Red Dragon vs Black Continent

Positive and negative aspects of China-Africa relations

Roberta Maddalena

Abstract: The topic of the paper is the relations between Africa and China. Since the Bandung Conference (1955), the presence of China in Africa has been increasing so that in 2000 the cooperation was institutionalised with the Forum on China-Africa Cooperation (FOCAC). It is more an economic cooperation, but in the recent years China also provided humanitarian help and participated with UN Missions in Africa.

If on one side China has its own politics and interests to be in Africa; on the other side African countries also prefer looking at east because China is seen as the country of the miracle and because it does not interfere in domestic policy. It is a win-win cooperation: Africa has its infrastructure built, its agriculture and some industrial sectors developed, and China, by investing its money, gets more political and economic power on the international ground.

However, there is a lack in social cooperation and in more integration with the African civil society. Africans are concerned about the increasing presence of China because there are more Chinese people in the factories rather than Africans, and because traditional African economic activities are risked to disappear. Moreover, working conditions are not safe and the salary is low. In conclusion, the fear is that of a new imperialism. Although Chinese investments are helping African countries to develop, human rights issues still remain and this cannot be a surprise, as there are human rights issues in China as well.

In conclusion, the aim of this paper is to analyse all the aspects mentioned above in three chapters (historical background, description of aids and negative aspects), whereas the fourth chapter will give two examples of two countries where China is involved.

Keywords: China-Africa relations, development, human rights, economy, aids, win-win cooperation

Author: Roberta Maddalena, Cultural and Linguistic Mediation (BA) at the Foreigners University of Siena and International Science (MA) at University of Turin.

Introduction

"Studying China in Africa is much like pursuing a dragon in the bush. The dragon is imposing but the bush is dense" (D. Large 2008), with this phrase George Yu in 1968 described Sino-Africa relations.[1] Despite it was claimed many years ago, when China was only starting to put its foot in Africa's land, it is still a valuable sentence to describe nowadays relations.

Africa has 54 recognised states; each of them has different historical, cultural and social backgrounds, but a common colonial past and an ongoing process of development. In this context, Sub-Saharan countries notably have big issues, such as poverty, corruption, low human development, lack of infrastructure, few schools and hospitals, insufficient economic growth, and civil wars. According to United Nation Development Program (UNDP) 41% of Sub-Saharan African lives in extreme poverty[2], but regarding actions done to improve their conditions some countries show good performances, whereas some others do not. In this process of development it is also involved the assistance of International Monetary Fund (IMF), World Bank (WB), United Nations (UN), European Union (EU), United States (US) and China. The latter is appealing to African nations, especially in recent time, because China has been playing the role of a good giant, whose face is not that of a benefactor, but simply that of an economic supporter. The only sympathy that China shows to African countries is for its colonial past, so that its aids are offered "without strings" and with non-interference in domestic issues. Moreover, their financial deals are quicker, more generous and convenient for both parts.

However, studying Chinese commitments towards Sub-Saharan countries is not simple because data about the amount and the type of financial support are secret (data that will be shown in this paper come from many resources, not only Chinese), and we can only have an estimation. Hence, many critics are arisen by researchers and politicians regarding the nature of these aids, and if they can bring to a really sustainable development because it seems that China's presence in Sub-Saharan countries is causing both positive and negative consequences.

The paper will firstly give an historical background of Sino-African relations and the nature of them. In the second chapter it will be done a deep analysis of the different kinds of Chinese

[1] George T. Yu, 1968. Dragon in the bush: Peking's presence in Africa. *Asian Survey*, 8, 12, p.1026.
[2] From UNDP reports about Sub-Saharan countries, available at: http://www.africa.undp.org/content/rba/en/home/regioninfo

aids, and it will be followed by a third part which will bring into light the negative aspects of this strategy. The last chapter will present two cases of two countries as examples and proofs of the observations made in the previous chapters. Overall the paper explores the features of China-Africa cooperation and how Sub-Saharan countries perceive it, who really enjoys from China's assistance and who does not. The study is supported by practical examples – beyond the two case studies in the fourth chapter – which will help us to see that the Red Dragon is bringing wealthy rains, but it is also spitting out fire on the already burnt land of the Black Continent.

1. History and main features of China-Africa relations

Nowadays, the historical international actors, such as United Nations, World Bank, International Monetary Fund, US and EU, have a new partner involved in the process of development of Africa, which is China. Especially since 2000, the pledge of People's Republic of China (PRC) for the development of Africa has been increasing. However, China's aid is different from the Western one, so that African countries are more and more open to welcome it.

"You are an example of transformation, we in Africa must learn from your success", Madagascar President Marc Ravalomanana told Chinese leaders during the African Development Bank meeting in Shanghai in May 2007 (Mingjiang Li 2009). This claim shows the appeal of Chinese economic strategy to African leaders, as a model to follow for improving their own economic situations. This is what Joshua Cooper Ramo defined as *Beijing Consensus*[3], which is a new model of development followed by the less developed countries (not only Africa) that are trying to improve their own domestic conditions, but also to enter in the international order by keeping their own independence. China's new economic ideas seem to be very interesting to those developing nations that until now have received the help of western countries, which has not been totally successful. In 2000 PRC launched the "*Go global*" campaign to encourage its own enterprises to invest abroad. Between the end of 1990 and the beginning of 2000 the Chinese Ministry of foreign trade and economic cooperation has selected the best Chinese companies to start investing abroad. Even though this foreign strategy regards many countries in the world, undoubtedly Sub-Saharan African

[3] J. C. Ramo, 2004. *The Beijing consensus.* London: The foreign policy center.

countries have been the main target. The Chinese government is adopting with Africa the so-called “*win-win cooperation*”, which is to say helping their modernisation throughout investments, convenient loans and vocational trainings without interfering in their domestic affairs, and at the same time obtaining their row materials at low prices. This *win-win cooperation*, indeed, arises from the need to get natural resources, especially oil, which are in short supply in China, but which are necessary for its ongoing economic growth. It is a mutual benefit. As a consequence, both China and African States take advantages from this kind of relation: Africa gets infrastructure, industries, schools, hospitals; China obtains row materials to upgrade its own firms, and a new market area to foster its trade.

