

# 辩论

## Discussion Paper

China as Africa's Ambiguous Ally –  
Why China has a responsibility for Africa's development

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## Preface

This text is a revised and expanded version of a speech held at Stellenbosch University on 20 January 2011, at the occasion of assuming my new position at the Centre for Chinese Studies (CCS). It is meant to provide some overall direction for future research at the CCS – and to provide some clues on where I would see points for engagement with other research institutions in Africa, China or elsewhere on the matter of Chinese engagement in Africa.

This paper also constitutes a new publication format of the Centre for Chinese Studies; it is the first CCS discussion paper. This format is meant for contribution that fall into the mandate of the CCS: discussion papers should contribute to the academic debate on China's global rise and the consequences thereof for African development. We do therefore explicitly invite scholars from Africa, China, or elsewhere, to use this format for advanced papers that are ready for an initial publication, not least to obtain input from other colleagues in the field. Discussion papers should thus be seen as work in progress, exposed to (and ideally stimulating) policy-relevant discussion based on academic standards.

Thanks go to Garth le Pere for comments during the presentation in early 2011, as well as Scarlett Cornelissen, and colleagues from the department of political sciences at Stellenbosch University. I also appreciated and benefited from comments made by those present at the speech in Stellenbosch in late January 2011. Last, but not least, I would like to express my thanks to my colleagues at the CCS, Sanne van der Lugt, Matthew McDonald, and Bronwyn Grobler, for their continuous support and critical engagement.

Sven Grimm,

Stellenbosch, June 2011

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## EXECUTIVE SUMMARY

This paper explores the changing nature of Chinese-African relations in the early 21<sup>st</sup> century and, in a second step, assesses Chinese responsibilities for African development.

Sino-African relations have profoundly changed in character as a consequence of economic policy shifts in China, coming with readjustments in Chinese foreign policy. China is an emerging world power – and increasingly an important partner to African states. The Asian engagement in Africa is not new, and we have seen a small wave of literature on Chinese engagement already in the mid-1970s to early 1980s. Chinese government engagement in Africa is a constant feature since the days of Mao Zedong. Yet, China's engagement with Africa with regard to trade, investments, assistance, and – not least – diplomatic activities has been increasing tremendously since 2000. Sino-African relations are becoming more important in their own right, but also as a consequence of the global rise of China. The recent global economic crisis has arguably further accelerated the already rapid change in economic weights in the world, making the shift towards Asia more pronounced.

China's relationship with Africa is unequal, whatever the rhetoric around it. China is currently the second biggest economy in the world and it is likely to become even stronger, gaining (or *regain*, in a historical perspective) global economic weight within the next decade or so. One emerging economy, China, is in need of resources and markets as well as political backing for its peaceful global rise on the one side. And on the other side, we find 49 African states with rather small and often fragile economies engaging with China and other external powers.

The stark inequality in economic and political weights results in Chinese responsibilities for African development, this paper argues, which is distinct from tutelage or undue interference. While China emphasises its very distinctness from 'traditional donors' – not least so as this is arguably a cornerstone in its 'soft power' in Africa – some challenges are, in fact, arising to African economies or societies from China's very size. Action as well as inaction in Chinese international *and* domestic policies will have consequences for development in other parts of the world, not least in Africa. Research on Chinese-African relations is thus quickly becoming similar to the research on other great powers' relations with Africa, even if China is both, a great power and a developing country.

This paper provides an overview what we know about effects of Chinese engagement on Africa. The diversity of the African setting in mind, this paper will refer to individual cases as examples, aspiring to provide an overview without unduly

generalising. The paper aspires to cast a light on aspects where China's rise impacts on African development and which we do currently not know enough about.

How immediate or intermediate are the effects of Chinese engagement? Which actors do we have to take into account when we speak of 'China' as one entity – and who exactly in China has to take responsibilities for African development?

The paper explores the state of debate on direct and indirect effects of China's global rise on African states and aims at identifying areas of responsibilities for China and for African governments. In conclusion, it casts a light on the policy requirements for African states in their engagement with external powers and gives indications of a research agenda on China's growing global reach.

## INTRODUCTION

For a little less than a decade now, China's engagement in Africa is a hotly debated topic, debates in the public ranging from 'China as the new colonial power' to 'China the model and saviour'. The story about threats can more often than not be read in the Media; we could find several cover stories in 2010 in *The Economist* (UK), *Der Spiegel* (Germany), or other Western/Northern media, denouncing what they saw as 'neo-colonial' features in China's 'African safari' (as journalists like to describe it in exotic terms). The story about 'China the saviour', for its part, is often rather linked to debates about Western development assistance, be they used by political actors in Africa or more on the polemic publications' side (e.g. Moyo 2009). Why would we have to discuss Chinese responsibilities for development in Africa, more than 50 years after African independences? Why holding yet another external actor 'responsible' for African political and economic choices? The key argument of this discussion paper is not that of limited (or mere external) sovereignty of African states (Clapham 1996). Neither is China analysed as a 'neo-colonial power' in this paper. Rather, the starting point is the fact that Chinese growth and its political rise is of a different quality than that of Japan or Korea in the 1970s or 1980s.

The rise of China in the 21<sup>st</sup> century is an important change, called by some a 'tectonic shift' in global economics and politics (Kaplinsky/Messner 2007). Despite being a developing country and still being home to "as many as 150 million Chinese [...] actually living on less than \$1.25 a day and [...] regarded as poor by the internationally accepted guidelines of the World Bank" (*China Daily*, 28/10/2010), China is globally important and crucial for problem solving. Global power is not exclusively linked to the level of wealth in a society; China might still be poor, but it is also, and increasingly so, powerful (Humphrey/Messner 2008).

China should be neither vilified nor does it merit to be put on a pedestal; it can, as will be argued, indeed be made an ally to African development. At the same time, and not always to Chinese government's volition, the emerging Asian global power also has indirect and adverse effects on prospects in Africa. The official rhetoric from Beijing is spreading positive news on Sino-African 'friendship'. As much as we might crave for positive news, it is highly unlikely that all Chinese endeavours appear to be crowned with success. And indirect effects are hardly discussed in the official Chinese perspective. Given the mere size of its economy, its global connectedness and consequently its global importance, China *will* have some indirect effects on other developing nations, as has been argued (Kapliniski et al. 2006). Even if we assume an approach in Beijing that aims at being fully supportive of African development needs, policies will still have to be balanced with other, internal agendas in China. Direct and indirect effects of China's rise will have to be jointly managed if

African development is not to be stifled. This is not an easy task – for either side - and it is a task for which research is important.

As a word of caution: we are often still looking at growth rates and potentials<sup>1</sup>, but it gives impressive growth rates and subsequently arising influence to China as another external power in Africa. Even if the OECD world remains of overwhelming relevance to African states: Non-Western economies have taken another leap in global importance, particularly when exploring the levels of investment in Africa. The real effects begin to be felt on the ground. Not least the indirect effects make China a topic of research across the globe, similar to other great powers. Putting China into context of other world powers will not always sit easily with the official Chinese position of its engagement being of an entirely different nature than Western powers, thus creating a narrative of ‘Chinese exceptionalism’. This narrative might be deemed necessary in order to create some force of attraction to China, in other words: to generate ‘soft power’ (Nye 2004; cf. also Fijalkowski 2011) for a Chinese engagement that often seems to be regarded as a competition with Western states’ and/or companies’ engagements. It should, however, encourage researchers to look behind the rhetoric and challenge the assumptions, be they simplistically optimistic or unduly sceptical.

