
CHINA'S DEVELOPMENT AID TO AFRICA

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INTRODUCTION

The meteorite rise of China in the global political economy has witnessed a concomitant expansion of the ambit of the scope and mode of its relations with various states in Africa and Latin America. In contradistinction to its engagement with African and Latin American states during the Cold War that focused on a narrow ideologically-driven agenda that revolved around few states and areas, the post-Cold War phase involves the development of

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relations with several states covering various areas—cultural, economic, political, security and social. That is, against the background of the lessons learned, as well as the changing dynamics of its domestic environment and the international landscape, China has adopted a flexible foreign policy orientation that is anchored on the principle of forging relations with any state that can help it to achieve its multiple interests. In other words, China has abandoned the “socialist litmus test” which it used during the Cold War to determine the states with which it could have closed relations, and the attendant limitations such an orientation imposed on the scope of countries and the areas of cooperation.

In the case of relations with African states, China is applying the aforementioned pragmatism as the foundation of its engagement with the continent during this “new phase” (1991-present) of “Sino-African relations.” Kurlantzick (2006:2) provides a summation of the underpinnings of China’s “new approach” to its relations with Africa thus:

China also has developed more sophisticated strategies and tools for wooing Africa. While forty years ago, China exported Maoism, today it exports its own brand of capitalism, which it is building into a sophisticated development model. Beijing increasingly advertises its state directed model of development, which can prove alluring on a continent where neoliberal economic reforms did not deliver their promised poverty reduction.

Accordingly, China has engaged a broad array of African states in multiple spheres (Brautigam, 2009; Alden, 2008; Firoze and Marks, 2007; Kitissou, 2007). The list includes Angola, Gabon, Guinea, Equatorial Guinea, Liberia, Nigeria, Sierra Leone and Sudan.

Against this background, the central purpose of this article is to examine development aid, one of the major economic dimensions of the emergent “Sino-African relations. Specifically, the article seeks to assess the state of Chinese development assistance to Africa, and the resulting ramifications—

cultural, economic, political, security and social—for the continent. In order to address the research problem, the article is divided into seven parts. First, the article surveys the scholarly literature on development aid to Africa in general, and from China in particular. The purpose is to situate the study within the crucible of the academic literature. Second, the conceptual framework is discussed. Third, the study surveys the history of China-Africa relations. Fourth, China's development policy toward Africa is summarized, for the purpose of providing the context for China's development or foreign aid to Africa. Fifth, the nature and dynamics of Chinese development aid to Africa are examined. Next, the resulting cultural, economic, political, security and social ramifications of Chinese aid to Africa are discussed. Finally, the study offers some suggestions for rethinking Chinese-African aid relations.

THE REVIEW OF THE LITERATURE

BACKGROUND

There is a large corpus of scholarly works on development or foreign aid in general, as well as on the multilateral and bilateral aid programs of various international organizations like the United Nations and the European Union, and donor states like the United States, Japan, Britain and France. In this section of the article, the focus will be on the review of some of the scholarly works that have been done on general foreign aid to Africa, as well as Chinese aid to the continent.

FOREIGN AID TO AFRICA

Moyo's (2009) central argument is that development aid to Africa has failed to engender economic and social development on the continent. Several reasons account for this. First, she argues that the overarching purpose of aid undermines the system of incentives. This is because, for example, the provision of aid makes African governments to develop a cavalier attitude toward the imperative of formulating and implementing policies that would

help grow their respective economies, and ultimately generate wealth. Second, she posits that aid helps to foster corruption, because it is relatively easier for public officials to embezzle it. Third, Moyo argues that the aid is anchored on an open-ended commitment that undermines “self-help” through domestic initiatives. As a panacea, Moyo suggests that development aid to Africa should be terminated in five years. In its stead, African states should utilize market mechanisms such as the capital markets for raising the money needed for economic and social development.

In an assessment of the impact of aid, Asiama and Quartey (2009) postulate that aggregate bilateral development aid does not significantly impact human development in Africa. However, sector-specific aid does have major effects on human needs and welfare. Accordingly, they suggest that donors should shift the emphasis of their respective aid programs from multi-sectoral to sector-specific projects in the recipient African states.

In the same vein, Glennie (2008) posits that foreign aid flows to Africa have had both positive and negative effects on the development of the region. Some of the adverse effects include increasing poverty and hunger. The solution, according to Glennie, is not an increase in aid flows, but rather the development of the appropriate internal modalities that would enable African states to reduce their aid dependency.

Calderisi (2007) contends that despite the flow of foreign aid to Africa over the past five decades from both bilateral and multilateral sources, Africans are comparatively more poverty-stricken now than they were prior to the aid flows. He lays the responsibility for this on the shoulder of both African leaders and citizens. Alternatively, he suggests various ways, including attitudinal change on the part of African leaders and citizens, for helping to ensure that aid has positive impact on economic and social development on the continent.