Besides the economic help, an important reason why African countries prefer Chinese’s aids rather than UN’s or EU’s is the adoption of the principle of *non-interference* in domestic affairs. While European countries or the US ask for a good *governance* or changes towards democracy’s rules in order to get economic funds, Chinese government does not impose any conditions because it believes that each country has to set out its own rights and laws independently. The aim of Chinese strategy is to forge positive relations with any partner state that can help advance its economy as well, regardless of its political regime. It is not surprising, then, China helped regimes like Sudan, Zimbabwe or Angola. It has to be noticed that many big western countries, like Great Britain or France, improved their power also thanks to the colonisation, especially in Africa. Therefore the western presence in these territories, even only as humanitarian aid, can still raise fear of a new colonisation that is one of the reasons why Africa prefers Chinese strategy of non-interference. China, in fact, introduces itself as a country that also suffered of foreign invasion (of Japan and western countries during the 19th century) therefore it does not want to interfere in domestic politics. Moreover, according to PRC, the international community has the moral responsibility to help Africa developing and benefitting from globalisation. However, it is also required that Africa creates conditions to facilitate economic growth, such as reducing costs of doing business or reform the taxation system, etc., so that China can easily give its financial support. African countries, from their point of view, has been starting a political strategy of “*go to East*”, which is to say looking at China as the guide for their economic growth and as an important partner because of the amount of all kinds of aids. In addition to this, Africa prefers China’s help because is faster than US. For example, it seems that Chinese experts take one week to conduct the feasibility study when a project’s or investment’s contract is signed, instead US firms take much longer.

Although the first Sino-African contact dates back to 700 CE and lasted until 1800, official relations started in 1950. In that time, China supported the *Third World* theory and the *Non-aligned Movement* (born in 1961) on the belief that the Third World needs to be developed as well as the First and the Second world, but outside the bipolar logic of the Cold War. China supported the struggle for decolonisation of Algeria, Democratic Republic of Congo, Zimbabwe, Angola, Sudan, Ethiopia and Eritrea by providing arms, munitions, guerrilla tactics, dialogue, etc. It was the first time that a developing country, as China was in that moment, was helping other developing countries. “The poor helps the poor” said Zhoun Enlai (J. Wang). Egypt was the first country having relations with China, and since 1950 the presence of China in the African continent has been spreading, especially in Sub-Saharan countries. Guinea was the first out of 14 Sub-Saharan countries to have diplomatic ties with RPC, in fact Guinea, immediately after the independence, obtained an interest-free loan of RMB 100 million (about $25 million) in 1960. Then, between December 1963 and February 1964, President Zhou Enlai did a tour in ten independent African countries and committed a total of $120 million of aid to Kenya, Ghana, Mali, Congo and Tanzania. After that visiting tour, many Chinese state-owned factories were opened, mostly specialised in textile, mining and oil, and medical and construction teams arrived from the Asian country.

Since the first economic and technical help during the 1970s to build the Tanzam railway, which links Zambia and Tanzania, Chinese investments in infrastructure, agriculture sector and industries has been boosting up to involving many other areas, such as education and health. The only condition that China demands for its help is the recognition of the *One-China* policy[4], which means the recognition of Taiwan as part of China and not as an autonomous state. Indeed, the only countries that do not receive any help from China are Burkina Faso and Swaziland because they are still linked with Taiwan. Some other countries, instead, which prior recognised Taiwan, changed towards the *One-China policy*, and so they received Chinese financing. For instance, Malawi interrupted its relation with Taiwan in 2007, and it consequently received a loan of $260 million from China which marked the beginning of a stronger and economically prosperous cooperation. During the reform period of Deng Xiaoping, in the 1980-1990s, there were fewer aids in Africa because the RPC was more focused on its own economic growth. The flow of aids started again in the new millennium and they are more diversified in comparison with those given from 1950s to 1990s.

[4] The *One-China Policy* refers to the view that there is only one state, China, which also include Taiwan as part of it and it does not accept the existence of two Governments that claim to be “China”. Therefore, all of states that seek diplomatic relations with PRC Have to cut off any links with Taiwan.

In 2000 the cooperation between Africa and China has given an incredible boost. The Forum on China-Africa cooperation (FOCAC) was established in order to promote dialogue and practical cooperation useful to coordinate bilateral relations. FOCAC, in fact, was founded on the principles of pragmatic cooperation, equality and mutual help. The first official plan on economic, political and trade cooperation occurred in 2003, when in Addis Ababa was signed the first Action Plan which claimed a zero-tariff treatment for exports towards the lowest developed countries. Since the establishment of the Forum, China's commitments to Africa has been increasing and enlarging to an overall of twelve areas of cooperation: agriculture, investment, enterprise cooperation, infrastructure, trade, finance, developing assistance, debt relief, energy and natural resources, climate change, poverty reduction, public health, education, academia, think tank. The 2006 was named the "*Year of Africa in China*", a Chinese delegation took many official visits in African countries and stipulated many cooperation agreements. The year 2006 ended with the Summit of 3–4 November, when economic relations between China and 48 African countries were strengthened, with a new Action Plan (2007–2009), and trade agreements worth about $1.9 billion were signed. The last Action Plan (2016–2018) was signed during the Forum in Johannesburg on December 4–5 2015. The Plan forecasts an improvement of cooperation at political level, not only in the form of bilateral relations, but also of collaboration with regional organisations, like AU or ECOWAS, and local governments. China will put more efforts to ensure peaceful and stable development, and to guarantee food security. For this last reason, the Asian country declared itself willing to act jointly with UNFAO Programme for food security, and to give priority to agricultural projects.

