

## **China's African Policy – Increasing Importance and Active Adjustments<sup>+</sup>**

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### **Abstract**

As China's economy continues to grow, it wants to expand its markets and secure reliable supplies of resources in support of its economic development. Resource diplomacy therefore becomes a prominent feature of its modernization diplomacy. In turn, many African countries perceive political and economic ties with China an important asset which strengthens their international bargaining power, especially vis-à-vis the Western countries. African countries are also depicted as China's reliable political and economic partners. Chinese leaders have no intention of engaging in diplomatic and strategic competition with the United States and the European Union in Africa, but they certainly will not cooperate with Western governments in helping Africa because they want to push for multipolarity. China's approach to Africa has come under criticisms of neo-colonialism; and in recent years serious adjustments have been implemented. It is expected that Africa's significance within the Chinese foreign policy framework will continue to grow.

**Keywords:** *foreign aid, Taiwan issue, human rights, oil/resource diplomacy, Forum on China-Africa Cooperation, foreign policy adjustments*

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## 1. Introduction

Africa has been seen as probably the most important part of the Third World in the Chinese leadership's world view. Despite occasional major encounters such as the Tanzania-Zambia railway project in the late 1960s, China's contacts with and influence on Africa remained limited until the twenty-first century in view of its constraints in resources and power projection capability (Larkin, 1971: 1-14).

Chinese leaders pursue a "major power diplomacy" today based on the assumption that China is a major power and should be accorded the status and influence of one. China's impressive economic growth also involves an expansion of trade and investment activities, as well as efforts to ensure a reliable supply of resources in support of its development. Africa therefore is no longer an element of the abstract "Third World" concept in China's diplomacy; it has become a significant political ally in international organizations, as well as an increasingly important trade partner and supplier of energy and other resources. In this context, China and Egypt established a strategic cooperation relationship facing the twenty-first century in 1999; and China established a strategic partnership with South Africa in 2004 and Nigeria in 2005 (Policy Research Department, Ministry of Foreign Affairs, PRC, 2005: 107 and 222).

Traditionally, the Ministry of Foreign Affairs (MFA) of the People's Republic of China (PRC) covers Africa by the West Asia and North

Africa Department and the African Department. The former mainly deals with the Arab world, while the latter, sub-Saharan Africa. This article examines China's African policy in the post-Cold War era from a continental perspective. It reviews briefly China's African policy in the past decades, analyses China's political and economic interests in Africa, and considers the opportunities and challenges in Sino-African relations at this stage.

## **2. China's African Policy in Retrospect**

The Bandung Conference in 1955 placed Africa firmly in the "intermediate zone" between the socialist camp and the imperialist camp in Mao Zedong's world view and strategic considerations, with internationalism and world revolution being the main themes. This initial contact was followed by a period of ideological radicalism in the context of the Sino-Soviet split, the Vietnamese War and China's isolation in international affairs as well as the Cultural Revolution in the domestic scene. The commitment to build the Tanzania-Zambia railway costing more than US\$450 million was made at the height of the Cultural Revolution (Yu, 1980: 170-72). Pragmatic considerations gradually entered into the picture in the 1970s, and became predominant in the 1980s (Lin, 1989).

A major issue of contention between the Communist Party of China (CPC) and other communist parties in the period of China's ideological radicalism was whether or not any Third World country, irrespective of its politico-social system, should be accepted as part of the main force against imperialism and hegemonism. The Chinese leaders' position was that the nature of the Third World countries' politico-social systems could not alter the fundamental contradiction between the Third World on one hand and imperialism and hegemonism on the other. They also

presented a three-stage revolutionary process in the Third World as summarized by the following slogan: countries want independence, nations want liberation and people want revolution. All Third World countries should, therefore, be included in the anti-imperialist united front; and, in the struggle against imperialism and hegemonism, people's political consciousness would be raised and revolutionary forces would grow. Since revolution could not be exported, the success of revolution would be determined by the accumulation and expansion of revolutionary forces and the domestic conditions within each individual country.

In many ways, China in the Maoist era was probably the major power that was most forthcoming in supporting the Third World's demands. China was the only aid donor in the world whose foreign aid often went to countries with a higher per capita gross national product (GNP) than its own (Lin, 1996). Strengthening its distinction from the two superpowers while fully realizing its limited military and economic capabilities, China's support for non-alignment and neutrality served its purpose well. In the field of arms control and disarmament, China's declaration neither to be the first to use nuclear weapons, nor to use them against non-nuclear countries certainly won support in the Third World (Cheng, 1989: 190-94).

In the late 1960s and 1970s, a serious controversy in China's African policy was which national liberation movements to support. In those years, Chairman Mao Zedong certainly considered that Soviet social-imperialism was more dangerous than United States imperialism; and this consideration guided the Chinese leadership's choices of national liberation movements for support. In South Africa, for example, Beijing supported the Pan Africanist Congress (of Azania) against the African National Congress during the political struggles of Nelson Mandela. In Mozambique, it backed the Mozambique Revolutionary

Committee against the Liberation Front of Mozambique. In Angola, China supported the National Front for the Liberation of Angola (which was also supported by the United States Central Intelligence Agency and the South African apartheid regime) against the Popular Movement for the Liberation of Angola – Party of Labour. Unfortunately, the Chinese leadership backed the wrong horses in all three cases; and the Chinese position generated considerable resentment in many independent African countries as well.

Regarding foreign aid, China in 1977 offered US\$1,500 million to 49 countries. After the termination of aid to Vietnam and Albania in 1978, China's foreign aid had probably been reduced by more than one third. The post-Mao leadership would not like to see foreign aid drain too much resources away from China's Four Modernizations programme. Though China's foreign aid was maintained at a much lower level, its terms were generally much more favourable than those of other aid donors; in this way, it was still welcomed by the Third World because of its demonstration effect. After all, China was not able to compete with the major aid donors in terms of the amount of aid provided.

In the 1980s, China devoted considerable attention to South-South cooperation, and this emphasis on cooperation helped to cover the Chinese reduction in foreign aid. In his tour of Africa at the end of 1982 and the beginning of 1983, the then Premier Zhao Ziyang put forward four principles on strengthening South-South cooperation, namely, equality and mutual benefit, stress on practical results, diversity in form and attainment of common progress (*Beijing Review*, 24 January 1983: 19). This was in sharp contrast to Zhou Enlai's eight principles on Chinese foreign aid enunciated nineteen years ago during his African tour; Zhou's principles practically guaranteed that Chinese aid would be the most generous in the world. China had been firmly supporting the

establishment of a New International Economic Order since the 1970s; in the 1980s, however, it became more specific in its proposals. Moreover, it became quite active in supporting the United Nations (UN) and its specialized agencies in organizing projects, seminars, and so on, for the benefit of the developing countries. Premier Zhao's African tour and his later trip to South America in October and November 1985 obviously demonstrated the Chinese leaders' efforts to cultivate important areas of the Third World which hitherto had been much neglected (Mu, 1985: 4).

China's foreign aid to Africa in the 1980-1992 period largely stayed at the same level. Meanwhile, China's gross domestic product more than doubled, and its annual trade grew from US\$4.4 billion in 1981 to US\$10.3 billion in 1988 (Taylor, 1998). Philip Snow observed that China's retreat from aid commitments to Africa was camouflaged by the rhetoric of South-South cooperation, while the African countries concerned were expected to contribute to the maintenance of many of the aid projects (Snow, 1994: 306). While China itself began to receive foreign aid from Japan and some Western European countries from 1979 onwards, Africa's strategic value in the 1980s was more and more rhetorical in nature as the Chinese leadership could not see much economic significance in a remote and impoverished continent (Harding, 1984: 184).

The post-Mao leaders in theory affirmed the Third World's important role, but in the actual implementation of their foreign policy, their focus had been on the handling of China's relations with the two superpowers and the developed countries. This, in fact, was the case throughout the 1970s, though such trends became more conspicuous in the pursuit of their modernization diplomacy. Taking a long-term view, the progress of a global socialist revolution could not rely too much on the exploitation of the contradictions among the imperialist powers and

the expansion of the anti-imperialist united front; these were but tactical measures in the short run. The long-term progress of a global socialist revolution ultimately had to rely on the accumulation and strengthening of revolutionary forces, and priorities among the components of the anti-imperialist united front had to be clearly defined. This was why the post-Mao leaders still emphasized the important role of the Third World from a theoretical, long-term point of view: the ultimate judgement as to whether or not their foreign policy line had violated the obligations of a socialist country had to depend on whether or not it had contributed to the accumulation and strengthening of revolutionary forces in the long run. This was the implicit ideological defence of Deng Xiaoping's foreign policy line, though it did not appear to be convincing in the eyes of the African countries.

The Tiananmen Incident in June 1989 altered the balance. The Political Bureau of the Communist Party of China (CPC) made the following observation after the Tiananmen Incident: China in the past had been too close to the West and the rich countries, and had neglected the Third World and the old friends in Africa. In the crucial moments, as had been demonstrated in the recent disturbance, it was the old friends and the Third World that had shown China sympathy and support. China therefore should strive to resume and develop relations with these old friends (Lo, 1989: 8).

Soon after the Tiananmen Incident, the then Chinese foreign minister, Qian Qichen, visited Africa in August and the Middle East in September (*South China Morning Post*, 9 September 1989). These visits were designed to raise China's international profile among Third World countries and reassure them of its renewed commitment. No dramatic results were achieved, but they symbolized a significant shift in Beijing's pro-Western tilt since 1978, which had been resented by many of China's Third World friends.

During Qian's visit of Africa, he noted at a press conference in Harare, capital of Zimbabwe, that of the 137 countries that had established diplomatic relations with China, only some 20 had reacted adversely to what had happened in China; the majority, including African countries, neighbouring Asian countries, Latin American countries, and socialist countries, considered it China's internal affairs and that other countries should not poke their noses into it (Chang, 1989: 10).