Research on China is no luxury for ‘ivory tower academics’ in Sub-Saharan Africa; there is a need for policy-relevance research to better understand an emerging partner to the continent. ‘China in Africa’ and the multiple facets of this relationship remains a topic that is arguably still over-commentated, but under-researched (cf. Large 2008). China’s global rise is often assessed by looking at the engagement beyond its own region, not least so in Africa – yet, field research on the cooperation between China and specific countries is scarcer and much more recent (cf. Davies 2008; CCS 2009; Brautigam 2009; Hackenesch 2011; Grimm et al. 2011). We need to know more about Chinese policy-making towards Africa and its drivers. There is a variety of actors and consequently a variety of agendas and perspectives that needs to be understood. Research on the empirical reality of direct Chinese engagement with Africa will need to be conducted in African states and in China itself. It is promising for a more substantial debate in the future that numerous PhD theses are currently being written on the Chinese policy-making towards and engagement with Africa, many of them based on case studies.

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<sup>1</sup> This does not necessarily result in a ‘take-over’ by China (figures do not allow for such an interpretation. Investment figures by actors from the EU or from the USA are still substantially bigger, not least so when looking at FDI stocks. China is starting from a low basis, even if with impressive growth rates (cf. van der Lugt et al. 2011).



This paper aspires to be a contribution to an evidence-based debate that, one might argue, has actually just started to diversify beyond the initial ‘shock and awe’ and that is gaining in scope and depth in African academia. We will have a look at what we currently know about direct and indirect, positive and negative consequences of Chinese engagement with Africa. From this basis, where can we argue for a Chinese responsibility in shaping the relations – and where are claims of a Chinese responsibility going overboard?

## CHINA IN AFRICA – THE GLOBAL CONTEXT

It should not be overlooked that Africa does not grow or stagnate exclusively due to external factors. Let’s first turn to the African perspective on global trends, before looking at Sino-African relations in a historical perspective and with regard to current policy discussions in Western countries and China.

### A GOOD DECADE FOR AFRICA – DEVELOPMENT, COURTESY OF CHINA?

In terms of economic growth, the first decade of the 21<sup>st</sup> century was a good decade for many African countries: an average growth rate in its domestic gross product of almost 6 per cent between 2001 and 2008, was “the strongest consistent performance since the early 1970s” (Soko/Lehmann 2011: 101). In the wording of the British magazine *The Economist*, African “lion kings” compare well to “Asian tigers” with regard to growth rates (6 January 2011). Among the global top 10 performers in 2011 to 2015, *The Economist* believes, will feature: Ethiopia, Mozambique, Tanzania, Congo, Ghana, Zambia and Nigeria (see table 1).

Table 1: “Go south, young man”: The ten fastest growing economies in 2001-2010 and 2011-2015			
2001-2010		2011-2015	
<b>Angola</b>	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	<b>Ethiopia</b>	8.1
<b>Nigeria</b>	8.9	<b>Mozambique</b>	7.7

<b>Ethiopia</b>	8.4	<b>Tanzania</b>	7.2
Kazakhstan	8.2	Vietnam	7.2
<b>Chad</b>	7.9	<b>Congo</b>	7.0
<b>Mozambique</b>	7.9	<b>Ghana</b>	7.0
Cambodia	7.7	<b>Zambia</b>	6.9
<b>Rwanda</b>	7.6	<b>Nigeria</b>	6.8
Source: The Economist (London), 6 January 2011			
Note: African countries are highlighted in bold.			

A number of caveats have to be made when referring to this projection: It is purely based on IMF forecasts of growth rates of the gross domestic product. The listed economies start from low levels of economic development, and the projections say nothing about sustainability, political risks for investors, or what the growth rates are based on; often, they will be based on raw material extraction and export – levels of economic diversification are not considered. Nor is this a projection about development impact with regard to per capita income growth or wealth distribution. The projections are thus no reason for complacency with regard to the state of development in Africa. Yet the growth perspective is impressive in itself, might help to reiterate the image of Africa as “the doomed continent”<sup>2</sup>, and might actually be used for development.

The “lion kings” – if we continue using this label – are often economies with high levels of Chinese engagement. Can we thus rush to the conclusion that their growth is due to the China factor? An alternative interpretation would be that China – more precisely: Chinese enterprises – were quicker in detecting economic potential. They might well particularly engage precisely *because* these countries start to develop their potentials, make for lucrative markets and provide opportunities for Chinese enterprises and entrepreneurs. This would be the inverse causality. Other actors are also investing and lucrative sectors are often discussed: resource extraction and telecommunication are certainly among them; in these sectors, we see international competition about African market shares (see CCS Weekly Briefing, numerous editions). What is safe to say is that China is currently adding in achieving the growth rates and we will discuss elements of the Chinese contribution – which is direct and indirect – further below. “In the short term”, as Taylor argues, China’s trade with and

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<sup>2</sup> This assessment of the “African lion kings” came a few years after Africa was written off as “The lost continent” in a cover story by the very same magazine.

investment in Africa will help the development of the continent, as it provides needed and additional funding (2011: 130).

What about in the longer-term perspective? The time dimension might impact on how we answer the question on Chinese responsibilities. It will, in any case, impact on the recommendations that need to be made to decision-makers. Does Chinese investment seek quick benefits and will it have little *sustainable* positive impact? The story of quick closure of mines in DRC during the economic crisis was picked up upon in the media, but it did not seem to have been the general trend for Chinese foreign direct investment (FDI) in Southern Africa (cf. van der Lugt et al. 2011). This is a positive indication, but we should be careful to base positive long-term projections for the entire continent and all sectors of the economies on this observation.

When making statements about prospective developments, it is helpful to remind ourselves of lessons from the past. For experiences with investment and growth without development, the case of Liberia might be illustrative. In her autobiography, today's Liberian President Ellen Johnson-Sirleaf recalls that in the 1940s and 1950s, Liberia grew tremendously due to American investment by *Firestone* in its rubber production: "growth in production and income [was] averaging around 15 percent a year in nominal terms and 10 percent in real terms. Only Japan experienced greater growth during the same period" (Johnson-Sirleaf 2010: 51). This might sound familiar in the light of "the lion kings" label, mentioned above. However, Johnson-Sirleaf deplores, structural deficiencies were not addressed, and "profits flowed out of Liberia as swiftly as the natural resources upon which they were based" (ibid.). Consequently, few Liberians benefitted from the growth: created jobs were mostly unskilled labour and investments in infrastructure mostly served the businesses of the investors without greater effects on the country.

Sustainability and structural issues remain a concern for African economies – whatever the nationality of the investor. Chinese, like European or American or other, companies invest in order to make a benefit, not because they aim at national development. It is a task for African government to create and reinforce the framework conditions so that foreign investment, be it American, European or Chinese, does operate for the greater benefit of the country (cf. Mills 2010; van der Lugt 2011; Ajakaiye 2006).

China is quickly gaining ground as an important potential ally to African states, not least so economically as an investor. Chinese investment can unlock some potential in African economies and adds to positive news. It also comes with challenges of its own, given the structure of Chinese actors. Consequently, Chinese economic and political engagement and its social and environmental impact merit attention – but

not paranoia or salvation fantasies – by academics, policy-makers, civil society and economic actors in Africa.

