PRACTICAL AND TACTICAL CHALLENGES, AND STRATEGIC PERSPECTIVES FOR AFRICAN ENGAGEMENT WITH CHINA[1]

DOT KEET[2]

When we talk about "African engagement" with China we are, of course, dealing essentially with African governmental engagements. This refers mainly to the diplomatic, political and economic engagements of individual African governments in bilateral relations with China. There are also, to a much lesser degree, more general - and somewhat formulaic – collective African positions in relation to China through the African Union. However, as with all other aspects or levels of African governmental policies and practices, Africa's relations with China require active African civil society engagements. These, in turn, must be based upon deeper investigation and analyses, insights and proposals, and involve broader public information, lobbying and campaigning. This, too, is what "African engagement" means.

Similarly, when we talk about China, we are dealing not only with official Chinese governmental pronouncements and policies, but also with a complex array of Chinese agencies and actors. These are, of course, the Chinese government, directly, but also a number of very powerful Chinese SOEs (State-Owned Enterprises) and other parastatals. These include public-owned/controlled banks and other financial bodies, production and construction enterprises and public utilities and other services organisations. But we are also dealing with a growing number and range of quasi-independent Chinese business enterprises which are in the process of becoming increasingly - although not completely - independent actors. In major degree, these are the practical drivers of Chinese economic activities in Africa. In this regard, we are faced with very large Chinese corporations - some with annual turnovers larger than the entire national budgets of many African countries. We are also faced with medium and smaller Chinese companies (such as in transport and trade) and even micro-enterprises and individual Chinese operators (especially small vendors etc.)

Furthermore, when we refer to China and the growing Chinese presence in Africa, we must be aware that 'the Chinese' we are encountering are not only from mainland China (the Peoples Republic) but also from the specific Chinese entity of Hong Kong. This was for centuries a colonial/capitalist enclave on mainland China, and HK is the base to this day for the operations of transnational corporations from the West, as well as major Hong Kong banking and other capitalist enterprises *per se*. It is also important to note that 'the Chinese' in Africa are often from Taiwan, or Singapore, or Malaysia and these are part of the large number and wide range of 'Chinese' companies/entities/individuals that people on the ground in Africa see[3]. Thus, for the purpose of accurate analysis and effective strategic policy formulation, it is important for both governmental and non-governmental analysts in Africa to be clear

- when and where we are dealing with official Chinese government policy and initiatives from Beijing, as well as other public political and economic entities; and/or
- where and how far we are dealing with private quasi autonomous, or fully independent Chinese enterprises and initiatives, and where they are specifically based ; and
- where and in what ways the public and the private are interlinked or actually overlap in Chinese roles and responsibilities in Africa (as elsewhere).

There are some further preliminary observations that are also essential for effective African engagement with China. The first is the importance for both governmental and non-governmental African analysts to consciously resist being overwhelmed or (unintentionally) influenced by the avalanche of critical media comment and other publications on China-in-Africa emanating from

---

[1] An earlier version of this paper, presented at the Nordic-Africa Institute in Uppsala, September 2007, has since been published as a chapter in a ZED Books publication on India and China in Africa. This current paper is an expanded and up-dated version for a regional meeting in Maputo, December 2009, on Chinese 'development assistance' under the auspices of the Southern African Peoples Solidarity Network (SAPSN) and Afrodad.

[2] dkeet@iafrica.com

[3] Occasionally, individuals perceived in popular eyes to be "Chinese" are actually Korean or Japanese!

Western or Western-based researchers arguing the "predatory" or "imperialistic" threat posed to Africa by China. African analysts and activists have to maintain a clear critical awareness that such alarms are mainly motivated by Western concerns at the competitive threats posed by China to their own interests and ambitions in Africa (and more broadly).

In this context, it is particularly important that civil society analysts do not slide into the political trap embedded in Western governmental (and even some non-governmental) criticisms of the political support reportedly provided by Chinese aid to questionable African governments. On the one hand, independent African analysts certainly cannot endorse or turn a blind eye to material resources and thus political credibility that might be provided *de* facto through Chinese aid to African governments that are oppressive or corrupt. On the other hand, African analysts must also maintain their own clear critical awareness of the ways and extent to which Western governments (and even some NGOs) have employed aid, directly and indirectly, overtly and covertly, as a political means to endorse, entice or undermine African governments according to such donors' own geo-political and geo-economic calculations and considerations. For most donor governments, their utilisation of the 'principles of good governance' is based not only – or mainly - on issues of human rights and the rule of law etc but also on the commitment of recipient governments to 'sound economic management'. In the view of neo-liberal governments in the North, especially over the recent decades, this has meant the creation of 'open' 'market' economies, including privatisation, financial deregulation and other neo-liberal policies by recipient governments. All such issues – political or economic- are matters to be dealt with by African civil society in relation to their own governments. This is not easy or straightforward. But African analysts must, in the process, not fall into the trap of implicitly endorsing any assumptions about the 'duty' and the 'right' of any aid givers – West or East, North or South - to decide which African governments are deserving of support or otherwise, and the legitimacy of aid being deployed in pursuit of the externally determined political aims and interests.

In this context, too, it remains equally important that African governmental and civil society analysts also apply their own critical eyes to the political as well as economic effects of Chinese external aid and official Chinese political pronouncements and diplomatic declarations about their "concern" for and "commitment" to Africa's needs. The "win-win" nature of China-African relations and the "mutual benefit" aims and outcomes of China's activities on the continent, and other such formulations, must also be subject to thoroughgoing critical analysis and rigorous examination. And the same critical eye has, of course, also to be maintained in relation to other South "partners", such as India and Brazil [4].

In both South-South and South-North directions, African analysts have to draw on the insights and understandings that they have gathered from their long and difficult experiences with Western colonialism and imperialism, and 'post-colonial' neo-colonialism on the continent. This applies especially to the "partnership" language now widely employed to promote – but disguise - such continuing neo-colonial relations. In the context of intensifying international competition for Africa's valuable and strategically important resources, there are now (what are being seen to be) new re-colonising thrusts into Africa by governments and powerful entrepreneurial forces in both the old and the new industrialised/industrialising countries. In this, Africans have to keep in the forefront of their analyses the fact of the continuing dominant position of European, American, Canadian and Australian and other 'Western' - including Japanese - companies across all sectors and in all countries in Africa. The minerals/mining and the oil sector - where China is constantly accused of an aggressive strategic thrust into Africa - is still overwhelmingly controlled by well-entrenched Western mining and oil corporations. The continued overall economic domination and exploitation of the continent by the 'West' is an important perspective when responding to – and evaluating - their warnings about the Chinese "take-over" in Africa.

