid globalisation driven by liberal ideals. The establishment of The Forum on China-Africa Cooperation (FOCAC) in 2000 added steam to the economic relations.

### **Contending views on China’s economic policy on Africa**

China’s economic engagement in Africa has become a subject of considerable attention across the globe with scholars, policy makers, journalists and politicians pondering about intentions and purpose of the emerging economic giant on the African continent. Certainly, one must admit the complex nature of the China-Africa relationship which makes it difficult to generalise conclusions. Such difficulties are evidenced by the emergence and prevalence of competing views on the nature of the relationship. This article discusses the competing perspectives under two diametrical dimensions.

### ***China-Africa relations as a mutually beneficial engagement***

This is a positive, optimistic perspective of China’s engagement in Africa. China is regarded as being driven by the realities of the current international economic order by advancing its economic interest through a sound development partnership with Africa. According to this philosophy, China is viewed as sharing its experiences on modernisation by helping Africa with technical expertise,

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developing managerial capacities and imparting techniques that enhance industrial production. It is important to note that this is all happening not because China is imposing itself on Africa but the African governments are “importing” the Chinese experiences out of their own volition. The determinants of Africa’s choice of the Chinese as partners in development are multifarious but mainly rooted in the evolving global politics in as much as the co-operation is viewed as a model of the ‘South-South’ co-operation mantra.

The official pronouncements by partners in the relationship points to mutual satisfaction further suggesting that the engagement is deemed “mutually beneficial”. Speeches from politicians and diplomats from both China and Africa are saturated with the “win-win” slogan. This suggests a degree of shared vision and strategy in realising developmental goals. The relationship is one presumed to be guided by a commitment to mutually recognised principles including equality of partnerships and reciprocal respect founded on shared history and common normative values (Guixuan, 2012). Since Africa has the resources but lacks the capital and technology to exploit them to its own advantage, it is deemed logical to engage partners with acceptable conditions and better placed to export their capital and technology and having been through the experiences of modernisation.

The view of China as a development partner is exemplified in Kenya. The bilateral relationship between China and Kenya has been continuously developing against a strong traditional political bond. Foreign direct investment (FDI) inflows from China to Kenya have become important in recent years due to the loss in Kenya’s competitiveness to attract FDI (Onjala 2008). Generally, the position of African governments with strong political ties with the Chinese government suggests that Chinese investment on the continent has been positive. Felix Mutati<sup>iv</sup> stated that “there is no doubt China has been good to Zambia [...], they are bringing investment, world class technology, jobs, value addition. What more can you ask for?” (Polgreen and French, 2007: 115). Such expressions are supported by positive developments in bilateral trade and Chinese investment in Africa since the inauguration of the FO-CAC. To give some earlier examples: In 2004, the volume of trade between China

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and Africa hit a new record high of US\$ 29.46 billion, an increase of 58.9 per cent over the previous year (Guixuan, 2012). In 2010, China-Africa bilateral trade already topped US\$ 115 billion and continued to grow at a rate of 44 per cent annually. Overall, Africa registered a 5.8 per cent growth in 2007, the highest in decades primarily owing to the positive bi-lateral trade with China (Edoho, 2007). In terms of investment in Africa, the Chinese government has extended a US\$ 2 billion loan, for infrastructure construction, to Angola in March 2004 in exchange for a contract to supply 1000 barrels of crude oil per day. In Gabon, China National Petrochemical Corporation (SINO-PEC) injected a huge investment into the country's declining petroleum industry. In Nigeria, PetroChina concluded a US\$ 800 million deal in July 2005 with the Nigerian National Petroleum Corporation to purchase 30 000 barrels per day for a year. Pessimists and radicals have criticised such deals as part of China's policy of resource diplomacy<sup>v</sup>. However, the authors hold the view that if the infrastructure-for-resources deals are helping Africa to develop economically then they should continue to be embraced. For instance, the 2007 Angola loan (US\$ 2 billion) is used for wide-ranging projects such as rail, road, schools, hospitals and telecommunications projects.

The perspective is further bolstered by the nature of the aid that China offers to Africa. Onjala (2008) observes that China's aid policy differs significantly from that originating from the Western donors on two aspects: terms and conditions imposed and the aspect of 'tying'. In relation to the terms and conditions, China's assistance is politically favoured by the African governments due to the conspicuous absence of political strings attached. China's ties its aid to using Chinese companies and procurement of materials in China. In the positive perspective, this is considered benign compared to the interference route preferred by governments of developed states. The fact that China does not attach stringent (domestic policy) conditions to its aid does not drown the fact that it is consistent with its foreign policy objectives in the region. China does not take into account political risks in its investments so long as mechanisms for recouping

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its investment capital are guaranteed.