### CHINESE-AFRICAN RELATIONS – IDEOLOGY PREVAILS UNTIL THE 1970S

Impressive growth rates in trade relations and others make for public attention and might seem as an entirely new engagement. This is not the case. China is not a ‘new kid on the block’, neither in Africa nor in the world economy more broadly. The aspect is also emphasised by a recent Chinese White Paper on aid, which highlights the development of China’s aid policy in the second half of the 20<sup>th</sup> century (GoC 2011). Three phases in the engagement of modern China can be detected: Maoist China until the late 1970s with its ‘revolutionary’ engagement, the reform period until the late 1990s, and the current rise after 1998 with the Chinese ‘going out’ strategy (cf. Grimm et al. 2011: 64-65). This is might not be the full historical span of Chinese interactions with Africa. This paper is deliberately ignoring 15<sup>th</sup> century encounters, as reference to these encounters have a political purpose (see box 1), but are irrelevant for our exploration of Chinese responsibilities for current African developments.

#### Box 1: The references to historical Sino-Africa encounters

Africa as a continent was not unknown to the Chinese empire in history; in fact, Chinese arrived on the continent before European sailors did. The travels of Admiral Zhang He to Eastern Africa in the 15<sup>th</sup> century are an impressive example of Chinese technical supremacy at the time. The size of vessels used and the size of the overall fleet that explored South East Asia and the Indian ocean rim were far more technically advanced than the – in comparison rather pitiful – ships of the Portuguese or subsequent Dutch ‘explorers’.

In official contacts between Chinese and Africans, these travels during the Ming dynasty are referred to as a symbol for continuity and peacefulness in interactions. The travels were indeed not intended as a ‘colonisation’ of other countries, if we understand colonisation as a forceful submission of territories. Tribute to the Chinese emperor, however, was expected in the form of recognition and gifts (at this occasion, we have first sources reporting of a giraffe sent to the court in China and triggering amazement in Beijing).

Secondly, the reference to these early encounters provides some historical continuity and thus highlights early Chinese experiences, indirectly renouncing that China is ‘the newcomer’ to Africa.

A third, and presumably rather unintended, interpretation would highlight the overwhelming importance of internal factors in China for the country’s international aspiration: The early travels were propelled by curiosity and expansionism in China – and were aborted, because China turned inwards after internal turmoil and a change of dynasty.

The symbolic value of these early contacts might be well understood. The actual link to current relations, however, is obviously constructed to form a coherent narrative. Needless to say that interaction in the 20<sup>th</sup> and 21<sup>st</sup> century is of a very different quality – in both breadth and in scope.

Modern Sino-African relations date back to the foundation of the People's Republic of China, as is often emphasised. Yet, the Africa policy under Mao was motivated mostly by ideological drivers (assisting independence movements and supporting guerrilla movements in then colonies), seeing a slump in activities during the Chinese cultural revolution and the beginning of internal reforms under Deng Xiaoping in the mid-1970s (cf. Grimm et al. 2011). Along with these historical changes, we can see some older variants of the story of China in Africa in the early 1970s, with illustrative assessments that ring an often familiar bell with regard to today's debates.

In 1974, for instance, Ogunsanwo looked into the Chinese Africa policy during the post-independence years in Africa until shortly after the cultural revolution in China (1958-1971). He analysed the relationship from an African perspective, already stating back then that “Chinese policy in Africa does not of course operate in a vacuum. Its objectives, aspirations and the implementation or achievements of these necessarily interact not only with the parallel and often rival efforts of the United States and the Soviet Union, but also with the policy choices and aspirations of the African states” (Ogunsanwo 1974: ix). Ogunsanwo describes individual projects such as a cotton mill in Tanzania or the railway link between Lusaka and Daressalam (TAZARA railway), and also analyses the hostile environment to Chinese endeavours and the various setbacks, e.g. overthrow of partner governments in the first wave of coup d'états in Africa and the attempts of the Chinese leadership to avoid the loss of their investment, e.g. in Ghana with the overthrow of President Kwame Nkrumah or in the Central African Republic with the overthrow of President Daniel Dacko (Ogunsanwo 1974: 183ff).<sup>3</sup> The levels of engagement of the 1960s and 1970s were substantially scaled down after some setbacks in the engagements (for instance, supporting the ‘wrong’ – i.e. unsuccessful – faction in the Angolan liberation war). The most important factor in substantially scaling down engagement was, however,

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<sup>3</sup> For other examples, see: Bailey (1975) on Sino-Tanzanian cooperation in African Affairs. Larkin (1971) provides a foreign policy analysis of Sino-African relations between 1949 and 1970. ‘China and the Third World’ was the title of a book by Harris/Worden (1986), analyzing China's role as possible ‘leader’ of the third world. A brief overview of these early writings can also be found in Large (2008).

internal upheaval in China in the wake of the ‘cultural revolution’ (cf. Grimm et al. 2011).

## CHINA RE-ENGAGES - CURRENT DEBATES AND PERCEPTION MANAGEMENT

The debate on China’s Africa engagement and its role in African growth and development has gained new vigour, also in academia, since the Chinese ‘go out’ strategy. Since the late 1990s, Chinese enterprises are encouraged to engage in business beyond China. The move was further emphasised by Beijing’s accession to the World Trade Organisation in 2001, which has opened new markets to Chinese investors. The latest push to the debate has come with the global economic crisis in 2008/09, which emerging economies have mastered better than industrialised countries. During the crisis, investment in African states has – like anywhere in the world – contracted. However, the investments from emerging economies in Africa (not least so from China) have contracted less than those of Western countries, as research by the Centre for Chinese Studies at Stellenbosch University and by others has shown (cf. van der Lugt et al. 2011, Humphrey 2011). China is thus gaining global weight more quickly than previously assumed. It is now projected that China will surpass the US economy by 2016, even by previously very cautious institutions like the IMF (see CCS Weekly Briefing of 29 April 2011).

China’s gain of global influence can be understood as a *regaining* of weight and a rectification of historical injustice rather than an entirely new development (see box 2). The conditions under which this comparative level of economic development (and subsequently: power) is regained – and under which it is used – are different in a setting of economic globalization.

In the 21st century, economic value-chains span across countries and continents, and social interactions between humankind from diverse origin have reached unprecedented levels; changes in one (weighty) part of the world thus cause concern in others. Much of the at times aggressive political debate in the US can (and should) be attributed to internal political competition; it is clearly political polemics and obvious nonsense to argue that China’s rise was only possible because it was tolerated by one or the other ‘inactive’ US administration. What would have been the option – or the moral justification for any action to prevent Chinese from aspiring to a living standard comparable to developed countries?!

Box 2: China is *regaining* its global economic weight

It might be hardly a surprising fact that a country which comprises around 20% of the world's population (with 1.3 billion inhabitants) is increasing its share in the world economy from currently 12% in global GDP. The figure actually shows the current lack behind Western economies, and it is difficult to perceive any moral justification for renouncing Chinese (or Africans, for that matter) to enjoy similar levels of development to Europe or North America.

To many Chinese, China's economic rise is not a new development, but rather a rectification of an abnormal period of weakness. The 19<sup>th</sup> and 20<sup>th</sup> century position, in this long-term understanding, was an interruption in what China – the Middle Kingdom – saw as its rightful position for centuries. Indeed, China is *regaining* its historical strength, if we consider its mere share in the world economy.