As China's comprehensive national power improved in the 1990s, the Chinese leadership expected China to be taken seriously as a "major power" and accorded its "rightful place" in the international community (Cheng and Zhang, 2002). Michael D. Swaine argued that China's foreign policy in the 1980s exploited "the development of common interests with most Third World (and especially Asian) states, to raise China's global stature and increase Beijing's bargaining leverage with the United States ..." (Swaine, 1995: 87) In the post-Cold War era, the world was perceived as a unipolar one; and Chinese leaders wanted to contain United States hegemonism, as reflected by the then Premier Li Peng's comment in 1990: the Western countries should not be allowed "to interfere in the internal affairs of the developing countries, or pursue power politics in the name of 'human rights, freedom and democracy'" (Xinhua Domestic Service, 12 March 1990)

China's relations with the Third World were not without difficulties. Despite its claim of being a developing country belonging to the Third World, it was not even a member of the Group of 77 and the non-aligned movement. Partly because of its pledge not to become a superpower and probably because of its shortage of seasoned diplomats, China adopted a low profile regarding the leadership of the Third World and had, until the turn of the century, few initiatives and concrete proposals to offer.

In diplomatic competition with Taiwan, China sometimes encountered difficulties too. In the aftermath of the Tiananmen Incident, Taiwan hoped that the offer of generous economic aid and the international opposition to the bloody suppression of the Chinese students' pro-democracy movement would encourage some Third World countries to re-establish diplomatic relations with Taipei. The first breakthrough came in July 1989 when Grenada announced the establishment of diplomatic relations with Taipei while trying to maintain formal ties with Beijing. China responded by breaking off diplomatic relations with Grenada (*South China Morning Post*, 8 August 1989). Grenada was followed by Liberia and Belize (*South China Morning Post*, 11 and 14 October 1989), and Nigeria and Senegal were then considered to be the next targets potentially.

In the first decade or so after the Chinese leadership had adopted a development strategy of economic reforms and opening to the external world, with the open admittance of the failure of the Maoist development strategy, China could no longer claim to be an attractive model of socioeconomic progress offering a successful alternative to the Third World. China's economic development strategy became not unlike that of other developing countries in East and Southeast Asia; it was also competing with other Third World countries for aid and loans from international organizations such as the World Bank, and from the Western and Japanese governments. As China joined the Multi-Fibre Arrangement and began to negotiate to participate in the General Agreement on Tariffs and Trade (and later the World Trade Organization), it also entered into hard bargaining for export quotas from the developed countries and into competition with the developing countries.

In this period, the impact of China's development on the African economy remained very limited. However, as the Chinese economy has

been achieving respectable growth, China's economic ties with Africa have also been strengthening. Africa has been an important target in China's "resources diplomacy" in the two decades. When China, as a major power, assumes an increasing role in providing aid to the developing world, Africa naturally becomes a significant recipient, especially with regard to aid going to the least developed countries. In 2005, China began to offer tariff-free treatment to part of the imports from 25 least developed African countries. Altogether 16 African countries qualified as Chinese tourists' destinations then. China now engages in cooperation with Africa in environmental protection and population development; it has initiated a Young Volunteers Programme similar to the Peace Corps of the United States, and the first batch of volunteers had arrived at Ethiopia. Human resource development programmes have been one of Beijing's priority areas, and it claimed that more than 4,000 African participants received training in China in 2005. The Forum on China-Africa Cooperation (FOCAC) just held a summit meeting and its third ministerial meeting in Beijing in the same year.

The first ministerial meeting of FOCAC was held in Beijing in 2000 at the initiative of the then Chinese President Jiang Zemin. In contrast with the previous Third World meetings which were heavily political in orientation, this forum was business in nature with the Chinese Minister of Foreign Trade and Economic Cooperation (now Minister of Commerce) Shi Guangsheng as the honorary president. The forum focussed on the following two topics: how to push ahead with the establishment of a new international political and economic order that is fair and just in the new century; and how to promote Sino-African economic and trade cooperation (Anon., 2002). The second ministerial meeting of FOCAC took place in Addis Ababa, Ethiopia, in 2003. It had mainly concentrated on the implementation of the Beijing Declaration

and the programme for China-Africa cooperation in economic and social development. It was noteworthy that a China-Africa business conference was held during this forum to facilitate exchanges among entrepreneurs, and between entrepreneurs and officials (Anon., 2003). The third ministerial meeting of FOCAC was held in Beijing in November 2006 followed by a summit meeting; and the fourth ministerial meeting moved to Sharm el-sheikh in Egypt in November 2009. The fifth ministerial meeting took place in Beijing in July 2012, while the following meeting is scheduled to be held in South Africa in 2015.

At the international organization level, China is grateful for support from African countries on the issues of Taiwan's representation and China's human rights situation. On issues such as reform of the UN and negotiations at the World Trade Organization (WTO), China and Africa have a lot in common. China has become involved in a number of peacekeeping operations in Africa under the UN auspices including those in Congo (Kinshasa), Liberia, and Darfur in Sudan. At the end of 2005, Chinese personnel involved in peacekeeping operations in Africa numbered 843. Beijing offers the African Union grants for material and for specific peacekeeping operations, and China's ambassador to Ethiopia also serves as ambassador to the African Union. After the tsunami attack in the Indian Ocean in December 2004, China was involved in the disaster-relief operations in the affected African countries (Policy Research Department, Ministry of Foreign Affairs, PRC, 2006: 32-33). In March 2014, in response to the Ebola outbreak in West Africa, China claimed to be the first major country outside Africa to provide emergency aid, and its nine chartered flights were the first to arrive with aid materials. It also declined to withdraw its medical teams from Sierra Leone, Liberia and Guinea. Altogether China provided aid amounting to 750 million yuan<sup>1</sup>, the largest aid project in its history in response to foreign public health crisis.

In September 2005, Chinese President Hu Jintao announced a package of aid measures in support of developing countries in a fund-raising conference of the UN: a) China would offer 39 least developed countries with diplomatic relations with China tariff-free treatment for most of their exports to China; b) China would expand its assistance for poor countries in heavy debts and the least developed countries; in the coming two years, it would, through bilateral channels, waive the remaining repayment of all their low-interest and interest-free governmental loans from China scheduled till the end of 2004; c) in the next three years, China would offer developing countries US\$10 billion of preferential loans and preferential export buyer credits to support their infrastructural development and to promote bilateral joint ventures among enterprises; d) in the next three years, China would increase its medical assistance to developing countries, especially those in Africa, including pharmaceutical supplies in particular those against malaria, the establishment and improvement of medical facilities, and the training of medical personnel; these medical assistance programmes would rely on mechanisms such as FOCAC and bilateral channels; and e) in the next three years, China would provide various types of training to 30,000 people from developing countries, in support of their human resource development (Zhang *et al.*, 2006: 283). Apparently, Africa is the main beneficiary of these aid programmes, reflecting China's enhanced inputs to Sino-African ties.

As a symbolic gesture, since 1989, China's foreign minister visits African countries in his first foreign visit every year. In 2005, the Chinese Ministry of Foreign Affairs organized its first open day for the public on the theme of Africa to promote understanding of Africa and Sino-African relations. The year 2006 happened to be the fiftieth anniversary of the beginning of China's diplomatic relations with Africa; and on 12 January 2006, the Chinese government formally released a

document on “China’s African Policy”. (Ministry of Foreign Affairs, 2006) This was the first document of its kind; and the Chinese assistant foreign minister, Liu Guozeng, then indicated that: “Our objective is to show the international community the importance China accords to Africa, and to demonstrate China’s strong will to develop friendly relations with African countries.”<sup>2</sup> (Zhang *et al.*, 2006: 284) The document is divided into six sections: Africa’s position and role, China’s relations with Africa, China’s African policy, the enhancement of all-round cooperation between China and Africa, FOCAC and its follow-up actions, and China’s relations with African regional organizations.

The document states that China will establish and develop a new type of strategic partnership with Africa, featuring political equality and mutual trust, economic win-win cooperation and cultural exchange. Several concrete measures were proposed to strengthen Sino-African economic cooperation, including a) the setting up of a China-Africa Joint Chamber of Commerce and Industry; b) the initiating of negotiations for free trade agreements with African countries and African regional organizations when conditions are ripe; c) the provision of preferential loans and buyer credits to encourage Chinese enterprises’ investment and business in Africa; d) the conclusion of agreements on bilateral facilitation and protection of investment and agreements on avoidance of double taxation with African countries; e) agricultural cooperation in agricultural technology, training courses on practical agricultural technologies, experimental and demonstrative agricultural technology projects, and the formulation of a China-Africa Agricultural Cooperation Programme; f) cooperation in transportation, communications, water conservancy, electricity and other infrastructural projects; g) resource cooperation; h) human resource development through Beijing’s African Human Resources Development Foundation in training African personnel, and its increase in the number of government

scholarships to promote the exchange of students; i) science and technology cooperation; and j) medical and health cooperation.

