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Good Friends & Good Partners: The 'New' Face of China-African Co-operation

Marcus Power & Giles Mohan

The impetus for this special issue is the inescapable fact of China's growing presence across Africa, as part of China's wider internationalisation strategy. While the growth of Chinese influence was greeted by an explosion of media interest, involving some rather reactionary and 'knee-jerk' journalism declaring that China was behaving unacceptably and cynically, the past few years have seen realities on the ground as well as analysis changing. So, the first reason for this special issue was to collect papers that would reflect this new scholarship. Our second reason was that much of the early commentary was from the US and of the political right and saw China as a direct threat to US interests, which these authors insisted were less self-serving and more respectful of 'decent' values. Key arguments here are that China is cynically using development aid to 'buy' favours from despotic leaders; termed 'rogue aid' by Moisés Naím, the editor in chief of the US journal *Foreign Policy*. Moreover, China's blasé attitude to good governance and respect for human rights is treated by the right wing analysts as an extension of China's 'natural' way of conducting politics in contrast to the enlightened approach taken by US and its allied donors. These neo-conservative analyses also point out the ways China wilfully flouts labour and environmental laws and then the analysts find the relatively few examples of where Africans have angrily contested China's presence on the continent to prove the venal nature of China in Africa. While this journal and work commissioned for this issue are not here to be apologists for China, we also wanted to collect papers which contrasted to this neo-conservative analysis through a broadly critical approach to political economy.

Having commissioned the majority of papers we can discern three functions which they serve in meeting these two goals. First, after the subject of China and Africa emerged on the radar there has been a raft of papers that are speculative, light on details and tend to recycle one or two cases, which Mohan's review essay assesses in more depth. This is understandable given the novelty of the phenomenon and the need to act quickly in a fast changing world. However, with greater awareness and the evolution of relationships on the ground it is time to take stock and reflect more thoroughly and more theoretically on the issue. To this end the papers by McCormick, Kaplinsky and ourselves on aid, trade and politics respectively seek to develop analytical frameworks and set up research agendas for the future. McCormick's paper focuses on the uses of Chinese aid and homes in on the impact on manufacturing. While avoiding quick and unsubstantiated conclusions she argues that the impacts can be positive in terms of infrastructure and technical training, but are less clear in terms of plant and equipment, which depend upon existing manufacturing capacity. Kaplinsky offers a similarly balanced framework, which teases out the possible impacts of trade and inward investment. Using a value

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chains approach his conclusions are that African manufacturing is likely to suffer unless states put in place some protection. Further, both our paper and that by Chris Alden and Ana Cristina Alves underline the need to look to the past as well as to the future and to think about the historical context of China-Africa relations and the use and meaning of history in the construction of China's Africa policy.

Second, is a group of papers which seek to deepen the empirical content of our knowledge in systematic ways. The briefings section edited by our colleagues at The Centre for Chinese Studies at the University of Stellenbosch demonstrates the importance of thorough and up-to-date data collection and analysis around these fast changing processes. What they demonstrate, as well as the papers by Kaplinsky and McCormick, is that we need to think about China *and* India and not fixate just on China. Naidu's briefing shows the extent of India's involvement in Africa, which is undoubtedly set to increase. Corkin looks at China's multinationals and how they compete with South African firms in key sectors of banking, construction and telecommunications. She highlights the role that Chinese aid plays in aiding these companies and assesses future strategies around collaboration in order to capture more benefits locally. Davies shows how China is creating an infrastructure corridor across Africa to secure access to strategic resources. Dan Large's paper argues that the nature of China's role within Sudan lacks detailed and thorough examination and is frequently reduced to headlines concerning oil and arms, stripped of any context. He examines key areas of tension emerging in China's 'non-interference' approach, including pressures on its bilateral stance, Sudan's new political framework after the 2005 peace agreement, and expanding economic links.

Third, other papers are beginning to tease out the governance effects of China's role in Africa. The starting point is to move beyond horror stories of Chinese aid simply entrenching authoritarian regimes. While this is undoubtedly *one* effect of China in *some* countries it is not the only effect and we need to detail these. The paper by Shaun Breslin and Ian Taylor argues that it is important to understand the origins and motives of western critiques of China's human rights policies (both domestically and how they play out in Africa) and that concern over competition, particularly over energy resources, has reintroduced human rights in to the diplomatic discourse after many years of neglect and oversight. Thus it could be argued that many analyses of Sino-Africa relations reveal as much, if not more, about the economic and political motivations of 'The West' as they do about the complex political economies of China in Africa. ✦

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What Does the Rise of China Do for Industrialisation in Sub-Saharan Africa?

Raphael Kaplinsky

China's rapid growth and deepening global presence in Africa creates a major challenge for the conventional wisdom of industrialisation as a core component of development strategy. These challenges are expressed through a combination of direct impacts (expressed in bilateral country-to-country relations) and indirect impacts (reflected in competition in third country markets). In current structures, these impacts are predominantly harmful for SSA's industrial growth, as expressed through its recent experience in the exports of clothing to the US under AGOA (African Growth & Opportunity Act). If Washington Consensus policies prevail, these harmful impacts will be sustained and deepened.

I. Introduction

Industrialisation is widely seen as being central to the development challenge. This basic axiom follows in part from observed historical reality – high per capita incomes are closely associated with economies intensive in industrial activities. There are also sound analytical reasons why industrialisation should be favoured as a strategic development objective – industry is characterised by rapid technological change and productivity growth; there are important technological and learning spillovers in and from industry; and the terms of trade have (historically, at least) turned against commodities and in favour of manufactures. Moreover, the promotion of industry also has strategic implications (military systems require a supportive industrial structure to be effective) and promotes rational class-based political discourse at the expense of ethnic (and often millenarian) belief systems.

From the 1950s, the state played a key role in emerging economies in promoting structural change from the primary sector to industry. Particularly in India and China lessons were explicitly drawn from the Soviet experience during the 1930s, and incentive systems were put into place favouring inward-oriented import-substituting industrialisation. This policy framework was replicated in Africa as decolonisation rolled through the continent during the 1950s, 1960s and 1970s. However, after the mid-1970s a revised orthodoxy emerged, still favouring industrial growth, but promoting this through an external focus, and a sweeping away of the state, both as a direct participant in production and as a facilitator and regulator of the growth of productive activities.

This industrial policy agenda evolved through a stable period of global hegemony, with the historically-industrialised and capitalist north not only driving systems of

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global governance, but increasingly also the political and economic agendas within countries. However, by the turn of the millennium it was becoming increasingly clear that this hegemonic agenda would be challenged by the rise of two very large Asian economies, China and India. These two economies are increasingly referred to as the Asian Drivers, not just because they are very large and have a 'big country effect', but also because they comprise (at least by hypothesis) distinctive social and political actors (open.ac.uk/asiandrivers/; Kaplinsky and Messner, 2008).

Potentially, the Asian Driver economies provide a disruptive presence, shaping the trajectory of the 21st century global economy. This is like the previous era of rapid Asian growth during the last third of the 20th century. For at no time did the combined population of Japan and Korea exceed more than four per cent of the global total. Yet China alone accounts for around 20 per cent of global population, and in 2006 it became the largest emitter of greenhouse gases. India follows on closely behind, not just also growing rapidly, but projected to have an even larger population than China by 2030. It is thus highly unlikely that the global political economy can absorb rapid Asian Driver growth and globalisation without a severe disruption to accepted developmental axioms, including with respect to the desirability and feasibility of industrialisation. Moreover, their size and trajectory means that this impact will be felt worldwide, including in sub-Saharan Africa (SSA).

In this paper we examine the ways in which China's rapid advance as an exporter of manufactures may affect the developmental agenda in SSA promoting industrialisation. Because this is a rapidly changing tableau at an early stage of development, the analysis which follows will to some extent inevitably be conjectural, and evidencing of the emerging impact will necessarily be uneven. We begin with a brief overview discussion of the ways in which the Asian Driver economies might have an impact on SSA (Section II), and then look briefly at SSA's performance in manufacturing (Section III). In Section IV we examine the emerging evidence of China's impact on domestically-focused industrial activity, complementing this in Section V with a focus on SSA's nascent outward-oriented industrial development, before drawing general conclusions in Section VI.

II. A Framework for Assessing the Impact of China on Sub-Saharan Africa

It is important to set in context the analysis of China's impact on SSA's industrialisation. This is partly because the links to African industrialisation are complex and arise from a variety of interactions between China and Africa, and China and the global economy. But it is also because China's presence in Africa is much more coordinated than that of previously hegemonic northern powers. Thus, whereas western aid tends to be *relatively* distant from its commercial interests, in China's case there is much less light showing between these two channels of interaction.

An overview of China's links with SSA distinguishes different channels of impact transmission, the distinction between complementary and competitive impacts, and between direct and indirect impacts (for more detail see Kaplinsky, 2007)

Channels of Interaction

There are a variety of different channels through which individual countries interact with other economies, in their regions and elsewhere. Clearly, these channels are contingent – they change over time, and vary in importance depending on factors such as location, resource endowment, trade links, and geo-strategic significance. Six key channels stand out in importance:

- Through trade links;
- Through investment flows (FDI and portfolio investments);
- Through aid;
- In institutions of global government;
- Through flows of people (including migrants);
- Through environmental spillovers.

Complementary & Competitive Impacts

In each of these channels of interaction, we can observe a mix of complementary and competitive impacts. For example, with regard to trade, the Asian Drivers may both provide cheap inputs and consumer goods to SSA, and be a market for SSA's exports. On the other hand, imports from the Asian Drivers can readily displace local producers. In relation to FDI, the Asian Drivers may be a direct source of inward FDI into SSA and perhaps crowd-in FDI into SSA from third countries as parts of extended global value chains. These are complementary impacts. But the Asian Drivers may also compete with other economies for global FDI. The rising power of the Asian Drivers in a western dominated global governance system may strengthen the voice of developing countries in international organisations. The emerging conflicts between the Asian Drivers, the US and Europe on energy, resources and markets might also marginalise development policy issues in word politics. Similarly, financial flows environmental spillovers and migration may be either complementary or competitive.

The key element of these interactions is the 'for whom' component. Countries may be affected differentially – in some cases, for example, the export of fabrics from the Asian Drivers to SSA may feed productively into a vibrant clothing and textile value chain; in other cases, it may displace a country's exports and production for the domestic market. But these effects are not just felt at the national and economy-wide level. They affect groups within countries differentially. For example, cheap clothing imports from China may displace clothing and textile workers, but cheapen wage goods and hence reduce wage costs for producers in other sectors (which is indeed what has been occurring in many high-income economies during the early years of the 21st century). These impacts on a complementary-competitive axis may also change over time, and most importantly, they will vary for different classes, regions and groups within economies.

Direct & Indirect Effects

The complementary-competitive axis of impacts is readily comprehended and widely recognised. Less widely acknowledged is the distinction between direct and

Figure 1: A Framework For Assessing the Impact of China on SSA

	Impacts			
Channel	Complementary		Competitive	
	Direct	Indirect	Direct	Indirect
Trade				
Investment				
Aid				
Global governance				
Migrants				
Environment				

indirect impacts. In part this is because the indirect impacts are difficult to measure. Indirect impacts occur in third country markets and institutions. For example, China's trade with the US may open or foreclose the opportunities for SSA economies to export into that market. Similarly, China's high savings rate has had the effect of lowering global interest rates, indirectly facilitating investment in SSA. As in the case of the complementary/competitive access, the impact of the direct and indirect impacts can be gauged either at the country level, or at intranational levels, for example with regard to different regions, sectors, classes and genders (as we shall see below in Section V, in many cases the indirect impacts may in fact be much more significant than the direct ones). Figure 1 summarises this framework for assessing the impact of China on SSA, both as a general phenomenon and in relation to particular sectors, such as the industrial sector addressed in this paper.

III. SSA's Manufacturing Performance: A Briefing Overview[1]

In recent years, the African continent has seen revived growth. The sources of this growth are not yet clear, but a sound conjecture is that at least in some part this is due to the post-2000 boom in commodity prices. In turn, this commodity price boom is closely linked to the voracious demand of China for imported inputs used in the construction of infrastructure and in its expansion of manufactured exports. China's share of global demand for the main base metals (aluminium, copper, iron ore, nickel, steel and zinc) grew from 17 per cent of global demand in 1993 to 20 to 25 per cent in 2003 (Kaplinsky, 2005). In the case of steel, its share has grown from less than 10 per cent in 1990 to more than 25 per cent in 2003, equivalent to three times that of Japan, and more than either the EU or the US (around 20 per cent each) (Ibid.). This expansion in Chinese commodity imports was associated with – and arguably was a primary cause of – the increased price of these hard commodities. (Kaplinsky, 2008).

Yet, despite this rapid economic growth, there has been little change in economic structure in the continent. Manufacturing value added (MVA) as a share of gross domestic product is not only much lower than in the rest of the world (including in many developing economies), but its share remained unchanged between 1996 and 2004 (Table 1).

Consistent with the boom in commodity prices, and reflecting in large part the pressure of Washington Consensus institutions to force SSA out of its inward focus, Africa's recent growth spurt has been associated with a sharp increase in its external orientation. Table 2 shows a sharp change in direction towards outward orientation, particularly with regard to exports. Between 1998 and 2004, SSA's exports grew at a rate 50 per cent higher than global exports.

Table 1: Share of MVA in GDP (at constant 1995 prices) (%)

	1995	2000	2004[a]
Africa[b]	12.1	12.3	12.1
China	34.7	36.7	39
India	16.3	15.7	15.0
Developing Group excl. China	19.2	20	20.4
WORLD	19.8	20.1	19.9

Source: UNIDO International Year Book 2006; a: Estimate; b: For Africa and not SSA.

How did SSA's manufacturing exports perform in this export boom? At face value, export-oriented manufacturing performed at a stellar level, more than doubling between 1990 and 2005, from \$5.7bn to \$12.5bn. However, this impressive headline growth needs to be adjusted in some key respects. First, the largest component was unset diamonds, accounting for exports of \$5.5bn. Second, there were significant 'exports' of 'railway/tramway' equipment from Liberia (\$1.3bn in 2005, virtually entirely ships) and Senegal (£100m in 2005, virtually entirely aircraft). However, a closer look at the data shows that both these economies were in trade deficit in both trade classifications. Their 'exports' thus represent re-exports to the region. Third, included in this 'broad manufactures' category' are also methanol exports from Equatorial Guinea which is effectively a petroleum export, and uranium from Namibia and Niger. If we net out these items from the 'broad manufactures category' we obtain a narrower classification of 'narrow manufactures'.

Focusing on these narrow manufactures, and excluding South Africa from the picture (since South Africa is a very special case in the African context), the value of SSA's manufacturing exports was not \$5.7bn but \$2.2bn in 1990, and \$4.6bn rather than \$12.5bn in 2005. Crucially, clothing and textiles accounted for a combined total of 53 per cent of all 'narrow manufactures' exports from SSA excluding South Africa in 2005, and this had risen from 42 per cent in 1990. (The share of low-tech and labour-intensive clothing rose from 33 to 50 per cent, and that of higher-tech and capital-intensive textiles fell from 9 to 2.6 per cent). The next most significant 'narrow manufactures' exports was corkwood manufactures (almost entirely veneer sheets) (9.4 per cent), followed by iron and steel products and leather manufactures.

IV. China's Emerging Impact on SSA's Inward-Oriented Industrialisation

Unfortunately, there is a vacuum of research on the impact of Chinese-sourced imports on the domestically-oriented industrial sector in SSA and we are limited to a few research fragments which are suggestive of an impact rather than providing detailed insights into the extent and nature of these impacts.

Table 2: Average Annual Growth Rates of Merchandise, Exports & Imports (%)

	1990-1997		1998-2004	
	Exports	Imports	Exports	Imports
World	8.1	7.7	8.8	9.0
SSA	4.4	6.0	12.5	8.1
China	17.1	15.8	21.4	26.5
India	11.7	10.5	13.8	14.5

Source: Calculated from UNCTAD (www.unctad.org); accessed in January 2007.

In Zambia the trades unions assert that imports of Chinese clothes have undermined the clothing and electrical sector, and in Nigeria trades unions blame Chinese imports for the loss of 350,000 jobs (http://www.nzherald.co.nz/). This latter figure is clearly fictional regarding the degree of impact, but nevertheless Chinese-sourced imports have displaced employment in these sectors in both of these countries. For example, an embarrassing incident during President Hu Jintao's visit to Zambia as part of his tour around SSA in early 2007 was the closure of the Mulungushi textile factory and the loss of more than 1,000 jobs. This was a direct result of competitive imports from China, and, ironically, led to the closure of a textiles factory which the Chinese had built and supported with great fanfare in the 1970s.

In Ethiopia, although competition from Chinese shoe imports has led to an upgrading of processes and design by many domestic firms, it has simultaneously had a negative impact on employment and domestic output. A study of 96 micro-, small and medium domestic producers reported that as a consequence of Chinese competition, 28 per cent were forced into bankruptcy, and 32 per cent downsized activity. The average size of microenterprises fell from 7 to 4.8 employees, and of SMEs, from 41 to 17 (Tegegne, 2006).

In South Africa, imports from China grew from 16.5 per cent of total clothing imports in 1995 to 74.2 per cent in 2005 (all data in this and the following paragraph from Morris, 2007). Including imports from Hong Kong, China-sourced clothing were 78.8 per cent of total clothing imports in 2005. The expansion of clothing imports was associated with a period of rapid decline in formal sector manufacturing in both clothing and textiles. In clothing, employment fell from 97,958 in 2004 to 78,694 in 2006, and in textiles from 21,380 in 2003 to 16,800 in 2005. Morris cautions that this over-estimates the extent of employment loss, since at the same time there is evidence that the informal clothing sector grew rapidly. However, wages and job security in the informal sector are much inferior to the formal sector, suggesting a period of wage compression during this period of import expansion from China.

In an important observation – often ignored in discussions of industrial policy – Morris highlights the welfare impact of increased imports from China. Between 2000 and 2005, whilst the overall price index increased by 30 per cent, that of clothing fell by five per cent. Significantly, as in the case of the Ethiopian shoe industry, competition from Chinese manufactures forced local manufacturers to upgrade their competitiveness. As Table 3 shows, price deflation occurred both with regard to imports and locally produced apparel, and was reflected in both lower consumer prices and lower costs to the retailer.

The Chinese government is of course sensitive to the negative impact of its manufactured exports on SSA's industrial sector, and announced a series of initiatives designed to promote African industry. For example, in 2006 it publicised a planned investment package of $300m in Zambia, to include $100m in a 'high-tech' economic zone manufacturing TVs, mobile phones and other electronic items

Table 3: Changes in Retail Price by Major Retailer for Imported & Locally Produced Clothing Products, 2004-2006

	Imports	Locally Produced
Number of sectors	65	27
% categories experiencing price deflation	61.5%	29.3%
% categories experiencing price inflation	23.1%	22.2%
% categories experiencing no change	15.4%	18.5%
Average % price change	-16.8%	-7.3%

Source: Morris, 2007.

(Centre for Chinese Studies, China Briefing, 22 June 2007). Reflecting pressure from the Chinese government, China's Shaoxing Textile Company announced a plan to build a $50m textile park in Nigeria (Centre for Chinese Studies, China Briefing, 15 June 2007). How successful these intentions will be is a different matter, since in the context of Washington Consensus policies on trade liberalisation, these proposed industrial investments will need to survive in a hostile global economic environment, facing competitive pressures from a range of producers, including firms based in China.

So much for the impact of Chinese exports on SSA's inward-focused manufacturing sector. But what about the impact on intra-continental trade in manufactures? As in the case of SSA's manufacturing sector, there is a dearth of data on intra-continental trade. But, working with COMTRADE trade data, it is possible to compare the technological profile of intra-SSA trade in manufactures with SSA's trade with the external world (Table 4). What emerges from this is that Africa's exports to China are predominantly primary commodities and simple resource-based products, to an even greater extent than its exports to the rest of the world. However, it is significant that SSA's internal trade in manufactures is much more technology intensive than either its trade with China or the rest of the world, and that this technological intensity grew in the 1995-2005 period (Kaplinsky and Morris, 2008). We will return to the significance of this in the concluding section of this paper.

V. China's Emerging Impact on SSA's Outward-oriented Industrialisation

As we saw in Section III above, more than half of SSA's manufactured exports (excluding South Africa) were clothing and textiles, and almost all of this was clothing. Moreover, clothing and textiles are widely considered as a first learning step in the ladder of technology capability-building in industry. Therefore, SSA's export performance in the clothing and sectors provides an important window into its export oriented manufacturing growth-trajectory, not just in the past but also for the future.

AGOA & the Ending of the MFA

SSA's clothing and textile exports have grown very rapidly since the mid-1990s, when it began to export to the external world. (Prior to this only South Africa had been a clothing exporter, but exclusively in niche markets such as men's woollen suits, Joffe et al. 1995). The growth of these exports speeded up after the turn of the millennium, mostly as a result of the US's African Growth and Opportunities Act

Table 4: Technological Intensity of SSA's Trade – Share of Exports Comprising Different Categories of Products, 2005 (%)

	World (excl. China, India)	China	Intra-SSA
Primary Commodities	67	81	17
Resource Based	16	15	35
Low Technology	4	1	13
Medium Technology	9	2	23
High Technology	1	0.1	5

Source: Calculated from COMTRADE (accessed through http://wits.worldbank.org) in January 2007; Technological-intensity taxonomy derived from Lall, 2000.

introduced in 2001. This gave significant incentives for SSA exporters of manufactured goods, providing not just tariff preferences, but allowing low-income SSA clothing exporters to side-step rules of origin regulations and to utilise duty-free textiles sourced from China and other low-cost producers. The consequence of this AGOA scheme was a very rapid growth in clothing exports from low-income Kenya, Lesotho and Swaziland, complementing clothing exports from established producers in Madagascar, Mauritius and South Africa. As Table 5 shows, these exports were considerable. In Lesotho they comprised all of manufactured exports and were equivalent to 50 per cent of the value of its GDP. In Kenya, employment in export processing zone clothing firms comprised the equivalent of 20 per cent of all formal sector manufacturing employment.

This growth in SSA clothing exports was not only a result of AGOA. They also reflected a system for the regulation of global trade in clothing and textiles, stretching back to the 1950s when Japan's clothing industry first began to threaten US producers. This involved a complex system of quantitative quotas which limited the number of items which individual countries could export to North America and the EU. Since Asian producers rapidly filled their quotas, they took advantage of unused quota allocations in SSA and located some of their production in the six major SSA exporting countries listed in Table 5.

However, after many years of negotiation, the last quotas were removed at the beginning of 2005.[2] This meant that even though Chinese clothing exporters to the US were penalised with higher tariffs, there was no longer a physical limit on the number of items which they could export into that market. The consequence for SSA's clothing and textile sector – bear in mind that this was 50 per cent of total non-South African SSA manufactured exports in 2005 – has been very severe. As Table 6 shows, the result was that in the first two years after quota removal, SSA's clothing exports to the US fell by 26 per cent. The impact on Mauritius and South Africa (who, because of their high per capita incomes were unable to utilise duty-free fabrics from China in their AGOA exports) was even more severe. At the same time, and comparing like-for-like products, Chinese exports into the US grew by 85 per cent, on the back of a halving of unit prices.

Table 5. Global Exports & Share of US in Exports of Major SSA Clothing & Textile Exporting Economies

Country	Year	Exports $ '000	US Share (%)	AGOA as Share of Exports to US (%)
Kenya	2000	78,000	89.6	NA
	2005	306,000	95.3	98.5
Lesotho	2000	154,000	94.9	NA
	2005	406,000	96.5	99.4
Madagascar	2000	633,000	18.9	NA
	2005	771,000	37.0	98.5
Mauritius	2000	1,652,000	16.3	NA
	2005	1,384,000	12.4	85.8
South Africa	2000	867,000	31.0	NA
	2005	571,000	33.8	64.8
Swaziland	2000	56,000	88.4	NA
	2005	171,000	99.4	99.0

Source: UNSD COMTRADE database, accessed via World Integrated Trade Solution (WITS), 23 January 2007; Country and sectoral data calculated on the basis of US imports; for share of AGOA, for 2001, Gibbon, 2003; for 2004-2005 values, www.agoa; info accessed 19 March 2007.

Not Just Clothing, but Also Furniture

This adverse impact of China on SSA's clothing and textile exports is mirrored in the timber and furniture sector. This, as we saw in Section III above, was the second most significant manufactured export from SSA (excluding South Africa), predominantly from West Africa. Preliminary research in this sector suggest that China and other newly dynamic Asian Driver economies are severely threatening the growth of competences in the value adding wood products sectors by undermining exports and the learning derived from exporting. For example, in 2005, Europe's major importer of garden furniture ceased sourcing from South Africa and Ghana, and divested itself of its joint venture equity in Ghana's major furniture exporting firm. Imports were switched to Vietnam and China. There is a single reason for this – SSA is not price competitive.

In 2005, the same garden furniture product imported from South Africa at £60, could be obtained for £50 from Ghana, £38 from Vietnam and only £30 from China (interviews). By contrast, China's furniture industry has been booming. Between 1993 and 2002 it moved from being the world's eighth largest to the second largest exporter. In the face of this inability to compete with Asia in general and China in particular, SSA's furniture manufacturers are moving backwards into their resource sectors, exporting raw logs, chips for the paper industry, and sawn timber. There is also probably a significant trade in illegally-logged hardwoods from West and Central Africa to Asia, but this is by its nature very difficult to evidence. Much of this SSA-sourced timber is used by Asian manufacturers to produce furniture which displaces SSA from global furniture markets.[3]

This evidence on China's impact on SSA's clothing, textile and timber-based exports is thus suggestive of both a competitive and indirect impact. However, in one particular respect it might be argued that the impact is positive. This is because as a consequence of the rules of origin derogation for low income SSA exporters under AGOA, clothing exporters in Kenya, Lesotho and Swaziland have been able to utilise fabrics sourced from China on a duty-free basis. In 2005, fabric imports from China were equal in value to more than 90 per cent of all of SSA's clothing exports, and this had risen from less than 20 per cent in 2005 (COMTRADE, accessed through http://wits.worldbank.org) on 23 March 2007).

Table 6: Change in Value of Clothing Exports to the US, 2004, 2005 & 2006 (%)

	2005/04		2006/2005		2006/04		Change in unit price of top 10 products 2005/04	
	SSA	China	SSA	China	SSA	China	SSA	China
AGOA	-16.5	56.9	-11.2	17.8	-25.9	84.8	-0.9	-46
Kenya	-2.5	77.8	-2.7	18.7	-5.1	112.9	-1.9	-45
Lesotho	-14.3	110.8	-0.9	28.5	-15.1	170.9	-3.2	-46
Madagascar	-14.4	72.2	-13.9	21.0	-26.3	108.3	-9.5	-44
Mauritius	-26.4	73.2	-28.7	17.9	-47.6	104.2	-4.6	-45
Swaziland	-9.9	93.3	-16.0	22.1	-24.3	136.1	-2.7	-52
S Africa	-43.7	63.9	-17.0	15.4	-53.3	89.1	3.0	-33

Source: Calculated from http://dataweb.usitc.gov data, accessed on 19 March 2007;
[a] Unit prices calculated for top 10 products in 2004 for each AGOA country's exports

The Dynamics of Global Value Chains

This indirect impact on SSA of Chinese exports to the US is readily visible, and has been the source of some concern in policy circles, so that the planned abolition in AGOA in 2006 of the derogation on rules of origin (allowing low income SSA economies to utilise duty free fabrics from China) was put off until 2011 (Kaplinsky and Morris, 2008). However, there is a further indirect impact of China on SSA's existing and potential exports of manufactures which is more nuanced in nature but potentially of considerable significance. To comprehend the nature of this challenge it is necessary to digress briefly and to focus on the evolution of global value chain dynamics. Global value chains are important since it has become increasingly clear that a country's ability to participate in global markets does not only reflect the competence of its producers, but also the mechanisms whereby they are connected to global markets.

The neo-classical conception of trade is that it involves the arms-length exchange of goods and services between unrelated parties, each seeking to maximise profits. Transactions are one-off and anonymous, and neither party is of sufficient size or influence to affect the prices and conditions of exchange which are instead determined by conditions of supply and demand. The rise of vertically integrated corporations, which grew to significance from the last quarter of the nineteenth century (Chandler, 1977), increasingly operating across national boundaries, both reinforces and undermines this conception of specialisation and trade. On the one hand they challenge the small-firm-price-taker assumption. But, on the other hand, they show how when trust-based relationships are important, these tend to be removed from market exchanges. The market may thus remain the repository of anonymity.

Transaction costs theory argues that firms internalise market-based relations for a combination of two reasons (Williamson, 1985). First, they do so when the costs of communication with customers and suppliers are higher than the supervision costs of controlling intra-firm operations. And, second, assets required to produce inputs may be very specific, so that the firm needs to protect itself from the dangers of opportunistic behaviour from its suppliers. When these two conditions apply, it pays the firm to take over, and own, the production of key inputs or to control the destination of key outputs.

What transactions costs theory did not absorb is that there is an increasingly attractive third option has emerged, sitting between arms-length impersonal market relations and internalised (and increasingly foreign-owned) direct investment. This enables firms to meet the needs of discerning customers and to draw on the distinctive competence of specialised suppliers (and buyers) without incurring the coordination costs of direct ownership. The key to this is for the firm to develop long-term and obligational high trust relationships with key suppliers (and customers) which protect the firm from opportunistic behaviour. Then, by adding to this structured supply chain management programmes in which they work with suppliers (and customers) to enhance capabilities, the firm is able to ensure the systemic efficiency of the chain as a whole (competence trust).

It is these non-internalised but repeated and 'personal' relationships between different firms in a production and distribution chain which are referred to as value chains; where they cross national borders, they are referred to as global value chains (Gereffi, 1994, 2005; Kaplinsky and Morris, 2001). By necessity, these are *coordinated* chains of production, subject to hierarchical forms of governance, and thus characterised by power asymmetries which determine the division of labour in the chain and influence the distribution of rewards. Understanding SSA's past and future role as a participant in global value chains requires an understanding of the dynamics of global value chain governance, since an increasing proportion of trade in manufactures occurs through these coordinated and globally dispersed and disarticulated global value chains.

In order to understand the changing nature and significance of value chain governance and its impact on outward oriented industrialisation in SSA, we need to briefly situate the pattern of emerging technological development during the decades of the 1970s and 1980s. By the early 1970s, post-war reconstruction in the industrially-advanced economies was nearly complete. Having their basic needs satisfied, consumers in these economies began to be much more demanding of product variety, product innovation and quality (Piore and Sabel, 1984). Associated with this was the growth in concentration in the retail sectors of most high-income economies, placing concentrated power in the hands of a limited number of global buyers (Feenstra and Hamilton, 2005). At the same time, reducing barriers to global trade led to intensified global competition in production. A significant element in meeting these needs of final consumers and buyers was the capacity to meet increasingly demanding standards, often set by the private sector and affecting the rules of participation of different parties in the chain. For example, in the auto sector, suppliers have become increasingly subject to detailed performance targets with regard to quality, cost and delivery. In the furniture sector, the Forestry Sustainability Council (FSC) accreditation requires all parties in the chain to be subject to conditions affecting the environment, bio-diversity and the respect of the needs of communities living in forests. In the food sector, HACCP (Hazard Analysis and Critical Control Points) are required by all producers, as are standards affecting phytosanitary conditions in production and storage. Fair trade labour standards, too, are of growing significance.

Hence, the major final sellers of commodities were confronted with a problem. On the one hand customers were becoming increasingly demanding of quality and variety and innovation; on the other hand, production systems were becoming increasingly fragmented, diversified and geographically extended. How were these different forces to be reconciled? The answer was that production chains had to be 'governed', to be coordinated in manners which allowed differentiated consumer needs to be met through complex and disarticulated production systems.

In the relational global value chains, the lead firms increasingly provided support to suppliers over a long term in exchange for a commitment by suppliers to systematically cut costs (including by facilitating change in their own suppliers) and to pass the gains on to the lead firms. Where this resulted in single-sourcing or technology-based suppliers, it was also important that suppliers abstained from opportunistic behaviour, so trust was key (Sako, 1992). Supply chain management programmes were the intermediating 'glue' which facilitated this supply chain upgrading (Bessant, Kaplinsky and Lamming, 2003). These supply chain management programmes are particularly attractive to poor economies such as those in SSA, since they meet dual targets. They insert producers into global markets and at the same time they provide concrete assistance in the upgrading of SSA production capabilities. They provide flesh to the policy skeleton of promoting diversified growth through the externalities provided by industrialisation in general, and export-oriented production in particular.

Over the past three decades there have been important developments in both these relational links in global value chains and in the standards which govern supply chain performance (Figure 2). Prior to the 1970s, exchange occurred either through the impersonal market or within the firm. Standards were largely irrelevant, particularly with regard to independent suppliers. Then, from the early 1970s through to the early 1990s, new forms of obligational non-equity based durable relationships were developed, buttressed with high-trust and long-term supply chain management programmes and the process standards which drove these programmes. However, since these supply chain programmes were costly, they were followed initially by a separation between equivalent and non-equivalent relations whereby the lead-firms were prepared to trust their core suppliers and customers to bring their distinctive competences to the chain. This allowed them to concentrate their supply chain upgrading activities on relatively low-skilled suppliers. However, in turn, this gave core suppliers (some of whom in the automotive industry came to be called '0.5' tier suppliers, somewhere between being equal partners and first-tier suppliers) significant power over chain governors. So in the most recent period, lead firms have gone back to more market-based relations with key suppliers, based on industry standards (Sturgeon, 2002). This enables the lead firms to realise product and process standards and at the same time to introduce more competition into their supply and customer chains. The better their suppliers, and the better defined chain standards, the more the chain governors can abstain from costly supply chain upgrading programmes.

From the perspective of countries with a weak supply base, as in SSA, the structures prevailing in the second and third categories of governance (Figure 2) are most attractive to the upgrading of competences. In these structures, the core, lead-firms have a vested interest in upgrading supplier capabilities, and are interested in long-term relationships. They utilise extensive supply chain management programmes, either through their own efforts or by engaging specialised service providers. The structure predominating prior to the 1970s is not very attractive to these weak supply-base links in global value chains, since no lead party has an interest in the promotion of upgrading. But, similarly, the currently emergent structure of chain governance is also problematic for them, since they find themselves having to compete with what Sturgeon (2002) has called 'turnkey' or 'modular' suppliers, able to work to industry standards without costly assistance.

We can now turn the spotlight back from this long digression on the dynamics of global value chain governance to the impact of China on SSA's export-oriented industrialisation strategies. The point is that during the second and third types of value chain governance structure SSA had much to gain from the growing dominance of manufacturing trade through the extension of global value chains. In order to deliver satisfactorily to increasingly demanding and standards-intensive markets, the major chain governors were forced to upgrade their suppliers. But this was always a second best option for the lead firms. Supply chain management programmes can be very costly, so that the development of competences in China and other parts of Asia which provided all of the benefits of obligational supply chains without most of the costs of supply chain development has allowed many TNCs to wind down their supply chain management programmes. But this could not be done for SSA suppliers who in general lack turnkey capabilities. Thus the development of capabilities in China, in a context of surplus manufacturing competences around the world, has severely restricted the incentive for TNC chain governors and global buyers to draw on suppliers in SSA. And it is not just that this

Figure 2: The Dynamics of Value Chain Governance Structures

Period of Dominance	Governance Structure	Nature of Chain Links	Importance of Standards	Emerging Problems
Pre-1970s	Arms-length	Market	No	Transactions costs, opportunistic behaviour
	Internalised	FDI	Within firm	Coordination costs
1970s-early 1990s	Arms-length	Market	No	Transactions costs, opportunistic behaviour
	Obligational	Supply chain mgmt	Process Standards	Costs of support
	Internalised	FDI	Within firm	Lack of distinctive competences
Mid-1980s - late 1990s	Arms length	Market	No	Transactions costs, opportunistic behaviour
	Obligational			
	Asymmetric	Supply chain mgmt	Process standards	Costs of support
	Symmetric	Supply chain learning	Process standards	Costs of learning
	Internalised	FDI	Within firm	Lack of distinctive competences
Late 1990s to now	Arms length	Market	No	Transactions costs, opportunistic behaviour
	Obligational			
	Asymmetric	Supply chain mgmt	Process & product standards	Costs of support
	Symmetric	Supply chain learning		Costs of learning
	Modular	Competitive, standards key		
	Internalised	FDI	Within firm	Lack of distinctive competences

has been a phenomenon of the past. Perhaps more damagingly, it also affects their future incorporation in global value chains.

VI. Conclusions

Despite the absence of data, particularly with respect to the impact of China on SSA manufacturing sectors targeting domestic markets, it is possible to draw a number of general conclusions.

First, the unfolding of the Washington Consensus agenda of trade liberalisation and the undermining of the developmental state have had dual, and to some extent contradictory, impacts of undermining industrial production in most of SSA but at the same time upgrading the efficiency of those firms which have survived the competition from imports. China-sourced imports and their impact on SSA industrial dynamism fits into this wider picture. But it does so in a much more intensified form. This is because China competes directly in labour-intensive and low-technology industrial sectors which are widely seen as the stepladder for SSA's industrial growth. This has had major impacts on the domestically-focused industrial sector in virtually all SSA economies (indeed, in fact in all global economies).

Second, with regard to SSA's export-oriented industrialisation, China's threat is significant, but indirect in nature. The most obvious threat is to be seen in its squeezing of SSA's clothing, textile, furniture and footwear exports in both the US and EU markets.[4] It is important to bear in mind that these clothing and textiles alone represent more than half of all SSA's manufactured exports (excluding South Africa). But there is a second, and more subtle impact of China's growing industrial competences. This is that they are leading to a change in the organisation of global value chains, allowing lead chain governors to retreat from the supply chain upgrading which is widely considered to be of considerable assistance to the growth of competences in SSA industry.

Therefore, on both counts – in domestic and in extra-SSA markets – the impact of China on SSA's industrialisation appears to be harmful, both in the near future as well as the medium and perhaps long term future.

A number of possible countervailing factors can be identified. One is that the heavy investments which China is making in infrastructure and in the mining sectors in SSA will lead to the growth of local production capacities providing inputs into these investments. However, at least so far, backward linkages from Chinese infrastructure and mining investments in SSA have been very weak, much weaker for example than those arising from investments by western and South African firms in the same sectors (Burke and Corkin, 2006). A second potentially countervailing factor is the possibility that Chinese firms will begin to use SSA as a manufacturing base. So far there is no evidence of this occurring (although Indian, Sri Lankan and Taiwanese firms have done so in the clothing sector to take advantage of quota and AGOA access to the US market). In 2007 China announced a number of plans to facilitate such investments, but it is not clear how these Chinese-owned manufacturing firms can survive without overthrowing the Washington Consensus induced trade policy reforms introduced since the early 1990s. These reforms swept aside import controls, forcing SSA firms to swim in a very competitive sea of global producers. And, finally, it is possible that China's manufacturing industry will run out of labour and productive capabilities, forcing its costs to rise and providing space for SSA producers to take its place. A note of caution is due here however. For one thing, China is estimated to have a reserve army of labour in excess of 150 million people, with a total formal sector manufacturing labour force of less than 85 million (Kaplinsky, 2005). So it will be some time before it runs out of labour and before wages will rise significantly. For another, China is not the only low-wage industrially-competent competitor to SSA's industrial sector. By 2030 India will have a larger and younger population than China and its industrial sector is also growing very rapidly. It is a new threat which looms over the horizon for SSA.

So, what implications does this hold for industrialisation in SSA. The brutal answer is that it is very difficult to see a positive future for manufacturing in Africa unless SSA is able to insulate its infant industries from global competition in general and perhaps China (and India) in particular. This protection may take a regional form, both to encourage scale and competition (Kaplinsky, 2005). This would represent something of a retreat to an earlier era of import substituting industrialisation. But even if the global community 'allowed' this retreat it is fraught with the danger of reintroducing sub-optimum-scale plants operating in monopolistic markets. Hence, it is crucially important that an inward-focused trade and industrial policy of this sort searches for larger scale, and here the possibility arises of greater intra-regional integration. It is worth bearing in mind here that intra-regional trade is globally growing more rapidly than extra-regional trade (including in Africa) (Evans et al. 2006) and as we saw in Section III above, SSA's intra-regional trade is much more technology intensive than its extra-regional trade. Perhaps this challenge comes at a propitious time, since in the context of increasing imbalances in the global economy, there are growing calls for greater protectionism in many markets, including in the US and the EU.

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Endnotes

1. For more detail on SSA's manufacturing performance, see Kaplinsky and Morris, 2008.

2. In fact, despite the agreed removal of quotas, the surge of Chinese clothing exports to both the EU and the US led to the reimposition of some temporary 'China Safeguard' quotas. In June 2005, the EU and China reached an agreement that limited 10 categories of Chinese textiles exports to the EU to between 8 and 12.5 per cent growth above a specified base period for the next three years. In December 2005, the US and Chinese trade representatives agreed to a three-year agreement reducing US imports of Chinese textile and apparel products in all or parts of 34 sensitive categories

3. This echoes the experience of Thailand, whose furniture industry suffered from Chinese competition in the Japanese market. Having developed this market for a new type of wood (historically rubber-wood had not been used for furniture), Thai producers found their market eroded by rubber-wood exports from China, using a combination of Thai and Indonesian rubber wood imports (Mitsuhashi, 2006).

4. However, it is possible that some of this threat may be diminished as consumer pressure grows in relation to product safety standards and 'fair labour' concerns. US buyers report that labour conditions in African garment factories are far superior to those in Chinese factories (Kaplinsky and Morris, 2008).

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New African Choices? The Politics of Chinese Engagement

Giles Mohan & Marcus Power

The role of China in Africa must be understood in the context of competing and intensified global energy politics, in which the US, India and China are among the key players vying for security of supply. Contrary to popular representation, China's role in Africa is much more than this however, opening up new choices for African development for the first time since the neo-liberal turn of the 1980s. As such it is important to start by disaggregating 'China' and 'Africa' since neither represents a coherent and uniform set of motivations and opportunities. This points to the need for, at minimum, a comparative case study approach which highlights the different agendas operating in different African states. It also requires taking a *longue durée* perspective since China-Africa relations are long standing and recent intervention builds on cold war solidarities, in polemic at least. It also forces us to consider Chinese involvement in Africa as ambivalent, but contextual. Here we look at the political dimensions of this engagement and set out a research agenda that focuses on class and racial dynamics, state restructuring, party politics, civil society responses and aid effectiveness.

> *If one day China should change her colour and turn into a superpower, if she too should play the tyrant in the world, and everywhere subject others to her bullying, aggression and exploitation, the people of the world should identify her as social-imperialism, expose it, oppose it and work together with the Chinese people to overthrow it* (Deng Xiaoping Speech at special session of the UN General Assembly, 1974).

The words of Deng Xiaoping uttered at the height of the cold war, but only five years before China initiated far-reaching economic reforms, raises the issue of whether China could ever become an imperialist in the same way as other major powers. Assuming Deng was being ironically rhetorical and intended to stress China's inherent anti-imperialism, a series of recent responses to his warning suggest that China has become something of an aggressor and exploiter. During a trip to Nigeria in February 2006, Britain's then foreign secretary, Jack Straw, remarked that what China was doing in Africa now was much the same as Britain had done 150 years before (Straw, 2006).[1] Echoing Deng, and issuing a warning shot, South African president Thabo Mbeki (speaking in December 2006 prior to the visit of Chinese President Hu Jintao) argued Africa would be 'condemned to underdevelopment' if China replicates in Africa 'a colonial relationship' of the kind that existed under white rule (Brookes, 2007; Servant, 2005).

Not surprisingly, the Chinese government has been quick to refute such claims. For example, Chinese Premier Wen Jiabao said that the cap of neo-colonialism could

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never adorn the head of China adding that for over 110 years 'China was the victim of colonial aggression. The Chinese nation knows too well the suffering caused by colonial rule and the need to fight colonialism' (Jiabao, 2006; see also Guijin, 2007). China's memory of being colonised by western powers and long history of support to anti-colonial movements in Africa is thus invoked to 'prove' China does not want to control Africa's economic and political systems.

On all sides then, it appears that China's role in Africa is treated as political capital to be used in order to caution, cajole or comfort. But setting up the debate in such Manichean ways is not helpful in analysing the multiple and complex effects China has, and will have, on the political economy of African states. As Kaplinsky et al. (2006:2) warn 'it is important to understand that China's impact on SSA (sub-Saharan Africa) cannot be seen as purely an economic phenomenon', which means also focusing on wider questions of aid, geopolitics and development. This paper focuses on the political implications of China's growing presence in Africa. It is an intentionally broad-ranging piece which seeks to establish a research agenda for studying the political economy of China's involvement in Africa. This is vital since much discussion of China's role tends to be based on limited knowledge or crude extrapolations, which tend to take one negative event in the China-Africa relationship and project this onto the entire continent.

We begin by articulating our theoretical framework for understanding the political economy of Sino-African relations. This is premised on a bringing together of critical political economy with certain insights from post-colonial theory. From here we map out the historical contours and contexts of contemporary China-Africa relations before examining the intersections between the politics of class and 'race' and economic change in Africa. We also explore a number of important debates about democratisation, rights discourses and the contemporary politics of aid in the context of these unfolding China-Africa relations. In each of these sections we raise some outstanding issues for research whilst our conclusions draw out some of the broader and longer term implications of China in Africa.

Towards a Post-colonial Political Economy of China in Africa

In this section we move beyond the simplistic and racialised characterisations of Sino-African politics to suggest a framework for a more fruitful analysis based on what we term a post-colonial political economy. As Chan (2007:1) writes 'there is already a surfeit of poor and tentative scholarship on this issue' noting that 'exotica is precisely the hallmark of so much published work on China and Africa – especially in the USA' (see also Broadman, 2007). Whilst China's presence is frequently described as a 'scramble', a 'mad dash', a resource 'grab' even a 'rape' (Marks, 2007:6) the image of a defenceless African populace passively submitting to the will of external powers is depressingly all too familiar.

Our analytical framework is made up of some familiar elements of critical political economy, namely a focus on state-capital dynamics and changing class forces. But it draws on aspects of post-colonial theory in being deconstructive and relational by decentring 'the west' in accounts of extraversion and discourses of modernity (Mercer, Mohan and Power, 2003). It is also historical in analysing continuities as well as the ways in which the past is used ideologically. Here we sketch this out in a little more detail.

The political outcomes of China's involvement in Africa will primarily be shaped by state-capital dynamics, particularly how Chinese capital and parts of the Chinese state intertwines with fractions of capital and political blocs within Africa. As we will see, China's foreign policy has closely shaped the Chinese state's interactions with African states, but whereas in the past Chinese firms and the state were coincidental, now there is some relative autonomy of Chinese firms from state agendas, but still the ties between the CCP and the large Chinese multinationals is strong. However, smaller private Chinese firms, which have proliferated in Africa, are independent of Chinese state agendas to a degree even though they are encouraged (Brautigam, 2003).

The outcomes of Chinese involvement are also conditioned by the histories, structures and capacities of African states. This concerns how capable African states are of governing their territories and generating conditions conducive to Chinese investment. It also concerns the levels of institutional regulation and the robustness of political society since for many African states, organised political debate and action, which might challenge development models (Chinese influenced or otherwise) are often lacking. This is also important as Chinese policy responds to local political conditions while the Chinese doctrine of respecting sovereignty and non-interference is implicitly based on an assumption that a state exists in the first place, which for parts of Africa is debatable, or at least state forms that are radically different from a liberal ideal (Tull, 2006). So, understanding the political institutions that actually exist and with which the Chinese do business is crucial. This also has future implications for governance, because if China seeks 'stability' in which to do business and is not bothered how it achieves it then the state may not be the vehicle to attain this.

The final element of our political economy is class dynamics. China's presence in Africa is bringing economic growth for some, but we know little of its distribution or the political ramifications of this. Again it is important to differentiate the types of business ventures that are being created (Alden, 2007), whether it be large SOEs, public-private ventures, or smaller private firms as these all affect the ownership patterns, decision making, and direction of profits (Broadman, 2007). We can speculate that enhanced resource extraction will strengthen rentier elites, but what of the smaller firms involved in trading? And, what is the racial dynamic of these economic activities in the sense of ownership and extraction of surplus since we know African leaders have had a mixed relationship with diasporic entrepreneurs. Hence, our analysis must tease out the changing class and racial dynamics of Chinese economic engagement.

Woven through a political economy perspective is a deconstructive analysis which decentres western accounts of China and Africa and makes space for the voices and perspectives of actors not normally heard in accounts of international politics, aid and development. However, in valorising 'non-western' perspectives we are not advocating an uncritical relativism, which treats, for example, the proclamations of the Chinese government as any more legitimate than claims by rival governments vying for African resources. This necessarily has to be historicised and to analyse continuities and identify traces of the past that influence (or are manipulated by) contemporary actors. This avoids *de novo* accounts that suggest what China is doing is, first, out of the blue in terms of Chinese foreign policy and, second, a significant departure from past practices of other external interests on the continent.

A starting point here are the binaristic media accounts of China's engagement with Africa (e.g. Carroll, 2006) that accentuate the differences between western perceptions of the continent (with Africa depicted as a moral cause) and Chinese visions and perspectives (which see Africa as a business opportunity). The media discourses on China's engagement with Africa draw on a range of Orientalist discourses and present China as a monolithic 'beast' with an insatiable appetite for African resources. Politically they depict a totalitarian state that has been let 'loose' in the 'dark continent' and is impervious to and somehow beyond the logics of western rationality, humanitarianism and the agendas of international 'development'. The way the UK and US media have sought to position Sino-African relations is often located within a deeply uncritical narrative of western interactions with Africa (Mawdsley, 2007). What we need to be aware of then are the constructed imaginaries of 'China' and 'Africa', and the geopolitical images and representations of Chinese and African ideologies, foreign policies and cultures that circulate and sediment in popular culture.

For China, Africa has historically been the focus of various moral and philanthropic crusades (Snow, 1988:144-185) and neither is neo-liberalism specific to the 'West' nor external to China (Kwong, 2006). There are thus multiple commonalities between the agendas and policies of 'developed' western states and those of China (Sautman, 2006). China has a popular representation for exceptionalism, but China is quickly becoming a normalised part of everyday African life as links and connections begin to deepen (Mohan and Kale, 2007). There is an urgent need to listen to what Africans themselves are saying about China's influence in Africa (Manji and Marks, 2007) so that we do not always automatically assume that African engagements with the 'external' must invariably be malevolent or misguided. It is also necessary to begin to understand those exchanges that are less visible at present – the commodity flows, the creation of new political and economic elites, the education partnerships and the emergence of African businesses in China. Crucially we must further engage with Chinese academics, policy-makers and think-tanks in opening up dialogues and conversations around China-Africa relations.