According to economic historians, until 1820, the Chinese GDP was estimated to be much higher than that of Europe (Western and Eastern) and the USA at the time combined. The estimates by the British economist Angus Maddison indicated for 1820 a value of 228,600 million USD for China, compared with 197,305 million USD for Western, Eastern Europe and the US combined. The value is given in international dollars, purchasing power parity in value of 1990 (cf. Maddison 2007; also: Li 2007).

However, the aspiration to *the current* level of resource-use by developed nations is indeed a problem, as it would be globally unsustainable. Not least environmental effects of activities are felt globally – and the development path based on carbon fuel is increasingly questioned. Changes in the economy – and, not to forget: adjustments in the way of life – will have to be made in developed countries (the OECD world). Developing countries have to face the additional challenge to not simply copy development models. They will have to find new, innovative paths, and this is particularly true for populous nations such as China, but also India, Brazil, Indonesia, Nigeria, and others.

The changes coming with China's economic rise are indeed global in scope in that they affect *all* regions and countries in the world; not least Western powers becoming increasingly defensive. Ignoring the direct and indirect effects in the world of the 21<sup>st</sup> century is no longer an option. The Chinese leadership is thus cautiously trying to manage the ascent; it takes external anxiety into consideration when speaking about 'peaceful rise' (cf. Guo 2006) or, more lately 'a harmonious world' that the country is striving for (cf. Blanchard 2008). Likewise, the emphasis on still being a developing country can be understood as 'expectation management' towards the developing world with regard to the level of support provided by Beijing (GoC 2011) – and as an attempt to appear smaller and less threatening than a more assertive appearance might be.

The attempts to manage and the rhetoric used indicate a sense of responsibility in the Chinese leadership. With regard to African development, the responsibility, however, needs to be looked into in more detail than just referring to the supposed ‘eye-level partnership’, as will be argued in the following section.

## **FOUR ELEMENTS IN CHINESE RESPONSIBILITY IN AFRICA**

When discussing the Chinese impact on Africa’s development, there are a number of questions to ask about the precise understanding of the term ‘impact’, not least so its time horizon and the dimensions it covers with regard to sustainability. The debate on Chinese impact on Africa’s development covers various agendas: in economics, in political sciences, in environmental studies, in socio-cultural debates. Furthermore, both the action and inaction of any global powers has consequences for other, not least so: smaller, states and economies and consequently draws interest (cf. OECD forthcoming; Reisen 2010).

This paper will thus look at the Chinese engagement in four aspects. First, China’s engagement has a very immediate dimension of projects conducted by or on behalf of Chinese state organs in African states. Secondly, there are people-to-people interactions, many of which are beyond state influence or state volition. Thirdly, China’s growth is of a magnitude that besides the direct engagement in Africa, it will have indirect impact on African development. Demand for raw materials is a key example. And fourthly, the indirect effects also include impact on discourses, as will be argued in a fourth step.

### **STATE-TO-STATE INTERACTIONS BETWEEN CHINA AND AFRICA**

Sino-African cooperation is based on bilateral and multilateral agreements, not unlike Africa’s cooperation with other states. It does, however, have some distinct features that need to be considered. First and foremost, aid is often provided in package deals, including trade and investment elements.

Relatively little can be said in precise figures about Chinese aid, as accounting is not identical to Western aid figures. In early 2011, the Chinese government published a White Paper on Aid (GoC 2011), which, even if disappointing in some aspects, provides a policy framework and some references (see box 3). Chinese development cooperation was estimated to have been around USD 1.5 billion in 2008. Projects in



African countries included infrastructure construction, engagement in the health sector, agricultural cooperation and various other aspects (Grimm et al. 2011; Brautigam 2009).

### Box 3: China's White Paper on Aid

“The Chinese government published a white paper on its aid policy on 21 April. The white paper provides some definitions of Chinese aid modalities and gives overall figures of how much is spent, on which continent, in which sector and according to income group of partner countries. [...] the paper hardly offers reasons for government's policy choices, and unfortunately, the unique selling point of Chinese cooperation is not fleshed out.

The paper [...] provides broad lines and explains policy choices. Yet, the paper falls short of this expectation. Interest free loans, we learn, “are mainly provided to developing countries with relatively good economic conditions” – what are these ‘good conditions’? It does list past interventions and, for example, states that volunteers have been dispatched to “19 developing countries, including Thailand, Ethiopia [...], Seychelles, Liberia and Guyana.” This is more than we knew before – but what are the criteria for this choice of countries? Policy choices and the use of instruments by country are not systematically explained. This presumably is for a reason, as it could result in cross-country comparison and ‘beauty contests’ between governments on levels of Chinese aid. This is understandable as a policy stance – but not quite the expected function of a White Paper.

The paper states upfront that China is still “a developing country with a low per capita income and a large poverty-stricken population”. Not surprisingly, it continues: “China's foreign aid falls into the category of South-South cooperation and is mutual help between developing countries” – in other words: it is not at pair with Western aid. Yet, it is interesting how the paper carefully walks the line between referring to key terms of Western aid (comparative advantage, capacity building...) while repeatedly dissociating itself from Western concepts. However, what the paper does not clarify is how much of the ‘mutual’ gain is to fall on either side, so that win-win-situations find the balance between the two extremes of purely altruistic aid and mere export promotion.

The best ‘selling-point’ for Chinese aid (namely: the package deals of aid, trade, and investment) does not feature, unfortunately. What we get is a section on ‘complete projects’ [read: turnkey projects], said to account for 40% of Chinese aid. How these contribute to the stated goal of self-reliant development, however, is unclear – they could actually create dependencies. Why choose this modality? The case for them needs to be made. The paper states that “China never uses foreign aid as a means to interfere in recipient countries’ internal affairs or seek political privileges for itself”. Yet, by providing certain levels of aid, any external actor does interfere to some degree [...].”

*Source: Published as CCS Commentary by the author under the title “China's aid policy white paper: Transparency now?” on 5 May 2011, cf. [www.sun.ac.za/ccs](http://www.sun.ac.za/ccs)*

The projects are planned and conducted with Chinese state funding, some of which granted bilaterally, some in the form of (concessional and non-concessional) loans, and some agreed upon in a rather multilateral setting, the Forum for China-Africa Cooperation (FOCAC). The latter is in place since 2000 and holds summit meetings every three years, alternating between Chinese and African locations (cf. Paruk/Shelton 2008). Data is not systematically collected across all Chinese agencies, nor is it published by recipient country.

On overseas *investments*, as opposed to *aid*, statistics are available, published by Chinese government departments, also on country-to-country basis. As Sanfilippo states in an overview: “Official statistics from the Ministry of Commerce (MOFCOM) show that Chinese OFDI is distributed unevenly around the world, since the bulk of it goes to neighboring [sic!] countries in Asia (especially Hong Kong) and Latin America (mainly to offshore centers [sic!] such as the Virgin and Cayman Islands). The rest, according to such statistics is more or less equally distributed among the other continents, with Africa having received a larger share of outflows over the last few years” (Sanfilippo 2011). These statistics, however, do not always match those of the receiving country, as van der Lugt et al. (2011) noted.<sup>4</sup> It also has to be taken into account that the overall figure of FDI includes state-owned enterprises as well as private companies. FDI figures thus do not unequivocally reflect state-to-state relations.