Pomerantz (2004) asserts that while money, as the mainstay of development aid, is important, it is however not sufficient to promote sustained development on the continent. Alternatively, she suggests that

several major steps should be taken by both donors and recipient African states in order to make aid an effective vehicle for promoting development. Donors need to take various steps, including the development of a comprehensive understanding of the specificities of the domestic environments of recipient African states, and for recipient African states to fashion the appropriate institutional design that would enable aid to have meaningful impact.

CHINESE FOREIGN AID TO AFRICA

Xiaoyun (2007) examines multiple aspects of China's development aid to Africa. As the frame, he suggests that Chinese aid program to Africa has evolved in three major phases. Phase one (1950-1974) focused on few African states—Congo, Egypt, Guinea, Mali, Somalia, Tanzania and Zambia— that China determined passed its “ideological test.” The aid programs to these African states revolved around agricultural, health and infrastructural projects such as the construction of the Tanzanian-Zambian railway. The second phase (1974-1990), which he characterizes as the “adjustment and transformation phase” (Xiaoyun, 2007:6), was shaped by China's domestic needs, as the country underwent rapid industrialization. Phase three (1991-present), according to Xiaoyun, is more expansive in terms of the number of recipient African states and the areas of interaction. For example, China has sought to develop aid relations with virtually every African state. Also, the modes of interaction spans from development projects to security assistance.

Treading on the same path like Xiaoyun (2007), Chapponiere (2009) examines the historical development and the elements of Chinese development aid to Africa. In the case of the former, he suggests two broad periods: The “old phase” (1950s-1980s) and “the new phase” (1990s-present). During the former, he agrees with Xiaoyun that Chinese aid focused on a small group of recipient African states, and covered limited number of areas. Since the dawn of the “new phase,” he argues that China is

seeking to increase the number of recipient African states, as well as to broaden the modes of interaction. Toward this end, Chinese development aid had assumed four major forms: grants, interest free loans, concessional loans, and technical assistance.

Lagerkvist (2009) addresses three major interrelated issues. First, he examines the phenomenal increase in Chinese development aid to Africa over the last decade. In 2007, for example, aid stood at an estimated \$1.4 billion (Lagerkvist, 2009: 119). Second, he argues that the specifics of China's aid package to a recipient African country are shaped by a confluence of domestic factors both within China and the particular African state. Third, in terms of an assessment of the effectiveness of Chinese development aid in helping to promote economic and social development in Africa, he notes that the emergent view is that "Chinese aid is providing Africa with concrete things they can use—infrastructure such as buildings and roads, and thus helping the poor. Chinese aid is effective, inexpensive, and manages to reach out to the poor people on the ground" (Lagerkvist, 2009: 120).

Brautigam (2008) probes the motives for Chinese development aid to Africa. She identifies three major ones. Characteristically, Chinese aid is an instrument of its foreign policy. For example, it is designed to influence African states to support the "one China policy," as well as Chinese economic and security interests. Another motive is to create propitious environment for Chinese exports and investments in African states. The third is to portray China as a "humanitarian" that is interested in the welfare of African states (Brautigam, 2008:9).

King (2006) argues that the current epoch of Chinese development assistance to Africa, and the attendant broader economic and security programs should be located within the context of China's historical relationship with Africa that goes back to the late 1950s. Furthermore, he asserts that China's widespread knowledge in Africa of the history of anti-colonial solidarity and support, at a time when China itself was very poor,

has been important in China's ability to present itself in terms of South-South cooperation (King, 2006:6). Accordingly, China is hesitant to present itself as a donor, preferring the image of itself as a poor friend pulling on the oars with other poor friends, in the same boat (King, 2006:6).

Based on the review of the literature, there are two major emergent issues. First, in general, development aid to Africa is not having the desired impact of helping to spur economic and social development on the continent. Second, in the specific case of Chinese development aid, while recipient African states are deriving some benefits, on balance, China is deriving the greater share in terms of the promotion of its diplomatic, economic and strategic interests both on the African continent, and in the broader context of the international system. In this vein, this article will be situated within the crucible of the scholarly literature for the purpose of determining whether its findings converge or diverge from those in the literature.

THE CONCEPTUAL FRAMEWORK

The study's conceptual framework consists of four major concepts:

Development aid is assistance provided by a donor (developed state or international organization) to a recipient (state or states) for the professed purpose of helping to promote economic, social and political development in the recipient country or countries. Generally, there are two major categories of development aid: The first one, bilateral aid, involves one donor and a recipient. The other, multilateral aid, revolves around several donors and a recipient or recipients.

Three major concepts can be derived from the broader definition of development aid:

Concessional or "soft loan" is a loan that is provided by a donor or donors to a recipient or recipients with longer repayment terms, and interest rate that is lower or more favorable than the one provided by the "market."

Grant is the transfer of financial resources from a donor or donors to a recipient or recipients without a repayment requirement.

Technical assistance is the transfer of “know-how” or knowledge from a donor or donors to a recipient or recipients in a variety of areas, including agriculture, education and health. One of the major forms is the training of personnel in the recipient country by “experts” from the donor country.