Sino-African trade grew from less than US\$10 million per annum in the 1950s to almost US\$40 billion in 2005. In 2014, it exceeded US\$200 billion and a target has been set at US\$400 billion for 2020. In the past half a century, China offered about 800 aid projects to Africa, and Chinese enterprises contracted construction and labour service projects amounting to US\$38.9 billion by October 2005. Mutual investment flows remained limited until recent years: China's investment in Africa was about US\$1.075 billion by October 2005, and only a few African countries like South Africa had investment in China. But in 2014, China's investment in Africa almost reached US\$30 billion, rising at an average annual rate of over 20 per cent in recent years. China has basically fulfilled its pledge made at the second ministerial meeting of FOCAC in December 2003 to offer training for 10,000 African personnel in 2004-2006, i.e., about 3,000 to 4,000 people per annum. Since China first dispatched its medical team to Algeria in 1963, Beijing claimed to have sent 14,000 medical personnel in various missions to 37 African countries up to the end of 2005. In 2013, China had sent altogether 18,000 medical personnel/times to Africa, providing treatment to 250 million patient/times<sup>3</sup>. (Zhang *et al.*, 2006: 284-85)

In the Beijing summit under the auspices of the third ministerial meeting of FOCAC in November 2006, the Chinese leadership made further offers of aid which amounted to US\$10 billion. Such aid commitments have considerably enhanced China's influence in Africa in support of its strategic partnership with the continent; and as an aid donor, China can gradually compete with the United States and France. The pledges made by the Chinese government during the summit include: a) to double the amount of aid to Africa in 2006 by 2009; b) to offer US\$3 billion of preferential loans and US\$2 billion preferential

export credits for purchasers to African countries in the following three years; c) to set up a China-Africa Development Fund expected to reach US\$5 billion eventually to promote investment in Africa by Chinese enterprises; d) to build the African Union Convention Centre; e) to waive the repayment of interest-free government loans scheduled till the end of 2005 for all poor African countries in heavy debts and the least developed countries in Africa with formal diplomatic relations with China; f) to offer tariff-free treatment to more than 440 import items (formerly 190 items) to the least developed African countries with formal diplomatic relations with China as a gesture to open the China market to Africa; g) to establish three to five offshore economic and trade cooperation zones in African countries within three years; and h) to provide training for 15,000 Africans in three years, and to offer 300 million yuan for the prevention of malaria as well as the construction of medical, agricultural and educational facilities in Africa (*Ming Pao*, 5 November 2006). Obviously these pledges are further expansions of existing commitments. The summit also facilitated the conclusion of US\$1.9 billion of contracts between African countries and Chinese enterprises (*Ming Pao*, 6 November 2006).

The fourth ministerial meeting of FOCAC in November 2009 maintained the momentum of strengthening Sino-African relations. Africa's significance in China's economic development increased considerably as China's development moved to the stage of emphasis on heavy industries and infrastructural projects. The global financial crisis in 2008-2009 slowed down the immediate expansion of Sino-African trade; but in view of the economic difficulties in the Western world, the relative importance of the bilateral economic ties probably further improved. In 2008, Sino-African trade grew from US\$76.1 billion in the previous year to US\$112.6 billion, then fell to US\$97 billion in 2009 and rose back to US\$128.5 billion in 2010; the share of this bilateral trade in

Africa's total trade, however, steadily increased from 9.22 per cent in 2007 to 10.67 per cent in 2008, 12.43 per cent in 2009 and 13.31 per cent in 2010. (Shinn and Eisenman, 2012: 381) When the then Vice-President Xi Jinping visited Pretoria, South Africa, in November 2010 on the tenth anniversary of the establishment of FOCAC, he indicated that China had become the leading trade partner of Africa the year before, and the latter had emerged as the fourth destination of China's overseas investment. It was also said that in recent years, China's contribution to Africa's economic growth exceeded 20 per cent.<sup>4</sup>

At the fifth ministerial meeting of FOCAC held in Beijing in July 2012, then President Hu Jintao pledged China's contribution to Africa's peaceful development in the five areas of investment and fund-provision, assistance, African integration, people-to-people exchanges and peace and security in Africa. In the following three years, China promised to offer African countries credit amounting to US\$20 billion, with an emphasis on infrastructural facilities, agriculture, manufacturing industries and small and medium-sized enterprises, which would continue to be expanded; support for the establishment of agricultural technological demonstration centres would be improved; in terms of human resource development, China would provide training of various kinds for 30,000 people and 18,000 government scholarships, as well as assistance in the building of cultural, vocational and technical training facilities; China would also send 1,500 medical personnel to Africa. Further, China and Africa would establish a cooperative partnership for building transnational and trans-regional infrastructural facilities and encourage China's enterprises and financial institutions to participate in the related projects. The Chinese authorities planned to initiate the "China-Africa People-to-People Friendly Action" programme; establish the "China-Africa News Exchange Centre" in China, and continue to implement the "China-Africa Joint Research Exchange Programme",

offering funding for one hundred joint academic research projects between academic institutions and scholars from both sides. Finally, Beijing proposed the “China-Africa Peace and security Cooperative Partnership Initiative”, including support for the Africa Union’s peacekeeping efforts on the continent.<sup>5</sup>

When Premier Li Keqiang visited Africa in May 2014, he proposed six major cooperation projects and three major networks. The former included industries, finance, poverty alleviation, environmental protection, humanities exchange, and peace and security. The latter three networks covered roads and highways, railways and regional civil aviation.<sup>6</sup>

Chinese Foreign Minister Wang Yi visited Africa in January 2015. During his visit, he participated in the specific consultation on the peace progress in South Sudan which was proposed by Beijing, reflecting China’s more active approach to Africa’s peace and security. While in Nairobi, Kenya, he indicated China’s commitment to the Mombasa-Nairobi railway as an early harvest of China’s participation in the construction of a high-speed railway network linking African counties’ capital cities. Partly in preparation for the sixth ministerial meeting of FOCAC later in the year, Wang discussed further China-Africa cooperation in an interview by China Central Television under three themes: convergence, transfer and upgrading. Convergence refers to that between the medium-and long-term development strategies of China and Africa. Transfer refers to the external transfer of China’s surplus production capacity as well as equipment and technology in its stage of deepening economic transformation and upgrading; Chinese leaders believe that this transfer meets Africa’s needs. Finally, Wang expects that Sino-African cooperation will move from trade to industrial cooperation and technology transfer, and from traditional project contracts to investment and financial cooperation.<sup>7</sup>

### 3. China's Political Interests in Africa

Chinese leaders understand that it will take a long time for China to catch up with the most advanced developed countries in the world. Hence they will continue to strive to maintain a peaceful international environment to concentrate on economic development. In the first decade of this century, China's heavy industries enjoyed a higher growth rate than its light industries, and China had actually become a net exporter of steel, aluminium, auto parts and other machinery categories (Anderson, 2007: 18). However, as China's economy grows and as it moves to a higher concentration of heavy industries, it demands more raw materials and energy resources from abroad. China's expanding exports also call for new markets. From the first half of 2004 to the first half of 2007, China's monthly trade surplus jumped by nearly US\$20 billion, of which only US\$6 billion came from the United States (Anderson, 2007: 16). China's approach to Africa therefore has a strong "resource diplomacy" element. In some ways, China's position was similar to that of Japan in the 1973-74 oil crisis. In contrast to Japan, China certainly has much less trust in the United States and in the international market place dominated by multinational corporations based in Western countries.

China's impressive economic development enhances its "comprehensive national strength". Chinese foreign policy today adopts a considerably higher profile and the Chinese leadership engages in a "major power diplomacy" to strengthen China's influence in international affairs. Such efforts are part of its grand design to promote multipolarity. In the early summer of 2007, Beijing appointed a special envoy and began to exert some pressure on the government of Sudan to respond to the Western countries' demands (Holbrooke, 2007: A25). These two trends imply that China will be more involved in African affairs; it will seek recognition of its interests in the continent as a world

power and will attempt to resist United States “unilateralism” in Africa. But China has no intention to confront the United States, including in its approach to Africa. In line with its support for European integration, it will promote African solidarity and the strengthening of the Africa Union (China Institutes of Contemporary International Relations, 2006: 193-214).

Chinese leaders realize China’s limited power projection capabilities. They therefore attempt to establish and develop a loosely-organized multilateral forum at this stage to gradually enhance China’s influence in the continent, as they believe that time is on China’s side. It is expected that economic ties will strengthen, accompanied by increase in foreign aid from China, which will be designed to achieve maximum publicity and soft power impact in the long term with limited resources. Beijing is obviously interested in establishing a good image, and it will continue to articulate a pro-developing world position on African affairs. The Darfur crisis in Sudan is a typical example. The Chinese government insisted on reaching a solution through political and diplomatic means, discouraging major power intervention and respecting local/regional interests as far as possible. It is now more inclined to take part in UN peacekeeping operations and offer financial and other types of assistance for them. As China becomes more active in international organizations, it will see African countries as natural allies. Upon re-establishment of diplomatic relations with Chad in early August 2006, the establishment of diplomatic relations with Malawi in December 2007, and that with South Sudan in July 2011, China has been enjoying formal ties with 50 of the 54 African countries.

Many African governments respond positively to Beijing’s appeal to unite together to withstand the pressures from imperialism and neo-colonialism. They resent Western countries’ criticisms of their lack of democracy and human rights violations. They perceive such criticisms as

the latter's attempt to interfere in their domestic affairs; and would support Beijing's position that "the right of survival" and "the right of development" should take precedence over human rights on an individual basis. The Chinese leadership probably considers that African support for China against the Western world's condemnation of China's human rights record and for its position to deny Taiwan representation in international organizations are important diplomatic achievements in its African policy.

The issue of human rights has been an area of contention in Sino-American relations, especially after the Tiananmen Incident. American presidents have been under substantial domestic pressure to condemn China's human rights violations in multilateral forums. On the part of the Chinese leadership, it perceives this as a matter of "face" or prestige, and treats the voting processes as competitions for support in the international community. The UN Commission on Human Rights (UNCHR) was a major battlefield, as reflected by the following comment of the former United States Assistant Secretary of State for Democracy, Human Rights and Labour, John Shattuck: "the UNCHR is probably the most important tool to condemn China's human rights violations."<sup>8</sup>

From 1990 to 2006, the United States and its allies initiated motions to condemn China's human rights violations relating to the Tiananmen Incident, the Tibet issue, the suppression of Falun Gong, etc. eleven times at the UNCHR annual conferences, and China typically countered with "no action" motions. China was able to avoid condemnation by the UNCHR every time through securing a majority support for its "no action" motions (the 1995 vote was a tie); and China owed its success much to the support of the African countries. The African Group delivered 120 supporting votes throughout these years, compared with 135 votes from the rest of the world. The annual ratio of African

supporting votes to total supporting votes averaged 46.6 per cent, ranging from a low of 35.3 per cent to a high of 51.9 per cent. There were only 8 votes opposing the eleven “no action” motions from African countries, compared with 180 from the rest of the world. There were no opposing votes from Africa in the respective votes in 1992, 1993 and 2004.