Chinese finance, used for investment in, say, a mining company in the DRC – will, like any other investment, create (measurable) employment opportunities and might have positive impact on skills if it comes with training measures. If the investment is large scale, it is likely to be conducted by a state-owned enterprise (i.e. central or provincial government owned) and likely to be accompanied by state funding, e.g. concessional loans for upgrading the infrastructure. All of this can create benefits for local communities and the national economy.

When discussing Chinese responsibilities regarding the state-to-state relations, we have to be aware that impact can be both positive and negative; in the case of China,

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<sup>4</sup> One reason for this will be the inclusion (or not) of Hong Kong as a separate entity into trade statistics. Funds might be transferred (invested) to Hong Kong, from which investment is conducted. These investment would, in this case, not be counted as Chinese, but as originating from Hong Kong (as a special administrative zone of China).

this simple truth seems often forgotten in political debates.<sup>5</sup> Engagement might have negative effects, even if unwanted – for instance on the environment if standards are too low or not enforced, and it might result in the loss of employment in other, competing enterprises, or have other negative effects on some parts of the population that base their livelihood on natural resources. In this context, we should also highlight that state-owned enterprises are autonomous units in which the government usually does not interfere in their day-to-day running of business (cf. Bosselhard 2008: 7). This does not exempt the Chinese government from responsibility, as interactions with state agencies are numerous in the process of foreign investment (cf. Bosselhard 2008; also: van der Lugt et al. 2011); the line of causality for responsibility, however, will be longer than often presented.

Effects at the local level – and responsibilities for them – can be detected and analysed, even if the overall balance at the national or even continental balance is more difficult to establish. A number of studies have mapped the engagement of China in African countries or sectors of the economy of an African country (cf. for instance: Jansson et al. 2009; Sandrey/Erdinger 2009; Asche/Schueller 2008). Zambia is a country case that is particularly well researched (as two examples, e.g. Mwanawina 2008; Kopinski/Polus 2011). Reports have also started to look into the promises made by China at the Forum on China Africa Cooperation (FOCAC) and have assessed their implementation (CCS 2009); for the next FOCAC meeting in 2012, the task will be similar for researchers.

Yet, when it comes to the question about impact, a key question is around the time horizon. For the respective African state, the investment will provide some immediate revenue that may or may not be used for development. It might also come with intermediate environmental, economic or political costs, too, if local communities need to be compensated.<sup>6</sup> Will (foreign/Chinese) engagements result in future losses that outweigh the immediate gains? Does the investment have long-term costs (e.g. deindustrialisation of Africa or environmental deterioration) that will need to be addressed at high costs at a later point, which actually changes the long-term calculation? In fact, costs of the current engagement might be externalised (to

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<sup>5</sup> Le Pere (2007) added an illustrative dichotomy in the subtitle of a book he edited on China in Africa: “Mercantilist predator, or partner in development?”, using the open question as a means not draw too simple conclusions in the title. Similarly, Ajakaiye (2006) speaks of opportunities *and* challenges.

<sup>6</sup> It even might create long-term costs if communities are not compensated, albeit in a longer time frame: the affected populations might become alienated from the state and consequently limit their engagement for the common good, for instance.

be paid by a third party – possibly by Western aid as a ‘repair service’) or they might be pushed onto future generations, limiting their aspirations. As illustrated above with the reference to Liberia’s experience through the eyes of Ellen Johnson-Sirleaf, investments might have little long-term effects in overcoming poverty in a society.

These considerations will have to be included in negotiations about win-win-situations, if the mutual gain is supposed to be sustainable. When engaging in an unequal relationship like the one between China and African states, a case needs to be continuously made for the African side of supposed ‘win-win-situations’. This is a continuous challenge for African politicians, whose task it is to enable African economic and social gains and formulate political goals and economic targets. Governments thus have to define their interests. Impact, however, does not stop at hindsight and with immediate interactions between two state parties. In other words, African government will have to come up with strategic choices guided by longer-term visions.

The attribution of primary responsibility to African governments, however, is not a complete whitewash from responsibility on the Chinese side. Given the often stark power inequality between China and African countries, it is partly also the responsibility of the Chinese government to ensure that gains are on both sides. Otherwise, the talk of win-win is an inexpensive rhetorical figure. Scholars have argued that China can indeed be responsive to African policy complaints (cf. Ajakaiye 2006: 10). The Chinese government White Paper on Trade and Investment in Africa of December 2010 can be interpreted as a response to lessons learnt in Africa. For the first time, it includes a section on the need for capacity building in Africa on how best to use opportunities, thereby acknowledging inequalities and insufficiencies in the relationship (GoC 2010).

#### DIFFERENTIATION OF ACTORS - INDIVIDUALS AND THEIR IMPACT

Sino-African relations are not all exclusively about governments. Foreign relations – including Chinese engagement in Africa – like those international relations of other actors (cf. Hill 2002), do become increasingly differentiated and complex. Questions about Chinese impact will also have to look beyond state-to-state interactions. The impact of private economic interaction on African societies can in some instances be felt heavily, and migration as well as the role of the diaspora are aspects to be considered.

The Chinese economic rise comes with personal interactions, driven by the individual search for the ‘new frontier’. Chinese entrepreneurs are innovative, highly agile, and they are actively searching new markets for their products. This includes a search for

markets beyond China itself, including Africa, which can lead to the creation of a diaspora of Chinese in Africa (see box 4).

#### Box 4: Chen (2011) on Chinese migration in South Africa

“Johannesburg has the largest population and highest density of Chinese in South Africa. It is estimate that there are about 300,000 Chinese migrants in South Africa, and more than 200,000 Chinese migrants do business in Johannesburg.

The new Chinese migrants tend to sell a wide range of cheap Chinese-made textiles, often to the lowest end of the consumer market in South Africa. [...] In addition to these retail China shops and businesses, several larger South African cities have become home to Chinese wholesale traders, such as Johannesburg, Cape Town, and Durban. The largest [...] in Johannesburg [...] form a regional shopping hub which provides goods not just for South Africans but also to retailers and consumers in neighbouring countries (Botswana, Lesotho, Zimbabwe, and Angola) and from across Africa. [...]

Most of the pre-2000 migrants from China’s mainland were from Beijing and Shanghai. Many of them worked in the state-owned enterprises. At the end of their two to three years contract periods some of these Chinese decided to stay in South Africa. Often, the reason given for staying on in South Africa was that income in South Africa was higher than what they received in China. Amongst those who chose to remain in South Africa, most are educated professionals, and are now some of the most successful business people in their communities with established extensive business networks throughout the southern Africa region and in China. The majority of them entered into import, retail and wholesale trading as well as manufacturing of consumer products. [...]

The post-2000 wave of Chinese migration, which continues today, is comprised predominantly of small traders and/or peasants from Fujian province. Based on our research it would appear that many entered the country illegally from neighbouring African countries and subsequently applied for asylum-seeker status and work permits. Due to their limited English, low levels of education, and their lack of extensive business networks and social capital, they tend to run small shops in the remote towns across South Africa. [...]