### ***The China-Africa relationship as a zero-sum engagement***

This rather pessimistic perspective characterises China as a power in serious competition with Africa's traditional co-operation partners to gain access to Africa's vast resources. This is a radical realist view of China's involvement in Africa. The proponents of this view subscribe to the philosophy that the realities of the global economy naturally call for the key actors to compete for resources. The fulcrum of the argument is that like the capitalist countries, China's interest in Africa centres critically on resource exploitation and this defines China's new role in Africa. The perception considers that the same factors that motivate industrial countries' interest in Africa (the need to access vast cheap raw materials and abundant natural resources that are critical to maintain the industrial capacity of developed economies) are driving China's interest in the region. China is the new neo-colonial power in the making because the logic of capital is the same whether those in the driving seat are the Europeans, the Americans or the Chinese (Seifuden, 2010). Rocha (2007:18) argues that "historically, the availability of cheap raw materials and the prospects for huge returns on investment, particularly from the exploitation of natural resources, has always provided an incentive for the expansion and deepening of political and economic ties with Africa." The demand for resources is compounded by China's rapid industrialisation which has caused a surge in China's demand for energy and raw materials (Klare, 2008). By this perspective, China is not philanthropic development partner and the relationship is considered a lopsided one where African governments are mostly embracing China because of its policy of "no political strings" attached as compared to other sources of capital.

The imbalanced trade profile between China and Africa further compounds the negative views of the relationship. Rocha 2008 records that over 70 per cent of South African exports to China are made up of base metals and mineral products including iron ore, aluminium, nickel and platinum and in return, it imports mainly finished goods. In 2006, the then President of South Africa, Thabo Mbeki, warned that if

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Africa merely exported raw materials to China and imported Chinese manufactured goods, the continent could be condemned to underdevelopment which would amount to a replication of Africa's historical relationship with its former colonial powers (Beeson, Soko and Yang, 2010). Incumbent South African President, Jacob Zuma reiterated Mbeki's concerns over the Chinese trade structures during the fifth FOCAC meeting in the 2012 Beijing meeting. Clearly, China is making significant progress in claiming a sizable share of the African market with huge quantities of relatively cheap products finding their way to the mega-market. The increased volume of Chinese products exported to Africa has a negative effect on the local African manufacturing industries that are pushed out of business. One sector that has been hard-hit by the increased volume of Chinese goods in most countries is the textile manufacturing industry. The impact is also felt across a range of other products such as kitchen ware, wall clocks, watches, food containers and electric goods where displacement of these local products by relatively cheap Chinese products is rapidly taking place (Kaplinsky, 2007 in Onjala, 2008).

Pessimistic perceptions about the relationship also emanate on the targeted sectors of the Chinese capital in most countries that have no oil deposits. While acknowledging the importance of China's foreign direct investment (FDI) inflows to Africa, it is worth noting that China's investments are more pronounced in the services sector than the manufacturing sector. As Onjala (2008) notes, in Kenya more enterprises have tended to be in services such as trade with very few firms involved in manufacturing. The situation is similar with Zimbabwe. Moreover, China's labour conditions have generated intense rebuke among international policy makers, labour activists and development agencies (Alan and Yusuf, 2007 in Onjala, 2008). The importation of labour conditions into Africa through FDI is a cause for concern given the protests already encountered due to poor working conditions.

This critical perspective regards China's activities as part of the grand plot to



elbow out the developed countries from accessing the African resources and market. This is achieved through rigid adherence to the traditional notions of statehood such as respect for absolute sovereignty and independence and the attendant principles of non-interference in the internal affairs of African states. China seeks to outcompete the West (in other words, the OECD world) for resources and supplant it through dominating the continental market for its low-cost manufactured goods. China's interest in Africa is determined by its internal political economic dynamics and the realities of rapid globalisation to search for raw materials and a market. This may not be farfetched given the activities of China in some resource rich countries in the region. For instance, Guinea alone accounts for thirteen per cent of global bauxite reserves; DRC and Zambia account for fifty-five per cent of global cobalt. New resources are being discovered in Zimbabwe (diamonds) and oil in Kenya, Uganda and Guinea. In all these countries Chinese enterprises are heavily involved.