SINO-AFRICAN RELATIONS IN HISTORICAL PERSPECTIVE

China’s relationship with Africa started as a consequence of China’s mission to traverse the world to engage in trade and other activities that would benefit its political economy, many millennia ago. Many discoveries of Chinese coins and porcelain fragments dating from the Sun Dynasty (960-1279) were located at archeological sites in Zanzibar, along the Swahili coast in East Africa, and as far south and as far inland as the Great Zimbabwe. These discoveries show that contact, however indirect, between China and Africa has existed for a considerable period of time. It was the famed explorations by the Chinese Moslem admiral Zheng Ho during the Ming Dynasty (1368-1644) however that saw the first concrete manifestations of personal Sino-African relations. The admiral made seven voyages between 1416 and 1423, two of which reached the East African coast. Zen Ho brought with him products to conduct concrete commerce with the Africans, especially those residing in East Africa which presently constitutes the geopolitical regions of Kenya, Tanzania, Madagascar, Zimbabwe and South Africa (Taylor, 2006:16; Gao, 1984). China interactions with Africa did not stop with Zheng Ho’s last junket during the pre-Revolutionary period. On the other hand, China’s detachment from Africa during the Qing dynasty (1644-1911) coincidentally followed Portuguese navigational exploits along the Eastern African coast, which effectively shut out further Chinese efforts at maintaining contact with Africa(Taylor, 2006: 16).

The Qing Dynasty’s “closed-door policy,” which significantly reduced contact between China and Africa, was in effect when European colonialism

was being established in Africa as of the 1880s. In 1897, a Chinese consulate-general was established in Johannesburg by Qing representatives, to guide and protect Chinese citizens who had immigrated to South Africa, though actual contact between China and South Africa remained negligible. However, it was by the turn of the twentieth century and the controversial recruitment of Chinese laborers for the gold mines of the Witwatersrand in South Africa that this changed. But under the Guomindang, following the 1911 revolution, Africa again retreated to a position of irrelevance for the republican government, even though South Africa and China established diplomatic relations in 1911. With the assumption of state power by the communists, China pursued an active foreign policy in Africa, following and restoring the links that were established by the Admiral Zheng Ho in the fifteenth century (Taylor, 2006:16-17; Richardson.1977).

China's interactions with Africa after the Communist revolution were based primarily on its adherence to how the former Soviet Union formulated and implemented its foreign policy in Africa. China's policymakers, including Mao Zedong, had conceptualized that African countries that fall in the Third World ambit are "intermediate zones", which characteristically, are located between the Soviet Union and the United States. This conceptualization of the world by Mao Zedong allowed the Chinese authorities to develop their own concept of international relations without the influence of the Soviet Union (Taylor, 2006:17). Located in this conceptual framework, China developed the "Five principles of mutual existence" to serve as guideposts in its intercourse with India. However, these principles were applied to other countries, as of the 1970s:

1. mutual respect for each other's territorial integrity
2. non-aggression
3. non-interference in each other's internal affairs
4. equality and mutual benefit
5. peaceful coexistence (Foreign Policy of India, 1958:97-98).

China's presence in Africa was minimal prior to the Asian-African

Conference, which was held in Bandung, Indonesia, from April 18-24, 1955. The reasons for China's disinterest in Africa on political, economic, cultural, and military matters were not difficult to discern. In the first place, of the 29 countries that attended the Bandung conference, six were African, including Egypt, Ethiopia, the Gold Coast (Ghana), Liberia, Libya, and Sudan. Ethiopia, Liberia, and Libya were staunchly pro-Western and could not be budged by any overtures from China to recognize it. In the second place, Sudan had not yet attained its independence (however, Sudan was the second African country that recognized China on February 4, 1959; Egypt was the first). Third, and finally, the liberation movements in Africa operated clandestinely, as such they could not openly recognize China and vice versa. China began interacting with optimum interest in Africa immediately following the Bandung conference with tacit approval from the Soviet Union, as the Soviet Union was already largely and deeply embedded in Africa at the ideological, political, military, and cultural levels, all within the assortments of "Cold War" rivalry between the Soviet Union and the United States (Taylor, 2006: 20-21).

Between the 1950s and the 1980s, China, like the Soviet Union, engaged Africa to locate its own space of influence. By so doing, militarily, China supported liberation movements such as the Pierre Mulele's rebellion in Congo in 1964, where China supplied arms and money to enable the rebels to effectuate their revolutionary cause. In addition since the 1960s and 1970s, China has provided military assistance to Tanzania and trained its local forces. Other African liberation movements that had their headquarters in Tanzania received assistance from China. Economically and ideologically, China traded with Tanzania and other African countries and provided economic aid to these countries. Ideologically, politically, and culturally, China propagated to liberation movements such as FELIMO and ZANU in Southern Africa, among others (Taylor, 2006:27-31). The prominent intermission in China's African relation was during the "Cultural Revolution," which began in 1966. When the "Cultural Revolution" was in

progress, China's image and position were tarnished at the international level which, subsequently negatively affected China's interest in Africa. Notwithstanding the breaking point of frustrations that pervaded China-African relations during this tumultuous period, China still maintained some degree of consistency in interacting with African countries, especially Tanzania, Guinea, Mali, Zambia, and Congo (Brazzaville).