To elaborate on our post-colonial political economy we divide the substantive analysis into three main issues: 1) *The changing contexts and patterns of Chinese involvement in Africa* – how has China's foreign policy with respect to Africa evolved since the birth of the PRC in 1949 and what are the current and country-specific patterns of Chinese trade, aid and investment? 2) *Trade relations, African producers, and political responses* – how are the impacts of Chinese aid, trade and investment altering class dynamics and how are they being debated and contested by civil society and political parties in Africa? 3) *Democratic discourses, entrenching authoritarianism, and geopolitical rivalry* – how is Chinese aid targeted and what tensions exist between Chinese aid practices and those of key donors and multilateral organisations at the multilateral and national level?

Geopolitical Histories & Development Co-operation

In addressing the first of these issues this section provides an historical analysis of China's engagement with Africa in order to address some key challenges identified in our analytical framework. We want to stress that China has always engaged strategically with Africa and used the continent to bolster its geopolitical interests, which marks it out as similar to other superpowers. That said, it also highlights that whilst Chinese 'aid' is used to further geopolitical claims it has been different from western approaches, by being based on bilateral 'co-operation' rather than a moralising political discourse of 'catch up' development, and seeking to minimise the social differences between giver and receiver, though not always successfully. Finally, it also helps us situate and question contemporary Chinese discourses, with which we started, about China's historic and ongoing role as champion of 'anti-imperialism'.

Broadly speaking, these changes in Chinese policy have seen a shift from cold war ideology to a more classical pursuit of economic self-interest in the form of access to raw materials and the construction of spheres of influence through investment, trade and military assistance.[2] Muekalia (2004:7) describes the transformation in Sino-African relations since 1949 as China having 'gradually changed its tactics from confrontation to co-operation, from revolution to economic development, and from isolation to international engagement'. Recently, China's breathtaking economic advance has seen its need to access resources to fuel growth, within which China's role in Africa is typically presented as a straightforward resource scramble (Pan, 2006; Klare and Volman, 2006).

Third World 'Co-operation'

Although China has long had a role in Africa (Yu, 1965; Ismael, 1971; Larkin, 1971, Eadie and Grizzell, 1979; Gao, 1984) the shape of current China-Africa relations can be traced back to the 1950s and the connections forged during the anti-colonial struggles for independence and the revolutionary period of Chinese foreign policy from 1950 to the early 1970s. Running through this engagement is China's emphasis on South-South co-operation based on a number of perceived 'similarities' between China and African states. Zhou Enlai foreshadowed the concept of 'South-South' co-operation in his African tour of 1963-4 in advocating mutual economic assistance between 'poor friends' and in attacking the bullying of small and weak countries by the 'big and strong' (Snow, 1995). Beijing has also argued that China and Africa are both cradles of civilisation, that both 'belong to the developing world' and face common enemies and as a result they have common strategic interests and a shared perspective on major international issues. Beijing has also suggested that as a result China and Africa should support each other in close co-operation on key global issues and has sought to mobilise and maintain African support on those issues.

Although China continues to give aid to selected African countries the emphasis today has, as we will see, shifted toward providing official loans with government subsidised interest rates and to developing partnership or joint ventures between companies from China and Africa. Some authors (Melville and Owen, 2005; Alden, 2005b; Carroll, 2006; Marks, 2006) are sceptical about China's interest in Africa as a form of 'South-South cooperation', which is more progressive and less selfish, suggesting it might be the more familiar and hegemonic 'North-South relationship' with China attempting to oppose unilateral global dominance in part by building relationships that bolster Beijing's diplomatic offensive against 'hegemonism'. Similarly, Snow (1995:321) questions the way in which China has used 'camouflage tactics' to disguise its private interests and campaigns or has articulated a 'rhetorical unity which has sometimes disguised the pursuit of profoundly different goals'. We turn now to explore in a little more detail the nature of this co-operation.

The relations with Africa first developed during a period when China's foreign policy was fiercely critical of the bi-polar cold war world and was seeking to wrest the leadership of the non-aligned nations away from Moscow (Snow, 1988; Jung & Halliday, 2006). According to Lyman (2005), the early days of PRC diplomacy primarily involved attempts to counter the international recognition of Taiwan and to compete with western and Russian influence in the continent. China's confrontation with the United States in the 1950s and 1960s and with the Soviet Union in the 1960s and 1970s were particularly important. Two key historical moments also stand out here – the Asian-African Conference that met in Bandung in April 1955 and the establishment of the Afro-Asian People's Solidarity Organisation (AAPSO) which held its first conference in 1957. More broadly, the roots of this engagement are to be found in the wider climate of 'third worldism' and the Non-Aligned Movement.

Afro-Asian solidarity in particular, forged in the crucible of independence struggles, would go on to provide an important political foundation for the evolving China-Africa relationship (Tjonneland et al. 2006:75). Bandung thus became 'a symbol of Afro-Asia as a viable political concept' (Larkin, 1971:28) and China invoked the Bandung spirit to gain support for initiatives that China favoured. It does not appear that Africa was important to China at Bandung, however, and although it marked the beginning of significant Chinese initiatives in Africa there is little evidence that China foresaw this with clarity (Larkin, 1971). The AAPSO was the chief institution embodying this Bandung spirit and it established a permanent secretariat in Cairo although the organisation was largely unable to translate words into action (Wei, 1982). At the start of the 1960s however, the bitter ideological dispute between the USSR and China involved competition for dominance over various organisations of Afro-Asian solidarity and the non-aligned countries (Ismael, 1971). Further, Chinese wishes were often stubbornly and effectively resisted within these organisations and by no means did China fully control them (Neuhauser, 1968).

Chinese Premier Zhou Enlai's tour of Africa in 1964 confirmed Beijing's support for African struggles against imperialism (which he called 'the poor helping the poor') and set the stage for Africa as an ideological battleground with both Washington and Moscow (Adie, 1964; Ismael, 1971; Snow, 1988). The era of Mao Zedong and Zhou Enlai had a strong emphasis on political ideology and set out principles for co-operation and for guiding the giving of aid. However, while Mao informed a guerilla leader from Southern Rhodesia that China and Africa were 'one and the same' many African leaders of the 1950s and 1960s knew little about China (Snow, 1995). The principles for aid and co-operation reflected China's own experience as an aid recipient over the preceding 60 years where the Chinese had not appreciated their 'client' status (Snow, 1988) and were partly calculated to 'show up the North' (Snow, 1995:287) by contrasting with the assistance then provided by 'first world' countries. By spreading the gospels of nationalism and independence and in its good works, China set out to knit the African countries together into a Third World alliance with China at its head as a counterbalance to the cold war superpowers and wealthy advanced economies of the North. In distancing itself from western approaches, China also drew on 'missionary-like' convictions of its righteousness in assisting Africa.

China's method of giving aid, it can be argued, has displayed certain distinctive historical features. It was usually given as a grant, was strictly bilateral in nature, and only given where the relationship was mutually beneficial to donor and recipient alike. Moreover, Chinese aid workers were urged not to 'loll in hotel suites and run up expenses as other expatriates did' (Snow, 1988:146). Chinese aid went to various sectors of African 'development' such as light industry, transport, agriculture, water control and irrigation, public health, power and communications, sports and cultural complexes and heavy industry (Eadie and Grizzell, 1979). China seemed happy to work on projects that were effectively inessential monuments to the glory of the African regimes they worked with, reflecting the political or psychological needs of African leaders, and they also made a point of 'doing something' for districts which the Europeans had been content to leave as backwaters (Snow, 1988). Aid was also an important geopolitical tool for the Chinese in the contest with Taiwan (also an aid giver) and the USSR (where the Chinese aimed to shame the Kremlin by stepping up their charity and economic aid and by providing fewer arms). Aid thus became an important way of exposing the limitations of China's opponents, both western and Soviet. There was often a reluctance however to coordinate efforts with other foreign powers and a deep-seated tendency to 'go it alone', sometimes resulting in active hostility to other aid personnel.

However, the upheavals of China's Cultural Revolution undermined the People's Republic of China's (PRC) efforts to implement ambitious foreign policy objectives. Peking's failure in Africa during the late 1960s may also be attributed to the ignorance of PRC leaders and their failure to grasp the significance of regional antagonisms and cultural and historical differences within and between the various countries while trying to apply a general model of revolution to diverse African 'liberation movements' (Neuhauser, 1968). In Angola, for example, although it strongly opposed Portuguese imperialism in Africa, China did not provide clear support to any one liberation movement (Wei, 1982) and when relations with the MPLA soured in the late 1960s and early 1970s (as the MPLA moved closer to the Soviets) China increased its support to UNITA and even sided with the US in an attempt to weaken the USSR's grip on Angola (Jackson, 1995). Chinese support switched back to the MPLA in the late 1970s and early 1980s however (Taylor, 1997; Grioñ, 2007) suggesting that Angola was more a 'testing ground' for the PRC's position towards the superpowers (Jackson, 1995; Taylor, 1997) than a setting where China demonstrated and adapted its committed support for national liberation. Hence, China's support to African liberation movements was shaped largely by its own geopolitical interests and oscillated between different nationalist groups, lacking consistency and continuity.

Despite waning interest in Africa in the late 1960s, the massive Tanzania-Zambia railway (1967-1975) which cost over US$600 million and was built with the help of 15,000 Chinese workers stands out as a symbol of Sino-African solidarity. However, according to Brautigam (1998), its success was limited by factors that are very familiar to other donors and in other eras. The Chinese not only failed to understand local political and institutional factors, but there were limited evaluations in the early period and a persistent over-centralisation in decision-making. There was also a lack of transparency and more project linkages were held with Chinese agencies than with local institutions (Snow, 1998; King, 2006).

As the Cultural Revolution wound down in the 1970s China's foreign policy began to lose its strong ideological inflection (Harding, 1995). Between 1976 and 1982 total Chinese aid pledges to Africa fell from US$100.9 million to just US$13.8 million (Snow, 1995: 306). Within years of the completion of the flagship TAZARA (Tanzania Zambia Railway Authority) project major shifts were underway within China's domestic and foreign policy (particularly following the death of Mao

Zedong in 1976) which saw a gradual dilution of the ideological focus in policy-making in favour of a greater emphasis on economic co-operation.

The Post-reform Era & Resource Diplomacy

In the post-Mao era Chinese leaders have sought to assign priority to economic modernisation and to maximising access to foreign markets, technology and capital (Harding, 1995). In a major policy speech delivered in June 1985, Deng Xiaoping laid the foundation for China's post-Maoist foreign policy, by suggesting that the PRC would become a 'modern, powerful socialist economy' and stressing that a revival of China's own economic development and modernisation was *the* primary objective. Africa policy shifted from support for Maoist-inspired revolution to the search for new commercial engagements that would strengthen the PRC's economy. Combining the promotion of Chinese exports with the giving of aid, from 1983 onwards China's aid to Africa stood at an average of US$200 million a year (Snow, 1995:311). Deng re-affirmed a policy of non-interference, encouraging African countries to find political and economic models of development to suit their own particular circumstances (Wang Qinmei, 1998; Zhong Fei, 1995). Just as China had 'read-justed' its economy there was an assumption that African partners could learn lessons from Chinese history and so they too would have to 'adjust' in ways not too dissimilar from the SAPs advocated by other donors.

During Africa's 'lost decade' of the 1980s Chinese economic attention was firmly directed towards Japan and the US whilst Sino-African trade was increasingly marginalised (see Taylor, 1998) although it continued to grow from about US$300 million to US$2.2 billion between 1976 and 1988 (Snow, 1995:318) suggesting that Deng's refocusing of China's Africa policy had begun to reap rewards. After June 1989, China underwent a major re-evaluation of its foreign policies as it ended its 'honeymoon' relationship with the West. The self-interest of African elites under threat from democratisation projects and the longer history of Third World solidarity and resentment at western 'neo-imperialist' interference meant that African leaders were muted in their criticism (if not openly supportive) of China following Tiananmen Square and were fearful that Beijing could easily end Chinese development aid. With the collapse of the Soviet bloc China began to conceptualise the world as being threatened by a new and potentially unchallenged hegemon: the United States. Africa thus played an important role for China in its struggle to be free of the overt influence of any one power and in regaining its eminence in the international system (Taylor, 1998).

By the mid-1990s securing energy resources became a key driver of China's foreign policy (Zhao, 2007). In terms of resource security, oil is clearly a crucial concern, with China's energy consumption predicted to rise by 153 per cent between 2002 and 2025 (Klare and Volman, 2006). As energy competition intensifies between the US and China, producing regions that have hitherto been quite marginal to global concerns become of critical strategic importance (Lyman, 2005). The Washington Consensus of the 1980s was made possible in part through a lack of ideological counterweights following the ending of the cold war. The neo-liberalism which accompanied this has been based upon what Harvey (2003) terms 'accumulation by dispossession', which is a brutal appropriation of the resources of the developing world and repeats a model laid down under colonialism. Indeed, the whole discussion of the 'new' scramble for Africa's resources by China and others needs to be set in this longer-standing and wider analysis of the global division of labour in which Africa's position has been one of 'extraversion'. Africa has since the 19th century been externally oriented, so it is overblown to suggest that China represents a radical departure from this long standing structural relationship.

Whereas the 1980s was the pinnacle of the Washington Consensus, the late 1990s witnessed what Ramo (2004) terms, somewhat prematurely, the Beijing Consensus. While this posits a more co-operative stance by China vis-à-vis the developing world based on 'peaceful coexistence', there is much to suggest that China's renewed interests in Africa is not much different from those of the neo-liberal 'Western' powers, namely to advance the class power of its elites (Harvey, 2005). Hence, while China's rhetoric of non-aligned, socialist 'brotherhood' remains its geo-strategic interests have changed dramatically. Therefore, the question remains whether China's engagement with Africa will radically alter the 'extraverted' relationship to the global economy (Sautman, 2006).

Whereas in the 1960s-1980s China's engagement was largely 'ideological', today China's foreign policy is characterised as 'flexible, differentiated and proactive' (Zhao, 2007). Alongside this resource diplomacy are various forms of 'soft power' (Alden, 2005a), which not only garner support in exporting countries but are tied to China's regional and international geopolitical aims. Some have termed this 'rogue aid' (Naim, 2007) whose effect is 'typically to stifle real progress while hurting average citizens'. But from an African perspective for the first time since the end of the cold war African countries have more choices about who to turn to for aid and investment and can play donors off against one another. But, arguably, the leverage that China gives is 'safer' than the cold war trade off between the US and USSR, when military destabilisation was often the reward for non-compliance.

With a growth in the wealth and influence of China, the US's faltering deficits, the relative buoyancy of the EU and Japan, and India's rise – the international scene is characterised much more by multipolarity than the bipolarity of the cold war or the apparent unipolarity of the immediate post-cold war period. That said, US hegemony is not on the wane and China is sorely aware of this, even as it attempts to both challenge and contain this hegemony. This multipolarity sees China engaging tentatively with various multilateral organisations. With its recent ascension to the WTO, China recognises that it needs to court votes to protect and promote its interests even as it tries to address some of the trade asymmetries between North and South.

This resource diplomacy has seen various high level visits and policy fora. During President Jiang Zemin's 1996 Africa visit he signed 23 economic and technical co-operative agreements with six African countries. He also outlined a five point proposal for long-term Sino-Africa co-operation, which included fostering 'sincere friendship', interaction based on equality, respect for sovereignty and non-interference, common development on the basis of mutual benefit, enhanced consultation and co-operation in global affairs, and the pursuit of a just and fair international economic and political order (Shi Weisan, 1996). This was followed up in the Beijing Sino-African ministerial conference in October 2000 which led to the establishment of a permanent Forum on China-Africa Co-operation (FOCAC). The forum has since become the principal instrument for fostering dialogue and co-operation with African countries, all of whom have been invited to attend the subsequent FOCAC gatherings in Addis Ababa (2003) and Beijing (2006), even those that still maintain an official contact with Taiwan.

In some ways the 2006 Beijing FOCAC meeting marked the end of the beginning of China's latest engagement with Africa, a process qualitatively different from the past (Alden, 2006). In January of that year China published the equivalent of a white paper, *China's Africa Strategy* (PRC, 2006). Whilst re-affirming older principles of non-interference and the 'one China' policy, it emphasises trade, investment and economic co-operation as the basis for engagement and also outlines China's intention to deepen political relations. There is also a clear emphasis on access to African commodities, on co-operation in the multilateral system and on Chinese support for the AU/NEPAD and other regional initiatives and organisations. Hu Jintao embarked on an eight nation tour of Africa in February 2007 (his third visit in as many years) dispensing billions of dollars of debt relief and announcing discounted loans and new investments. A US$5 billion China-Africa Development Fund was also recently launched that aims to encourage Chinese firms to invest in Africa whilst the 2006 Beijing FOCAC meeting pledged to open three to five trade and economic co-operation zones in Africa by 2009 (King, 2007).

The Politics of Class & Race

While oil dominates China's recent African interests there is much more to her economic strategy. Other minerals and metals are important (Broadman, 2007) as are agro-forestry products and trade of manufactured goods and capital equipment. In terms of the patterns of ownership, Chinese firms operating in Africa tend to be either large, multinational state 'influenced' enterprises or small, private trading or manufacturing enterprises. The prospects of Africa's developmental gains from these interests are not clear cut and will vary by sector and country (Kaplinsky, McCormick and Morris, 2006).

In order to assess the impacts of China it is important to disaggregate the potential costs and benefits of Chinese trade and investment and, crucially, how these are manifested at the national level, and in terms of wealth accumulation and class composition. While there is a growing body of work on the national patterns of trade and FDI (e.g. Broadman, 2006; Goldstein et al. 2006; UNCTAD, 2007), there is little on the changing class dynamics. The little high-quality empirical work that does exist on Chinese business strategies tends to focus on ethnic networks and the social relations through which transnational enterprises operate (Haugen and Carling, 2005; Brautigam, 2003). It is also important to analyse the racial aspects of accumulation strategies because politically, as we will see, a changing class-race dynamic has important implications for African politics at both local and national levels.

Disaggregating China-Africa Economic Relations

It is difficult to generalise about the likely impact of China's trade and investment with African countries. It is beyond the scope of this paper to provide much detail on this or to analyse specific countries. The combined effects of the potential costs and benefits are context specific although some case study material is emerging (UNCTAD, 2007; le Pere, 2007). However, in terms of understanding the changing class composition of African societies it is too early to assess the impact of China and would also require a different form of analysis from the types of aggregate studies done so far. We need to know much more about whether Chinese 'aid' and investment has transformed the ownership of businesses in African countries and how this affects the well being and security of different class groups in Africa. We also need to understand the racial composition of these changing class groupings and the extent to which African middle classes are gaining from or losing out to a Chinese petit-bourgeoisie. Here we suggest some contours of these new class/race configurations. In this sub-section we also expand upon the racial politics of China-Africa relations and the ways in which organised civil society-based politics are beginning to be felt in various ways.

First, there is some evidence that a Chinese merchant class has emerged in some countries. Politically, there may be parallels with other 'ethnic' merchant classes such as the Indians in East Africa and the Lebanese in West Africa. On the face of it these merchants may be less interested in domestic political issues so long as they can accumulate wealth. This could be attractive to authoritarian African regimes (Lee, 2007), because their sojourner status means they are less likely to press for openly democratic changes. However, studies such as Reno's (1995) of Sierra Leone suggest politics will be organised via a 'shadow state' which ties ethnic entrepreneurs into circuits of state power. One more formal way in which the Chinese businesses are beginning to organise is through organisations like chambers of commerce, some of which have been proactive in encouraging further Chinese investment, as in Mauritius (Brautigam, 2003), but which are likely to be lobbying for other privileges.

Second, if competition from Chinese imports closes factories and increases unemployment in the formal and informal sectors this may erode the support base of organised labour and diminish its political clout. Indeed, some of the most organised critiques of Chinese engagement have come from trade unions (e.g. Zambia, South Africa, Ghana). Yet as African companies are being squeezed by Chinese competition they are also using the more 'liberal' civil society organisations such as chambers of commerce to lobby against the Chinese. For example, Lee (2007) details the objections of the Kampala City Traders' Association to Chinese traders as dumping sub-standard goods, profit repatriation, exacerbating unemployment, and tax evasion. However, these objections seem relatively few and far between although this may simply reflect the lack of grounded analysis to date as well as the extent to which Chinese trade and investment undermines local economies. Clearly where impacts are most negative we would expect greatest opposition.

Related to all of these 'economic' issues are more cultural questions. The increasing numbers of Chinese on the continent is producing social change and begs a whole set of further questions around the relations between the 'hosts' and Chinese (Mohan and Kale, 2007). Chinese migration to Africa started in the colonial period as forms of indentured labour and carried on into the cold war period through aid missions (Hsu, 2006). Small overseas Chinese trading communities in Southern and Eastern Africa lived harmoniously with their African neighbours and even married African people or took office in African governments (Snow, 1995). More recently the Chinese construction methodology is to keep Chinese workers in their own labour and social groups, within their own accommodation, and working to Chinese practices of speed and health and safety, but it is not true that all go home afterwards (Chan, 2007). Fujian and Zhejiang provinces have been actively encouraging emigration to Africa as a source of remittances and of new jobs (Alden, 2007).

Hence, there is a peculiar diaspora that requires some sociological investigation here and it differs from country to country and so more nuance is required in understanding 'Chinese' relations with Africa and the interactions that Chinese people have with local communities. Angola, for example, is expected to soon house the largest single expatriate Chinese community in Africa and one estimate has it that so far 10,000 Chinese businessmen have visited Angola (CCS, 2007). In Cabinda (which has the largest natural resource endowment in Angola) the Chinese are the largest single immigrant group. It is estimated that between 20,000 and 30,000 Chinese nationals now live in Angola, a figure almost as large as the community of expatriate Portuguese (47,000) (CCS, 2007).

Anecdotally relations between Chinese and African populations are quite good, but some political figures are playing a 'China card', most notably in elections in Zambia in 2006 where an opposition politician whipped up resentment against the Chinese, although he fared badly in the elections themselves. It remains to be seen whether this form of scapegoating gathers momentum in the coming years (Trofimav, 2007). Beyond this manipulated politics there are complex racial and cultural discourses of whether the Chinese are treated as different and 'other' by Africans or are somehow the same insofar as they are 'not white' (Snow, 1988). Whether and how this shared 'non-whiteness' and its linkages to the anti-imperialist agenda of the political leaders plays out is another issue for ongoing analysis.

Democratisation, Rights Discourses & the Contemporary Politics of Aid

Earlier we mentioned the underlying logic of China's foreign policy around anti-hegemony and stability. The current disjuncture is such that China now pursues resources and takes pragmatic policy decisions, but cloaks it all in an older rhetoric of third world solidarity. China's 2006 *Africa Policy* is premised on respect for sovereignty and 'non-interference' in national political processes. In terms of government revenue those countries with significant commodity exports are experiencing growth in rents. In order to bolster claims to resources and to further its international geopolitical aims, as we have seen, 'aid' is also used strategically. The political implications of this activity, alongside the potential changes in class forces outlined in the previous section, are already making an impact on Africa's politics. This sub-section examines the likely impacts on leadership and the processes of governance, and the politics of aid.

Leadership & Governance

Again, we need to avoid generalisations about the impact of China on Africa's politics. Too many accounts simply see China as entrenching despotic rulers (French, 2004; Naim, 2007). Following our post-colonial political economy framework the precise effects will be conditioned by the nature of China's interests, the modes of engagement with particular polities, and the political systems operating in the African country concerned. As a start we have Tull's (2006) three-fold categorisation. First, states undergoing transitions to democracy. As we know China does not get actively involved in governance reforms so in such states China's role will be minimal given that any criticism of authoritarianism and moves towards liberal democracy will simultaneously reflect badly on China's domestic record. These countries, which lack strategic resources, but which serve as useful markets and allies in geopolitical struggles have received significant aid. These include Kenya, Ghana, and Tanzania. In the majority of these cases there is technical and infrastructural support, grants, and some joint ventures. Second, there are states with significant resource endowments where investment and aid have been at high levels which include Angola, Sudan and Nigeria. Here, China's role is likely to exacerbate a resource curse and benefits will accrue to elites thereby undermining development and democracy. Here we have seen major infrastructural investment, large aid packages, and high level diplomatic engagement. The Sudan has proved the most controversial of these with China supplying arms to the government and its militias in order to suppress opposition in Darfur as well as allowing the Sudanese government to mount attacks from Chinese run oil facilities (Abdalla Ali, 2007; Askouri, 2007; Large, this issue). Third, are states emerging from conflict. China's peacekeeping interventions are generally welcomed, but only if other economic activities do not enhance inequality. For example, in Liberia the Chinese contributed to peacekeeping efforts, but Chinese logging companies were also aggressively stripping forests.

Despite these differences most African leaders share an uncritical openness to China for the 'good' that it will bring. In all cases there is very little internal debate, either in China or African countries, about the efficacy and impacts of China's Africa policy. For example, apart from South Africa there is very sparse civil society debate about the pros and cons of China's involvement (Burke, pers comm; Obiorah, 2007). We also know little about how African political parties engage with this issue. It is not clear whether this is because most Africans are happy with what China brings and therefore making a political issue of it would backfire, or whether people are simply unaware of what China is doing and how the politics surrounding it works. However, it does raise questions about whether extended Chinese penetration of African markets and elevated immigration levels will become political issues in much the same way as Indian Diasporic enterprises became the targets for regimes in East Africa in the 1970s.

The Politics of Aid

We have already seen the close linkages between aid and politics in Chinese policy, particularly its tied character and project basis. What is interesting politically is the bilateral nature of China's aid and the ways in which it conflicts with other donors' moves towards coordination as well as with pan-African attempts to direct Africa's development. This sub-section will not look at the mechanisms of aid *per se* (see King, 2007; Tjonneland et al. 2006), but rather at the political implications of them.

The Paris Declaration on Aid Effectiveness concerns donor coordination, which the Chinese signed up to, but China's Africa Policy is focused on bilateral aid. Likewise the Chinese support the African Union and NEPAD, yet still do most of their diplomacy bilaterally. These tensions between bilateralism and multilateralism are important issues for both Africa and the other donor countries besides China who are feeling their way in how to deal with China. Some of this tension between donor modalities is played out in debates around 'rights'. The US and Western European donors have for some time been pushing a 'rights-based' development agenda (Mohan and Holland, 2001), which is a liberal package of aid designed to engender freedoms though various legal reforms, democratisation and good governance initiatives. Although stressing the whole gamut of rights, from civil and political through to economic, social and cultural, these approaches tend to favour the liberal freedoms of market-based mechanisms with a minimum role for the central state. By contrast, China emphasises only the social and economic group based rights and see these as underpinning not only China's own development model, but also its aid programme.

Some western commentators, and especially American ones, use these different takes on rights to emphasise the inherently dangerous and self-serving nature of China's foreign policy as well as criticising China's domestic democratic credentials. All of this is designed to enhance the legitimacy of western approaches to democracy and development aid. On the other hand, western donor countries are wary of upsetting the Chinese who hold the key to longer-term global prosperity. The result, in terms of development aid policy, is to tread carefully around China, pushing a rights-based agenda and to look for productive ways to engage with China on aid delivery, drawing it gently into coordinated schemes (Benn, 2004; Tjonneland et al. 2007; Wild and Mepham, 2006). However, the Darfur crisis may prove to be a turning point at which China realises its need to be more careful about the governance side of its aid and investment. International condemnation was so fierce that there are signs that China will not repeat such approaches elsewhere (Alden, 2007).

A not dissimilar issue around the politics of aid is China's relations with the AU and NEPAD, both of which China actively supports and are test-beds for its changing stance on multilateral politics. Whatever the efficacy of NEPAD, it posits a multilateralist approach to solving Africa's development problems. While the Chinese state-backed investors are relatively lax about transparency, accountability and sustainability of investments, NEPAD has been developing the African Peer Review Mechanism. This is an effort to encourage African countries to set standards and put in place procedures for vetting and monitoring investments. Again, there are potential tensions and it seems likely that in the rush to attract and maintain Chinese investments, African countries will be tempted into a race for the bottom in terms of labour and environmental standards. Another fracture line is China's 'non-interference' ethos, which ostensibly demonstrates respect for African statehood. However, the DRC, Darfur and Zimbabwe crises, amongst other things, have moved the AU to push for 'non-indifference' in international relations so that African and other countries cannot stand by when abuses are taking place. Again, these may prove to be a fault line in China-Africa political relations over the coming years.

Conclusion

To conclude we want to open up a series of broader issues around the longer term implications of whether China's involvement will enhance development prospects and political accountability in Africa or undermine them. We do this through a series of research questions for the future and a skeletal methodology. All agree that China is in Africa to stay and so monitoring the unfolding of these relationships is an obvious conclusion from this review. One medium to long term issue which conditions any foreign policy initiatives by China is its domestic inequality. Given huge and growing urban-rural inequality, debate is emerging around whether China can continue to fund aid and investment at current levels, when pressures are coming for domestic redistribution rather than international aid (Naidu, 2007).

We suggested that China's involvement will not fundamentally alter Africa's place in the global division of labour. It simply adds a new and significant market without challenging the continent's extraversion. History suggests that in some states this will entrench rentier states, concentrate ownership in a few hands, and deliver limited multipliers to marginalised Africans. The more upbeat take amongst policy-makers (Wild and Mepham, 2006, Tjonneland et al. 2006) is that if Africans can 'control' the benefits of Chinese involvement then Africa will benefit. This requires strengthening civil society (Obiorah, 2007) and opening up development to democratic debate to see how redistribution might work. International donors, then, will not do things much differently and encourage the types of governance reforms already in place while ensuring 'dialogues' with the Chinese. However, civil society strengthening has been limited thus far and so it remains to be seen whether more of the same actually works.

A related debate, with historical parallels, is whether China will be forced to get more involved in multilateral governance as well as building governance capacity at the national level. So far China has, as we have seen, taken the view publicly that internal political matters are not its concern. This echoes earlier merchants and imperialists, who insisted their interests were largely commercial, but who ended up becoming more and more mired in internal institutional building and policing. Thus, as China's Africa strategy comes to rely on a growing number of bureaucratic principles and corporate agents, contradictions will increase. Beijing is relying on an increasingly complex set of government oversight agencies to accomplish its Africa policy which are ever harder to manage, because these agencies do not enjoy direct lines of authority over Chinese corporations overseas:

> *As it deepens, the Chinese government will more likely find itself hamstrung by … an increasing set of tensions and contradictions between the interests and aims of government principals – the bureaucracies based in Beijing tasked with advancing China's overall national interests – and the aims and interests of ostensible agents – the companies and businesspersons operating on the ground in Africa* (Gill and Reilly, 2007:38).

And as these relationships grow and the institutional tendrils become more enmeshed we see possible problems of African people, in western fears, being locked into China for many years to come but equally the Chinese are 'locked' into Africa, which brings its own risks.

Leading on from this is that China seeks, as do all investors, a stable and secure investment environment. In line with other superpowers China supplies arms and military training in an attempt to secure resource access. So a possible scenario involves greater superpower conflict in which as a result of arms sales, rent seeking, and growing inequality African states are destabilised even more and pull farther apart. The result in terms of securing access to resources may be that China, and others, end up dealing with a myriad of 'non-state' institutional players such as warlords, guerillas, and secessionist movements, not unlike the situation in the contemporary Niger Delta.

In all these areas, though, there is a need for rigorous research and we finish with some key research questions and a methodology. On issues of economic change and class composition we feel there are questions around ownership, wealth distribution, race and organised politics:

- In what ways do the patterns of Chinese trade, aid and investment reinforce existing macro-economic reforms or does it work against them?

- How has Chinese 'aid' and investment transformed the ownership of businesses in African countries?

- How does Chinese involvement affect the well being and security of different class groups in Africa? How do different classes of Africans perceive China's growing role in trade and investment?

- What is the racial composition of these changing class groupings?
- Does the changing class and gender composition have implications for organised civil society based politics (e.g. Trade unions, business lobbies)?

Leading from the last question is formal political society and the ways in which political parties and incumbent regimes use China's presence:

- How do African politicians and political parties play 'the China card'?
- To what extent does China's involvement strengthen the hold of regimes in power? How do African regimes use Chinese aid and China's development path as a means to push through different kinds of political change?

Finally, Chinese aid, in all its complexity, and the relations between donors is likely to have long-term repercussions across Africa:

- In what ways does China deliver aid and how it is different and distanced from 'western' aid? How are different discourses of sovereignty, cooperation and development mobilised in these practices?
- How are Chinese aid and investment projects decided upon and allocated?
- What forms of conditionality exist in Chinese aid? What effects does this have on policy autonomy in Africa?
- What tensions exist on the ground over donor coordination? Are western donors at the country level seeking to include China more and in other ways?

These questions urge a detailed empirical response. There are already too many generalised analyses of China and 'Africa' 'as if there were relationships between two countries instead of between one and fifty-three' (Chan, 2007:2). Instead what are needed are detailed case studies of China-Africa relations, which establish baseline conditions and that are capable of differentiating generic impacts from country specific ones. In the past year we have seen more case studies emerging including Angola, Sudan, Namibia, Tanzania, Zimbabwe and Benin (in le Pere, 2007 and Manji and Marks, 2007), but these are mostly descriptive and use poor quality public data and newspaper accounts. It is vital for critically engaged scholars, activists and policy makers to properly analyse these unfolding relationships in order to guide action rather than continually rely on half truths and impressions.

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Endnotes

1. Similar points have been made by others. See also Marks (2006). In China, shortly before the Beijing FOCAC summit of 2006 the Chinese newspaper *People's Daily* ran an article denouncing 'the fallacy that China is exercising neo-colonialism in Africa … apparently aimed at sowing discord between China and Africa' (People's Daily Online, 2006).

2. China's trade with Africa reached US$55 billion in 2006 (up 40% year on year) making China the second largest bilateral trading partner in Africa behind the US (US$91 billion) and now ahead of France (US$47 billion) and this may reach or go beyond US$100 billion by 2010 (oil and raw materials are crucial to this) (Tjønneland et al. 2006; Harman, 2007). At the end of 2006 China's investment in Africa reached US$11.7 billion (Guijin, 2007:3).

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History & Identity in the Construction of China's Africa Policy

Chris Alden & Ana Cristina Alves

One of the most notable features of the forging of China's new activist foreign policy towards Africa is its emphasis on the historical context of the relationship. These invocations of the past, stretching back to the 15th century but rife with references to events in the 19th century and the cold war period, are regular features of Chinese diplomacy in Africa. Indeed, it is the persistence of its use and the concurrent claim of a continuity of underlying purpose that marks Chinese foreign policy out from western approaches which have by and large been content to avoid discussions of the past (for obvious reasons) or insisting on any policy continuities. However, beneath the platitudes of solidarity is a reading of Chinese historical relations with Africa emanating from Beijing that is, as any student of contemporary African history will know, at times at odds with the historical record of Chinese involvement on the continent.

This article will examine the use and meaning of history in the construction of China's Africa policy. It will do so through first, a brief discussion of the relationship between foreign policy, identity and history; second, a survey of Chinese foreign policy towards Africa from 1955 to 1996; third, an analysis of the implications of Beijing's approach for its efforts to achieve foreign policy aims regionally and globally.

Beijing's impulse to deliberately frame its Africa policy in historical terms could be seen as subscribing to the rhetorical requirements of an expanding engagement whose new basis is deeply commercial. Though this provides a partial explanation for Chinese actions, a focus on crude economic instrumentality does not fully capture the prevailing rationale behind Beijing's utterances on its Africa policy. In fact, what is at stake in China's conscious construction of an historical basis for its contemporary relationship with Africa goes beyond standard diplomatic coverage for an interest-based foreign policy, but more fundamentally an attempt to reconcile China's self-imposed identity as a developing country with its emergence as a global power. Forging positive relations with Africa is crucial to China's portrayal of itself as a leading state whose 'peaceful rise', in contrast with past power transitions, will neither jeopardise poor countries' interests nor destabilise the international system. In this sense, a debate over China's use of history in Africa is one which touches on core concerns regarding both China's role and Africa's place in a changing international system.

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History, Identity & Foreign Policy

Traditional scholarship in Foreign Policy Analysis (FPA) posits that a state derives its foreign policy from an assessment of spatial factors and material endowments (or their absence) in conformity with a broader set of societal values (Holsti, 1988:117-118). From this perspective, environmental constraints are seen as crucial sources of foreign policy, for instance, the proverbial rationale behind why the Swiss government has never developed a 'blue water' navy nor the accompanying strategy and bureaucratic institutions within its foreign policy machinery (Hill, 2003:169-170). The core values of a society, generally cast as variants on security and wealth creation, exercise influence in the formulation of foreign policy aims. Though spatial factors such as geographic position, resource endowments and societal values are surely crucial to setting the parameters of foreign policy choice, this traditionalist approach does not fully account for the relationship between history and identity as being at the heart of the foreign policy process. This ideational basis of foreign policy is rooted in self-conceptions about society within a particular state and subject to socially-constructed notions of national identity (Wendt, 1992:391-447). Seminal beliefs about origins of the 'nation', the boundaries of citizenship and physical territoriality, ideas about sovereign legitimacy and sources of threat are all products of the twin forces of history and identity as mediated through shared interpretations held by society. In this regard, national identity can be seen as a conscious construction of myths, Benedict Anderson's 'imagined community', in which history plays a critical role in forging bonds that tie individuals to the state (Anderson, 1983). A feature of this process is what one scholar characterises as the 'necessity of forgetting', the intentional abandonment of facets of history in the service of the assembly of a national myth (Renan cited in Werbner, 1998:54). Indeed, it is national myths that set parameters as to what is deemed to be 'objective history' and who are its subjects as well as the particular expressions of this such as territory, symbols, a range of social activities and sites of secular pilgrimage all aimed at reinforcing national identity. The conscious management of national identity, while a feature of all societies, is perhaps more visibly recognised in newly independent states determined to break with the previous regime and in search of new sources of domestic and external legitimacy. For these governing elites, foreign policy becomes a crucial means of giving explicit content to the emerging national identity ('us' versus 'them') through public statements as to sources of regime legitimacy, declarations of intent, and ultimately through the pursuit of a diplomacy of isolation, alignment and rejection or confrontation in relation to the prevailing international order (Campbell, 1992: introduction).

Contemporary China's self-conception of its own identity is the product of several strands including an imperial legacy, its revolutionary past and its developmental aspirations (Jenner, 1992). The ascendancy of the Chinese Communist Party (CCP) to power in October 1949 after a long and bloody civil war was a remarkable feat which gave its leaders a solid political, military and ideological base upon which to build the new state. Despite the impulse to sweep away much of the past manifested in Chinese domestic policy from 1954 onwards, the CCP leadership nonetheless sought to retain some features of an earlier epoch in the construction of their vision of 'New China'. For instance, the Qing dynasty's designated territorial boundaries were retained by Beijing while Han nationalism in various forms featured in the socialisation of disparate elements under its control in the CCP's efforts to unify the post-conflict society (Jenner, 1992). Concurrently, Maoist dialectics, building on Marxist-Leninist thought (and still influential in shaping strategic thinking within the CCP elite), provided a complete world view that helped situate individual Chinese and their new state in relation to the international system. According to Mao, the international system was divided into progressive and reactionary forces and it was an historical imperative that the People's Republic of China side with the former. Finally, the manifest challenges of development facing the CCP in power also exercised an important influence over the state's forging of its identity, occupying most of its resources and attention as well as reinforcing the ideological standing of the state as being closest to other developing countries. All of these dimensions were reflected in China's self-proclaimed foreign policy role as a leader in fomenting socialist development and revolution, a position which led to a break with Moscow, and ultimately give rise to the 'Three Worlds Theory' in the late 1970s which placed China as a leading developing country in contrast to the hegemonic pretensions of Moscow and Washington and their putative allies.

Throughout the tumultuous period since the founding of the People's Republic of China, the Chinese leadership has sought to maintain the belief that, while domestic economic policies have altered dramatically from the original socialist commitment and events at home may have even spiralled out of control at times, China's *foreign policy* has been steadfast and guided by principle. As Samuel Kim has pointed out:

> *(I)n striking contrast with domestic policy, there persists the compulsive self-characterisation of foreign policy as one of principled constancy and continuity* (Kim, 1989:4).

Informing this perspective is a world view that is both state centric and relation-oriented (Wang, 1994:492). According to Wang Jisi, the Chinese outlook holds that states are the only credible actors in the international system. The corollary of this view is that for China, as a state that has been notably weak in key areas such as the economy and military means, balancing conduct becomes a necessity of foreign policy (Wang, 1994:489). Thus, Beijing's shift from an alliance with the Soviet Union to revolutionary autarky and finally co-operation with the United States – all within the span of a decade and a half. Far from representing a significant series of changes (as one might imagine) in Chinese foreign policy, they are in fact sober responses to uncertainty and change in the international system itself (Wang, 1994:488). Concurrently, the relational character of Chinese foreign policy has meant that it sees its own conduct as motivated by a staunch commitment to ethical principles – embodied in the 'Five Principles of Peaceful Coexistence' – which from its perspective can form the basis of a new international order. The corollary of this view is that for China, achieving these aims is best done through the forging of consensus and moral suasion with other states rather than recourse to the punitive measures associated with the rigid application of western-dominated forms of international law. In this sense, while the prevailing state-centric structure of the international system may have been accepted, the Chinese leadership have resisted wholesale submission to the process by which international rules and norms are enforced, preferring to employ tactics that better reflect their own domestic experience.

In spite of its protestations, China's current identity claims as belonging to the third world, formulated for the new initiatives in Africa as the pairing of the world's 'largest developing country with the continent with the largest number of developing countries', sits uneasily with its contemporary international recognition as an economic superpower (He, 2007:2). While African leaders may nominally accept this formulation, the rationale that they give for co-operating with China more often reflects their acknowledgement of China's status as an emerging global power with superior capital, technology and political resources.[1] Moreover, with the economic content of these new relations echoing the classic commodity-manufacturer dynamic of old, the rhetoric of 'South-South' solidarity and co-operation seemingly takes on dimensions that seem to hardly differ from generations of North-South ties. For this reason, these aspects of China's contemporary involvement with Africa pose significant challenges to the country's self-perceptions and, with that, its foreign policy.

It is in this context that China's promotion of history assumes a critical importance. It acts not only as a description of the foundation for past relations but also as an assurance to African leaders that, despite Chinese emerging superpower status, it will retain the outlook and interests of fellow developing countries. Unfortunately the record of Chinese engagement in Africa is more chequered than public proclamations in Beijing would have one believe. A closer examination of the empirical record is required in order to understand just how history is being mobilised to manage this acute foreign policy dilemma.

Ebbs & Flows in China-Africa Relations

As Beijing is adamant in pointing out, China's current engagement with Africa is not 'new' but in fact has its roots in policies pursued since the mid-1950s as well as earlier historical precedents (Snow, 1988). Chinese contacts with Africa (Gao, 1984:241-250) are believed to have started during the early Han dynasty during Emperor Wuti's reign (140-87 BC), through an expedition sent to the west in search for allies that is said to have reached Alexandria (Egypt). Certainly there is evidence of Chinese goods (silk and pottery) being traded around the Red Sea by the beginning of the Christian era though contacts were lost for four centuries due to internal turmoil of the 'warring states' period. During the Tang dynasty (618-907), there are records of contacts but mostly trading through Arab merchants; while during the Sung dynasty (960-1279) indirect contacts with Africa became more frequent as archaeological discoveries in eastern Africa and Chinese written records prove. In the Yuan dynasty (1279-1368), Chinese knowledge of Africa grew due to closer contacts with the Arabs, Persians and Turks. Historically the climax of Sino-African relations was reached during the Ming dynasty (1368-1644) when China was at the height of shipping technology, prompting several sea ventures to the south under the command of Admiral Zheng He (1405-1433). His fleet is believed to have visited the eastern coast of Africa (Somalia and Kenya) two or three times and to have contacted local kings who then reciprocated the visits by sending official delegations to China. This flourishing relationship was however merely a short prelude. Due to an internal power struggle, the Ming Dynasty soon changed its policy and forbade any overseas contacts bringing the maritime venture to a premature end right when the Europeans were starting their incursions in Africa and Asia. The last Chinese dynasty (Qing, 1644-1911) took this closed-door policy further only to have it shattered by the Opium Wars in the mid-19th century. New China-Africa contacts were made in the early 20th century when European powers took Chinese labour to work in mines and plantations in their African colonies and where they shared the same fate of Africans as colonialism's victims. During the Nationalist (Guomindang) government's intermittent rule of the mainland from 1911 to 1949, relations with Africa were irrelevant mostly due to domestic upheaval and the Japanese invasion.

Throughout history and up to 1949, China-Africa contacts may thus be said to have been more a result of transnational trade flows with other merchant civilizations, namely the Arabs and Persians, and later a side effect of the international framework than a specific Chinese foreign policy endeavour. The only exception was Zheng He's brief maritime ventures in the 15th century whereby direct contact was established with African states out of diplomatic curiosity and trading purposes. For this reason, when the People's Republic of China was established in 1949, not only did China have no negative record on the African continent but it also benefited from an important leverage due to a common past under the hardship of western imperialism.

China & Africa During the 'First' Cold War (1955 - 1976)

The founding of the People's Republic of China coincided with the dawn of Africa's independence movement and thus provided a unique opportunity for the Chinese leadership to forge a new and thriving relationship. This prospect was initially held back as the earliest independent African states (Egypt, Ethiopia, Liberia and South Africa) were too pro-western at the time, with two of them (e.g. Ethiopia and South Africa) even participating in the United Nations (UN) military operation in Korea to fight the Chinese-backed forces in 1950-1954. Without UN membership and lacking United States recognition (which maintained the diplomatic posture that the Republic of China on the island of Taiwan was the legitimate government), Beijing realised that newly independent countries in the former colonial world were both natural allies and a potential solution to its legitimacy problems. The launching of the 'Five Principles of Peaceful Coexistence' in 1949 appeared as a cornerstone in this quest. These principles (mutual respect for territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in internal affairs, equality and mutual benefit),[2] were particularly appealing to new states in a post-colonial setting. Beijing embarked on establishing official contacts with African countries after the Korean War with its first diplomatic offensive taking shape at the Bandung Conference of 1955 (Gao, 1984:247-248).

In Bandung, the Chinese Foreign Minister, Zhou Enlai, met several African leaders, including Gamal Abdel Nasser of Egypt. In 1956 Egypt became the first African country to establish diplomatic relations with China and, for a number of years, Cairo served as the main base for Chinese operations on the continent (Yu, 1965:324). The Bandung conference represented a unique opportunity for Beijing to meet the new countries of Asia and Africa, court them with its anti-colonial credentials, present itself as a model of self-reliance (revolutionary struggle) and appeal to Asian-African unity. Indeed, China's foreign policy towards Africa was since its inception, marked by these three mains constants: the export of the 'Chinese model', the struggle against the superpowers and China's third world policy (Yu, 1977:98). China's aim in Bandung was clearly to create a sense of union based on common past experiences under western colonialism from which to build a new international force (Yu, 1965:324). This new force, based on the mutual benefits of South-South co-operation (based on the 'Five Principles of Peaceful Coexistence'), would be better prepared to resist continuous external interference threats by neo-colonialist powers. Before the end of the decade, four other African countries recognised the People's Republic of China: Morocco and Algeria in 1958 and Sudan and Guinea in 1959. The following two decades turned out to be a lot more fertile in terms of international recognition with 14 African countries establishing diplomatic ties with China in the 1960s and 22 in the 1970s.

During this early period, China's involvement in Africa was limited and marked by its close alliance with the Soviet Union. Its pro-liberation and anti-imperialist doctrine was developed in co-ordination with Moscow, but in this initial stage its level of direct involvement was perceived to have been relatively low, with the Afro-Asian People's Solidarity Organisation (AAPSO), created in 1957, being the main instrument for perceiving and channelling its influence over Africa. As the decade came to an end, however, relations with Moscow deteriorated along the emerging ideological rift and the Sino-Soviet split dramatically changed Beijing's stance in Africa in the following decade. Faced with Soviet revisionism, Mao adapted its 'Two Camps Theory' into a 'Three Worlds Theory': the first world was composed of the United States and the Soviet Union, a second world by other developed western countries (e.g. Europe) and a third one constituted by the developing countries of the three A's (Asia, Africa and Latin-America) that refused to align with either blocs, and which China believed to share its peaceful coexistence principles, anti-hegemonic stance and its pledge for a new economic world order.

In the 1960s, China's third world policy became much more aggressive. At the height of the cold war, Africa was seen primarily by Chinese leaders as a terrain for ideological competition not only with the United States, but also with the Soviet Union, as well as remaining European influences. This took the form of Chinese diplomatic and military support in southern Africa; for instance, liberation movements which were ideologically committed to Maoist China as opposed to the Soviet Union. Moreover, Chinese officials recognised that, with its numerical advantage in the UN General Assembly and anti-colonial perspective, independent African states held the key to removing the Republic of China from its status as occupant of the coveted permanent seat on the UN Security Council. China's Africa policy now had to develop on two fronts: against US imperialism and Soviet revisionism, which was later ideologically theorised by Lin Biao as the revolution of the 'rural areas of the world' against the 'cities'.

During this period Africa's importance to communist China increased dramatically: not only was it important in terms of getting wider international recognition but moreover, for its quest to lead the world socialist revolution. Therefore, the Soviet Union was designated as the principal Chinese enemy on the continent in the 1960s, with China using Africa to 'discredit the Soviet Union as a revolutionary force by identifying her with "United States imperialism"'(Yu, 1966:464). As was the case with the US and the Soviet Union, China's Africa policy was deployed through a range of formal and informal foreign policy instruments (Yu, 1965:324-331). Among formal instruments, privilege was given to state-to-state relations and agreements in various fields, which accounted for the successful expansion of Chinese influence. Indeed, in the 1960s, China's diplomatic exchange with Africa benefited from the mushrooming of independent states south of the Sahara, resulting in the People's Republic of China being recognised by 14 new African states between 1960 and 1965. Official ties with China consisted of four main categories: friendship treaties based on the 'Five Principles of Peaceful Coexistence', aiming at promoting solidarity and calling for the development of economic and cultural relations; cultural pacts endorsing exchange of students, educators, reporters and other groups; trade and payment agreements intended to promote commercial relations; and, finally, economic aid and technical assistance agreements through which China has provided financial assistance and know-how in many different fields (primarily tea planting, growing of rice, irrigation, and health care).

