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Blurred lines

Hybrid processes of Chinese oil investment in Chad

From the outside, Chinese economic ventures in Africa are often portrayed as disconnected or "disembedded"[1] from the host economy, not only physically but also metaphorically. Particularly with regard to the extractive oil sector, Chinese economic investments are similar to the spatial engagements of other foreign investors.

In his paper, "Seeing Like an Oil Company," James Ferguson showed that foreign investments in Africa, in addition to being mostly concentrated within the extractive sector, maintain a very selective approach and increase territorial fragmentation.[2] Thus, he is opposed to one of James C. Scott's ideas, developed in his book *Seeing Like a State*, in which the latter qualified global capitalism as the most powerful force for homogenization and standardization of space.[3] Ferguson has argued that there is a contradiction between the homogenizing "look" of a developmental state and the modi operandi of contemporary global oil companies. In his view, extractive investments do not cover space, but merely connect selective points and are therefore not involved in developing a national grid.[4] According to Ricardo Soares de Oliveira, "The goal is not to reduce poverty and to increase . . . broad-based prosperity," but to successfully extract "oil for sale in the world market with the smoothest and least bothersome relationship possible with the state that owns it."[5]

Given the rapid expansion of extractive investments by public Chinese actors (as well as by private actors) on African soil, do these competing theories apply to their actions on the ground? Because of the strong involvement of the Chinese government in the oil sector, the terms of engagement are generally negotiated in the formal framework of bilateral ties, and investments are often structured as package deals. Consequently, do these operations implemented by oil companies, such as the China National Petroleum

[1] A. Giddens, *The Consequences of Modernity* (Cambridge, UK: Polity Press, 1990), 192.
[2] J. Ferguson, "Seeing Like an Oil Company: Space, Security, and Global Capital in Neoliberal Africa," *American Anthropologist* 107, no. 3 (2005): 377–382.
[3] J. C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, CT, and London, UK: Yale University Press, 1998), 8.
[4] Ferguson, "Seeing Like an Oil Company," 378, and J. Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham, NC: Duke University Press, 2006), 42.
[5] R. Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (New York, NY: Columbia University Press, 2007), 265.

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Corporation (CNPC), contribute to or even increase regional disparities?

The example of CNPC in Chad depicts the way in which a state-owned company engages with its host environment in a specific African context. Due to a relatively late arrival to extractive markets compared to other actors, Chinese economic agents in Chad are compelled to negotiate their place among a competitive collection of other foreign economic agents. If the proliferation and intensification of Chinese economic engagement on the continent represents an example of contemporary globalization, based on logics of flow and circulation, oil ventures—both Chinese and non-Chinese—are generally characterized by a high level of closure.[6] This translates into an enclave settlement, aimed at regulating the contact with the "outside." Does this effort of demarcation and of establishing a clear boundary represent a goal in itself, or is it merely the first step of a growing connectivity? The Chadian example reveals an ambivalence regarding the way the Chinese oil company engages with the host society. While trying to limit the effects of the surrounding environment, CNPC in Chad nonetheless interacts in complex and diversified ways with its host economy.

Thanks to a related refinery component, "Chinese oil" does not only add value, but also embodies the starting point for a range of more or less related initiatives. By combining a niche approach and a domestic production unit, the Chinese project introduces a new economic dimension and should—although indirectly—help reduce territorial imbalances. Unlike Western oil engagements, which are predominantly focused on exploration and extraction, Chinese investments in the extractive sector are often structured around a more diverse and comprehensive design.[7] As a result, I argue that the modalities of the spatial footprint are characterized both by closure and interaction, creating a dynamic tension that produces its own set of unique practices.

In effect, the ambivalence between enclave and active linkages with host societies is not only a physical reality from a spatial point of view but also emerges with regard to economic strategies. There are signs that point to a gradual change in behavior and motivations of Chinese state-owned enterprises in the oil business. On the one hand, CNPC is torn between the strategic guidelines of the Chinese authorities (interested in securing long-term assets) and its own objectives and ambitions as a multinational firm. On the other hand, the

[6] Nevertheless, the level of the latter varies depending on the prevailing political situation in the host country.

[7] H. Lee and D. A. Shalmon, "Searching for Oil: China's Oil Strategies in Africa," in *China into Africa: Trade, Aid and Influence*, ed. R. I. Rotberg (Baltimore, MD: Brookings Institution Press and World Peace Foundation, 2008), 111. Ultimately, the implementation of a "spatial homogenization" dynamic depends, however, on the decisions and priorities of the Chadian state, which continues to rely largely on forms of patrimonialism. G. Magrin and G. van Vliet, "Désenclaver le Pétrole: Une Bifurcation pour le Tchad?" in *Les Échanges et la Communication dans le Bassin du Lac Tchad*, ed. G. Magrin, S. Baldi, O. Langlois, and C. Raimond, Actes du 15e Colloque Méga-Tchad, Naples Eastern University, Italy, September 13–15, 2012 (forthcoming), and S. Reyna, "The Traveling Model That Would Not Travel: Oil, Empire, and Patrimonialism in Contemporary Chad," *Social Analysis* 51, no. 3 (2007): 78–102.

company is eager to break further into the international market and is growingly concerned about economic viability.

The analysis of this spatial pattern raises even broader questions beyond the scope of this case study. Consequently, as the Chinese foothold has gradually become a tangible part of the African economic landscape, one can ask if this form of engagement remains selective and increases territorial fragmentation, or if, on the contrary, it leads toward a broader and more inclusive spatial approach. Altogether, "hybridization" and "in-betweenness," both from a spatial and economic point of view, seem to be the main concepts that characterize the expansion of Chinese extractive activities in sub-Saharan Africa.

Due to the various challenges Chinese actors face when settling in difficult and demanding African contexts, the long-term processes of Chinese "settlement" are worth examining and questioning by also seeking to evaluate the potential for trajectory changes and measuring to what extent the organization and structure of Chinese economic activities are influenced by their host environment.

Additional references

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