As we can see from the last Action Plan of FOCAC, Chinese strategy in Africa has been changing during the years. If at the beginning the Asian country was exclusively focused on economic development, now it looks at either security, maintaining or bringing the peace, which means being more present at military level and collaborating with governments and organisations. Many circumstances make impossible for China to totally not interfere in national affairs, this explains its efforts together with UN peacekeeping forces in the black continent and its official contribution for the security and the stability, by having more dialogues with regional organisations and supporting them, as claimed in the 2016–2018 Action Plan.

2. A deep look inside China's aid strategy

In order to better understand the China's way of helping Africa, firstly the "*Eight Principles for China's aid to foreign country*", claimed in 1964, should be known as they are the logic behind Chinese foreign policy in Africa. These principles are:

1. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries.
2. The Chinese Government strictly respects the sovereignty of the recipient countries, and never attaches any conditions.
3. China provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment when necessary, so as to lighten the burden of the recipient countries as far as possible.
4. In providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China, but to help them embark step by step on the road of self-reliance and independent economic development.
5. The Chinese Government tries its best to help the recipient countries, so that the recipient governments may increase their income and accumulate capital.
6. The Chinese Government provides the best-quality equipment and material of its own manufacture at international market prices.
7. In providing any technical assistance, the Chinese Government will see that the personnel of the recipient country fully master such technique.
8. China dispatched experts to help in construction.

As we can see, Chinese strategy is a mutual benefit assistance without interfering in domestic issues. Another important aspect that has to be mentioned is the fact that China does not consider itself as a donor, like the western countries, but as a business partner. In fact, China introduces itself to African countries as a merely economic "assistant", in behalf of Africa to be in the future economically self-reliant. Chinese aids are not categorised as Official Development Assistance (ODA), except for some types of them, like OECD countries' aids are. To give an example, debt relief is counted ODA by OECD while is not for China, instead military support or concessional loans are seen as official assistance by China. Chinese aids are defined as "other official aids" because loans, investments, projects are made by state-owned banks or enterprises, so they are directly linked with and influenced by Government policies and not by market rules. Moreover, although support is spread to all those countries with which PRC has diplomatic relations, the nature of it changes according to the economic background of the country. For instance, zero-interest loans are given to the Least Developed Countries (LDC), whereas to those resource-rich or more able to pay countries China pledges more concessional loans, like Nigeria or Democratic Republic of Congo (DRC). This is what China means for *win-win cooperation*, "existing natural resource exports is a security to guarantee repayment" (D. Bown 2010). Eventually, the Red Dragon action is more about its economic interests rather than humanitarian.

Chinese aid program is organised by the Department of Foreign Aid, the Ministry of Commerce, and the China's Export-Import bank (Eximbank). Usually, China has directly collaborated with each single country, without participating in any donor-lead groups, like the Paris Club, because it considered their aids not really helpful for African development. However, in recent times (since the 6th FOCAC), President Xi Jinping has a bit abandoned this reluctance and opened to cooperation with some groups, also to mitigate critics of a "mercantilist approach towards Africa". Therefore, China is participating in a FAO project in Sierra Leone regarding food security; it has started signing bilateral agreement with the Africa Development Bank and participating with UN in peacekeeping actions, for example in Mali or Sudan. Generally, China has nine kinds of aid: medical, training and scholarship, debt relief, projects of infrastructure and factories (in sectors of oil, textile, agriculture, etc.), humanitarian aid, technical assistance, youth volunteering, aid, in-kind and budget support (loans, grants, credits) (D. Brautigam 2009). Investments in textile, mining, constructions and agriculture, volume of trade and loans have been spreading all over Africa and they are overtaking EU and US. In 2013 they were about $170 billion and they will be further increased, as Xi Jinping promised in December 2015. However, it is difficult to have the exact figures of aids during the years, hardly there are some official non trustworthy publications by Chinese Government, the first Chinese's official White Paper about foreign aids was only published in 2009. Obviously this lack of transparency arises critics and scepticism (as we will see in the next chapter).

Loans

The first instrument of China's aid is loan. Until 1995 grants ad zero-interest loans were given, but later on it turned into more concessional loans. Concessional loans are issued by Eximbank for the purpose of *promoting economic development and improving living* *standards in developing countries.* As the website of China Eximbank explains, concessional loans are "medium and long-term, low interest rate credit extended by the China Eximbank under the designation of Chinese Government of the Borrowing Country *with the nature of official assistance*"; they are in Chinese currency and Chinese enterprises are always used as contractors or exporters. This kind of loans, then, is different from that given by World Bank, as Deborah Brautigam said "comparing loans from World Bank and from China is like comparing apples and lychees" (D. Brautigam 2009). World Bank's loans are zero-interest and with repayment over thirty-five to forty years (as they are ODA); China's concessional loans, instead, are more generous than market loans, but they need anyway a guarantee of repayment. Here there is the peculiarity of Chinese aid in Africa: the guarantee of repayment is given either by exporting natural resources, like in the cases of Nigeria and Angola (which are rich of oil), or by giving to Chinese companies preferential access to investments, as in Democratic Republic of Congo. On the whole, concessional loans are used to finance projects in transportation, manufacturing, mining, health-care, housing, telecommunication, energy.