Indeed, in the first half of the 1960s Beijing's activities in Africa were particularly intensive. In 1960 China established a China-African People's Friendship Association and took part in the second AAPSO conference in Conakry (Boorman, 1961:234).[3] The following years saw an intensification of cultural and diplomatic missions' exchanges in both directions, culminating with Zhou Enlai's famous Africa tour, which lasted for seven weeks, from December 1963 to February 1964. In this tour,[4] the Chinese Foreign Minister visited ten countries[5] accompanied by an impressive entourage of more than 50 official dignitaries (Adie, 1964:174-194). In 1964 alone, Beijing signed eight agreements with six African countries ranging from communications to all inclusive economic aid and technical assistance. In this same year China was particularly active in extending loans to African states, being responsible for 53 per cent of the loans given to that continent (Yu, 1965:325). Loans were given on an interest-free basis in the form of complete equipment and technical assistance provided by Beijing and to be repaid over an extended period of time with African exports to China, having no conditions attached – a pattern which can be easily recognised in present China-Africa loans.

Informal foreign policy instruments were also at play throughout this period. Techniques applied varied from overt to covert, aiming at creating a favourable image of communist China in Africa and, most of all, penetrating African states with which China did not have diplomatic relations. Among overt informal instruments, Chinese propaganda channelled through radio broadcasts, reading material and person to person contact were probably the most important ones. Although more modest than either US or Soviet, it played an increasing role in Beijing's Africa penetration strategy. China expanded its weekly 70 hours radio broadcast in 1960 (Boorman, 1961:235) to almost 110 hours in 1964 (Yu, 1965:329) in Swahili, Hausa, English, French, Portuguese and Chinese. Its impact on African societies, however, seems to have been minor (Yu, 1968:1023-1025). With respect to covert techniques, they varied from monetary payments to African leaders to technical assistance to liberation movements (Yu, 1965:330) – sometimes providing for leaders' training in guerilla warfare in China.

The most controversial aspect of China's involvement in Africa, and curiously the least spoken of, is precisely the one under the category of 'covert instruments deployed during this phase'; particularly, its dealings with African liberation movements. China's links to Frelimo in Mozambique, the MPLA and FLNA in Angola, the FLN in Algeria and 'rebels' in Congo-Kinshasa in the 1960s were also the least effective instrument in its pursuit for a long term influence over Africa, mostly because they turned out to be counterproductive. China's support to these organisations was based on the need to increase its prestige in the Organisation of African Unity (OAU) and AAPSO but also its attempt to compete with the superpowers for long term influence, particularly with the Soviet bloc. China failed to understand the *regional* logic in giving prevalence to its worldwide socialist struggle.

Indeed, after the Sino-Soviet split, China's rhetoric became increasingly radical in the search for anti-Soviet groups to promote its Maoist doctrine. In the early 1960s, China was deeply involved in African rebellions and independence struggles, namely in the Democratic Republic of Congo, Angola, Mozambique, Ghana, Niger and Burundi. In 1964, China was implicated in one of Africa's major crisis at the time: it helped Nkrumah to establish secret training camps in Ghana in preparation for guerillas to fight the pro-French government in the Niger Republic (Hull, 1972:49) and was providing arms and training to Congolese rebels led by Pierre

Mulele as well as to Gaston Soumialot's group based in Burundi (El-Khawas, 1973:25).

Claims have been made that Chinese money, training and arms may have been funnelled through the OAU or the Afro-Asian Solidarity Fund of the AAPSO, while training and arms transfers are known to have been conducted by the international equipment division of the Chinese People's Liberation Army (PLA) (Jackson, 1995:393) through a guerilla warfare training camp established in Ghana. According to one source, US$142 million worth of Chinese arms were transferred to 15 African countries between 1967 and 1976 (Le Pere and Shelton, 2007:52). Beijing's subversive diplomatic activities and close links with revolutionary groups as part of its strategy to export revolution alarmed a good number of African leaders who became distrustful and suspicious of China, fearing that it could support extremist groups within their borders. As a consequence, by 1966 several Chinese diplomats were expelled from a number of African countries (Dahomey, Ivory Coast, Kenya, Madagascar, Senegal, Upper Volta) accused of subversive activities to overthrow the respective governments (Hull, 1972:49) or because diplomatic ties had been broken with China (Burundi, Central African Republic, Tunisia and Ghana). Additionally, a sequence of *coup d'etats* (Congo-Leopoldville, Central African Republic, Upper Volta, Nigeria and Ghana) further damaged China's influence in Africa as the new military rulers were highly critical of China's activities in Africa and moved to eliminate Beijing's influence within their borders (El-Khawas, 1973:26).

China's involvement in Angola, currently its *major* trading partner in Africa at the present, is a clear example of Chinese foreign policy ebbs and flows in Africa throughout the cold war. At first China tried to keep its influence over the MPLA (Movimento para a Libertação de Angola), however, they turned out to be too urban-based and pro-Soviet in orientation. In 1963, following closely OAU official policy line, China switched its support to FNLA (Frente Nacional para a Libertação de Angola) though relations were strained by the fact that the Chinese delegates were not allowed in the Democratic Republic of Congo where the movement was based. In the following year, Beijing then supported UNITA (União Nacional para a Independência Total de Angola) – a movement that had split from FNLA. Its leader, Jonas Savimbi, underwent military training in China in 1964 and 1965 before the formal establishment of UNITA in 1966. Unlike MPLA and FNLA, UNITA sought indigenous support and started building internal bases, proclaiming Maoism as its doctrine foundation. By 1967 UNITA became the only Angolan liberation movement mentioned in the Chinese press. However, in the early years of the next decade, China abandoned UNITA to approach again, first, the MPLA, and then FNLA. After the granting of formal independence in 1975, which coincided with the onset of a civil war in Angola, Beijing covertly supported FNLA and UNITA, not because of their Maoist credentials, but to preclude victory from Soviet-backed MPLA (Jackson, 1995:389-422).

However, the radical line did not last long in China's Africa policy. Two factors, one domestic and another international, contributed to the decline of China's subversive activities in Africa before the end of the decade. First, the Cultural Revolution in 1966 put paid to overt Chinese political activism on the continent and, second, the increased perception of the 'Soviet menace'[6] led to a rapprochement towards the US that culminated with a seat at UN Security Council in 1971 and gradual diplomatic recognition by most states in the world.

China's re-emergence into the international community was a result of the fundamental changes in its diplomatic relations. Indeed, the Chinese leadership learned much from the diplomatic debacles caused by radicalisation and realised the necessity of working with the African elites in power. Beijing stopped supporting revolutionary groups and limited its support to liberation movements still operating in southern Africa. Attempting to regain its lost prestige, China's Africa policy from then on was based on two pillars: normalising diplomatic relations with all African countries regardless of their ideological orientation and extending economic assistance to selected African governments. This new policy was a determinant in achieving UN admission in October 1971. When the resolution was voted, seven African states changed their vote to favour China's stance: Rwanda, Sierra Leone and Togo changed from 'no' to 'yes' and Botswana, Cameroon, Senegal and Tunisia switched from abstention to 'yes' (El-Khawas, 1973:27; 1972:109-118); China secured the UN seat with the support of 26 African states (34 per cent of General Assembly votes) (Yu, 1988:855). Another Chinese victory in Africa was in the battle against Taiwan. Between 1970 and 1976, China established diplomatic ties with 20 African states (an increase of almost 100 per cent). By 1976, 39 states had recognised the government in Beijing and only eight continued to maintain diplomatic ties with Taipei. Less successful, however, was its attempt to organise an African front against the Soviet Union.

Nonetheless, Chinese overseas development assistance quickly overtook subversive activities in its quest to enlarge its influence over the continent. The most notable expression of this was the construction of the TanZam railway between 1970 and 1975, linking Zambia's rich copper belt to the coastal port of Dar es Salaam and thus breaking the dependency on white-ruled Rhodesia. Apparently the decision to build the railroad grew out of a direct request from Zambian president Kenneth Kaunda, seconded by his Tanzanian counterpart, Julius Nyerere (who greatly admired Mao's collectivisation strategies and applied these ideas as part of the *Ujamaa* villagisation scheme). China assembled a US$405 million interest free loan for this project, representing then the largest single offer of economic assistance granted to an African state by a communist country (Hull, 1972:50). Total Chinese aid to 36 African countries topped US$2.5 billion between 1954 and 1977 (Le Pere and Shelton, 2007:56). Interestingly, many of the aspects of Beijing's current approach to African relations reflect the impulses and decisions of that era. This includes the government's responsiveness to an African priority, the use of state resources, and preference for Chinese labour to construct infrastructure projects and the signature of a high profile prestige project to mark relations. During this period, and unlike trade relations which were mostly insignificant – Chinese aid followed a very selective pattern (Yu, 1968:1026). China concentrated its aid in only a few countries: Tanzania, Algeria, Ghana, Congo-Brazzaville and Mali. A special focus was put on Tanzania, not only because it was its most constant ally, but also because of its strategic location as an Indian Ocean gateway to mineral-rich southern Africa. China decided to concentrate its development aid (Bräutigam, 1998) in fewer countries and in large projects to work as showcases, hoping to exert leverage over the rest of Africa by undertaking major infrastructure projects denied by western powers, such as the TanZam railway. Additionally, loans were given to other African countries (e.g. US$84 million to Ethiopia in 1971 and US$190 million to Sudan) (Hull, 1972:50) in very favourable terms: interest free repayment over 30 years to start after a five year period of grace with no strings attached.

From the African recipients' perspective, Chinese financial aid was as good as any other foreign source, if not better because of its favourable terms and therefore welcomed regardless of ideological concerns. Indeed, Chinese economic and technical assistance granted in the 1970s suited African needs rather well: it had no political strings attached (beyond the criteria of diplomatic recognition of Beijing), provided training for Africans, was concentrated in vital areas and, additionally, its terms of credit and repayment were much better then those offered by the Americans or Soviets. The full potential of these aid packages was, however, curtailed by the constraints on China at the time. Although formal and informal foreign policy instruments deployed have had some success in expanding Chinese influence in Africa throughout the 1960s and 1970s, its reach was, indeed, shortened by the limited resources of China. In fact, China's endeavours in Africa during the cold war was limited by what it had to offer in material terms as it was still a developing state and lacking proven successful expertise. Its technical and economic assistance, though valuable, could not compete with the US or the Soviet Union, which was the determining factor for failing to get influence over the continent in the long run. With the demise of Mao and the advent of economic reforms initiated by Deng Xiaoping in 1978, this enterprise was postponed for another two decades.

China's New 'Independent Policy' & Africa

With a growing need for capital and technology crucial to China's domestic modernisation programme, much of Beijing's diplomacy from the late 1970s was devoted to establishing formal ties with the United States and encouraging western interest in its coastal capitalist enclaves: the four 'special economic zones' situated near Hong Kong, Macau and across the straits from Taiwan. Other changes in Chinese foreign policy deriving from its flourishing economic reforms include the gradual normalisation of Sino-Soviet relations so that by the middle of the 1980s, Africa had no longer to choose between Beijing and Moscow (Yu, 1988:857).[7] Faced with this rapprochement between the two hegemons and former enemies, China presented the outline of its new foreign policy at the 12th National Congress of the Chinese Communist Party in September 1982. This public pronouncement was meant to reaffirm its third world credentials (as an anti-imperialist developing state) by stressing the continued independence of its foreign policy (Smith, 1986:59-61) despite cordial ties with Washington and Moscow, and the enduring validity of the 'Five Principles of Peaceful Coexistence' as its guiding doctrine.

The announcement of the new 'independent policy' was followed by Premier Zhao Ziyang's Africa tour to 11 countries (20 December 1982 to 17 January 1983),[8] aimed at launching a new African policy framed by China's new developmental priorities and global interests. Zhao reaffirmed China's support for African liberation struggles in Namibia and South Africa, the consolidation of African political independence, South-South co-operation and appealed to third world unity (Yu, 1988:856). But the changes brought by the new Africa policy were summarised in the 'Four Principles on Sino-African Economic and Technical Cooperation', announced by the Chinese Premier in Tanzania at the end of this tour. This statement differed substantially from the 'Eight Principles for Economic and Technical Cooperation' announced by Zhou Enlai in its 1963/64 Africa tour. Shorn of much of the ideological baggage of the past, the new emphasis on China-Africa ties was on mutual benefits, practical results and common development determined by domestic developmental priorities and its limited resources (Yu, 1988:857).

On the one hand, China was a developing nation embarking on a fast modernisation process which restricted much of its external policy enterprises because of high domestic demands; but on the other hand, it was an aspiring global power and did not want to let go of its interests in Africa. The solution was thus to scale down its aid, bringing to an end the large-scale technical assistance projects. The emphasis was now placed on low profile co-operation projects requiring smaller investments and quicker returns that would enhance mutual self reliance and create mutual economic benefit. Despite the rhetoric being closer to the third world, and therefore to Africa, the new Chinese foreign policy of the 1980s did not translate into concrete action; in practice, Beijing was more actively engaged in deepening its relations with the developed world, seen as more of a crucial priority in its quest for modernisation. Africa was thus relegated to a relatively marginal role in China's foreign policy during this period.

After the Cold War: Africa Returns as a Priority

Structural changes – both domestically and in the international system – have brought Africa back to China's foreign policy formulation at the end of the 20th century. The key factor for change was China's diplomatic isolation following the Tiananmen Square massacre in 1989, bringing to an end (albeit for a few years) China's honeymoon with the developed world. Isolation was further bolstered by collapse of the Soviet Union which positioned China as the remaining communist power. Facing the unwanted perspective of becoming a pariah in the ashes of the cold war, China launched a diplomatic offensive targeting the third world, and Africa in particular, in an attempt to realign its international relations and circumvent isolation from the developed world. This consisted of dispatching Chinese officials on goodwill missions worldwide, promoting visits to China by foreign leaders, normalising relations with as many countries as possible irrespective of their ideological allegiance and moving closer to the third world countries within international institutions.

Between June 1989 and June 1992, Chinese Foreign Minister Qian Qichen visited 14 African countries and numerous African leaders were invited to Beijing. Aid to African countries was boosted, mainly directed to states that had stood by China in the aftermath of the Tiananmen crisis. In 1990, China-Africa aid amounted to US$374,6 million spread among 43 recipients, which is significant if compared to US$60,4 million in 1988 distributed amongst 13 countries (Taylor, 2004:87). Chinese efforts to cultivate closer ties with Africa was strongly welcomed by African leaders not only because it came at the same time that American interest in the continent diminished (in the wake of the collapse of the Soviet Union), but also because of the self-interest and solidarity derived from their own position regarding democracy and human rights – an echo reflected in many African regimes under pressure from western donors to change their policies. And again, as in the early 1970s, Africa support proved vital in resisting western criticism of China in multilateral bodies throughout the 1990s.

Another important factor in the revitalisation of the China-Africa policy was the Taiwan issue. With the official abandonment of its claim to represent the whole of China in 1991, Taiwanese authorities began a new initiative to carve out a special status within the international community that seemed for many observers, to be a prelude to a declaration of independence. Accounting for almost one-third of votes in the UN, Africa retained its importance as a battleground for the recognition struggle with Taiwan, reinvigorated by Hong Kong's return to Chinese sovereignty in 1997 (Payne & Veney, 1998:871-876). This battle has been essentially played out through competitive bids of investment and development finance with Beijing and Taipei trying to supersede each others bids for diplomatic recognition. Benefiting from its image as an emerging global power, China has been gradually winning this game in Africa, particularly after South Africa's recognition of the Beijing government in 1998, although not without periodic setbacks.

In 1996, Beijing's fears of further damage to its relations with the west reappeared with the Taiwan missile crisis. In this setting, Africa emerged once again as an important supporting platform for China. President Jiang Zemin and Premier Li Peng's Africa-Asia tours in 1996 and 1997,[9] respectively, can be thus viewed as a preparatory stage for the full revival of Africa in China's foreign policy. In fact, it was during that trip that Jiang launched the idea of creating a Forum on China-Africa Cooperation (FOCAC), which was held four years later in Beijing.[10] The fourth leadership generation of the CCP that took over in 2002 further committed the country to revitalising the third world dimension in China's foreign policy. This is then reflected in the surge of diplomatic exchanges with Africa since the early 2000s and further stressed by the promulgation of a white paper on China's Africa Policy in January 2006, the same year that Beijing celebrated 50 years of diplomatic relations with Africa and when the third FOCAC summit took place. The issuing of this policy paper, coupled to the fact that there were two high level visits this same year to the African continent, the first one in April, headed by President Hu Jintao himself and the second one in June by Premier Wen Jiabao, leaves no doubts of the importance of Africa in Chinese foreign policy (Alden, 2005:148-149).

Another crucial driver in China's renewed attention towards Africa was purely economic. The resource needs of the Chinese economy, which had experienced near double digit growth for over two decades, were expanding by the 1990s and Africa's relatively unexploited petroleum and mineral reserves offered compelling opportunities. From this point on, trade and economic affairs gradually started to dominate China-Africa relations. Bilateral trade expanded from US$4 billion in 1996 (Payne & Veney, 1998:876) to over US$55 billion in 2006 (over 45 billion up to August 2007).[11] China's economic dealings with most African states are based on their perceived economic potential (Taylor, 1998:454) in the face of China's economic needs or benefits. The much publicised 'no conditions' approach to Africa – previewed in the 'independent foreign policy of 1982' – facilitated access to Africa with the result that Chinese diplomacy made great strides in a short time. Politics has been generally put aside in the implementation of China's Africa policy, even when it involves the risk of being criticised by the international community for dealing with rogue states such as Zimbabwe or Sudan. However, Chinese diplomacy has recently proved more sensitive to international pressure regarding these issues,[12] which may be explained by the Olympic Games to take place in 2008 and the Shanghai Cultural Capital of the World in 2010. Nevertheless, economic pragmatism as well as selective political amnesia has been the rule guiding bilateral relations, as demonstrated by the flourishing ties with African states in which China had been involved with the 'wrong side'.

Conclusion: China's Africa Policy Reconsidered

China's foreign policy towards Africa as evidenced through the previous survey has undergone shifting episodes of activism and relative neglect. Moreover, benefiting a major state, its foreign policy aims in Africa have reflected not only region-specific concerns but have been fundamentally products of wider international aims such as the Sino-Soviet rift and the cold war. All of these factors contribute to the sense that, beyond what Beijing views as the internal matter of Taiwan, strongest continuities in China's Africa policy have been found in the rhetoric of third world solidarity and its own self-declared standing as a developing country.

The use of history by Chinese foreign policy makers is clearly aimed at drawing lines of continuity that paper over these shifts and breaks in Africa policy that have been the experience of all external powers engaged in Africa. In this context, the evocation of solidarity politics is carefully employed to suggest a shared sense of identity as fellow third world states whose interests and outlooks on the prevailing international system have remained unaltered over the last 50 years. Caution must, however, be exercised in the use of solidarity because, as Beijing knows, it could potentially raise uncomfortable questions about specific policies pursued or alliances made towards African governments or parties currently in (or out) of power. At the same time, given that contemporary ties between China and Africa are based increasingly on economic interests, history is called upon in this case to provide assurances that budding commercial ties will not result in exploitation or even some form of colonialism on the part of China. After all, so the story goes, Zheng He dealt with African leaders on the basis of equality, engaged in trade and ultimately left African states and societies alone and intact. Moreover, this commercial activism occurred all before the Europeans even touched the shores of the continent south of the Sahara. Allusions to epochs that long pre-date CCP's rise to power thus serve a different function in that they deliberately speak to African concerns as to the long term impact of China's deepening involvement in Africa. Nevertheless, the Chinese leadership recognises that it will need to do more to ameliorate this apprehension in some circles, hence China's explicit commitment to embark on 'all round co-operation' with Africa; that is to say, an emphasis on non-commercial features of the relationship, in the aftermath of the China-Africa Summit in November 2006.

While the claims of constancy in China's foreign policy towards Africa may not bear up well under close scrutiny, nonetheless, in certain respects the discourse emanating out of Beijing today is accurate. If one sets aside the period of Maoist revolutionary activism in Africa, who's own impulses eventually wreaked havoc on the domestic environment in China itself, the broad framework of Chinese foreign policy has been a fairly well sustained. To a great degree this is because the barometer against which it is measured is the all-purpose vocabulary of the 'Five Principles of Peaceful Coexistence', whose sweeping generalities are able to encompass a broad range of policies that seemingly transcend the shifts in ideology and application that characterised Chinese foreign policy.[13] Moreover, physical distance and relatively limited contact have allowed ties to escape the close scrutiny that a more deeply involved external power might otherwise be subject to.

More challenging for China's contemporary relationship with Africa is the changing perception of China's identity as a developing country. While the admonition that China is a developing country was reinforced by plenty of empirical evidence in the past, this position has been harder to sustain two and a half decades later as China's remarkable economic growth has put it on the cusp of global economic and political leadership. Indeed, the notion of China's 'peaceful rise', coined by Chinese scholars in 2003 to assuage growing concerns in the west (and substituted in rapid succession by the slogans 'peaceful development', 'harmonious world' and 'scientific development'), captures the dynamic of a changing China without suggesting the tensions inherent in its foreign policy. And yet the challenges to Chinese identity and its implications for a successful foreign policy are as fundamental in Africa as they are in addressing western concerns as to the implications of its rise on the global stage. If China is, as it appears to be, on course to full membership at the 'high table of powerful states' then it stands to reason its interests will change and will be reflected in foreign policy choices. There is already some evidence of this taking place; for instance, the fact that Beijing has indicated an interest in the Extractive Industries Transparency Initiative and signed the Paris Declaration on Overseas Development Assistance (OECD, 2 March 2005), suggesting that there may be significant changes in the making. In addition, Chinese actions aimed at pressuring Khartoum over the Darfur issue demonstrate a willingness to adapt itself to the western agenda. The Zheng He expedition may also be partially aimed at addressing this matter, in that 15th century Chinese technology and commercial prowess was far greater than that found in Africa at the time, but the thinness of the historical record and memory of this event makes it only of limited symbolic value. History in any case is being overshadowed by contemporary experiences and events and will have less and less saliency in shaping African reactions to China.

In fact, Africans have long memories and they are quite aware of the variations in historical experience with China. At the same time, they are conscious of the importance of China as an emerging power and keen to insure that they are able to extract benefits from Chinese engagement, especially as it appears to be poised to become Africa's largest trading partner and investor. Like the putative 'special relationship' between Britain and the United States, Renan's 'necessity of forgetting' is crucial to the forging of this new relationship between China and Africa so it would seem that to realise the rhetoric of mutual benefit requires some form of mutual amnesia.

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Endnotes

1. There are numerous examples of this, from the 'Look East' rhetoric employed by Ghana, Zimbabwe and Namibia to more prosaic statements by African leaders.

2. These principles were expounded in the first National People's Congress in September 1949 and then again in the proclamation ceremony of the founding of the PRC the following month.

3. AAPSO was increasingly subject to the Sino-Soviet rivalries and, consequently, never fulfilled Chinese expectations. China's inability to realise its aims for a second 'Bandung' conference in Algeria in 1965 were emblematic of this period.

4. Between 1963 and 1965 Zhou Enlai made three tours to Africa.

5. Zhou Enlai had planned to visit all the African states that recognised the PRC at that time but disturbances in East Africa forced him to make the list shorter. In December 1963, he visited Egypt, Algeria, Morocco; in January 1964, Tunisia, Ghana, Mali, Guinea, Sudan and in February, Ethiopia and Somalia.

6. The Sino-Soviet border clashes in 1969 and the Brezhnev doctrine (allowing Moscow to interfere in any socialist country), which was accompanied by the Soviet invasion of Czechoslovakia in 1968, made the Soviet Union China's primary enemy.

7. This was seen most readily in the decision by Beijing to recognise the MPLA government in Angola.

8. Algeria, Congo, Egypt, Gabon, Guinea, Kenya, Morocco, Tanzania, Zaire, Zambia and Zimbabwe.

9. When these tours took place not only was the Taiwan issue under discussion as also a resolution on China's human rights situation was being voted in the Human Rights Commission.

10. The second summits took place in December 2003 in Addis Ababa, and the third one in November 2006, again in Beijing.

11. MOFCOM http://english.mofcom.gov.cn/column/statisticsie2006.shtml; accessed 30 October 2007.

12. For example, the 'genocide Olympics' campaign set around Chinese involvement in Sudan.

13. Perhaps one could say this was the purpose in crafting the 'Five Principles' as they did or maybe this is a happy coincidence inherited by the current leadership.

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Explaining the Rise of 'Human Rights' in Analyses of Sino-African Relations

Shaun Breslin & Ian Taylor

Popular perceptions of China and its global role are often shaped by two words: 'made in'. Yet this vision of China that focuses primarily on Beijing as a coming economic superpower is relatively new, and it is not that long ago that two other words tended to dominate debates on and discourses of China: 'human rights'. To be sure, real interest in human rights in China was never the *only* issue in other states' relations with China, nor consistently pursued throughout the years (Nathan, 1994). Nor did human rights totally subsequently disappear from the political agenda.[1] Nevertheless, the rhetorical importance of human rights – perhaps best epitomised by the narrow defeat of resolutions condemning Chinese policy in 1995 at the Human Rights Council in Geneva – stands in stark contrast to the *relative* silence thereafter as the bottom line of most states' relations with Beijing took on ever greater economic dimensions.

If the rise of China economically marked one watershed in the importance of human rights, the rise of Chinese interest in Africa marks a second, with an escalation in expressions of concern in public discourse, primarily (though not exclusively), from Western sources. Of course, there are *some* genuine causes for concern that China's expansion into Africa may threaten to undermine attempts to advance new norms relating to constitutional rights and privileges, as well as broader governance issues (Taylor, 2007). However, much of the rise of human rights critiques aimed at Beijing's expansion into Africa needs to be located within a broader context. By examining how the issue of human rights became neglected in Western engagement with China, we reveal the same reason that human rights has re-emerged as a key issue when discussing Sino-African ties. In short, whilst the predominance of key economic interests in the West led to the relative neglect of human rights in the second half of the 1990s (to help access the Chinese economy), the predominance of economic interests and concerns also explain the reassertion of the human rights discourse as new Chinese actors come into competition with Western corporations in Africa.

This article seeks to unpack why it is that human rights has emerged as an issue in critical analyses of Sino-African relations. Whilst not minimising some of the real concerns and issues about this relationship, we aim to contextualise the motives of much of the critique, particularly when it emanates from Western sources close to government. In short, it is asserted that material interests have long tended to dictate the capitalist West's response to the issue of human rights when it relates to China and in this regard, Sino-African ties and the attendant expressed concerns over human rights is no exception.

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The Rise of China & the Rise of Human Rights as an Issue

As noted in the introduction, the importance of human rights has waxed and waned throughout most of the post-Mao era.[1] Indeed, in the early periods of reform in the 1980s, the general approach was to encourage rather than condemn China. Domestic economic reform and the repudiation of the excesses of the Cultural Revolution combined with an increasing openness to the global economy. Additionally, Beijing began to involve itself in various international regimes vis-à-vis human rights.

> *Perceived as undergoing a much-applauded modernisation programme with social as well as economic ramifications, Beijing was throughout the 1980s given favourable treatment by the Western media who saw/hoped that China was being remade as a Chinese imitation of the West's self-image. Western policy-makers replicated this wishful aspiration* (Taylor, 1998:446).

Certainly, the West appeared quite happy that Beijing's contribution to any human rights regime was more rhetorical than anything else. Chinese praise for the Universal Declaration of Human Rights as 'the first international instrument that systematically sets forth the specific contents regarding respect for and protection of fundamental human rights', in spite of transgressions, underscores this point (quoted in Zhang, 1998:188).

It is arguably only after the Tiananmen Square incident of June 1989 that human rights became somewhat re-elevated as a matter of concern (Taylor, 2006). The footage of a lone man standing in front of a line of tanks in Beijing – stopping them from proceeding – became a symbol for a global audience of a struggle for freedom that was defeated by military power. The 'Tank Man' was even nominated for *Time* magazine's most influential person of the 20th century as 'a symbol of the world's desire for freedom'.[2]

In fact, within the West there had been a great hope that China's emergence from the relative isolation of the Mao days into global engagement under Deng Xiaoping would result in a loosening of political oppression. And indeed, there had been signs of a thaw of sorts. Although outright political opposition to the Communist Party of China's (CPC), monopoly on political power remained strictly off limits, the party-state had withdrawn from its previous domination of everyday life, allowing the creation of a 'personal space' – something that might not seem very dramatic when compared to the freedoms in a mature liberal democracy, but which was a marked difference from the previous polity in China. There had also been some signs of an increased toleration of new ideas on how to democratise the party – not to loosen the CPC's grip by allowing others to compete with it for political power, but rather strengthening the party by allowing it to become more transparent and plural in its thinking (if not plural in its exercise of political power).

The evidence was not all one-way however. There had been periodic campaigns to combat spiritual pollution and bourgeois liberalism throughout the 1980s and Hu Yaobang had lost his position as party leader for being too supportive of student calls for greater democratisation. So in many ways Tiananmen 1989 was an extreme example of the tension between the two dominant strands of the CPC that had created periodic internal clashes throughout the first decade of reform: how to re-legitimate the authoritarianism of CPC rule by liberalising economically and very moderately politically. Nevertheless, 1989 acted as a sharp break on the optimism that had largely dominated external views of China for much of the 1980s.

Yet to say that human rights issues thereafter dominated the major powers' foreign policies towards China after 1989 is rather contentious. It is true that arms embargoes by Japan, the United States and the European Union (EU), remain in place despite an apparent concerted effort to lift the EU ban led by Jacques Chirac in 2005. However, with the benefit of hindsight, we can now see that the sanctions placed on China after 4 June were not severe and not in place for very long, with economic relations resuming relatively quickly. Indeed, in terms of placing economic sanctions on China (either debating them or actually implementing them), human rights has been largely irrelevant, with two other issues dominating diplomatic concerns: the transfer of military and nuclear technology to other ('rogue'), states; and what are considered to be unfair Chinese economic policies and strategies. This makes the focus on human rights as a key anxiety by Western commentators vis-à-vis Sino-African ties the more interesting.

Chinese Responses to Western Criticism

In responding to Western criticisms, the Chinese authorities have tended to utilise a variety of different ways of rebutting criticism. The force of each response has tended to vary over time and, as we will see, some of these are more relevant for resisting the criticisms over China's current African adventures than others. The original approach was to simply deny that human rights had anything whatsoever to do with China. Human rights as demanded by the Western nations were seen as bourgeois liberal rights and thus not relevant for the Chinese socialist state. This straightforward rejectionist approach was, however, abandoned in the 1980s as Chinese responses tended to argue from within the human rights discourse rather than simply rejecting it (Weatherley, 2001; Chen 2005).

For example, rather than just dismissing the criticism, relativist justifications were deployed to explain why China was different. This partly entailed cultural relativist positions, with the basic argument that human rights as conceived in the West were a result of a specific way that state-society relations evolved under capitalism. In China, the traditional emphasis on harmony under Confucianism meant that there was no need for the individual guarantees of protection from the state provided by the legal protection of individual human rights (Kent, 1993). Moreover, Confucianism stressed the importance of the collective rather than the individual. As Weatherley (1999), argues, what the collective is has changed over time; from the family in the Confucian era to the revolution in the Maoist era to the state today. But underpinning all of the different approaches is a common understanding with its roots in interpretations that the individual is not the primary focus of state-society relations.

But the focus on relativism more often emphasised the materialist dimension. The key argument here is that guaranteeing socio-economic and basic standards of living must be the main focus, given the level of development in China. Moreover, the same was true in the West in similar stages of development. Indeed, in rebutting human rights criticism, there is a very strong focus on the Western experience. The Chinese point to the slow implementation of rights in the West, and note that it is only relatively recently that human rights have been legally guaranteed in even the richest most advanced liberal democracies – for example, racial segregation in the US in the 1960s. When transferred to discussions of Sino-African ties, Beijing is quite assertive in arguing that:

> *For a starving man, which should he choose bread or ballot, if he is supposed to choose only one? The ballot is of course important. But he must feed himself with the bread before he can cast a ballot* (Xinhua, 12 December 2005).

Perhaps not surprisingly, the main focus of attention is on the US, and a related approach is to point to the hypocrisy of those who are criticising China. Since 1998, the Information Office of the State Council has published an annual *Human Rights Record of the United States*, highlighting what are considered by Beijing to be serious human rights abuses. The basic message here is not just that it is hypocritical to criticise China when abuses continue at home, but also that human rights is a cynical tool used by the US and the rest of the West to keep China and others from developing. Ming Wan (2005:291), has noted that:

> *In discussions with Chinese diplomats and officials … I sense a strong indignation toward the United States and an equally strong conviction that the US human rights pressure was simply an excuse for keeping China weakened and subordinated, a humiliating situation that Chinese patriots should not allow to happen.*

Indeed, the comment in September 1989 by Deng that 'there are many people in the world who hope [China] will develop, but there are also many who are out to get us' (Deng Xiaoping, 1994:309), is emblematic. Deep-seated memories of colonial meddling in China in the nineteenth century and an anti-foreignism that is arguably integral to Chinese political culture (Liao Kuangsheng, 1990; and Lovell, 2007; Waley-Cohen, 2000), feed into such positions.

China, International Relations & Human Rights: The West Soft Pedals?

Such arguments were repeated on numerous occasions after 1989 as the West maintained a human rights rhetoric in international relations with China (if not always backed up with firm and practical policies). Not surprisingly, the Chinese position was very strident in 1995 after the vote at the UN Human Rights Council. Given the close vote in 1995, it might seem rather odd that two years later, the EU stopped tabling resolutions condemning China, and in 2002, no resolution was tabled by either the US or the EU. How do we explain what appears to be such a rapid about turn given the close nature of the vote in 1995?[3]

Some have argued that pressing China actually makes things worse in terms of the actual practice of human rights on the ground. With socialism replaced by nationalism as the ideological basis of CPC rule, depicting the West as attempting to constrain China can actually reinforce the party's nationalist credentials and reinforce rather than weaken authoritarian rule. At the very least, from the pragmatic point of view, there is not much point in criticising China if nothing ever happens (Wachman, 2001).

Even for Human Rights Watch, the decision to stop pushing on China was a result (officially at least), of a combination of the ineffectiveness of criticism and the positive consequences of other approaches. While condemning China had resulted in only the sort of responses outlined above, other ways of engaging China less dramatically and publicly had had positive consequences. For example, after the EU stopped sponsoring a UN Human Rights Council resolution, China signed the International Covenant on Economic, Social and Cultural Rights in 1997 and the

International Covenant on Civil and Political Rights the following year.[4] China had also become increasingly receptive to technical aid from organisations such as the UNDP for legal initiatives to protect rights. Moreover, Balducci argues that for the EU at least, supporting a UN Human Rights Council resolution would come at the cost of the suspension of bilateral dialogue on human rights with China, which was deemed as being more productive. But as Balducci also notes, in the years after 1995, the Chinese authorities had deliberately targeted key EU states – most notably France and Germany – as key economic partners who might be in a position to win more contracts from China in the future.[5] And this brings us to the rather thorny but crucial issue of the relationship between promoting human rights and promoting capitalist relations as this directly informs much of the critique of current Sino-African ties.

An Economic Agenda?

Underpinning much of the argument that 'megaphone diplomacy' and 'China bashing' do not work is an implicit and sometimes explicit reference to classic liberal international relations theory. In short, the best way of ensuring that human rights improve in China in the long run is by engaging China economically and politically and enmeshing it in the global capitalist order. This will ostensibly lead to the socialisation of China and the gradual acceptance of international (i.e. liberal), norms, and subsequently the transferral of these norms into the domestic sphere. Ostracising and potentially isolating China according to this logic is no good – it should be engaged and this will stimulate change. What this position means is that engaging China economically is not only acceptable in the absence of political liberalisation and the promotion of human rights, but will actually help make the positive transition towards a more liberal regime.

However, for some, this position simply provides a cynical theoretical justification for putting human rights to one side and instead concentrating on the promotion of business (this criticism was made against British policy towards China and is outlined in detail in Breslin, 2004). After a brief period of economic retrenchment after 1989, a new push towards liberalisation and global integration followed Deng Xiaoping's overt support for proto-capitalist practices during his southern tour of China in 1992 – the *nanxun*. From then on, the potential benefits of engaging China economically mushroomed, but this was a potential that was not easily unlocked. Gaining access to the Chinese market and gaining contacts was not easy because the Chinese state remained the central actor in deciding which foreign actors could do what, where. Moreover, in seeking greater contacts with the newly burgeoning Chinese economy, many companies found that they were clearly and explicitly linked to 'their' home country, and that country's policies towards China. In short, Chinese authorities tended to reward and punish private commercial interests based on national economic considerations.

This can and does occur in a 'tit for tat' manner in response to the imposition of, for example, the use of anti-dumping legislation and other trade sanctions by importing countries. For example, when the US imposed trade sanctions on China as a result of the transfer of military technology to Pakistan, the Chinese aviation authorities switched from purchasing Boeing jets to the European Airbus, much to the annoyance of American authorities who felt that Europe should have held a common position with the US, rather than exploiting the situation for commercial benefit.

What the Airbus example suggests is that there are high levels of competition to access the Chinese market and what governments do (or do not do), has a key role in easing the process (or not, of course). Government support is therefore essential in not just technical support such as the provision of export credit guarantees, but also in the provision of 'positive' political relationships at the highest level. As Lord Powell noted referring to UK policy, 'A good bilateral relationship at the political level is very important for doing business in China – and probably more important in the case of China than most other countries, simply because the role of the state and the government is so big'.[6] For example, the visit of Jiang Zemin to the UK in 1999 was considered as highly successful by the Chinese, not least because the British visit was not marred by demonstrations and protests by human rights activists as a previous visit to Switzerland had been. While the UK visit resulted in the signing of new contracts for UK firms, Jiang Zemin told the Swiss parliament that as a result of being subject to protests, 'you have lost a good friend' (*Guardian*, 20 October 1999).

Human Rights, Sino-US Relations & MFN

Economic issues were also crucially important in removing one of the key – and most high profile arenas for human rights criticism of China – the annual vote in Washington over whether to renew Most Favoured Nation (MFN), status to China. The Jackson-Vanik (Title IV), amendment to the 1974 Trade Act was introduced to provide an economic means of punishing states deemed by Washington as authoritarian. In inception, the amendment was designed to block normal access to the American market for those states that were considered to unfairly prevent emigration.

> *To assure the continued dedication of the United States to fundamental human rights, normal trade relations could be denied to any 'non-market economy' that 'engages in practices prohibiting or severely restricting free emigration of its citizens'.*[7]

Although originally focused on the Soviet Union and Eastern Europe, as China became economically more important, so debates over renewing MFN became more intense. MFN should, in theory only be renewed if there is clear evidence of improvement, and the annual Presidential proposal to renew MFN always resulted in a welter of complaints about China's human rights record, one-child policy, treatment of Tibet, policy towards Taiwan, unfair trade practices, trade surplus, labour abuses, arms sales, military technology transfer, environmental degradation and so on (particularly so under Clinton who had been highly critical of Bush's accommodation with China and the abandonment of ethical human rights concerns – only then to continue the same approach after his election).

The decision to extend MFN repeated the liberal arguments outlined above – that notwithstanding China's poor human rights record, 'constructive engagement' through the extension of economic relations was the best way of ultimately improving the human rights situation. Perhaps successive Presidents really did believe that engaging China in commercial terms would lead to political and social change in China, but not everybody was convinced. Indeed, much of the debate over MFN was couched in straightforward economic terms and the promotion of American capitalist interests. If MFN were not extended, then American corporations would not be eligible for export credit and investment guarantees from the federal government. For major corporations such as Boeing, Chrysler, and General Motors, these guarantees were essential for their growing relationship with China –

and as noted above, a relationship with China in which they could easily lose out to European or other competitors. Given that EU states in particular were perceived as being less interested in human rights in China than developing commercial contacts, if the US took a moral stance, then it was claimed that American companies would lose out to their European competitors (Roden, 2000).

Perhaps not surprisingly then, every President renewed the waiver and MFN – but crucially, the need to have an annual vote disappeared with the 1999 decision to grant China Permanent Normal Trade Relations (PNTR), as part of the process of laying the foundation for China's World Trade Organization (WTO), entry. In the words of Long Yongtu:

> *The question concerning MFN status had long been the crucial factor for difficulties in China-US negotiation, US Congress' involvement in it had made the negotiation more politicized … I want to point out that entry into the WTO would make future trade disputes between us and other countries and regions not easily be politicized* (*People's Daily*, 12 November 2001).

With WTO entry, the annual theatre of debating China was removed, and American Presidents were no longer left to justify why they were putting aside the human rights concerns of Jackson-Vanik in favour of facilitating economic relations. Consequently, 'although Western criticism of China's human rights remained, it gradually became ritualised and marginalised on Western diplomatic agendas in China' (Ming Wan, 2005:288).

Sino-US Relations & Human Rights Today

PNTR and WTO entry have massively reduced human rights as a high-profile (publicly consumed), issue in Sino-US relations. Chinese support for the 'War on Terror' in Afghanistan and its role as a key broker in six party talks over North Korea have also helped. But human rights issues have not entirely gone away. Campaigning groups like Amnesty International, Human Rights Watch and those that focus on specific Chinese issues (Tibet, Falungong etc.), continue to endeavour to keep these issues on the agenda. This entails not just criticising China, but criticising governments in the West for not criticising China.

In addition, human rights have come to the fore in other ways – but again we argue that it is economics that leads with human rights simply a tool rather than an end in itself. Moreover, it is not Chinese politics – human rights abuses and so on – that is the main issue now as it was during the MFN renewal debates outlined above. Rather it is what human rights abuses in China mean for American economic interests that are most important. If the MFN debates were about ignoring human rights to promote American capitalist interests, when human rights issues are now raised vis-à-vis China, they are raised because of the way they are perceived to be damaging different American interests; Africa is a classic case in this regard. The key concern is linked to American politics and in particular dealing with the concerns of those who face competition from Chinese corporations. The Chinese case is particularly interesting because it combines the Left and Right in the US – trade unions and nationalist Republicans on economic terms, and liberals and conservatives on individual human rights.

For example, in calling for the introduction of restrictions on textile imports from China, Lindsey Graham, Republican Senator for South Carolina justified his calls by saying that,

> *I have long maintained that China cheats on trade agreements. The practices of Chinese companies and the policies of the Chinese government are illegal and give them an unfair advantage* (Barboza, 2003).

But it is not just 'normal' trade violations that are important here. In their evidence to support a case against Chinese steel imports, Price et al. (2006:56-7), cite the US Department of State's (2005), report on human rights in China as an example of how what happens in China unfairly impacts on jobs in the US. According to this report, production in China was aided by the lack of 'comprehensive' legislation relating to child labour, non-payment of wages, violation of maximum working hour regulations, poor enforcement of health and safety regulations, and the use of harmful materials in production.

Whilst not wishing to unduly suggest that anybody involved was unconcerned about what was happening in China itself, at least as significant here is the price advantage that such abuses gives to Chinese producers, and the position this places them in vis-à-vis their American competitors. For example, in a petition to President Bush asking for action against Chinese imports, the AFL-CIO and the Industrial Union Council argued that more than 727,000 American jobs had been lost as a direct result of labour abuses in China. If these labour abuses were halted, they argued that the price of Chinese manufactured goods would rise by 12 to 77 per cent.[8]

Similarly, in a petition to the government recalling for PNTR to be revoked and MFN restored in 2006, Byron Dorgan, a Democrat from North Dakota, and Lindsey pointed to the growth of the US trade deficit with China from $83 billion in 2001 to $202 billion in 2005. According to Dorgan,

> *The Chinese have engaged in labour abuses, intellectual property theft and piracy, currency manipulation, and unfair barriers against U.S. exports. Americans cannot, and should not be asked to, compete under these circumstances.*[9]

Competition with Beijing is clearly at the crux of many critiques of China's human rights records. How this is played out in Africa reveals this quite unmistakably.

Africa, China & Human Rights

There can be no doubt that some individuals, non-governmental organisations and other actors are genuine in their concern about human rights issues as to how they relate to Sino-African ties. This is not in question. However, the welter of critiques (particularly official critiques), aimed at this relationship is more likely grounded in concern over the way Beijing's non-interference policy and its arguable lack of interest in human rights situations in the African states in which it engages with – as well as the domestic human rights situation back in China – provide Chinese corporations with a comparative advantage that Western capitalist actors do not enjoy.

Immediately post-Tiananmen it is true that there was a sudden focus on China's human rights record. But this, as shown above, dissipated very quickly and business as usual rapidly reasserted itself. Making huge profits in China in an environment marked by very low wages and environmental standards, with an oppressive labour regime providing the broader framework, was never apparently an issue for most Western companies and governments (unless and until covert investigators exposed a particular sweatshop). Yet currently, human rights are placed central to many evaluations of China's ties with Africa.

If one accepts the Chinese discourse on human rights and the centrality of development, then to be fair it should be pointed out that China has made quite considerable progress over the last few decades. Indeed, as Burstein and De Keijzer (1999:136), point out,

> *To the Chinese, the human rights to food, clothing, shelter, economic development, and security … are paramount over traditional Western-style individual political liberties. Judged by this standard, China in the last twenty years is a leader, not a laggard, in promoting the human rights of its people.*

And Peerenboom (2007:173), argues that:

> *[The US State Department] reports for China invariably start with a description of the nature of the political regime, as if that were the most significant determinant for rights in the country. [For example,] the 2004 report on China begins: 'The People's Republic of China … is an authoritarian state in which … the Chinese Communist Party … is the paramount source of power'. Imagine if it began instead: 'Human rights and other indicators of well-being across the board are highly correlated with wealth. China outperforms the average country in its lower-middle income category on every major indicator except civil and political rights (as is generally true for other East Asian countries)'.*

In fact, as Peerenboom notes, the rule of law, good governance and almost all rights (including civil and political rights), are correlated with levels of wealth. Thus comparing China to the developed world unsurprisingly reveals that China has more departures from the rule of law, weaker state institutions, more corruption and less individual freedoms than their Western counterparts. But is that, Peerenboom asks, a fair comparison?

When it comes to Chinese foreign policy, Burstein and De Keijzer point out,

> *While the human rights situation in China is not good by American standards, it is not unlike that in Indonesia, India or Saudi Arabia, for instance. Yet in most of these cases, the United States is able to have normal and even close relationships that are not overwhelmed by the human rights agenda* (Burstein and De Keijzer, 1999:137).

Furthermore,

> *European and North American leaders in general, and French politicians in particular, tend to give their African counterparts lessons on democracy, respect for human rights, and governmental transparency – even if such lessons are also exercises in Western hypocrisy. France, for instance, maintains privileged relations with the corrupt regimes of oil-rich Gabon, ruled since 1968 by Omar Bongo, and of Congo-Brazzaville (Republic of the Congo). And the United States has been wooing African dictators such as Teodoro Obiang and Eduardo dos Santos, who rule oil-rich, poverty-ridden Equatorial Guinea and Angola, respectively, both since 1979* (Inter Press Service, 15 November 2006).

Indeed, it is important to avoid what Peerenboom (2007), observes in some critiques of the Chinese human rights record, namely that this is often arguably spurred on by particular interests that wish to contain China's development and influence. Zheng Yongnian (1999:105), notes that indeed within China there is a suspicion that:

> *forces do not like to see a strong China with a rapid growing economy. Because they perceive China as their potential rival, they will use all possible means including the Taiwan, Tibet and human rights issues to contain China's development.*

In fact, by focusing significantly on Beijing's human rights stance in Africa, to the detriment of other features of the relationship, there is an implicit delegitimization of China and, by extension, what 'the Chinese' are doing, either at home or abroad. For instance, Chinese ties with Zimbabwe are indeed arguably problematic given the nature of Mugabe's regime, yet South African interests are equally complicit in their engagement with Harare, with South African businesses exploiting opportunities thrown up by the Zimbabwe economic crisis (Solidarity Peace Trust, 2007). This does not mean that Beijing can or should be above criticism, only that context is required when discussing such issues as a means to avoid the exoticization, if not demonisation, of China and its engagements in Africa.

Yet as Li Xing (1996:40), notes, the difficulty facing China's rulers is that on the one hand they have sought national independence from Western political influence and on the other hand have sought to 'catch up' with the West and modernise the economy through ever-deeper integration with the capitalist world market. This contradiction is often played out around human rights issues and in fact, taking the analysis further, it might be argued that infringing some human rights in China itself (poor labour conditions, for instance), is a *pre-condition* for Beijing's reintegration into the global political economy, something which is actively encouraged by the West and its profit-seeking corporations.

Indeed, it is a fact that:

> *human rights abuses under the banner of 'preserving order' are aimed at maintaining the position of the ruling elements [in China]. But it is also undeniable that the state sees the necessity to maintain long-term stability and predictability of the system in order to attract much-needed foreign investment and technology* (Li Xing, 1996:34).

In this light, critiquing China's human rights stance when it is played out in Africa, whilst selectively overlooking the abuses that underpin much of the consumer boom in the developed world, driven in part by cheap Chinese imports, lacks coherence, as does ignoring continued Western support for assorted dictators and corrupt regimes across Africa.

It can be reasonably charged that when Western oil corporations complain about the Chinese sewing up oil deals in the Gulf of Guinea through corrupt and opaque means, they are being deeply hypocritical, as it has long been alleged that Western companies, with the tacit approval of their home governments, have used graft to secure deals (Shaxson, 2007). In some cases this is not even tacit but quite open. After all, the Elf corruption scandal in France revealed that annual cash transfers totalling about £10m ($5 million), were made to Omar Bongo, Gabon's president, while other huge sums were paid to leaders in Angola, Cameroon and Congo-Brazzaville. The multi-million dollar payments were partly aimed at guaranteeing that it was Elf and not US or British firms that pumped the oil, but also to ensure the African leaders continued allegiance to France (*Guardian*, 13 November 2003). Damning indictments of Shell's activities in Nigeria are well-known (Okonta and Douglas, 2003), whilst Condoleezza Rice publicly labelled Equatorial Guinea's notorious president, Teodoro Obiang Nguema, as a 'good friend' of the United States (*Washington Post*, 18 April 2006), even though Malabo is characterised as a 'criminal state' elsewhere

(Wood, 2004). So constructing China's diplomacy as 'bad' whilst glossing over Western governments' and corporations' own duplicity in Africa is somewhat unpalatable.

Indeed, much criticism of Beijing has focused on the apparent willingness to finance corrupt and autocratic regimes and this is often denoted as being emblematic of Sino-African ties. For instance, after three decades of civil war, the Angolan government was on the verge of accepting an International Monetary Fund (IMF), loan package that stipulated strict conditions regarding monitoring of the domestic situation and distribution of aid. However, in the face of a $2 billion unconditional aid package from Beijing, the Angolan government rejected the IMF's offer in favour of China's, of which one of the few stipulations was the right to 10,000 barrels of oil per day. This arguably undercut the IMF's efforts at increasing transparency. However, it does need to be pointed out that in 2004, Standard Chartered, backed by a consortium of European banks, including Barclays and Royal Bank of Scotland, disbursed a loan of $2.35 billion to Angola's state oil company, Sonangol. Repayments over five years were guaranteed from future oil production (*Guardian*, 1 June 2005). In other words, the Chinese are not the only ones financing the corrupt regime in Luanda, with its poor human rights record.