Amidst all these challenges, China's African policy was guarded by what Premier Zhao Ziyang calls "the Four Principles of China's economic cooperation with Africa", during his 11 African countries (Egypt, Algeria, Morocco, Guinea, Zaire, the Congo, Zambia, Zimbabwe, Tanzania, Kenya and Gabon) tour in 1982. These principles include, "equality and mutual benefit, emphasis on practical results, diversity in form, and common development" (Taylor, 2006: 56-57). These principles have become the poignant rods in Chinese-African relations since the 1980s, as globalization and liberal democratization swept the political economies of African states.

In the 21st Century, China's African policy has assumed new horizon, yet it still utilizes "the Four Principles of China's economic cooperation with Africa". Principally, "the increase in China's economic and political involvement with Africa is arguably the most momentous development on the continent since the end of the Cold War" (Taylor, 2009:1). But, the reality is that the relationship between China and Africa is conducted at an unequal level. In trade, for example, "Africa is exporting oil and other raw materials to China while importing cheap manufactured Chinese goods—an exchange remarkably similar to that of the colonial era" (Taylor, 2009:1). Concomitantly, China, like former colonial powers, is extracting Africa's raw materials, and in exchange gives cheap goods to Africa, while ignoring dictatorial governments that shamelessly advocate press censorship, civil and human rights violations, and ethnic antagonism.

Regardless of these alarming challenges in this millennium, Sino-African relations are basking in the success of their economic, political, and military cooperation, since the end of the "Cold War." According to

Taylor(2009:13-15), “three developments—one in Africa and the others in China---came together to stimulate the close involvement of China in Africa in the postmillennial era”, including the Tiananmen Square events, the increasing momentum of Africa’s economic reform programs in the 1990s, and China’s rapidly developing economy which has accelerated the Sino-African trade.” These trajectories are viable agents that help to nurture the China’s current African policy.

CHINA’S DEVELOPMENT POLICY TOWARD AFRICA

China’s development policy toward Africa is anchored on several pillars:

1. The Pivot: The *raison d’être* of China’s development policy toward Africa is to promote the political and economic interests of the former. Overall, as Thompson (2008:11) observes,” China’s increased presence in Africa is part of a wider effort to create a paradigm of globalization that favors China.” The political derivative is twofold. China is desirous of developing its “sphere of influence,” as it strives to become a global power. As well, China is interested in isolating Taiwan, by ensuring that African states develop and maintain “a one China policy.” In short, China would like to court and win African states as its political constituencies in the evolving post-Cold War international system. In the economic spheres, China is interested in having access to Africa’s vast petroleum resources and raw materials (Amosu, 2007); using Africa as a market to sell its products; and using Africa as a place for making investments and the associated accumulation of profits. As Wenping (2007:25) argues, “The acquisition of resources—oil and other raw materials—from Africa is designed to help sustain and expand China’s economic development.”

2. The Principles: Two major principles shape Chinese development policy toward Africa: “non-interference” and “win-win.” The “non-interference principle” is framed by what Anshan (2006:2) calls “ideological neutrality.” Operationally, it is premised on China’s belief that matters that occur within the territorial confines of an African state are within the

purview of that country's domestic jurisdiction. Accordingly, it is not Chinese business to try to dictate to an African state on the way to address its domestic matters (Spring, 2009). The "win-win principle" is hoisted on the claim that China and the respective African states benefit from their interactions.

3. Development model: Given the adverse effects the Western-driven neo-liberal development model has had on African states, China offers a counter-development model for African states to emulate. Based on the Chinese variant of the "developmental state," the focus of this development model is on economic growth and less on the promotion of political rights and civil liberties and the associated issues of accountability and transparency. As Juma (2007: 2), asserts, "China is a startling example of how a region can rise from poverty within a generation and become a dominant player on the global scene. The West, on the other hand, continues to lecture Africa on economic growth but much of it is not backed by contemporary examples."

4. The Instruments: Several instruments are used as the *deus ex machina* for the implementation of China's development policy toward Africa. Institutionally, the China-Africa Summit and the China-Africa Joint Business Council provide the organizational panoply. Programmatically, the key vehicles are: the debt cancellation plan, the development fund, the trade aid economic zones, and development aid. Development aid revolves around what Amosu(2007: 1) refers to as a "package deal—a mixture of cash, investments, cheap credit, technical expertise and training, and in-kind benefits such as new presidential palaces and stadiums, or cheap infrastructure such as roads, dams, and railways."