In addition to concessional loans, China Eximbank provides export buyer's credits to African companies for their import of Chinese products, services and technology. Export buyer's credits have a better-than-market rate and, although they are subsidised, they promote Chinese exports. For instance, Zambia bought Chinese commercial airplanes through this kind of deal. In the 2016–2018 FOCAC Action Plan is claimed that China will pledge a total of US $30 billion in concessional loans and export credits in order to support China-Africa industrial cooperation, infrastructure building, development of energy resources, agriculture and manufacturing.

FDI

Foreign Direct Investments is another China's financial aid to African countries. From $20 million in 1990, the amount of FDI has been rising up to $32.4 billion in 2014 and the plan is to increase them up to $100 billion in 2020. They are mainly invested in mining, manufacturing, construction and finance sectors of all Sub-Saharan African countries, out of them South Africa, Zambia and Sudan are some important destinations.

Investments

As described above, China's financial aids are used for investments, which have been increasing since the first one issued during the 1960s. First of all, China invests in infrastructure, such as roads, railways, harbours, plants, water supplies, irrigation systems, oil refinery, etc. Other investments, instead, have been going to mining and to factories of machine tools, building materials, cotton production, shoes, leather processing, agricultural products, such as rice-mills, palm oil, sugar, maize flour. Originally, the factories were all state-owned, but nowadays the number of Chinese private companies investing in Africa has been growing, even if Chinese Government pushes them with favourable deals. Moreover, firms are merely Chinese and managed by Chinese people, with both Chinese and African employees, however in some cases there are joint-ventures with indigenous factories, like COMATEX in Mali. The last pledge announced by President Xi during the 2015 FOCAC summit, to support China-Africa industry partnering and cooperation, is of an initial $10 billion.

Trade

The volume of trade between China and Africa has been increasing, in 2014 it was of $220 billion (FOCAC 2015) with an annual increase of 19.3%. The growing trade has benefit not only from the Chinese economic growth, but also from trade reforms. China, in fact, has provided zero import tariffs on more than 180 products coming from 28 least developed African countries, and regional trade agreements in the black continent have contributed to liberalise the market. However, trade flows between Sub-Saharan Africa and China are not balanced. Africa imports from China many commodities and services, such as transportation equipment (38%), manufacturing products (30%), textiles goods (22%) and chemical products (5%). On the contrary, Chinese imports from Africa predominantly concerns oil and minerals, only 8% of manufacturing products and 5% of agricultural goods. The imbalance is also geographically, namely China's trade is obviously more concentrated with those Sub-Saharan countries rich of oil and other natural resources. As a matter of fact, more than 75% of China's trade takes place with South Arica, Sudan, Angola and Nigeria.

It can be assumed that the impact of Chinese trade on Sub-Saharan countries depends on which commodities the country can offer. As China's demand of oil, minerals, textile products, etc. has increased, because of its economic growth, the global prices of materials has also risen up and only those natural resources-rich countries can benefit from exports. This is true for Angola, Gabon, Sudan, Mauritania, Mozambique, South Africa and Zambia, which have oil, copper, aluminium, platinum and iron. To make an example, between 2000 and 2005 international oil price has increased of 89%, and China contributed for 18% in the demand growth of oil. As a consequence, those African countries most benefitting from China's economic boom were Angola and Sudan. Having numerous natural resources fields in order to deal with China has been a big chance for some Sub-Saharan countries, because the revenue from oil exports has helped them for rebuilding after wars. Unfortunately, not all countries have oilfield and in these case trade flows with China are almost one-way.

Debt relief

Comparing to western countries and international organisations, China started cancelling debts later and it is not participating in the Highly Indebted Poor Countries debt reduction program launched in 1996 by the Paris Club[5]. The Asian country made its first pledge to cancel debts only in 2000, at the first FOCAC meeting, but only since 2005 this promise was put into action, by eliminating all free-interest loans matured by least developed countries. However, the debt cancellation also depends on whether the country sticks to One-China policy or recognises the Republic of China (Taiwan). Burkina Faso, Sao Tomé and Principe, and Gambia did not see their debt relieved because during 1990s recognised Taipei.

Scholarship and training

China is aware that education has a key role in the development process, Africans people need to be trained to make possible a self-reliant growth of the continent. Therefore, Chinese government provides training courses in China for African professionals on economy and technical management, like three weeks training course for workers of African chambers commerce in Beijing (D. Brautigam 2010). University scholarships to African students are offered, students can study medicine, engineering, science, but also Chinese history, literature

[5] The Paris Club is an informal group of official creditors that tries to find sustainable solutions to payment difficulties of debtor countries. It dates back to 1956, since then the debt treatments in Paris Club agreements amounts to $583 billion. http://www.clubdeparis.org

and philosophy. In the last FOCAC Action Plan 30,000 government scholarships has been promised to African people for the next four years.

Not only Africans go to China, but also Chinese experts are sent to Africa, especially doctors. The first medical support arrived in Algeria, at the end of the war with France in 1963; after that, hundreds of doctors and nurses have been spreading, with medical equipment as well, in 37 countries. The last intense medical commitment of China was during the outbreak of Ebola in 2014. In that situation, the government sent $140 million of aids to Guinea, Liberia and Sierra Leone, the most affected countries, in forms of medical staffs, ambulances, equipment, funds, infrastructure and actions to prevent the spread of the disease.

Peacekeeping

Finally, it has to be mentioned the involvement of China in security and peacekeeping actions. Although PRC declared the non-interference principle, the escalation of threatens to international security, such as pirating and terrorism, leads China to take some measure and being involving with UN force. This new kind of involvement has occurred because, first of all, Chinese citizens are in danger in some African cities (many facts happened with Chinese people being killed, taken hostage or simply threatened), which implies that their businesses are in danger as well; secondly to break off criticism regarding its non-interference strategy in some critical moments. So, China sent troops in Mali, in cooperation with ECOWAS and UN, and in South Sudan; it is actively involved with multinational organisations in tackling piracy on Somali coasts, in fact, three ships flotilla of People's Liberation Army Navy were sent to the Gulf of Aden in supporting NATO army.