However, though there is a great deal to be said regarding the pointing out of Western hypocrisy vis-à-vis human rights and Africa, such analysis does not help the average Zimbabwean or Sudanese labouring under autocratic and oppressive governments and casting a weary eye at Chinese support for her oppressor. Here, Beijing's thinking on non-interference and its hands off attitude vis-à-vis human rights and governance needs to modify if it is to avoid being cast by critics as a friend of despots (as some Western countries are). It is imperative that Beijing needs to recognise that its dealings with *some* regimes in Africa at the state-to-state level risks tarnishing its whole African enterprise. There is actually some evidence that a rethink is occurring and Chinese thinking on human rights and sovereignty 'is less a static concept than an idea in flux' (Gill and Reilly, 2000:42).

Yet it needs to be reiterated that in judging Western critiques of China's human rights policies both domestically and how they play out in Africa, the motives and origins of these critiques needs contextualisation. Doing so provides an interesting take on how Western powers are reacting to the growing Chinese presence in Africa and how concern over competition, particularly over energy resources, has reintroduced human rights in to the diplomatic discourse after many years of neglect and oversight. How and why this is so speaks volumes over the authenticity of these apprehensions vis-à-vis the average African (and Chinese), person.

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Endnotes

1. For examples of how human rights has continued to influence China's bilateral relations with other states, see Foot (2003, 2004), Zhou Qi (2005), and Drury (2006). Most of the discussion of the international relations of China's human rights regime not surprisingly focuses on relations with the US, though there is also interest in human rights in EU policy towards China and Asia – for example Wiessala (2006).

2. Albert Einstein won the accolade in the end, but the 'unknown hero' did make the top 100 as one of the 20 leaders and revolutionaries 'who helped define the political and social fabric of our time' (alongside Mao Zedong); see www.time.com/time/time100/leaders/

3. We should note that this was not a result of all EU states making a decision at the same time, but that the failure to achieve full support for a resolution meant that it could not be tabled under the name of the EU.

4. The first has subsequently been ratified by the Chinese (in February 2001), though with a waiver on the right to form and join free trade unions.

5. References to Balducci are from his doctoral thesis on EU policy towards China to be submitted at the University of Warwick in 2008.

6. Lord Powell is Chair of the China-Britain Business Council; Oral Evidence to Foreign Affairs Committee (2000).

7. For more details, and a detailed discussion on how MFN was extended to China and then replaced by PNTR in the run up to WTO entry, see chapter three of Breslin (2007).

8. AFL-CIO website-www.aflcio.org/issues/jobseconomy/globaleconomy/ExecSummary301.cfm

9. This quote is taken from Dorgan's web page, which includes a link to the text of the petition; see http://dorgan.senate.gov/issues/economy/chinatrade

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China & India as Africa's New Donors: The Impact of Aid on Development

Dorothy McCormick

Using a two-stage analytical framework and drawing on a wide range of secondary data, this article attempts to assess the likely impact of aid from China and India on the development of Africa. The framework treats aid as one of four main channels through which China and India influence the shape and performance of particular sectors and, through them, development outcomes. The first stage of analysis examines the varying patterns of Chinese and Indian aid and the multiple impacts such aid has on one key sector: manufacturing. The main findings from this level of analysis have to do with the differing patterns of Indian and Chinese aid, differences between Chinese and Indian aid, and aid from western countries, and the interconnections between the impact channels.

India and China have different patterns of aid. India concentrates on non-monetary aid mainly in the form of technical assistance and scholarships, while China offers a wider range of monetary and non-monetary aid packages, which include grants and loans for infrastructure, plant and equipment, as well as scholarships, training opportunities, and technical assistance. Chinese monetary aid is tied to the use of Chinese goods and services, and requires adherence to the 'One China' policy, but does not carry the 'good governance' conditionalities that currently characterise western donors. The impact channels of trade, FDI, aid, and migration overlap to some degree, especially in the case of China. The line between FDI and aid is often blurred, as is the line between aid and trade. The second stage of the analysis looks at the implications of Chinese and Indian aid to manufacturing for development outcomes such as growth, distribution, governance, and environment. The analysis shows clearly that the potential impact of Chinese and Indian aid on Africa is significant, but that the actual effects of these emerging donors on particular countries depends to a large extent on the institutional and structural conditions of the recipients.

China and India are Africa's new donors. Both countries have recently established development cooperation programmes that particularly target Africa. India's 'Focus Africa Policy' has involved high level visits, economic and technical cooperation, and an Indian contribution to peacekeeping operations in several African countries (India, 2004). China also has a high-profile Africa Policy, adopted in early 2006, that serves as the political foundation for significant engagement with Africa.

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A growing literature describes these policies and analyses their motivations (e.g. Alden, 2005; Servant, 2005; Tull, 2006), but there has as yet been little attempt to assess the actual impact of Chinese and/or Indian aid on the development of the countries of Africa. Carrying out such an assessment would require detailed empirical work in a number of countries. The purpose of this paper is to lay a foundation for that empirical work by developing an overall conceptual framework and illustrating how it might be applied in a specific case. The case chosen is the manufacturing sector, but the model could equally be applied to agriculture, energy, health, or almost any other sector. Manufacturing is, however, an interesting case not only because of its close links to trade and investment, but also because in the minds of many it holds the key to Africa's industrialisation and thus to the continent's development. The paper uses a wide range of secondary data sources, including websites, academic papers, and published and unpublished reports.

The paper is organised into six parts. Following this introduction, Part 2 presents some background on China and India. This is followed in Part 3 by an overall framework for conceptualising the impact of China and India on Africa through several channels. Part 4 discusses the aid channel in some detail and describes the present situation of aid to sub-Saharan Africa. Part 5 examines the links between Chinese and Indian aid and African manufacturing. Part 6 draws some tentative conclusions on the impact of aid on manufacturing in sub-Saharan Africa and raises a number of questions that could guide empirical research.

Background: China & India

China and India are distinguished from earlier high-growth economies by their sheer size. Together they have over 40 per cent of the world's population and a growing share of world production and trade. China is well integrated into a regional system of production involving other Asian countries. India is also closely linked to its South Asian neighbours and has gained considerable political weight as a spokesperson for the developing world and a key actor for regional stability (Jobelius, 2007). It is because of these close ties that foster industrial development in other countries that observers of these economies have named them the *Asian Drivers* (see 'Asian Drivers', 2006).

China, with a population of 1.3 billion people and a 2005 GDP of US$2,230 billion, is a giant by any definition (World Bank, 2006a). GDP growth has been consistently above 7 per cent, even soaring to 13 per cent in the late 1980s. China's share of world manufacturing value added (MVA) grew from 1.4 per cent in 1985 to 4.2 per cent in 1995 and 8.0 per cent in 2005 (UNIDO, 2006). China's strongest growth has been in its coastal cities, while the huge hinterland continues to be relatively poor. Nevertheless, the country claims an overall literacy rate of over 90 per cent, which means that even its rural labour force should be able to handle increasingly complex tasks. This can also be interpreted to cast doubts upon the predictive power of the 'Flying Geese' model of industrialisation that seemed to apply well to the smaller Asian countries. In this approach, industries can be grouped according to their predominance in different stages of industrialisation. As countries industrialise, their wage structures change and they are likely to leave early-stage industries and move to middle- and late-stage industries. What this theory fails to take into account is that very large countries can have a strong presence in early-, middle-, and late-stage industries simultaneously. Chen (1989:70) saw this nearly two decades ago, when he claimed, 'China is not a goose, but some other huge bird flying side by side with the geese' (Chen, 1989:70). He went on to argue that China has the potential of complementing and competing with various layers of the flying geese at different stages of industrial production.

India's 2005 population stood at 1.1 billion and GDP at US$785 billion (World Bank, 2006b). Growth has been less rapid than China's, with growth rates of 5-7 per cent prevailing through most of the 1980s and 1990s. Growth slowed between 2000 and 2002, but then increased to above 8 per cent from 2003 to 2005. With a growth of 23 per cent in exports, 29 per cent in foreign trade, and 71 per cent in FDI, 2006 was another record year for India (Jobelius, 2007). India's growth, like China's, has been unevenly spread throughout the country. Overall literacy is considerably lower than China's at only 61 per cent, suggesting that the country's labour force may be less adaptable than China's. Nevertheless, India's potential impact on the rest of the world and Africa in particular should not be discounted. India is continuing to industrialise, with manufacturing value added growing at 7 per cent per annum from 1990 to 2000, and 6.5 per cent per annum from 2000 to 2004.

India and China are growing in political importance, both in their respective regions and in the world. India's rising political weight in the international decision-making arena has been attributed to its dominant position in a region whose geo-strategic importance has increased significantly, partly as a result of the 'war on terror', and its own nuclear aspirations (Jobelius, 2007). India is also seeking a stronger connection to multilateral organisations, and sees itself as an important force in international regimes, as well as a candidate for a permanent seat on the UN Security Council. In taking on these roles, India is increasingly becoming a legitimate spokesperson for other developing countries. China is similarly – and even more strongly – on the rise. China is seeking a greater more active role in the international system (Tull, 2006). Despite its rapid economic ascent, China still views itself as a developing country, but more specifically one that can be an effective spokesperson for other developing countries (Cornelissen and Taylor, 2000; Mawdsley, 2007). This position represents a shift from the 1980s when China leaned towards the capitalist North. Observers now claim that Chinese foreign policy is concerned about US hegemony, and to counter this is actively courting strategic partners with whom Beijing can cooperate around issues that reflect its core interests and at the same time promote the idea of China's 'peaceful rise' (Alden, 2005).

In terms of human development, China ranks no. 85 in the world, placing it well above all of the countries of sub-Saharan Africa, but well below the industrialised countries (UNDP, 2005). One of China's serious human development challenges is the growing rural-urban gap in development (Baige, 2005). India ranks even lower, falling below South Africa (no. 127 compared to no 120 for South Africa). Inequality plays a significant role in India, even though it is probably not as great as in China.

Development Aid

Country-to-country development aid[1] is a fairly recent phenomenon. Most histories begin with what is probably considered to be one of the most successful efforts, the Marshall Plan in which the US Government assisted European countries to reconstruct after the devastation of World War Two. Aid to Africa began later, but by the 1980s was already a significant factor in the budgets of many countries. The nature of this aid appears to have been shaped by two key considerations: first, prevailing (and changing) understandings of the development processes and second, the strategic concerns of the donors.

Since the end of the cold war in 1989, the rich countries of Europe and North America, together with Japan, Australia, and New Zealand have been the main bilateral donors. Recipients were the countries of Africa, Latin America, the Middle East, and the poorer parts of Asia. The direction of aid was, in other words, rich country to poor country and mainly North to South. The first decade of the 21st century is, however, witnessing a change in the composition of the donor group.

Both China and India have recently been recipients of aid, but are now making the transition from aid recipient to aid donor. China's aid as a proportion of GDP dropped from 0.6 per cent in 1990 to 0.1 per cent in 2003, while India's dropped from 0.4 per cent to 0.2 per cent over the same period. China's multilateral aid has fallen as it has been repaying IDA credits (Manning, 2006). China has, however, continued to receive some bilateral aid. India also continues to receive aid, but is making it increasingly clear to donors that it wants to exercise control over aid flows. In early 2003, the Indian government made the bold announcement that India would suspend the bilateral development aid from 22 donor countries who had been operating in the country (Jobelius, 2007). It allowed only the US, the UK, Japan, Germany, Russia and the EU to continue to give ODA to the Indian state, while others were to limit their activities to assisting Indian NGOs. The largely symbolic gesture was designed to assert India's independence from western donors and its ability to manage its own affairs. Both China and India have stated policies that favour aid to Africa.

Conceptualising Impact on Development

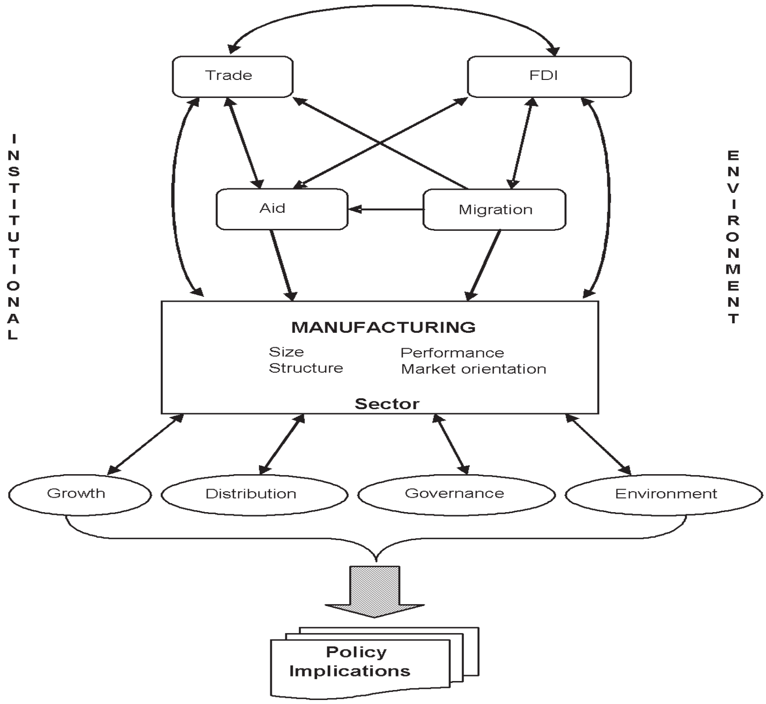
Chinese or Indian aid and African development are not abstract variables moving in some sort of economic vacuum. They are part of a larger global system made up of institutions and processes that interact and shape one another, producing both immediate and longer term changes. This section first presents a model that attempts to capture the main contours of the overall impact of China and India on African manufacturing, and then treats in more detail aid as a channel for that impact.

Overall Model

Research on the impacts of China and India on Africa is in its early stages, making it nearly impossible to discuss in any comprehensive way. Scholars are only beginning to develop frameworks for analysis that recognise the complexity of assessing the impact of China and India on African countries. These frameworks recognise that it is necessary to talk of impacts, rather than impact and further, that these impacts are channelled in different ways. Four types of impacts have been identified: on growth, on distribution, on governance, and on the environment (Asian Drivers Team, 2005; Radelet, 2006; Kaplinsky et al. 2007). The main channels through which these impacts are likely to occur are trade, foreign direct investment, aid, and migration (see Figure 1). The first level of analysis tracks how these flows, singly and in interaction with one another affect a particular economic sector or activity. This paper puts 'manufacturing' at the centre, but a similar analysis could be performed using a different centrepiece, such as agriculture, energy, or education.

The second level of the analysis consists of the developmental outcomes that flow from these changes in the manufacturing sector. What happens, for example, when

Figure 1: Framework for Analysing the Effects of China & India on African Manufacturing



the manufacturing sector increases in size both absolutely and relative to the rest of the economy? Four major development outcomes have been identified, though undoubtedly others are possible (Radelet, 2006; Kaplinsky et al. 2007). The first of these is growth.[2] In the model, growth may result from improved performance at firm level, certain types of structural shifts, overall growth of the manufacturing sector, as well as from changes in market orientation. Growth also has feedback effects into manufacturing, since a growing economy usually generates demand for manufactured goods. The second development outcome is changed distribution. As the manufacturing sector grows and/or shifts its structure, income and wealth do not necessarily grow evenly. If large export-oriented firms grow while small ones struggle, there will be shifts in income and wealth away from small producers towards large ones. Urban export-oriented factories may attract workers from rural pursuits, thus shifting the rural-urban population distribution. Distributional changes may also have feedback effects into manufacturing. An obvious example is the change in demand for manufactures caused by increased urbanisation. The third outcome is governance. Changes in the manufacturing sector may place new demands on the institutions of government. A larger flow of FDI that brings with it increased requests for expatriate managers may require a more finely tuned immigration system than was previously thought necessary. Manufacturing sector growth and shifts may also require government to update its labour laws and regulations and the related institutions for managing labour relations and conflicts. Finally, the fourth outcome is the environment. Change and/or expansion of the manufacturing sector often brings with it environmental challenges in the form of increased pollution, the need for better waste management systems, and so forth. Policy implications can be drawn from the four outcomes, taken singly and together.

The model can be further refined by using Chen's (1989) insight to distinguish between complementary and competing effects. Complementary effects occur when, for example, African countries import textile fabric from China or India to enable them to take advantage of trade preferences in clothing such as that offered by the US through the Africa Growth and Opportunity Act (AGOA). China and India's strength in textile manufacture is, in this case, complementary to Africa's ability to make garments. Competing effects are also present. China competes directly with Ethiopia in the production of shoes for the Ethiopian market (Tegegne, 2007).

Furthermore, some effects will be direct, while others will be indirect (Kaplinsky et al. 2007). Direct effects are fairly clear. China's competition with Ethiopia in the latter's home market is an example of a direct effect. Indirect impacts are less obvious. They occur as a result of China's relations with third countries. For instance, Kenya's ability to export clothing both to its neighbours and to the US is being constrained by the volume of relatively cheap garments that China exports to those countries (Kamau, 2007; McCormick et al. 2007).

Impact of Aid

The discussion of the model has so far been general and could be applied to any of the channels. We now turn specifically to the aid channel. Understanding the impact of donor aid on recipient countries depends on the answers to five basic questions: 1) why do donors give? 2) what form does the aid take? 3) what do donors support? 4) on what conditions? 5) what are the characteristics of the recipient country?

The questions point to five key variables to be investigated: motives for aid, forms of aid, areas of support, terms and conditions, and recipient country characteristics. Table 1 lists these variables together with the possible responses to the questions, which in turn can be used as secondary variables.

Table 1: Variables for Analysing the Varieties of Development Aid

Key Variable	Secondary Variables
Motives for aid	Altruism Mutual benefit Strategic or political interests History
Forms of aid	Monetary or non-monetary Monetary: grants or loans Bilateral, multilateral, or other
Areas of support	Projects or programmes Recurrent or investment expenditures Strategic priorities
Terms and conditions	Financial and technical accountability Support for donor's strategic and/or political interests Macro-economic reform Progress towards 'good governance' and/or 'good management' Purchases of goods and services from donor country (tied aid) Other
Recipient country characteristics	Institutional environment Structure of the economy Other funding options

Source: Own compilation

In theory, the motives for aid can run the gamut from a self-centred aim of promoting the strategic or political interests of the donor to pure altruism (Gibson et al. 2005; Radelet, 2006). The reality tends to be a mix of motives. The goals of aid programmes are often stated in altruistic terms, including the language of poverty eradication, helping poor countries to industrialise, and so forth. Elements of donor self-interest are sometimes couched in phrases such as 'mutual benefit' or may be implicit in the terms and conditions or programme design. Political and strategic concerns and history seem to be particularly important. A major study of the giving patterns of western donors suggests that colonial past and political alliances were major aid determinants in the last quarter of the 20th century (Alesina and Dollar, 2000). For example, the three biggest donors – US, Japan, and France – had noticeable biases in their patterns of aid. The US targeted about one-third of its aid budget to Egypt and Israel; France gave overwhelmingly to its former colonies; and Japan's aid favoured countries that voted with it in the UN.

Aid takes various forms. One distinction is between monetary and non-monetary. *Monetary aid* includes grants and concessionary loans. *Non-monetary aid* includes debt relief, 'free' or low-cost technical assistance, access to scholarships or training programmes, tariff exemptions, and outright gifts of buildings, equipment, or other capital goods. The line between monetary and non-monetary aid is blurred in categories such as debt relief and tariff exemptions, where money that might have been collected is foregone. A second common distinction is based on the way aid is given. In some cases, donors deal directly with recipient countries through their own aid agencies. This is *bilateral a*id and it is given through agencies such as the UK's Department for International Development (DFID) or France's Agence Française de Développement (AFD). In other cases, donors support programmes and projects as one of many donors. This is multilateral assistance and is administered by agencies such as the United Nations Development Programme and the World Bank. Of all official development assistance, roughly one-third is multilateral (World Bank, 1998). The traditional bilateral-multilateral distinction no longer covers all donors. For instance, the foundations, trusts, and global funds that are currently growing into important players in the aid arena do not fit neatly into these categories.

Aid is also distinguished by *what it supports*. *Project aid* covers many different activities, but is dominated by funds directed towards interventions in health, education, rural development, transport and power, housing, and water supply and sanitation (Riddell, 2007). The main purpose of such projects is to achieve specific and concrete outputs, with many projects attempting to fill gaps by providing resources, skills and systems which the recipient country needs but does not have. *Programme aid*, on the other hand, is broader in coverage and objectives. Two types of programme aid have become popular with both donors and recipients. These are sector-wide approaches (SWAps), in which a donor or group of donors supports a particular sector, such as health or education, and budget support. The question of what is supported can also be looked at in terms of *current vs. investment funding*. Many projects and programmes combine the two, providing money for salaries, transport, overheads, and so forth along with funds to purchase equipment or invest in human capital. The final variable in the broad category of what is supported may be the most important, as it has to do with the extent to which aid supports the recipient country's own *strategic priorities*. Current thinking on aid harmonisation and alignment strongly affirms the notion that aid should support the strategic plans of recipient governments (OECD, 2003, 2005; Balogun, 2005; de Renzio et al. 2005). Unfortunately, however, some donors still attempt to bring their own pet projects or programmes to recipient countries (McCormick et al. 2007).

Aid agreements typically set out *terms and conditions* to be met by the parties. Most of these refer directly to the project or its administration. They are what Martens (2005) calls 'input conditionalities' that restrict the recipient's discretion in spending the resources availed. For example, most agreements specify the procurement rules to be followed, accounting and reporting requirements, frequency and content of narrative reports, disposition of capital goods at the end of the project, and so forth. Such conditions, although the subject of much negotiation, are in themselves fairly uncontroversial. More onerous is 'tied aid', a form of aid that requires the recipient to buy certain goods and/or services from the donor country. Aid tying is an input conditionality that is generally agreed to be costly. The World Bank (1998) estimated that tied aid reduces the value of that assistance by about 25 per cent. In 2001, the OECD's DAC (Development Assistance Committee) made a formal recommendation that aid to the Least Developed Countries should be untied (OECD, 2006).[3] By 2006, less than 10 per cent of total aid from OECD countries was tied (OECD, 2007). This figure, however, must be treated with caution for several reasons. First, there is wide variation between countries in the incidence of aid tying. Countries such as the UK, Norway, Sweden, Ireland and Luxembourg tie less than one per cent of their aid, while others such as Canada, Portugal, and Greece tie between 25 and 40 per cent. Second, the largest single OECD donor, the United States, was not included in the data, yet it is known to tie nearly three-quarters of its aid (Centre for Global Development, 2006). Some new donors also tie aid. For example, much of China's aid is in the form of concessional loans to African governments for infrastructure projects, many of which are implemented by Chinese companies (Gill and Reilly, 2007).

The other broad type of condition is the 'output conditionality' that is linked to changes in the recipient's behaviour and institutions (Martens, 2005). Examples of output conditionalities are requirements to reform certain institutions, establish new policies, remove what the donor believes are inappropriate rules and regulations, or support the donor's strategic and/or political interests. These were the types of conditionalities that accompanied structural adjustment credits and became major sources of tension between donors and aid recipients in the 1980s and 1990s. Both multilateral and bilateral aid is subject to output conditionalities. In some cases bilateral aid organisations impose conditions that reflect the particular political concerns or priorities of the donor country; in others they mirror conditionalities imposed by the World Bank or other multilateral organisations. Some argue that conditionality simply does not work. Recipients often bypass conditions, and donors face a 'Samaritan's dilemma' that withdrawing aid would create short-term pain for the very people they target to help (Gibson et al. 2005; Radelet, 2006).

Finally, understanding the impact of aid requires a careful look at *conditions in the recipient country.* The impact of aid received has been shown to depend on conditions such as the state of civil liberties in the country, the policy environment, institutional quality, peace and stability, and several other variables (Burnside and Dollar, 2004; World Bank, 1998; Radelet, 2006; Isham et al. 1995). As we shall see below, the structure of the economy also matters. For example, tying aid to the purchase of donor consulting services counts more when there is a local consulting industry that could be tapped than it does when there are no local alternatives. Another condition that has received little attention has to do with aid dependence and/or the recipient country's financial options. Countries that can finance development out of their own resources are in a much stronger position than those that cannot. The poorest, most aid-dependent countries may feel forced to accept aid packages that would be refused or renegotiated, were they in a stronger bargaining position. Their acceptance may be influenced by their belief that it is the only way to get aid for some badly under funded sector – even if it does not need what is being offered – or because they cannot risk alienating an important donor (Moss, 2005).

Studies of sources of aid are also beginning to look at the twin issues of donor proliferation and coordination, raising questions about their effects on the capacity of states to set and follow their own development objectives (Knack and Rahman, 2004; Morss, 1984; Whittington and Calhoun, 1988; McCormick et al. 2007).

Aid to Sub-Saharan Africa

For nearly a decade after independence, many African countries recorded fairly respectable growth records before beginning to decline after the oil crisis of the mid-1970s (Mkandawire and Soludu, 1999). By the 1980s average growth rates were negative. Moreover severe droughts, persistent conflicts in several countries, and poor governance wrought havoc on the economic and social conditions of the continent. These conditions, combined with the relative improvement of living standards in Asia and Latin America, led donors to focus increasing attention on Africa.

Most sub-Saharan African countries receive some aid, but the size of the aid and its relative importance in countries' economies varies considerably. Table 2 provides details on official development assistance to 22 countries in sub-Saharan Africa. The countries are listed according to their ranking on the Human Development Index

Table 2: Official Development Assistance (ODA) Received
(net disbursements to selected countries)

HDI Rank	Country	Total (US$m)	Per Capita (US$)	As % of GDP	
		2003	2003	1990	2003
120	South Africa	624.9	13.80	..	0.4
131	Botswana	30.1	17.50	3.9	0.4
138	Ghana	906.7	44.40	9.6	11.9
141	Sudan	621.3	18.50	6.2	3.5
144	Uganda	959.4	38.00	15.5	15.2
146	Madagascar	539.5	31.90	12.9	9.9
149	Lesotho	79.0	44.10	23.0	6.9
154	Kenya	483.5	15.20	13.9	3.4
158	Nigeria	317.6	2.30	0.9	0.5
160	Angola	498.7	36.90	2.6	3.8
164	Tanzania	1,669.3	46.50	27.5	16.2
166	Zambia	560.1	53.80	14.6	12.9
167	Congo, D.R	5,381.0	101.20	9.6	94.9
168	Mozambique	1,032.8	55.00	40.7	23.9
170	Ethiopia	1,504.4	21.90	11.8	22.6
171	C A R	49.9	12.90	16.8	4.2
172	Guinea Bissau	145.2	97.50	52.7	60.8
173	Chad	246.9	28.80	18.0	9.5
174	Mali	527.6	45.30	19.9	12.2
175	Burkina Faso	451.1	37.30	10.6	10.8
176	Sierra Leone	297.4	55.70	9.4	37.5
177	Niger	453.3	38.50	16.0	16.6
	Sub-Saharan Africa	22,691.8	32.90	12.0	18.6

Source: UNDP, 2005:282-83

(HDI) of the United Nations Development Programme (UNDP). This gives a rough guide to the countries' relative living standards. The ordering suggests that, although in general countries with a better HDI receive smaller amounts of aid per capita, the negative correlation between aid and human well-being is far from perfect.

The data in Table 1 are based on information from the OECD /DAC. Neither China nor India belongs to the OECD and, although they could choose to report their foreign aid to DAC, neither country does so. This means that we must rely on estimates of Chinese and Indian aid, which tend to vary widely (Lancaster, 2007; Guoqiang, 2007; Manning, 2006). Making estimates and/or comparisons is further complicated by the tendency of both China and India to include items in published statements on aid that do not fit into the strict definition of Official Development Assistance (ODA) followed by DAC countries.

Formal links between China and sub-Saharan Africa go back to the Bandung Conference in 1955. Until the mid-1990s, much of this aid went towards liberation movements and the attempts to isolate Taiwan. Since the 1990s, this appears to have changed, with aid being increasingly directed towards broader strategic goals, especially the development of links with resource-rich sub-Saharan African economies (Muekalia, 2004; Kaplinsky et al. 2007; Brookes and Shin, 2006; Pan, 2006; Tull, 2006). In October 2000, the China-Africa Cooperation Forum, which was held in Beijing, emphasised the need to enhance co-operation between China and financial institutions in Africa. During the Forum, China also expressed willingness to reduce Africa's debt burden, promote investment, and assist in the development of human resources in Africa (Muekalia, 2004). China's Africa Policy, adopted in early 2006, states that China-Africa relations are to be based on five principles: sincerity, equality, mutual benefit, solidarity, and common development. The policy also reiterates that the 'One China' principle is the political foundation for the establishment and development of China's relations with African countries and regional organisations (PRC, 2006; Guoqiang, 2007).

Although trade, migration, and other contacts have linked India to Africa, especially East Africa, for several centuries, formal relations were formed only as both emerged from colonialism in the 1950s and 1960s. Gandhi's message of non-violence and passive resistance inspired many black leaders in Africa and, as the cold war began, Nehru's principle of non-alignment appealed to Africans (Beri, 2003). India's 'Focus Africa Policy', which has involved high level visits, economic and technical co-operation, and an Indian contribution to peacekeeping operations in several African countries (India, 2004). Nevertheless, it is important to keep this in perspective. Most Indian aid goes to neighbouring countries. In 2003-04, only an estimated eight per cent of the total aid budget was designated for Africa (Government of India, 2004).

The aid practices of China and India differ in some important and inter-related respects both from one another and from the traditional western donors. Both countries appear to be motivated by a combination of altruism, mutual benefit, and strategic interests. As in the case of western donors, India and China emphasise motives like altruism and mutual benefit in public statements, but these can be difficult to disentangle from the more pragmatic strategic and economic interests. China's quest for natural resources, especially oil, is well documented (Economy, 2004; Pan, 2005; Lyman, 2005). India's need for oil receives less attention, yet India imports some 75 per cent of its oil needs, compared to 33 per cent for China (Pan, 2006). Both countries are growing rapidly and apparently recognise that, despite some traditional suspicions, they can benefit from collaboration. One concrete example of such collaboration was the landmark energy co-operation deal reached in January 2006 that attempted to contain energy prices by preventing the two giants from bidding against each other for energy resources (Pan, 2006; Varadarajan, 2006). The two countries are also planning to co-operate in related areas, such as oil recovery technology, IT-enabled exploration and production, and new energy transport mechanisms (Varadarajan, 2006).

Important as it is, oil is not the only motivation for China and India to establish stronger relations with Africa. Both countries appear to have aspirations to become major political and economic forces in the world (Tull, 2006; Alden, 2005; Jobelius, 2007). Stronger economic and political relations with Africa appear to be part of their strategy. Both countries have dramatically increased trade with Africa, especially in textile products since the end of the Multi Fibre Arrangement, and in shoes and other labour intensive manufactures (Lyman, 2005; Kaplinsky et al. 2007; Tegegne, 2007; Alemayehu, 2006). China has raised its political profile in both Asia and Africa by signing numerous co-operative agreements and making an increasing number of high-level visits (Roughneen, 2006; Servant, 2005). In Asia, China has also put forth proposals to develop new security arrangements and has taken initiatives on issues as diverse as the environment and drug trafficking. India is also trying to raise its regional and international standing, but it is not yet as strong a force as China (Pan, 2006). India's poverty and inequality at home remain a serious problem (Purfield, 2006; Hallinan, 2006). Nevertheless, India has an active Africa policy and appears to be trying to build its technical assistance programmes around its strength in information and communications technology.

China gives both monetary and non-monetary aid and expects to increase its level of aid to Africa. In its Africa Policy (PRC, 2006) it pledges to 'provide and gradually increase assistance to African nations'. China typically comes to an African country with a complete package that includes money, technical expertise, and political influence in international fora (Lyman, 2005).

India, on the other hand, does not see itself as able to offer grants-in-aid (Indian Technical and Economic Cooperation Division 2006). Rather India confines itself to non-monetary aid, such as scholarships, technical training, and technical assistance. Overall, the two countries use the same basic types of aid as western donors, but India chooses a more limited range of these (see Table 3).

Neither China nor India acknowledges giving loans or grants for general budget support, though China's recent offer of a US$2 billion credit to Angola to help to rebuild the country and its infrastructure seems to fit into that category (Edinger and Roberts, 2006:9). China, however, does give debt relief, which for the recipient has a similar effect because it is usually not tied to any project or programme. In 2003 China cancelled a debt of US$66 million owed by Ghana and at the same

Table 3: Main Types of Aid Given by China & India

Aid Type	Given by China	Given by India
General budget support		
Grants/loans for infrastructure, plant & equipment	•	
Scholarships for academic training	•	•
Other types of training opportunities	•	•
Technical assistance	•	•
Tariff exemptions	•	
Debt relief	•	

Source: China Monitor, various issues; PRC, 2006; Indian Technical and Economic Cooperation, 2006.

time gave an interest free loan of US$28 million for highway construction (Edinger and Roberts, 2006:8).

China gives grants and loans for infrastructure, plant and equipment. These include railway projects in Nigeria, Ghana, and Tanzania, as well as a hydroelectric plant in the DRC and road building projects in several countries (Kaplinsky et al. 2007; Edinger and Roberts, 2006:8, 10-11; Fujita and Mochizuki, 2006). Most Chinese assistance in supplying plant and equipment comes through Chinese companies. Kenya is one of the beneficiaries of such aid, but the sources of information do not indicate whether the companies are state owned corporations or private sector firms (Fujita and Mochizuki, 2006).

Both China and India give Africans scholarships for academic programmes. China offered 15,600 scholarships to 52 African countries in 2005 (Kaplinsky et al. 2007). India is also host to many students from Africa and is a favourite destination for students from English speaking Africa because of the use of English in instruction.

India also offers technical training through the Technical and Economic Cooperation (ITEC) Division of the Ministry of Foreign Affairs. Information about specific courses is disseminated through ITEC to partner countries. Twenty-one African countries are included in the list of ITEC countries. The Government of India funds the full cost of training for the selected candidates. In the 2004-2005 year, approximately 3,400 foreign trainees benefited from these programmes, but it is not clear what proportion of these was from Africa (Indian Technical and Economic Cooperation Division, 2006).

Both China and India also offer technical assistance in the form of consultancies and specific assistance in development activities. More than 600 Chinese teachers and 15,000 Chinese doctors have worked in sub-Saharan Africa in recent years (Kaplinsky et al. 2006). Angola has been a major beneficiary of this type of aid. Specialists in different medical fields were sent to train and assist Angolan staff in a new hospital that was built by a Chinese firm (Edinger and Roberts, 2006:9). India cites its experience in small and medium scale industries, agriculture and financial management as particularly relevant to developing countries (Indian Technical and Economic Cooperation Division, 2006).

One other form of aid, used only by China, is the tariff exemption. This form of aid could play a significant role in the development of manufacturing. In 2005 Beijing scrapped tariffs on 190 import items, including food, textiles, minerals, and machinery (Kaplinsky et al. 2007). Although the China Monitor (2006) credits this move with responsibility for replacing Africa's trade deficit with China with a surplus of US$900 million, it is likely that the tariff exemptions were only part of the reason, with increased oil exports accounting for the rest. China has introduced a form of trade-related aid that is not commonly used by other countries, the voluntary export restraint. In mid-2006, China cut exports to South Africa by one-third in an effort to protect the South African textile industry (Edinger and Roberts, 2006). Such actions suggest that Chinese aid is intertwined with trade in ways that make it difficult to separate the two.

China and India differ from western donors on the terms and conditions imposed on aid recipients. China's only output condition is adherence to its 'One China' policy. China continues to assert that there is one China that encompasses the mainland and the island of Taiwan and will not, therefore, give aid to any country that recognises Taiwan as an independent country. The lack of other output conditions, combined with China's active support for countries like Zimbabwe and Sudan that have poor human rights records, has led to concern that Chinese aid policy could have negative effects on the people in recipient countries (Kaplinsky et al. 2007; Manning, 2006). China also makes extensive use of input conditionalities, especially tied aid. Much of this is tied in the traditional sense of requiring the use of Chinese contractors for Chinese-funded infrastructure projects. Zafar (2007), however, has noted another form of aid tying in what he calls 'China's aid for oil strategy' which involves offering financial assistance and funding of construction projects in exchange for access to oil supplies. India also ties its aid to the purchase of Indian goods and services, a practice that observers have questioned, since India has refused to accept tied aid from others (Price, 2004). India, like China, views development assistance as part of South-South cooperation, and therefore avoids conditionalities that could be interpreted as interference in the recipient's internal affairs.

Chinese & Indian Aid, African Manufacturing

Assessing the impact of Chinese and Indian aid on African manufacturing, as distinct from the general development of sub-Saharan Africa, requires an understanding of how aid can facilitate industrial development. Textbook development economics identifies a number of processes that lead to industrial development: general economic growth, improvements in productivity, technological development, structural transformation, development of supporting institutions, and spread of global markets (Kuznets, 1971; Todaro, 1985; Freeman and Soete, 1997; Yang, 2003). While all of these will ultimately create internal resource flows, all require resources to see them through their early stages. Aid is believed to be able to substitute to some extent for insufficient local resources by providing investment capital, human resource development, and market access.[4] Some of the specific types of aid expected to have an impact on manufacturing are the following:

Investment in Manufacturing Plant & Equipment: Aid for manufacturing investment is more likely to come from China than from India, and to be interlinked with foreign direct investment. If it is new investment, the most obvious direct effect is on the size of the output. Investment in more modern plant and equipment may also directly result in greater efficiency and higher quality products. We can hypothesise that the countries that would benefit most are those that already have some manufacturing capabilities and markets for their goods, but lack sufficient capital for investment. Lesotho, Kenya, and Madagascar, with their experience in production of clothing for the US market under the Africa Growth and Opportunity Act, are good examples of this situation.

Investment in Infrastructure: Infrastructure aid is also more likely to come from China than India. To the extent that such aid uses local materials such as cement, locally made equipment or parts, etc, it may boost the manufacturing sector directly. Direct effects will be greatest in countries that manufacture the components of the infrastructure. Thus Kenya, with its cement industries, will benefit directly from the building of dams and other cement-using infrastructure, while the DRC will not. Indirect effects of aid that improves roads, ports, electricity supply, water supply, communications, and other elements of a country's physical infrastructure will be increased output, greater production efficiency, and shorter lead times. A further indirect effect might be increased demand for manufactured goods by construction workers, transporters, and others with jobs generated by the infrastructure aid. The actual benefit to manufacturing will, of course, depend on the nature and location of the infrastructure. Indirect effects of infrastructure aid are more widely available. As long as there is some existing manufacturing industry, increased demand is likely to benefit the sector. The benefits from improved infrastructure, however, depend on the location of that infrastructure and its relevance to present or potential manufacturing. For example, the construction of a pipeline linking oil fields in Kordofan Province, Sudan, with Port Sudan on the Red Sea has opened up shipping lanes to the Middle East (Blair, 2005; Zafar, 2007). This in turn raises the possibility of locating agro-processing and/or manufacturing activities along the pipeline or near the port itself in order to take advantage of export opportunities.

Academic & Technical Training: Aid that improves the human capital of government, especially but not only, in the Ministry of Industry, may facilitate the development policies that promote investment in manufacturing. The impact on manufacturing is indirect, but could be quite substantial. Aid that improves the human capital of industry should directly promote managerial and technological upgrading in existing industries and encourage the development of more complex and technologically sophisticated manufacturing. Although both China and India give scholarships and training, the lack of information about the types of programmes and nature of beneficiaries means that it is difficult to know whether the supposed benefits are realised in practice or are merely hypothetical.

Tariff Exemptions: Aid that facilitates exports of manufactured goods should have a direct and positive effect on output. It should also indirectly promote further investment in manufacturing. Preliminary evidence from China's use of such exemptions suggests that the effects on output and the trade balance are positive, but more detailed investigation is needed. Much of the positive balance appears to be the result of natural resource rather than manufactured exports from Africa to China. Only South Africa exports significant amounts of manufactured goods to China (Kaplinsky et al. 2007); for most other countries these exemptions may have little immediate benefit.

Untied Aid: Aid to any sector that encourages the use of aid funds to purchase locally manufactured goods will increase demand for such goods and thus have a direct and positive effect on manufacturing. Aid that is tied to purchases of foreign goods and services is likely to have adverse effects on local manufacturing. The actual impact, of course, depends greatly on the size and composition of the local manufacturing sector. To use again the infrastructure example, tied aid for a construction project using cement will have the expected negative impact in Kenya which manufactures cement, but it will have no impact in DRC as long as the Chinese cement imports are equivalent in quality to those normally imported.

Debt Relief: The freeing of resources that would have been spent on debt service may have either direct or indirect effects on manufacturing. The effect would be direct if government uses the released funds to achieve specific objectives to promote the manufacturing sector. The effect would be indirect if government uses the funds to invest in infrastructure, health care, education, and other areas that could have spill-over effects into manufacturing.

General Budget Support: The effects of general budget support are similar to those of debt relief. The exact effects will depend on the place of the manufacturing sector in the country's budget.

As discussed above, changes in the manufacturing sector have the potential to bring about specific development outcomes (see Figure 1). We discuss these in the four broad areas of economic growth, distribution, governance, and environment.

The main effects on economic growth will come from increased manufacturing output, resulting from greater demand, local and foreign investment, and improved infrastructure. Other sectors may contribute to growth since, as manufacturing employment grows – assuming most will be labour-intensive – there should also be growth in agriculture and services. Furthermore, the construction sector, at least in the short run, should boost GDP through the building of infrastructure.

There are many possible distributional effects arising from changes in the manufacturing sector. Increases in labour-intensive manufacturing activities may attract workers from rural areas, changing the rural-urban distribution of both population and incomes. On the other hand, improved technologies may reduce the need for unskilled workers, adversely affecting their incomes. Focus on sectors such as garments and textiles, where women workers predominate, is likely to affect the gender distribution of income, though precise effects depend on the gender composition of the workforce in particular countries. The location of new or improved infrastructure will influence investment decisions, thus affecting the geographic distribution of employment opportunities. Production for export may be accompanied by wage squeezes as producers try to survive in competitive international markets (see Kamau, 2007). Aid that favours large or small firms may influence the overall distribution of income between rich and poor. India's technical assistance, some of which focuses on small enterprises, could in theory have positive distributional effects. In practice, however, the number of beneficiaries is small so the impact is likely to also be small. In general, the actual effects on distribution are difficult to predict because of the interaction of several variables that change simultaneously.

Much has been said about the potential negative effects on governance of Chinese aid. Mostly this is general and hypothetical, making it difficult to pinpoint effects channelled through the manufacturing sector. In general, China's aid could displace some western aid and reduce the impact of the 'good governance' agenda. If that is the case, then some governments may be less capable or less inclined to develop, enact, and/or implement the policies that would moderate the potential negative effects of changes in the manufacturing sector. The risk is greater in states such as Sudan and Zimbabwe that lack safeguards for the protection of the rights of all societal groups. Apart from these risks, Kamau (2007) points to a potential benefit of Chinese involvement in the construction industry. He notes that a Chinese construction company asserts that the operation of Chinese companies in Kenya has resulted in more efficient and timely completion of projects because the Chinese act as competitors to local firms, which had previously been colluding to overprice their contracts.

Increased manufacturing activity is likely to have negative effects on the environment, including water pollution from industrial effluent, increased solid waste, increased air pollution resulting from greater use of transport, and so forth. These are not necessarily specific to the Asian Drivers, but are the consequences of increased production in settings where environmental protection is often not high on the government's agenda. The precise effects will depend on the nature of the activities, their location, and each country's own environmental policies. Neither China nor India have strong environmental records at home, so may not be inclined to consider the environment in the application of aid in Africa. The 2005 Environmental Sustainability Index ranks India number 101 and China number 133 out of 146 countries (Esty and Associates, 2005).

Conclusions & Research Implications

This paper's analysis shows clearly that the potential impact of Chinese and Indian aid on Africa is significant. Both China and India have stated Africa policies, which they are now beginning to actualise. Both countries stand to benefit from increasing involvement with Africa, not only economically, but also politically in terms of their aspirations to be regional and eventually global leaders. Both are able to become donors, though China will probably achieve this more quickly than India. China has the economic strength to provide grants as well as concessional loans, trade preferences, and technical assistance. India is economically weaker, but in certain areas such as ICT is in a position to offer increased technical assistance that Africa sorely needs.

The actual impact of these emerging donors will, however, depend on a variety of internal and external factors that we tried to capture in our model. The example used in this paper – the impact of aid on the manufacturing sector – shows how complex the interactions among these factors can be. Aid can affect manufacturing both directly and indirectly, and through manufacturing it can influence growth, distribution, governance, and the environment. Aid in the form of direct investment in plant and equipment is more likely to come from China than from India, because of the nature of the industrial sector in the two countries. In the case of China, aid and FDI are intertwined, making it difficult to disentangle the two. Possible indirect impacts of aid on manufacturing are many. In fact, the most important is probably the support that China gives for infrastructure development. Of the other indirect forms of assistance to manufacturing, the most common are the academic and technical training offered by both China and India, and the tariff exemptions that China is now experimenting with. Neither the benefits nor the negative impacts are automatic, however, as we have seen from some of the specific examples. They depend on the size, structure, and location of the manufacturing sector in each country, as well as on the policy environment within which the sector operates.

These complexities underscore the need for detailed empirical research. Empirical research on the impact of aid is much less advanced than research on the impacts of Chinese and Indian trade and FDI. There is need for studies in different places using different methodologies that will capture the variables and relationships identified here as well as others that may have been missed. A starting point is a set of broad research questions that can be further refined for specific countries and sectors. At least seven such questions can be identified.

1) To what extent does aid from China or India that flows directly into manufacturing plant and equipment in sub-Saharan Africa allow it to produce more and/or higher quality goods?

2) To what extent does aid from China or India aimed at improving physical infrastructure result in better manufacturing performance?

3) To what extent does aid in the form of access to Chinese or Indian technical or academic training programmes result in better manufacturing performance?

4) To what extent do tariff exemptions by China and India promote investment in manufacturing?

5) To what extent does Chinese or Indian aid to other sectors of the economy result in increased demand for locally manufactured products?

6) To what extent has debt relief by China or India resulted in investments that have had positive spill-over effects on manufacturing?

7) To what extent has Chinese or Indian aid enabled African governments to pursue their own industrial development policies and programmes?

Each of these broad questions gives rise to a number of subsidiary questions aimed at establishing the basic facts around the question, examining direct and indirect relationships and their effects on growth, distribution, governance, and/or the environment, as well as establishing the links to policy outcomes. Ideally studies would involve collection of data in China and India as well as Africa, and would be designed as collaborative efforts between African and Asian researchers or research institutions. Finally, it goes without saying that China and India are changing rapidly. This means that studies must be designed to capture the dynamics of change as well as the situation at any one point in time.

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Endnotes

1. Development aid can be distinguished from disaster relief because it usually has a goal of creating conditions for longer-term development, rather than simply helping victims (governments and individuals) to survive the immediate difficulties caused by a natural or human-made catastrophe. A third category of aid is military aid, which is assistance toward the procurement of weapons or the training of military personnel.

2. There is a huge literature attempting to make a direct link between aid and growth, and another, almost as large, that attempts to reconcile conflicting results (see for example Hansen and Tarp, 2000; Radelet, 2006).

3. This recommendation applied to balance of payments and structural adjustment support, debt forgiveness, sector and multi-sector programme assistance, investment project aid, import and commodity support, commercial services contracts, and ODA to non-governmental organisations for procurement related activities. It excludes technical co-operation and food aid.

4. Foreign direct investment, which is also believed to play a similar role, is discussed elsewhere (see Alemayehu 2006).

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China & the Contradictions of 'Non-interference' in Sudan

Daniel Large

The core Chinese foreign policy principle of non-interference has recently come under increasing and more visible strain in China's relations with Sudan. Non-interference has been central to Beijing's relations with different governments in Khartoum since 1959. From the mid-1990s, however, the Chinese role in Sudan has become more embedded and consequential. Today China faces the challenge of accommodating its established policy of non-interference with the more substantive and growing complexity of Chinese involvement developed over the past decade in Sudan, amidst ongoing conflict in western Darfur and changing politics after the North-South peace agreement of January 2005.

That China and Sudan's 'all weather friendship' has been a constant refrain in the public discourse of official interaction since diplomatic relations were established in 1959. More recently, however, the Chinese government has also claimed to be a 'responsible' power that exerted 'influence' on the Sudanese government to accept a United Nations-African Union peacekeeping force in Darfur and sought credit for its 'constructive' role in passing Security Council Resolution 1769 on 31 July 2007 that enabled this. During President Hu Jintao's state visit to Sudan in February 2007, billboards sponsored by the China National Petroleum Corporation (CNPC) in Khartoum proclaimed 'the friendship between the peoples of Sudan and China' to be 'evergreen' but differences of opinion on the question of Darfur emerged following the meeting between with the Sudanese President. President Hu is reported to have told President Bashir to accept a proposal by the then UN Secretary General Kofi Annan to allow a UN-African Union peacekeeping mission into Darfur, saying that 'Darfur is a part of Sudan and you have to resolve this problem' (McDoom, 2007).

This article considers why the Chinese government's enduring principle of non-interference has come under increasing and more visible strain in recent years in Sudan. In so doing, it is particularly concerned with the changing nature of China's role in Sudan. It argues that today the Chinese government faces the challenge of reconciling its formal, established policy of non-interference with the more substantive Chinese economic involvement in Sudan that has grown over the past decade as well as changes in Sudanese politics after the Comprehensive Peace Agreement (CPA) of January 2005 between Northern and Southern Sudan. China's doctrine of non-interference had previously benefited from the absence of widespread involvement in Sudan. Since the mid-1990s, the Chinese role has become more embedded and, as this inevitably has become intertwined in Sudanese politics, more consequential. The nature and evolution of China's involvement in Sudan has

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given rise to a number of challenges for Beijing to the point where Sudan has become a notable issue affecting China's role in Africa and international politics more generally.

In addressing these issues I first consider the longer history of Chinese involvement within Sudan and its recent intensification. China's close association with the government of Sudan during the 1990s, particularly the role of Chinese oil companies in spearheading oil development amidst war, politicised its role. From here I address the main areas in which China has become part of politics in Sudan, including its diplomacy on Darfur and developing relations with the Government of Southern Sudan.