THE NATURE AND DYNAMICS OF CHINESE AID TO AFRICA

To assess the nature and dynamics of Chinese aid to Africa, the following fundamental questions must be posed: First, why must the Chinese provide

aid to Africa? Second, do Africans benefit from the aid that China provides? Third, what China stands to gain by offering aid to Africa? Fourth, and finally, will the aid that China is providing to Africa meaningfully help in the developing and democratizing aspirations of Africans? In response to the first question, Obuah (2009:5) argues that the Chinese are providing aid to Africa because of their “long-term strategic interests and the need to sustain their economic development through the acquisition of markets in Africa.” Further, he puts in plain words that (a) since Africa has a population of about 850 million, the continent has adequate markets to accommodate the Chinese produced goods and, at the same time, offers platforms for the operation of Chinese firms; (b) China is investing in Africa in view of its historical worldview that it is the middle kingdom (zhongguo), therefore, she wants to be perceived and respected as a global power; (c) Africa accounts for almost half of the non-aligned nations and a third of United Nations membership. China therefore needs the support of these countries to maintain its international status and opposition to US domination; and (d) China’s investment in Africa is essential in that she would like to see the Taiwanese independence and influence in Africa curb by African policymakers (Obuah 2009:5, 6; Taylor, 2006; Sautman 2006).

With reference to the second question, we argue that in the short run, Africans are benefitting and will continue to reap immediate good from China’s aid, given the never-ending development needs of the African continent. China’s development aid to African countries revolves around infrastructural development (i.e., building hospitals, railways, roads, university compounds, large presidential complexes, housing, telecommunications, among others), and military assistance (i.e., building military barracks, military airports, transferring major conventional weapons, and combat planes) and foreign direct investment (FDI) by Chinese firms(see below Tables 1 and 2 which provide a full delineation of major recipients of China’s FDI flows and stock of China’s FDI in selected African countries. Inclusive below, also, is Table 3 which provides data on

the transfers of major conventional weapons by China to Africa).

Table 1: Major Recipients of China's FDI Flows (Millions of US \$)

Countries	2003-2006
Sudan	357.83
Algeria	197.48
Nigeria	191.01
South Africa	114.88
Zambia	105.36
Congo DR	53.77
Equatorial Guinea	32.73
Ethiopia	30.39
Egypt	29.98
Mauritius	29.34

Compiled from E. Obuah, 2009-02-15 "China's Investment in Africa: A Catalyst for Growth and Development or a "Trojan Horse" for Exploitation" *Paper presented at the annual meeting of the ISA's 50th ANNUAL CONVENTION "EXPLORING THE PAST, ANTICIPATING THE FUTURE", New York Marriott Marquis, NEW YORK CITY, NY, USA Online <PDF>*. 2010-06-06 from http://www.allacademic.com/meta/p311109_index.html; *Statistical Bulletin of China's FDI* (2006, 59-60)

Table 2: Stock of China's FDI in Selected African Countries (Millions of US \$)

Countries	2003-2006
Sudan	1020.82
Zambia	719.62
Algeria	458.77
Nigeria	417.64
South Africa	383.54
Tanzania	235.21
Madagascar	173.04
Egypt	168.8
Zimbabwe	162.58
Gabon	141.96

Compiled from E. Obuah, 2009-02-15 "China's Investment in Africa: A Catalyst for Growth and Development or a "Trojan Horse" for Exploitation" *Paper presented at the annual meeting of the ISA's 50th ANNUAL CONVENTION "EXPLORING THE PAST, ANTICIPATING THE FUTURE", New York Marriott Marquis, NEW YORK CITY, NY, USA Online <PDF>*. 2010-06-06 from http://www.allacademic.com/meta/p311109_index.html; *Statistical Bulletin of China's FDI* (2006, 59-60)

Table 3. Transfers of Major Conventional Weapons by China to Africa, 1990-2006

Destination	Number Ordered	Weapons Description	Year (s)
Algeria	1	Support ship	1990
	7	Patrol craft	1990-1991
	25	Anti-ship missiles	2000-2002
Egypt	1	Radar	1993
Eritrea	4	Y-12 transport aircraft	1994
Gabon	16	107mm rocket launchers	2004
	10	130mm rocket launchers	2004
	4	122mm rocket launchers	2004
Ghana	4	K-8 trainer/combat aircraft	2006
Kenya	6	Y-12 transport aircraft	1997
Mali	2	AS-365 Panther helicopter	2000
Mauritania	2	Y-12 transport aircraft	1995-1996
	1	Y-7 transport aircraft	1997
	1	Patrol craft	2002
Namibia	2	Y-12 transport aircraft	1997
	4	K-8 trainer/combat aircraft	2001
	12	F-7MG fighter aircraft	2006
Nigeria	12	F-7MG fighter aircraft	2005
	20	Short-range air-to-air missile system	2005
Sierra Leone	1	Patrol craft	1997
Sudan	18	122mm towed gun	1991
	2	Y-8 transport aircraft	1991
	6	F-7M fighter aircraft	1995-1997
	3	A-5C fighter/ground attack	2003
	12	K-8trainer/combat aircraft	2004
Tanzania	2	Patrol craft	1992