However, as an essential underpinning to such arguments and to reinforce such political insights and understandings, it is essential that African governmental and non-governmental (academic and NGO) researchers undertake intensive analyses and gather concrete evidence on the character and scale, the

[4] Research by the South African-based Standard Bank (in which China's Industrial and Commercial Bank, ICBC, now has a 20% share) reveals that, in terms of Southern FDI (foreign direct investment) in Africa, India has some 130 investment ventures in Africa, compared to 86 from China, and 25 from Brazil; reported in the Cape Times (Cape Town) 6/11/2009.

current effects and future implications of Chinese operations on the continent. For sound policy formulation and appropriate practical initiatives, Africans themselves have to look beyond declarations of good intent by China, or contradictory and anecdotal 'evidence' and specific negative local experiences (useful though such case studies can be). What is urgently needed is **rigorous empirically-based, comprehensive and balanced assessments of both the challenges and the economic and political opportunities presented by China's role in and in relation to Africa.**

Needless to say, such an intensive and extensive analysis of China's complex strategic interests and aims, and its multifaceted activities and impacts in/on Africa have also to go well beyond looking only or mainly at the "aid dimension" and the "aid implications". Although this present meeting[5] is concerned to "make a critical assessment of Chinese development assistance in Africa" - and this is certainly a necessary exercise - that may not be the most effective or the most relevant approach towards assessing the full significance of China's role in Africa on the following grounds. As with similar focuses on Western ODA (official aid) to Africa, such an approach could also serve to divert African attention away from the more pervasive and negative aspects of all such foreign activities on the continent and the real underlying economic, political and strategic interests of 'donor' governments in Africa. The same approach has to be applied to China as a new donor government.

At the most basic, it is necessary to unpack and clarify the terms and terminology used to describe the nature and the implementation of Chinese "development assistance" in Africa. Such an interrogation could go some way towards uncovering whether the utilisation of the relevant terms reflect deliberate conflations and obfuscations or lack of rigorous analysis and clear distinctions; or whether there are, in fact, real overlaps and combinations of the different 'aid' and other dimensions. The following need to be investigated before African analysts and activists can effectively evaluate what we are dealing with:

- **Aid or assistance** is often used as overall generic terms embracing a wide range of relations and exchanges, including technical and scientific, educational and health aspects. These are frequently referred to in the official Chinese-African agreements and declarations. The first question concerns the financial aspects of such multifaceted aid/assistance. Are there actually direct financial transfers made from China to African governments? A significant related question to be pursued is whether there are also less public 'under-the-table' financial payments of a questionable and corrupting nature made to individual African government leaders, political parties, or persons in authority or with influence, as has been such a common feature of much Western aid [6].

- **Grants** from the Chinese government and/or through state-owned banks and other public agencies should by definition be interest free in the literal financial sense. However, the indications are that such grants to Africa from China are directly tied into specific projects, and that packages are put together that include the equipment and materials required in a specific project. Thus, the question is whether such 'grants' to Africa also resemble Western aid in so far as financial transfers are not actually made <u>to</u> African entities, and the grant moneys most usually go to the donors' own national project planners, implementers and suppliers. This is typical of the 'tied aid' from European governments, which Africa is very familiar with, and this may characterise much or most Chinese grants to Africa. A further question we should ask is whether such aid packages from China specifically (or in effect) preclude supplies and project inputs being sourced from African companies.

- **Loans** are reportedly provided by China to Africa at 'concessionary rates'. The first question to be clarified is the source of such 'soft loans': whether they are from state development banks or more traditional/straightforward private/commercial banks - for example from Hong Kong? Are such loans, like the grants, also linked to Chinese projects on the ground in Africa? And what exactly are the interest rates on such loans? How is the interest to be paid? To what extent does this entail a type of barter arrangement, in which payment is reportedly made in kind, in the form of the resources being extracted and exported back to China? To what extent do such payments entail the reported transfer of equity shares to the Chinese company engaged in a project? On the other hand, if the loan repayments

[5] Maputo, December 2009; see footnote 1 above

[6] There seems to be anecdotal evidence of such questionable payments, although counter-arguments are put forward that such offers/gifts simply reflect Chinese 'cultural norms'. Such 'cultural' practices are often used to explain and justify deliberate and highly questionable influence-peddling within Africa and in relation to African governments. Thus, arguments about Chinese 'cultural' practices need to be assessed in this context.

entail actual financial transfers to China, what are the time-frames, the full array of terms and conditions, and the scale of such financial transfers <u>from</u> Africa to China?

➢ **Debt cancellation** is reportedly another aspect of Chinese support to some African LDCs[7]. Of course, the utility of such concessions to indebted governments depends very much on whether there are conditionalities attached, as with the much trumpeted - but very conditional – 'debt forgiveness' towards some African countries by Western governments and banks. Equally pertinently, the further question to be clarified is whether other 'non-LDC' African countries are, therefore, to continue making debt repayments to China? If so, what is the scale and what are the terms of such financial transfers from individual African governments to China? Once again, the question to be posed is whether - even in the context of the "low interest" loans they receive from China - African governments may in fact be building up new debts with new lenders, and who exactly these Chinese lenders are ?

➢ **Investment** is another generic term that is used loosely to refer to Chinese activities in Africa, and frequently to the aforementioned Chinese-backed projects on the ground. In part, the references to Chinese "investments" in Africa arise because some Chinese projects in Africa include equity holdings in the local venture or enterprise for the Chinese partner. The further dimension requiring investigation is the prevalence of formal joint-ventures between Chinese and African companies and their respective rights and responsibilities. It may also become increasingly pertinent to investigate the scale of direct share acquisitions in African companies by Chinese players[8]. Above all, the major questions to be examined about all these Chinese investments in Africa concern investment guarantees and financial transfer rights back to China. What is the scale of such financial transfers and how do these differ from the colonial and neo-colonial financial extractions from Africa by Western governments and corporations over the centuries and to this very day?

➢ **Trade** is routinely referred to in neoliberal theory and by neoliberal institutions as an essential component and "driver" of growth, and intrinsic to development. Trade between Africa and China is indeed expanding rapidly, and by 2009 had reportedly reached US$ 107 billion for that year. Recently, the Chinese President announced with pride that China is to reduce to zero the tariffs to be imposed on 95% of the exports of African LDCs to China[9]. This seems very generous - although less than the Everything But Arms (EBA) provision by the EU to African LDCs. The first question is, of course, what are the 5% of excluded African exports, and how these could pose any threat to China's economic interests? Even more significantly, what capacity do such LDCs actually have to take effective advantage of such 'improved market access' into China? More broadly, what do African countries export to China, and what do they import from China? What is the real import-export balance and the trade deficits that most African countries are experiencing in their trade with China?[10] Above all, how are these trade deficits to be financed, and how are African countries to avoid aggravating their external balance of payments difficulties and another external debt chasm?

➢ **Theoretical interrogations -** In addition to such probing empirical investigations, further and fuller theoretical interrogations of Chinese "development assistance" are also called for. Critical African analysts have long been exposing how Western/Northern governments and transnational corporations cast all their demands on Africa within frameworks arguing how their proposed operations on the continent (and their own offensive interests) are vital to Africa's development needs. The most recent of such a self-serving inversion of reality has been evident in the arguments presented by the EU within the negotiations of their highly contentious Economic Partnership Agreements

---

[7] According to the proud Chinese government announcement following the latest China-Africa summit that took place in Sharm el Sheik, Egypt, in November 2009, debt cancellation is to be provided to 31 LDCs in Africa; the one political condition being that have diplomatic relations with China…. …and not Taiwan .