China's activities in the resource rich African countries have brought to the fore serious debates about the resource curse theory, (Karumbidza, 2007 in Mills, & Wang, 2012), with pessimists and radicals alike argue that Africa's resources are used to guarantee the development of Chinese industries while the region remains underdeveloped and impoverished. Kehbuma (2011:43) argues that "China's presence in Africa does not benefit the ordinary folk on the street as it does to African governments [...] the target is not to improve the living standards in Africa for the ordinary folk".

This provokes fears about the possibility of the Chinese and African governments forming elite coalitions and partnerships for economic predation rather than for development<sup>vi</sup>. Also implicit in this perspective is the assumption that China's behaviour is tantamount to the neo-liberal Western powers (Mohan & Powers, 2008). The oil deals in Angola, Nigeria and Gabon highlighted in the preceding section are believed to be another indicator of China's concern for resource security in China's foreign policy. This corroborates with projections that China's future energy demands are unnerving.

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Overall, it is estimated that China alone will consume 20 per cent of the world's energy by 2035. Similarly, according to the China Mining Industries Association, by 2020 19 of the 45 main minerals needed in China will be in short supply (Beeson, Soko and Yang 2010). On this basis, China-Africa relations can be better understood in the Marxist-Leninist framework for understanding international economic relations as reinforced by the fact that China is pursuing capitalist ideals in its activities in Africa. The paradox is that while China has preserved a "closed" political system it has opened its economic system where meaningful concessions are being extracted. Thus, it is debatable whether it makes sense to describe China as a Communist country as it has drifted from the "closed" economic ideals to embracing the capitalist rules that developed countries authored.

The FOCAC, among many other initiatives, is also considered part of China's 'summit diplomacy' calculated to consolidate strategic partnership with resource rich African countries (Beeson, Soko and Yang, 2010). Critics presume that China's "Going Global Strategy"<sup>vii</sup> is a typical variety of an emerging state capitalism in Africa which would perpetuate the structure of dependency and underdevelopment which is already in place and block Africa's efforts to overcome its developmental ills. A strong case can be made that the Chinese government has been realising their economic objectives with relative ease due to its prevalent positive political rating by the majority of governments in Africa who have described China as "an all-weather friend". This has become common parlance with top politicians in Africa. The negative perception holds a strong view that such positive appraisal of China mainly emanates from the democracy-hating governments in the region – particularly in Zimbabwe – who embrace China in return for international political protection in the face of Western hostility (The Zimbabwean, 21 December 2012).

The radical argument even goes further to suggest that China is not only seeking to control Africa's resources and the market but also aiming to colonise the re-

gion: it accused of being engaged in a ‘smart colonisation’ project. It is considered ‘smart’ in the sense that it is devoid of coercive elements and also the fact that it is met with no or little resistance from the African governments. As Alden (2009) notes, more than 800 Chinese firms are doing business in 49 African countries and the deepening China-Africa ties have witnessed the influx of Chinese citizens into Africa. Estimates indicate that over one million Chinese were living in Africa, by February 2011, up from a mere 100 000 Chinese in 1990. Fears are raised that this influx could be analogous to the settler colonialism prevalent in Africa when the industrialised countries began their colonial project. Such sentiments are drawn from the experiences of colonialism which began as positive trade, then slave trade and ultimately colonisation of the region. Gaye (2007) presumes that China is not in Africa for a philanthropic reason but “another imperial power pursuing its national interest, and it can be an unreliable partner despite its claim to build a true equal partnership with Africa.”

### **Assessing China’s Behaviour: neo-colonialist or not?**

When colonial powers succumbed to pressure to grant Africa political independence, they departed politically and left other systems well under their control, including the economy. This meant that decolonisation did not result in the colonial powers ceding their grip on the economic levers of the African economic machinery. Political independence, which was grudgingly granted in most cases, was followed by other strategies of economic control that included “aid” for economic development to the continent. This perpetuation of structures of colonialism, while at the same time talking about independence, has become known as neo-colonialism. Neo-colonialism has re-surfaced with the deepening of global interdependence and the concomitant economic inequalities between the developed and developing countries.

The philosophy of denouncing neo-colonialism was originally popularised by the Nkrumaism ideology which sought to articulate a vision for the African society in the process of decolonisation. Currently, the philosophy has become the rallying

point for a group of conservative African nationalists who are seeking to preserve the Nkrumah legacy. Primarily, the target was, and still is, to eliminate dependence of Africa on developed countries which was structurally induced by the continent's historical circumstances. So the vocal criticism of neo-colonialism, in intent and purpose, seeks to unbundle the illusions of nominal independence. It accentuates on the dispersal of dependence on developed countries. Yet, sustainable economic development can hardly be achieved with real independence from powerful economies. Thus, although desirable, the objective of eliminating dependence as a strategy for development in the era of globalisation is perhaps impossible; rather, minimising the level and impact of such dependence could be the basis for a realistic policy outlook. At this stage, Africa should not alienate their traditional partners for the sake of China which, paradoxically, co-operates with those economies.