Old Friend, New Actor

Today China is the most important external economic actor in northern Sudan, whose oil-fuelled economic boom saw real GDP growing officially by some 11.8 per cent in 2006 according to the IMF. China has played the leading role in the reorientation of Sudan's foreign economic relations toward 'Asia', now Sudan's leading regional block for trade and investment. According to the Bank of Sudan, the Asian – and particularly the Chinese – share of Sudan's total imports and exports have increased appreciably since oil exports started in late 1999.[1] In 2006 China accounted for 20.8 per cent ($1,679.4m) of the Asian share of 43.6 per cent (US$3,522.5m) of Sudan's total imports, and 75 per cent ($4,243.9m) of a total Asian share of 86.1 per cent (US$4,872.8m) of total exports.[2] A decade ago, in 1996, however, China accounted for 4.3 per cent of an Asia's 20.6 per cent proportion of Sudan's imports and 6.8 per cent of an Asian total of 17.9 per cent of Sudan's exports.

The salient economic position China now occupies in Sudan has been achieved comparatively recently but continues a longer history of ties. These are marked by the unique symbolic connection of 'Chinese' Gordon. After a career featuring service for the Qing Dynasty fighting Taiping rebels in China, as well as a period as Governor General of Sudan, Gordon was killed in Khartoum in 1885 but continues to be a common bond as the personification of shared colonial oppression. However, the continuity in the formal principles governing political relations between China and Sudan after independence is striking: from Premier Zhou Enlai's visit to Khartoum in 1964 to President Hu Jintao's visit in 2007, the Chinese foreign policy principles organised around sovereignty, territorial integrity and non-interference have endured at the level of political discourse. As Premier Zhou Enlai asserted at the Bandung Conference in 1955:

> *'We are against outside interference; how could we want to interfere in the internal affairs of others?' He also affirmed that 'Peace can only be safeguarded by mutual respect for each other's territorial integrity and sovereignty'* (China and the Asian-African Conference (documents), 1955:25, 15).

Non-interference contributed in large part to China's record of maintaining good relations with successive periods of short parliamentary and longer military government in Sudan (Ali, 2006). The Chinese government supported Khartoum during the first post-independence civil war, which ended in 1972, the civil wars in Southern Sudan after 1983 and conflict in Darfur since 2003. In the three decades of relations prior to 1989, China's economic and aid relations with Sudan featured forms of barter trade, concessionary loans, arms transfers and medical assistance as well as assorted infrastructure construction projects, including Khartoum's Friendship Hall. However, even during the 1970s, when relations were comparatively good, China's links with Sudan did not involve a significant, lasting Chinese social presence within Sudan.

Despite the public prominence of historical relations, in certain ways it is the absence of a thick history of Chinese involvement in Sudan that has also contributed to good ties. The principle of non-interference may have been brought under visible strain over recent debates on external intervention in Darfur, but the thickening of ties and the greater Chinese role that has developed within Sudan over the past decade has also strained the China's doctrine of non-interference. The Chinese government may be an 'old friend' of Sudan, but in practice China has only recently come to be a notable part of Sudan's foreign relations. In just over a decade the disparate range of actors that now constitutes 'China' in Sudan has moved from the margins to a more significant position in Sudanese affairs, with important political consequences. China can thus also be considered as a 'new actor' in Sudanese politics since the early 1990s (Deng, 1995:383). The broad continuity of principles governing relations has proceeded concurrently with the growth of a more widespread Chinese presence and role within Sudan. The Chinese government has thus found itself attempting to reconcile non-interference with the political repercussions of deepened involvement.

The NIF's Turn to China

The National Islamic Front (NIF) took power in Sudan through a military coup in June 1989. The Chinese government initially appeared uncertain about the NIF's Islamist politics, evident when its leader Omar el-Bashir visited Beijing in November 1990. However, relations resumed through an Iranian-funded Chinese arms deal to Khartoum in 1991. Worth an estimated US$300 million, this included two helicopters, one hundred 1,000-pound high-altitude bombs, and a large ammunition cache and would be followed by further Chinese exports of military aircraft, small arms and light weapons to the Government of Sudan during the 1990s. Efforts were made to expand economic ties, and Khartoum hosted a Chinese trade fair in 1993. The Government of Sudan (GOS) expressed interest in Chinese involvement in developing Sudan's oil sector in 1994 (after Chevron, which had discovered oil in 1978, sold its concessions at a loss in 1992), and CNPC conducted a preliminary survey (see Jakobson and Zha, 2006). In September 1995 China's 'energy co-operation' with Sudan gathered momentum when President Bashir visited Beijing and secured a reduced rate loan, with an agreement between the China Exim Bank and the Bank of Sudan to finance oil development following in December. At the beginning of March 1997, after commencing operations in Southern Sudan (block 6), CNPC signed a co-operation agreement with Petronas, Talisman (then Arakis) and Sudapet to develop three oil blocks thereby sharing investment risk.

Sudan's domestic politics and ongoing civil wars coupled with difficult foreign relations were the principle dynamics facilitating China's economic entry into and expansion within Sudan during the 1990s, initially through oil and later an expanded portfolio of business activities (see p. 99 for details). The NIF had restricted options to develop the vitally important oil sector. Its renewed war against the Sudan People's Liberation Movement/Army (SPLM/A) continued, prosecuted as part of a project of Islamist transformation in Sudan. Turning to China was a tactical move compelled by necessity, and was accompanied by internal debate within Sudan's ruling circles about the merits of engaging with China. What counted most was that Beijing provided a politically dependable option backed up by willingness to invest.

The circumstances of Sudan's foreign relations of the 1990s and its untapped economic potential rendered Sudan a strong investment opportunity for China. Khartoum's hard line Islamist government had backed Saddam Hussein during the 1991 Gulf War and was associated with supporting terrorism. On 12 August 1993 the US State Department designated Sudan a state sponsor of terrorism. The attempted assassination of the Egyptian President in June 1995 by Sudanese security elements further contributed to Sudan's regional isolation in the Middle East, reinforcing the NIF's need to turn to China. Having extremely difficult relations with the IMF and World Bank, it also became the object of sanctions by the UN Security Council (1996) and the US (1997); an American missile attack on a pharmaceutical factory in Khartoum followed in 1998. Sudan was viewed by China as a friendly state with a more open oil market not, as elsewhere in Africa, dominated by established Western corporations. Sudan's political isolation and its vast, largely untapped natural resources created a strong opportunity for China. Sudan's natural resources were seen as able to offset the GOS's finance problems. The country held high potential even if its difficult politics and war-affected economy were seen to present a combination of risks and potential benefits to Chinese businesses (Tang, 1997).

China & Oil Development

The most important factor through which China's role in Sudan has contradicted tenable claims to non-interference has been its involvement in oil development. 'Oil co-operation' between China and Sudan took relations into a more consequential phase. As the slogan situated underneath the CNPC sign and above the entrance to the Sudan Hotel in Khartoum aptly exhorted, this entailed a 'crossing of boundaries' (*chuangxin kuayue*). Chinese oil engagement, like that of other state-backed oil investment including from Malaysia, was part of longer efforts to create a functioning oil industry in Sudan. Oil had been central to politics in Sudan before China entered in the 1990s. It had been an important factor contributing to the breakdown of the 1972 peace accord. The role of America (through Chevron) and France (Total) in Sudan's oil sector had previously rendered both 'far from disinterested observers' (Alier, 2003:263). The operations of national oil companies from China and Malaysia after the mid-1990s (and later India) continued this position, albeit with greater practical impact.

From early 1997 the CNPC operated a 40 per cent share in the Greater Nile Petroleum Operating Company (GNPOC), the main oil consortium in Sudan, to develop three concessions in the areas of Unity, Heglig and Kaikang (blocks 1, 2 and 4) in Southern Sudan. CNPC partnered with Petronas (30 per cent), Talisman (whose 25 per cent share was sold off to the Indian company ONGC in 2003) and the Sudanese company Sudapet (5 per cent). Oil production in Southern Sudan had been constrained by the lack of a proper infrastructure. It was necessary to construct the infrastructure required to extract, transport, process and export oil from Southern Sudan, including field production facilities, airfields and all-weather roads. A CNPC subsidiary, the China Petroleum Engineering and Construction Corporation, was involved in constructing a 1,600km buried pipeline for GNPOC to connect oil production with the international market. The Khartoum oil refinery was built as a CNPC-Ministry of Energy joint venture with an investment of some $638 million and became operational in February 2000. Following GNPOC, the second major oil consortium in Sudan, Petrodar, was incorporated in 2001. CNPC took a 41 per cent share and Sinopec 6 per cent to develop two concessions (blocks 3 and 7) in the Melut Basin of Upper Nile. Oil infrastructure was developed in a similar fashion, including a 1,392 km pipeline to Port Sudan, which became operational in April 2006.

Sudan exported oil for the first time on 30 August 1999 from the Port Bashair terminal, near Port Sudan. This defining event marked the success of a GOS-driven oil development strategy in which the Chinese role was decisive. In the process, Sudan attained a comparatively important position in China's energy relations in Africa for a brief period; Sudan contributed 9.26 per cent of China's oil imports, or 40.68 per cent of China's African oil imports as a whole in 2002 (according to MOFCOM statistics). CNPC's engagement in Sudan would contribute to and span an important phase in the restructuring and overseas expansion of the Chinese oil sector. For China, Sudan was a comparatively very successful case of its overseas oil business engagement.

In Sudan, however, oil development during the 1990s was inextricably connected with armed conflict. The oil sector, crucial to the GOS, was targeted by the SPLA and other groups. In January 2000, for example, the GOS was reportedly losing around US$1m in revenue every two hours from the bomb-damaged GNPOC pipeline. Oil development was militarised, influenced conflict patterns on the ground and exacerbated civilian suffering. The Sudan Armed Forces (SAF) combined aerial bombing raids and use of proxy forces (northern Baggara Arab militias and Nuer groups from Southern Sudan) in attacks aimed at depopulating Nuer and Dinka settlements and cattle camps located in oil-rich areas to enable oil expansion. As such, oil companies became 'partners with the state in human destruction' (Jok, 2007:198). The successful development and running of Sudan's oil industry amidst the civil wars by CNCP and other foreign oil companies demonstrated a willingness to side with Khartoum entailing complicity in state-sponsored violence:

> *while the Nuer nationality was being depopulated and its villages razed to the ground in Unity State in the relentless search and exploitation of oil, the Chinese continued their work as if nothing was happening* (Taban, 2006).

The Politics of 'Blind Eye' Support

China's role in Sudan developed as a state-supported economic engagement operating in public according to the principle of 'non-interference'. Official ties have developed through a framework of state-state relations in which the Chinese government has claimed, in its own terms, to have successfully pursued the principles of non-interference, mutual respect and mutual benefit. In practice China's role was marked by contradictions between its formal guiding principles and the impact of these as interwoven into wartime Sudanese politics. Nonetheless, for the GOS, China's approach was appreciated; as President Bashir has repeatedly affirmed, China has been a true friend of Sudan, read as its governing apparatus. For China, its approach clearly bore dividends for expanding investment in Sudan, and if there would be political fallout affecting the credibility of China's international image as a result of Darfur, then the deepening of business links after 2003 testified to the continued centrality of economic relations. The manner in which Chinese involvement has intermeshed with the politics of armed conflict in Sudan since the 1990s has meant that the policy of non-interference has not merely been strained by thickening links but has also been actively contradicted; given the nature of relations between the Chinese government and the NIF, non-interference has thus been increasingly conveyed as rhetoric masking the pursuit of hard, realist interests.

The thrust of the Chinese approach as manifested in practice in Sudan, and elsewhere in Africa, is to pursue business as a form of applied politics. The notion that non-interference allows for 'business, not politics', a formula bearing artificially neat connotations of separate domains, clearly depends on an ability to navigate political waters. Nor is it static and will necessarily be progressively enmeshed in politics as business develops, and in the process entails an informal but integral logic of political negotiation. However, the upshot of China's pursuit of strategic resource and economic objectives in Sudan is that these have contributed to a changing political economy of resource extraction, most importantly through oil development. This increased the revenues available to Sudan's governing elites in historically unprecedented terms. Oil consolidated and expanded the resource base of the GOS, strengthening its political and military foundations. The effect of this was to contribute to a political outcome by making a significant contribution to the continuation of NIF rule.

The basic synergy between China's business objectives and the political objectives of the NIF, now called the National Congress Party (NCP), continues. Political relations have been characterised by high-level government and corporate ties. Party-party relations are formalised by a largely symbolic cooperative agreement between the NCP and the Communist Party of China. Both have enjoyed mutual benefit, a principle that has fared better at the level of state-state relations than non-interference. What is frequently referred to as China's 'blind-eye' support for the NIF has been the wellspring of grievances in many quarters in Sudan (el-Tigani, 2006). This includes China's programme of 'military co-operation' and arms transfers. Chinese arms supplies to Sudan have occurred in the context of the close military relations the two governments have cultivated. Chinese actors helped develop northern Sudan's arms manufacturing industry in the late 1990s. This was a contribution that in no sense could be considered devoid of political implications. Military links appear to have intensified after high-level talks between the SAF and PLA in Beijing in March 2002. A series of further contacts followed, including the visit by a high-level Chinese military delegation to Sudan in October 2005 for talks at the Ministry of National Defence. The SAF Chief of Joint Staff toured China in April 2007. Arms transfers were a further related area of Chinese support. UN Comtrade data (which relies on government-reported statistics) shows that between 2002-2005, when Khartoum was attempting to crush military rebellion in Darfur and negotiate peace with the SPLA, China was the largest reported supplier of military weapons and small arms to Sudan (see 'Small Arms Survey', 2007). A report by the UN Panel of Experts established under Resolution 1591 (2005) found that 'most ammunition currently used by parties to the conflict in Darfur is manufactured either in the Sudan or in China' (UN Security Council, 2006:37).

Straining Non-interference From Within: Expanding Ties after the CPA

The CPA inaugurated a formal peace between Northern and Southern Sudan and established a new architecture of Sudan's formal political institutions. In reality there was strong continuity of ties between the Chinese government and the key power-holders within the NCP with whom Beijing had directed its relations. The Government of National Unity (GONU), made up of the NCP and the SPLM continued to co-operate with Beijing. Key strategic ministries were kept under the control of the NCP including the Ministry of Energy and Mining, which remained under the control of Awad Ahmed al Jaz, a key figure in Sudan's China relations and its oil sector as a whole. China's preference for bilateral government relations continued. This has featured the deployment of Chinese police personnel and military peacekeepers; the first deployment of 430 troops became fully operational in May 2006 and a second group of 435 UNMIS peacekeepers were sent to Sudan in mid-2007.

As China's third largest trade partner in the African continent after South Africa and Nigeria, Sudan is a comparatively established market for Chinese companies as well as a gateway to regional markets, including the Common Market for Eastern and Southern Africa. Economic relations have deepened on the back of the momentum achieved through oil investment, which acted as the beachhead for expanded commercial relations. Even before the CPA, its post-war reconstruction market was identified as an area of expanded business opportunity, especially given that sanctions restrict western investment (Jing, 2004). Sudan received 46 per cent (US$146.70m) of China's net non-financial overseas direct investment to Africa in 2004 and 22 per cent ($351.53m) of its accumulated net overseas direct investment to Africa at the end of 2005 (*China Statistical Yearbook,* 2006:759). The oil-boom has been conducive to the market expansion of Chinese manufactured products in Sudan. China, which operates a trade imbalance with Sudan, has exported increasing quantities of products to Sudan ranging from textile garments and footwear, to automobiles and electric goods such as computers, TVs, or fans. The expanded Chinese business presence in Sudan has involved a greater diversity of companies, progressing beyond the key state-owned enterprises to feature ventures started by Chinese entrepreneurs in Sudan together with small private entrepreneurs involved in service industries. Besides oil, construction, agriculture, mining, and manufacturing have been growth sectors, together with an assortment of transport infrastructure and energy supplies. These feature the el-Gaili power station, being built by the Harbin Power Engineering Company, and the controversial Meroe dam at the fourth cataract of the Nile River in northern Sudan. Construction of the dam is led by a Chinese consortium, with French, German and Swiss partners, and is supported by funding from Middle Eastern investors and the China Exim Bank. China's participation has been the most politicised and linked to conflict and displacement that has accompanied work on the dam (see Askouri, 2007).

Greater Chinese business activity and social presence in Sudan has contributed to a perceived contrast between past and current Chinese involvement in Sudan. The Chinese interventions of the 1970s, when Chinese workers were seen to return to China on completing their work, are generally remembered positively. The Chinese role in Sudan today is far more ambivalently critically regarded. The impact of competitive Chinese commercial involvement in Sudan has also provoked complaints about the dumping of Chinese goods and the stiff economic competition for

Sudanese business. There have been calls to protect Sudanese industry and craftspeople from increased Chinese imports into Sudan, which have made 'made local production retreat in the face of the Chinese dumping' (Khalil, 2007).

Oil activity has expanded after the CPA, especially in Unity State and Upper Nile, and CNPC signed new concessions in 2007. This process has not been accompanied by progress for civilians affected by oil activity. Forced civilian displacement in Southern Sudan resulting from oil activity has continued, though largely overshadowed by Darfur. Oil rich regions are generating considerable revenue, but there have been negligible improvements in service delivery for affected civilian populations. Grievances concerning oil practices, the environmental impact of oil and employment policies of oil companies abound. Problems on the ground often reflect continuity with power relations and structures between commanders and oil companies established during the war, which ensure oil operations continue but prevent effective action to redress civilian complaints.

Stretching Formal Non-interference: Darfur

China has acted as Sudan's key international patron and has been crucial to the NCP's foreign relations on the question of international intervention in Darfur, far more so than other states like India and Malaysia with significant investments in Sudan that have also supported Khartoum. The core leadership, centred on President Bashir, would not have been able to pursue its strategy in the absence of Chinese support, though the central agency in the destructive counterinsurgency campaign in Darfur has been the ruling faction around President Bashir in the NCP.

China's diplomacy on Darfur became more publicly engaged from 2006 to the point where its efforts to 'influence' the Sudanese government on Darfur blurred the boundaries of non-interference. The protracted nature of the conflict as well as international criticism and pressure presented strong self-interested reasons for Beijing to act. China's diplomatic breakthrough when Chad switched away from Taiwan in August 2006 presented a further interest in stability in Chad and western Sudan. Beijing appeared initially to underestimate the political risk posed by Darfur to its interests within Sudan, as well as its standing in Africa and on the international stage. More involved diplomacy was first enacted behind the scenes. In November 2006 Wang Guangya played a widely acknowledged role in helping achieve a compromise deal during negotiations in Addis Ababa on the 'Annan plan', which called for an expanded UN peacekeeping role in Darfur. Beijing had insisted on the need for Khartoum's consent to admitting a UN force into Darfur. President Hu's proposal in February 2007 to resolve Darfur and efforts to persuade President Bashir to accept the UN force were thus notable, one instance being the visit by Assistant Foreign Minister Zhai Jun to Sudan in early April 2007 where he urged 'flexibility' on the UN force. As Beijing subsequently claimed, Chinese pressure appears to have been important in persuading President Bashir to accept a UN military mission in Darfur shortly afterwards.

The trend toward more pro-active engagement on Sudan in China's international diplomacy over Darfur was discernible before the Beijing Olympics in 2008 were connected to China's role in Sudan through a 'genocide Olympics' campaign by activist groups in the US (though this may have briefly catalysed Beijing's response when it appeared to advocate an Olympic boycott). The appointment of a new special ambassador, Liu Guijin, in May 2007 appeared to be part of China's efforts to redress the damage to its image and contribute to attempted solutions. Such moves also enabled China to promote its own interests through more vocal diplomacy and participation in multilateral forums and initiatives on Darfur. China's more pro-active diplomacy was accompanied by continuity in defending the sovereignty of Sudan and arguing against further sanctions, as well as deepening economic links. In attempting to respond to international concerns, maintain good links with Sudan's rulers and achieve an outcome favourable to itself, the Chinese government engaged international constituencies whilst affirming and renewing practical support to the NCP.

China's role in relation to Darfur has been politicised within Sudan. China has been subjected to wide international criticism for its support to the GOS on Darfur, but Beijing's diplomacy also provoked disquiet amongst elements of the ruling NCP for whom China did not do enough to defend it. However, outside of ruling circles, China has again become the main target of armed rebel groups seeking to exercise effective leverage on the NCP. China is by far the most exposed of Sudan's foreign economic partners. The military targeting of Chinese oil interests in the GNPOC field of Defra, Kordofan, Southern Sudan by the Justice and Equality Movement (JEM) in October 2007 was followed by a week-long ultimatum to Beijing to withdraw. The episode underlined Beijing's interest in a political resolution on Darfur and its reliance on Khartoum. Beijing has promoted its support for the UN-African Union Mission in Darfur and the participation of some 315 Chinese military engineers. Within Sudan, however, its participation was already politicised before the advance party of Chinese military engineers were deployed to Nyala on 24 November 2007. While the JEM appeared to change policy on targeting Chinese peacekeepers, and refrain from doing so, it and other rebel groups made plain their opposition to China's involvement in Sudan's oil sector while pointing out their use of Chinese arms to fight against Khartoum.

A further trend suggestive of greater involvement has been the Chinese government's aid programme and its more pro-active, flexible responses to key issues of concern within Sudan. Beijing also stepped up its aid programme to Darfur through humanitarian assistance and initiatives such as funding construction of 120 schools. The new Chinese ambassador to Sudan, Li Chengwen, has promoted China's expanded assistance, for example visiting Nyala in late October 2007 to deliver a batch of aid and also visiting the Meroe dam. Beijing made public efforts to rationalise and justify its role in Sudan in terms of bringing economic development, underlying the efficacy of economic development in reducing and, over the longer term, resolving conflict. Underdevelopment and marginalisation from the centre of political and economic power have certainly been core grievances advanced by the SPLM and later rebel movements in Darfur, but the impact of oil thus far in Sudan has been to further concentrate wealth rather achieve broader development.

At the international level, the Chinese government has lost credibility as a result of its role in Sudan. Beijing's response appears to have proceeded uncertainly between its relations with the NCP, US-led calls to demonstrate that it is a 'responsible stakeholder' in international affairs and promoting the Hu Jintao vision of a more 'harmonious' international world, though China's role in Sudan, particularly its close relations with the NCP, is not one that can be convincingly squared with this vision. Beijing pursued a difficult balancing act of attempting to navigate African and wider external criticism through greater involvement. Having supported the Darfur Peace Agreement of May 2006, it continued to emphasise the importance of political negotiations in Darfur. Ambassador Liu Guijin attended the failed talks in Libya in October 2007 as an observer. However, Beijing is unavoidably seen as partial in such forums. Attempting to be seen as not responding to international, especially American pressure, Beijing has continued to support the Government of Sudan – and key members of the NCP in particular – through words and actions, including at the UN Security Council. Beijing has been in the awkward position of appearing to want to be seen as and receive credit for being a progressive force in a resolution to conflict in Darfur, while continuing to support the NCP, the pivotal actor in the Darfur conflict. In seeking to maintain the principle of non-interference, Beijing has also endeavoured to retain a distinctive part of its framework for conducting state relations in Africa, conscious of the ramifications that any clear departure from this might have in creating precedents for its wider engagement on the continent.

China's Developing Relations with Southern Sudan

The CPA, by altering the political architecture of Sudan, allowed and required a change in China's previously exclusive relations with the government in Khartoum. 'China-Sudan' relations had referred to China's relations with the government of Northern Sudan. However, the CPA and the 'emerging context of Southern Sudan operating as a quasi-independent state and the apparent orientation of its elite towards East and Southern Africa' would alter China's orientation to north Sudan (Nyaba, 2005: 11). The CPA allowed for contact between Beijing and the SPLM members of the GONU, which could be consistent with Beijing's policy of dealing with Sudan's recognised government. The CPA has enabled the Chinese government to explore and enhance relations with the new Government of Southern Sudan (GOSS) created by the CPA. It has also compelled this for reasons of self-interest anchored in the geography of China's oil concessions in Southern Sudan. The creation of the GOSS under the SPLM in Juba, the new capital of Southern Sudan, presented new challenges for Beijing, which had not dealt directly with the SPLM before. The SPLM's post-war China policy was essentially one of engagement predicated upon turning former enemies into friends. It was in principal open to dealing with Beijing as one of a number of potential investors.

China's relations with the GOSS developed as a combination of a mutual willingness to engage, interest in the potential of Chinese assistance for Southern Sudan and the apparent growing recognition by Beijing that it would need to respond to the new political reality in Juba. In particular, Beijing needed to look forward to the possibility of Southern seccession that, while emphasising unity, the CPA allows for via a referendum in 2011. The first notable connection between the SPLM and China took the form of a friendship visit by an SPLM delegation to Beijing in March 2005. Featuring a number of high-ranking SPLM figures, it was led by Salva Kiir Mayardit, then second in command to John Garang, for talks billed as being about possible economic co-operation and assistance from China. In February 2007, and this time as President of Southern Sudan and First-Vice President of Sudan following Garang's death in August 2005, Salva Kiir met President Hu Jintao in Khartoum and welcomed Chinese participation in Southern Sudan's post-war development. As the GOSS faced financial difficulty in early 2007, Beijing subsequently offered a loan (of some $300m) to the GOSS. In July 2007 Salva Kiir toured China and made reassurances that China's oil investments were secure according to the provisions of the CPA, which protect all oil contracts signed prior to the peace agreement, and in terms of a possible seccession after 2011. He reiterated his call for deepened Chinese investment in Southern Sudan. After an official visit by a Chinese government delegation to Juba in late August 2007, a new Chinese aid package was subsequently announced featuring hydro-electric projects and infrastructure construction.

Non-oil Chinese business in Southern Sudan is relatively new and limited, although Chinese products have long circulated as part of regional trade networks. Chinese businesses entered Juba via Kenyan and Ugandan brokers in the form of private joint ventures; for example, the Nile Construction Company entered into a joint venture with the Chinese company Golden Nest in October 2006 to work on construction projects and another Chinese company won contracts to renovate ministers' quarters and the hospital; the prefabricated Beijing Juba Hotel is another new business. Beijing's outreach to the SPLM and Southern Sudan also dovetails with the geography of its regional interests and presence, being connected with Kenya and Uganda or broadly east Africa as well as the Central African Republic and Congo.

This process cumulatively suggests a momentum toward the 'normalisation' of ties and recognition of the changing political reality in Southern Sudan that has been formalised and developed with the CPA. The growth of relations between GOSS and Beijing suggests that for the Chinese government there may not be too high a political cost of dealing with 'pariah' regimes in Africa, given that Southern Sudan was a clear case of China's support for Khartoum's war. However, questions about the SPLM's relations with China continue to be raised and viewed with ambivalence in Southern Sudan. China's regional anchoring of its relations with northern Sudan was further demonstrated by the first meeting of the Sino-Arab Friendship conference at the end of November 2006 in Khartoum, which featured a delegation representing the Chinese Sino-Arab Friendship Association and representatives of over 20 Arab NGOs. For some Southern Sudanese commentators, this was further evidence of China's bias toward the Arab North of Sudan.

Further indications of China's greater willingness to express a more involved opinion on Sudanese politics were seen in statements from Beijing about the CPA after the October 2007 announcement by the SPLM that it was withdrawing co-operation with the NCP in the GONU. This refocused international attention on the future of the peace agreement, underlining how Darfur had overshadowed important issues pertaining to the North–South peace framework. Beijing expressed concern, underlining its desire that the political differences be overcome and the CPA be implemented. Beijing now has a considerable interest in the fate of the CPA and political stability in Sudan. It remains to be seen whether China's new diplomatic positioning and apparent willingness to play a more involved role in Sudan will extend to more active efforts to promote the successful implementation of the CPA.

Conclusion

Darfur is a far more prominent and consequential foreign policy issue for the Chinese government than Southern Sudan was during the period of militarised oil development. The contrast between its current position and serious entry into Sudan in the 1990s is marked. China's diplomacy on Darfur has been pursued at a very different phase of its involvement in Sudan. China's profile during the 1990s was comparatively low; today, it is importing Sudanese oil and, driven by commercial interests, CNPC is looking to increase production. In contrast to a decade ago, and with most of its core oil infrastructure established, investment protection has become a more important factor for China together with the competition Chinese companies face in Sudan from other, predominantly Asian businesses.

China's expanding economic relations with Sudan have been fundamental in the broader shift accompanying Sudan's 'Look East' economic diplomacy. The approach of the Chinese government is not, however, unique in Sudan. Malaysia has pursued a similar political approach, with the distinctive use of Islam to enhance its relations. The Indian government has promoted its own successful commercial entry strategy in Sudan, spearheaded by the national oil company ONGC-Videsh. India has used a version of non-interference and respect for sovereignty to further a commercial agenda underwritten by the Import-Export Bank of India. While India is promoting business expansion within Sudan, it does not approach the Chinese level of bilateral trade, commercial presence or investment. This dominance of China in Sudan's external economic and political relations and prominent role within Sudan, and indications that India may be seen as a potential counterweight to Chinese influence, thus raises questions about the country's dependence on an external partner.

China's principle of non-interference and how this has materialised in practice in Sudan since the 1990s have been incongruent. Most significantly, the relatively recent achievement of a functioning oil sector in Sudan has had – and will continue to have – a considerable political impact by enabling historically unprecedented resources to accrue to the central state. This has fed into the transformation in the politics of the ruling NCP in Khartoum from a revolutionary Islamist project to a more self-interested, pragmatic regime bent on political survival. It has also brought mixed and highly uneven benefits to Sudan through oil development. Non-interference has increasingly been experienced as a principle of intention oriented toward state-state relations that China through military links to the NCP, has used to mask the wider effects of its involvement. Furthermore, China's interest in political stability in Sudan has translated into an interest in the political continuity of NCP rule and now, in certain ways, an effective SPLM government in Southern Sudan. Darfur has drawn China into Sudan's internal politics more than before; the Chinese government has found itself targeted militarily by Darfur rebel groups within Sudan and through advocacy campaigns outside as a means to apply pressure on the NCP. China's increasing involvement within Sudan has also yet to be widely embraced at the level of Sudanese perceptions.

In Sudan, China faces the challenge of accommodating its established policy of non-interference with the growing complexity of Chinese involvement. Conflict in Darfur and the changing nature of North-South politics after the CPA have compelled China to attempt to influence Sudanese politics in ways that strain the limits of non-interference and, with a view to future scenarios raised by the possibility of a return to war, adapt to its changing dynamics. However, a core tension set to endure is that even where the Chinese government has sought to influence the government of Sudan, it faces the uncertain reality that while influence may be possible, control is a different matter. Furthermore, the Chinese government's support to the NCP has alienated it within the traditional established political parties in Northern Sudan and thus left Beijing vulnerable to political reaction resulting in part from the very success of its relations with the GOS and President Bashir. The Chinese government is constrained in its willingness and ability to formally engage other political forces in Sudan; its non-interference framework, strictly applied, restricts its ability to navigate political change in Sudan by inhibiting links with those parties who are due to contest elections in 2009. These include the Umma Party, the leader of whose main faction, Sadiq el-Mahdi, was deposed by the NIF in 1989. As such, and since investment protection can entail exerting leverage in national and local politics, the compatibility of non-interference and the promotion of national interest has emerged as growing tension for China in Sudan.

Sudan is a defining case in China's changing relations with Africa, and an important case in China's wider international politics. Beijing's adherence to the principle of non-interference in internal affairs has been compromised in terms of diplomatic and political action, and wider perceptions. This poses the broader issue of whether it is possible over the longer term for the Chinese government to sustain the principle of non-interference. Mutual non-interference has been an important pillar of China's wider African engagement but this principle, under the new circumstances of China's overseas commercial interests and involvement, can also be regarded as a growing liability to China's own interests if it inhibits efforts to protect investment concerns.

> *A policy of non-interference is not a credible policy for a nation that wants to be respected as a responsible global power* (Jakobson, 2007:18).

Overall, in many ways China has been endeavouring to navigate uncharted political waters in Sudan and given the uncertain future of Sudanese politics, this looks set to continue.

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Endnotes

1. Official figures used here are provided by the Bank of Sudan, but there are significant disparities in statistical reporting between the Bank of Sudan, IMF and other sources, including the Chinese Ministry of Commerce.

2. Nearly all total exports took the form of oil. However, Japan appears to have been the single largest customer of Sudanese crude (importing some 6.3 m tons) in 2006 and in IMF figures, some 50 per cent of exports went to Japan in 2006.

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Debates

African National Congress Change in Leadership: What Really Won it for Zuma?

Claire Ceruti

The outcome of the ANC Polokwane conference, in December 2007, has produced two big non-stories. The first is how the rifts in the three-way alliance among the ANC, the South African Communist Party (SACP) and the trade union federation Cosatu have evaporated. Instead, the big rift is that the leadership of the ANC is, in effect, in opposition to the country's president. The second is how Jacob Zuma won the presidency of the ANC. Zuma's emergence as the sole contender to Thabo Mbeki is a fact now so firmly accomplished that his ascendancy seems to require no further explanation, beyond asserting that he was swept to power by a many-headed revolt precipitated by Mbeki's arrogance in defence of unpopular policies.

The consequent change in the leadership of the ANC has been total. Zuma, whose mother was a kitchen worker and who is personable, charismatic and friendly, won 1.5 votes for each of Mbeki's. Mbeki remains president of South Africa, but not a single one of his camp was originally included in the new National Working Committee (NWC), which is the everyday centre of the ANC.

These non-stories, taken together, hold the key to a dissonance between the social character of the revolt and aspects of the person, Zuma. Zuma proclaimed himself a Zulu traditionalist, repeated the worst myths about rape in his defence in 2006, and stands accused of corruption together with the arms merchant Thales. How then did he become the champion of the poor and of a trade union movement built by rejecting ethnic division which organises thousands of women?

Mbeki's demise must be understood in the context of a reviving mass movement exacerbating a crisis within the ANC. But Zuma's rise has much to do with constraints imposed on Cosatu and the SACP by their strategic outlook. This understanding is essential if we are to grasp what the new leadership around Zuma actually represents and what it means for the future.

The following discussion is based on ongoing media research, on conference documents and on my own 'political diary' since 2005, which includes observations from very many picket lines, marches and meetings and hundreds of discussions, short and long, with their participants.

The Social Character of the Zuma Victory

Cosatu's New Year Message takes up the theme that Zuma's election symbolizes a grassroots uprising:

> *[The Polokwane conference] was not a clash of individual leaders or 'camps'. It was a revolutionary mass movement from the grassroots which brought about a seismic shift in the political landscape. It*

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> *… aimed not just to replace one set of leaders with another but to transform the way our national democratic revolution is being led … This was a rebellion by the representatives of millions of workers, the unemployed and the poor against their exclusion from the economic boom they kept hearing about for the past five years. They were sick of being told that we were all getting richer, when they knew from their own lives that only a tiny minority was benefiting – and benefiting massively – from economic growth, while the majority remained stuck in poverty and despair. The delegates spoke for those who had been raising their concerns … They knew that their criticisms of government's pro-business and pro-rich policies were right and wanted a new leadership to bring about a change of policy* (Cosatu, 2008:1).

Our 2006 survey about class in Soweto[1] suggests that a connection had, by then, been established in the popular consciousness between Zuma and the poor. These findings are detailed in a paper awaiting publication in the *South African Review of Sociology.*[2] The sentiment for and against a Zuma presidency in this exclusively African, urban township was two to one, and extended well beyond the ANC. We did not ask our 2,500 respondents reasons because that wasn't the point of the survey, but it was possible to develop broad social sketches of Zuma sympathisers, because the Zuma question was one of 20 opinion questions amongst some 200 questions covering respondents' living standards, lifestyles, involvement in organisations, details of their economic activity or unemployment, and models of class.

Three nodes of Zuma support emerge from the data. The first reveals an ethnic dimension that the Cosatu new year message missed entirely. The second revolves around actual material deprivation coupled with a sense of poverty, and a third around trade union membership coupled with a notion of exploitative inequality. Each of these seems to operate quite separately of the others and none is overarching, implying that Zuma represented different things to different people. Finally, women who supported him were *less* likely to hold conservative attitudes about marriage than other women – so they supported him despite the attitudes he displayed in his rape trial – and they had, on average, been on strike more recently than other women surveyed, independently of whether they were trade union members.

There was a distinctly proletarian flavour to other aspects of Mbeki's defeat. I'll discuss later the township outbursts that began his demise. An ANC member who attended the Polokwane conference assured me, in informal discussion, that Cosatu was instrumental in revitalising ANC branches in the run up to the conference. This deserves investigation but there is no doubt in most minds that Zuma owes a debt to organised labour. The *Sunday Independent*, for example, reported that Zuma's

> *use of key phrases such as 'decent work opportunities', 'casualisation of labour' and 'the widening income gap between the poor and the rich' in his first speech since becoming president reflects the vocabulary of the left* (*Sunday Independent,* 2008).

Similarly, the National Working Committee's call for government to implement certain conference resolutions speedily has been taken as evidence of Zuma's sensitivity to the left: these include a call to make 60% of schools fee-free by 2009, and forming a state-owned company to produce anti-retrovirals (ANC, 2007:14-15).

On the other hand, a cursory glance at the class contours of the new leadership around Zuma calls into question how the political landscape has really shifted. The sense of momentous change apparent after Polokwane is mixed with a hefty dash of déjà vu. In one way, Cosatu and

SACP leaders are seeing Mbeki's defeat as a great big restoration to the way things were before Mbeki rather than an altogether new direction:

> *'In particular this conference should open the way to the re-emergence of the Tripartite Alliance as a central player in the political process,'* reads Cosatu's New Year Message (2008:1).

Blade Nzimande, the general secretary of the SACP, is content that their voices have been restored in the alliance: 'We are confident that we will have Comrade Zuma's ear. That doesn't mean we'll agree on everything', and Zwelinzima Vavi, the general secretary of Cosatu, added, 'We expect him to be loyal to the decisions of the ANC. But our hope is that he will lead an ANC that will better engage with us' (AFP, 2007).

Anyone who follows South African politics knows how frequently rumours of the alliance's death turn out to be greatly exaggerated. The above statements are remarkable only because such talk faded in the three years before Polokwane. It quickly became clear that a fault-line had opened up through the middle of the ANC rather than between the ANC and its alliance partners. Nevertheless it appeared to be taking class dimensions. In the months before Zuma's election was certain, the estrangement between the cabinet and other sections of the tripartite alliance was cast as a widening class chasm by the union and party leaders. Take this public exchange during the ANC policy conference in June 2007. Joel Netshitenzhe, based in Mbeki's policy unit, defended a proposed economic policy by saying 'our revolution is multi-class' and should not become a 'hostage to narrow sectoral interests.' Vavi replied that 'as the majority, the working class cannot be dismissed as pursuing narrow sectoral interests.' The ANC Youth League also replied to the document,

> *we have the problem of capital and labour being treated as equal partners of the developmental state … There is an absence of characterising monopoly capital as an enemy in the unfolding democratic revolution* (*Mail & Guardian*, 2007a).

Vavi criticised another strategy document submitted to the Polokwane conference for relegating the government's task to that of 'a referee between labour and capital rather than advancing a pro-working-class agenda' and also said that emerging black capital could not be a 'motor force' of the national democratic revolution (NDR) (SAPA, 2007).

Polokwane certainly isolated Mbeki but it by no means drove the capitalist element out of the ANC. Before Polokwane, Zuma travelled to London to reassure investment bankers that he was 'no monster'. Tokyo Sexwale and Cyril Ramphosa, both emerged black capitalists, were elected by the congress onto its National Executive Committee. Blade Nzimande is on the NWC but so is Max Sisulu, another businessman, Jeff Radebe, who was nicknamed minister of privatisation when he was part of Mbeki's cabinet, and Tony Yengeni, convicted of corruption. The composition of the NWC, then, seems set up to deliver a return an old style NDR based on a coalition of class forces, as easily as it might deliver the more working-class NDR suggested in the run up to the congress, with a dash of open opportunism thrown in.

How Zuma Emerged as the Alternative to Mbeki

Cosatu's characterisation of Zuma's victory does not explain how the 'rebellion of the millions' was transmitted into the ANC itself and therefore it cannot grasp how that rebellion was both encouraged and distorted in the process. To understand how Zuma in particular emerged as the alternative to Mbeki we must understand the interaction of three key pressures: the economy, mass action and the strategies of the labour and communist party leaders.

Mbeki's economic policies which set him on a collision course with Cosatu and the electorate, yielded a one-sided success. By 2006, South African economists were announcing an economic turnaround: productivity was steady, business confidence was up and several companies announced bumper profits that year and in 2005. But the cost to the ANC's own constituency had been enormous. At least a quarter of working age people remain unemployed by the government's own conservative figures, and Cosatu puts that at 40% when discouraged work seekers are included. Meanwhile government spending was too modest to clear the backlog of housing (National Treasury, 2007:5). Extensive electrification was marred by regular cut-offs to recover costs (see for example David McDonald, 2002). And 'a recent survey by Naledi, Cosatu's research arm, found that between 1998 and 2002 workers' share of national income dropped from 50% to less than 45%. By contrast, company profits rose from just less than 27% to 32%,' reported the *Mail & Guardian* (2007b). Company executives were rejecting wage demands of 9% while, as the Naledi survey says:

> *Studies have shown that, between 2005 and 2006 alone, executive pay rose by as much as 34%. Research conducted by independent analysts, the Labour Research Service, and trade union Solidarity demonstrates that executives in South Africa enjoy the bulk of company wealth, while the gap between remuneration of CEOs and that of workers runs by a factor of over 50:1. In other words, remuneration for the average CEO is more than 50 times that of the average worker in the country* (*Mail & Guardian*, 2007b).

Things began to come to a head on three fronts in 2005. First, the government began planning for local government elections in 2006. People were reminded about the sweet-smelling promises of the last two elections while in small townships all over South Africa some were still using stinking bucket toilets. Protests exploded first in a township in the Cape. Residents took to the streets, burning tyres and facing down rubber bullets. A wildfire spread. In 2005 there were some 881 'unrest incidents' in some part of South Africa and the figure rose the following year (National Assembly, 2007). Many of these people were ANC supporters, and sometimes local branch activists distanced from the steering room of Mbeki's tight ship. Their demands were couched in the themes of broken promises, accountability and democracy.

The delivery protests precipitated a crisis in the 2005 ANC national general council. Any ANC member could see that their blank election cheque was reaching expiry. Additionally, local councillors and branch activists directly felt the heat of the growing discontent with the government. Mbeki only increased his circle of enemies when he responded to the protests by passing the blame to local councillors who he had previously called to justify neo-liberalism. Another element was disgruntled at the narrowness of black economic empowerment. This meeting rejected two proposals associated with Mbeki, but stopped there. Those who opposed Mbeki felt that they could simply wait for Mbeki to be replaced by his deputy Zuma just as Mbeki succeeded Mandela.

Why had Mbeki never tried to bring his organisation on board? Before he became president he was instrumental in drafting the government's neo-liberal economic policy which was never tabled in the ANC, most likely because those in government presumed themselves to be in charge. Mbeki claimed the next general election – which made him president – was a countrywide endorsement of the economic policy. He was no doubt even less inclined to expose economic policy to the cold winds of criticism in

2005 just as it seemed to be bearing fruit. Perhaps he felt a firm hand was needed to see things through. He thus alienated significant sections of the ANC but his appeal to the public was too little, too late.

The third challenge to Mbeki's policies came from the unions and the workplaces that same year. The unions did not like Mbeki's economic direction from the start but their strategy rested on the belief that they would be able to persuade him to change direction through the political meetings of the three-way alliance. Thus strikes and protests were limited to one-day shows of strength. But tensions were growing.

In 2005, a public spat broke out, as had happened before, between Mbeki and Vavi. Vavi believed the government should change course to more interventionist policies to save jobs; Mbeki insisted on a steady course and reminded Vavi, none too sweetly, that Cosatu wasn't the government. Unions were feeling the jobs crisis and de facto wage restraint at all levels. Many unions had lost thousands of members to retrenchments and casualisation. And the burden of unemployment weighed heavily on the employed, as government grants are all tied to disability or child care.

This time, the spat did not subside after a few days of trading insults. On 27 June, the turn out for one of several scheduled strikes over jobs surprised everyone. Around two million people countrywide supported the stayaway, and about 30,000 crammed into the centre of Johannesburg. This no doubt encouraged Vavi as much as his militancy encouraged the marchers. The old talk of robust disagreement in the alliance was replaced by much more confrontational language. That same week at a strike rally of municipal workers, Vavi said

> *'workers have little reason to celebrate the gains of democracy as the rich have become richer and the poor poorer' and warned that the strike was 'the first of many' (*Mail & Guardian*, 2005).*

Vavi's militancy also owed something to another incident. On 14 July, days before the jobs strike, Thabo Mbeki suspended his deputy, Jacob Zuma, following charges of corruption related to government's weapons purchasing programme. Zuma is known to have accepted more than one million rand interest free 'loans' from a business associate while holding public office, marking him as a big spender and, whether or not he was consciously accepting bribes, it is patent that his political position was levering material favours. But Vavi perceived the suspension as a direct attack on the unions, and it is very possible that Mbeki was aiming at two birds with this one stone.

Zuma's credentials as a worker leader were thin. He later visited several union congresses and a gathering of striking security guards while he was on trial but he was at best diplomatic about their demands. When asked on national TV at a union congress if the public sector strike was justified, he replied that he could not answer (e.tv, 7 p.m. news broadcast, 12 June 2007). But he did have a reputation for listening to all sides; his previous claim to fame was that he brokered the peace deal between Inkatha and the ANC in KwaZulu Natal. To Vavi, who aimed to advance the workers' cause through reasoned argument with the government, Zuma's suspension appeared as a declaration of war on his whole project.

There was little evidence at the march on the 27 June of a groundswell of support for Jacob Zuma who was then just another part of Mbeki's distant cabinet in the popular eye. But when Vavi spoke in support of Zuma there, presenting him as yet another of Mbeki's victims, Zuma's name became linked with the imagery of resistance to inequality. The battle between Zuma and Mbeki had become the battle between the working class and Mbeki's pro-capitalist policies.

This had the contradictory effect of further encouraging the revolt, in that it sent a signal that it was acceptable to directly confront Mbeki. For the first time in a decade, union members began to feel their unions were ready to back a fight. That helped to unleash a wave of strikes, including the bitter three month strike of security workers and two month strikes of cleaners and shop workers in 2006, and a massive, very politicised public sector strike in 2007 which pushed the number of strike days to its highest level since 1996. Delivery protests not only continued but now started to attract greater numbers. In one case, residents in Kliptown squatter settlement in Soweto battled the police until the police ran out of rubber bullets and teargas.

Vavi and Nzimande talk of contesting the state in favour of the working class, but the concept of NDR, which dominates the party and Cosatu, limited their replies to the crisis. Within the NDR frame, the state can only be contested by contesting nationalist organisation – hence Zuma, rather than a clear labour candidate such as Vavi or Nzimande.

Zuma was the 'natural' choice for what was essentially a grassroots revolt against neo-liberalism *only* from the point of view of a strategy that could not imagine fundamentally new ways of influencing government policy even while they were helping to call up something quite new on the ground. The unfolding logic of that strategy presented Zuma as the best hope to restore a voice in government because of his broad appeal, and therefore they turned a blind eye to his tribalism and sexism.

Finally, we must explain how Zuma was accepted on the ground. Conversations with Cosatu members during a march in January 2008 suggest their support is based centrally on expectations of Zuma concerning unemployment and inequality and seldom on accepting Zuma's negative qualities which are rationalised away in many ways such as 'we all make mistakes' and 'I know he is corrupt but all politicians are corrupt anyway'. For many, the line must seem very fine between Zuma's financial favours and the way prominent politicians like Ramaphosa were catapulted to wealth in the early black empowerment deals. At least one marcher unhappily accepted Zuma as the only alternative on offer, but expected that Zuma would be replaced by a third candidate *after* the corruption trial.

It would however be a mistake to dismiss Zuma as a blank instrument of left social forces. Zuma has his own political ambitions, and by linking Zuma to a yearning for justice, Vavi and Nzimande have greatly increased the legitimacy of Zuma's ethnicism and sexism, a danger that may only become apparent if the new leadership also disappoints and people cast around for other options.

What Does this Mean for the Future of South Africa?

Polokwane has nevertheless reintroduced an element of unpredictability to South African politics – old strategies persist in new conditions. What points of friction and lubrication are foreshadowed?

We must understand first that what is expected of Zuma by those who built him is to take their advice as Mbeki did not. How things unfold will probably owe as much to the very mixed bag that is the NWC than Zuma alone. This may become a new test for the notions of class compromise at the heart of the NDR, and certainly for the unity of purpose of the forces aligned against Mbeki.

An issue reported to be creating tension (*City Press*, 2008) is what will happen if

Zuma does go to trial and is convicted. An attempt to manoeuvre Kgalema Mothlante, who was mooted as a compromise candidate before Polokwane, onto cabinet as a co-deputy president has been taken as a signal that he is being seen as a replacement for Zuma.

What about the key interface between a Zuma presidency-in-waiting and the movements on the ground that have positioned him to become president of the country? Despite confidence from Mbeki's defeat, much of the impetus to take to the streets may be defused by the expectation that powerful people are acting on one's behalf. However, the fact that the Zuma camp does owe such a big part of their victory to the militancy of the past three years puts pressures on the new leadership right away. And those like Vavi and Nzimande who see this as a chance to, at last, influence policy are keen to make their mark quickly.

However, Mbeki insists the ANC should not micro-manage the economy and may resist the calls to implement resolutions such as free education, which could create flashpoints despite the new leadership's attempts to downplay divisions post-Polokwane and their inclusion of Mbeki in the ANC's highest meetings.

Will the new guard call their supporters onto the street over such conflicts, thus cementing Mbeki's defeat? Or will they subsume everything else to the battle to disband the special unit, the Scorpions, that collected the evidence against Zuma? In the near future, moments of truth for the Zuma support base are likely to be delayed although the frictions outlined may yet conjure up fragmentary outbursts which test the limits of the Cosatu/ SACP strategy

Just how left would the new leadership be in government? There is no real sign of impending capital flight, either because of the brief press hysteria about a communist takeover or on account of the allegations of corruption. Mbeki's unpopularity was not, despite appearances, a mere fact of his personality but stemmed from conforming to certain economic pressures, such as the crisis of profitability. The new leadership will remain sensitive to such pressures but the pressures have changed. For one thing, social instability and high crime associated with massive unemployment is bad for business. Capital might be ready to briefly tolerate the costs of a slightly wider social welfare system. In any case, what is on the cards is not full scale social welfarism. The Polokwane resolutions are much more detailed on interventionist industrial policy The ability of such policies to meet the demands from below will be hostage to the vagaries of a bigger economy.