	2	Y-12 transport aircraft	1994
	2	Y-8 transport aircraft	2002
Tunisia	3	Patrol craft	1994
Zambia	3	Y-12 transport aircraft	1996
	8	K-8 trainer/combat aircraft	2000
	1	Y-7 transport aircraft	2006
	3	Y-12 transport aircraft	2006
Zimbabwe	2	F-7B fighter aircraft	1991
	1	Y-12 transport aircraft	1991
	6	K-8 trainer/combat aircraft	2005
	6	K-8 trainer/combat aircraft	2006

Source: Ian Taylor, *China's New Role in Africa* (Boulder: Lynne Rienner Publishers, Inc., 2009), p. 121; Stockholm International Peace Research Institute, SIPRI Yearbook, 2008, (Solna, Sweden: SIPRI, 2008).

The extant reasons provided below allow China's firms to become deeply engaged in FDI in many African states:

- i. Market seeking in which FDI is driven by locational factors and the relevant dynamics and size of the markets.
- ii. Natural-resources seeking in which firms are motivated by the availability of natural resources
- iii. Efficiency-seeking in which firms are driven by the search for efficiency via cost-saving and competitiveness
- iv. Asset-seeking in which firms may be motivated by the need to expand their existing assets through joint ventures or acquisitions in order to sustain a competitive position
- v. Other may be motivated labor intensive FDI, capital-intensive FDI, agro-processing FDI, and "Zone" or "spatially-dispersed" FDI. For example, China announced FOCAC summit in 2006 to establish 3 to 5 "special industrial zones" in Africa between 2007 and 2009. (Obuah, 2009: 7, 8;

Aaron, 1999: 4; Dunning, 1993)

Answering the third question, what China stands to gain by offering aid to Africa, our response is quite unambiguous. China will have access to Africa's natural resources, markets as well as the continent's support at international forums, including the United Nations, thus reinforcing China's position as one of the dominant global political, economic, and military powers. It is an open secret that China's renewed interest in Africa since the demise of the Cold War is largely grounded on China's needs for energy and raw materials. Africa is the most resource-laden continent, with every primary product required for industrial production. For example, Africa owns about 8 percent of the world's oil reserves and 11 percent of world oil production. Also some 85 percent of the world's new oil reserves in 2001-2004 were found in West/Central Africa. In 2005, China announced investment of \$2.3 billion in the oil and gas production in Nigeria. About 30 percent of China's oil comes from Africa (Angola, Sudan, and The Congo). Africa is also home to 88 percent of the world's platinum group metal; 80 percent of the world's manganese; 21 percent of the world's gold production; 26 percent of the world's non-OPEC oil; and 80 percent of the world's diamonds. In addition, Africa is home to some of the world's largest deposits of chrome, bauxite, copper, and uranium. The forests of Cameroon, Congo, Equatorial Guinea, Gabon, Nigeria, the Central Africa Republic (CAR) and Liberia provide timber to China. Truly China is the world's leading exporter of textile and clothing; it depends on the United States and some African countries (i.e., Burkina Faso, Benin, Mali, Guinea, Nigeria, Togo and CAR for cotton. African coastal waters are important to Chinese fishing industry. China is investing in fisheries and related secondary production in Sierra Leone, Gabon, Tanzania and Zimbabwe (Obuah, 2009: 5; Sautman, 2006; De Looy, 2006).

The fourth question is relevant, if we want to understand the nature and dynamics of Chinese aid to Africa: Will the aid that China is providing to Africa meaningfully help in the development and democratization

aspirations of Africans? In response to it, we argue that in the short run, Chinese aid to Africa will continue to help stabilize the diminishing African economies, which lack the wherewithal to sustain the germinating African population, since the end of colonialism and the emergence of independent African states. The colonial economy whose legacy has hampered the development of Africa was designed to support the metropolitan economies of the colonialists but not to usher their colonial enclaves into technological development. As Davidson(1994:19) has noted, “the colonial systems aimed successfully at taking wealth out of Africa: by means of cheap mining labor; by paying prices to export crop farmers that were lower than prices on the world market; and by controlling all big business.” He contended that the European colonialists brought in modern technology; however, they did not transfer any significant technical skills to Africans. The European colonialists failed abysmally to modernize Africa’s means of production and trade. They also failed to expose Africans to industrial revolution, because they did not want to do so. Such hazardous colonial legacies are contributing to the current myriad problems facing Africa.

Most noticeably, African countries are characterized and structured by dependence on the developed countries for trade, capital, investment and aid and technology. The structure of dependence has persisted partly because the political independence of African countries did not carry or bring with it economic independence. The political elite who took over state power in Africa lacked the real economic power to reorientate and transform the various economies on the path of introverted development. Rather, they ruled in collaboration with external interests and had to legitimize the organization of production under the existing (colonial) monopolistic metropolitan control (Obuah, 2009: 7). Because of these economic inadequacies, African policymakers failed to provide adequate survival prospects for their people, thereby constraining their ability to become economically and industrially enterprising, the antecedents for promoting good governance and democracy. The Chinese development aid which is

filling these gaps may cause African policymakers to pretentiously engage in marginal political reforms and give lip service to the idea of democratization, because they incapably have the propensity not to relinquish state power.