Africa also figures prominently in the competition between Beijing and Taipei for diplomatic recognition. Since the PRC’s entry into the UN in 1971, the number of countries recognizing the Republic of China (ROC) dropped from approximately 70 to about 22 in the early 1980s. Under such circumstances, Taiwan pursues its “pragmatic diplomacy” consisting of *de jure* recognition by a small number of countries and *de facto* economic and informal linkages with most countries of the world. Taiwan values its “international space” and its “pragmatic diplomacy” was said to be “like the sun, the air and the water for a person.”<sup>9</sup> Taiwan was therefore ready to engage in “dollar diplomacy” to raise its international profile before the Ma Ying-jeou administration which began in 2008; and given its substantial foreign exchange reserves, it was able to induce a few small and poor African, Central American and South Pacific countries to establish formal diplomatic relations with it (Taylor, 1998; Anon., 1997).

The Chinese leadership treats the prevention of Taiwan’s independence as a national goal of top priority, partly because it has been exploiting nationalism domestically to fill the ideological vacuum (Christensen, 1996). Isolating Taiwan internationally and defeating it in the diplomatic competition before the Ma Ying-jeou administration were therefore strongly linked to the Chinese leadership’s exploitation of nationalism and its attempt to preserve/strengthen its legitimacy, hence the considerable resources spent in winning the diplomatic recognition of one or two small states in Africa, Central America and the South

Pacific. This competition has often been criticized by the overseas Chinese communities as meaningless and wasteful. When the Democratic Progressive Party was in opposition in Taiwan, it also criticized the Kuomintang regime for its “dollar diplomacy”. But when it was in power from 2000 to 2008, it had not deviated from its predecessor’s diplomatic practice (Payne and Veney, 2001).

The re-establishment of diplomatic relations between Chad and the PRC is a typical example. In 1972, Chad abandoned Taiwan to establish diplomatic relations with the PRC, following the wave of recognizing Beijing after the PRC’s securing the UN membership in 1971. In August 1997, Taiwan was able to persuade the Chad government to change its mind and switch recognition back to the ROC. At that time, Chad needed investment to develop its oil resources and foreign aid to relieve it of its economic difficulties, and the government badly needed money to fight the rebel forces. Since 1997, the Chad government, which had seized power in an earlier military coup, had been squeezing money from Taipei which obviously felt the financial burden. Finally, the prospects of improving trade with and attracting investment from the PRC induced the Chad government to change its mind again in August 2006. Economic assistance from Beijing apparently was an important consideration too.<sup>10</sup>

Beijing’s diplomatic victory was interpreted as a deliberate attempt to add insult to the Taiwanese government as the news was released on the eve of Premier Su Tseng-chang’s formal visit to Chad. The head of Taipei’s Mainland Affairs Council, Joseph Wu Jau-shieh, indicated that the plan for Chen Yunlin, director of the Taiwan Affairs Office of Beijing’s State Council, to visit Taiwan would almost certainly be denied (*South China Morning Post*, 7 August 2006). This insult was also perceived to be not an isolated incident. Earlier in May 2006, Premier Su had to abandon a scheduled visit to Haiti as the president’s special envoy

to take part in the inauguration ceremony of the Haitian president because of pressure from Beijing. Observers noted that Su was considered a moderate within the Democratic Progressive Party, and his position on relations across the Taiwan Straits was said to be pragmatic. In 2002, when President Chen Shui-bian took up the position as chairman of the Democratic Progressive Party, the occasion was compromised by the news of Nauru establishing diplomatic relations with the PRC on the same day (*Ming Pao*, 7 August 2006).

Reflecting Beijing's increasing diplomatic clout based on China's impressive economic performance and the Chinese leadership's stepped-up efforts to further isolate Taiwan diplomatically, it was alarming to Taipei that Chad was the seventh country to switch diplomatic recognition to Beijing since Chen Shui-bian had become president in 2000, following Senegal, Liberia, Macedonia, Dominica, Vanuatu and Grenada. Earlier in the 1990s, Lesotho in 1994, Niger in 1996, Central African Republic and Guinea-Bissau in 1998 had switched their diplomatic recognition from Taipei to Beijing. There are now only four African countries maintaining formal diplomatic ties with the ROC, namely, Burkina Faso, Gambia, São Tomé and Príncipe, and Swaziland.

This diplomatic competition between Beijing and Taipei has been stopped in view of the considerable improvement in relations across the Taiwan Straits during the Ma Ying-jeou administration. Before this compromise, since 1993, Taipei had been actively promoting its re-entry into the UN; and beginning from 1997, it had been working hard to secure at least observer status at the World Health Organization (WHO). The African states maintaining diplomatic relations with Taiwan were key supporters in such diplomatic offensives; and Gambia often served as the lead sponsor of Taipei's application to re-join the UN under its official title ROC or its variants such as ROC on Taiwan and ROC (Taiwan).

After fourteen years of consecutive failures, the Chen Shui-bian administration announced in September 2006 that it would consider applying again the following year under the name of Taiwan. President Chen also revealed that, according to a recent public opinion survey, 79 per cent of the respondents supported the idea (*BBC Monitoring Asia Pacific – Political*, 13 September 2006). In view of the desperate situation of the Chen Shui-bian administration in its final years, it was considered possible that he might resort to radical acts such as a referendum on re-joining the UN in the name of Taiwan to divert attention. This provocative act, as seen by Beijing, would certainly have attracted retaliatory measures.<sup>11</sup>

Again, using the example of Chad, it might not be too difficult for Taiwan’s “dollar diplomacy” to score. In 1995, total foreign aid commitments to Chad amounted to US\$238.3 million, and Taipei won its diplomatic recognition by an offer of US\$125 million in August 1997, over half of the total foreign aid commitments pledged to the country. In the same year, Taipei offered an aid package of US\$30 million to win over São Tomé and Príncipe, exceeding 50 per cent of its total annual foreign aid commitments of US\$57.3 million. Earlier in 1992, Taipei also succeeded in winning over Niger with a loan package of US\$50 million. Since 1988, when Taipei much stepped up its “dollar diplomacy” and quietly accepted dual recognition of Beijing and Taipei, it managed to win diplomatic recognition from three states in the Caribbean, one in Central America, and eight in Africa before the end of 1996. But between 1994 and the end of 1998, four of these African states re-established diplomatic relations with Beijing, reflecting the severity of the diplomatic competition in Africa (Liu, 2001; Cheng, 1992; Taylor, 2002).<sup>12</sup>

When the provisional government of Liberia resumed diplomatic relations with the PRC in 1993, the Taiwan authorities refused to retreat.

Both Beijing and Taipei maintained embassies in Monrovia, capital of Liberia, from 1993 to 1997, creating the first “two Chinas” precedent. The dual recognition principle could not work because Beijing refused to accept it. Although Chinese leaders routinely denounced Taipei’s “dollar diplomacy” as “bribery”, they also offered financial rewards to consolidate Beijing’s diplomatic ties with the African countries. For example, when Li Peng, the then chairman of the Standing Committee of the National People’s Congress (NPC), visited Africa in 2001, the Chinese government offered US\$24 million worth of grants and interest-free loans to Tanzania and a US\$3.6 million grant to Zambia (Taylor, 2002). Beijing, according to Philip Snow, “routinely use[s] aid as an inducement to African governments which have established ties with Taiwan to switch their diplomatic allegiance, undertaking for good measure to finish off any project which Taiwanese technicians might have begun in the countries involved.” (Snow, 1994: 297)

As mentioned above, when Chinese President Hu Jintao announced a package of aid measures in support of developing countries in a fund-raising conference of the UN in September 2005, he specifically excluded countries without formal diplomatic ties with the PRC. Hu was in fact following the precedent set by Jiang Zemin. In the first ministerial meeting of FOCAC hosted by Jiang in Beijing in 2000, he offered debt-waivers to the poor indebted African countries in the following two years amounting to US\$1.2 billion. At that time, the then Chinese foreign minister Tang Jiaxuan made it clear that those countries maintaining official ties with Taiwan would be excluded. Nonetheless, Taipei’s African friends were strongly encouraged by Beijing to join the forum. Two of them, Liberia and Malawi, did; and Liberia subsequently resumed diplomatic relations with the PRC in October 2003 (Liu, 2001).

The following event probably highlights a new aspect of Africa’s significance in China’s efforts to enhance its international status. The

election of Margaret Chan Fung Fu-chun, a former Hong Kong health official, as the new director-general of WHO in November 2006 demonstrated the critical weight of the votes from African countries.<sup>13</sup> China in the recent decade is similar to Japan in the 1980s, and it would like to secure a fair share of the important positions of international organizations, partly as compensation for its contributions to the specific organizations and to the international community, and partly as a symbol of its rising international status and influence. African countries' support will be keenly sought in subsequent competitions for leading positions in the international civil service.

In the eyes of China's experts on Africa, the latter's strategic significance has been on the rise because of the issues of oil supply, anti-terrorism, poverty alleviation, United Nations reform, etc. Hence Western countries have demonstrated an increasing interest in the continent and a willingness to expand their inputs, at least when their resources allow. The British initiative of the "African Marshall Plan" launched during its hosting of the G-8 summit in July 2005 was a good example. The plan asked developed countries to double their aid to Africa, to set a timetable to realize their pledge of delivering 0.7 per cent of their respective gross domestic product for official development assistance, and to waive all debts of African countries heavily in debt (Anon., 2005). The United States, Japan, and many European countries all presented their respective new programmes of aid for Africa before the global financial crisis in 2008-2009. China's generous aid packages for the continent imply that it is ready to take part in the competition as a major power.