3. The other face of China's help

The China's aids strategy in Africa has two faces. On one side, Chinese investments, loans and experts have been improving African development; on the other side, this development seems not to be really fair, equal and sustainable. As a matter of fact, Chinese presence in Sub-Saharan countries also has some negatives aspects. First of all, it is not clearly known the exact amount of financial commitments and which are the criteria to receive them. Although PRC always points out that its actions are not benevolence but only an economic support to development, the lack of transparency arises many critics regarding the real nature of them: who is benefitting more from these aids? Sub-Saharan countries or China? Researches, facts and figures may give an answer to this question.

As already noted above, the fact that China is more present in those countries rich of oil and minerals is not accidental. It is assumed that the Middle Kingdom needs natural resources to keep its economic growth and to get it even bigger, but it is in short supply of them, especially oil. Hence, Africa seems to be the solution, because it is full of natural resources, but it lacks of infrastructure, financial funds and experts in managing. In exchange for giving infrastructure and loans, China gets oil at better price or it gets preferential access to natural resources fields. It is, then, a capital-intensive exploitation, which would not help a long-term economic development, even because there will not be a local employment generation as both managers and the large part of workers is Chinese. For instance, in Congo in 2008 China did what was called by newspapers "The deal of the century". It consisted of $9 billion deal in copper and cobalt in return for roads and railways. However, in 2013 Congo tried to negotiate again the deal as the price of cobalt and copper was falling down and it was so low that at the end Congo would have to repay back China for the infrastructure. The story concluded with any renegotiation and with Chinese entrepreneurs going away from Congo without having paid taxes, equipment and workers. Due to Chinese high demand, the price of natural resources grew (even if sometimes is China itself to make the price according to agreements) and it relieved economies of those countries which have oil or other minerals. But it is not the same for other countries, such as Madagascar, Mauritius or Kenya which are not oil producers, for two reasons. First, they also import oil and because of the high price they might not afford the imports' costs; secondly, some of them produce cocoa and coffee, whose export towards China accounts less than 1%. At the end, it results as imbalanced trade to the detriment of African countries.

In addition to this, there is the problem of pollution, included illegal fishing and illegal trade of timber and wildlife (like rhino horns or ivory), because very little has been doing to adopt measures to protect the environment. In building or mining, environmental rules are ignored because doing business and developing come first. However, it has also to take into account that laws in African countries are weak and this makes easier for foreign companies to avoid them – there are also examples of western companies not respecting international environmental regulations. It should not be a surprise if one of the most polluted countries in the world does not take care of the African environment too much. (Even if in the 2015 FOCAC Forum Xi claimed its duty to cooperate about pollution issue).

Another issue that comes out are the miserable working conditions. It is not rare reading on local newspapers about workers' protests demanding higher salary or security on work place, and these protests sometimes spread out after deaths or injured people. Two categories of African workers may be distinguished on the basis of their behaviour towards Chinese presence. Many Africans are happy to work for Chinese companies because they give them jobs, Chinese managers are hard-working, humble and, in case of women, they do not request sexual favour in order to get the job. On the contrary, there are those workers who are angry because China in Africa means having fewer jobs available for local people, as Chinese firms also use to bring their own country's workforce. In Zambia, in 2008, there were protests against Chinese contractors because they were hiring Chinese workers, willing to work at low salaries. Coexistence between Chinese and locals is not always easy, as Chinese entrepreneurs prefer bringing workforce from their home country because they work hard, for long hours, fast, also in inadequate conditions and for low salaries. This implies that less local people are employed, and, they are not always willing to work at Chinese requirements, as a consequence protests spread out. Moreover, in some kinds of jobs the problem of coexistence is given by cultural distance, that is to say by differences of working ways between the two ethnic entities. An example will make clear this statement. In Uganda, in shops there is the practice of *enjawulo*. It is a way of selling which consists in bargaining the commodity at higher price than that imposed by the shop in order to get a surplus, which goes straight in the pocket of the salesperson. In this way, they can make extra money to add to their low monthly salary. In Chinese shops, however, this is not possible as the logic is to sell as much as possible at low price, while for Africans is better selling at higher price in order to get *enjawulo*. Here it comes the conflict. African salespersons in Chinese shops complain because the owner is always in the shop, watching them and try to no let them bargain. But, employees do *enjawulo* as well, by distracting the owner, because for them it is very important gaining extra money to make ends meet, and Chinese shops may sometimes be the only solution to work[6]. The problem of integration, then, is always around the corner.

The sector which particularly suffers from China's presence is the textile. Textile industry historically was well protected, but in the last years things have changed. Since the end of the

[6] Arsene, Codrin, 2014. Chinese Employers and Their Ugandan Workers: Tensions, Frictions and Cooperation in an African City. *Journal of Current Chinese Affairs*, 43 (1), pp.139–176.

Multi Fibre Agreement on Textiles and Clothing[7] on the 1st of January 2005 which imposed quotas for cloths from developing to developed countries and, despite African countries and US signed the AGOA Agreement – allowing duty-free access to US market for those countries respectful of human rights –, the competitiveness of African exports in the western market has decreased. In the meanwhile China's textile products exports were increasing due to lower production costs, also in Africa where the demand of cheaper products has been knocking down local textile market, as goods were more expensive, even if of better quality. The decrease of the demand of local cloths has led local firms to fire employees and, in the worst cases, to close off. Particularly, economy of Kenya, Botswana, Madagascar, Lesotho, Swaziland, Mauritius and South Africa were damaged. In Mauritius more than 10,000 people lose their job and similar high figure of job loss is registered in Lesotho and Swaziland (two of the poorest Sub-Saharan countries). Chinese imports, therefore, are not helping the development of local industries, on the opposite it may provoke the phenomenon of deindustrialisation.