Traditionally, Fujianese emigrated to South Asia, America, Japan and Britain. But in recent years, the pattern has changed. Traditional Western host countries continue to implement more restrictive immigration laws and tighten control of their borders through new surveillance technology. In South Asia, the economies. performances were declining. Consequently, Fujianese sought alternative destinations, such as Russia, Argentina and South Africa. South Africa.s opening up process through the mid-1990s and its renewed diplomatic relationship with the People.s Republic of China in 1998 provided tremendous investment and business opportunities. With its established business and physical infrastructure and its lower threshold for entry, South Africa has become an attractive migration destination, particularly for those with insufficient qualifications or insufficient capital to qualify for entry to North America, Europe, or Australia.

It is said that if a Fujianese wanted to go to America, he or she would spend more than 400

000 RMB (approx. US\$ 60 000) to go there. To enter South Africa, the amount of 40 000 RMB (just over US\$ 6000) is enough. [... The] perception is that there are plenty of opportunities [in South Africa]; if one has enough capital, one can run a shop or starts other types of business easily. Consequently, in Fujian province especially in Fuqing city, more and more people made the choice to immigrate to South Africa instead of other countries. [...] The vast majority of new Chinese migrants to South Africa have made personal (and family) decisions to leave their homes in search of greener pastures and opportunities to improve their lives and the lives of their children. Newer migrants tend to follow paths cut by those who came earlier. [...]"

*Source: Chen Fenglan (2011): "Chinatown in Johannesburg - A Social Survey", in: China Monitor 61: "New Silk Roads: African and Chinese traders in Southern China and South Africa", Stellenbosch, April 2011, pp. 8-11.*

More often than not, the presence of Chinese engineers or small traders is taken as evidence for an official Chinese policy to engage with Africa. While there is, indeed, active encouragement of the government in Beijing to "go out" and invest abroad, motivations for migration will be individual, and are directed by a combination of factors, comprising easiness of access, prospects for wealth creation, living conditions, presence of a diaspora in place, etc. In this regard, migration of Chinese to South Africa has similarities to other migration patterns.

While these interpersonal relations are not directly governed by central state actors, they cannot always be dissociated from the broader picture of economic or political relations. At the individual level, African and Chinese citizens are exposed to different societies and more global interconnectedness. This direct engagement of individuals, too, has broader repercussions; it creates personal opportunities as well as challenges. Competition is becoming more direct between various groups in small-trader communities or on the labour market. This does not least so concern working conditions and standards/legislation in place. The stiffer competition by Chinese enterprises and individuals might result in pressure on social or environmental standards. In this competition, individuals might overstep legal lines or – in larger numbers – put pressure on legal frameworks, as the media often covers.<sup>7</sup> This dimension offers various aspects for research (for an overview on Chinese migration

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<sup>7</sup> As an example, see reporting on Chinese in Namibia in *The Sunday Times*, South Africa, of 27 March 2011.

to Africa, see for instance Park/Hyunh 2010) and requires more attention and research on the respective diaspora.<sup>8</sup>

Perceptions matter and prejudices, stereotypes and xenophobia (both in China and in African countries) are deplorable phenomena inherent in human relations. If negative perceptions become too dominant, they can – indirectly – backfire on political and economic relations between countries. Reactions to stiff local competition can create social tensions, not least so outbreaks of xenophobic reactions, as could be witnessed in a number of countries in Africa. Zambia, in this regard, is a case, and possibly an early case (cf. Kopinski/Polus 2011) – but most likely far from being the only case.

The responsibility for managing these relations is both on the Chinese side and with African societies. African governments will have to address issues in law enforcement on immigration laws as well as labour or environmental standards. China's increasing investment in 'soft power' – e.g. with Confucius Institutes mushrooming throughout Africa – gives an indication of Chinese official concern about the image of China in Africa and elsewhere. Some, rather indirect, effects of China's global rise, however, are even more difficult to manage.

#### INDIRECT EFFECTS OF CHINESE GROWTH

China's global economic competitiveness can mean stiffer competition when African produce is sold to third markets (the EU or the US or elsewhere). Chinese produce could thus be regarded as having a negative impact on domestic infant industries in African countries. In most cases, the competition in third markets might *de facto* be rather a story about potential or about (reduced) prospects for future African trade. It might, however, also hit a nascent industry. The story about effects of Chinese mass production on the then nascent African textile industry in the early 2000s has been explored by a number of researcher institutions (see e.g. Asche/Schueller 2008, Kaplinsky et al. 2006).

#### *The economic effects – Stimulating structural change or not?*

The assessment of the effects will differ between researchers, based on the respective school of thought that is followed. Market liberals could regard Chinese engagement with negative effects on local industries as some sort of Schumpeterian 'creative

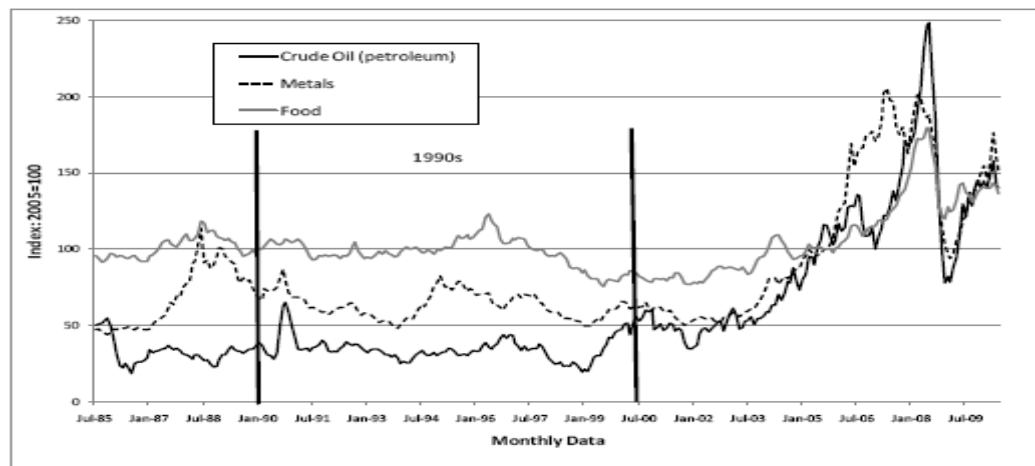
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<sup>8</sup> There are two dimensions to the issue of Sino-African diaspora: Africans in China, Chinese in Africa. For overview assessments of the situation in Guangzhou/China and Johannesburg/South Africa, see China Monitor 61 of April 2011.

destruction’, and thus a way to modernize African economies.<sup>9</sup> Others, with a different sense of the state’s role in industrialisation, would take a different angle, and rather describe Chinese competition as unfair, with a subsequent call to re-balance it in order to avoid the creation of new dependencies. In any case, however, China’s rise is of different quality than the ascent of, say Japan in the 1970s or South Korea in the 1980s. China’s rise has broader, global repercussions with intermediate effects on Africa that need to be considered. China’s rise comes with broader challenges in the political realm.

Figure 1: Price indices for selected energy and commodity products

**Figure 1: Price indices for selected energy and commodity products**



Source: <http://indexmundi.com/commodities>

Reproduced from Humphrey 2010: 20

China has a ‘big size effect’ that other emerging economies do not have and that those in the past did not have (cf. Kaplinsky/Messner 2007). This ‘big size effect’ leads to intermediate effects on African states, economies, and societies. Even if there were not a single Chinese person in Africa, China would feature in African economic policy. Admittedly, the absence of Chinese from Africa is highly unlikely. The point of this argument, though, is that Chinese growth requires energy and raw

<sup>9</sup> One example of the first vision could be found in the presentation of a Chinese scholar when he presented on Chinese development experiences in a meeting of the China DAC Study Group in Addis Ababa in March 2011: he highlighted competition as a means to have more competitive enterprises for the international market, without duly acknowledging that the non-competitive Chinese enterprises do not survive competition within China.



materials – and more so than China disposes of domestically. Chinese demand for coal, metal ore or timber has led to a steep increase in world market prices for these products, with high price peaks in 2008. If the prices of 2005 are taken as the baseline, commodity prices<sup>10</sup> in early 2008 were two and a half times higher than in 2005. And they were still 50% higher after the economic crisis than before it (see Figure 1 above).