[8] One example is the purchase of a 1.1% stake, for a reported US$ 800 million, in the South African mining conglomerate Anglo-American by a Chinese billionaire and former Vice President; reported in the South African Business Report, Johannesburg, 08/02/2007.

[9] See footnote 7 above.

[10] According to reports in the SA business press, in 2005 South African exports to China amounted to R8.7 billion and its imports from China totalled R31.48 billion. By 2006, South Africa exported R14 billion (about US$ 2 billion) of goods to China and imported R46.7 billion (almost US$ 8 billion). South Africa accounts for a third of China's trade with Africa.

(EPAs) with African, Caribbean and Pacific (ACP) countries. The repeated argument by EU negotiators and politicians runs along the lines that the trade and investment liberalisation, the opening up of African services sectors and government procurement (public tenders) to European companies, and other such "new generation" demands would serve the needs of Africa and actually constitute the "developmental" character of the EPAs. Many financially desperate and politically (and psychologically) dependent African governments use these demands and claims by European governments as support for their pleas for increased European official development aid. Thus such ODA is utilised by African governments - and intended by European governments - to further open up Africa to European companies. Conversely, some African governments use World Bank arguments that such aid is essential in order to enable them to deal with the "adjustment costs" entailed in such "reforms"[11]. Even some African NGOs – and their European NGO 'partners' - adopt this accommodation to the World Bank's neo-liberal arguments and the EU's skilful negotiating ploys and misleading assurances… and disinformation.

The danger, now, is that Chinese government spokespersons are using similar arguments about Chinese aid offers to Africa as evidence of China's contribution to Africa's development. China does not insist on the extensive and across-the-board trade and investment liberalisation that is demanded by Western governments as essential 'means towards African development'. There is, however, an assumption in Chinese pronouncements and practise that all/any foreign aid and related activities – such as the infrastructural projects to which much Chinese aid is directly linked – intrinsically contribute to "development". This is not invariably or necessarily the case. Much depends on the nature of Chinese projects in Africa, as with all such foreign aid projects. All such external inputs have to be evaluated by African analysts within the framework of questions that interrogate:

- whether such projects are appropriate to Africa's own priority needs; either officially enshrined within national development projects **or**, conversely, being promoted by African civil society forces outside of or beyond existing national development plans;
- whether such 'international aid' projects advance Africa's greater self-sufficiency and self-reliance **or** whether they are a diversion from the organic creation of such internal facilities and capacities and self-sustaining dynamics within Africa.

Above all, there is an in-built and objective imbalance in the relations between all aid 'donors' and aid recipients. The terms of Chinese-African relations, similarly, cannot but be reflective of the vast disparities of power and resources, and the intrinsic differences in positioning and power between donor and recipient, between a major 'emerging' economic power and the dozens of smaller, lesser developed and frequently Least Developed Countries in Africa. Such relations are not, and they cannot be, relations between equals, whatever the political pronouncements or propaganda proclamations. The danger with the agreements pursued by individual African governments with this new investor and aid donor, is that, on the face of it, such relations resemble and could be replicating the relations of dependency that have long characterised African governments' relations with their erstwhile colonial masters and post-colonial or neo-colonial "partners".

There is also in these China-African relations the same failure of African governments - notwithstanding the formal aims of the African Union – to come together and agree on their common needs and aims. They could, and should, present a united face based on joint strategic approaches that concretise the declarations of principle and the avowals of good intentions by China <u>and</u> that could go further to pose qualitatively different terms and modalities for these relations. However, these in turn would need to be located within clearly articulated strategic perspectives for Africa on what China is or could be, and what Africa needs.

How African governments and independent African analysts on the role of China in Africa assess and approach the strategic options facing Africa have to be located within a number of widely differing perceptions of the character of China, and interpretations of the aims and the implications of China's role in Africa. Furthermore, such African assessments have to be undertaken in the context of the dynamics of China's changing role and policies, internally and internationally, and not only in relation

[11] When World Bank formulations are interrogated, what these "adjustments" actually refer to are the often irreversible economic disruptions and social dislocations entailed in liberalisation, globalisation and market-promoting "reforms".

to Africa itself. These different interpretations suggest differing tactical and strategic approaches as to the most effective … or necessary … or unavoidable ways for Africa to engage with China.

I. COUNTERING A 'NEW IMPERIALISM' IN AFRICA?

The first approach depicts a broad equivalence between the old imperialism/imperialists of Europe and the US, one the one hand, and China as a new emerging imperialist power. In this scenario, both the old established neo/colonialists and the new putative "resource imperialist" or "mercantilist predator"[12] have to be treated with appropriate circumspection, and all engagements have to be based on the need to prevent a new generation or wave of exploiters of Africa's resources operating to the advantage of economic and political interests outside the continent. This precautionary view and preventative stance is espoused by both nationalist and Africanist analysts and by left wing anti-imperialists in Africa. Such views pre-date and are quite independent of the opportunistic recourse to latter-day pseudo 'anti-imperialism' by analysts in the developed countries[13].

Whatever the analytical merits, or otherwise, of the "neo-colonialist" or "imperialist" depiction of China, this scenario poses the same political challenges that arise from Africa's longstanding subordinate insertion and exploitation in the global economy. On the one hand, there stands the strategic defensive aim of a united Africa combining and improving its bargaining power to obtain more favourable terms and developmental returns from the operations of international investors anywhere on the continent. On the other hand, there is the more radical proactive vision of a united more self-reliant and self-sustaining Africa better able to marshal its own internal financial, material, human and other development resources and, at last, able to beneficiate and benefit more productively from its rich resources. In this way Africa would be better placed to reduce its dependence on any external forces, whether from West or East, North or South.

Although the latter more self-sustaining strategy by and through a united Africa is more proactive, neither of these scenarios suggests a total self-sufficiency, let alone autarchic development for Africa. But, in either approach, the demands that would have to be posed by African governments with regard to China's role, today or in the future, are the same as those posed to Western investors in Africa during the 'development era' of the 1960s and 1970s. The common demand, then, from development analysts and practitioners was that foreign investors from the West should be required to include some significant undertakings that would increase the 'gains' or improve the effects of such investment in the host countries, and minimise or reduce the costs or negative effects[14].

These investment conditions were applied by many Third World governments in various combinations during the later 1960s and the 1970s. These included defined periods or durations for such foreign investment ventures; agreed re-investment of (a proportion of) profits under defined conditions; agreed return of (a proportion of) foreign currency earnings from exports from the host country; payment of company and other taxes, and appropriate levels of royalties; payment of import taxes on equipment and other imported production inputs, and other such financial requirements.

Such national development strategies also incorporated limitations on the geographical areas/zones and sectors/spheres open to foreign investment; the requirement for a defined proportion of shares in foreign ventures to be held by the host government and/or parastatal entities, and/or local shareholders; the promotion of joint ventures or partnerships with local enterprises; and defined proportions of production inputs and services to be acquired from local companies through 'backward linkages'. Some of these investment frameworks went further and placed requirements on foreign investors for the transfer of technology, with accompanying training and maintenance/services capacities; the employment of local technicians and active skills transfers; employment creation for local labour, and active skills development; and in some cases the observance of specified wage rates and health and safety regulations. The much weaker - or non-existent - requirement that foreign investors observe full trade union organisational and collective bargaining rights, reflected – at best -

[12] See Garth le Pere (2006)

[13] Many of these being analysts not particularly noted for equivalent critical engagement with past and current European and US imperialism.