The most controversial point of PRC in Africa is its non-interference principle in domestic affairs. Does China really follow it? The only criteria requested by China in order to get its aids is the recognition of *One-China policy* by Sub-Saharan countries, as a matter of fact those which have links with Taiwan do not receive any help. Hence, China looks at each country's diplomacy and politics before make it eligible of aids. There are also reported cases of China threatening of cutting its help or making very generous commitments if a country will recognise Taiwan as part of China and, at the end, cooperate with RPC. In 2006 there was Presidential election in Zambia. The opposition candidate, Michel Sata was complaining about the growing presence of China and Chinese labour practices; so he promised to reduce China's presence in Zambia and to recognise Taiwan if elected. China's response to this attack was threatening that in case Sata was elected Beijing would interrupt relations with Zambia.

The non-interference principle is like a double-edge sword, because it seems really convenient to both China and Africa at the economic level, but it is not for human rights and rule of law. China is firmly certain that human rights and good governance have nothing in common with economic development. As long as the Asian country can take advantages by investing or

[7] The Multi Fibre Agreement on Textile and Cloths was introduced in 1974 as a measure intended to allow developed countries to adjust to imports from the developing world, because their textile production was labour-intensive and with low labour costs. The agreement imposed quotas on the amount of products that developing countries could export to developed countries.

exporting in Sub-Saharan countries, wars, genocide, rule of law, and human rights in general are not its concern, as “standard need to be worked out by Africans not imposed by outsider” (Liu Guijin in Wissenbach 2007). China has been accused to send weapons or to be on the side of a President both in national and international situations, even against the Security Council. For example, in Kenya China supports criticism against the decision taken by the International Criminal Court in the case of the President Uhuru Kenyatta and the Deputy President William Ruto. Similar controversial arises also in Zimbabwe where China clearly supports the President Maputo, it even financed the building of the Presidential Palace with complaints about the amount of money spent in building the palace instead of investing in other more useful projects. The biggest scandal of China-Africa relations is the possible involvement of China in the Darfur conflict. Sudan is one of the biggest partners of China because of oil, and China by buying Sudanese oil gave money to the Government to buy Chinese weapons in order to use them against rebels, and it also helped Sudan to set up arms factories. China takes so care of its economy and financial relations that it abstained or voted against from Security Council resolutions to impose embargoes. By helping economically a country, or in the worst case by sending them weapons, China sometimes has interfered with Regional organisations’ actions for conflict resolutions. For example, in May 2009 the UA requested UN Security Council to impose sanctions on Eritrea because it was supporting Islamist group which was trying to overthrow Somalia’s government. China simply abstained to vote for this resolution-request because it has good relations with Eritrea. Even though it is appreciated by African countries, the non-interference principle, then, may obstruct the process of peace building and of reaching good governance.

Good governance plays an important role in the process of development and this kind of foreign policy makes difficult to solve these tough issues in African countries. China is not helping in tackling corruption in Africa. The fact that big flows of money goes to such countries that lacks of skilled systems to manage them has been fuelling corruption. It also seems that China itself is involved in corruption situations; there are some rumours that once the President of Malawi brought a suitcase full of money from a state-visit in Beijing. Like pollution’s issue, it would not be expected China taking actions against corruption while this problem affects its country as well.

4. Case study

In the following lines we are going to see more in depth what is the practical approach of China in Sub-Saharan countries, and what are positive and negative consequences. The countries reported as examples are Angola and South Africa.

Angola

Angola became independent from Portugal in 1975, and since then China has been present in Angola's history. As a matter of fact, China supported Angola in the process of decolonisation (as it did with all African countries), but diplomatic relations were established only in 1983. Angola's history confirms how much African countries prefer China's financial aids rather than IMF's, and how much China could benefit from a poor but rich of natural resources country by giving them simply economic help.

Angola is the second biggest oil producer of Sub-Saharan region after Nigeria, however it could not totally exploit this richness because of forty years of civil war, which ended only in 2002. Due to the civil war, Angola had debts, poor and starving population, no infrastructure, no schools and no hospitals. In 2004 IMF promised Angola a loan in return of reforms, in particular it was demanded to improve transparency about oil revenue – which seemed to be used for the war. In the same time, China offered \$2 billion of oil-backed loan for reconstruction of schools, hospitals and infrastructure. Angola, then, turned back the IMF's offer and accepted that made by China, because it was without strings, namely none social and political reforms were asked. Definitely, that of China was not a benevolent action as the debt would have been paid back by oil revenues. In fact, oil revenues go to an escrow account from which is detracted money to pay back China and the rest is freely available for Angola to use. It is unnecessary to say again that one of the biggest buyer of Angolan oil, and also other minerals, is China, which also influences the price. The Asian country has been investing in hundreds projects in Angola: schools, roads, railways, hospitals, hydro-electric plants, agricultural infrastructure, and some of these investments are FDI; moreover it provides scholarships to study in Chinese universities, and training courses.