Chinese FDI in Africa are located in the oil and mineral sectors and are given to countries that have vast and much needed resources, as illustrated in Tables 1 and 2. On the one hand, China's FDI is acutely different than the FDI from North America and Europe. For example, North American and European FDI are purveyed by multinational enterprises (MNEs), which are privately-owned and with relatively short time-horizons. Very contrastingly to European MNEs, the bulk of Chinese FDI is made by firms owned or associated with different levels of government, especially the large MNEs which are administered by the Central Government's ministries and agencies (Obuah, 2009: 10; Cheng and Ma 2007).

As Table 3 shows, China's arms sales to Africa has accelerated since the inception of the twenty-first century, considering the rapid pace at which China is fostering its development mechanism as one of the prominent global powers. Most of China's arms sales to Africa are done in exchange for oil and minerals. Sadly, China's arms sales to Africa are premised on multiple factors. First, China's drive to maintain political ties with the recipient country. Second, efforts to use the recipient state to balance against a strategic rival. Third, purely for commercial considerations (Taylor, 2009: 120). Chinese arms that are sold to African countries have featured very prominently in civil wars, regional conflicts and are also used to prop up autocratic regimes like the Robert Mugabe dictatorship in Zimbabwe, the Omar Hassan Ahmad al-Bashir dictatorship in Sudan, the military junta in Guinea, among others.

Unlike development aid and FDI from Europe and North America which function along the lines of established cannons of corporate governance, the development aid and FDI that China provides for Africa have a state-directed "capitalist development which has poor standard of

corporate and environmental governance” (Obuah, 2009: 11). The state-directed capitalism has resulted in the unchecked environmental destruction, increased corruption and poor labor standards. For examples, about 70 percent of Gabon’s lumber exports results from lumbering, and Zambia’s low safety mining standards contributed to forty-nine deaths of miners in 2005 (Obuah, 2009: 11; Kurlenzick, 2006).

Another conundrum in the China’s development aid to Africa is in the area of imports from China, which presents its own opportunities and trials. On positive note, Chinese imports in small African economies, can create a more enabling macroeconomic environment. Cheap imports of consumer goods that feature prominently in the consumer expenditure can help in reducing inflationary pressure. It may also contribute to higher revenue inflow if the total volume of imports is enlarged. It is also certain that revenues generated from imports will, directly or indirectly culminate in improving government financial position and diminish pressure on the monetary authorities to finance budget deficits. On the downside, cheap Chinese imports are destroying the industries in many geopolitical regions in Africa. For example, in Nigeria and in South Africa, Chinese imports are contributing to factory closures and the inevitable job and income losses. Another thrusting problem is that the cheap Chinese imports may undermine diversification of the productive based capacities of African economies and extricate it from crude agricultural and mineral products toward manufacturing and eventually service or knowledge intensive activities. In addition, cheap Chinese products lack various quality and safety standards (Ajakaiye, 2006: 8).

THE RAMIFICATIONS OF CHINESE AID TO AFRICA

Chinese development aid to Africa has several ramifications for the continent. Overall, although African states are deriving some benefits from their bilateral aid relations with China, the emerging “costs” outweigh the “benefits.” In other words, while African states may be gaining some

“positives” from their aid relations with China, on balance, there are more “negatives.” Let us begin by examining some of the “positive economic effects.” China provides African states with an alternative source of development aid, especially with “less strings attached,” in contradistinction to bilateral from Western developed states like the United States. Similarly, compared to the conditionality-based development loans from the Western-controlled International Monetary Fund and the World Bank, the terms of Chinese loans to African states are better. Also, China, through its development assistance, is helping recipient African states to build their infrastructure, including roads and bridges. In turn, these assets should help to spur socio-economic development in these recipient African states. As well, Chinese technical assistance is helping recipient African states to develop “know how” through the training of their personnel both domestically and externally in China. In terms of the availability of Chinese-made goods in the domestic markets of the recipient African states, these are helping to meet the short-term needs of the citizens.

However, on the other hand, Chinese development aid to Africa and its associated dimensions have various negative ramifications that exceed the “positive economic effects” discussed in the preceding section. Culturally, as a result of development aid, various Chinese Diaspora communities are being established in various recipient African states. In addition, the Chinese government is establishing various Chinese language programs in the recipient African states as the purveyors of Chinese culture. Similarly, China is establishing various Confucius institutes as the *terra firma* for injecting Chinese cultural, religious and philosophical values into the various African societies. Clearly, this is a new form of “cultural imperialism” akin to the old genre that has been practiced in Africa for decades by the United States and the former European colonial powers. The overarching concern is that like in the past, African cultures could be subordinated to, and dominated by the Chinese one.