China's approach to Africa has been followed by some Asian countries, as Africa has been encouraged to "look East" to learn from the impressive East Asian economic development experiences. Since 2005, some African sub-regional organizations have established multilateral

cooperation mechanisms with Malaysia, Japan, India, Vietnam, etc. In April 2005, South Africa and Indonesia co-hosted the Second Asian-African Summit in Jakarta, participated by over one hundred government leaders. The summit meeting also released a Declaration on the New Asian-African Strategic Partnership (China Institutes of Contemporary International Relations, 2006: 204). The initiatives of Japan and India have been reinforcing the Chinese efforts to cultivate Africa.

#### **4. China's Economic Interests in Africa**

As China embraces economic globalization and expands the reach of its trade and investment activities, Africa has emerged as its increasingly important economic partner. As indicated above, Sino-African trade exceeded US\$200 billion in 2014; and China's accumulated investment in the continent amounted to close to US\$30 billion in the same year. Since 1995, China has been establishing Investment, Development and Trade Promotion Centres in Africa.

China's economic interests in Africa have been based on these assumptions of the Chinese authorities. In the first place, Beijing believed that the macroeconomic situation in Africa began to turn around in the beginning of this century. The PRC embassy in Zimbabwe, for example, made the following observation in 2000: African countries had "adopted a set of active measures to push forward the pace of privatization, open up international trade and reform based on bilateral and multilateral trade agreements"; as a result, many African countries had improved their macroeconomic situation (Embassy of the People's Republic of China in Zimbabwe, 2000). Today, Africa has a gross GDP exceeding US\$2 trillion and a population of 1 billion, with average annual economic growth rates of over 5 per cent in recent years.<sup>14</sup>

In contrast to the Maoist era's emphasis on Third World solidarity, China's economic ties with most African countries are based on objective evaluation of the perceived economic benefits. Li Peng's statement in Ghana in September 1997 that Africa was a "continent with great development potential and hope" genuinely reflected the Chinese authorities' confidence in its future economic progress (Agence France-Presse, 14 September 1997). A *China Daily* (9 January 1998) commentary asserted that "as more African countries improve political stability and make headway in economic growth, the continent will have more say in international affairs". China supports this development as it believes that it shares with Africa "identical and similar options on many major international affairs as well as common interests".<sup>15</sup> According to the International Monetary Fund, Africa achieved an economic turnaround in the middle of the last decade with an economic growth rate of 5.3 per cent in 2004 and 4.5 per cent in 2005. Its fiscal deficit of 0.2 per cent of GDP in 2004 transformed into a surplus of 0.6 per cent in the following year; and its current account surplus improved from 0.1 per cent of its GDP to 1.6 per cent in the same period. In 2005, Africa's exports rose 26.5 per cent, and imports, 19.5 per cent; while its total foreign debt declined from US\$293.2 billion in 2004 to US\$285.8 billion in 2005 (International Monetary Fund, 2005: 193-281).

Further, Chinese enterprises believe that China's export structure, with its strength in household electrical appliances, garments, and other household goods, meets Africans' demand as they are more concerned with prices and less with quality. Chinese enterprises have had much success in the Commonwealth of Independent States, Latin America and the Middle East already. Zhongxing Telecom Company (a leading Chinese telecom service provider), for example, has been spreading its outlets in Africa including being responsible for renovating the telephone network in Djibouti (Larfague, 2005). There is a view that the

cheap Chinese mobile telephones may corner a substantial segment of the one billion-people African market. As in Europe and North America, enterprises from China make good use of the local Chinese communities in the French-speaking West African countries and in East Africa. Chinese populations are extremely small in the Maghreb countries,<sup>16</sup> but they are of a respectable size in Senegal, Kenya, Tanzania and later in Nigeria.

Finally, Africa is perceived by China as rich in natural resources, especially in oil, non-ferrous metals and fisheries. China's increasing demand for oil and raw materials has been the most important factor supporting the impressive expansion of Sino-African trade and the flow of investment funds from China to Africa since the beginning of this century. The oil trade especially has attracted much attention. In 1993, China became a net oil importer; and today it has to depend on imports to meet more than half of its oil consumption by 2010 (Troush, 1999: 2-4). According to the Energy Information Administration of the U.S. Department of Energy, China accounted for 40 per cent of the growth in global demand for oil from 2002 to 2004. In 2003, China surpassed Japan as the second largest oil importer, after the United States.

This demand explains the close ties between China and the oil-rich African countries such as Angola, Nigeria and Sudan in recent years. China's "resource diplomacy" means that it "has been able to adapt its foreign policy to its domestic development strategy" to an unprecedented level by encouraging state-controlled companies to conclude exploration and supply contracts with countries that produce oil, gas and other resources (Zweig and Bi, 2005).

In its initial years as an oil importer, China mainly depended on Asia and the Middle East. Since 1995, the Chinese authorities have been trying to reduce its dependence on the latter because of its potential political instability and China has limited influence in the region. This

trend has been accelerating after the September 11 Incident (Pan, 2006); but the basic strategy has been diversification to reduce risks. Crude oil from the Middle East accounted for 53 per cent of China's imports in 1996; it dropped to 46.2 per cent in 1999 (Anon., 2000: 17). The high sulphur content of some Middle Eastern oil was a consideration too. At the end of the last century, China's short-term maximum daily refining capacity was estimated to be 4.35 million barrels of low-sulphur crude, 0.16 million barrels of medium-sulphur crude and 0.24 million barrels of high-sulphur crude (Anon., 1999: 25).

Russia, Central Asia and Africa are natural sources in China's diversification attempts. Africa's oil reserves represent 8.9 per cent of the world total, and it accounts for 11 per cent of the world production.<sup>17</sup> Algeria, Libya and Nigeria are among the eleven members of the Organization of Petroleum Exporting Countries (OPEC). In the eyes of the Chinese leadership, the six major oil companies in the Western countries<sup>18</sup> already control over 80 per cent of the world's quality oil and gas reserves. Africa remains an important source where China, as a latecomer, still has a chance to make some breakthroughs (Zhang *et al.*, 2006: 169). Moreover, the average production cost of African oil was about US\$3.73 per barrel, roughly equivalent to that in the Middle East, in comparison with US\$4.6 in Latin America, US\$7.17 in Canada, US\$8.29 in Europe, US\$9 in China, and US\$13.3 in the United States (Taylor, 2004: 93; Shu and Chen, 2004).

In 2004, Africa supplied 28.7 per cent of China's crude oil imports. This share was a result of many years of Beijing's diplomatic efforts. In his visit to Nigeria in 1997, then Chinese Premier Li Peng signed two oil exploration agreements for plots at the Chad River Basin and the delta of the Niger River. Then Chinese Foreign Minister Tang Jiaxuan went to Abuja in January 2000 to negotiate the purchase of Nigerian oil. China became involved in many projects in the country, including the

restoration of the Nigerian railway network. In January 2004, then President Hu Jintao toured Egypt, Gabon and Algeria to increase China's oil suppliers. In Libreville, capital of Gabon, Hu concluded an agreement with then President Omar Bongo on the exploration and production of oil. The Total-Gabon Co. and the China Petroleum and Chemical Corporation (Sinopec) also signed a contract to export to China one million tons of crude oil in 2004 (Larfague, 2005).

The state-owned enterprises (SOEs) from China have been firmly supported by the Chinese authorities' offer of aid and various forms of development assistance in their search for resources. In the first ten months of 2005, these SOEs invested US\$175 million in African countries, mainly in oil exploration and infrastructural projects. In January 2006, China National Offshore Oil Corporation (CNOOC) announced that it would acquire a 45 per cent stake in an offshore oilfield in Nigeria for US\$2.27 billion. By then, China already had a significant economic presence in many African countries, especially Sudan. In 2005, 50 per cent of Sudan's oil exports went to China, which satisfied 5 per cent of China's oil needs (Pan, 2006).

Before 1992, Angola was the only energy supplier to China in Africa, and the volume of exports was not significant. From 1993 onwards, China increased its oil imports from Angola substantially; and it became the fourth oil supplier for China in that year.<sup>19</sup> In 1997, China National Petroleum Corporation (CNPC) entered into partnership with the Malaysian company Petronas and the Canadian firm Talisman to conclude an agreement with Sudapet, the state oil company of Sudan, to engage in oil exploration and production as well as the construction of pipelines from the Muglad basin in southern Sudan. This project, amounting to US\$1 billion, was the first major investment of this type by a Chinese SOE in Africa (*Renmin Ribao*, 4 March 1997; Jiang, 2004).<sup>20</sup> In 2000, the Muglad field produced 2.4 million tons of crude

oil, or 144,000 barrels a day. China received its share of 60,000 barrels a day, which amounted to 5 per cent of its oil imports and 50 per cent of its foreign production in that year (Downs, 2000: 53; Ruan, 2000; *Renmin Ribao*, 21 December 2000).