[14] See, for example, the OAU 1981 (Organisation for African Unity), UN Economic Commission for Africa (1983), Abebayo Adedeji (1989), Bade Onimode (1988) and many others, governmental and non-governmental.

the paternalistic and substitutionist nature of many of the 'developmental' governments of the time; or, in some cases, their active suppression of such rights. Similarly, the almost total silence on gender rights and environmental regulations also reflected the shortcomings of the development paradigm of that era.

Such terms for foreign investment were accompanied by various external trade strategies and sectoral tariff policies to support domestic 'infant industries' and national economic development and diversification. Some governments saw the backward and forward linkages required of such foreign investments as providing the means for 'industrial take off' in their countries, although, in practice, the major gains still accrued to the foreign investors and to their home economies. The main deficiency of this strategy was that, although the terms of the development paradigm sought to 'improve' the benefits of foreign investment in Africa, those terms could not fundamentally substitute for internally generated industrial or services capacities. Furthermore, such dependence on international investment - even though proactively defined and confined - exposed such economies to shifts in the international balance of power and to changes taking place outside their countries.

During the 1980s, changes in the international balance of forces, the triumph of the neo-liberal ‘market’ paradigm in the North and then globally, and the Third World debt crises - and the consequent imposition in most African countries of IMF/WB structural adjustment programs - combined to dismiss the ideas, and to displace or actively dismantle the programs and instruments of the development paradigm. However, three decades later, in the context of the theoretical and empirical discrediting of the neo-liberal ‘free market’ paradigm, a very important 'test' question to be put to Chinese investors and to the Chinese government is whether they accept that the above developmental terms and conditions would be very justifiable for African governments to revive and require of all foreign operations within Africa. Regardless of what neo-liberal theorists, and institutions dominated by Northern governments continue to argue, the fundamental question to be put to Beijing - given the claim by China to be operating according to different principles to those of the West - is whether the Chinese authorities would be prepared to instruct and require all Chinese trade operations and investment projects in Africa to abide by the above development terms.

Confronted informally with such views, Chinese officials reportedly reply that they are not opposed to discussing such proposals, but that African governments do not pose them[15]. Thus, the onus to put such conditions on the table rests on African governments. This in turn depends on their will and capacity, united within their regional economic communities or within the African Union as a whole, to formulate, negotiate and monitor such developmental terms and requirements for Chinese operations within Africa. Such a joint African approach is also essential in order to strengthen and protect all African countries, strong or weak, and to ensure a wider engagement by China than simply in those African countries endowed with attractive resources. Such a united position could also prevent African countries being played off against one another; as is so evident in the maneouvers they face from Western investors within current competing African ‘foreign investment promotion’ and privatisation programs. With the application of such basic 'developmental' terms, African governments and their countries could avoid exchanging one set of long-standing Western/Northern neo-colonial “partners” for another new set of questionable Southern/Chinese “partners”. If Beijing were to **agree to negotiate and implement such comprehensive developmental terms in its operations in Africa, this would go some way towards answering the question whether China is simply a “neo-colonialist” andf “new imperialist” in Africa, or a “developmental partner”.**

Such developmental terms and conditions on foreign investors would, conversely, also be very appropriate for Beijing, itself, to set for foreign companies operating within China. The preponderant role of American, European and Japanese corporations in China, and a host of companies from Taiwan and other Asian countries, such as South Korea and Malaysia[16], point to a very much more complex picture of the ‘Chinese’ miracle. Not only are the economic, social and environmental effects of the rapid industrialisation of China very problematic, in themselves, but they are, in large measure, the product of the operations of foreign and not merely Chinese companies. Far from the superficial depiction of an ‘imperialistic’ China, the fuller, more complex and more accurate picture would

[15] Personal observation of a non-governmental African analyst invited on an official familiarisation tour of China by the Chinese government.

[16] And even a number of South African companies – in breweries, printing, mining and coal-to-fuel technology

portray China as, itself, undergoing a form of radical ‘opening up’ and foreign penetration. This amounts to a latter-day form of crypto-colonial or neo-colonial exploitation, although portrayed and justified in this latest phase of capitalist expansion, worldwide, under the rubric of ‘globalisation’.

2. BUILDING ON “COMMON EXPERIENCES” AND/OR “JOINT VENTURES”?

A related approach for Africa to the either of the above views of China, is to locate China within the long history of Western colonial domination and exploitation that was experienced throughout Africa, Asia and the Pacific, Latin America and the Caribbean. This “common experience” of China and Africa, and the other countries of the South, has long been a recurrent theme in official Chinese foreign policy pronouncements from the earliest days of the visit of Zhou Enlai to Africa, in the 1960s, to the most recent tours of Africa by Chinese President Hu Jintao and Prime Minister Wen Jiabao.

In this perspective, the position to be adopted by Africa in relation to China today would emphasise and draw on that shared historical experience, including the economic, political and military support extended by the Peoples Republic of China to Africa for the anti-colonial and national liberation struggles during the decades of the 1960s and 1970s and into the 1980s. Emphasis on this shared experience and “historic friendship” avowed by both Beijing and African governments could be pursued on the African side with a view to eliciting equivalent sympathy - although different forms and levels of support - from the Chinese authorities today.

One major impediment in this scenario arises from indications that economic and political players in today’s China – both within the Chinese government and ruling party, and semi/independent entrepreneurial entities - are withdrawing from such an “out-dated ideological approach”[17]. Emerging trends in Chinese governmental and business circles are reportedly shifting in favour of straight “commercial” relations and other similarly “practical” economic support to Africa in the form of Chinese investment and construction projects etc. The challenge for African strategic analysts is to establish the extent to which ‘market’ theories and forces are in the ascendant in China - in the economy, in the ranks of the state bureaucracy, and even within the Communist party. Alternatively, the question is how such tendancies co-exist or actively interact and complement each other.

The major question for African governments is how - or whether - their appeals to the ‘political principles’ officially espoused by the Chinese government will weigh henceforth both in Beijing’s and in their own approaches. It is not even certain whether Beijing is as much in control of proto-capitalist and pro-capitalist forces within China as would be necessary for the Chinese government, itself, to ensure the implementation of its own strategic political and economic aims, internally and internationally. Thus, in this scenario, the strategic question for African governments is: what would be the weight and role of future state-to-state political relations and arrangements, especially with regard to the potential developmental policy terms and conditions that could or should be required of China by African governments [as in scenario 1above and 3 below] ? Even with the (still hypothetical) acceptance of such terms, would Beijing be able to impose them on Chinese operators in Africa?