The International Monetary Fund (IMF) and the World Bank (WB) sponsored Structural Adjustment Programmes of the 1980s and early 1990s in Africa are often cited as examples of neo-colonialism. The loans and economic aid packages extended to Africa by these institutions are alleged to have plunged the continent into debt since the greater number of the borrowing governments could hardly repay the loans they borrowed. The economic relationship with the developed countries through these lending institutions is regarded as one of domination and propagating dependence. The state of African debts owed to the developed countries through the multi-lateral institutions is unsustainable. Zimbabwe's debt to donors from developed countries and the multilateral institutions is over US\$ 10 billion. This is despite the adoption of the Highly Indebted Poor Countries (HIPC) initiative in 1999 which was a strategy implemented by IMF and World Bank to help poor countries to clear their international debt obligations. The initiative was generous, but left the problems of debt in poor countries largely unresolved.

In so far as African governments have succeeded in denigrating the IMF and

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World Bank for their aid and loan structures, it is equally important to lay the blame squarely on the African politicians as well. From a policy point, African leaders should be bold enough to admit state failure. Borrowing is a facility for ailing, if not failing, states. African governments borrow with a high expectation that the facilities would improve economic governance and enhance the effectiveness of public service delivery. In more direct terms, borrowing is admitting failure of governments to deliver public goods. Economic malfunction is therefore a microcosm of political failure.

Perhaps, the pertinent question is whether Africa is in the same predicament as a result of the engagement with China: is China perpetuating the same trend; can its engagement satisfy the yardstick of a neo-colonial power as defined by the desire to dominate and induce dependence?

If neo-colonialism is defined by domination and inducing dependence, then China's policy is loaded with neo-colonial pretences although the relations are still at their infancy. China's loans to Africa, which mainly come through the China Development Bank (CDB) and China Export and Import Bank (Exim Bank of China), have been attached to modest interest rates which are mutually agreed upon by the respective governments and China. China offers a mixture of facilities depending on the nature of the project. For instance, through the Exim Bank, China offers concessional loans with interest rates which are as low as 0.5 per cent per annum with the recipient country given the option to pay over a period of up to twenty years. Zimbabwe is a beneficiary of one such a scheme with US\$ 300 million worth of concessional loans having been disbursed to the Southern-Africa country (Shunkang, 2012). The Exim Bank also offers the Buyer's Credit Facility for other projects in Africa whose interest rates are between two and three per cent per annum (Interview with official in Ministry of Finance International Debt Department, 28 December 2012, Zimbabwe).

In extending this aid, China is not keen on interfering in the manner in which the borrowed funds are used as long as the borrower has the capacity to service the

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loan. It could be argued that by so doing, China is developing a nuanced policy approach which appears benign to the Africans but also has the potential to bring Africa under Chinese dominion. Despite the political risks in some countries, China has channelled significant investments into Africa. This policy should therefore be queried. Political instability remains the constant threat on the continent. Guinea, Mali, DRC, Zimbabwe, Mozambique, Central Africa Republic and Sudan are few examples of countries that continue to be plagued by varying kinds of conflicts yet they have benefitted from Chinese foreign direct investments.

One then wonders what the motivation is in the whole partnership. Could it be that China is the big brother of emerging elite coalitions, of a predator nature, by investing where there are high political risks? Could it be that the China-Africa partnership is fast developing into what political scientist James Robinson termed “extractive institutions”? By avoiding human rights censure in dealing with African governments, China is promoting policies and practices that are designed to capture the wealth and resources of Africa for the benefit of a small section of the African society which is politically connected. China is dominating the continent by proxy, or in other words, using the political leadership to implant economic dependence.

The acquiescence by African leaders to whatever the Chinese actors seek in Africa, especially the failure to address labour conditions and importation of sub-standard but cheap Chinese products as well as the open glorification of China by African leaders has negative implications: firstly, it emboldens China’s current policy and works against commitment to improve their business philosophy; and secondly, it paves way (or it could be an incubator) for mental colonisation. The attitude so far has been that many African leaders have tended to stifle open criticism of China’s policy. Censure of Chinese policy is often pitched at the same level as political opposition.