This is overall good news for African *producer countries* like Angola, Nigeria, or Equatorial-Guinea. It is less good news for *non-producer countries* like Senegal, Kenya, and others. The answers on what the Chinese impact is on Africa will thus have to be differentiated and needs to be discussed by country or by economic sector. For producer countries of raw materials, the demand of emerging economies and not least so from China will create windfall gains. This statement about the existence of windfall gains does, however, not make a statement about how these gains are used. An intermediate effect of China's rise and the subsequent *hausse* in raw material prices could lead to complacency among African elites – or squandering of resources – and result in African states missing the boat on reform requirements, as illustrated at the historical example of Liberia above (for an argument following this line across the African continent, see Mills 2010). It also bears the risk of 'Dutch disease' effects on various African economies that will need to be counteracted (Ajakaiye 2006: 7).

Not incentivising structural change in some countries might not to be blamed on Chinese investors in the first place, but it will most likely – over time – influence the overall assessment in retrospect of whether Chinese engagement has been a blessing to Africa or not. Does China facilitate economic change – not least the change towards green growth – or does it (even if involuntarily) create disincentives for moving away from an economy that is predominantly raw material and fossil fuel based and that is thus not resilient to external shocks and not sustainable? Asking this question already illustrates that China's big size effects are both a blessing and a headache also for China's decision-makers. Speaking of a 'harmonious world', the Chinese government will need adequate action to make it happen – and some action might actually be harmful to Chinese producers or consumers. Balancing this is a challenge to Chinese policy makers (Blanchard 2008) – and it is, first and foremost, a task for African policy-makers who have to engage with a more complex and globalised world and, at the same time, have to manage social change in Africa.

### *Environmental impact – indirect effects of Chinese legislation*

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<sup>10</sup> Combined commodity prices for metals, crude oil and food, see Humphrey (2010).

Similar to other great powers, domestic policy changes within China and based on a predominantly domestic agenda arguably have repercussions for distant foreign destinations. Timber might be used as a case in point here. Due to stricter forest protection legislation in China itself as well as technological limitation in the ability to process cultivated wood, the supply of timber had to come in the form of large logs from abroad (cf. Kaplinsky et al. 2010: 319). The establishment of a furniture industry in China has led to a shift in the global value chain, leading to increasing needs for timber for manufacturing in China, as documented by Kaplinsky et al (2010). China's ascent to the role of 'the world's manufacture' also in the furniture industry has led to drastically increasing trade in timber e.g. between Gabon and China. Timber and wood imports to China are coming inter alia from Gabon, Congo Brazzaville, Cameroon, and Equatorial Guinea, the overwhelming majority of which not logged in line with local laws, as NGO estimated (cf. Bosshard 2008: 8). At the same time, the Chinese government does improve the regulatory framework ('Guidelines on Sustainable Management of Overseas Forests for Chinese Enterprises'), even if these guidelines might not be legally binding and implementation might be slower than desired (cf. Bosshard 2008); the Chinese government, in any case, is reacting to challenges and criticism in some instances, as can be illustrated with this example.

Domestic legal frameworks and their respective enforcement as well as (still limited) levels of technology in Chinese industry thus have an intermediate effect on economic and environmental prospects in Central Africa. Another, and possibly the biggest, problem of global scale is China's CO<sub>2</sub> emission that goes with its domestic growth. China's size results in a global responsibility for indirect effects that are difficult to control or manage, just like is the case for the US or the EU. Negative intermediate effects on other developing countries, arguably, are conflicting with the official presentation of China as just another developing country, aspiring to create a harmonious world. The internal tension does not go unnoticed in Beijing and is presumably one reason why FOCAC IV, the summit of Sharm-el-Sheikh in 2009, included the acknowledgement of a Chinese responsibility for climate change, even if "common but differentiated" (FOCAC IV 2009). It should also not be forgotten that since 2006, legal frameworks in China on renewable energy have improved substantially, encouraging a 'greening' (and upgrading) of its economy. "China could be generating more electricity from renewables in 2020 than any other nation on earth" (Eisen 2011). This makes provisions in FOCAC and in bilateral cooperation particularly relevant; there is know-how to transfer.

## CHINA'S IMPACT ON THE DEVELOPMENT DISCOURSE

Beyond these immediate and intermediate effects with economic, social and environmental consequences, China's presence also has political effects on the discourse around development. Parallel to a debate in Western development cooperation on how to improve aid effectiveness, enter the dragon with its gifts - to use the words of Brautigam (2010). It is somewhat ironic that the debate on aid effectiveness started at the same time that China's rise gave increasing breadth and depth to China's engagement in Africa. Mutual reinforcements of both trends are likely.

Western development debates have gone through thematic cycles before having addressed reform needs in *how* policy is made. In a crude overview, topics debated and reflected in policies of donors ranged from state building in the 1960s, emphasis on social and rural development in the 1970s, notorious policies on structural adjustment in the 1980s, governance debates in the 1990s to the new paradigm for Western Aid: the Paris Declaration. The new post-Washington consensus of Western aid, if it may be called so, is rather procedural, with emphasis on 'ownership', 'partnership' and 'alignment to African policies'. This, of course, does not necessarily mean that Western practice is fully in line with its discourse – much like Chinese activities.

Chinese engagement, for its part, deliberately mixes trade, aid, and investment, and often deliberately blurs the line between the three (cf. Grimm et al. 2011; Davies 2008). Not least because of this mix, the assessment of Chinese engagement does not always correctly classify aid or foreign direct investment as such. With regard to FDI debates, Chinese companies often are neither acquiring shares in African companies nor do they establish joint ventures. Thus, in numerous instances China's engagement would be better described as trade (or a modern version of barter trade): infrastructure gets funded by China and constructed by Chinese companies in exchange for delivery of raw material (cf. Corkin/Burke 2006; on FDI: van der Lugt et al. 2011). The possibility to get infrastructure and repay with supplies in raw materials provides infrastructure at a time when other finance is not available. Banks might express doubts around financial sustainability, and Western donor agencies might raise political conditions, or overly lengthy procedures on the donor's side might make their support a distant prospect. Offers of Chinese engagement create new policy options in these circumstances.

The activities by Chinese institutions, companies and individuals arguably also have some indirect effects on traditional partners' policies towards Africa. Some more

recent reoccurrences of issues on the Western aid agenda might have to do with practice (or perceptions) of Chinese policies. On their agendas for development cooperation, Western donors have rediscovered infrastructure, for instance. Likewise, agriculture is back on the agenda, after years of neglect, as can, not least, be seen with discussions on a new World Bank strategy since late 2010. The direct line to Chinese engagement, however, is not easy to establish. The (re)emergence of these topics can also be delayed effects of the New Partnership for Africa's Development (NEPAD). At the formulation of this framework, defined in 2001, there was little focus on China's Africa policy. Given the usual administrative time-lag when it comes to translating new agendas into actions, the current shift of foci is most likely a combination of the two drivers. Traditional development partners can thus be expected to be reacting to both, the African agenda and increased Chinese engagement, with some delay. And in some instances, engaging with China might be instrumental rather than genuine, i.e. highlighting the possible alternative China can be used as a tool to reengage with Europe or other partners on more beneficial terms (cf. Grimm/Hackenesch, forthcoming).