The counter-perspective to such state-led approaches is that African political-cum-economic interest groups will come to rely increasingly on quasi (but increasingly) independent private sector Chinese enterprises engaged in joint-ventures with African companies. Such Africa-China or China-Africa joint ventures are beginning to feature more strongly in China’s official approach to Africa. However, the engagement of African economic players with Chinese business partners could reproduce earlier colonial patterns, and more recent neo-colonial modalities. These created the phenomenon of economic and political actors in Africa being co-opted as local agents for non-African economic forces in exploiting Africa’s resources and people. In this scenario, African entities partnering with their much more powerful Chinese counterparts would come to constitute classic “collaborationist” forces or “comprador” agencies in the service of external interests and forces. Such a comprador relationship is illustrated in the ‘investment’ of some US$5 billion by the ICBC, (the Industrial and Commercial Bank of China) through the acquisition of a 20% stake in Standard Bank, South Africa. However, little of this ‘investment’ will actually enter South Africa, as it is intended for use by the South African-based bank to ‘facilitate’ Chinese operations in the rest of the African continent. National business associations in South Africa, including new ‘black’ capital, are actively calling for

[17] see Garth Shelton (2001)

such "economic cooperation" with China, "premised on the strengths and experience of South African companies elsewhere on the continent"[18].

From the perspective of the role of African governments, there are two further corollaries to this type of proposed business relationship between Chinese and local African companies. These arise from the inherent dynamics within capitalist and even state-capitalist operations. On the one hand, if these joint enterprises are set up under the aegis of Africa-Chinese governmental agreements, the former may find themselves having to take responsibility for dealing with any labour problems or industrial and community disputes that may arise within or in relation to such operations[19]. This resembles the dilemmas facing state agencies in possibly having to take up this role in the public-private-partnerships (PPPs) that are being promoted within domestic economies as a means to entice the private sector into major public-funded projects

Conversely, the Chinese authorities and Chinese businesses may find themselves in the unaccustomed position of facing labour disputes in circumstances where their own domestic methods and means cannot be applied; or, in the case of countries such as South Africa, Zambia, Nigeria or Senegal, where organised labour would prove very much more difficult to deal with than the tame(d) trade unions and 'disciplined' (or hitherto submissive) industrial work forces in China. How will African governments 'cooperate' with Chinese enterprises in their countries in relation to their own labour unions – and working people and communities - in such situations?

Furthermore, in contradistinction to the anticipated positive effects of Chinese companies in promoting the growth of African 'partner' companies, a very different effect could result from large, efficient and highly competitive Chinese companies undermining, sidelining and even displacing African companies. With the advantage of the efficiencies of scale, and various other economic and technical, political and social/cultural advantages, Chinese enterprises will be able to oust their African competitors. This is already evident, for example, in the displacement by Chinese construction companies of major South African construction companies in public projects elsewhere on the continent, and even within South Africa. If this is evident with a relatively stronger semi-industrialised economy such as South Africa, what can be expected in lesser developed economies elsewhere in Africa? The implantation of Chinese companies in Africa could, in fact, function to prevent or pre-empt the emergence of such indigenous companies elsewhere in Africa. IMF/WB 'structural adjustment' liberalisation prescriptions have long impeded new domestic companies from emerging, or have actively undermined those that once existed. In this scenario, African countries will not be able to industrialise and diversify their economies, and Africa will be further entrenched in its long-standing role as supplier of raw materials to other economies; in this latest phase to China.

Such negative effects on existing - and potential - local enterprises in Africa have been experienced in recent years with the role of European and other countries' companies in Africa as a result of bilateral trade and investment liberalisation treaties and multilateral (WTO) liberalisation requirements. The scale and competitiveness of EU, US, Japanese and other developed country companies owe much to long-standing direct governmental subsidies and other continuing indirect supports, but there is much more direct and current financial, economic and political support provided to Chinese enterprises from Chinese authorities. Apparently independent Chinese enterprises are assisted by Beijing in their operations abroad through political accords with African governments and forms of 'tied' financial agreements and soft loans attached to specific projects within Africa. This, of course, resembles the established 'aid' practices of governments of the older developed countries and would require equivalent counter-responses from African governments. Advised and encouraged by independent African analysts, African governments would have to query any such tendencies in Beijing's approach to Africa, and challenge the terms of tied aid and investment agreements with Beijing that promote the operations and interests of Chinese companies to the detriment of the role and emergence of equivalent African companies.

It would be similarly significant that Chinese trade and investment agreements with African governments reportedly include guarantees for the protection of Chinese investments in Africa[20]. Thus,

---

[18] "Business Unity SA (BUSA) to partner with China", Business Report, Johannesburg, 29/10/2008

[19] This has already arisen in Zambia with trade union and community protests against Chinese company operations in the Chambeshi manganese mine on the Zambian Copperbelt.

[20] See Garth Shelton (2001)

a related issue to be investigated by African governmental and non-governmental researchers is whether such Chinese ventures in Africa are thereby also guaranteed capital transfer rights back to China and, if so, what the scale of this is, or could become. African researchers have to apply to China's international companies in Africa, the same rigorous critical scrutiny as has been applied to international companies from the more developed countries and to their governmental backers. African governments have to (be made to) take positions on the capital account and external balance of payments implications and external debt-creating effects of such financial outflows, and weigh these against the anticipated financial gains from Chinese grants, loans and investments. Conversely, **Beijing will be judged in Africa by the ways in which it responds to African civil society and governmental concerns on these issues.**

3. RELYING ON COOPERATION FROM CHINA AS A DEVELOPING COUNTRY?

Another somewhat different approach for Africa is to see China as, itself, still being a developing country. This is not only in the context of historical experience but in the present-day situation of wide sectors of the Chinese population facing similar levels of poverty and marginalisation as the majority of the population of Africa. It is instructive to note that China still aspires to achieve a national GDP per capita for its rural populations and urban workers comparable to Botswana's per capita income which already stands at about US$ 4,400, Mauritius at US$ 4,300, and South Africa at US$ 3,500. Of course, these latter national averages are misleading in so far as they do not reflect national income distribution and disparities, but they are useful as indicators of the scale and complexity of the domestic situation facing Beijing by comparing their disaggregated income rates with those in Africa. In strategic policy and planning terms, China faces similar challenges to those facing Africa in the growing urban-rural divide, gross social and geographical income disparities, extreme social and environmental stresses and other manifestations of imbalanced and distorted development and under-development.

China has traditionally presented itself as a developing country and even as the leader of the developing world[21]. The continuing 'developing country' character of China today, or specific dimensions of China's economy and society, suggest to some that the means and methods employed in Chinese operations in Africa are more likely to provide appropriate models and more instructive experiences in the conditions of underdevelopment, lack of basic infrastructures and other current technical (in)capacities in Africa. The Chinese are also viewed by some admiring governments and businesses, and even NGO analysts in Africa as being highly efficient in delivering rapid results through their projects in Africa, and being prepared to go to geographical areas and sectors in Africa where most Western investors are not prepared to take business (or personal) 'risks'. With a mere US$ 36 billion - 2.5% of the global flow of foreign direct investment coming to Africa in 2006, and 60% of that going to only half a dozen oil producing countries[22] - any investment whatsoever, but especially from China, is eagerly received with open arms by desperate African governments.