China's economic interests in Africa are not only limited to oil. Since the 1990s, there have been an increasing number of joint ventures and investment projects, as well as rapid trade expansion. From 1990 to 2005, Sino-African trade increased from US\$665 million to US\$39,740 million. Traditionally, China enjoyed a substantial surplus in the bilateral trade. However, because of Africa's rising oil exports, China experienced its first trade deficit in 2000; and in 2004 and 2005 as well. In 2006-2010, China enjoyed annual trade surpluses which amounted to US\$1.55 billion in 2010, 8.3 per cent of the annual total trade. (Shinn and Eisenmen, 2012: 381)

China's increasing trade surpluses and foreign exchange reserves support China's investment overseas, which has been encouraged by the Chinese authorities' "going out" strategy. Such investment aims to ensure China's supply of energy and raw materials, and to expand China's market shares for its products and services. China's investment in Africa rose sharply from 2000 onwards which amounted to only US\$ 500 million on a cumulative basis. At the end of 2005, there were 750 enterprises from China operating in 49 African countries. They were concentrated in the mining, telecom, fishing and timber sectors, but they had also been moving into sectors perceived to be less profitable and abandoned by the Western companies such as retail trade.

In July 2004, Jinchuan Group, China's largest nickel producer, indicated that it had established an office in Johannesburg in South Africa to acquire cobalt, copper, nickel and platinum from countries in southern Africa (Reuters, 14 December 2005). China National Machinery and Equipment Import and Export Corporation soon

afterwards concluded an agreement with Gabon to exploit untapped iron ore at Belinga. According to the Gabon Minister of Mines, Energy, Oil and Hydraulic Resources, Richard Onouivet, the reserves in Belinga were at least one billion tons, 60 per cent of which was rich iron ore. Chinese companies had investment in Zambia where they were involved in a copper project. In South Africa, the China Iron and Steel Industry and Trade Group Company invested US\$70 million in chromite mining and processing (*NewsAfrica*, n.d.). Other Chinese enterprises, like Shanghai Industrial, Hisense, Huawei and ZTE Corporation, have set up manufacturing facilities in Africa to produce electrical household appliances including refrigerators, washing machines and television sets.

Though China has been widely recognized as the second largest recipient of foreign direct investment (FDI) in the world, it has also been an increasingly important source of FDI too in view of its over US\$3 trillion of foreign exchange reserves. In 2003, China was the fifth country of origin of FDI worldwide, after the United States, Germany, the United Kingdom and France. In 2005, China's total overseas investment amounted to US\$12.26 billion, of which 52.6 per cent was in Latin America, 35.6 per cent in Asia, 4.2 per cent in Europe, 3.3 per cent in Africa, 2.6 per cent in North America and 1.7 per cent in Australia (Department of Foreign Economic Cooperation, Ministry of Commerce, PRC, 2006). The main recipients of Chinese investment in Africa at that time were Sudan, Algeria, Zambia, South Africa, Nigeria, Tanzania and Kenya.

To some extent, Africa has been investing in China too. SAB Miller, the world's second largest brewer, has acquired more than 30 breweries in China, and is competing vigorously with popular local brands like Tsingtao and Yanjing. South Africa invested US\$72 million in establishing the Hongye Aluminum Plant in Inner Mongolia. Moreover, South African technologies are used in the Chinese government

campaign to connect all villages to a radio and television transmission network.

Chinese investment in Africa, however, had generated resentment too. Chinese investors are often accused of discriminatory employment practices. Some of the more common complaints against Chinese firms in Africa include poor pay, lack of safety protection for workers in the textiles, copper and coal mining industries, and the use of short-term contracts. In 2004, the Zambian government asked the Chinese managers at Zambia-China Mulungushi Textiles in northern Kabwe to stop locking workers in the factories at night. In June 2006, the Zambian authorities shut down Collum Coal Mining Industries in southern Zambia, indicating that miners had been forced to work underground without safety clothing and boots. Union officials in Chambishi Mining, a copper producer in Zambia, complained that miners there were the lowest paid in the country's entire mining sector with the least paid earning US\$100 a month, compared with US\$424 in Konkola Copper Mines, the largest copper producer in Zambia. Chambishi Mining was sold to Chinese investors in 2003, and was the scene of violent workers' protests in July 2006.

Apart from mining joint ventures, Chinese enterprises have been active in infrastructural projects in Africa like the construction of roads and railways, and housing. The major difference in operating styles between the Chinese companies and their Western counterparts is that the former often bring their own labourers. The arrival of tens of thousands of Chinese workers naturally creates ill feelings in African countries with very high unemployment rates. There are complaints against the contracts concerned which normally require the successful bidders to contract only 30 per cent of their work to local companies. Typical examples are the road and railway rehabilitation projects in Angola funded by Chinese credit backed by oil exports to China.

There are many complaints regarding cheap Chinese products flooding the African continent, as they sometimes force local industries to close with severe job losses. In Lesotho, Chinese operators are licensed to operate only big retail shops or supermarkets, but locally owned grocery stores have largely disappeared. It was said that the local people had rented their shops to the Chinese because “they get a better profit from rent than from running the shops themselves”.<sup>21</sup> Another report in 2008 along the same line indicated that over 170 textile enterprises in Nigeria had disappeared, and the industry was operating at about one fifth of its capacity with ten remaining enterprises employing about 18,000 workers. Textile and apparel products from China secured 80 per cent of the Nigerian market in 2010. (Akinrinade and Ogen, 2008:164-168; Shinn and Eisenman, 2012:305)

## **5. Opportunities and Challenges in Sino-African Relations**

Africa’s strategic value in China’s national interests and global strategy has been re-assessed and fully appreciated by the Chinese leadership. The traditional solidarity as fellow Third World countries, China’s rising international status and influence, the attraction of China’s development experience, and the complementary economic and trade structures will likely contribute to closer Sino-African cooperation. But the Chinese leadership has to face serious challenges from changes within Africa and Western competition.

In the 1960s and 1970s, China’s first-generation revolutionary leaders established highly symbolic friendship with their counterparts in Africa. Their similar historical experiences of struggles against imperialism and colonialism, as well as the common challenges of upholding state sovereignty against foreign intervention and economic development have contributed to a sense of solidarity among the Chinese

and Africans. Some Chinese scholars observe that China and Africa have no historical disputes and only common interests (Kong, 2003). In the post-Cold war era, both China and Africa share the objective of establishing a more egalitarian and equitable international political and economic order. China is eager to enlist Africa's support for pushing for multipolarity in international relations; though there is not much enthusiasm among most African countries, they normally have no difficulty in sharing the Chinese position.

In more concrete terms, China's veto at the United Nations Security Council is a valuable asset often sought by African countries to counter sanctions from Western countries. China as a trade partner and source of investment have been enhancing African countries' bargaining power vis-à-vis the developed countries. China's demand for energy and raw materials has been a significant factor in driving up their prices in international markets which has been benefiting many African countries since the turn of the century. Some Chinese experts consider that China can be an important source of intermediate technology which is cost-effective and appropriate for the present stage of development of many African countries. China has yet to demonstrate that it can serve as a generous and effective source of technology transfer for Africa in household electrical appliance industries, textiles and apparel industries, infrastructure construction, and so on.

Official statements by Chinese leaders in recent years have demonstrated their awareness of the impact of Sino-African economic ties on employment in the continent. Chinese diplomats often emphasize that China's investment in Africa in the energy and raw materials sectors has been in decline in terms of relative importance; instead investment in the manufacturing sector has been on the increase. China's economic structure will eventually become more knowledge-intensive and less dependent on infrastructural development and heavy industries,

following Japan's development path. At the same time, China's labour supply will become more limited because of the aging population and falling birth rates. These trends will push China to move its labour-intensive industries abroad. Africa is a natural destination not only because of its abundant labour supply, moving China's labour-intensive industries there will also be politically correct and help to remove a serious source of friction in their bilateral economic relationship. Moreover, China may be able to exploit the preferential market access offered to Africa by the European Union and the United States. In recent years, China has been developing special trade and economic cooperation zones in several African countries, including Nigeria, Ethiopia, and Zambia; as observed by Deborah Bräutigam, they allow African countries to "improve poor infrastructure ... and weak institutions by focusing efforts on a limited geographical area". (Alessi and Xu, 2015:2)

In the 1970s when China established diplomatic relations with many African countries immediately after its entry into the United Nations, Beijing typically offered assistance in their agricultural sectors including the setting up of agricultural tool plants, sugar refineries, rice planting demonstration projects, and the sending of agricultural expert teams. Today establishing agricultural technological demonstration centres remains a common feature in China's aid programmes in African countries. The fist author of this article visited many fishing ports in Senegal in May 2015, and found that large portions of the fishes caught were wasted simply because of the inadequacy of refrigeration facilities. Hence financial resources and technological assistance from China can bring a win-win situation to many African countries in the agricultural and fishery sectors, provided respect is given to environmental protection to ensure sustainable development. Enterprises from China grow cassava, maize and sorghum in Zimbabwe, Madagascar and other

African countries as animal feed in China. Chinese technical assistance has facilitated the cultivation of cotton in Mozambique for exports to China. (Rotberg, 2014) Such investment and trade should contribute to sustainable economic development and raise incomes in the rural sector in Africa.

In a way, China has been learning from old colonial powers such as the United Kingdom and France in establishing networks through education, both by sending teachers to Africa and providing scholarships to African students to study in Chinese universities. From the mid-1950s to 2000, 5,582 African students had enrolled in tertiary institutions in China. These students typically spent two years learning the Chinese language, then pursued technical subjects, especially the engineering disciplines. At present, about half of the African students in China are studying for postgraduate degrees. It is hoped that these education exchanges will improve China's image in Africa, establish grassroots support in local communities, and cultivate networks and goodwill among the future elites. In the foreseeable future, these African talents are expected to contribute to the expansion of Sino-African economic ties in the high-tech fields. One example is China's space programme. As it develops, China needs to improve its space-tracking capability in the southern hemisphere. China now operates a space tracking station in Namibia, and South African ports of call provide support for China's space-tracking ships (Thompson, 2004).

To succeed in the cultivation of goodwill, the Chinese authorities have to work hard to ensure that African students in university campuses in China do not suffer from discrimination and racist attitudes from Chinese students and the local communities. Chinese university students often value the friendship of their counterparts from the developed countries more than that of classmates from Africa. Discipline of African students is occasionally a problem. In the past, there were protests

against discrimination among the African students in China which were an embarrassment to the Chinese authorities.