The majority of African leaders have proved to be bedfellows with international

censure on good governance and human rights let alone to its own internal dissenting voices. It comes not as a surprise that China is favoured primarily and clearly for political considerations. The award of economic favours to China in the form of preferential investment contracts can be regarded as a form of political bribery that is part of a strategy to use China to underwrite political survival of political partners in Africa, particularly those who do not owe their political careers to popular legitimacy. It is a matter of public record that many governments in Africa are indebted to Chinese government support for their survival; government officials on the continent have openly acknowledged this. For example, speaking at the recent visit of a high ranking Chinese politician, the president of Zimbabwe, Robert Mugabe, expressed gratitude to China for helping him defend his rule in the face of international censure (*The Zimbabwean*, 10 June 2013). But the elite coalitions between the Chinese investors and African political leadership have escalated corruption and inequality. The paradox of Africa's positive economic growth is that it is not matched with reduction in inequality. Countries such as Mozambique, Angola, Gabon and Nigeria which have recorded high growth rates against massive Chinese investments in the mining sector have failed to reduce poverty rates and inequality.

China's policy is also weak in relation to enhancing the manufacturing capacity of Africa. Since 1996, the average poverty rate in sub-Saharan-African countries has fallen by one percentage point a year. Average growth rates of 4.7 per cent have been recorded across many African economies between 2000 and 2011, and in most cases credit has been given to Chinese investments.

However, the share of GDP represented by manufacturing has remained low despite high Chinese investment activities. The durability of Africa's economic growth is a matter of serious doubt without a firm commitment to improve manufacturing capacity of the continent. By and large, the economic growth in many parts of Africa is possible largely because of high commodity prices offered mainly by China which claims the biggest share of the continent's exports. This is not a stable prospect for sustainable growth since commodity prices rise and fall unexpectedly. Africa needs a partner which helps it develop the capacity to initiate economic plans

that would protect it when the downturn arrives.

Enhancing international competitiveness of the nascent industries is the major challenge which confronts African countries that depend on limited range of raw materials for export earnings. The manufacturing sector anywhere in Africa, perhaps with the exception of South Africa, still accounts for an insignificant share of the total GDP. Many African countries' exports are dominated by primary products and lack diversity. There is need therefore to move towards natural-resource based export-oriented industrialisation. There must be a gradual increase in the share of processed products in the continent's export profile. Chinese policy is evading this route.

Furthermore, Africa lacks trade support services. This includes trade financing facilities to improve infrastructure. The result is that most companies are not keen on developing this sector due to prohibitive factors such as high costs of production due to infrastructure problems such as power cuts and shortage of water. China has the technology for low cost production which it can transfer at affordable rates. Yet, the will has been either slow or simply insignificant.

A crucial point further is that the majority of African economies are driven by the informal sector. There is need to support manufacturing and engineering sciences in institutions of higher learning to improve the capacity of existing informal businesses. Alternatively, the sector could be the basis for expanding manufacturing businesses to match international standards by improving the quality of products. This will certainly improve international competitiveness of Africa's products. Strong performance of manufactured exports from Chinese companies in Africa should be able to transform Africa into an emerging export platform in the medium- to long-term.

For investors to be attracted into the manufacturing sector there must be provision of enticing incentives for the promotion of primary-commodity processing and resource-based manufacturing. This can only be achieved through a comprehensive and coherent policy framework that is both medium- and long-term.



The success or sustainability of such a policy depends crucially on the establishment of effective coalitions of development between African governments, the private sector and international multi-lateral and bi-lateral development partners such as China. In the absence of such coalitions the African economy is fast evolving towards dependency on China's relatively advanced economy.

Some facts about how Chinese firms are conducting business in Africa surely distinct those from multi-national corporations from developed countries that have been on the continent for lengthy periods, and this fact has often eclipsed objective analysis of China's overall policy on Africa. Most of the Chinese companies investing in Africa are either fully or partially state owned although they operate as private companies across the continent. For example, in Zimbabwe, there is the Anhui Foreign Economic Construction Company (AFECC). The company is operating within the confines of the country's laws relating to investment and registration of companies namely; The Indigenisation and Economic Empowerment Act and the Companies Act. The Chinese company formed a joint venture with indigenous Zimbabweans to venture into mining based on a share structure of 51 per cent for indigenous Zimbabweans and 49 per to the Chinese. Profits are disbursed based on this share structure. The resource is benefiting the locals more than the expatriates as a result. The joint venture company is also employing more Zimbabweans than expatriates and it is one of the few companies at the centre of economic recovery efforts in the country by virtue of its line of business. The joint venture company has also embarked on corporate social responsibilities in the business operation area by developing modern infrastructure such as modern hospitals, schools and housing units for the villagers in the area (Interview with marketing manager, 20 December 2012, Zimbabwe). Such activities have become the basis for public relations by both African politicians and the Chinese government to depict China as seeking to "help" Africa than to exploit its resources yet the impact of the policy is seldom exposed, perhaps for clear political calculations.