In the welcoming views of some analysts, the production methods employed by China could go some way towards creating jobs for Africans and alleviating the pervasive 'formal sector' unemployment across the African continent. Countering this expectation, however, is the practice of many of China's construction projects not only to import Chinese-made capital equipment but even Chinese workers, thus limiting job creation for Africans. Furthermore, even where employing local workers, these tend to be at the lower unskilled levels; with higher technical and management roles occupied by Chinese nationals and entailing minimal skills transfers to Africans. This clearly requires the same type of labour/human development criteria that African labour unions and development NGOs are demanding that African governments place on Western - and domestic - companies in Africa.

However, even assuming the best of intentions by China, and/or even if Chinese companies were to be persuaded through Chinese-African governmental agreements towards exemplary labour, environmental and other standards within their operations in Africa, there remains the built-in and objective inequality in the "cooperative relations" between China and African countries. Genuine win-win cooperation will not be achieved through relations based upon highly uneven levels of development and very different capacities to benefit from such interactions and cooperation… unless

[21] This was especially during the Sino-Soviet dispute during the later 1960s and early 1970s.
[22] UNCTAD World Investment Report (2007)

African countries unite and unless deliberate efforts are made to compensate for and counter such very different situations and capacities. Without consciously countervailing policies and compensatory provisions, the pronounced objective inequality will result in China making the much greater gains. Some African countries - or their governments, or their elites - may indeed receive (some) short term quantitative returns, but it is China that will achieve the further qualitative transformation of its economy through applying the materials and financial resources it gains from Africa (and other countries).

An alternative would be for African governments to ensure that the 'wind-fall' gains being made in recent years from improved global prices for African commodities - in large measure stimulated by Chinese demand - are conscientiously applied by African agencies towards transforming Africa's economies and societies and dealing definitively with Africa's dependency, underdevelopment and poverty.

Conversely, and notwithstanding the economic growth being achieved in China, the realities of China as a developing country, points to the probability of Beijing being compelled and impelled, sooner rather than later[23], towards focussing its attentions and resources on dealing with the pronounced social and economic imbalances within China, itself, and the inevitable increase in social unrest there[24]. There are already indications of this in official Chinese statements on their provision of aid to Africa being within their "capacity to do so"[25]. There are also indications to African and other oil producers that China will increasingly turn its attentions and technology development towards reducing its dependence on external energy sources and develop its own internal renewable energy technology. In the process, China will also be able –in due course– to deal with international political pressures, and practical climate change pressures, towards the reduction of China's levels of carbon emissions and contribution to global warming.

Thus, in this short to middle-term perspective, and on the basis of realist assessments and pragmatic calculations, African governments would have to move as rapidly as possible to obtain maximum benefits, while they can, from the Chinese government's current interest(s) in the continent, above all in its energy resources. In parallel, **strategically far-sighted African governments would take due measures to ensure that they don't create a built-in dependence within their own plans and programs on such current but not-guaranteed long-term Chinese interest in the continent.**

4. ENGAGING WITH CHINA THROUGH DEVELOPING COUNTRY ALLIANCES?

There is yet another - broader and international - approach for Africa's relations with China. This is located within key multilateral institutions and through the engagements of African and other developing countries in various alliances there… which include China. This is where China's self-identification as a developing country provides an important basis for other developing countries to engage, collectively, with Beijing. This has long been expressed in the formal G77+China grouping of the 132 developing countries within the framework of the UN, dating back to the 1970s. Their coordinated interventions are particularly evident and formally registered in joint declarations in ECOSOC (the Economic and Social Council of the General Assembly) and in key UN social and economic agencies.

However, the interventions of the G77+China group in meetings of specialised UN agencies such as the United Nations Conference on Trade and Development (UNCTAD), the UN Development Program (UNDP), and others, also often reflect the differing situations and divergent strategic approaches within the large number and wide range of developing countries participating (some only intermittently) in this 'common platform' of the developing countries. Despite this, the G77+China

[23] This prediction in the earlier version of this paper, written in August 2008, was made before the announcement from the meeting of the Central Committee of the Chinese Communist Party, in Beijing in mid-October 2008, that henceforth major national attention and resources would have to be devoted towards the rural areas of China and to support agricultural development and food production. The underlying and sometimes explicit motivation was that this re-orientation was essential for more balanced national development and social stability.

[24] There are reportedly - even in official Chinese estimates - anything between 55,000 and 80,000 incidents of 'unrest' in China, largely in the rural areas, each year.

[25] see footnote 20 above

succeeded, during 2008, in producing a comprehensive joint proposal on climate-linked aid and technology transfer and other important principles for the UN Framework Convention on Climate Change (UNFCCC) although this has come under divisive pressures from within and without during 2009. Thus, the G77+ China alliance exhibits both the countervailing collective potential of developing countries on the basis of their shared interests in relation to the (still) politically and economically dominant countries, as well as the complexities in reaching and maintaining common positions within such an economically and politically diverse group of countries.

There are, however, also other more recent, diverse and sophisticated modalities for developing country coordination and intervention in global institutions. This is most developed in the WTO, where China is engaged with other developing countries in the creation of issue-focused tactical alliances and targeted engagements to reach joint positions in relation to major global issues and the major powers[26]. It is in the framework of the WTO - where global neo-liberal trade and investment rules and regulations are being imposed on all developing countries – that China has been brought face-to-face with the hard terms and conditionalities exerted through the multilateral system of economic global governance. In fact, extreme trade and investment liberalisation, and 'trade-related' terms were imposed on Beijing – largely on the insistence of the US – as the condition for China's belated admission to the WTO in 2001. Officially, Chinese government spokespersons claim that the liberalisation terms they are implementing reflect China's own internal processes of 'reform' and autonomous national decisions. However, multilaterally-determined liberalisation terms are not only opening up China to exploitation and abuses by foreign companies. But, as international commitments within and under the surveillance of the WTO, such multilaterally fixed terms could also prevent future governmental policy adjustments that China might want to implement to deal with the growing economic and social divide between urban and rural areas, industrial and agricultural sectors, and other domestic problems and needs.

In recent years, Beijing representatives in the WTO have begun to criticise the "unfair" terms required of China. Such complaints have become part of Chinese interventions in the WTO and, by extension, on the "unfair" multilateral trade regime *per se*. The gradually more critical stand adopted by Beijing in the WTO has undoubtedly arisen in part from China's concerns about the negative features of these terms, and growing perceptions of the national policy-restricting implications of WTO rules. However, the more critical emerging stance by Chinese representatives in the WTO has undoubtedly arisen also under the influence of other WTO member states' increasingly vocal criticism of the effects of such terms in their own countries. These criticisms arise from the many imbalances and biases in WTO rules in favour of more developed economies, and the blatant evasions and inconsistencies in the implementation of such rules by more powerful countries, above all the USA. Appropriate amendments to WTO rules and firm commitments by the major member states within the WTO are reflected in the strategic insistence by developing countries that further negotiations within the WTO have to take place within what they call the Doha Development Agenda. This has resulted in an ongoing impasse in the latest round of WTO negotiations as developing countries insist that this has to be a genuine the Development Round in both the detailed terms and in the predictable outcomes.