One issue often evoked in discussion by Western observers on the Chinese impact on Africa is the assumed negative Chinese effect on governance standards (cf. Hackenesch 2011). China does not actively promote 'good governance' as a goal in its Africa policy. Yet, if looking into lessons to learn from China, there are actually good arguments to consider 'good governance' a key element for the Chinese policy success. Good governance does not equal democracy, and the term was deliberately established by the World Bank in 1989 to operate within the (rather technical) mandate of the bank (World Bank 1989; cf. also Santiso 2001). In the context of China, clear elements of good governance appear in assessment of its development successes (Ravaillon 2008): a development-oriented leadership with implementation capacity and a clear policy based on trial-and-error, in other words: evidenced based policy.

Beyond indirect effects on Western partners' policies, China is in the debate as a 'model' for development in Africa. The recommendation to follow the 'China model' is rarely (if ever) used by Chinese actors, even if the lines of argument of Chinese successes implicitly suggest learning from China's experiences. The reference to 'a model' would thus always have to evoke the question about intentions of the 'learner', i.e. about the elements of particular interest. Do African government that speak about learning from the 'China model', such as Zimbabwe's policy to 'look east', have the development of their countries in mind? The appeal for a number of African governments might be in the combination of an authoritarian (one-party) state in combination with developmental progress. China, indeed, has liberalised its economy and its society – without allowing direct challenges of the political

monopoly of the Communist Party. In this theoretical debate, China's size is rather a negligible quantity and it should not be forgotten that in other countries, democratic regimes have led to development successes. Examining lessons to learn from Chinese policy experiences can be an interesting point of departure for comparative policy research, when solutions to specific problems are sought. This macro-debate, however, is not new and not exclusively linked China's economic rise; China is rather the latest addition to a reoccurring debate about 'developmental states' (see, for instance, Fritz/Menocal 2007; Mkandawire 2001; Johnson 1999; Evans 1995).

## Conclusions

With increasing clout at the global stage, China is also increasing its political stance in Africa. Even if one might have doubts about China's growth, it has to be admitted that the country, overall, has thus far managed its global rise well.

However, the current narratives – both the Western and the Chinese – around Chinese responsibility in Africa do not fully capture current realities, a decade after the relations have started to grow substantially and when China is fast in catching up with Africa's traditional partners. Given the inequality of partners, China as the politically stronger partner, has additional responsibilities in the management of its Africa policy – and more so than the current self-presentation as 'another developing country' suggests. Putting all the blame for Africa's trouble with Chinese investment at the doorsteps of the Chinese government, however, is even more offensive. It suggests that African governments are objects in the engagement, rather than subjects. And it assumes an all-powerful government in Beijing, which is equally misleading.

The research on the 'global power China' is – and should – arguably become more comparable to other global powers. Looking at China specifically merits attention. Yet, more comparison would often benefit the quality of research, not least so precisely because the discussion around China's African engagement more often than not emphasises the distinctness or even uniqueness of Chinese cooperation with Africa, and this can only be checked against in comparison to other actors. Some Chinese debates will ring a bell to policy-makers elsewhere, as Lancaster (2007) nicely illustrates in her essay on the Chinese aid system with hints to discussions in the US administration in her assessment.

Three fundamentals should be kept in mind when examining the increasing Chinese engagement in Africa in the 21<sup>st</sup> century:

First, China is gaining economic strength and political power – yet it still is a developing country with many internal challenges. Given these internal social tensions, environmental degradations or technological shortcomings in China, the Asian country will find it difficult to balance its direct engagement with the indirect (and possibly involuntary) effects on African states – even with the best of intentions.

Secondly, the central government in Beijing does not control all external interactions of Chinese actors in Africa. China is not as easy a partner as it might seem, despite the initially appealing combination of aid, trade and investment, which seems to provide a ‘one-stop-partner’ to African governments. Knowledge on Africa is not abundant in China and policies are arguably following the pragmatic motto of “feeling for the stones when crossing the river”, as Deng Xiaoping expressed it. Contrary to often read media coverage, it is unlikely that there is one master plan in Beijing that systematically includes the full spectrum of Chinese actors. Often discussed as ‘China’ as if it were a monolithic block, the setting of actors from China varies across African countries. Some have more private company engagement or more state-to-state cooperation or have diaspora groups that are beyond state control. The sets of actors in countries will have to be analysed accordingly.

And thirdly, but not least: with increasing investments and more Chinese actors on the ground, the stakes rise and consequently, China’s interests in Africa grow and diversify. From a Chinese perspective the engagement is not meant to exclusively ‘help Africa’, but it is part of the picture of China’s global engagement. China’s engagement is about its own positions, the Chinese economy, China’s diplomatic clout, or simply individual pursuit of opportunities as in the case of migration. Win-win-situations are the key phrase used, but it remains unclear how the shares of gains are distributed – and it is unclear how long-term costs are included in the calculation of gains. Often – not necessarily always – Chinese actors are explicit about an own agenda in their engagement with Africa. African states and interest groups will have to define and advocate for their own interests, not unlike the situation with ‘traditional partners’. Unfortunately, these are elements in the relationship in which power inequalities arguably play out most. Arguments might have to be conducted with Beijing against domestic Chinese concerns (or, in ‘Western’ terms, against a domestic lobby). Pushing this type of agenda has in the past been difficult for African states, for instance questions around how to overcome protectionism in agriculture when discussion with Europe. China is unlikely to be an exception in this regard. Reminding the Chinese authorities of their responsibilities will thus not be an easy task – even if a necessary one. New points of engagement will have to be sought with an external partner who rejects Western standards (and Western rhetoric) in its engagement with other developing countries.

China's direct engagement does provide an opportunity for African states to overcome a focus on their traditional partners and diversify their external relations (diplomatically, economically, and culturally). China's engagement in Africa is much less of a part of a 'scramble for Africa' as was the case in the aspirations for territorial control in the late 19<sup>th</sup> century. It is rather to be regarded as the attempt of an emerging economy to grasp the opportunities of globalization. In this context, China's global role has various indirect effects in trade, in export possibilities, or with regard to reforms of global institutions, that its impact on Africa merits a broad and diversified research agenda, as has been argued in this paper. The negative – and involuntary – effects of China's growth on African development will need to be managed by African states and regional organisations and by China itself.

The Chinese government is not ignorant of its image in Africa or elsewhere; yet, it might be slow or inadequate in its responsiveness at times. Chinese rhetoric around its relationship with Africa can be understood as a diplomatic attempt to 'soothing' over some 'teething problems' in the relations and, in some instances, a glossing over of substantial differences in interests. African actors are thus well advised to invest in their understanding of Chinese engagement in Africa by also looking at domestic drivers for China's agenda to better understand its possible future evolution and adjust African policies accordingly. China clearly has a political responsibility for the behaviour of Chinese actors abroad. Yet, African policy makers have undoubtedly the prime responsibility to make use of opportunities and to pre-empt challenges.

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