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Endnotes

1. The Classifying Soweto project was conceived by Professor Peter Alexander, director of the Centre for Sociological Research at the University of Johannesburg. Alexander conceptualised the sampling and Alexander, Ceruti and Mudau designed the survey. Fifty fieldworkers, mostly students, did the interviews. Mosa Phadi and Siniko Qinqwa helped with further processing of the data. Riette Eiselen, Neelis Potgieter and Anneli Hardy provided invaluable advice to us on the statistics (any errors are of course my own). Nhlanhla Msweli, Rejoice Shumba and Linda Hlongwane also helped with coding, cleaning and checking.

2. See also Ceruti, 2007, for a less sophisticated initial analysis.

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- **Since 1994, the year the ANC took power, the number of people living on less than $1 a day has doubled, from 2 million to 4 million in 2006;**
- **Between 1991 and 2002, the unemployment rate for black South Africans more than doubled, from 23% to 48%;**
- **Of South Africa's 35 million black citizens, only 5,000 earn more than $60,000 a year. The number of whites in that income bracket is 20 times higher, and many earn far more than that amount;**
- **The ANC government has built 1.8 million homes, but in the meantime 2 mllion people have lost their homes;**
- **Close to 1 million people have been evicted from farms in the first decade of democracy;**
- **Such evictions have meant that the number of shack dwellers has grown by 50%. In 2006, more the one in four South African's lived in shacks located in informal shantytowns, many without running water or electricity.**

The Shock Doctrine: The Rise of Disaster Capitalism by Naomi Klein (Allen Lane, 2007)

Review of African Political Economy No.115:115-154

Briefings

China & India in Africa: An Introduction

Lucy Corkin & Sanusha Naidu

The debate on China and India's growing presence in Africa has become a popular topic within academic and policy-making circles. Globally, China and India's engagements in Africa are being interrogated in order to understand the implications for both the developed world and the global South. The fact that such dialogues are taking place is an indication of how the 'Chindia' debate is re-aligning academic thinking. Analysing the rise of the so-called 'Asian Drivers' has produced scholarship across a range of fields and has forced scholars to confront realities that defy traditional categorisation.

Already, two competing schools of thought have emerged, both of them rigid and oversimplified. The first takes a rather narrow view that China and India's engagement in Africa is purely exploitative, extractive, and destructive. Their conclusion is that China and India are the 'new imperial' powers with a 'colonialist project' that will perpetuate Africa's underdevelopment. The second approach asserts that the engagement is benign and that China and India do not threaten Africa's development. Instead, proponents of this view believe that Africa's engagements with these Asian giants will assist states in achieving their development objectives. The polarisation of the debate has served only to mask the nuances inherent in both China and India's engagement with economies on the African continent.

In the following three briefings arising from work conducted at the Centre for Chinese Studies at the University of Stellenbosch (http://www.ccs.org.za/), this more nuanced approach is put into practice. Within the context of each, the respective authors allude to the fact that the Asian Drivers' presence in Africa is both a challenge *and* an opportunity, raising questions about how this engagement is being defined.

Within each of the briefings are a set of issues which relate to the broader questions of aid, geopolitics and development in Africa's engagement with China and India and how this, in turn, may be altering Africa's internal landscape and its relationship with the global economy.

This process is significant in gauging what leverage, if any, African governments are using in engaging with China and India. At the core of this engagement are more fundamental questions of race and class and whether China and India are re-fueling Africa's development prospects. Finally, we discuss the implications for governance and leadership issues for African states and their citizens.

Fundamentally, China and India are challenging the presence of traditional actors in Africa. While the developed world continues to argue about what is right and good for Africa, African academics and opinion-leaders are developing their analyses as regards the Asian giants. It is the reactions of Africa's policy-makers that will determine whether China and India's engagement is a paper tiger or a lost opportunity. It is with this in mind that the following

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briefings (and review article by Mohan) examine the burgeoning literature and present cutting-edge empirical work in order to provide new insights into how the rise of China and India in Africa needs to be understood.

India's Growing African Strategy

Sanusha Naidu

> *If India and Africa are able to synergise energies and initiatives and adapt to a changing world, the 21st century could surely belong to them* (Rao Inderjit Singh, Indian Minister of State, Defense).

Introduction

So far the debate on the rise of the Asian Giants in Africa has primarily focused on China. Yet, recently India is seen as becoming a significant actor in Africa, although possibly not at the same level as China is presently. India's attractiveness to African countries lies in its ability to produce soft infrastructure including IT goods and pharmaceutical products, the global presence of its corporates like the TATA Group, Mahindra & Mahindra and Acerlor Mittal, as well as its increasing donor role. Some analysts even argue that India's presence makes it an important force in offsetting China's dominance regionally and globally.

Understanding India's deepening involvement in Africa must be seen from the perspective of how the Indian government defines this relationship and the extent to which it is managed on a mutual basis. India's engagement in Africa must also take into account the historical ties between the two sides. Therefore, this briefing focuses on India's growing relations with Africa by assessing the factors that motivate India's increasing relations with Africa. How is this relationship conceptualised? And to what extent does Africa feature in India's global ambitions? Before addressing these questions I provide a brief historical overview followed by an outline of the political and economic dimensions of the relationship.

Historical Ties

Following independence India saw its role in the international system as championing the struggles of anti-colonialism and anti-racism. India played a critical role in the Bandung Conference that led to the emergence of the non-aligned movement and used the occasion to promote and strengthen Asian-African solidarity. According to Muni, 'Afro-Asian countries became the principal arena for India's policy and diplomacy during the 1950s' (1991:862).

But Africa was gauged to have a significant role in Prime Minister Nehru's vision of creating a just international order. For Nehru an independent Africa was seen 'as an important component of the non-aligned force that he was attempting to create in order to minimize the effects of the Cold War' (McKay, 1963:184). The large India diaspora living in the continent was also one of the factors that influenced this engagement.

But India's engagement with Africa was also motivated by its border dispute with China in 1962. Confronted by Africa's mixed reaction to the conflict, New Delhi was forced to realise that it 'did not have the strong ally it had hoped for in Africa and it therefore actively worked towards

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Book Reviews

China in Africa: A Review Essay

Giles Mohan

China in Africa by Chris Alden (2007), London: Zed Books; £12.99pb; ISBN 978-1-84277-864 7.

Africa's Silk Road: China and India's New Economic Frontier by Harry G. Broadman (2007), Washington, DC: the World Bank; downloadable from http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21056305~pagePK:146736~piPK:146830~theSitePK:258644,00.html. ISBN-10: 0-8213-6835-4, ISBN-13: 978-0-8213-6835-0, e-ISBN: 0-8213-6836-2, e-ISBN-13: 978-0-8213-6836.

Africa in China's Global Strategy by Marcel Kitissou (ed.) (2007), London: Adonis and Abbey; £20pb, ISBN 978-1905068-883.

China in Africa by Margaret C. Lee, Henning Melber, Sanusha Naidu & Ian Taylor (2007), Current African Issues No. 33, Uppsala: Nordiska Afrikainstitutet; Euro 9 or downloadable from http://www.nai.uu.se/publications/download.html/978-91-7106-589-6.pdf?id=25236. ISSN 0280-2171, ISBN 978-91-7106-589-6 (print), ISBN 978-91-7106-592-6 (electronic).

China in Africa: Mercantilist Predator, or partner in development? by Garth Le Pere (ed.) (2007), Vorna Valley: Institute for Global Dialogue and Johannesburg: The South African Institute of International Affairs; £18.99; ISBN 1-919697-96-9.

'African Perspectives on China in Africa' by Firoze Manji & S. Marks (eds.) (2007), Cape Town: Fahamu/Pambazuka; £11.95 or downloadable from http://www.fahamu.org/downloads/cia_download.pdf. ISBN-13: 978-0-9545637-3-8.

China in Africa: Implications for Norwegian Foreign and Development Policies by E. Tjønneland with B. Brandtzæg, A. Kolås & G. le Pere (2006), Chr. Michelsen Institute, CMI Reports R 2006:15, CMI: Bergen; downloadable from http://www.cmi.no/publications/file/?2438=china-in-africa-implications-for norwegian. ISSN 0805-505X, ISBN 82-8062-171-7.

'The New Sinosphere: China in Africa' by Leni Wild & David Mepham (eds.) (2006), IPPR. £9.95 and summary downloadable from http://www.ippr.org/publicationsandreports/publication. asp?id=497. ISBN 1860303021.

* * * * *

Very rarely do I find myself agreeing with a World Bank publication, but in the introduction to Broadman's (2007:4) *Africa's Silk Road* he writes 'there is, surprisingly, a paucity of systematic data available on these issues to carry out rigorous analysis'. In the absence of 'systematic data' many commentators, especially segments of the western media, tend to take one example of China's less positive engagement with Africa and project this onto the entire 'China-Africa' relationship. I am not arguing that these are not critical concerns, but this crude extrapolation is part of a move

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to demonise China's presence on the continent in order to represent 'western' approaches as morally and ethically superior. As George Monbiot (*The Guardian*, 2 October 2007:32) argues, 'China the excuse is not the same place as China the country'. There is, then, a need to examine the geopolitical, economic and ideological contexts in which knowledge about China in/and Africa is being produced.

As with any new area of work, where groups of analysts hurry to publish simultaneously, combined with a desire to make the subject matter as clear as possible, on web searches there is homogeneity of titles. When I used the search phrase 'China in Africa' on Amazon it brought up five of the titles reviewed here.[1] Most of the publications are edited collections of one sort or another, usually bringing together activists, journalists, academics and policy makers. Only Alden (2007) and Broadman (2007) are single authored, though the latter has contributions from a team of World Bank researchers, and clearly enunciate a consistent line of argument.

There are various reasons why this review is timely. First, given that much work prior to the glut of publications under review has been spearheaded by journalists, many in the US, there has been a tendency to polarize the debate and present China's presence as necessarily venal and implicitly a threat to US interests. This is part of a long-standing Manichean discourse pitting China's supposedly self-serving economic motives against some philanthropic developmental impetus on the part of the US and Europe. So, it is important to review a range of voices – US, European, and African – on this matter. Second, as noted above, claims about China's impacts on Africa are often based on anecdotal evidence or one example is used to represent the entire China-Africa relationship. Hence, it seemed timely to review the publications that contain more detailed empirical evidence. For the *Review of African Political Economy* it is important to see how these different publications approach the subject of Africa's political economy in order to guide political action on the ground.

I begin with an overview of the eight publications in terms of their origins and contributors, and how they fit into slightly longer histories of publishing on this subject. In general, they are quite quickly produced assemblages of opinion and mark a renewed interest in China's role in Africa after a flurry of activity during the cold war. The next section examines the major themes running through the books in order to interrogate issues of African political economy. In particular, I examine how they actually conceive of political economy and how this is realised in concrete analysis, how this shapes questions of governance (good or otherwise), and consequently the types of scenarios that are envisaged for the future, including policy prescriptions. I conclude with a call for even more thorough empirical analysis of these issues.

The Publications

Past publishing on this subject was dominated by cold war scaremongering and used much of the same language we see today about the Chinese 'challenge' (for example, Attwood, 1967; Weinstein, 1975; Greig, 1977), although China was often lumped in with Russia as part of the 'red' communist 'threat' even though China and Russia were contesting Africa. Since then, publications have been sparse save for Philip Snow's (1988) admirable, but somewhat uncritical, *The Star Raft* and Brautigam's (1998) excellent *Chinese Aid and African Development: Exporting Green Revolution.* However, the rise of China's presence in Africa over the past five years has yielded a scramble for publishing. I had originally intended to review just three books, but by the time I sat down to write I had eight and simply had to ignore some of the most recent material (Alden et al. 2008; Davies, 2007). In the rest of this sub-section I give an overview of the origins and contributors to these publications and pick out some key similarities and differences.

As befits a new area of research, there is as yet no concentrated body of work from a single author or research centre, although the Centre for Chinese Studies at the University of Stellenbosch has established itself as one of the major research centres on this subject. As a result, many of the publications reviewed here are edited collections (five of the eight). The positive side of this is that they have a diversity of voices.

In Wild and Mepham (2006), for example, we have academics, journalists, policy analysts and civil society activists. The same is true of Kitissou (2007), le Pere (2007), and Manji and Marks (2007). The downside of this strategy is that sometimes the collections lack coherence in terms of a sustained thesis. This is worst in the case of the Kitissou book, which has some strong chapters (discussed later), but there is no apparent logic to the chapters and a better preface would have helped to situate the contributions.

Alden's is the only monograph and is a very well argued, 'light touch' political economy, which is able to sustain a coherent argument throughout. The Tjønneland et al. publication is very thorough and backed up by other studies not published in the booklet, but given its remit has a strong normative policy dimension. The other downside of collecting diverse papers is that virtually every chapter starts with the obligatory parade of statistics to evidence China's growing interests in Africa as well as mentioning the 2006 Forum on China-Africa Co-operation (FOCAC) meeting. While these rightly demonstrate China's need for and dedication towards Africa, it makes for quite tiresome reading and, again, editors could have overcome this with strong opening chapters which did all this work for subsequent contributors.

Another feature of some of these books is part of the same issue. With a lack of breadth of expertise the same authors reappear. For example, Rocha and Obiorah both have chapters in Wild and Mepham (2006) and Manji and Marks (2007) and Chan-Fishel appears in Kitissou (2007) and Manji and Marks (2007). A related, and more worrying, tendency is that the few quality studies that do exist are used and re-used as exemplars by other authors. For example, Lindsey Hilsum has a chapter in the Wild and Mepham (2006) collection, and her groundbreaking study of the Chinese in Sierra Leone (Hilsum, 2006) is regularly cited by others. Other 'first movers' who appear in these collections or are regularly cited are Deborah Brautigam, Raphie Kaplinsky, Barry Sautman, Chris Alden and Ian Taylor. Likewise, in terms of the exemplars that are used to evidence China's impact on Africa we tend to see the same cases re-appearing. Quite appropriately most of the time, these are China's role in Sudan and Darfur as well as the $2 billion loan to Angola which are used to demonstrate the tensions that exist with China's engagement with Africa.

Another feature, though not one new to African Studies, is that there are not many African authors in the books. The Manji and Marks (2007) collection was the first to actively seek out African responses, although the le Pere (2007) collection does quite well on including African authors. In the preface, Manji notes that 'Lost in the cacophony (of commentary on China in Africa) has been the voice of independent African analysts and activists' (vii) and he is correct to offer the caveat that 'there is no single "African view" about China in Africa' (vii). What follows in their collection, and in keeping with Pambazuka's excellent record of critical journalism, are various, more activist African voices such as Ndubisi Obiorah, the director of a legal NGO in Nigeria, and Ali Askouri writing about China in Sudan as director of a research NGO that represents those Sudanese displaced by the Merowe dam project. These represent the few critical African responses to the China issue which, given the near unilateral acceptance of China's presence by African leaders and regimes, necessarily comes from civil society organisations. However, while these authors and a few others come from across sub-Saharan Africa, the majority of African voices we do find are South African. The le Pere (2007) and Kitissou (2007) collections are filled with South African-based authors and many chapters explicitly focus on the implications *for* South Africa. Again, we should not be surprised by this given the level of economic development in that country and concomitantly the quality and marketing reach of its book publishing industry. Moreover, South Africa's economy is one of the most integrated with China's so that China's longer term implications for 'Africa' have heightened significance, either positively or negatively, for South Africa.

A related point is that in these collections there is very little work by Chinese analysts. The work by Chinese researchers that appears in English is generally by a small group of Chinese or China-based scholars. These are He Wenping, Li Anshan, Barry Sautman and Yan Hairong and they are regularly cited by others but only appear once in the publications reviewed here (Sautman and Hairong have a chapter in Wild and Mepham, 2006). Other Chinese authors who appear tend to be officials who largely re-state official Chinese policy and may have delivered a keynote at the conference from which the papers originated. This reflects something of an intellectual division of labour (see Chan, 2007); namely, that between experts of African development and those working in and on China. Given that China's growing interest in Africa is driven by both its domestic needs and global aspirations, it has been left to Africanists and African-based analysts to make sense of and connections between what goes in China and in African countries. Hopefully, this is a temporary lacuna, which should eventually be sorted once Africa 'experts' become au fait with Chinese political economy and vice versa, or at least more collaborations between area specialists emerge.

As I have noted, many studies are based on a lack of empirical detail or use data from official sources which is either flawed (see Alden, 2007) and/or aggregated to a scale which makes fine-grained analysis quite difficult. Many of the case study chapters in Wild and Mepham (2006), le Pere (2007), Manji and Marks (2007), and Kitissou (2007) have data which is drawn from official sources (such as the IMF) and is supplemented by information on specific Chinese projects derived from reviews of local news sources. The Broadman (2007) book is welcome because it is based on original research using firm surveys among Chinese and Indian companies operating across Africa. But by and large analysis is somewhat speculative given the paucity of data from Africa and the reluctance of Chinese authorities to release information. An example of the data problems is the number of Chinese firms operating in Africa. Even within the Kitissou collection numbers vary – Servant claims 674 companies, Chan-Fishel and Lawson 750, and Reilly and Na 700. And when it comes to Chinese migrants in Africa, the estimates vary hugely. In South Africa the number is put at anywhere between 100,000 and 300,000 and in Angola the numbers are 20-30,000, but some predict a potential total over the coming years of 4 million.

Un-political Political Economy, Governance & a Future Imperfect

In this section I outline some key themes running through the books, including different takes on political economy, questions of governance and the future

What is Political Economy? For Whom Does it Matter?

Although the term political economy appears in the titles of some chapters and Harry Broadman describes his World Bank study as focusing 'on political economy, governance, and institutional issues insofar as they directly have economic implications' (2007:72), very few authors make explicit what they mean by the term. In this sub-section I address what authors mean by political economy and how this frames their analysis and conclusions. In so doing, I highlight key differences between their political economy approaches and identify those most sympathetic to the politics of this journal.

In framing the political economy of China-Africa relations, most authors are implicit about what they mean. The Kitissou (2007) collection usefully situates the China-Africa issue within an analysis of globalisation and China's internal reforms and internationalisation strategy more specifically. A similar pattern of argumentation is found in the le Pere (2007) collection, where the chapter by Suisheng Zhao is a clear and well argued account of changes in China's foreign policy. Zhao argues that China has moved to a more flexible approach based on the need to achieve security in terms of raw materials. This so-called 'peaceful ascendance' is set within a geopolitical worldview of what the Chinese call 'multipolarity' in which they see themselves as one of the key 'poles' in the new world order. However, there is a tension with China competing with the US and at times revealing a sense of insecurity towards them. What is interesting in Zhao's account, but also in the lore that is already surrounding this issue, is that once China engaged with the developing world for 'ideological' reasons, namely 'socialist co-operation' in order to trump the Soviets, but that now the engagement with Africa (and others in the South) is non-ideological. Zhao (2007:38) argues that China's 'pragmatist strategy is therefore ideologically agnostic'. While the point that a cold war dogma no longer holds sway in China's policy is well taken, the mantra that China is now 'non-ideological' and simply pursuing rational economic interests conceals the obvious ideological underpinnings of China's (or any other) economic growth strategy. As Harvey (2005) notes, China's recent growth is 'Neoliberalism with Chinese characteristics' and requires a deeply ingrained ideology backed up by a raft of reform policies and an authoritarian state.

Both the Kitissou and le Pere collections have chapters by Chinese diplomats which are interesting for a number of reasons and tells us much about the exploratory relationships between China and Africa. These chapters, based on speeches from workshops, contain very little that you cannot find on Chinese government websites about the harmonious and supportive stance of China towards Africa. They also contain the list of concrete policies of China towards Africa. And indeed these are impressive. But what is more interesting is the fact that they are given the opportunity to uncritically champion China's Africa policy. This affirms the fact that the institutions supporting China's move into Africa are excessively keen not to offend their Chinese investors and this lack of critique overflowed into other chapters.

In the le Pere (2007) collection a number of case study chapters have political economy in the title and the substantive analysis is broken down into political relations, trade figures, and aid projects.

By and large these chapters are descriptive and tend to catalogue what has happened, but with very little critical analysis. This is most apparent when accounts of the same country are given in different collections. For example, Ali Abdalla Ali in le Pere (2007) and Ali Askouri in Manji and Marks (2007) both discuss the case of Sudan. In the former, the only hint at any political tensions is that 'The Chinese generally tend to have things their own way' (p.181) and they are trying to establish a 'powerful influence in Sudanese society' (p.182). By contrast, Askouri, the director of a research NGO working with those displaced by the Merowe dam, lays bare the ways in which the Chinese support the junta and how their projects directly and indirectly lead to displacement and persecution. The former's lack of critique is startling, but pervades the le Pere collection and, again, implies a strong desire not to offend the Chinese in South Africa, from where this collection emanated. For me, and probably the readers of this journal, the best collections are those by Manji and Marks (2007) and the shorter one by Lee et al. (2007) from the Nordiska Afrikaininstitutet.

Harry Broadman's study based on a survey of 450 Chinese and Indian firms operating in Africa is one of the few publications based on original research and should be welcomed for that. Its political economy is to situate Africa within restructuring of the global economy in which China and India are major players and set to increase their impact – what Kaplinsky usefully terms the 'Asian Drivers' (see http://asiandrivers.open.ac.uk/). Broadman's political economy encompasses some valuable work, especially around the ownership patterns and business models of Chinese and Indian firms and how the former are much less integrated into African economies. While he puts this down to the relative novelty of Chinese investment compared with a longer relationship with India, he also suggests that a lack of trust towards African businesses on the part of the Chinese may explain the reluctance to become more embedded locally. He also analyses the policies within Africa for attracting and organising inward investment and argues, not surprisingly, that these are multiple, overlapping and sometimes contradictory. As one of the first detailed empirical studies the book throws up some worthwhile analysis, but the policy prescriptions, as I discuss below, are nothing unexpected from a World Bank publication.

For me, the best and most coherent approach to the political economy of China in Africa is given by Chris Alden (2007) in his short and engagingly written book as part of Zed Books *African Arguments* series. Although Alden produces no original empirical research, his thesis is well argued and clear. He argues that we need to focus on the nature of the engagements between China and Africa, while making sure we disaggregate both 'China' and 'Africa'. His political economy, which helps explain the differential impact of China on Africa, is based around states such that 'it is best to look at the nature of the individual African regimes in place and the underlying economy of particular countries' (p.59). Although in such a short book he does not have time to get into the necessary details of 'individual African regimes' there are chapters on the changing geopolitical contexts of China's foray into Africa where Alden argues China's interests in Africa have been episodic and that older discourses of third worldism pervade current policy rhetoric. There follows a chapter on China's economic interests in Africa and usefully distinguishes between large, state-influenced Chinese corporations and the myriad smaller private concerns. The point is well made that the larger corporations benefit from close and blurred relations with Chinese official 'aid', which is usually tied to major investments or trade agreements. Alden also documents Africa's rather ad hoc policy responses to China and the reactions of African civil society, which has spearheaded the debate about China's role.

This state-based approach to political economy is echoed by Ian Taylor in Lee et al. (2007) where he argues: 'Understanding how the state in Africa really functions and its attributes has critical implications for China's initiatives on the continent' (p.22). Taylor takes a more Weberian approach to the African state in looking at organisational structures and culture and, as a result, tends to see states' articulation with international capital in terms of how it impinges upon personalised rule. His case study of Angola's loan from China in the context of massive investment in the oil industry focuses on its implications for evading 'good governance'. The difference between these two authors is that Alden sees such an analysis helping to understand how ordinary Africans are affected by these engagements whereas for Taylor, the implications are more for political elites in Africa, China and the major western donor countries.

Impacts & Responses

What emerges from Alden's framework, but also the better empirical analyses (e.g. the chapters by Kragerlund on Zambia in Kitissou and by Lee on Uganda in the Lee et al. collection) is that there is no single impact of or response to China in Africa. What Alden sets out is a broad typology of states (see also Tull, 2006) which help us map these dynamics. For pariah states, notably Sudan and Zimbabwe, China's presence may prolong authoritarian rule, but as the Zimbabwe case shows, even the Chinese will not inevitably and endlessly bolster a government which continually fails to deliver on its promises. Next 'illiberal regimes and weak democracies', such as Angola and Nigeria, are likely to become more centralised as mineral rents accrue to state elites and aid allows them to rebuff or renegotiate with the major multilateral lenders. Finally, for democratic countries with diversified economies like South Africa and Ghana, there is likely to be direct competition between Chinese businesses and African ones so that the effects will come down to how effective the state and individual enterprises are at working with or against the Chinese.

The other approach found in these collections is to take a sectoral analysis, most usually and sensibly, of the oil sector. However, as research deepens it becomes clear that oil is not the only interest China has. That said, the chapters by Douglas Yates in le Pere and John Rocha in Wild and Mepham provide useful analyses of oil investment, making the point that China is moving into vertical integration of the industry as part of a wider move not only to secure supplies, but to become a major player in global oil in the future. Although quite descriptive, Yates's chapter sets out clearly 'Hu's who' in Chinese oil, which goes beyond the usual analyses that simply list the main companies and what they do. But other sectoral analyses in le Pere (of construction by Davies and Corkin, and textiles and clothing by van der Westhuizen) and of timber (by Butler in Kitissou) show that impacts are mixed. Construction has the potential to benefit many African countries, because Chinese companies now produce high quality at competitive rates (facilitated by tied aid, low labour costs, and high levels of efficiency) although it varies how much local labour is employed. In textiles, the prospects look bleaker as Chinese imports undercut local production and lead to plant closures and unemployment, although this effect is not unique to African countries. However, the more savvy countries are thinking longer term and moving into niche markets or seeing a time when Chinese wages rise and Africa becomes a favourable low cost location. In timber, things look even worse with most accounts noting indiscriminate logging and collusion between African local governments and timber firms, although such practises are not confined to Chinese companies alone.

What also becomes apparent and important is the scale of businesses operating in Africa and their origins. Most studies focus on the big Chinese corporations that were privatised and given privileged status by the Chinese government. But what is clear, and is laid out by Alden and the chapter by Reilly and Na in the Kitissou collection, is that provincial Chinese corporations, sometimes backed by their provincial administrations, are also key players. While not as big as the centrally backed corporations, they are sizeable and win many construction contracts. Moreover, there is a myriad of smaller Chinese firms, owned privately by families that have entered not only the retail sector but food processing and agriculture. The point made by the excellent chapter by Reilly and Na is that with so many Chinese firms in Africa, emanating from different sources, it is impossible and unwise to talk of 'China's' African interests or even a 'Beijing Consensus', because there is no way that these ventures can be centrally controlled. The discourse of some Beijing-based puppeteer orchestrating a coherent 'Africa Policy' says more about the paranoia of western commentators than the realities of the situation.

Two further issues that feed into a more nuanced political economy, but are often mentioned briefly in the publications reviewed here, are Chinese migration to Africa and the environmental impacts. Migration is mentioned by Tjønneland et al. and by Steve Little in the Kitissou collection, and dealt with in most detail by Alden. Numbers are speculative, but Chinese migrants are the face of China in Africa and it is in the Chinese stores, herbalists and restaurants that most Africans encounter China. And these small-scale enterprises are significant in number and in some places displace local businesses, as detailed in the excellent chapter on Uganda by Margaret Lee in Lee et al. (2007). She discusses the responses to the Chinese presence by Kampala businesses who argue that the Chinese succeed through unfair means. Although not leading to outright hostility, we know that where Chinese businesses impact most adversely in Africa, local populations have reacted in quite strident ways.

The environmental effects of Chinese investment are dealt with by Chan-Fishel in the Manji and Marks collection and by Butler in Kitissou. Focusing briefly on different cases of mineral exploitation and timber extraction the conclusions are saddening, but do not suggest China is any worse than other investors. Essentially, China's mining operations in Africa create the same sorts of impacts as other mining companies. While this needs monitoring and adequate policy responses implemented, the fact that commentators assume China will have a worse environmental record says much about how China's domestic record of environmental damage is perceived.

Governance: The Good, the Bad & the Ugly

The pervasive discourse of mainstream media accounts of China in Africa is that it will lead to African governments 'escaping transparency'. They feel that China's long-standing policy of 'non-interference' in the political affairs of states with which it works gives space for unscrupulous leaders to pocket the rents accruing from China's interventions and entrenching their rule. This claim is usually supported, as I said, by the cases of Sudan and Zimbabwe. While key issues for those countries, concerned Africanists, and other policy makers, what emerges from these publications is a richer and more varied analysis of the governance impacts.

China's changing foreign policy is documented by various writers, but Ian Taylor's account of 'resource diplomacy' in the Lee et al. (2007) collection is the most useful in suggesting that China uses a range of political tools to achieve its ends. What is clear are the murky linkages between Chinese aid, trade and investment.

Chinese 'aid' is tied to concrete economic outcomes (preferential export agreements, closed tendering processes, specific projects) and so looks less like conventional aid. That said, many other countries use not dissimilar political mechanisms for aid. It is more the rapidity and scale of China's charm offensive that has shocked and worried western commentators. Most accounts of China in Africa have a litany of the projects that China supports and the untransparent ways they achieve influence, often couched in Nye's phrase 'soft power'. I say untransparent, because most accounts use this or similar terms and are generally very light on the details of this assumed collusion between Chinese and African elites. This is not surprising since studying such things is nigh on impossible, and potentially dangerous.

However, two chapters in the Kittisou collection – on Chinese banks by Michelle Chan-Fishel and Roxanne Lawson and corporations by James Reilly and Wu Na – provide a detailed description of the mechanisms through which China engages with Africa. While many studies mention China's deep-pocketed Ex-Im Bank, the chapter by Chan-Fishel and Lawson shows that a multitude of state-owned and private banks are involved in co-financing Chinese firms in Africa. As these bankroll China's Africa resource drive they are accused by the west of unfairly subsidising Chinese firms, but the authors make the point that western donors cannot stand by and berate China while simultaneously failing to honour their own aid and debt cancellation obligations. Although, as we saw, Alden develops a light touch political economy framework for analysing the ways in which African states are affected by China and might respond, the publications here sorely lack concrete analysis of the 'real' political effects. As I said, most political analyses tend to quote some silken words issued by an African President about China, list the agreements that African states have entered into with China, as well as outlining one or two flagship projects. But what is lacking are detailed accounts of decision-making processes, how interests are articulated by different actors, what political parties and parliaments say and do about China, and how civil society contests China's presence. Basically, there is a lack of politics in these political economies. Odd moments are thrown out – how the Chinese are getting frustrated by Angola's failure to honour promises of reforms, how Mugabe was rebuffed by Beijing, etc. But there is as yet no concerted analysis of how the politics of these processes actually plays out.

However, there are some studies of African civil society reactions. Ndubisi Obiorah in the Manji and Marks collection sets out some political parameters of China and Africa's development. He argues that China provides a powerful development model which urges economic growth before human rights. This has a number of possible effects. First, African leaders use this model to deny political rights to their people. Second, China exports its model via growth oriented aid and overlooks the social impacts of its actions under the banner of non-interference. Ultimately this can entrench authoritarian leaders so he feels it is the duty of African civil society to debate and discuss China's role, because rentier regimes will not engender such debate. The evidence from various studies reviewed here is that the most active civil society actors are not Africa based, but human rights organisations elsewhere. However, African trade unions have been active in contesting the effects of textile imports in particular.

China-Africa Futures: Dialogues, Détente & Dependency

In terms of the future and possible political and policy implications I tend to agree with Tull (2006) that China's presence signals more of the same for Africa. Economically China probably will not alter Africa's 'extroverted' relationship with the world economy in which it supplies raw materials with little value added local industry. For resource endowed countries the evidence suggests that elites will continue to capture rents with little developmental redistribution. And politically, there is not much evidence that China will, purposefully or not, promote democracy.

The suggested solutions on the table as set out in these various publications tend also to be more of the same. From a US perspective, Raymond Copson in the Kitissou book sets out some sensible scenarios which are in contrast to the more confrontational stances that organisations like the Heritage Foundation have taken. Copson seeks to avoid what he feels is unhelpful confrontation with China and that the US should build on its existing 'good will' through such things as the Bush Government's Emergency Plan for AIDS Relief and the Millennium Challenge Account (MCA). While I agree in principle with Copson's more consensual approach to international relations, initiatives such as the MCA and various governance initiatives by USAID that he cites as laudable, are largely about forms of conditionality which seek to marketise Africa. In this regard they are not so different from the approaches of China; what differs is largely the ideological baggage in which this marketisation process is cloaked. And Copson adds a salutary warning that for the US, despite some renewed interest, Africa is still marginal to its focus on the Middle East.

The need for 'dialogue' is one of the mainstays of the European donors, although Copson warns that dialogue is not the same as policy. The reports by Tjønneland et al. for the Norwegian Government and by IPPR (Wild and Mepham, 2006), very much a 'New Labour' think-tank in the UK, seek to socialise China into the western aid paradigm by suggesting dialogue between China and the rest through existing forums. Again, this is preferential to militarised solutions, but the call for dialogue, without some goals and declaration of interests, is a liberal appeasement that seems to defer any clear position. Again, it is a proposal which acknowledges that China needs to be brought into the fold of multilateral cooperation, but it cannot be forced to do so as this would risk alienating a lucrative market opportunity. So, the result is a merry dance of cajoling China, but never pushing too hard for fear of stepping on China's sizeable feet. That said, Zhou's chapter in the le Pere (2007) collection does see China becoming more involved in multilateral institutions as signalled by developments such as the Olympics, membership of the WTO as well as international condemnation of and China's response to the Darfur situation. All this is presented as a part and parcel of China's ongoing 'responsible' and 'peaceful' ascendance on the world stage.

The Wild and Mepham collection concludes with a chapter by the editors which usefully sets out four propositions for future engagements. The first is that solutions must be *by and for Africans*, although outsiders do have a legitimate concern with China's role on the continent. While I agree with this argument they, and others such as Obiorah, place a great deal of faith in African civil society. The issue is that if African countries are to avoid another (or deeper) resource curse, the benefits must be distributed – 'managed well' – by a democratic developmental state. The conundrum is that it is not in the interests of either the Chinese or rentier elites to transform the state, so we get the same old dependency model. The only chance, some argue, is to encourage civil society organisations (CSOs) to lead the critique and debate around African countries (and by implication China's) development model. So, Tjønneland et al. and Wild and Mepham see support for African CSOs as a key priority for donors. But this has been tried before and civil society is not a homogenous realm unilaterally acting in the good of poor Africans. It is not clear how this championing of civil society can guarantee democratic development and it feels more like a prayer than a genuine hope. Broadman's study also suggests ways in which African states can benefit from India and China's presence, but not surprisingly, this is more of same in terms of liberalisation, transparency and rule driven trade – none of which are unique to African countries, China or India. I even suspect whether there is not a computer package at the World Bank which means that what ever the preamble, the policy prescriptions it generates are always the same – 'implement sound, market-based, at-the-border trade and investment policies' (Board-man, 2007:34-35).

On the other hand, China's presence does give African leaders triangular leverage in being able to play donors and investors off against one another, but the message coming from these publications is that there is a lack of coordinated African policy in Africa to begin to capture the benefits of China's presence. For example, no countries have localisation agreements which would guarantee local labour inputs or sourcing of supplies that would in turn create local multipliers. It is incumbent on African states to put in place such mechanisms. A final area of tension around governance comes from the relationship between China and the institutions of multilateral governance in Africa, notably the AU and NEPAD. The issue is that China deals with African countries bilaterally, while bypassing these pan-African organisations that it purports to support. That said, the pervasive critique of China as excessively bilateral masks the ways in which many western donors also prefer dealing country-to-country as evidenced by debates at the recent Africa/EU Summit in Lisbon. If China is serious about co-ordinating its Africa policy it will have to clarify its support of NEPAD and the AU which is currently rather fuzzy and non-committal. For example, NEPAD's African Peer Review Mechanism, while not flawless, is an attempt to instil responsibility in governments, but the Chinese, according to Tjønneland et al. and Wild and Mepham, do not seem to adhere to it despite voicing support for NEPAD.

Conclusion: More Work Needed

This review of recent literature on China's engagement with Africa has established that something significant is happening and that as concerned Africanists we need to systematically analyse these unfolding relationships. However, I am with Tull (2006) and others in thinking that while we should pay attention to China's role we should not overestimate it for two reasons. First, it is unclear whether China's role will greatly alter Africa's structural position within the global economy. Undoubtedly it adds new markets and investment opportunities and creates new sources of rents, but there is little evidence that this will straightforwardly alter the continent's fortunes. Indeed, in some cases it may exacerbate conflicts in various ways. Second, in focusing on China we must not lose sight of other countries and corporations that are vying for Africa's resources in not dissimilar ways from China.

After reading these various studies I am still convinced that we need detailed, sustained case studies. As Tjønneland et al. note: 'We know very little about the quality and impact of Chinese projects and assistance activities in Africa' (2006:ix). There are a few insightful studies in these publications and many which describe the broad brush dynamics, but very few that really tease out the relationships between classes, the state, and foreign investment. The political outcomes of China's involvement in Africa will primarily be shaped by state-capital dynamics, particularly how Chinese capital and parts of the Chinese state intertwines with fractions of capital and political blocs within Africa.

Another driver of China's African engagement that I discussed is Chinese migration. Most studies of China in Africa focus on the obvious politics as manifested in diplomatic delegations, white papers, huge loans, and large-scale projects. While necessary, such studies often overlook the processes of transformation beyond and below these 'big' processes, the most important of which is the growing numbers of Chinese who make African countries a temporary or permanent home (Mohan and Kale, 2007; Alden, 2007). Only by monitoring these everyday relationships and social processes can we fully appreciate China's impact on the political economy of Africa.

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Endnote

1. I am aware of Ian Taylor's (2006) *China and Africa: Engagement and Compromise* (Routledge: London), but time precluded a thorough read and so it has not been explicitly discussed here, although he has produced other excellent work in this area (see Taylor various).

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Kenya: The Illusion of Democracy

Kenya: the Struggle for Democracy by Godwin R. Murunga & Shadrack W. Nasong'o (eds.) (2007), CODESRIA Books, Dakar/Zed Books, London. Reviewed by Janet Bujra; £19.99pb, ISBN: 978-1-842778-579

I review this book as recent post-election violence and social turmoil unfolds in Kenya. It would have been productive reading for the global media and the international community which having generally represented Kenya as a haven of stability and economic growth now professes astonishment at the direction events have taken. The lack of historical depth and understanding of Kenya's political economy in their accounts has meant that most can only seize upon the notion of 'ethnic violence' to make sense of the crisis. Written by Kenyan authors (except for one piece), this study exposes the long-standing nature of election rigging, state brutality and authoritarianism in Kenya. It is worth being reminded that it was Mwai Kibaki (self-designated current President) who formalised the one-party state in Kenya in 1982, when he was Vice-President under Moi. All the political actors in this drama have long and often murky past lives, whilst the injustices over which they preside persist and are replayed in successive and often bloody struggles.

This book focuses on 'the struggle for democracy', but it does so from the angle of many other struggles – for gender and generational equality, for an opening up of civil society and for political parties and the practice of opposition. It avoids a reductive understanding in terms of 'tribe' and it contextualises these battles in historical perspective and in the light of Kenya's courtship with global politico-economic forces. One of the most incisive chapters here (Murunga) looks at the experience of structural adjustment from the Kenyan side. Murunga uncovers the extent to which neo-liberal policies could be harnessed to extending the power of the Moi regime and the uneasy imbalance between donors' liberalising concerns and their claim to be insisting on good governance. Brown complements this in his account of the uneven and even contradictory nature of donor pressures. These two chapters – and particularly Murunga's, offer a nuanced framing to the other material in this book and would have been better placed at the beginning. Instead we have an introduction in which the value of Kenyan perspectives are justified in terms of a nationalistic rejection of 'Northern fads … fabrications and incantations of African crises' – as if all theoretical perspectives deriving from the 'North' were singing the same tune and did not deserve serious engagement. This incantation in itself demands a critique, when we note that more than half of the authors are currently teaching in exile in the North (and indeed there is citation of many 'Northern' authors here).

It is invaluable to have Kenyan scholars working on the political analysis of their own country but this needs to move beyond the narrower confines of political science and towards what Kenyans might do better than outsiders; in others words, researching not just the political actors and organisations who strut the stage, but also the 'general public', the voters and non-voters, the audience for political rhetoric and the extent and character of political participation. In a useful chapter on *Mungiki* (Gecaga), a movement largely of urban youth which draws its inspiration from Mau Mau (see also ROAPE 113), the sources seem to be limited to four interviews with participants, and most of the data is derived from press reports and literature whilst the analysis is framed around a 'religious' reading of youth unrest. The same applies to the chapter on political parties, where an exclusive focus on the formal and structural means that negotiation and dealings with followers make little first-hand appearance and hence the relational core of patronage/clientilism is invisible. What we do learn here is the in-built fragility of political parties and alliances, constantly seeking sponsorship from the most powerful, and hence the difficulties of institutionalising any role for an opposition. It is notable that in all the current talk of resolving the crisis through the creation of a 'government of national unity' (one-party statism in another guise?) that Raila Odinga, and most of the other oppositional leaders, were members of the previous Kibaki regime in its early phase and that they fell out *not* because of deep policy differences but following a failure by Kibaki to *redistribute power* through constitutional change.

Mwangola's chapter on youth is informative on school and university associations but has little to say about the general conditions for youth in Kenya. Present troubles illustrate only too well the danger of angry male youth, living on the edge of society, with little to lose, cheated of even the promise of change, and all armed with *pangas* (machetes) and *rungus* (cudgels). Whilst Nasong'o and Oyot's chapter usefully considers the extreme marginalisation of women in Kenyan politics, it might additionally have examined *male* cultures of violence and political competition (and perhaps avoided its ritual dismissal of 'Western feminism' which raised the question of gender inequity in the first place).

It is worth considering the present crisis in terms of the strategems for seizing power and those who devise them. Amutabi looks at the role of intellectuals in struggles for democracy in Kenya and makes a distinction between those who devise rationales for the status quo and those who challenge it 'on behalf of under-represented and disadvantaged groups'. Representational politics is always suspect in a society so economically polarised. Raila Odinga makes great claim to speak on behalf of 'the people' and the tag of 'Orange' which his party espouses is a symbolic declaration of affinity with other places (Ukraine) where relatively peaceful and sustained mass protest brought down a regime. However, Raila, an educated man trained as a mechanical engineer in Eastern Europe, and a survivor of eight years in Moi's prisons, also emphasises in his election address that he is a successful businessman and co-founder of a large engineering firm. It continues, 'over the years Raila has diversified his business portfolio in Kenya … believing that economic independence is a precondition for the total liberation of Africa'.[1] From a narrative of personal success through business – to a call for liberation of a continent! There is little evidence here of an alternative vision of Kenyan economy and society, restructured to benefit 'the people'.

Given the post-election debacle, what conditions could have allowed for mass organisation and participation to effect a collapse of the regime responsible for rigging the election? In order to answer this question we would need to look beyond the parameters of this book. Despite a language of class which some of the contributors adopt, there is no searching analysis of the uneven development of capitalist relations of production in Kenya and of livelihood economics for which politics provides a platform. Without this it is impossible to make sense of the incapacity of any political party in Kenya to effectively mobilise 'the people'. The masses who come out in protest are not organised and disciplined through wage labour and in powerful trade unions, but stranded in a variety of marginalised positions in the informal urban economy, or in rural areas where land or grazing are under severe pressure; in other words, conditions *where making a living pits people against each other as much as it brings them together*. The present struggles are not all of a piece. In urban areas there is competition for housing, markets and jobs as well as opportunities for crime (see Katumanga, 2005). In the Rift Valley, there is a long-standing issue of migration from the Central area, with land bought up or occupied, squeezing the existing populations (who incidentally are not Luo, though the incomers are mainly Kikuyu). All of this can be spoken of in the language of 'ethnicity' but it is not cultural differences which are at issue here, but existential struggles (and moreover not new, but prefigured in violent clashes in 1992). More significantly, youth, especially young men, are the lightening rod of anger and violent activism in any situation involving collective impoverishment. Controlling the 'masses', when their struggles are so diverse, is beyond the politicians in their bids for power.

If this book sheds little light on the people which representative democracy claims to include, it does offer some insight into the organisation of the political class itself. One of the most chilling accounts here is Gimode's mis-titled chapter: 'The role of the police in Kenya's democratisation process'. This is actually a case study of the state as an instrument of repression. It brings together Kenya's horrifying history of political assassinations, imprisonment and torture and critically analyses how and who the autocratic state confronts and crushes. The police are centred here merely as agents of the state, not analysed in their own right. And yet in the present troubles we also need to dissect the structures and organisation of the police themselves in so far as their brutality (particularly in Raila's stronghold of Kisumu and in the corralled slums of Nairobi) has contributed to smashing any hope of peaceful opposition to the electoral travesty. We need to know about their training, the hierarchies of control, their deployment of firearms, the social composition of recruits and how they are mobilised. There are rumours of divisions within police ranks (see Mwakugu, 2008), an aspect which one might expect a political opposition to exploit. Certainly any resolution of the bloody turmoil in which Kenya is now enmeshed should address the role of security in people's lives and the agency of the state in creating and perpetuating *in*security.

State repression is an expression of the interests of that section of the political class which controls the state at any one time. And whilst the nature of that political class reflects its gender (im)balance, its ethnic composition, intellectual credentials and generational power, more vitally it is driven by its capacity to control or seize the economic heights (always moderated by externalities). There is little in this book that would enable us to assess Raila's tactic of a boycott of companies run by allies of the regime. Or to understand why the political history of Kenya since independence has been a struggle to protect or disrupt the concentration of capital and processes of accumulation in the Central region. One thing is clear – the struggles for democracy not just in the political field, but also for lives and livelihoods, must continue.

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Endnote

1. From the on-line manifesto www.raila07.com/about.html viewed 23 January 2008. ✦

Prisoners of Freedom: Human Rights and the African Poor, by Harri Englund. Berkeley: University of California Press, 2006; pp. 247. £13.95 (pb). ISBN 9780520249240. Reviewed by Jessica Mzamu Kampanje, University of Bergen, Norway.

This is an important book. Indeed, it is a 'must read' for anyone interested in the rhetoric of human rights, freedom, democracy, civic education, and the concept of transnational governance. Harri Englund grounds his analysis of the contemporary discourses of human rights and democracy in Malawi, with a comparative Zambian context, and the result is an incredibly rich critical stance on such taken for granted concepts. The book may also be read as an excellent theoretical or conceptual framework for researchers, policy makers, and students from various disciplines engaged in discourse analysis at different scales.

Englund's main thesis is explored in relation to three main domains; translation of human rights and democracy, civic education, and legal aid. With these domains as investigative focuses, the intent of the book as Englund puts it, 'is less to promulgate' his own 'definition of democracy than to find out whether a debate about multiple definitions of democracy is allowed to take place'. Englund thus builds his arguments around the thesis that democracy and its associated contemporary connotations are essentially contested concepts open to multiple definitions, all suggesting particular social, economic and political arrangements (p.12). His key argument is that in Malawi and Zambia, '*the preoccupation with freedom, democracy and human rights as universal and abstract values both fosters elitism and undermines substantive democratisation*' (p.9).

Translation is the focus of chapters 1 and 2. Having knowledge of Chichewa, one of the local and official vernacular languages in Malawi and parts of Zambia, Englund explores the translated local versions of human rights and democracy. The principal argument in these chapters aims to show how a narrow definition of human rights as political and individual freedoms was established through an undemocratic process of translation in Malawi, as well as in parts of Zambia. Human rights being merely translated as *ufulu wachibadwidwe,* which when translated back to English would mean freedom as the individual's birth right (pp. 49-50) is criticised as being a further abstraction of its universal abstract version. These chapters succeed in showing how the universal abstract notions of human rights and democracy acquired their own local abstract definitions based on particular historical, social, economic and political phenomena (p.50).

Englund's rather disturbing conclusion is that the Chichewa version of human rights was a result of unacceptable or careless interpretation (p.60). This, in my opinion, is due to lack of emphasis on the struggle to finding specific grammatical derivatives within the Chichewa vocabulary that might better interpret or capture such universal concepts. As such, his own neglect in providing an alternative which according to his Chichewa knowledge and cultural understanding best describes the human rights version which he is critical of might be due to the same dilemma, rather than mere carelessness. Nevertheless, this should not mask the important contribution these chapters make, and Englund's main conclusion that colonial history and the political interests of human rights activists were instrumental to the translation of human rights as freedoms is both important and insightful.

Chapters 3 and 4 cover the domain of civic education. Here, the book analyses the 'extent to which a nationwide civic education project disempowered the masses … by examining how Malawians were recruited to act as civic educators and how the crowds they encountered in villages and townships responded to their messages' (p.13). This process of civic education, Englund argues, resulted in disempowerment of the majority of the Malawian populace and perpetuated the ingrained inequalities which human rights rhetoric supposedly aims to overcome. Legal Aid to clients who cannot afford legal services is the topic of chapters 5 and 6. Through his analysis of some vital case studies of how legal aid officers handled their clients, he concludes that claimants whose grievances sprouted from similar structural conditions were treated as individual problems. This in turn was instrumental in dehumanizing and disempowering claimants. The following chapter discusses moral panics as an alternative discourse, as an outcome of popular frustrations with human rights discourse's lack of recognition of people's everyday needs. Chapter 8 concludes that 'human rights discourse will not deliver substantive democracy, if only because its universalism may conceal highly particular interests' (p.194).

Englund's book is the result of comprehensive ethnographic research on complex worldviews such as human rights and democracy. Its contribution to anthropology and to the social sciences as a whole is outstanding. With its wide scope, ranging from universal human right discourse to the activities of donors and Malawian activists, the book takes the reader through thrilling theoretical and empirical episodes which are both illuminating and thought-provoking.

Insiders and Outsiders: Citizenship and Xenophobia in Contemporary Southern Africa, by Francis B. Nyamnjoh. London: Zed Books, 2006; pp. 288. £19.99 (pb). ISBN: 9781842776773. Reviewed by Vineeth Mathoor, Centre for Historical Studies, Jawaharlal Nehru University, New Delhi, India.

The South African transition is often referred to as a 'miracle'. The striking argument of this book is that the transition from apartheid has led to the emergence of xenophobia, racism and discrimination. Francis Nyamnjoh tries to understand the various trajectories of racial discrimination in South Africa and analyses the cases of South Africa and Botswana as archetypes of neoliberal globalisation.