The historical Middle Kingdom contributed to Angola's development in terms of economic growth and infrastructure, however major problems are stuck in the society. One of this is corruption, which also involved China-Angola relations because of the lack of transparency of flows of money from loans. Angolans even believe that the massive flux of Chinese migrants working in their country is due to corrupt dealings between economic and political elites of both China and Angola. The presence of Chinese workers in many building projects leaves Angolans jobless, and the same happens for local manufacture firms whose productions are threatened from cheap Chinese goods' export. But, China should not be the only one to be blamed – nevertheless it is proved that it makes possible economic improvement –, Angola's Government should be as well. The Government has to change rules in order to make Angolan enterprises be able to compete with Chinese ones; to improve education in order to create a more and more skilled-workers generation which will be able to weaken their dependence from China. Perhaps, IMF was not crazy to ask for reforms.

South Africa

South Africa–China relations are a little different from those with other countries. First of all, their official diplomatic ties only started in 1998, after South Africa recognised the PRC in 1996. South Africa, as former colony of Great Britain, is part of Commonwealth which, especially in the past and during the Cold War, influenced its foreign policy. This also explains why the Rainbow Nation, until 1996, cooperated with Taiwan. After having recognised the People's Republic of China, the relationships between SA and China on economic side has been improving; in 1997 as sort of gratefulness for the recognition, China planned to invest $300 million in South Africa.

The cooperation between the two countries started being shaped especially after the Pretoria Declaration in 2000[8] and they were strengthened after the Beijing Declaration in 2010[9]. Their partnership and dialogue are very intense also because South Africa is now part of BRICS (since the end of December 2010). However, South Africa is a big economic power as well. and this makes relations with China different comparing to other Sub-Saharan countries. In this case, it can be assumed that the relation is more at business level rather than at helping development level, as a matter of fact in 2007 there were more SA's companies in China than the opposite. Chinese investments in SA are focused on mining sector, manufacturing, solar and wind power projects, nuclear power, insurance and agriculture. But, the life of Chinese

[8] It is a Declaration in China and South Africa claim their friendship and partnership in economic and international cooperation. Full text available at: http://www.fmprc.gov.cn/ce/ceza/eng/zghfz/zngx/t165286.htm
[9] The Beijing Declaration follows the Pretoria Declaration. It was signed to confirm again the mutual assistance and cooperation between China and South Africa.

entrepreneurs in South Africa is not easy. Because of the presence of strong unions, rigid labour market and the Black Empowerment Economy (to avoid racism in employment after Apartheid) it is very difficult for China to operate in the same way as in other countries, in fact they are more present with joint-ventures.

Despite its strong economy, South Africa is also negative affected by Chinese presence. Chinese imports from South Africa regard row materials, instead their exports are consumer goods, such as clothing, vehicles, data processing machines and vehicles, which are added value too. This means that the trade between the two is imbalanced, especially for manufacturing goods. South African manufacturing sector particularly complains of Chinese exports, in the last years big traditional firms registered high job losses figures because Chinese goods were sold at lower price. Moreover, because China is the first trade partner of South Africa, the country's economy is having bad performance because Chinese economy is slowing down.

Conclusion

China's aid strategy in Africa has a crucial role in its foreign policy, in Africa continent and in the international framework as well. It is evident, as the PRC's Government itself admitted, that Chinese commitment of helping Africa brings economic advantages to the both actors involved. Thanks to concessional loans, FDI, investments in general and trade China's economy can keep on growing on one side; on the other side, Sub-Saharan countries have infrastructure, hospitals, schools built, revenues from natural resources exports, and more skilled people, in one word "development". However, all that glitter is not gold.

First of all, not all countries and people benefit at the same way from Chinese supports, it depends on natural resources richness, kind of commodities produced, and their adherence to *One-China policy*. Second, African countries' social, economic and political systems need to be improved in order to get the best and the most from the cooperation with China, to have a sustainable development and be in the future independent from any financial aids, either from China, UN or other countries. Basically, Sub-Saharan countries should also improve their *governance*, and in this process China is implicitly involved. As a matter of fact, the non-interference principle, which drives its strategy, may spoil attempts of UA, UN and EU to request better *governance* in exchange of financial aids. The fact that for China *governance* is only related to domestic issues and, for this reason, no improvements on this regard are requested in exchange, African countries prefer having Chinese aids as much as they can be useful for their economic growth.

Defining which aids' strategy is the best for Africa is not in our hands, but it can be proved that, at the moment, China's financial support is dominating. To what extent will the Red Dragon relieve the Black continent's development? It may be a new type of imperialism? Only the time will answer these questions as the process of development is ongoing, and it needs long-term solutions.

*

References

Aidoo, R. and Hess, S., 2015. Non-Interference 2.0: China's Evolving Foreign Policy towards a Changing Africa. *Journal of Current Chinese Affairs*, 44 (1), pp.107–139. Online version available at: <www.CurrentChineseAffairs.org>

Alden, C. and Wu, Y. S., 2014. South Africa and China: The Making of a Partnership. *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/occasional-papers/south-africa-and-china-the-making-of-a-partnership>

Alden, C., Wu, Y. S. and du Plessis, R., 2016. China Africa Factsheet. *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/opinion-analysis/factsheet-china-africa-relations>

Anthony, R., Esterhuyse, H. and Burgess, M., 2015. Shifting Security Challenges in the China–Africa Relationship. *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/policy-insights/876-shifting-security-challenges-in-the-china-africa-relationship/file>

Brautigam, D., 2009. *The Dragon's gift, the real story of China in Africa*. New York: Oxford University Press.

Brautigam, D., 2010. China, Africa and the International Aid Architecture. *Working Papers Series* N° 107. African Development Bank.

Brautigam, D., 2011. *Chinese Development Aid in Africa. What, where, why, and how much?* [online] Available at: <http://dx.doi.org/10.2139/ssrn.2013609>

Campos, I. and Vines, A., 2008. *Angola and China. A pragmatic partnership*. Working Paper Presented at a CSIS Conference, "Prospects for Improving U.S.-China-Africa Cooperation" December 5, 2007. Washington: Centre for Strategic and International Studies.