Thus, it is in large measure within the WTO that China has been exposed most directly to the active and collective resistance of most developing countries against the covert protectionisms and overtly offensive geo-economic agendas of both the US and the EU (and others). Developing country resistance has taken the form of innovative and highly skilful tactical alliance-building within various groupings of developing countries and between such groupings around their common interests on specific issues and their coordinated negotiating positions against the strategies of the most powerful and offensive negotiating adversaries.

The better known of these developing country groups started out in 2003 as the Group of Twenty Two (G22) focusing on the distortions in global agricultural trade caused by the policies and practices of the highly industrialised countries. The G22 developed a united set of demands on agricultural trade liberalisation and improved market access into the protected agricultural sectors of the US, Europe, Japan and other more developed countries. Conversely they also demand an end to the subsidised export dumping from such countries onto the rest of the world. The G22, subsequently designated as

[26] See Dot Keet (2006)

the G20[27], is led by Brazil as its official spokesperson, but includes some key African countries, such as South Africa and Egypt, and other major developing countries, such as India… and China.

The G33 group in the WTO embraces some 46 predominantly agricultural developing countries, including more than a dozen from Africa. The G33 acts as the lead group forall such developing countries in the WTO context, promoting key demands for the protection of their national food securities, and the production and livelihood needs of the hundreds of millions of peasant and small-scale family farmers who constitute the majority of the populations in these countries. This group is formally led by Indonesia, but includes India …. and China. The insistence of the G33 on their needs and their rights was probably the most important factor in the impasse and breakdown in the Doha Round of negotiations in the WTO during 2008. But this, in turn, was in large measure because the G33 managed to 'keep in check' the more narrowly focused and potentially compromising governments in the G20, most notably Brazil[28].

The 'NAMA 11', made up of semi-industrialised and industrialising developing countries, led largely by South Africa and including countries such as Argentina, Venezuela and Cuba, is concerned to resist the majors' demands for advanced and 'bound' (fixed) industrial tariff reductions by developing countries through the so called Non-Agricultural Market Access (NAMA) agreement. India and Brazil are also active participants in the NAMA negotiations, although China –hitherto - is seemingly less so.

These issue-based alliances are thus characterised by changing and overlapping memberships, and undoubtedly entail backstage tactical co-ordinations. In this way, they are, together, creating significant shifts in the balance of power within the WTO. This, however, is not solely on account of the participation of major countries of the South in these groupings. The weaker and lesser developed WTO member states also come together periodically as the G90. This includes the African-Caribbean-Pacific (ACP) group, the formal UN grouping of LDCs mainly from Africa but also Asia and led by Bangladesh, and the group of SIVSs (Small, Island and Vulnerable States), led mainly by Mauritius; as well as other more *ad hoc* groups.

The significance of the G90 is not only that this grouping constitutes the majority of the members of the WTO, but that they are also those most seriously threatened by neo-liberal globalisation[29] and by the attempted expansion of the role and powers of the WTO to control their domestic policy-making options. Thus, on the one hand, the G90 carry a certain moral/political weight with the other developing country groupings, over and above their numerical weight in the WTO. The G90 provide the bulk and base of the grand "Alliance of Alliances" of all the aforementioned large and small developing country groupings that come together at crucial junctures within WTO negotiations. At the same time, the weaker more vulnerable countries are, together, able to assert and insert their specific needs - such as for Special and Differential Treatment (SDTs in WTO jargon) - into the composite developing country platform. And they ensure, through their persistent collective strategic interventions, that these positions are upheld by the larger and stronger developing countries, individually and in their groups, in the formal engagements in all WTO negotiations.

In this context, the WTO negotiating alliances also provide significant opportunities with regard to Africa's more specific engagements with China. As members of the various distinctive but overlapping tactical alliances, African representatives are able to engage - separately and together with other developing countries - with their Chinese counterparts in detailed technical analyses, negotiation planning and political strategising on how to promote their shared needs and to outflank the agendas of the more powerful countries. They are, in the process, reaching common positions on what policies are necessary and justified for developing countries to demand of the more developed. A major question is how African governments can carry such shared understandings and agreed developmental demands into their own policy and political engagements with China on the ground in Africa.

---

[27] Which pre-dates and is not to be confused with the subsequent global G20 that as emerged out of the expansion of the G7 and G8.

[28] Although some analysts, such as Martin Khor of the Third World Network, argue that the US needed to have the entire process stalemated over the SSMs (Special Safeguard Measures) and SP (Special Products) demands of the G33 in order to prevent the discussion of Washington's controversial subsidies to its cotton farmers.

[29] And by the more recent alert from the IPCC (Intergovernmental Panel on Climate Change) that it is such countries that will face the most destabilising effects of climate change.

The forging of such common positions and the mutual influences between the developing countries are clearly having effects on the role of China in the WTO. Until recently, China had been a somewhat nominal developing country group member and had not played an active leadership role. It is, nonetheless, highly significant that China took the deliberate step of identifying itself as a member of these groups. It is even more significant that, during the 2008-2009 blockage of the major powers' agenda in the Doha Round, China – although led by India - stepped forward as a rather more active player in the confrontations with the EU and especially the US. On the other hand, it can be legitimately questioned whether either of these 'leading' developing countries would have taken –and will maintain - the more assertive positions that have emerged over recent years, were it not for the previous years of collective engagements and cross-cutting influences brought to bear upon them within the dense web of developing country alliances.

Without such a network of alliances, the smaller and/or lesser developed countries could not – separately and singly – have had such influence on their giant partners. On the other hand, their mutually-supportive strategies have not been uncontested by the majors. There have been, and remain, indications that the emerging countries or 'powers of the South', above all India and Brazil, may be lured into operating separately within the WTO, and more exclusively on the basis of their own national interests. This applies also to China. They could be drawn by the majors into privileged deal-making conclaves, as was attempted through the selective G6 and G7 plurilateral consultations initiated by the majors within the WTO at various points during the highly contentious Doha Round. Furthermore, these 'significant emerging countries' are being co-opted into the global 'big boys' club. During 2007, proposals were already being made for the G8 to be expanded into a putative G13 with the incorporation of Brazil, China, India, Mexico and South Africa[30].

The challenges for the rest of the developing countries – and for African countries – is how to translate or transfer into their own separate and combined relations with China - and India and Brazil - the understandings and mutual commitments forged in their joint engagements against the agendas of the major powers in the WTO and the UN, or other multilateral forums and how to sustain and strengthen these. Conversely, how will African and other developing countries continue to engage with and influence the 'powers of the South' as these, including South Africa, are drawn into the inner circles of global powers and global power?

5. TAKING TACTICAL ADVANTAGE OF RIVALRIES AND TENSIONS IN A MULTI-POLAR GLOBAL ORDER?

With regard to 'China in Africa', the other broad and more long-term perspective focuses on China's own economic and political trajectory into the future. This approach sees the inevitability of big power political and economic interests, and related modes and modalities playing an increasing role in China's external engagements and relations. In this perspective - whatever may be the political commitments and formal 'principles' that currently inform China's stance and role in Africa - these could become less and less operational. Such principles as "mutual benefit" and "cooperation" could be eroded - directly or indirectly, explicitly or *de facto* - by the *real politique* of a major power.