Chapters 1 and 2, entitled 'Mobility, Citizenship and Xenophobia in South Africa' and 'Citizenship, Mobility and Xenophobia in Botswana' respectively, focus on the process of alienation of social groups and its reasons and implications. Both chapters discuss the anxieties of blacks, immigrants, refugees, foreign students and non-ethnic people. With their relatively affluent economy, these two countries attract a large number of migrants, both legal and illegal. In addition, a large number of people on the continent see the two countries as the last resort in their search for jobs, shelter, economic sufficiency and peace. The governments, by contrast, see the issue of migrant labour from a different perspective. To them, migrant labour exploits the natural wealth of the country and deprives citizens of resources. The result is the implementation of draconian measures and laws against the migrant population and the practice of a 'silent apartheid' by citizens. Thus, in South Africa migrants are known and oppressed as *Makwerekwere,* which literally refers to those who do not have mastery over South African languages (the term has different meaning in different contexts). In addition, to an ethnic South

African, the areas of *Makwerekwere* are perceived as the peripheries of civility where bottled water, mosquito repellent creams and extra thick condoms are required to avoid contamination. The feeling of insider/ethnic and outsider/non-ethnic, Nyamnjoh argues, has deeply influenced the people of South Africa and Botswana and their elected governments act as paid servants of a small elite, both blacks and white.

The second part of the book deals with three different issues: Chapter 3: 'Gender, Domesticity, Mobility and Citizenship', Chapter 4: 'Maids, Mobility and Citizenship in Botswana' and Chapter 5: 'Madams and Maids: Coping with Domination and Dehumanisation'. The focus, in other words, is on gender relations and the issue of hierarchy in domestic life. One of the fundamental problems that affect the life of both maid/slave and madam/master in today's South Africa and Botswana is the increasing feeling of being insecure and dispossessed. At the same time, in their attempt to grapple with the neo-liberal, globalised society and its inherent problems, the ethnic and non-ethnic people are being subject to inhuman oppression, insults and insecurity. This is what the author depicts beautifully in the context of Zimbabwean maids working in Botswana and South Africa. The Zimbabwean maids of today's Botswana are treated with fury and intolerance, while the masters with the support of the law increasingly apply their power and state support to exploit the situation. As a result, the maids see their masters as enemies and often feel trapped.

Nyamnjoh seeks to understand the issue of the rise of ethnicity and other primordial identities in the context of globalisation, and places the issue as an outcome of the neo-liberal global economy. The book's overall approach and methodology is structural, and this yields some significant insights into the contemporary xenophobia in South Africa. However the study would perhaps have benefited from greater attention to more studies on ethnicity and its role in nation building, and also from a more interdisciplinary method. That said, this is a good source of factual and theoretical explanations of the troubling rise of xenophobia in the new neo-liberal, global Africa.

Imperialism and Postcolonialism, by Barbara Bush. Harlow: Pearson Education Ltd. 2006; pp. 280. £14.99 (pb). ISBN 0582505836. Reviewed by Owain Llyr ap Gareth, University of Aberystwyth.

Postcolonialism is appearing in an ever-widening range of disciplines nowadays. It is therefore a necessity to have an accessible, concise and simple general introduction to the topic. The title of the series to which this book belongs is 'History: Concepts, theories and practice'. As this indicates, the focus is largely historical, as Barbara Bush approaches the subject from the field of imperial history, upon which she grafts the concerns and issues that postcolonialism raises. This is a necessary addition to the literature, and the historical focus counter-balances the focus on literary concerns, text and textuality that is a feature of so much postcolonial work. Bush is certainly not the first to note the way in which the movement from an economic-centric analysis has too easily given way to an elision of the economic in any instance. If the travel of postcolonial theory into the discipline of history can return the problem of the material into the analysis of other students it will certainly benefit the development of the field.

The breadth of historical knowledge illustrated in this short book is comprehensive, and this is clearly illustrated by the impressive bibliography and the review of recommended reading. The latter is a goldmine for anyone new to the field, as well as for specialists looking over the fence beyond their particular focus. Bush addresses the rationale for her book by pointing to the tensions between the macro-level 'parachutists' and micro-level 'truffle-hunters' and the need for a more productive relationship between the particular and the universal. This general historical sweep therefore attempts to bridge these gaps between researchers, and to illustrate the interconnections between different empires and imperialisms from Roman to the American Empire.

The structure of the book follows from this rationale. After the standard overview of the main concepts and histories of the terms, the complexities and problems of which are illustrated by a case study of Ireland, the chapters are set out by themes of modernity and imperialism, culture and imperialism, and representing Empire, with case studies of Japan and China, British Africa and British domestic culture respectively. Each case study illustrates the problems raised by the respective themes, and this works admirably, although specialists will understandably find nothing new and much simplification in the case studies. Given that the case studies are given a maximum of twenty pages the point is clearly to give newcomers the tools for further research in their own fields (to 'truffle-hunt' as it were). The themes are well chosen, and go some way towards making the point that postcolonialism is not essentially new in tackling these issues, and that there are clear interconnections with other historical approaches to empire, culture and imperialism.

As noted, Bush's focus is largely on imperial history, although with clear reference to resistances and culture. At the risk of nit picking at what has been left out, I do feel that her focus on imperial history sometimes overwhelms the 'postcolonialism' of the title. It is clear that the engagement with many elements of postcolonial theory is avoided, and given its prominence in the title this is a clear omission. The more 'postmodern' elements of the field are avoided often by simple reference to their difficulty, and this feels somewhat cursory. Much room is given, as it should be, to Edward Said, as one third of the so-called 'holy trinity' of postcolonial studies, but very little to Homi Bhabha and Gayatri Spivak, and this despite the two being referred to as key thinkers in the recommended reading. One does not expect the author to agree with these writers but an introductory text like this must surely present and engage with them, even if ultimately to disagree.

It is for this reason that I think this book works best as a complement to more rigorous introductions of concepts and theories, such as Ania Loomba's *Colonialism/Postcolonialism,* and Robert Young's *Postcolonialism: An Historical Introduction.* Nevertheless, this is a very useful tool for students of the subject and beyond, and its historical focus and clear accessibility make it useful also for those outside the sphere of history – particularly, I would imagine in literary studies, where the dangers of textuality and ahistoricity are clearest. These tendencies in post-colonialism are undoubtedly to some extent explained by its rise to hegemony in the sphere of literary studies, and as such, general introductory works from other fields are certainly to be welcomed, especially ones as well-written and enjoyable, concise, yet far-ranging in scope, as this.

briefings (and review article by Mohan) examine the burgeoning literature and present cutting-edge empirical work in order to provide new insights into how the rise of China and India in Africa needs to be understood.

India's Growing African Strategy

Sanusha Naidu

> *If India and Africa are able to synergise energies and initiatives and adapt to a changing world, the 21st century could surely belong to them* (Rao Inderjit Singh, Indian Minister of State, Defense).

Introduction

So far the debate on the rise of the Asian Giants in Africa has primarily focused on China. Yet, recently India is seen as becoming a significant actor in Africa, although possibly not at the same level as China is presently. India's attractiveness to African countries lies in its ability to produce soft infrastructure including IT goods and pharmaceutical products, the global presence of its corporates like the TATA Group, Mahindra & Mahindra and Acerlor Mittal, as well as its increasing donor role. Some analysts even argue that India's presence makes it an important force in offsetting China's dominance regionally and globally.

Understanding India's deepening involvement in Africa must be seen from the perspective of how the Indian government defines this relationship and the extent to which it is managed on a mutual basis. India's engagement in Africa must also take into account the historical ties between the two sides. Therefore, this briefing focuses on India's growing relations with Africa by assessing the factors that motivate India's increasing relations with Africa. How is this relationship conceptualised? And to what extent does Africa feature in India's global ambitions? Before addressing these questions I provide a brief historical overview followed by an outline of the political and economic dimensions of the relationship.

Historical Ties

Following independence India saw its role in the international system as championing the struggles of anti-colonialism and anti-racism. India played a critical role in the Bandung Conference that led to the emergence of the non-aligned movement and used the occasion to promote and strengthen Asian-African solidarity. According to Muni, 'Afro-Asian countries became the principal arena for India's policy and diplomacy during the 1950s' (1991:862).

But Africa was gauged to have a significant role in Prime Minister Nehru's vision of creating a just international order. For Nehru an independent Africa was seen 'as an important component of the non-aligned force that he was attempting to create in order to minimize the effects of the Cold War' (McKay, 1963:184). The large India diaspora living in the continent was also one of the factors that influenced this engagement.

But India's engagement with Africa was also motivated by its border dispute with China in 1962. Confronted by Africa's mixed reaction to the conflict, New Delhi was forced to realise that it 'did not have the strong ally it had hoped for in Africa and it therefore actively worked towards

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countering Chinese penetration in Africa' (Serpa, 1994:187). This saw India not only increasing its support to liberation struggles in southern Africa, but also expanding 'economic co-operation with participation of Indian settlers' (Serpa, 1994:187).

This led to the launch of Indian Technical and Economic Co-operation (ITEC). ITEC emerged as a result of a meeting in 1963 convened by the Indian government's heads of its trade missions from Africa and West Asia to examine ways to improve economic and technical co-operation with the continent. ITEC remains to this day an integral component of India's Development Initiative delivering development assistance to Africa and elsewhere.

Whereas India's foreign policy during the cold war was mainly guided by Nehruvian principles, the end of the cold war compelled policy mandarins in Delhi to consider how its foreign policy should be reshaped to take into account the new impulses of the global arena. For much of the cold war India's regional and domestic pressures made it inward looking. However, with economic liberalisation in the 1990s, India's policy-makers realised the importance of a foreign policy that resonated with its economic ambitions. Opening up to overseas investment also meant strengthening external relations that could help to realise its political and economic potential. The shift in foreign policy from the early 1990s was reflected in the annual reports of the Ministry of External Affairs which emphasised that

> *in the future, new relationships based on concrete economic, technological and educational cooperation will assume enhanced significance* (quoted in Singh, 2007:10).

India's current foreign policy relations toward the continent are about reinventing and rejuvenating the old relationship. According to official documentation, India's contemporary Africa policy is aligned to a confluence of interests around justice in the global order levelled at increasing the leverage and influence of their respective global positions and promoting a new international order.

Therefore, while India's post-cold war foreign policy remains aligned to the principles of non-alignment and South-South co-operation in response to the unilateral character of the international order, it has become conscious of its needs to sustain its economic liberalisation. And just as in the past, relations with Africa and the South are now based on shared mutual interests to fight against the inequities of the global order though this time, directed against underdevelopment and poverty as a result of an unbalanced global economic system but also aimed at 'finding export markets, and attracting foreign capital and technological know-how' (Singh, 2007:10). It is to these economic and developmental concerns that I now turn.

Broadening Economic Horizons: The Quest for Energy Security

> *India too has discovered that Africa is where the resources and future markets that will fuel its economic growth are* (*The Nation*, 9 February 2007).

J. Peter Pham and others argue that the unprecedented concern with China's deepening involvement across the continent has enabled India's growing interests in Africa to go largely unnoticed. According to Pham (2007:1), India's Africa strategy is based on the 'quest for resources, business opportunities, diplomatic initiatives and strategic partnerships', which is seen in the emerging trade, investment and developmental assistance relations that Delhi is crafting with African countries.

As the map (over) illustrates, oil and gas indicates an overriding occupation in achieving India's energy security. With having only 0.4% of the world's proven oil reserves and no significant discoveries since the 1970s, India's oil needs have to be sourced externally. Future projections are that by 2030 India is expected to become the world's third largest consumer of energy bypassing Japan and Russia (Madan, 2006).[1] Presently India imports about 75% of its oil needs and this dependence is projected to rise to over 90% by 2020. With Delhi currently relying on the Middle East for most of its oil needs and given the volatility of the region and dominance of the US therein,

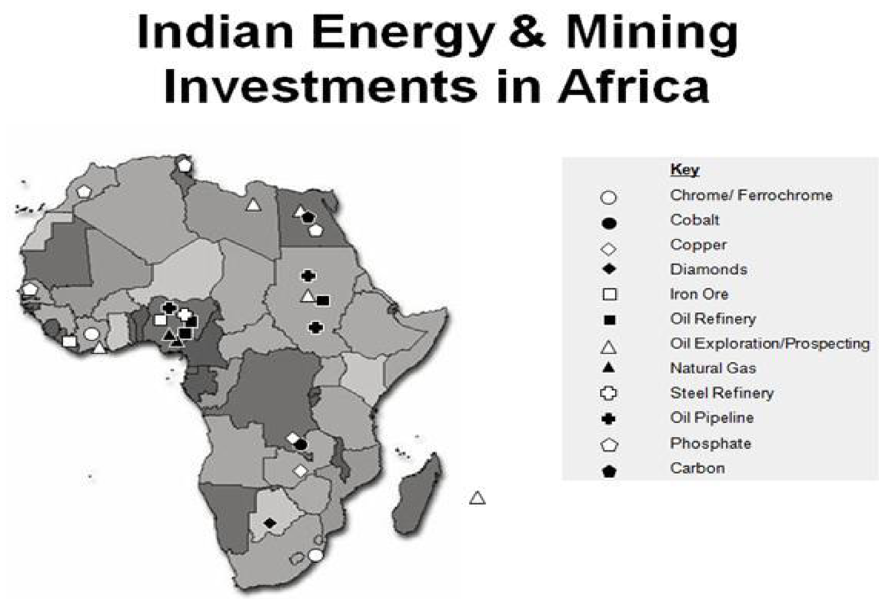
> *it is understandable that India would seek an alternative supply of energy in the burgeoning African sector* (Pham, 2007:*2).*

Compounding the situation is the projection that India will also run out of coal, the primary source of its current energy needs, over the next 40 years. But the poor quality of the coal, the lack of proper infrastructure to remedy the environmental threat this sector poses, and notwithstanding corruption and poor productivity that plague the industry forces India to seek alternative energy lines. Hence, India's strategy is

> *an integrated set of policies to balance foreign policy, economic, environmental, and social issues with the rising demand for energy* (Madan, 2007:3).

And to this end, India's energy footprint in Africa is becoming increasingly apparent. The Indian state-owned Oil and Natural Gas Company (ONGC) has in recent years managed to secure exploration contracts and other related energy projects in the continent through its international division ONGC Videsh (OVL). Table 1 (opposite) provides an overview.

In 2005 OVL entered into a joint venture with LN Mittal Steel (now Arcelor Mittal), the world's largest steel MC, to form ONGC Mittal Energy Ltd. (OMEL). OMEL entered into US$6bn infrastructure deal with Nigeria in exchange for two off-



Source: Dr. Martyn Davies, Centre for Chinese Studies shore acreages. Other ONGC Videsh Ltd. (OVL) activities in Africa include:

- A 23.5% interest in Ivory Coast's offshore bloc CI-112;
- A 49% participating interest in two onshore oil exploration blocks in Libya;
- A concession agreement to explore for oil in Egypt's North Ramadan Block; and
- Identified oil and gas properties in Gabon with potential investments of over US$500m.

In addition, LN Mittal also disclosed its intentions in 2007 to acquire a 51% stake in the Port Harcourt Refinery in Nigeria which according to reports is planned through a separate joint venture with HPCL (Shosanya, 2007). By pursuing a relationship with HPCL, Mittal is building up a considerable portfolio in the global oil and gas industry. See Table 2 (over) for other Indian oil companies prospecting in Africa.

Apart from energy and gas, Indian companies have also been involved in uranium exploration activities in Africa. Recently the Niger government issued 23 permits to three Canadian firms, three British firms and an Indian company called Taurian Resources Pvt. Ltd. to explore for uranium in the southern part of the country. Between them the firms have invested a total of US$55m for exploration activities over three years (Massalatchi, 2007). For India, obtaining uranium exploration rights will be important to fuel its civilian nuclear programme that is geared towards providing options for clean energy resources. But critics fear that the acquisition of such deposits will be used to strengthen India's military nuclear programme.

India's diversification of energy sources has been noted in a recent report which asserted that the government is moving towards creating an energy panel that will deliberate ways of tapping into and consolidating India's oil interests in regions that are becoming important suppliers (Dutta, 2007). This was demonstrated in June 2007 when the Indian Foreign Minister Anand Sharma led a delegation to Angola. During the meeting both sides expressed interest in signing accords in the areas of oil, geology and mining, agriculture, health, education and tourism. Regarding oil prospects, India saw great possibilities

Table 1: ONGC Investments in Africa

Country	Indian Company	Type of Investment	Size of Investment
Nigeria	Oil & Natural Gas Corp (ONGC)	Oil pipeline	Not stated (25% stake in the Greater Nile Petroleum Oil Company (GNPOC) project
Sudan	Oil & Natural Gas Corp (ONGC)	Oil production	Not stated (24% share in Block 5A & 24% share in Block 5B)
Sudan	Oil & Natural Gas Corp (ONGC)	Oil refinery	US$1.2bn
Sudan	Oil & Natural Gas Corp (ONGC)	Multi-product export pipeline	US$200m
Sudan	Oil & Natural Gas Corp (ONGC)	Oil pipeline (part of the Greater Nile Petroleum Operating Company)	US$750m

Source: Various newspaper articles

Table 2: Other Indian National Oil Companies in Africa

Country	Indian Company	Type of Investment	Size of Investment
Côte d'Ivoire	Unknown (various companies acting as a consortium)	Oil prospecting	US$1bn
Nigeria	National Thermal Power Corp (NTPC)	Liquefied natural gas	US$1.7bn
Nigeria	Indian Oil Corp (IOC)	Oil refinery	US$3.5bn
Nigeria	Indian Oil Corp (IOC)	Liquefied natural gas (LNG), plant & oil refinery	US$2-US$4bn (proposed)
Nigeria	Oil India	25% stake in Sunetra Nigeria OPL 205 Ltd.	
Gabon	Oil India	45% stake (including operatorship) in an onshore block	
Sudan	Videocon Group	Oil Prospecting	US$100m (76% stake)

Source: Various Newspaper Articles

in Angola as a supplier and there was also talk of New Delhi engaging in the construction of a refinery.

The Trade & Investment Dimension

India's evolving engagements across the continent is captured through its increasing trade relations with Africa. While some analysts perceive India as 'sleepwalking in Africa', especially in terms of its trade partnership, signs are that Delhi is awakening to the reality that Africa is a strategic market. India-Africa trade has jumped from US$967m in 1991 to over US$9.5bn in 2005 (Sorbara, 2007). For the period April 2006 to January 2007, India's trade with the continent was estimated at US$19.3bn. In 2006, exports to Africa (see below) amounted to US$9.4bn while imports from the continent were US$12.5bn. Total trade with the continent reached US$25bn in 2006. According to Ahmed,

> *in the past five years, India's exports to Africa grew by 120%, compared to 76% export growth with the world* (2006:1).

Yet in spite of this impressive growth in exports, Africa's share of India's global exports trade remains negligible despite India's export market shifting southwards. Out of a total of US$103bn for the FY 2006, Africa constituted 7% of Delhi's export market whereas Asia and Oceania constituted the lion's share of 47% (www.eximbankindia.in).

Indian exports to Africa consist mainly of manufactured items (49%), chemical products (11%) and machinery and transport equipment (10%) (Ahmed, 2006:1). Ahmed notes that 'the main products exported include machinery and transport equipment, petroleum products, paper and wood products, textiles, iron and steel, plastic and linoleum products, rubber manufactured products, agro products, chemicals and pharmaceutical products' (Ibid.). In terms of the main export partners, South Africa features

Table 3: Indian Exports to Africa (US$m)

	1999	2000	2001	2002	2003	2004	2005	2006
World	35,444.90	42,299.46	43,314.17	49,299.31	57,457.17	75,630.61	99,650.64	121,259.30
Africa	1,914.38	2,185.46	2,772.98	2,887.72	3,503.42	4,772.53	6,874.88	9,484.65
COMESA	906.70	1,036.04	1,323.52	1,151.56	1,447.91	1,949.28	2,563.13	4,248.40
SADC 14	663.20	725.74	718.05	839.30	1,064.04	1,585.95	2,328.99	3,508.91

Source: World Trade Atlas available on Tralac website

prominently with exports totalling US$2bn in 2006, followed by Kenya with US$1.3bn, Nigeria at US$936m, Egypt at US$739m and Mauritius with US$539m.

On the other hand, Indian imports from Africa are mainly primary goods. In 2006 oil was the largest import followed by gold. As Table 4 (opposite) indicates, other mineral commodities also dominate the import flows. Nigeria was the largest import partner for India in 2006. Imports totalled US$5.6bn followed by South Africa with US$2.5bn, Egypt at US$1.4bn, Algeria with US$532m and Morocco at US$517m.

India's trade relationship with Africa is being promoted through various political and economic initiatives. In the 1990s, while still undergoing its economic reform process, the Indian government was

> *closing down missions in Africa as an economic measure, today it has twenty-five embassies or high commissions on the continent with four others scheduled to open over the next few years* (Pham, 2007:2).

Not only is the Indian Ministry of External Affairs scaling up its diplomatic initiatives by creating three joint secretaries to manage the three regional divisions covering the continent (Ibid.), but this is being complemented by the Confederation of Indian Industries (CII) and the Export-Import Bank of India (EIBI), to which I now turn.

India-Africa Partnership Project

In November 2005 the EIBI together with the Confederation of Indian Industry (CII) organised a Conclave on an India-Africa Partnership Project entitled 'Expanding Horizons', aimed at deepening economic ties with the continent. Approximately 160 delegates from 32 African countries attended the conclave at which over 70 projects, estimated to more than US$5bn, were discussed. This was followed in October 2006 by another meeting where over 300 African participants and 375 Indian business people attended and discussed over 300 projects worth US$17bn. As Baldauf notes, among the 350-member African delegation visiting the 2006 Conclave Meeting, 'Togo topped the list of investment seekers,

Table 4: India Imports from Africa % Share

Commodity	1999	2000	2001	2002	2003	2004	2005	2006
Oil	46.3%	24.1%	0.0%	0.0%	0.0%	0.0%	0.0%	61.3%
Gold	23.1%	25.5%	39.9%	49.4%	49.4%	37.8%	39.0%	12.9%
Phosphate chemicals	13.3%	15.8%	20.3%	15.7%	14.4%	17.4%	17.2%	6.5%
Nuts	4.3%	7.7%	4.0%	6.3%	7.7%	10.0%	8.4%	2.9%
Copper Ores	0.2%	0.2%	0.5%	0.5%	0.6%	0.6%	0.2%	2.1%

Source: World Trade Atlas available on Tralac website requesting $4.6bn' followed by 'South Africa's $4bn request, Ghana's $3.7bn, and Nigeria's $2.6bn' (*The Christian Science Monitor*, November 2006).

In 2007 the Conclave Partnership Project was extended to three regional meetings that took place in Ivory Coast, Mozambique, and Uganda – countries chosen as important gateways into their respective regions. According to the press release, it was very clear that the meetings served to strengthen business linkages established at *previous* meetings as well as to enable Indian businesses to identify strategic sectors for investments and joint ventures, further augmenting India's bilateral trade and investment ties. The targeted sectors looked like a shopping list[2] and included almost all sectors that are considered as catalysts for Africa's development. Twenty Indian companies from the targeted sectors participated in the Regional Conclave, each of them having submitted profiles to the Indian mission so that they could be placed in the sector that dovetails with their focus and region.

Focus Africa Programme

The Focus Africa programme was launched as part of the EXIM Policy 2002-2007 strategy of the EIBI. Through this programme the Indian government provides financial assistance to various trade promotion organisations, export promotion councils and apex chambers in the form of Market Development Assistance. So far the total operative lines of credit extended to sub-Saharan Africa by the EIBI is over $550m (*The Nation*, February 2007), targeting regional blocs like ECOWAS and COMESA.

> *In May 2006 EIBI extended a $250m LOC [lines of credit] to the ECOWAS Bank for Investment and Development, to finance Indian exports to ECOWAS member states (The Nation,* February 2007*).*

In terms of the COMESA region, operative lines of credit included US$5m each to the Eastern and Southern African Trade and Development Banks (PTA Bank), the Industrial Development Bank Ltd. (Kenya) and the East African Development Bank (EADB). These LOCs are seen as strengthening and expanding export trade between the respective regions and India through deferred payments terms and should be interpreted as part of the India-Africa Partnership project aligned to the Conclave Meetings discussed above.[3]

The Indian government has also embarked on a set of initiatives to enhance its economic and political co-operation with Africa. These include:

- US$200m line of credit to NEPAD under the India-Africa Fund designed to promote African economic integration;
- US$500m line of credit for the Techno-Economic Approach for Africa-India Movement (TEAM-9) which is an initiative with 8 Francophone countries;[4]
- US$1bn investment in a joint venture with the African Union to build a Pan African e-Network to provide tele-medicine and tele-education through integrated satellite, fibre, and wireless connectivity;[5]
- Letters of intent signed between the State of Andhra Pradesh and Kenya and Uganda to send 500 Indian farmers to cultivate land in the respective countries.[6]

Footprint of Indian Companies

Indian Companies are also beginning to make significant strides across Africa's non-oil resources. In Zambia, Vendanta Resources has a US$750m copper mining investment; in Liberia and Nigeria, Arcelor Mittal has a US$900m manage-

Table 5: Greenfield FDI Projects in Africa by Indian Firms 2002-2005

Year	Name of source company	Destination (host country)	Industry	No. of projects	Investment value (US$m)
2002	Veronica Labs	Kenya	Pharmaceuticals	1	n/a
2002	Indian Oil	Mauritius	Energy	1	n/a
2002	Mahindra & Mahindra (M&M)	South Africa	Automotive OEM	1	n/a
2002	Tata Group	South Africa	Metals/Mining	1	40
2002	Hidesign	South Africa	Textiles	1	n/a
2002	Infosys Tech	Mauritius	IT and software	1	25
2003	Aditya Birla	Egypt	Plastics & Rubber	1	n/a
2003	Hindusthan Seals	Egypt	Plastics & Rubber	1	n/a
2003	KK Birla Group	Egypt	Chemicals	1	n/a
2003	LML	Egypt	Other Transport OEM	1	n/a
2003	ONGC	Libya	Energy	1	30
2003	Hindusthan Seals	Morocco	Plastics & Rubber	1	n/a
2003	Bank of India	Kenya	Financial Services	1	n/a
2003	Infosys Tech	Mauritius	IT & Software	1	10
2003	Tata Group	South Africa	Metals/Mining	1	53
2003	State Bank of India	South Africa	Financial Services	1	n/a
2003	Bharat Biotech	South Africa	Biotechnology	1	n/a
2003	Ramco Systems	South Africa	IT and Software	1	10
2003	Bank of Baroda	Tanzania	Financial Services	1	n/a
2003	Hindusthan Seals	Tanzania	Plastics and Rubber	1	n/a
2004	Indian Oil (IOC)	Mauritius	Energy	1	n/a
2004	Indian Oil (IOC)	Mauritius	Energy	1	1
2004	Indian Oil (IOC)	Mauritius	Energy	1	n/a
2004	HDFC	Mauritius	Business Services	1	n/a
2004	Tata Group	Mauritius	Hotels, tourism & leisure	1	n/a
2004	Hinduja Group	Mauritius	IT & Software	1	n/a
2004	Mahindra & Mahindra (M&M)	South Africa	Automotive OEM	1	n/a
2004	Usha Martin	South Africa	IT & Software	1	n/a
2004	ICICI Bank	South Africa	Financial Services	1	n/a
2004	Indusind Bank	South Africa	Financial Services	1	n/a
2004	Syndicate Bank	South Africa	Financial Services	1	n/a
2004	Teledata Informatics	South Africa	IT & Software	1	n/a
2004	Hatsun Agro Product (HAPL)	Seychelles	Food and Drink	1	n/a
2004	Dabur	Nigeria	Consumer Products	1	n/a
2004	ONGC	Sudan	Energy	1	200
2004	Indian Oil (IOC)	Nigeria	Energy	1	n/a
2005	Bank of India	Tanzania	Financial Services	1	n/a
2005	Mahanagar Telephone Nigam (MTNL)	Mauritius	Telecom equipment	1	23
2005	Metropolis Health Services Group	Kenya	Pharmaceuticals	1	n/a
2005	ONGC	Egypt	Energy	1	n/a
2005	Tata Group	Morocco	Chemicals	1	n/a
2005	Tata Group	Morocco	Automotive OEM	1	25
2005	National Thermal Power (NPTC)	Nigeria	Energy	1	1.7
2005	Bharti Group	Seychelles	Telecom Services	1	8
2005	Tata Group	South Africa	Automotive OEM	1	n/a
2005	Tata Group	South Africa	Automotive OEM	1	n/a
2005	Murugappa Group	Tunisia	Chemicals	1	180
2005	Numeric Power Systems	Mauritius	Electronics	1	n/a

Source: UNCTAD 2007; Asian FDI in *Africa Report* ment project of iron ore reserves and US$30m (with 80% stake in Nigeria based Delta Steel Company) steel refinery respectively.

The Tata Group has the most extensive presence in the continent. Operating in Ghana, Mozambique, Malawi, Namibia, South Africa Tanzania and Uganda, the Group claims to employ over 700 people in Africa. According to the Group's profile, their activities range from infrastructure development, energy and hospitality services to financial, communication and automotive outputs. The following are some of the investments made by the company:

- US$800m renovation of the Taj Pamodji Hotel in Lusaka;
- A vehicle assembly plant at Ndola in Zambia;
- US$108m high-carbon ferro-chrome plant at Richards Bay in KwaZulu Natal, South Africa;
- Construction of a US$12m instant coffee processing plant in Uganda;
- Provision of 250 buses to the DRC at a cost of US$46,000 per bus;
- An US$18m export order in 2005 to supply 350 buses to Senegal.

Indian companies have also begun to invest in Africa's infrastructure as a way of cementing their commercial and commodity presence in the continent. For example, Rites Railway and Ircon, the two large state-owned infrastructure and engineering companies, have been making inroads into Africa's rail and road development sector through projects and concessions for several years.

> *Rites has refurbished and leased locomotives in Sudan and Tanzania, whilst supplying technical assistance to rail authorities in Kenya and Mozambique. Rites have also been involved in design and construction of roads in Uganda and Ethiopia. Ircon has constructed railways in Algeria and (currently) in Mozambique, and has also been active in the rail sectors in Sudan, Nigeria and Zambia* (Bonnet, 2006:17).

Indian companies are also queuing up to take advantage of Africa's significant investments in power transmission projects. Companies, like Kalapataru Power Transmission Ltd. already have a presence in Zambia and is expecting to acquire a major contract worth US$35m in Algeria; in Kenya, a rural electrification project for the Ministry of Energy and also in Kenya, for the Kenya Power Lighting Company; supplying material to the Tanzania Electricity Company (Tanesco); a project for the Ethiopian Electric Power Corporation which links to the Ethiopia-Dijbouti interconnection funded by the African Development Bank. According to the company's director, Africa is an area for rich pickings:

> *All these countries are rich in resources such as oil, gas and metals. Therefore when global prices of the resources increase, these countries make more money. Their investment in infrastructure projects has also increased exponentially …* (Wadke, 2007:1).

KEC International Ltd. is another transmission company that has a presence in Algeria, Tunisia, Libya, Kenya, Zambia, Nigeria, Ethiopia and Ghana. The overview below contextualises the outreach of Indian firms beyond the resource sector in the continent:

- Overseas Infrastructure Alliance Pvt Limited signed a contract with the Ethiopian government to supply US$65m worth of electrical equipment;
- Mashuli Gashmani Ltd. is planning to open an US$18m commercial prawn fishery in Uganda;

- US$31m contract awarded to Ircon International by the Ethiopian government for the construction of 120km of roads;
- Concession to Ircon International for the rehabilitation of the 600km Beira railway in Mozambique;
- US$40m contract to KEC International for the construction of a 132 Kv power project in Ethiopia;
- US$11m contract to Kamani Engineering Corp for the construction of a transmission line between Zambia and Namibia;
- A railway rehabilitation project by Rites International in Huila Province, Angola;
- Fouress Engineering has been managing a power plant in Uganda;
- BHEL is involved in the construction of a 500w thermal power plant project in Kosti, Sudan that is worth US$457m of which the Indian government has extended a US$350m concessional loan towards the project;
- Bharat Electrical is currently involved in the rehabilitation work at Zambia's Kafue Gorge;
- Glenmark Pharmaceuticals has acquired South Africa's Bartlett Bouwer;
- Ranbaxy Laboratories has recently joined up with Lupin Labs to market its tuberculosis drugs in North and West Africa while the company has established a presence in Egypt, Nigeria, Senegal, South Africa, and Zimbabwe;
- Rites Railway has been appointed as consultants on a road project in Ethiopia;
- Indian investors are engaged in the cut flower industry in Ethiopia;
- US$3.6m investment by Alembic in a manufacturing plant in Nigeria with Xemchem International Inc, a US research firm.
- Prospecting rights for iron ore reserves by Taurian Steel in Ivory Coast.

The presence of Indian companies in Africa is surely going to rise in the future. Between 2002 and 2005 Indian firms topped the list of Greenfield FDI projects in Africa at 48 compared to 32 from China (UNCTAD, 2007). This indication, underpinned by the increasing global presence of Indian firms,[7] signals that India is becoming a significant player in the African market. With India being one of the 24 non-African members of the African Development Bank[8] this footprint is also being propelled by the recent green light given to Indian firms to bid for US$4.6bn set aside by the Bank for infrastructural development projects.

More than Business …

Apart from the business investments, India has also become a significant development partner *to* the continent. Under its Indian Technical and Economic Co-operation (ITEC) programme, it has provided more than US$1bn worth of technical assistance and training of personnel. Moreover, in 2005 India became the first Asian country to become a full member of the African Capacity Building Foundation (ACBF)[9] and pledged US$1m towards the foundation's sustainable development and poverty alleviation capacity building initiative.

In addition, India has contributed to UN peacekeeping operations in Africa. According to the Ministry of External Affairs, India is the largest contributor of peacekeepers to the continent with 3,500 troops in the DRC[10] while the 1,400 Indian military contingent constitutes the largest contribution to The UN Mission in Ethiopia and Eritrea. Apart from providing peacekeepers India has also supplied UN peacekeeping missions with helicopters, medical and communication equipment. India has also joined the HIPC II initiative and to date has written off debts totalling US$24m to Mozambique, Tanzania, Uganda, Ghana and Zambia. Other aspects of India's humanitarian assistance to the continent include:

- Food donations to Namibia in 2003 as well as to Chad and Lesotho in 2004;
- 200,000 mosquito nets to the Republic of Congo;
- Construction equipment and materials to the Seychelles as part of the reconstruction process following the Tsunami.

In addition, given India's comparative advantage in pharmaceuticals, industry stakeholders and companies are looking toward the continent as an important sphere for collaborative exchanges. Considering the continent's battle with the HIV/AIDS pandemic and other infectious diseases (like malaria), linkages with Indian pharmaceutical companies will be critical in finding a vaccine and other medical breakthroughs in combating such illnesses.

Conclusion

So far the discussion has illustrated that India's political and economic footprint across the continent cannot be ignored. As this trajectory deepens, academics are asking how India's relationship with Africa should be interpreted. Does it make it a 'scrambler' or is a 'development partner'? This is an aspect that will need to be monitored carefully in the future as the engagement matures. But it also depends how African countries define their relationships with New Delhi that will determine how India is preceived as a 'scrambler' or as a 'development partner'.

Certainly India's engagement in Africa has raised some significant issues for the way traditional development partners have managed their relations with African states. Moreover, with the China factor preoccupying the discourse, India's increasing traction in the African market is being negotiated in a muted way. Not only is the competition emerging between traditional powers on the one hand and emerging powers on the other, but there is also a very real rivalry that is being set in motion between China and India as each deepens their economic interests across the continent.

Endnotes

1. See Carin Zissis 'India's Energy Crisis', *Council for Foreign Relations*, 8 December 2006, for a concise overview of India's energy needs. (www.cfr.org/publication/12200/).

2. These were: agriculture, agro-processing, construction, railways-infrastructure & rolling stock, consultancy, minerals, transport infrastructure-road, waterways, ports & airports, power & non-conventional energy, pharmaceuticals, healthcare, institutional capacity building, information & communication technology, iron & steel, education and skill development, water & sanitation, housing/low-cost housing, community buildings, oil & gas, turkey manufacturing projects, tourism, SMMEs (small, medium and micro enterprises) biotechnology, fast moving consumer goods.

3. India's potential exports to these regions include machinery and transport equipment, petroleum products, paper and wood products, textiles, iron and steel, plastic and linoleum products, rubber manufactured products, agro products, chemicals and pharmaceutical products. Countries from these regions can also be important sources for import of petroleum, metallurgical goods, raw cotton, fruit, vegetables and preparations, chemicals, non-metallic mineral manufactures, precious stones, textile yarn, gold, nickel, and ferro-alloys. Further, these countries offer potential for investment in sectors

such as tourism, pharmaceuticals, electronics, computer software and accessories, information technology related products, financial services and textiles.

4. The TEAM-9 Initiative was launched in March 2004. It is reported that US$280m worth of projects have already been approved against concessional lines of credit. Some of these include: US$970,000 for the construction of the National Post Office in Burkina Faso, US$30m for rural electrification in Ghana, US$4m for a bicycle plant in Chad, US$12m tractor assembly plant in Mali and US$15m for potable drinking water projects in Equatorial Guinea. Currently six more countries from the region are interested in joining the initiative.

5. State Owned Telecommunications Consultants India Ltd. (TCIL) will implement the network, which India will manage for five years before turning it over to the AU.

6. In Kenya the agreement involves 50 000 acres of land while in Uganda it is for 20 000 acres. According to the terms of the agreements, Indian farmers will act as entrepreneurs leasing land on a 99-year period. Land in Uganda will be purchased at US$3.75 per acre while the price is still being negotiated with Kenyan authorities.

7. In the first nine months of 2006, investment outflow from India was estimated to be US$7.2bn from US$4.2 in 2005 while in the first half of 2007 Indian firms announced 34 foreign takeovers valued at US$10.7bn compared to the total of US$23bn in 2006, which was more than the investments made by foreigners in Indian companies.

8. African Development Bank, non-African Members: Argentina, Austria, Belgium, Brazil, China, Denmark, Finland, France, Germany, India, Italy, Japan, Korea, Kuwait, Netherlands, Noway, Saudi Arabia, Spain, Sweden, UK & USA.

9. The African Capacity Building Foundation (ACBF), based in Harare, Zimbabwe, is an independent, capacity-building institution established on 9 February 1991 through the collaborative efforts of three multilateral institutions (the African Development Bank (AfDB), the World Bank, and the United Nations Development Programme (UNDP)), African governments and bilateral donors.

The current membership comprises the three sponsoring agencies (AfDB, UNDP and the World Bank), the International Monetary Fund (IMF), which joined the Foundation in April 2002, as well as 41 African countries and non-African countries and institutions, namely Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canada, Chad, Côte d'Ivoire, Congo (Brazzaville), Democratic Republic of Congo, Denmark, Finland, France, Gabon, Ghana, Greece, India, Ireland, Kenya, Madagascar, Malawi, Mali, Mauritania, Mauritius, The Netherlands, Niger, Nigeria, Norway, Rwanda, Sao Tome & Principe, Senegal, Sudan, Swaziland, Sweden, Tanzania, Uganda, United Kingdom, United States of America, Zambia and Zimbabwe.

In addition, Japan has contributed resources to the Foundation through the Policy Human Resources Development (PHRD) Trust Fund at the World Bank. The establishment of ACBF was a response to the severity of Africa's capacity problem and the challenge to invest in indigenous human capital and institutions in sub-Saharan Africa.

10. See http://meaindia.nic.in/interview/2006/01/25in01.htm

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Competition or Collaboration? Chinese & South African Transnational Companies in Africa

Lucy Corkin

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Africa as a Strategic Partner: Markets & Minerals

China's rising interest in African markets is predicated on several factors. While certainly not the only reason (Taylor, 2006:940), one of the most important motives for current Chinese commercial forays into Africa is the growing need for raw materials and oil to feed China's burgeoning economy. China became a net oil importer in 1993 and was ranked as the second largest oil importer after the US in 2004 (Luft, 2004). Furthermore, rising commodity prices render African oil reserves, which often require substantial infrastructure investments to enable exploitation, more commercially viable. China currently acquires 28% of its oil imports from Africa, primarily from Angola, Sudan, Nigeria and Congo (Wolfe, 2006). Particularly due to its strategic importance for economic growth, the procurement of secure oil supplies are a principal national interest and form a fundamental part of China's foreign policy. Furthermore, Chinese companies are encouraged to acquire energy 'at source' (Naidu & Davies, 2006:79). This translates to Chinese national oil companies investing in African countries' oil sectors.

Far from taking the western view that Africa is a lost cause for investment, Chinese companies see Africa as a potential market of 900 million *consumers* waiting to be tapped (Burke, Corkin & Tay, 2007:86). Bearing in mind that China is still a developing country, Chinese companies' domestic market comprises a similar number of Chinese consumers with similar levels of disposable income to their African counterparts. Chinese companies that have experience in such market conditions are thus increasingly moving into African economies to realise the perceived potential of such a large market.

Furthermore, according to the Investment Authorities of Kenya, Ethiopia, Uganda and Tanzania, over 60% of Chinese pledged investment is in the manufacturing sector. Thus it seems that Chinese companies are preparing to take advantage of the preferential market access that African goods receive in some developed countries to enter these third country markets. This model has had some success before, as in the case of Lesotho (Sandrey et al. 2006).

By adopting the approach of entering the less competitive developing countries' markets, aspirant Chinese multinationals can gain international experience. In the wake of increased diplomatic and commercial traffic between China and Africa, the latter has become a favoured testing ground in which aspirant Chinese multinationals can cut their teeth (Corkin, 2006a:12). Chinese companies are extremely price-competitive, but weak in terms of branding (Zeng & Williams, 2003). Operating in an environment where millions of consumers have limited disposable income, it is possible that Chinese companies will attempt to use their price competitiveness to gain market traction and develop their brand name in a less competitive environment before attempting entry into developed country markets.

South African & Chinese Investment in Africa

Page and Te Velde (2004:23) found South Africa to be the rest of Africa's third largest investor, after the UK and USA. According to the latest statistics of the South African Reserve Bank (2007), South African investments in the rest of Africa totalled US$5.6bn in 2005. By contrast, China's recorded FDI in Africa was only US$3bn in 2006 according to the Chinese Ministry of Foreign Affairs and Commerce (MOFCOM) (2006), albeit up from US$1.9bn in 2005. Thus, SA foreign direct investment (FDI) levels in Africa outweighed those from China a few years ago. However, this looks set to shortly change as Chinese FDI in Africa seems to be increasing rapidly according to MOFCOM (2006) and thus may be part of China's recent aggressive drive to invest in emerging markets (Zappone, 2007). There are several aspects which have allowed Chinese companies to increase their commercial footprint in Africa in the space of a few years, albeit from a low base.

A Multi-pronged Approach

The state-directed nature of Chinese engagement in Africa results in 'coalition investments' (Davies & Corkin, 2007:243) across various sectors and is very evident in various countries to which China has extended loans. According to stipulations of China Exim Bank,[1] which is the sole vehicle for Chinese government concessional loans, projects financed by these loans must be undertaken by a Chinese company. Furthermore, at least half the procurement requirements must come from China. This ensures that loans from China provide market entry for Chinese companies from a range of sectors, including construction, telecommunications and mining.

This is in contrast to the fragmented nature of South Africa's government departments, and lack of co-ordination in terms of policy-making (Blaauw, 2006:5) which often renders them ineffective in terms of supporting South African firms' expansion into foreign markets (Hagedorn, 2007). According to a senior South African diplomat,[2] South African embassies are trying to position themselves as a conduit for South African business interests, but the prevailing perception is that an embassy is an ineffective mechanism. This, according to the same source, prompts businesses to 'go it alone' when attempting to enter a new market, greatly increasing the risk of failure.

Temporal Perspective

Investing in Africa is traditionally seen as an unpalatable option (Hagdorn, 2007) given the challenging operating environment. Nevertheless, Chinese companies appear to be entering African markets with gusto. With regards to larger Chinese state-owned enterprises, this is due to their ability to adopt a more long-term view of investments in Africa, focusing on areas where they perceive medium to long-term benefit (Burke, Corkin & Tay, 2007:87). The Chinese government, as the primary shareholder, is more interested in securing strategic reserves of raw materials and energy that are important for China's continued domestic growth. These ventures in Africa will often need years to show a profit due to the capital intensive nature of mineral exploitation in Africa and the paucity of existent infrastructure required for extraction.

This long-term view of the Chinese government allows state-directed enterprises to invest in strategic acquisitions that may not yield short-term profits, but may render returns in the long term, especially given rising commodity prices and China's need to secure reliable access to resources. By way of illustration, the Chinese National Equipment & Machinery Import and Export (CEMEC) company has recently been given sole rights to exploit one of the largest untapped iron ore reserves in the world in Belinga, Gabon. Although discovered as far back as 1955, no foreign investor has tendered for mineral rights due to the prohibitive costs of the infrastructure required to access the reserves. The project, estimated at US$590 million, includes the construction of a railway linking Belinga to the coast (*Business Report*, 2006). Belinga's exploitable iron ore reserves are worth over US$3bn.

Cost Competitiveness

In the construction sector, South African construction companies are currently some of the most expensive in the industry, due in part to the strength of the South African Rand (Corkin, 2006b:13). Additionally, Chinese companies have a propensity to work on lower profit margins than other firms (Burke & Corkin, 2006:74) rendering them difficult to compete with. Compounded by South Africa's inflexible labour law regime (Hagedorn, 2007) and the subsequent labour and supply-chain cost advantages of Chinese companies, the latter's' tenders are far more attractive than what South African firms are prepared to offer (Corkin, 2006a:16).

Prospects for Collaboration

The potential for South African and other traditional market-players in Africa to lose market share to Chinese companies is considerable. Nevertheless, this needn't be a zero-sum game. Opportunities for co-operation between particularly South African companies and Chinese companies do exist. For Chinese companies, collaborating with a partner that has a longer in-market presence and established networks in Africa, such as South African-based firms, could have several distinctive advantages.

Indeed recent developments seem to support this. It was announced in October 2006 that South African ABSA Capital would be consulting for China Exim Bank, providing the Chinese state-owned enterprise with advice on future investment opportunities in Africa (*Marketwatch*, 2006).

Furthermore, China's largest listed bank, Industrial and Commercial Bank of China, announced its intention to purchase a 20% stake in South Africa's Standard Bank, the biggest bank in Africa. It was unanimously approved by the shareholders in December 2007. The deal, worth US$5.6bn, is the largest foreign acquisition by a commercial Chinese bank to date (Georgy, 2007). Standard Bank's operational network in 17 other African countries is important for ICBC, whose clients are increasingly interested in making African investments. Standard Bank it seems, is hoping to access China's large domestic market. Thus despite being potential competitors, collaboration is seen as a viable option.

This is true of other service sectors. Africa is viewed as a lucrative market by the telecommunication sector and foreign operators are eager to secure new contracts (Southwood, 2006). African telecommunications have recently seen the arrival of Chinese companies such as state-owned Zhong Xing Telecommunication Equipments Company Ltd. (ZTE) and the private Chinese multinational Huawei. South Africa's telecoms companies, Vodacom and MTN are important market players on the continent, with a dominant presence in Africa's largest telecommunications market, South Africa (Williams, 2006). Nevertheless, MTN shares leapt in price following an industry speculation that China Mobile was interested in buying shares (Onyango & Odhiambo, 2007). On the back of the ICBC-Standard bank deal, this may indicate market approval for such developments.

Conclusion: A Real 'Win-Win' Situation?

South African firms are reportedly increasingly concerned as to the perceived encroachment of Chinese companies on their market share in Africa, particularly the South African market (*Financial Mail*, 2007). While Chinese companies may have a structural competitive advantage in certain areas, this is not to say that South African companies do not have niche expertise that could see them benefiting from Chinese companies' success in Africa markets.

Given the long-term approach of many of China's investments in Africa (Burke, Corkin & Tay, 2007:182), it is evident that Chinese commercial interests in Africa are not fleeting and Chinese companies are in Africa for the long haul. The inevitability of China's commercial presence does not mean however, that South African companies cannot profit from it, provided these developments are viewed as a potential opportunity rather than a threat. This is perhaps demonstrated most clearly in ICBC's proposed acquisition in Standard Bank and the implications this has for increasing Chinese commercial access in Africa. Consequently, there seems to be a window of opportunity for both South African and Chinese companies to advance their business in Africa through collaboration. For Chinese companies, South Africa is a good base from which to launch investment ventures into Africa. Investment in a South African firm with operations in Africa allows access to emerging African markets while mitigating direct exposure to risk (Olson, 2007). In addition, despite structural constraints to competitiveness, such as a strong currency and an inflexible labour regime, South African companies do have established networks and market knowledge of African markets (Theobald, 2007:50). This is valuable for Chinese companies new to the African context.

For South African companies, many of which may feel defeated in the face of Chinese competition, opportunities for collaboration would allow them to tap into and benefit from a growing Chinese market presence in Africa by forming part of the service value chain. In light of South Africa's lack of export competitiveness to the developing world, maintaining a strong commercial presence is particularly important for South African companies (Hagdorn, 2007).

The targeted African countries may also potentially benefit economically from such collaboration. Neglected until the late 1980s, the contribution of infrastructural development to broader economic and social development is now acknowledged by the Word Bank (Van der Merwe, 2007). Furthermore, African countries are in need of financial and telecommunication system improvement in order to improve the environment of business in Africa and lower the cost of commercial transactions. Channelled through South Africa, which has pledged to uphold the principles of NEPAD and other such mechanisms that monitor good governance and human rights, the benefit of Chinese investment in Africa may be enhanced and its disadvantages mitigated.

The dynamics of such a partnership will not be without their complexities. Indeed, from a political perspective, such coordination between China and South Africa, two regionally dominant powers, might be viewed with some suspicion by other African states, protective of their sovereignty. Political will, as ever, will be required. Nevertheless, China's increasing commercial presence in Africa is becoming an inevitable part of the continent's economic landscape. Their level of adaptation to such circumstances will determine whether South African transnational companies will continue to lose ground in Africa, or capitalise on it.

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China's Developmental Model Comes to Africa

Martyn Davies

Has anybody heard of Africa's new special economic zones? China is going about carving out designated special economic zones (SEZ) across the continent that are set to become Africa's new economic growth nodes. China's commercial strategy toward Africa also involves linking these SEZ's by building infrastructure corridors across the respective regions. Almost unprecedented in scale since the colonial period, Africa is set to receive a trans-national infrastructure network. Decisions made in Beijing and implemented by its state-owned firms in Africa will determine the growth trajectory of large parts of sub-Saharan Africa. It's incredulous that the most significant infrastructure projects on the continent are almost unknown. The reason is that they are being planned in Beijing.