Chan, S., 2013. *The morality of China in Africa: the Middle Kingdom and the Dark Continent*, London: Zed Books Ltd.

Codrin, A., 2014. Chinese Employers and Their Ugandan Workers: Tensions, Frictions and Cooperation in an African City. *Journal of Current Chinese Affairs*, 43(1), pp. 139–176. Online version available at: <www.CurrentChineseAffairs.org>

Dittgen, R., 2015. Chinese capital in African contexts: flexible, adaptable yet uncertain. *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/news/chinese-capital-in-african-contexts-flexible-adaptable-yet-uncertain>

Dove, J., 2016. Debunking the Myths of Chinese Investment in Africa. *The Diplomat* [online] Available at: <http://thediplomat.com/2016/02/debunking-the-myths-of-chinese-investment-in-africa>

Edwards, L. and Jenkins, R., 2015. The Impact of Chinese Import Penetration on the South African Manufacturing Sector. *The Journal of Development Studies*, 51 (4), pp.447–463.

Enejil, M. A, Onyinye1, I. J., Kennedy, D. N. and Rong, S. L., 2012. Impact of foreign trade and investment on Nigeria's textile industry: The case of China. *Journal of African Studies and Development*, 4(5), pp.130–141.

Esposito, M. and Tse, T., 2015. China Is Expanding Its Economic Influence in Africa. What Is Africa Getting Out of It? *The Conversation* [online] Available at: <http://www.slate.com/blogs/moneybox/2015/11/24/china_s_role_in_africa_is_exciting_for_china_but_is_it_as_great_for_africa.html>

Harvey, R., 2014. Nationalism with Chinese Characteristics: How Does it Affect the Competitiveness of South Africa's Mining Industry? *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/policy-briefings/518-nationalism-with-chinese-characteristics-how-does-it-affect-the-competitiveness-of-south-africa-s-mining-industry/file>

Large, D., 2008. Beyond 'Dragon in the Bush': the study of Africa-China Relations. *African Affairs*, 107/426, pp.45–61.

Mantelli, G., 2016. La Cina in Africa: opportunità e limiti della "win-win strategy". *OPI* [online] Available at: <http://www.bloglobal.net/2016/01/cina-africa-win-win-strategy.html>

Mingjiang, L., 2009. *Soft Power, China's emerging strategy in International Politics*. Plymouth: Lexington Books.

Ministry of Foreign Affairs, PRC, 2013. *FOCAC ABC* [online] Available at: <http://www.focac.org/eng/ltda/ltjj/t933522.htm>

Public Policy, 2016. China's Investments in Africa: What's the Real Story? Wharton: University of Pennsylvania. [online] Available at: <http://knowledge.wharton.upenn.edu/article/chinas-investments-in-africa-whats-the-real-story>

Richiello, A., 2015. Perchè alla Cina interessa l'Africa (1), *Limes online* [online] Available at: <http://www.limesonline.com/perche-alla-cina-interessa-lafrica-1/76224>

Ronning, H., 2014. How much 'Soft Power' does China have in Africa? Paper presented at the international conference China and Africa Media, Communications and Public Diplomacy, Beijing, CMI.

Schmitz, C. M., 2014. Significant Others: Security and Suspicion in Chinese–Angolan Encounters. *Journal of Current Chinese Affairs*, 43(1), pp. 41–69. Online version available at: <www.CurrentChineseAffairs.org>

Stahl, A. K., 2011. Contrasting Rhetoric and Converging Security Interests of the European Union and China in Africa. *Journal of Current Chinese Affairs*, 40 (4), pp.147–173. Online version available at: <www.CurrentChineseAffairs.org>

The Forum on China-Africa Cooperation, Johannesburg Action Plan (2016–2018), (Combined Draft version of Africa and China) [pdf] Available at: <http://www.dirco.gov.za/docs/2015/focac_action_plan2016_2018.pdf>

United Nations Development Programme, 2015. *South-South Cooperation China*, Issue Brief.
Van Dijk, M. P., 2009. *The new presence of China in Africa*, Amsterdam University Press.
Van Hoeymissen, S., 2011. Regional Organizations in China's Security Strategy for Africa: The Sense of Supporting "African Solutions to African Problems". *Journal of Current Chinese Affairs*, 40 (4), pp.91–118.
Wu, Y. S., 2015. Not Beating Around the Bush: Understanding China and South Africa's Illegal Wildlife Trade. *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/policy-insights/906-not-beating-around-the-bush-understanding-china-and-south-africa-s-illegal-wildlife-trade/file>
Yong, H., 2011. *Does China's Trade Expansion Help African Development? – A South-South Trade Model Approach*, 2010.38 [online] Available at: <https://halshs.archives-ouvertes.fr/halshs-00552190>
Yun, S., 2015. The sixth Forum on China-Africa cooperation: new agenda and new approach? *Africa Growth Initiative*, The Brookings Institution.
Zafar, A., 2007. *The Growing Relationship between China and Sub-Saharan Africa: Macroeconomic, Trade, Investment, and Aid Links*. New York: Oxford University Press.
Zhang, C., 2014. China–Zimbabwe Relations: A Model of China–Africa Relations? *African Perspectives. Global Insights*. South African Institute of International Affairs [online] Available at: <http://www.saiia.org.za/occasional-papers/china%E2%80%93zimbabwe-relations-a-model-of-china%E2%80%93africa-relations>

* * *

Maddalena, R., 2016. Red Dragon vs Black Continent. Positive and negative aspects of China-Africa relations. *Cultural Relations Quarterly Review*, Vol. 3. Issue 3. (Summer 2016) pp.1–22.

For more information concerning the article and citation please contact us via email at institute@culturalrelations.org