African and Chinese Relations: A Future View

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There are always huge difficulties in talking of two vast areas, one of which is a unitary and strong state, and the other a continent of 53 states in various stages of development. Even so, the generalised discussion of Africa and China now in vogue glosses over such discrepancies and essentialises both the complex Chinese and the even more complex Africans. It is also condescending towards Africa – as if every state within the continent was simply an open body awaiting predators.

In fact, the People's Republic of China has had a long involvement with Africa. Even before the independence of sub-Saharan Africa, at the 1955 Bandung Conference of what became the Non-Aligned Movement, Chou En Lai was speaking of a philosophy of solidarity years before a single mineral or drop of petroleum could be exported by an independent African state to anyone. I use the term 'philosophy' advisedly as, in 1974, Deng Xiaoping enunciated to the United Nations the Chinese 'Three World Theory' which proposed two things: firstly that the world did not have to be ruled by two superpowers, a third bloc was possible; and that China was with the third bloc. It was an elegant construction developed, Deng said, after discussions with Zambia's Kenneth Kaunda, then (with Julius Nyerere) one of the two celebrated 'philosopher-kings' of Africa.

Well before then, in what were staggering sums in those days, and beginning in 1956 with a US$4.7 million grant to Egypt, China was donating money to Africa. Between 1970 and 1977, US$2 billion was donated to Africa – half the Chinese aid budget – and, up to the end of the cold war, an averaged-out US$ 100 million for each African country. Much of this was donated to rebel movements, but the Chinese hallmark of huge infrastructural and civil engineering projects was already in evidence with the 550 mile Somali border road and the great Tazara railway. The great alarm in capitals such as Washington of the Chinese 'penetration' of Africa is, in fact, only the second coming of the Chinese, with many of the characteristics of the first: it does not care for Western opinion, it proposes its own model (more economic than philosophic these days), and it has very visible civil engineering artefacts.

However, the notion that the Chinese have vast sums to expend in Africa, and are prepared to expend them, comes with vast caveats. The first is simply that the Chinese do not conjure money from nothing. China is as prone to suffering from the global recession as anyone else and its stimulus package comes with risks. China invests in and trades with the world at large. It needs its markets in countries badly affected by recession. Secondly, the Chinese 'savings mentality' is not always sober. An overheated Chinese stock market can reduce investor confidence rapidly if values fall or are discovered to be bubbles. Thirdly, the huge domestic liquidity reserves, based on sober savings, depend on those savings not being called upon. Financial meltdown in China means meltdown in the Chinese financial posture internationally. To an extent, Chinese largesse to Africa is predicated on a bet. The bet is that China itself will grow at a huge rate, not overheat, and remain fiscally stable.

Within that bet, the 'Shanghai model' of development assistance and investment for preferential terms in resource expropriation has its own triptych of simultaneous characteristics and dangers. The first is that there are massive 'sweeteners' up front and that these should be highly visible sweeteners. The danger here is that the front-loading can often be to secure prospecting rights with nothing guaranteed upstream. The second is that the highly visible sweeteners, usually by way of civil engineering projects, are accomplished as a fully self-contained Chinese project with Chinese staff and Chinese procedures. It provides remarkable efficiency and very little 'leakage' by way of corruption, but the danger lies in local enmity by African workers who are not engaged, in the lack of technology and skills transfer, and in local and ecological disruptions. The third is that the Chinese work with regimes and do not question their democratic or other governance credentials. This is greatly valued, as is the associated lack of fiscal conditionality. However, the danger to the Chinese is that their methodology is premised upon policy continuity by their African partners, and does not seem to factor in regime instability and volatility. There is an additional leaf that is visible only when working with more developed countries like South Africa. There, forms of creeping conditionality occur in that the Chinese may demand favoured market entry-points – in the South African case, for Chinese textiles at the expense of local textile industries. Where there is no local industry, such Chinese conditionality is invisible. Where there is visibility, there is also the danger of significant local industrial resentment and ruined livelihoods in Africa's most vulnerable sector: beneficiation and manufactures.

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This resentment may be expressed against, not so much the Chinese state, but private Chinese entrepreneurs and migrants. The days of the kung fu movie romance with things Chinese is gone. No more Shaolin pony-tails to excite the local youth. Instead, the high street 'xing-xong' shops can excite hostility for sharp employment practices and for undercutting local retailers.

Even so, the 'Shanghai model' has generated several tentative imitators. Russia has proposed a huge macro-petroleum deal to Nigeria. Mittal Steel, with backing from the Indian Government, has proposed a steel deal with Nigeria. Malaysia and Indonesia are seeking means to vary the model within their own means. It may be that the 'Shanghai model' very soon ceases to be a Chinese problem for the West and its very own, in Africa, rapidly dating model.

And the West has, of course, its very unique problem to do with colonial history. Even now, it does not fully grasp the huge lividness of the scar left by racism – that concomitant of colonialism. The Chinese can say they colonised nothing, that they themselves were the attempted targets of colonialism and, certainly, imperialism; that they also fought in doomed uprisings; that they liberated themselves only in the 20th century, exactly as Africa did, and only half a decade after their liberation the Chinese were expressing solidarity and philosophical understanding of African revolutionary impulses. Those African countries that responded accordingly have never been forgotten in China. In the days when China was the global pariah, Sudan was the fourth African country to grant it recognition. 5000 International Criminal Courts will not detract the Chinese from recognising Sudan in turn, now that its own government has pariah status. When I was part of the transition to independence machinery, Rhodesia to Zimbabwe, in the first months of 1980, those ZANLA/Mugabe guerrilla officers I worked with would pull chopsticks out of their ratpack webbings and talk of their Chinese military trainers. Mugabe has never forgotten and, in turn, the Chinese remember Mugabe – even though every fiscal forecast in Beijing of the future of Mugabe's Zimbabwe is dire.

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But the Chinese work in other countries where historical relations are more vexed. They have overcome supporting the wrong liberation faction in Angola, and are now used almost as a blanket – certainly in preliminary propaganda terms – by the Angolan authorities in the face of Western pressure to become, if not more democratic, more transparent. Money sometimes has to be allied with good diplomacy and hard work.

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There are possible exceptions in the automobile industry. Brilliant Automotive in China is developing a Western-level limousine range and may look to South Africa and its assembly capacity (already used by BMW to huge effect, as well as by General Motors and Toyota), not to mention its catalytic converter capacity (and, hopefully, if the South Africans can move swiftly enough, successor capacity in particulate filters), for a more equal, inter-dependent partnership. If this happens, it will mean a first step for China in assisting African manufacture and beneficiation of raw materials. But this is fraught with difficulties. Africa cannot be developed by the Chinese to become a rival of China.

The further exception would be if China outsourced cheaper manufactures to Africa – while mainland China itself upscaled to a higher quality global market demand. This would be very good for Africa, with the huge caveat that, as with the recent beginnings of acquisition of arable lands to grow crops for China (a new trend exploited also by other nations), new local resistances could grow unless clear benefits are returned to the local communities. China's huge oil giant, Sinopec, faces the same challenges in the Niger Delta as Western companies. This could be multiplied across an entire range of industrial and agricultural projects. Basically, the Chinese future in Africa depends upon how Sino-African, how mixed, the inputs are allowed to become. The more mixed, the brighter the Chinese future. The more unilaterally Chinese, no matter how many 'sweeteners', the more brittle (if initially attractive) the Chinese posture will be. Africa is growing up. Few want to lie down anymore – not before the West and, perhaps surprisingly for the Chinese in, say, ten years time, not before the Chinese either.