Economically, the Chinese development model that revolves around the

suzerainty of the authoritarian “developmental state” is inappropriate for Africa, because it focuses on economic development to the exclusion of, and the minimization of the other facets of development. Alternatively, the ideal “developmental state” should have a holistic agenda that revolves around the promotion of cultural, economic, environmental, political, security and social development. In short, improvement in the material well-being of citizens through the use of this development model is not sufficient. Another negative effect is that Chinese development assistance would spur a new form of “economic dependency.” Under this phenomenon, African regimes, reliant on Chinese aid, would be reluctant to engage in the formulation and implementation of human-centered public policies that would, among others, create wealth, and improve the materials conditions of Africans, especially the subalterns. In terms of Chinese investments, overtime, they would undercut the development of indigenous African entrepreneurialship, especially in the cases of “infant businesses” that need the protection of the state from competition from well funded and established Chinese businesses. To make matters worse, some African governments would even give these Chinese businesses preferential treatment. Similarly, the availability of cheap Chinese goods would undermine the sale of local products, thereby driving local firms “out of business,” and the resulting contribution to the rate of unemployment. The related issue is that the practice of the Chinese government of bringing Chinese workers for the various infrastructural projects that it is undertaking in recipient African states would not help address the unemployment conundrum in the various recipient states.

Politically, Chinese development aid would help undermine the process of political democratization in the recipient states by providing authoritarian African regimes with the ‘economic oxygen’ they need to continue, *inter alia*, the asphyxiation of political rights, civil liberties and civil society, and the engagement in electoral fraud as the vehicle for retaining their tenuous hold on state power. Particularly, Chinese aid to the Bashir regime in the Sudan has helped to embolden the authoritarian Sudanese government to

continue waging a genocidal war against its citizens in the country's Darfur region. For example, China provides the Bashir regime with weapons, and diplomatic and political support in various international fora, including the United Nations Security Council. This has made it difficult for the Bashir regime to be willing to end the conflict. Thus, in effect, Chinese aid is helping to visit death of thousands on Darfuri Sudanese.

In the security realm, Chinese aid provides various repressive regimes on the continent with the weapons they need to suppress their citizens. As has been mentioned, China provides arms to the authoritarian Bashir regime in Sudan. Similarly, China is providing arms and ammunition to the autocratic regime of Robert Mugabe in Zimbabwe. In turn, the Mugabe regimes has used the Chinese –supplied weapons to stymie the process of political democratization in the country. Additionally, Chinese security assistance is being used to help keep the “flames of conflict” burning in the Great Lakes regime. Overall, Chinese security assistance is becoming an incendiary device that is being use to fan the flames of conflict and the resultant instability on the African continent.

RETHINKING CHINESE-AFRICAN AID RELATIONS

China-Africa aid relations must be recalibrated in view of the huge inequality which exists in its implementation. It is true that China's ascend as a global power with evolving and nascent military and economic prowess has arose the interests of countries in Africa and elsewhere in the world to interact with China. As Ajakaiye (2006:12) asserts that the phenomenon of China “presents opportunities and challenges which African policymakers and thinkers must take very seriously and respond to it very intensively.” As a new big global power, Africans would welcome China's presence as long as she does not limit her role to energy security and extractive natural resources sector of their geopolitical regions. Rather, China must confront head on African institutions whose operational frameworks lack transparency as well as regimes that engage in pervasive corruption, violate

the rule of law, civil and human rights, and freedom of speech and assembly, to reform.

China's aid to Africa must take into account the training of Africans to become knowledgeable in identifiable areas of security, industry, technology, communication, and the military. China must not flood Africa with expatriate Chinese whose duties would be extracting natural resources for China's development and disregarding the industrial development of Africa. Another nerve-wrenching concern of Africans is that the influx of expatriate Chinese will create a subculture that reflects the Chinese culture whose ethos is dissimilar to cultures in Africa. Africa is undoubtedly cognizant of China's rapidly growing economy, which has motivated China "to the attraction of its language, culture, political values and diplomacy around the world" (Wenping, 2007: 28). African countries are offended by countries that contribute toward their underdevelopment by imposing their values on them and exploiting them en masse like how Africa was exploited by the colonial systems. Therefore, China must play a positive role in Africa's development, its conflicts as an arbiter of peace, lest China will be seen as neocolonialist in Africa in the twenty-first century.

CONCLUSION

China's development aid to Africa is evidently welcomed by African countries, as they work to transform their countries to become industrialized. However, China must reform her ways of offering aid and trading with Africa. We explored the nature and dynamics of Chinese aid, and its ramifications for Africa. We provided a historical account of China's engagement in Africa dating back to the "Cold War era." Our study advanced the argument that although African states derive some benefits from China's development aid, the relationship is an unequal one. This is because, on balance, China is getting more from Africa in terms of oil and other raw materials, and profits from investments, trade and the sale of weapons, compared to the infrastructural projects and cheap manufactured

goods that African states are getting. As previously stated, Chinese aid has adverse impact on political democratization and stability on the continent, because it is being used to prop up repressive regimes and to help fuel conflicts. ❖

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