While China's venture into Africa has attracted considerable attention in the Western media, the Chinese authorities anticipate keen competition from the leading Western countries and Asian countries like Japan, South Korea and India. The oil situation is a good illustration. In the recent decade, there are many reports on China trying hard to acquire oil in Africa. The experts in China, however, estimated in the middle of the previous decade that the six leading oil companies in the world (British Petroleum, Exxon-Mobil, Royal Dutch Shell, Total, Chevron and ConocoPhillips) controlled more than 80 per cent of the world's high-quality oil reserves, over 30 per cent of the world's industrial output value of petroleum products, more than a 50 per cent share of the oil technical services market, over 65 per cent of the international oil trade and direct investment in oil projects, as well as more than 80 per cent of the advanced technology in the oil and petrochemical sectors. In comparison, China controlled less than 4 per cent of the world's oil resources, and had been attempting to achieve breakthroughs from the margin (Cui, 2005).

To put this into better perspective, according to the International Energy Agency's *World Energy Outlook 2014*, China would become the world's largest consumer of oil by the early 2030s. According to the U.S. Energy Information Administration, the country will import over 66 per cent of its total oil consumption by 2020 and 72 per cent by 2040. In 2013, China imported just over half of its crude oil from the Middle East, which holds almost 62 per cent of the world's reserves. China imported 2.9 million barrels per day, or 52 per cent of its total imports from the Middle East, compared with 1.3 million barrels per day, or 23 per cent of its imports from Africa, the second largest source of China's oil imports then. (Alessi and Xu, 2015: 1) A similar picture probably

also applies to China's imports of many kinds of raw materials.

In April 2006, the Bush administration initiated a plan to promote "African economic growth and opportunity partnership" to encourage United States companies to develop the African market. Many European countries like France have always regarded Africa as their traditional market. By the turn of the century, France remained the largest aid donor to Africa, as over half of its foreign aid went to the continent (Zhong, 2002). French investment also accounted for 20 per cent of total foreign investment in Africa (Marchal, 1998). At the end of 1995, the European Union enjoyed a 40 per cent share of the African market south of the Sahara, and its investment amounted to 32 per cent of the total foreign investment in the region. The United States' respective shares of the market and foreign investment were 7.7 per cent and 8 per cent. Given their traditional market ties, advanced technology and substantial aid programmes, the United States and the European Union still enjoy an edge over China in Africa. Africa experts in China estimated that 70 per cent of the African market was still in the hands of Western countries; and that China had to overcome its disadvantages in language and culture as well as those of a late-comer (Jiang, 1997).

Keen competition also comes from the emerging economies. African trade with India was projected to reach US\$200 billion in 2015; it has been growing at a faster rate than African trade with China, and may even exceed trade with the United States. Brazil and Turkey have become more important trade partners for Africa relative to many European countries too. (*The Economist*, 2015: 1)

Nonetheless, China's aggressive oil diplomacy has generated Sino-American competition in Africa.<sup>22</sup> Angola is perhaps a good example. American oil companies have been active in the country for more than two decades; and half of its oil goes to the United States, making it the United States' ninth oil supplier. China has emerged as a major player in

recent years, buying a third of the total production. In October 2004, probably in return for financial aid, China secured a 50 per cent share of the Block 18 oilfield, previously held by Royal Dutch/Shell. In the following February, Chinese Vice-Premier Zeng Peiyan visited Angola and finalized several contracts with Senegal.<sup>23</sup> Soon afterwards, Sinopec was given the extraction right of the Block 3/80 oilfield at Total's expense, which lost its operation licence.<sup>24</sup> The United States' responses included a recent report by the Council on Foreign Relations drawing attention to China's oil diplomacy in Africa and urging a robust response from the Bush administration (Pan, n.d.), Congressional hearings on China's influence in Africa, and strong criticisms from the Congress effectively blocking CNOOC's bid to acquire Unocal (Wilson, 2006).

After the terrorist attacks on 11 September 2001, the United States had also been making efforts to diversify its sources of oil imports, reducing its high dependence on the Middle East and turning its attention to Africa. In June 2002, President George W. Bush visited Africa, as the third United States President to have done so. During his visit, Bush attended the U.S.-African Energy Ministerial Conference in Morocco, and he met leaders of oil-exporting African countries including Angola, Cameroon, Equatorial Guinea and Chad. In the following United Nations General Assembly session, he had another round of meetings with such African leaders. One result was that daily oil imports from Nigeria would increase from 0.9 million barrels to 1.8 million barrels (*Africa Research Bulletin*, 2002).

The then World Bank president, Paul Wolfowitz, criticized China's investment and foreign aid as a threat to undermine the World Bank's efforts to use aid as a means to clean up corruption in Africa. Beijing typically refuses to impose conditions for financing infrastructural projects. This allows African governments to borrow overseas while avoiding restrictions imposed by the World Bank, such as accounting

safeguards and measures to protect workers and the environment (*South China Morning Post*, 4 November 2004). China has a more commercial agenda than the World Bank, and the terms of some of its loans are less favourable, a situation opposite to that in the 1960s and 1970s.

In his confirmation hearings in January 2013, U.S. Secretary of State John Kerry indicated that the United States was “not even in the game” regarding China’s impressive commercial presence in Africa. In May 2012, U.S. Senator Dick Durbin and Congressman Chris Smith introduced the “Increasing American Jobs through Greater Exports to Africa Act”; and in the legislation, it was stated: “When countries such as China assist with large-scale government projects, they also gain an upper hand in relations with African leaders and access to valuable commodities such as oil and copper, typically without regard to environmental, human rights, labour, or governance standards.” (Schneidman, 2013: 2) Despite competition, China’s approach to Africa has been seen to be most strategic, patient and long-term.

The United States’ trade with Africa has certainly been hit by the decline in U.S. oil consumption since 2008 (a drop of 9 per cent from 2008 to 2013) and the decline of oil prices up to 70 per cent in the same period. The increased production of shale oil and gas in recent years in the United States will probably much reduce the United States’ dependence on oil imports from Africa. The country’s spare export capacity of liquefied natural gas (LNG) is expected to increase, and there has been considerable speculation on the government using LNG exports as an instrument in its foreign policy. (The National Institute for Defense Studies, Japan, 2014: 317)

China’s economic activities in Africa today remind us of those of Japan in Southeast Asia in the 1960s and early 1970s. Premier Tanaka Kakuei’s visit to Southeast Asia in 1974 encountered massive protests; this taught the Japanese leadership a lesson and Premier Fukuda Takeo

returned in 1977 with the proposal of a “heart to heart diplomacy”. But China differs from Japan in two important aspects. The People’s Republic of China throughout its history strongly identifies itself with the Third World; and this remains an important theme of Chinese foreign policy at this stage. A bad image of Chinese economic activities abroad goes against the Chinese leadership’s efforts to enhance China’s soft power, especially that in the Third World. China differs from Japan too in that it does not trust the international market dominated by multinational corporations based in Western countries. The pursuit of economic security and the potential competition with the United States mean that Chinese leaders are willing to pay the price to secure autonomous supplies of energy and other natural resources.

Arguably this dilemma exists in the domestic scene too. In attracting foreign direct investment, in particular that from Hong Kong, Taiwan and South Korea, local governments in the coastal area often turn a blind eye to the exploitation of domestic workers and unsatisfactory working conditions. This tolerance goes against the objective of demonstrating the superiority of socialism with Chinese characteristics, and adversely affects the image of China enjoying impressive economic growth. The development policy and foreign policy dilemmas come down to the same fundamental question: what price economic growth?

In terms of domestic economic development, the leadership in the past decade or so has realized that economic growth and general improvement of people’s living standards are no longer adequate as bases of legitimacy for the Chinese Communist regime. It now works hard to help the under-privileged groups like peasants and to establish a social security net for all. It demonstrates that China’s development has entered a new stage. But in China’s recent approach to Africa, the “ugly Chinese” syndrome begins to emerge by the turn of the century while Beijing offers generous aid packages to the continent. Theoretically the

Chinese authorities, which have been directing the SOEs to expand the market and invest in Africa, can also instruct these SOEs to establish a “model business partner” image in the continent. Some of China’s aid money can go to the SOEs so that they will be able to behave as “model employers” and contribute to community projects. It requires effective coordination at the central government level and new mechanisms have to be built to achieve the desirable outcomes. The Chinese leadership is obviously aware of the adverse publicity, and is concerned enough to try to reverse the trend. This is one of the major challenges to the Chinese leadership’s attempt to enhance China’s soft power.

In the past two decades, Chinese communities have been expanding throughout Africa. In 2007, New China News Agency estimated that there were at least 750,000 Chinese working or living on the continent (French and Polgreen, 2007). The activities of diplomats, SOE executives, and aid programme personnel like members of medical teams and agricultural expert teams, etc. largely follow the Chinese foreign policy framework, and the infrastructural and mining projects. These Chinese have limited contacts with the local communities. The Chinese people who tend to have most contacts with local Africans are the small traders.

The first author of this article interviewed dozens of these small traders in his field work trip in Nigeria and Senegal in May 2015. They often make a living by importing directly from producers in China and have been able to keep prices low to attract customers. To some extent they are responsible for the complaints against the poor quality of Chinese consumer goods. In turn they suffer from the unsatisfactory law and order conditions and the rampant corruption, and often do not have a good impression of Africans as reflected by their comments on the Internet which provide interesting data on interactions at the grassroots level. At this level, Africans usually compare their experiences with

Chinese traders and employers with the Indians and the Lebanese operating in similar modes on the continent. This is an area where almost no research has yet been done.