At the risk of over-simplicity, China's current economic offensive on Africa may eloquently illustrate the evolution towards what can be perceived as economic colo-

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nialism. The rapid influx of Chinese nationals working in Africa and China state enterprise emerging in the extractive industry and exporting raw products with little effort to develop the manufacturing capacity are evidence to this effect. In so far as economic co-operation enhances economic development, African governments must estimate all the hazards at this point to take the necessary counter-measures than to reject the partnership.

Under the slogan of “win-win” co-operation, the temptation for African countries is to surrender to Chinese will which paves the way for domination and dependence, the essence of neo-colonialism which the continent purports to be resisting. The “win-win” rhetoric is indeed as such because the African political elite seem to be “winning” political protection from international censure in exchange for China’s economic access to Africa. The argument is that strategies of domination evolve and assume subtle dimensions and the “win-win” mantra could be one. The dangers of an attitude of euphoria about China’s seemingly generous gestures are hereby underscored. Apparently, China’s instruments of control and forcing Africa into dependence are different from the traditional ones but the impact might be the same.

In summary, although Africa is benefitting from its partnership with China, the question as to whether China is seeking dominion and propagating dependence of Africa on itself deserves debate and subsequent policy consideration. African leaders thus far have tended to downplay this debate for political considerations. China’s policy is likely to be a “path-breaker” for Africa’s political economy but the impact of its policy will continue to stir suspicions revisited. However, China remains a partner with the potential to offer itself as an alternative partner for African perennial economic ills (Shai, 2012).

### **Conclusion and Recommendations**

China-Africa relations should be understood on the basis of the reality of international political economy where benefits extracted from any engagement are asymmetrical. Therefore, wishing away China-Africa economic relations simply

because of lack of equity and balance in benefits defies reality. The relationship is strong particularly because of historical ties and political expediency. However, the extent to which the relationship survives is largely dependent upon the Chinese and African elites' political will to address the fear that China is seeking to command African resources and subject the continent to economic dependence.

The commitment and speed with which China-Africa partnerships including diplomatic initiatives such as FOCAC move to address concerns related to cheap imports and developing Africa's manufacturing capacity have the potential to drown Africa's fears. The Chinese government needs to recognise that Africa needs industrialisation more than any other continent and should support manufacturing plants rather than aiming at the increasing exports of finished goods. More importantly, African governments which rule predominantly commodity-reliant countries need to have clear strategic policies for industrialisation in order to foster international competitiveness. China's government policy needs to facilitate this transition of African economies from exporter of primary goods to exporter of quality processed goods by unlocking the manufacturing potential on the continent, if the slogan of partnership is meant in a profound way.

China-Africa relations are dynamic and therefore, there is a need to constantly monitor and reassess the various agreements to ensure conformity with the principles and values of the long history of co-operation. Chinese companies operating in Africa should in their own long-term interest guard against exploitation of the host and ensure that labour conditions in Chinese enterprises are in line with the host's practice and above all in conformity to International Labour Organisation Standards. In short China's interest in Africa should not be allowed to follow the experiences of Africa under colonialism which treats Africa as a source of resources, and a market for finished goods and cheap labour.

## End Notes

<sup>iv</sup>Felix Mutatu was the Minister of Finance in Zambia under the government of

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President Banda.

<sup>v</sup>The term ‘resource diplomacy’ is used to refer to China’s international demand for developing countries resources to sustain its industrial capacity.

<sup>vi</sup>The concept of economic predation suggests that partnerships and coalitions are formed to ensure regime survival and elite self-enrichment rather than development. Where development occurs, it is considered incidental. See Eldred Masunungure and Michael Bratt, “The anatomy of political predation: leaders, elites and coalitions in Zimbabwe (1980-2010).

<sup>vii</sup>‘Going Global strategy’ is a Chinese policy of relaxing restrictions on investment abroad and extending incentives to Chinese companies operating overseas.

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