This scenario must, once again, alert African governments to the danger of creating a built-in dependence on such an international "partner". The lessons from Africa's post-colonial relations with Europe are highly instructive in this regard. Three decades of aid and trade 'preferences', and earnest affirmations of "partnership" between Europe and African, Caribbean and Pacific countries, through the Lome Convention, effectively served to sustain their aid dependence, and the commodity supply role and trade orientation of these countries to Europe. Today however - faced with growing competition from 'emerging' economies and highly competitive companies from countries of the South, especially from Asia, and China in particular – the Brussels is in the process of shrugging off such "out-dated" "partnership" relations in favour of "reciprocal free trade" relations and other liberalisation requirements. These requirements are located within the EU's many bilateral and bi-regional FTAs and in the misnamed Economic Partnership Agreements with the ACP [page 5 above].

---

[30] Since the global financial crisis this has been expanded yet further into the global 'G20'.

In this broader global scenario, Africa is also confronted with the perspective that the growing power and inevitable ambitions of China will bring it into ever more direct and growing rivalry not only with the EU but with (the current but weakening global hegemon) the US. Analysts point to the existing symbiotic relationship between China and the US - with China supplying an abundance of cheap products into the rich US market but also major financial underpinning to the US economy. However, although China has had – and at this stage still has - a powerful vested interest in the steady functioning of the US economy, this does not preclude that, at some future stage, China will not emerge as a major direct competitor to the US… and the EU, Japan, Russia etc. Post-communist Beijing may earnestly avow the "peaceful" nature of its "rise". China may no longer be threatening the very survival of the global capitalist economy but, within the competitive logic intrinsic to this system, China will inevitably enter into more direct and overt economic rivalry with the US and other powerful countries.

There could be gains to be made by Africa in such latter-day forms of the earlier "inter-imperialist rivalries" of the 1960s and 1970s … if African governments have the strategic vision and political skills to take tactical advantage of such rivalries. Even if China does not rise to the status of global super-power - as the current super power(s) fear - the very existence of major new 'emerging' countries and economies, such as China, India and Brazil, provide African and other developing countries with an unprecedented range of options and alternatives to their established relations –and dependencies– on the older developed countries. The mere fact of having many more choices in their external relations provides the governments of developing countries with some significant new or renewed leverage. This could include, for example, the deployment of explicit well-timed political warnings in the context of difficult external relations. This was expressed very directly during the Africa-Europe Summit in Lisbon, in December 2007, where President Wade of Senegal denounced the EU's arm-twisting of African governments and extreme demands upon African countries in the context of the EPA negotiations. Wade stated bluntly that Africa now had alternative sources of aid and investment and could no longer simply be brow-beaten by Europe[31].

Similar, but more diplomatically expressed public references have been made by South African government leaders to the fact that Brussels must bear in mind that Africa can now have recourse to alternative trade and investment partners. Such a deliberate intention and strategic aim is, in fact, a major reason why the South African government and some other African governments rejected the EU's attempt to impose Most Favoured Nation (MFN) terms through the proposed EPAs. Such MFN terms would oblige African and other developing country governments to confer on the EU the same trade and investment terms that they might agree with other developing countries, such as China and India. Contrary to their past orientation towards and dependence upon the EU (and the US), many such governments in Africa and elsewhere are now aiming for the diversification of their trade and investment and other economic and technological relations. These can now be pursued through South-South relations, providing many possibilities and alternatives. Such relations will, of course, pose their own challenges, and the relative gains and respective benefits in such South-South interactions will depend very fundamentally on the type of framework terms and conditions agreed between them [as pointed to in scenario 1. above].

It is of great potential advantage to Africa that the emergence of China – and India and Brazil – and thus the changing global geo-economic system and geo-political power regime will end the 'simple' bipolar world of the Cold War era. It will also end the attempted 'mono-polar' system of hegemonic power, the unilateralism and extra-territoriality that the US has since been trying to impose on the rest of the world. In this context, another of the challenges facing African governments and other more 'proactive' governments of the South is how - or indeed whether - they can influence Beijing to use its enormous potential financial and commercial leverage over the US, and economic and political influences with the EU. A tactically skilled but strategically conceived self-assertion by China could achieve a further shift in the global balance of economic and political power within the global *status quo.* This will, undoubtedly, carry its own future challenges and dangers to other less powerful economies and countries, above all in Africa. However, the epochal challenge - and hypothesis - is whether China might even be persuaded to contribute towards the realisation of very different global economic relations …. to the benefit of the poorer and less 'developed' parts of China, neighbouring

[31] Senegal has reportedly also acted on this in the award of major government contracts to non-EU companies.

Asian countries… and the world. In this, Africa is a key testing ground for China and for the future of the world.

As in all other spheres, Beijing seems to be tackling the challenges of global economic and political leadership with great caution. The further fundamental question for the future is whether the balance of forces within China, itself, and the role and weight of different tendencies within the Chinese ruling party and state bureaucracy [as indicated in scenario 2. above] can be influenced by China's interactions and alliances with developing country governments [as in scenario 4 above] towards the gradual achievement of an entirely different international system of relations: between countries and peoples, and between them all and the natural planetary eco-systems upon which all depend. However, the ability and will of African and other developing country governments in Latin America and Asia to exert collective influences upon China will clearly depend upon fundamental changes in the balance of forces within all these countries as well.

In the meantime and in the immediate period ahead, and from Africa's specific point of view, there will, henceforth, be a much more complex multi-polar system of economic and political power, and powers. This situation will provide many tactical opportunities and strategic alternatives for African and other weaker countries. But this, of course, requires that African governments understand the vital importance of uniting and formulating skilful joint strategies in order to maximise their weight in counterbalancing or even 'playing off' the various powers <u>and</u> in order to prevent themselves being divided and played off against one another…. or sidelined altogether in such a much more complex emerging global scenario.

SELECTED SOURCES

Organisation for African Unity (OAU) "The Lagos Plan of Action for African Development", Addis Ababa, Ethiopia, 1981

Economic Commission for Africa (ECA) "Long-term Perspective on African Development", Addis Ababa, Ethiopia, 1983

Bade Onimode (1988), "A Political Economy of the African Crisis", Institute for African Alternatives (IFAA), London 1988

Adebayo Adedeji (1989) "Towards a Dynamic African Economy", London, Frank Cass, 1989

Garth Shelton (2001), "The Beijing Sino-African Forum: consolidating a new paradigm for China's Africa policy" in Global Dialogue 6.1, Insitutute for Global Dialogue (IGD) Midrand, South Africa, February 2001.

Garth le Pere (2006) (ed.), "China in Africa – Mercantilist predator, or partner in development?" IGD, Midrand, South Africa, October 2006.

Dot Keet (2006) "South-South strategic challenges to the global economic system and power regime", Occasional Paper #53, IGD, Midrand, South Africa, October 2006.

Garth le Pere (2007) "Managing the China-Africa interface", Global Dialogue, Midrand, South Africa, August 2007.

UNCTAD (2007) World Investment Report for 2006 (WIR), Geneva, September 2007