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Welcoming the Chinese

African governments have been welcoming of Chinese investment with energy-endowed economies having been the recipients of the largest inflows. The nature of their economies – commodity rich, pervasive state intervention in the economy, weak commercial law, and shaky public sector institutions – all lend themselves to rapid market entry. Chinese firms have rapidly been able to gain market traction in these economies. Chinese firms are trailblazing across the continent acquiring mineral assets. There are now over 800 Chinese state-owned enterprises (SOEs) present in Africa mostly in the extractive industries – representatives of China's foreign commercial policy toward the continent.

Considering all the merger and acquisition activity amongst China's leading state-owned firms, this number may have peaked. The same firms that are active on the continent will remain but will begin to better integrate their businesses with their previous Chinese counterpart competitors; this is most evident in the construction sector. Over time, this is likely to improve the competitive positions of Chinese firms even further. However, the greatest challenge they face are infrastructural shortcomings.

Deals are most often carried out at an elite political level. China's National Offshore Oil Corporation (CNOOC), was blocked by the US Congress when it attempted to acquire US energy firm UNOCAL. No such political opposition to Chinese firms taking over African assets has been shown. The conclusion drawn from this is that Americans are more concerned over the strategic implications of China's (almost inevitable) rise than are Africans.

Political factors also play a role. Keeping close commercial ties with African states prevents them from recognising Taiwan as an independent country and signals the end of Taiwan's relations on the

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China's Growth Model Transplanted to Africa

China's reform programme began in the late 1970s with the creation of special economic zones – designated geographic areas with liberal policies and tax incentives to attract foreign companies. China embraced globalisation almost a generation ahead of most other developing nations. The SEZ's were so successful they were rolled out across the country. China's capitalist experiments became the model for the country and have underwritten China's phenomenal growth experience over the last 25 years.

In November 2006, at the Forum on China Africa Co-operation (FOCAC) summit held in Beijing, the Chinese committed to establishing a number of SEZ's in Africa. Ordinarily, these would be initiated by the governments themselves but over recent months the Chinese have approached various African states seeking investment concessions.

With no chance of tax or labour concessions being granted from the South African government, COEGA (industrial development zone in the Eastern Cape) will not be turning into a Chinese-style SEZ anytime soon. Whilst the South African government believes that good infrastructure and pleasant weather will attract foreign investors, our emerging market competitors in Asia, the Middle East and now Africa offer much more. Strategically, some key economies have been selected by Beijing that reflects its commercial priorities in Africa.

Metals Hub

China's first SEZ in Africa is to be in Chambishi, Zambia's copper belt region. The Chinese Government has committed US$800m in investment credit for its firms to tap into. The zone's anchor investment will be a US$250m copper smelter for local beneficiation. Up to 60,000 jobs will be created in the SEZ that enjoys duty and tax incentives for Chinese firms. China's strategic supply line of copper will be secured through the investment. Other commodities that Chinese mining firms seek to secure in the region are cobalt, diamonds, tin, and uranium.

Trading Hub

The next Chinese SEZ was announced in mid-2007 in Mauritius. The US$500m manufacturing zone will house 40 Chinese businesses, creating 5,000 jobs for locals and 8,000 for Chinese contractors. Manufacturers in the zone will enjoy market access to the COMESA area as well as exporting their goods to South Asian markets. China's strategic presence in the Indian Ocean rim will be boosted.

Trans-shipment Hub

The third SEZ will be located in Dar es Salaam, Tanzania. Beginning in the copper belt region, this is where the Tanzam railway line, built by the Chinese in the 1970s, ends. The Chinese have already invested in the Dar es Salaam port as well as building the customs building; greater investment in the capacity port can be expected. The Dar es Salaam SEZ will be a trans-shipment hub for commodities mined in the copperbelt. Some local beneficiation will take place in the zone. Chinese firms are in the process of rehabilitating the 30-year-old Tanzam line which has fallen into a state of disrepair. Linking Zambia's mining regions to the coast, beginning in Kapiri Mposhi and ending in Dar, the Tanzam railway line is of high strategic importance to Zambia and Tanzania.

Bisecting the Continent

Whilst the Tanzam line links Zambia to the east coast, the Benguela line links the copper belt straddling Zambia and the DRC to the west coast. Starting at Luanshya in Zambia and ending at the Angolan port of Benguela, the Benguela line is also in construction by Chinese firms. Together, the Tanzam and Benguela lines bisect sub-Saharan Africa. The intent is to reduce supply-side risk for resource extraction.

The rehabilitation of the Tanzam and Benguela lines across the continent will – for the first time – create a functioning east-west infrastructure corridor across the continent. No longer dependent upon South Africa's rail links, the transportation of commodities will be diverted away from southern Africa. This will have some serious strategic repercussions for Transnet and South African ports such as Richards Bay.

The location of China's SEZs has been chosen in light of these infrastructure corridors. Although of lesser strategic importance to China, it is expected that the Chinese will also invest in Benguela's port in Angola. It is more convenient to ship the commodities out of Dar es Salaam than via Africa's west coast.

Angola is already receiving over US$6bn in funding from China's EXIM Bank to develop its infrastructure. Considering the large amounts of Chinese investment the country is receiving and President's Dos Santos' remark that up to three million Chinese could be immigrating to the country, Angola can be considered almost a Chinese economic protectorate. Its double digit growth rates certainly mimic those of China.

Nigeria is Next

The fourth SEZ will most likely be located in Nigeria at one of its port cities. The country is Africa's most populous having both vast energy deposits and a large consumer market. China Inc. has already made its largest foreign acquisition to date in Nigeria – CNOOC's acquisition of an offshore energy block for over US$2.2bn. But China's engagement of Nigeria goes beyond resource extraction. The SEZ will be a manufacturing and assembly operation for Chinese firms. Products will be sold domestically and re-exported to the West Africa region. Chinese firms are also investing over US$2bn into Nigeria's infrastructure.

China's Grand Plan for Africa

Even Africa's numerous former colonial powers did not have the commitment to invest so substantially in the continent's infrastructure and probably were unable to afford it anyway. China's rapid economic development, growing manufacturing capacity, population size and massive resultant demand has resulted in the government crafting a 'Grand Plan for Africa'. What then are the strategic drivers of China's foray into Africa? China needs commodity and energy assets. Without securing a predictable international supply chain of oil and key metals, China's economic growth will be undermined. With the possible exception of Iran, China is geo-strategically excluded from the Middle East. The US invasion of Iraq resulted in Beijing increasing the pace of its acquisition of African energy reserves. This is evident in Angola, Sudan and Nigeria where Chinese national oil corporations have a foothold in the energy sector.

The main strategic driver of China Inc.'s venture into Africa is Beijing's long-term strategy to remove its economy from international commodity markets. By acquiring commodity assets *at source*, negotiating prices with the recipient (African) government and securing long-term supply contracts, China seeks to *establish parallel markets* that are removed from international commodity markets where prices are set in either London or New York.

The mining majors – Anglo American, BHP Billiton, Rio Tinto and CVRD – will ultimately be selling to the traditional markets but will find new competition from state-owned Chinese trading firms. The market as we currently know it – itself an economic legacy of European colonialism in Africa – will be disrupted by China. Unlike Japan which became the world's second largest economy through playing by the rules of the global commodities markets, China seeks to change those rules.

Its state-owned banking sector allows the Chinese state to direct capital and purchase international resource assets, employing a risk model that is quite different from that of private entities. China is now leveraging the resources of the state to implement its commercial policy toward Africa.

The long-term success of this strategy is dependent upon China building and maintaining close ties with African countries. I doubt if most African states realise how strategically they are viewed by Beijing.

China's SEZ strategy is lifted from its own economic reform experience. Indeed, the Chinese learnt from the European colonialists who carved out free trade concessions in China in the 19th century. These capitalist enclaves became the trading hubs of the region and to this day are still the wealthiest cities in China – Hong Kong, Guangzhou, Macao and Shanghai. China is now re-employing what it learnt from those exploitative colonists in Africa. It worked for China. Will Dar es Salaam, Port Louis, and Lagos be Africa's leading cities in the future?

Martyn Davies is Executive Director of the Centre for Chinese Studies at Stellenbosch University, South Africa.

China Faces Reality in Africa

Lindsey Hilsum

When violence broke out in Kenya after the December 2007 elections, the Chinese believed that they had understood the problem.

> *'Western-style democratic theory simply isn't suited to African conditions, but rather carries with it the root of disaster,' said a comment piece in the* People's Daily, *the newspaper of the Communist Party. 'The elections crisis in Kenya is just one example.'*

The analysis revealed more about China than about Kenya. China's long-held policy of 'non interference' is simply a pledge to support those in power in any given country, however venal or corrupt they may be. The idea of an opposition is an anathema to the one-party state, where communist ideology has given way to authoritarian capitalism, the notion that economic growth depends on stability, and stability requires repression.

The belief that Africans are not ready for democracy is scarcely new – western diplomats and businesspeople have been muttering it in bars for decades – but it is not an analysis which appeared to resonate amongst Kenyans in early 2008. Some commentators in the country's

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vibrant press said that if the elections had not been stolen by the ruling party and if a corrupt elite had not creamed off so much money leaving millions in poverty, then Kenya would not be teetering on the edge of the abyss. Others argued that if the multi-tribe opposition had not reacted to losing by attacking the largely government-supporting Kikuyus, then all would have been well. In other words, the problem was defined as a **lack** of democracy.

In the midst of the violence, some Kenyans were nostalgic for the days of President Daniel arap Moi who balanced ethnic groups his own autocratic way, with little regard for elections, but they did not appear ready to give up on the institutions which they have since created. Unlike China, Kenya has independent newspapers and TV stations which reflect a plethora of views, independent human rights groups, non-governmental organisations, churches and mosques which operate freely, and are arguably more truly democratic than political parties. These are the institutions in which educated Kenyans seemed to put whatever their faith for the future they had left.

All of which is very baffling to the Chinese government. Reluctant to accept that there is such a thing as political strife, they described what was happening in Kenya as a 'humanitarian crisis'. Following the Hollywood led campaign to dub the 2008 Beijing Olympic Games the 'genocide Olympics' because of Darfur, they have subtly shifted their position on Sudan, occasionally criticising the government in Khartoum. They are nonetheless careful to cite lack of economic progress, not power plays or murderous intent. In an interview with Channel 4 News, Liu Guijin, Beijing's Special Envoy to Sudan, said:

> *The Sudanese government of course is responsible for the miserable picture [in Darfur], for what's happening there. It's because even from the last government, it neglects development.*

Yet a growing number of Chinese who work in Africa are beginning to realise that their government's analysis of events is inadequate, as trade and investment expand. According to the IMF, China's trade with Kenya reached US$706 million in 2006, a 36% increase on the previous year and soon to nudge Britain's US$864 million. Economic strength brings with it diplomatic influence and responsibility; keeping quiet is in itself a statement.

Victor Yuan, a Chinese business consultant who surveyed a hundred Chinese businesspeople and diplomats working in Africa in 2007, reported to a seminar organised by the Rockefeller Foundation in Beijing that Chinese companies are increasingly frustrated with the paucity of information they receive from their embassies, which simply reiterate central government diktats.

> *'There should be more civil society and NGO participation. We don't have a strong NGO society in China, but in Africa if you don't cooperate with NGOs you cannot succeed,' he said. 'In China, the government plays a large role in exercising power, but in Africa, government is smaller.'*

Such analysis is not welcome in Beijing, where NGOs are seen as potentially subversive.

The authorities in Beijing dictate aid, trade and business policy from the centre with little regard for local conditions in Africa.

> *'Ours is not a sustainable approach,' said Mr Yuan. 'The first thing a company should do is communicate with the local community, otherwise what they do might not be what is needed. But we tend to follow orders from China. We focus on what China can provide, not what can be*

> *willingly accepted by African people.' He added that China's aid policies were not transparent, nor subject to independent evaluation.*

Mr Yuan's remarks were met with anger by representatives of Eximbank, China's main lender to Africa, and the State Council, one of the country's governing bodies. In public fora in China, rhetoric about 'all weather friends' and 'long standing ties' frequently substitutes for policy analysis. But Chinese companies, who have to make profits and safeguard staff, are learning that failure to understand what is going on around them can be dangerous.

In April 2007, nine Chinese oil workers were murdered and seven kidnapped by Ogadeni rebels in Ethiopia. Back home, the families pressured the government to explain the circumstances, and the Chinese company has since withdrawn from the region.

After five oil workers were kidnapped in the Niger Delta in January 2007, the Chinese National Offshore Oil Corporation (CNOOC) turned to a London-based consulting company, Control Risks, to provide analysis of the political situation in Nigeria, so they can judge whether it is safe for their workers to operate.

He Wenping of the Chinese Academy of Social Sciences said Chinese companies lack experience in Africa, and managers are frequently posted with no language training and no understanding of local politics.

> *'A CNOOC staff member told me that at election time in Nigeria, they stayed inside the building for one month because they were so afraid of violence,' she said.*

Chinese executives are frequently nonplussed to find that contracts are not honoured after a change of government, or that trade unions may have independent power.

'Strikes and demonstrations are unfamiliar to Chinese companies,' explained Ms He. Until recently, Chinese executives had never heard of the Extractive Industries Transparency Initiative, which the Nigerian Government has signed in an attempt to curb corruption in the oil sector; the concept of Corporate Social Responsibility is also new.

Only now are Chinese companies realising that they will face some of the same problems as their western counterparts, and could benefit from their experience.

> *'We need a new model of south-north-south cooperation,' said Ms He.*

Western media reports are dismissed as biased, but there are no independent Chinese media reports – the government's version is the only one available in Chinese. In a typical propaganda initiative, in February 2008 the China Daily announced that the Chinese-African People's Friendship Association would soon nominate ten Africans Who Have Deeply Moved the Chinese People. But most Chinese would be hard pressed to name any Africans at all, let alone ten who had touched their emotions. Until Chinese companies started to invest, there was no constituency concerned about Africa beyond foreign policy experts, who are carefully vetted by the Communist Party.

While Kenya's turmoil took most foreign governments and investors by surprise, the unrest in Chad had been heralded by several previous rebellions. As insurgents stormed into N'djamena, the Chadian capital, in early February 2008, you might have thought that China was in an ideal position to help, or even hold the line. China has oil exploration and drilling rights on both sides of the Chad/Sudan border, and President Idriss Deby had blamed the government of Sudan, and their Arab militia *janjaweed* allies, for sponsoring the rebellion. But China was silent again.

The official news agency, Xinhua, confined itself to brief statements of fact about UN and French actions. Wang Hongyi, an expert on Francophone Africa at the Chinese Institute for International Studies, echoed standard government explanation.

> *'Both Chad and Sudan are friends of China, both are our partners. China opposes rebels taking over power with armed forces. The conditions for China's involvement will be the following: the principal of non-interference in other countries' internal affairs, respect of the wishes of the two countries, and UN authorization.'*

China is unlikely to muster the moral outrage of western governments in their usually futile attempts to influence events in Africa. But Chinese policy-makers and executives may need to understand why chaotic democratic aspirations, marred by violence and rebellion, mark Africa in the 21^{st} century. Chinese investment could potentially lift thousands of Africans out of poverty, but only if African leaders curb corruption, distribute revenue fairly and ensure that politics do not descend into conflict.

As former UN Secretary-General Kofi Annan tried to broker a deal between rival politicians in Kenya, and France bolstered the regime in Chad, China's much-touted new influence on the continent seemed almost irrelevant.

Lindsey Hilsum is International Editor and China Correspondent for Channel 4 News, London. She is based in Beijing.

The Political Crisis in Kenya: A Call for Justice & Peaceful Resolution

Maina Kiai

Maina Kiai makes an impassioned plea for seriousness and commitment from all actors in the pursuit for a resolution to Kenya's political crisis.

Kenya is at a crossroads that will mean either the complete disintegration of Kenya or the beginning of a new, more democratic, sustainable nation suited to the needs and aspirations of the Kenyan people in the 21st century. In a deeply painful and costly manner – in terms of lives lost and destruction wrought – the crisis in Kenya has given the country a unique opportunity to move forward in a way that we have been advocating for the last 20 years. In a sense, Kenya is at its 'civil war' moment that the US was at in 1861. Just as that war was pivotal in establishing and solidifying the democratic credentials of the US, this moment could lead Kenya to much greater heights if properly handled both domestically and internationally.

In this context, the mediation currently going on under the leadership of Kofi Annan, Graca Machel and Ben Mkapa is the last best chance for Kenya to move forward. Whatever can be done to keep the players at the table, and keep them there in good faith, is critical. And efforts that delay, or subvert the talks – whether through insensitive statements and actions or by trying to prolong the talks through acts of filibustering – must be condemned. Consistent regional and international pressure is necessary especially on the hard-liners who think that the crisis will blow over. The consequences of the failure of the mediation efforts are too dire to imagine not just for Kenya but for the region.

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What is going on in Kenya is a political crisis with ethnic manifestation because politics in Kenya is organized ethnically. Clearly there are cleavages and differences in Kenyan society that have erupted brutally to the surface. But these have erupted due to the failure of peaceful means of resolving and addressing these differences, including the failure of elections and political reforms promised to Kenya in the 2002 elections.

The crisis in Kenya was foreseeable. In March 2007, the KNCHR submitted a memorandum to President Kibaki urging him to maintain the 'gentleman's agreement' that had been in place since 1997 whereby all parliamentary parties made nominations for appointment to the Electoral Commission of Kenya. We argued that unilateral abandonment of the agreement would likely invite chaos and instability were the elections disputed. Moreover, since January 2006 we witnessed consistent attempts by the state to reduce democratic space and instil fear in society.

The Extent of the Crisis

Some 1000 people have been killed in the one month since violence erupted on December 30, 2007. Note that 3000 people were killed between 1992 and 1998 in the state instigated clashes in the country. During that same period, more than 300,000 people were internally displaced, most of whom have not returned to their farms and homes. In the month since the elections, an additional 300,000 people have been internally displaced.

Part of the reason why militia – on both sides – have been so potent and dangerous is that they arose from the earlier violence of the 1990s and were never demobilised. Nor was there a process to deal with the root causes of that violence, with the Kibaki government choosing to sweep the matter under the carpet, despite campaign promises to the contrary. With grievances bubbling and fermenting close to the surface, it was relatively easy to reactivate the militia using methods similar to those of the 1990s. Most important, the paymasters and planners of the 1990s clashes were never held accountable.

It is estimated that in the month since the crisis started the Kenyan economy has lost about US$3 billion and about 400,000 jobs. Moreover the crisis has severely affected the economies of Uganda, Rwanda, Eastern D.R. Congo, and Southern Sudan and could bring them to ruin if not checked. All these nations have a history of conflict and violence that could be reawakened by economic collapse. We have observed four forms of violence:

1) Spontaneous uprisings of mobs protesting the flaws in the presidential elections. These mobs looted, raped and burnt down buildings in an anarchical manner.

2) Violence organised by ODM-supporting militia in the Rift Valley that was aimed at perceived political opponents. The initial militia action attracted organised counter-violence from PNU supporters especially in Nakuru, Naivasha areas of the Rift Valley, and Nairobi.

3) Excessive use of force by the police in ways suggesting 'shoot to kill' orders against unarmed protesters mainly in ODM strongholds including Kisumu, Kakamega, Migori, and the Kibera slum of Nairobi. Policing has been uneven in its implementation. In some strong ODM areas, the police have been shooting to kill, while when confronted with pro-PNU militia, they have opted to negotiate with the groups. However, in the Eldoret area, the police largely stood by and watched as pro-PNU supporters were killed and their houses burnt.

4) Local militia in pro-PNU areas, on receiving internally displaced persons (IDPs) from the Rift Valley, have mobilized in sympathy and turned on perceived ODM supporters, killing them, and burning their houses.

The violence is neither genocide nor ethnic cleansing: The root of the problem is not that different ethnic groups decided they could no longer live together. The root of the problem is the inability of peaceful means to address grievances. For this to be genocide there would have to be either state complicity or state collapse and the first obligation would be for the state to provide adequate security for those at risk. Instead we have uneven and selective policing with emphasis on preventing Raila Odinga from holding protests in Nairobi rather than protecting IDPs and others at risk across the country. We therefore believe that the quickest and most effective way to reduce the violence is progress in the current talks.

The Election Trigger

It is clear that the flagrant effort to steal the presidential election was the immediate trigger for the violence. All independent observers have said that the tallying process was so flawed that it is impossible to tell who won the presidential election. Since 1992, Kenya's elections have been progressively better and fairer, culminating in the 2002 elections which were the best ever, and the 2005 constitutional referendum. The effect of this progression is that Kenyans finally believed in the power of the vote as a way of peacefully resolving differences, a fact confirmed by voting trends in the recent parliamentary elections that saw almost 70 percent of incumbents lose their seats. When this sense of empowerment was subverted, and peaceful legal spaces for protests were disallowed, it is not surprising that frustrations boiled over and violence ensued. We have documented some of the facts and analysis that make clear that the flaws in the tallying of presidential votes rendered untenable the conclusion that Mwai Kibaki was validly elected.

With the benefit of hindsight, there were steps taken that paint a picture of a well orchestrated plan to ensure a pre-determined result. These include:

1) President Kibaki's decision to abrogate the agreement of 1997 on the formula for appointments to the Electoral Commission ensuring that all the Commissioners were appointed by him alone;

2) An administrative decision within the ECK to give responsibility to Commissioners for their home regions, something that had never been done before, meaning that they appointed all the election officials in the constituencies in their home regions, in a manner that created conflicts of interest;

3) The rejection of an offer from IFES to install a computer program that would enable election officials in the constituencies to submit results electronically to Nairobi and then on to a giant screen available to the public making it virtually impossible to change results;

4) A decision to abandon the use of ECK staff in the Verification and Tallying Centre in favour of casual staff provided by the Commissioners directly;

5) A refusal to ensure that election officials in areas with large predictable majorities for any of the candidates came from different areas so as to reduce the likelihood of ballot stuffing.

The Way Forward – The Role of US Congress & Government

At this 'constitutional moment' that Kenya has reached, we believe the way forward must be centred on truth and justice as the only sustainable road to peace and development. This is the time for Kenya to end the impunity that has been a feature of our history since independence, and also to end the 'winner take all' 'first past the post' system. Specifically, we call for:

- An international independent investigation into the 2007 presidential election process in order to come to closure on the elections, find out who did what and why; who ordered it; and promote accountability;

- An international independent investigation into the post-election violence – from citizens and police – so that there is accountability on all sides.

- An interim transitional government to be formed with limited powers of governance and for a limited time-between 1 and 2 years – with Kibaki and Odinga exercising equal powers.

- The primary duties of this interim government should be to undertake constitutional reform, and especially explore ways of reforming the current *Imperial Presidency;* motivate electoral reforms, police reforms, judicial reforms, land reforms, civil service reforms, devolution of power; and conduct new elections at the end of its term.

- The interim government should also be charged with cooling passions and starting the process of reconciliation through a Truth Justice and Reconciliation Commission that starts operations immediately after the new elections. It is important that presidential elections be held at the end of the interim government to inspire confidence in Kenya's electoral processes, and as a sign of the new Kenya.

- It is also important to note that significant work in all of these areas of reform has already been done in various constitutional drafts and also by Government Commissions and Task Forces so Kenya would not be starting from scratch.

To ensure that there is good faith in the mediation it is imperative that the US Government work with the rest of the international community to maintain pressure on Kenya's leaders to treat the mediation with utmost seriousness. To this end, we welcome US leadership in raising the crisis in Kenya at the UN Security Council, and call for pressure at this level to be maintained and increased.

We also urge Congress to request the release of the exit poll conducted by International Republican Institute (IRI) without delay so as to maintain pressure on all sides to negotiate in good faith. In addition, we urge Congress to work with the EU to have the EU Observation Mission Report released immediately.

In case of continued intransigence from any of the parties we call on Congress to impose travel bans on the hard-liners on both sides and especially those implicated in instigating violence whether through militia or through the police. These travel bans should extend to hard-liners in the civil service and to their immediate families.

Moreover, assets of the hard-liners and those involved in violence should be traced and the assets frozen. Finally, it is important that US military and security assistance be frozen immediately. All US assistance to Kenya should be channelled through non-governmental sources.

Maina Kiai is the Chairperson of the Kenya National Commission on Human Rights (KNCHR), an independent state

body charged with protecting and promoting human rights in Kenya. He writes on behalf of the KNCHR, as well as for Kenyans for Peace through Truth and Justice (KPTJ), a coalition bringing together more than 50 human rights, legal and governance groups in Kenya.

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Global Integrity Report

Kenya is a country of conflicting evidence: while some of Kenya's institutional performance is rated among the best in the developing world, in the crucial areas of executive, legislative and judicial accountability, access to information and political financing, Kenya's performance is very weak. For instance, no laws limit campaign contributions or require disclosure of political contributions. While candidate and political party accounts must be audited, in practice this is rarely done. Rules exist regulating gifts and hospitality for legislators and civil servants, but these are 'rarely, if ever, enforced.' On the other hand, public procurement, the audit institution, and the ombudsman all earn very strong ratings rarely seen in Sub-Saharan Africa.

Note: Kenya's December 2007 elections and related conflict are not reflected in this assessment. All 2007 assessments cover July 2006 to June 2007. See http://report.globalintegrity.org/Kenya/2007.

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The 'State, Mining & Development in Africa' Conference Report

Philani Moyo

The ROAPE-sponsored conference on 'State, Mining and Development in Africa' which was held from 13-14 September 2007 at the University of Leeds brought together more than 100 activists and academics from Africa, Europe and North America to explore three key themes: what lessons have been learnt from the 'resource curse' days of the 70s, 80s and 90s; what opportunities for resource-led growth have emerged in the 21st century; and what resistance exists within the continent to the continuing politics of dispossession and primitive accumulation that has characterised much resource extraction? One third of the conference residents over the two days were from overseas and 20% from Africa. The significant Africa representation was secured by a British Academy grant as well as collaboration with *Third World Network – Africa (TWN)* based in Accra, Ghana, which helped facilitate a grant from Oxfam-Novib to bring African based academics and activists to Leeds.

The conference had thirteen working sessions over two days, divided into four broad discussion themes: capitalism and mining; mining and development; comparative experiences of the resource curse, mining regulation and the state, and resistance. There were also two plenary sessions over the two days. The first of these was delivered by Dr. Yao Graham from Third World Network – Africa who spoke directly to the title of the conference, 'The State, Mining and Development in Africa'. The second plenary involved a comparative discussion of regional development and mineral led growth in the Middle East and North Africa given by Dr. Ali Kadri from the

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United Nations Economic and Social Commission for Western Asia. The African Studies Association of the UK also invited Tim Murithi from Kenya, to present the Mary Kingsley Zochonis Lecture which was entitled 'Under-Mining Africa: The Illicit Trade in Natural Resources and its impact on Peace-building and Development'.

Diverse case studies from Ghana, Sudan, Zambia, South Africa, Sierra Leone, Chad, Burkina Faso and Nigeria were discussed in the working sessions. In his presentation, Cyril Obi explored the ramifications of the entry of Chinese state oil companies into the volatile Niger Delta (Nigeria) for the politics of local resistance in the region. He addressed the theoretical issues that emerge from the 'globalisation' of Chinese oil capital leading to inequitable and volatile social relations in African oil producing 'locales', particularly the restive Niger Delta with its history of local resistance to western oil majors. His analysis also examined the likely response of the Chinese oil companies to the perceived threat(s) that such local resistance could pose to their extractive, profit and energy security interests, given antecedents in other African new oil states, particularly Sudan, where Chinese companies were targeted by rebels, and were deeply involved with the state and dominant elite in mining oil and repressing local resistance. The Nigerian oil industry was further explored by Wilson Akpan. He adopted a sociological view in his analysis of joint venture petroleum production in Nigeria, reflecting on the tensions between the economic and social dimensions of the joint venture relationship. He argued that a new phase is emerging in the relationship between the Nigerian state and private petroleum companies – one in which questions of socio-ecological sustainability will increasingly become as important for the two parties as the economics and politics of joint ventures have been over the years.

Drawing upon case study analysis from Ghana, John Childs critically examined the potential benefits of reorganising the artisanal gold mining sector according to the principles of fair trade, as well as the challenges of bringing such an initiative to fruition. He highlighted the importance of understanding the artisanal gold mining poverty cycle and questioned whether fair trade's emphasis on the producer-consumer interface conceptualises artisanal gold mining adequately.

Sierra Leone diamonds also featured in the working sessions. Tunde Zack-Williams' analysis looked at the relationship between diamond mining, the rural economy and the war in Sierra Leone. He drew attention to how political legitimacy during the war was ensured not by strengthening state institutions, but by gradually building support through patron-client relationships fuelled by revenues from diamonds. The fortification of this 'shadow state' meant that no serious attempt was made by successive governments in Sierra Leone to develop a modern state that would encompass respect for the constitution and the rule of law, and that would guarantee not just the legitimacy of the ruling elite, but also the sovereignty of the state. Sabine Luning moved the debate to Burkina Faso. She explored how liberalisation of the gold mining sector has affected working arrangements of artisanal goldminers in Burkina Faso. She demonstrated how the presence of (international) goldmining companies works out for different categories of miners and how their working relations are best understood in connection with international companies and the political and economic agents they rely on as facilitators and mediators.

Focusing on East Africa, Luke Anthony Patey moved beyond an examination of the influence of oil companies on armed conflict and analysed the determining factors of corporate behaviour in Sudan.

His analysis suggested that the strategic behaviour of international oil companies in war-torn Sudan has overwhelmingly been driven by political pressures from governments. The authority and power of governments is the essential factor opening and closing doors for oil companies in conflict-affected Sudan. Both the corporate behaviour of market-driven, western oil companies and their parastatal counterparts from Asia are guided by the positioning of states towards their operations.

The debate on Sudanese natural resources was taken further by Aisha Hommaida in her presentation. She examined how *historical* marginalisation and *new* marginalisation, driven by the processes of contemporary globalisation, has necessitated the continued exploitation of resources in the Red Sea region for *the benefit of international interests*, while the people of this region continue to suffer loss of land, inequality and hunger. Her analysis suggested that these historical and modern forces which have led to the marginalisation of indigenous people in the Red Sea region partly explain the rise of grassroots resistance by the Beja people. Issues related to growing support of the Beja Congress were analysed in the context of growing demands for greater representation in political life and a greater share of eastern Sudan wealth.

In Southern Africa, John Lungu examined the relationship between socio-economic justice and natural resource exploitation in Zambia, raising questions about corporate responsibilities and the obligations of government and multinational corporations. He assessed the labour, social, and environmental practices of the new mining companies in Zambia and their impact on mining communities. Focusing on South Africa, Suzanne Dansereau argued that for mining to enhance its contribution to development, it must not only minimise harm on indigenous communities and the environment, but should also become integrated into the local and regional economy so as to create backward and forward linkages in a permanent, diversified and thus sustainable local community. It must also organise production around a labour utilisation model based on high wages and high skills, rather than the model so frequently used that favours low wages and low skill levels. At the same time, it must invest in significant training, not only to ensure health and safety, but make training available to local communities so members can access all mining jobs, including skilled ones.

Overall, it was reported by participants and by funders who attended, and subsequently via African study networks in the UK and overseas, that the conference met its aims and objectives. Two future meetings are now being planned to pursue the conference agenda and linked themes in Accra, Ghana 2008 and later in Addis Ababa, Ethiopia.

Selected papers from the conference will be published in a special issue of the *Review of African Political Economy*, Vol. 35, No. 116, September 2008. Additionally, the conference provided the opportunity for participants to get to know the *Review of African Political Economy*, to meet its editors and to discuss opportunities for future collaboration and networking.

Philani Moyo, ROAPE Intern, University of Leeds, UK; e-mail: ipi4pm@leeds.ac.uk

Third World Network – Africa (TWN) Objectives

Research and Advocacy on issues of social and economic policy that advances the needs and interests of peoples of African and other third world countries (especially marginalized social groups), a fair distribution of world's resources, and forms of development which are sustainable and fulfil human needs.

Achievements

- Gained recognition in Africa among civil society groups, and governmental and inter-governmental institutions as bringing an additional angle to analyses of Africa's development needs, and advocacy for improvement of conditions of its people;

- Firmly established as critical link among African advocacy groups in areas of trade and investment, mining and issues of gender equity, through establishment and co-ordination continent wide policy networks.

- Strong intermediating role and mutually reinforcing linkage, at levels of both substance and process, between diverse organisations and actors: including, on the one hand, including community based organisations, advocacy organisations around the world; and on the other hand, official policy institutions, research organisations, and international institutions.

Third World Network – Africa, 9 Ollenu Street, East Legon,P.O. Box AN19452, Accra-North, Ghana; tel: 233 21 503669/ 500419/511189; fax: 233 21 511188. http://www.twnafrica.org/ ✦

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By Inviting Bush we are Dishonouring Ourselves

Hamza Mustafa Njozi

> *To sin by silence when they should protest makes cowards of men* (Abraham Lincoln).

It would seem to me that there are certain moral limits beyond which no one can cross without forfeiting one's honour and human dignity. Our seemingly voluntary decision to invite and to entertain a hated war criminal for four days in our beautiful land will probably go down in history as marking the darkest moment in our political history so far. I recall, not without pride, that in 2003 as members of the University of Dar es Salaam Academic Assembly (UDASA), we prevented the then US Ambassador to Tanzania from visiting the Mlimani main campus. The university's long-standing intellectual tradition was too noble to be soiled by a representative of a war criminal who was, and still is, butchering innocent people in Iraq and Afghanistan. This is as it should be. Intellectuals should keep the beacon of freedom and justice burning even during the darkest night of unbridled tyranny.

And now, Kwame Nkrumah's worst fears have come to pass. Tanzania, a former Frontline State, is feverishly preparing itself to participate in a macabre dance with the deadliest 21st century harpy, 'a monster who entices its victims with sweet music.' Tanzania is apparently following the footsteps of Uganda and Ethiopia. In whose interest? Let us begin by listening to the sweet music as performed by the US Ambassador to Tanzania and sickeningly echoed by some of our leaders.

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The Sweet Music of Economic Gain

According to the American Ambassador, Mr. Mark Green, President Bush's visit to Tanzania will stimulate investment because for four days the world media would focus on Tanzania. Of course, Mr. Green dismissed claims about Bush's keen interest to station AFRICOM in Tanzania. Instead, Bush's noble intentions include intensifying the fight against malaria and Aids. To this end, Tanzania will receive $818.4 million to fight Aids. During the visit, Bush would also highlight his country's commitment to improving health in Africa. In summary, the iron spine of the argument justifying Bush's trip is economic gain, both, actual and prospective. Unless Tanzanians wish to fall prey to racist reasoning, Mr. Green's story is nothing but an attempt to disguise ignoble motives beneath a glittering façade of altruism.

Why should Mr. Bush be so concerned about improving the health condition of Tanzanians and at the same time use the most sophisticated weapons to kill and maim, with zest and ruthlessness, the Iraqis and Afghans and now the Somalis? Why? Is it because we are black and they are Arab? In his recent State of the Union Address, Mr. Bush, amid cheers from his sycophants, vowed to heighten his hawkish policies world wide. And yet, Mr. Bush is so kind and altruistic to Tanzanians. Why? Of course we know from history that even the sordid intentions of tyrants are always dressed up in glowing principles. Hitler occupied Czechoslovakia because he wanted to promote peace and social welfare for all; Mussolini invaded Ethiopia because he wanted to liberate the savages; Japan invaded China to create an earthly paradise; the US and UK invaded Iraq because Saddam Hussein had 'Weapons of Mass Destruction' and so on and so forth.

Thomas Jefferson on the Profession of Noble Intent

Commenting on the famous claim by the British Imperialists that they were fighting for the liberation of mankind, Thomas Jefferson, wrote, as quoted in Noam Chomsky's *Hegemony or Survival*,

> *We believe no more in Bonaparte's fighting merely for the liberties of the seas, than in Great Britain's fighting for the liberties of mankind. The object is the same, to draw to themselves the power, the wealth, and the resources of other nations.*

'A century later,' writes Chomsky, 'Woodrow Wilson's secretary of state, Robert Lansing, commented scornfully on 'how willing the British, French or Italians are to accept a mandate' from the League of Nations, as long as 'there are mines, oil fields, rich grain fields or railroads' that will make it a profitable undertaking.' These 'unselfish governments' declare the mandates must be accepted 'for the good of mankind': 'they will do their proper share by administering the rich regions of Mesopotamia, Syria, & Co.' The proper assessment of these pretensions is 'so manifest that it is almost an insult to state it' (p. 48). To their credit, American leaders saw through such pretensions, and dismissed them for what they were. They knew the real motive was to grab the wealth and resources of other nations. We should apply the same standard in assessing the noble intent of Mr. Bush.

The Transparency of American Motives

Since the Americans know that their real motive is to pillage and loot the wealth and resources of other nations, they have often demonstrated by their behaviour that they must have unhindered access to all resources of the world. To achieve this end, they have stationed military bases all over the world. The goal of their grand strategy is to prevent any challenge to the power, position, and prestige of the United States. Since securing the supplies of oil enables the Americans to have power over her rivals and competitors, successive US governments have bombed, occupied or controlled countries with rich oil deposits.

According to a government daily newspaper *Habari Leo* of 21 July 2007, an American oil company Helvey International and Petronet International of South Africa have signed a $313 million oil exploration contract in Tanzania. In view of how American oil companies have fleeced other oil rich countries like Ecuador, this does not augur us well. No wonder, suddenly, Bush, loves Tanzanians! Why not invite the Chinese who need no military bases, who have invaded no country and who give the best offer? If what has befallen other countries is any barometer, the Americans will need a military base in Tanzania. Military presence is necessary to ensure total control of this vital resource as well as the continued pillage of our gold mines.

Of late USAID has increased its activities in Tanzania. Commenting on the role of USAID in promoting the American Empire, John Pilger notes in Freedom Next Time:

> *Illuminating how America exported 'democracy to the world', the head of USAID, Andrew Natsios, described 'aid' as 'a key foreign policy instrument'. Wishing to leave no doubt about what he meant, he said, 'Foreign assistance helps developing and transition nations move toward democratic systems and market economies; it helps nations prepare for participation in the global trading system and become better markets for US exports* (p.265).

John Perkins has lent the same verdict as a professional economic hit man (*Confessions of an Economic Hitman*, 2004). He says the job of an EHM is:

> *To encourage world leaders to become part of a vast network that promotes US commercial interests. In the end, those leaders become ensnared in a web of debt that ensures their loyalty. We can draw on them whenever we desire – to satisfy our political, economic, or military needs.*

Acccording to John Perkins, EHM 'funnel money from the World Bank, USAID, and other foreign "aid" organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources' (p. ix).

Bush's Visit & AFRICOM

The US Ambassador has repeatedly and vehemently dismissed the disquieting reports that one of the objectives of Bush's visit to Tanzania is to persuade our leaders into accepting to host the hated AFRICOM. Still, the signs and portents are too consistent to brush aside. According to Assistant Secretary of Defence for African Affairs, Theresa Whalen, the mission of AFRICOM will be to 'promote diplomatic, economic and humanitarian aid for African countries'. In recent months, the US Ambassadors, Michael Retzer and Mark Green have conspicuously (and somewhat undiplomatically) attempted to show the shiny face of the US Army. On 20 July 2007 the US Ambassador opened a primary school in Chake Chake, Pemba. The school was built with the support of the US military base in Djibouti. The US Navy Captain Wright from the US CJTF-HOA, and the Country Director of USAID attended this important humanitarian function!

- *Mwananchi* of 10 November 2006 reported about a Tshs. 3.2 billion U.S assistance to the police laboratory; *Habari Leo* of 28 November 2007 reported that our police force received 100 hand-cuffs, 50 tape-recorders, 2 laptops, and a camera;

Mwananchi of 8 December 2007, reported about the US pledge to increase military assistance to Tanzania to the tune of $70 million under the Acota programme; *Mwananchi* of 6 December 2007, the US Ambassador addresses students of Kinondoni Secondary school who are under USAID's Stay Alive programme.

- *Mwananchi* of 22 November, 2007 the US Ambassador visits and assists an orphanage in Arusha; *Mwananchi* of 22 November 2007, the US Army helps a Handeni Hospital with equipment worth Tshs. 6 million. The US Army stationed in Tanga involves itself with helping in the repair and rehabilitation of schools, dispensaries, bore holes and other social activities; *Mwananchi* of 12 January 2008, an American Army officer distributes toys to school children of Mbagala.

- *Mwananchi* of 17 January 2008, USAID officials give academic prizes to outstanding science students. *Mtanzania* of 10 January 2008, USAID praises the educational achievements of Zanzibar. USAID was handing over text books for Zanzibar secondary schools published by the University of South Carolina. The ceremony was part of the celebrations to mark 44 years of the Zanzibar Revolution. The Zanzibar Minister of Education did not seem to notice the tragic irony of the entire ceremony!

It may be instructive to recall that on 6 November 1933, Hitler responded to his political opponents by saying,

> *Your child belongs to us already. What are you? You will pass on. Your descendants, however, now stand in the new camp. In a short time they will know nothing else but this new community.*

Four years later he said, 'This new Reich will give its youth to no one, but will itself take youth and give to youth its own education and its own upbringing.' Yes, new textbooks were written and new curricula developed.

After 44 years of Independence we are delegating this role to USAID.

And USAID has nothing but praise for us!

The Boomerang Effect of the Global Media

The prediction that Tanzania would benefit economically because for four days the world media would focus on Tanzania is nothing but a cruel hoax. If this claim were true, Bush himself would have been the first beneficiary. He enjoys the publicity of the world media throughout the year. Yet, he is probably the most hated leader alive today. He is so hated that he becomes a huge security risk wherever he goes. In their book, *America Alone*, Harper and Clarke note that America's militarism has brought about such a rise in worldwide anti-American feeling that:

> *When the president travels, he must do so in a locked-down security bubble: eight hours here, sixteen hours there, never more than thirty minutes from an airport, no press conferences, no meeting the people, no seeing of the sights. American representative overseas tell us that in many small ways their jobs have become more difficult* (p. 311).

Tanzania under *Mwalimu* Nyerere received very negative publicity from *Newsweek*, *Time*, *The Economist*, and other leading western magazines and newspapers. And yet, as a nation we commanded respect throughout the world. The US print and electronic media had nothing but praises for Tony Blair. And yet, unlike the leaders of Germany and France who took a principled stand against America's unprovoked military aggression in Iraq, Blair's enduring political image is that of a contemptible poodle of Uncle Sam and his otherwise great country as the 51st state of America!

In 2001 the US Congress passed a bill which directed the government to cut off military aid to all countries which ratified the International Criminal Court treaty, unless they pledged never to surrender American criminals to the International court. Tanzania took a principled stand. It refused to bow to American pressure. Uganda bowed to the US; Bush praised Museveni as a shining example of African statesmen. To the rest of the world, Museveni had metamorphosed from a revolutionary African leader to a docile American pupil. In this regard, for some of us, it is a huge embarrassment when the number one war criminal in the world, who should be facing charges in the Hague, showers praises on our leader. No amount of positive media coverage may possibly help Senator Obama win votes in the US if he were for four days to dine and go sightseeing with Osama bin Laden in the beautiful land of Afghanistan! The situation would certainly be far worse if Osama were to shower praises on him. Likewise, Tanzania will irreparably tarnish her image by allowing the blood-drenching Bush to land in Tanzania, let alone to entertain him for four dark days.

When Fidel Castro or Nelson Mandela visited Tanzania, the country virtually came to a standstill. Thousands upon thousands of Tanzanians braved the rain and the scorching sun to welcome them at the airport. The rest thronged the streets out of respect and admiration. What a contrast with the forthcoming visit of Mr. Bush. For the first time since Independence, a state visit by a foreign head of state is greeted with fierce debates about the wisdom of allowing him to come! His presence is not an asset but a political liability.

Ominous Signs on the Wall

One ominous result of our close association with the American Empire, which may not be intended but inevitable, is the radical shift in our foreign policy.

You cannot unequivocally support the rights of the Palestinian people against the Zionist occupation of their land and at the same time win the praise of Mr. Bush as an exemplary statesman. America is backing Israel to the hilt. We used to support the Palestinian people. To this day there is in Sinza area a hospital named after Palestine. The Palestinian people provided us with their doctors in appreciation of our political solidarity with them. We have to make a choice. We either maintain our stance against oppression and foreign occupation and court the displeasure of Mr. Bush or join the oppressors and win the unqualified praise from Mr. Bush and his so-called world media. It seems we value the empty praises of Mr. Bush more. This is a political tragedy.

The clearest example of this shift was observed when in 2006, the Israelis with the open support of the US and UK launched their ill-fated war against Hezbullah in Lebanon. Tanzania was at a loss. The incompatibility of running with the hare and hunting with the hound confronted us. As country after country issued statements to condemn Israel, Tanzania kept quiet. And when we could no longer keep quiet, we issued a feeble and disappointing statement which provoked the anger of most Tanzanians. For the first time, Tanzania spoke with an uncertain voice. We condemned both, the aggressor and the victim! Even that feeble statement was eclipsed in virtually all print and electronic media! The Americans were happy. We were on the side of oppressors. We qualified to send a peacekeeping force to Lebanon!

This, again, is a very bad omen indeed. On the question of Somalia, once again, Tanzania is supporting the warlords who were recruited and funded by the US The Somali people rejected and defeated them. Peace returned in Somalia. The U.S instructed Ethiopia to intervene militarily. As a result, the biggest humanitarian crisis now is not in Darfur but in Somalia. However, since the principal architect of the crisis in Somalia is America, the suffering of the Somali people is not covered in the so-called world media. Uganda has dutifully sent her army to Mogadishu to give political life support to the American puppets. Tanzania has accepted the role of training the police force of Bush's henchmen in Mogadishu. We are allowing America to divide us. In whose interest?

In short, as we go closer and closer to the armpit of the US we shall quite inevitably, recede further and further from our former third world allies. Americans and Europeans are granted visa at the airport here in Dar es Salaam. Egyptians, our long-standing allies and fellow Africans have to apply for visa and await clearance before they can travel to Tanzania. We invite investors from America, and we organise the Sullivan meeting. We discourage investors from the Middle East. America does not like them. The president has made many trips abroad. I do not recall if he has visited Iran, where we do not even have an Embassy. And yet, Iran bailed us out at a very critical moment when the country had no fuel. When our president was in Cuba to attend the NAM conference, he did not pay a courtesy call to Fidel Castro! From Cuba he went to the US. These are ominous signs on our political wall.

The Hawk & the Pigeons

In the Fables of Aesop there is a story of the hawk and the pigeons which is worth recalling as we invite Bush in Tanzania:

Some pigeons had long lived in fear of a hawk, but since they had always kept on the alert and stayed near their dovecote, they had consistently managed to escape their enemy's attacks. Finding his sallies unsuccessful, the hawk now sought to use cunning to trick the pigeons.

> *'Why,' he once said, 'do you prefer this life of constant anxiety when I could keep you safe from any conceivable attack by the kites and falcons? All you have to do is to make me your king, and I won't bother you any more.'*

Trusting his claims, the pigeons elected him to their throne, but no sooner was he installed than he began exercising his royal prerogative by devouring a pigeon a day.

> *'It serves us right,' said one poor pigeon whose turn was yet to come.*

The moral of the story is that some remedies are worse than the disease itself.

Let me end as I began with a quotation:

> *I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live by the light that I have. I must stand with anybody that stands right, and stand with him while he is right, and part with him when he goes wrong* (Abraham Lincoln).

Hamza Mustafa Njozi is a Senior Lecturer in Literature and current Chair in the Department of Literature at the University of Dar es Salaam. Thanks to Pambazuka News and the author for permission to reprint: ✦

Editor's Note

In London on 18 March, RUSI (the Royal United Services Institute) will be hosting an 'AFRICOM and Africa/US Security' conference (see www.rusi.org for details) which coincides with George Bush's visit to Africa. As has been duly noted, there are 'at least 737 US bases globally' (Chalmers Johnson); in Africa, at the moment – apart from Djibouti – 'US bases' consist of a different template from the rest of the world: joint facilities with host countries (see Daniel Volman in ROAPE No. 98 (2003), No. 103 with Mike Klare (2005), No. 109 (2006) and especially No. 114 (December 2007) in which there is also a section on the plenary protest of Africom at the US African Studies Association meeting in New York).

In *Le Monde Diplomatique* (February 2008) Chalmers Johnson breaks down the 2008 US defence budget by sector but the overall figure is a massive estimate of 'at least $1.1 trillion'. And to make this even more relevant to this special issue on 'China in Africa', a US State Department employee suggested that 'we are basically borrowing from the Chinese in order, *in part*, to keep an eye on what they are doing in Africa'.

The briefing *by Hamza Mustafa Njozi* gives you the historical background – even going back as far as the overthrow of Nkrumah where the template for coups and economic destabilisation via manipulation of the cocoa price set the tone for what was to come, i.e. the 'economic hitmen'.

But also relevant is a very wonderful African proverb that Mwalimu Julius Nyerere used at the UN in New York in the 1970s:

> *Ndovu wawili wakisongana, ziumiazo ni nyika* (when elephants jostle, what gets hurt is the grass).

This was at the height of the cold war and the biggest threat to US security was the 'communism' of the Soviet Union. In 2008 change the Russians for the Chinese, add the 'war on terror' (i.e. resources) and we've got more of the same, continuing the suffering and victimisation of those poor caught in the crossfire.

Jan Burgess, editor@roape.org

Resist AFRICOM

Resist AFRICOM is a project supported by The Hip Hop Caucus, Africa Faith and Justice Network, Foreign Policy in Focus, Africa Action, TransAfrica Forum, and many other concerned organisations and individuals:

> *To effectively oppose AFRICOM, we need a critical mass of people to stand up and say 'no'.'We need members of Congress to recognize that their constituents are paying attention to how US policy affects the people of Africa. We need more than a few voices in Washington, more than an article in a California newspaper, more than a frown of disappointment in Indiana. We need a nation-wide campaign. To do that, we constructed a website that will educate the general public and provide opportunities for citizen engagement. Finally, we have a central location for advocacy against AFRICOM.*
>
> *At **www.resistafricom.org** you can learn more about the command and why we oppose it, you can read updated news articles, and most importantly, you can sign up for a call-in-day to Congress on 12 March. We will be making calls to several members of Congress in the House and Senate to oppose AFRICOM and we need your help to make this day a success.*

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President Bush may have created AFRICOM, but Congress still needs to fund it. We encourage you to get involved and to tell your member of Congress that you do not agree with the direction of US foreign policy in Africa and that you would rather see the money go toward education, microcredit, or health programs on the continent. Security in Africa is dependent upon a comprehensive US-Africa policy that respects the dignity and capacity of our African partners, not a policy that puts soldiers at the front lines of development and democracy-building. Thank you for your commitment to peace and justice in Africa. We look forward to working with you on this campaign.