## **6. Conclusion**

Pushing for multipolarity has become a significant goal of China's foreign policy in the post-Cold War era. Chinese leaders accept that this is a long-term objective; and given the predominant position of the United States, China will strive to maintain good relations with it and avoid any sharp deterioration in the bilateral relationship. It has established various strategic partnerships with other major powers emphasizing the promotion of common interests (Cheng and Zhang, 2002), while abandoning the Maoist united front strategy against the principal enemy. Meanwhile, China chooses to work to maintain a peaceful international environment and concentrate on its modernization programme in building its comprehensive national power. In many ways, China has been pursuing a modernization diplomacy in the era of economic reforms and opening to the outside world since the end of 1978 (Cheng, 1989); and developed countries play a more important role than developing countries in terms of markets as well as sources of investment, advanced management and technology, etc. Ideology and revolution have a limited role in this modernization diplomacy.

Sanctions from Western countries in the aftermath of the Tiananmen Incident reminded Chinese leaders of the significance of the Third World, especially the African countries. This was reinforced by the depreciation of China's strategic weight in the eyes of the Western world in view of the disappearance of the "strategic triangle" in the context of the breakup of the Soviet Union and the dramatic changes in Eastern Europe. Diplomatic support from African countries has become

indispensable when China comes under criticisms of its human rights record in international organizations, and when it chooses to exert pressure on Taiwan to deter its efforts to expand its “international space”. The cultivation of a network of friendly supporters in the African continent hence has been a significant task in China’s diplomacy, and this network has become increasingly important as China seeks to improve its status and influence in international organizations. The strategic partnerships with Egypt, South Africa and Nigeria, as well as the FOCAC are landmarks in the building of this network. The effectiveness of FOCAC has been reflected by the repetition of the model by China in Latin America in 2014.

As China’s economy continues to grow in an impressive way, it wants to expand its markets and secure reliable supplies of resources in support of its economic development. Resource diplomacy therefore becomes a prominent feature of its modernization diplomacy. China’s rising economic status also means that it has more financial resources at its disposal to ensure success in its African policy. In turn, many African countries perceive political and economic ties with China an important asset which strengthens their international bargaining power, especially vis-à-vis the Western countries. These new features of Sino-African ties attracted the attention of the Bush administration and the international media by the turn of the century. Their criticisms were against the Chinese authorities’ intention to present China as a responsible major power in the international community and to enhance its soft power in the Third World; hence important adjustments have been made in China’s approach to Africa in recent years, and some of these adjustments like the transfer of labour-intensive manufacturing industries to Africa are in line with China’s development strategy at this stage.

In view of the substantial resources spent in support of Beijing's African policy, the Chinese leadership, the foreign policy think-tanks and the official media tend to present Africa as a potentially lucrative market and an important source of China's badly needed raw materials. African countries are also depicted as China's reliable political and economic partners. But in fact a large part of the continent still suffers from domestic instability, poverty, AIDS, rampant corruption, etc. One cannot be overly optimistic regarding Africa's peace and development in the near future. Many African leaders have no hesitation in criticizing China's policies, and they are obviously not reliable political partners as they have to consider their national interests and personal political needs. Regime changes take place often in some African countries too. Hence, minor setbacks in China's African policy will not be surprising.

Chinese leaders have no intention of engaging in diplomatic and strategic competition with the United States and the European Union in Africa, but they certainly will not cooperate with Western governments in helping Africa because they want to push for multipolarity and ensure a reliable supply of resources from Africa in support of China's economic development. They intend to pursue an independent policy in the continent reflecting their definition of China's distinct strategic and economic interests. This is a fundamental dilemma of China's African policy which exacerbates its risks.

## Notes

- + This is a much revised and updated version of an earlier article by the same authors, "China's African policy in the post-Cold War era", *Journal of Contemporary Asia*, Vol. 39, No. 1, February, 2009, pp. 87-115.
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1. A “yuan” of China’s currency *reminbi* (“people’s currency”) is equivalent to about US\$0.157.

2. The authors' translation.
3. See "A record of an interview of Foreign Minister Wang Yi by the African branch of China Central Television" (in Chinese), 12 January 2015 <[http://www.focac.org/chn/zt/1\\_1\\_2\\_1/t1227277.htm](http://www.focac.org/chn/zt/1_1_2_1/t1227277.htm)>.
4. For the text of Vice-President Xi Jinping's speech at the opening ceremony of the seminar celebrating the tenth anniversary of the establishment of FOCAC (in Chinese), 18 November 2010 in Pretoria, see <[http://www.fmprc.gov.cn/mfa\\_chn/ziliaozhongguo\\_611306/zyjh\\_611306/t770438.shtml](http://www.fmprc.gov.cn/mfa_chn/ziliaozhongguo_611306/zyjh_611306/t770438.shtml)>.
5. See "Forum on China-Africa Co-operation – FOCAC", March 2015. <[http://www.fmprc.gov.cn/mfa\\_chn/gjhdq\\_603914/gjhdqzz\\_609676/zfhzlt\\_610542/](http://www.fmprc.gov.cn/mfa_chn/gjhdq_603914/gjhdqzz_609676/zfhzlt_610542/)>
6. See the "Joint Declaration on the Comprehensive Deepening of Friendship and Co-operation between China and the Africa Union" (in Chinese), 6 May 2014, Addi Ababa, Ethiopia <[http://www.focac.org/chn/zt/1\\_1/t1152989.htm](http://www.focac.org/chn/zt/1_1/t1152989.htm)>; and "A record of an interview of Foreign Minister Wang Yi by the African branch of China Central Television" (in Chinese), 12 January 2015 <[http://www.focac.org/chn/zt/1\\_1\\_2\\_1/t1227277.htm](http://www.focac.org/chn/zt/1_1_2_1/t1227277.htm)>.
7. See "Convergence in development strategies, realization of co-operation and win-win", 19 January 2015 <[http://www.focac.org/chn/zt/1\\_1\\_2\\_1/t1229377.htm](http://www.focac.org/chn/zt/1_1_2_1/t1229377.htm)>; and "A record of an interview of Foreign Minister Wang Yi by the African branch of China Central Television" (in Chinese), 12 January 2015 <[http://www.focac.org/chn/zt/1\\_1\\_2\\_1/t1227277.htm](http://www.focac.org/chn/zt/1_1_2_1/t1227277.htm)>.
8. Secretary of State Madeleine K. Albright, Under Secretary for Global Affairs Timothy Wirth, and Assistant Secretary for Democracy, Human Rights, and Labor John Shattuck, "Press briefing: 1996 Country reports on human rights practices", as released by the Office of the Spokesman, U.S. Department of State, Washington, D.C., on 30 January 1997. <<http://secretary.state.gov/www/statements/970130.html>>
9. "Pragmatic diplomacy for Taiwan is like the sun, the air, and the water for a person," said Jason Hu, Taiwan's foreign minister, release by the Taipei

- Liaison Office in South Africa, Pretoria, on 8 November 1997.
10. See all the major newspapers in Hong Kong on 7 August 2006.
  11. See *Ta Kung Pao*, *Hong Kong Economic Journal* and *Hong Kong Economic Times* (all three are Chinese newspapers in Hong Kong) on 18 September 2006.
  12. See also the web site of the Ministry of Foreign Affairs, Taiwan (ROC), at <<http://www.mofa.gov.tw>>; and the web site of the Ministry of Foreign Affairs of the PRC at <<http://www.fmprc.gov.cn>>.
  13. See all the leading newspapers in Hong Kong on 10 November 2006.
  14. See Premier Li Keqiang's speech entitled "Creating a better future for China-Africa cooperation" (in Chinese) at the African Union Convention Centre in Addis Ababa on 5 May 2014 <[http://focac.org/chn/zt/l\\_1/t1152997.htm](http://focac.org/chn/zt/l_1/t1152997.htm)>.
  15. Speech of Shi Guangsheng, the Chinese minister of foreign trade and economic cooperation, at the first FOCAC, quoted by *Renmin Ribao* (*People's Daily*, a Chinese newspaper in Beijing) on 11 October 2000.
  16. Maghreb means "western" in Arabic; and geographically it is the region north of the Sahara Desert and west of the Nile.
  17. See International Energy Agency's oil distribution statistics at <[http://www.iea.org/textbase/stats/oildata.asp?COUNTRY\\_CODE=11&Submit=Submit](http://www.iea.org/textbase/stats/oildata.asp?COUNTRY_CODE=11&Submit=Submit)>.
  18. The six are ExxonMobil, British Petroleum, Shell, Total, Chevron and ConocoPhillips.
  19. In 1993, the top five oil suppliers to China were: Oman (26%), Indonesia (25%), Yemen (10.6%), Angola (7.8%), and Papua-New Guinea (5%).
  20. CNPC invested US\$700 million and secured a 40 per cent share of the project; the shares of Petronas, Talisman and Sudapet were 30 per cent, 25 per cent and 5 per cent respectively.
  21. A Reuters report published in *South China Morning Post* on 14 August 2006.

22. See statement of Carolyn Bartholomew, Commissioner, U.S.-China Economic Security Review Commission, in “China’s influence in Africa”, hearing before the Subcommittee on Africa, Global Human Rights and International Operations of the Committee on International Relations, House of Representative, First Session of the 109th Congress, Washington, D.C.: U.S. Government Printing Office, 28 July 2005, Serial No. 109-74, p. 48 <[http://www.house.gov/international\\_relations](http://www.house.gov/international_relations)>. Carolyn Bartholomew argues that China’s direct investment into energy production would not contribute to the overall energy security of energy-importing countries.
23. Angola’s national oil company, Sonagol, is the sole concessionaire for oil exploration and production, and the only way a foreign company can enter the market is via joint ventures and production sharing agreements with Sonagol.
24. Total is France’s largest corporation and the world’s fourth largest oil and gas company.

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