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The three phases/faces of China in independent Africa

Reconceptualizing China-Africa engagement

China's presence in independent Africa has evolved historically, and one can distinguish three qualitative phases. The first two or three decades of independence in the 1960s and 1970s comprise the first phase, when China as a third world country expressed solidarity with the nonaligned movement and built significant projects like the TAZARA railway to link Zambia's Copperbelt with Tanzania, though China was then not a major global economic player. The "return" of China to Africa in the late 1980s and 1990s through selective investment and more vigorous diplomatic outreach represents the second phase. The current engagement, since about the late 1990s and early 2000s, constitutes a third, and has witnessed the emergence of China as the second largest economy in the world after the United States. Throughout this postcolonial engagement between China and Africa, China has represented an alternative option to the West where Africa is concerned. It is important to keep this in mind, and to review how African countries have sought to use China, as individual countries, trade regions, and the African Union all begin to forge their "China policies." In the meantime, it has become increasingly important for African countries to realize the complications of China's presence in Africa by recognizing the different "faces" of China. They are the Chinese state and state-owned enterprises (SOEs), big and medium Chinese private companies (a good case would be Chinese textile and clothing factories in South Africa), and Chinese immigrant adventurists (here, I am thinking of Chinese small-scale miners in Ghana and Chinese petty traders in South Africa). Understanding the phenomenon that is "China," and making sense of the differing agendas and interests of these three "faces," will be extremely crucial as Africa countries begin to frame their China policy.

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Chinese presence is unlike historic foreign trading diasporas in Africa, such as the Indians in East Africa or the Lebanese in West Africa.[1] Neither the Indians nor the Lebanese trading diasporas in Africa had a state-backed component. Indian mercantile activity has a long history in East Africa and can be documented at least from the eighteenth century. Lebanese immigrants showed up in West Africa from the 1860s, and continued Lebanese immigration has been fueled by foreign and local dynamics. Colonial governments later came to adopt Indians and Lebanese as auxiliaries, but did not originate or sustain these dispersions. Nor does China's presence conform to the pattern of noncolonial countries like Canada or Denmark, officially represented in Africa largely by their international development agencies, such as the Canadian International Development Agency (CIDA) or the Danish International Development Agency (DANIDA). There is no Western parallel of state-owned enterprises operating as multinational companies. The former colonial powers, for example, have their official development agencies, official development assistance, and private investment. For the majority of Africans and their governments, the tendency to perceive a Chinese state behind any Chinese person on the ground, as they try to parse the three faces of China, is understandable. It has only recently been realized that the Chinese state may not align itself with its "people" in Africa.[2]

As seen in the three cases mentioned earlier (i.e., the TAZARA railway, Chinese clothing factories in South Africa, and Chinese small-scale gold miners in Ghana), the three faces of China's current engagement have begun to generate tensions in Africa-China relations and contradictions in China's avowed policy toward Africa. How Africans make sense of the reality that China is both a global power and a developing economy is a crucial question that needs to be addressed and dealt with properly and wisely. However, simultaneously engaging China at its multiple levels is completely new, and African leaders need to wrap their minds around this in their forging of China policies. And this has no easy historical

[1] For references on this topic, see A. Sheriff, *Dhow Cultures of the Indian Ocean: Cosmopolitanism, Commerce, and Islam* (London, UK: Oxford University Press, 2010); G. Oonk, *The Karimjee Jivanjee Family: Merchant Princes of East Africa 1800–2000* (Amsterdam, Netherlands: Pallas Publications, 2009); D. A. Seidenberg, *Mercantile Adventurers: The World of East African Asians 1750–1985* (New Delhi, India: New Age International, 1996); E. K. Akyeampong, "Race, Identity and Citizenship in Black Africa: The Case of the Lebanese in Ghana," *Africa* 76, no. 3 (2006): 297–323; A. Hourani and N. Shehadi, eds., *The Lebanese in the World: A Century of Emigration* (London, UK: Centre for Lebanese Studies, in association with I. B. Tauris, 1992).

[2] The recent crackdown on Chinese illegal mining in Ghana further substantiates this argument. Depending on the sources, as many as 20,000 (my own interviews in Ghana in July and August 2013) to 50,000 (T. Kaiman and A. Hirsch, "Ghana Arrests 168 Chinese Nationals in Illegal Mining Crackdown," *The Guardian*, June 6, 2013) Chinese gold miners have been in Ghana since 2005; between half and two-thirds of them were from Shanglin, an impoverished county in southern Guangxi province where news of the gold rush spread by word of mouth. It is another manifestation of China being both a global power and a developing country at the same time. And, interesting enough to note, according to another report, when these Chinese illegal miners approached the Chinese embassy for help, they were told, "You are all illegal; how dare you to call us now?" See A. Nossiter and Y. Sun, "Chasing a Golden Dream, Chinese Miners Are on the Run in Ghana," *New York Times*, June 10, 2013.

precedent; it represents the new face of deregulated global politico-economic extension, which does not conform to prior models of colonialism or imperialism. Needless to say, Zambia, South Africa, and Ghana now all have to deal with China at the three levels outlined above.

For Africa, the stakes are high, as seen in China's emergence since 2009 as Africa's largest trade partner. China-Africa trade increased from US$1 billion in 2000 to an astounding $198.4 billion in 2012.[3] China reportedly gets a third of its oil and natural resources from Africa. For emerging economic powers such as China and India, Africa is a preferred investment destination, and foreign direct investment in Africa grew even at a time of global financial crisis. By the year 2011, according to the United Nations Conference on Trade and Development (UNCTAD), China had accumulated $16 billion of cumulative FDI stock in Afria, making it the sixth largest investor on the continent, preceded by France, the United States, the United Kingdom, Malaysia, and South Africa, the last being, of course, part of the continent itself.[4] However, FDI that passes through places like Hong Kong, the Cayman Islands, and the British Virgin Islands, as well as investment in the financial sector, are not included in the UNCTAD report. For instance, China's $5.5 billion purchase of 20 percent of Standard Bank of South Africa is not reflected in the cumulative figures for FDI to Africa. Therefore, as David Shinn argues, it might be correct to conclude that, as of the end of 2011, China had more cumulative FDI in Africa than either South Africa or Malaysia, but not more than the UK, the United States, or France.[5] Meanwhile, physical infrastructure that had seen no significant expansion since the end of colonial rule has now been rehabilitated and expanded with Chinese capital and technology, and this is a dimension with which other kinds of private foreign investment, often enclaved and closely focused on extraction, does not engage. In the area of development aid, a recent report suggests that, between 2000 and 2011, China had funded 1,673 projects in fifty-one African countries with a total of $75 billion in commitments of official finance.[6] As a comparison, the United States offered $90 billion in official finance during this time. The report's findings and its methodologies have caused huge controversies and debates.[7] Despite the unreliability of numbers, the report does convince the reader that China's actual official aid commitment to Africa may be

[3] http://news.xinhuanet.com/english/china/2013-03/25/c_124496973.htm. Note: *Xinhua News* is China's major state news media. The most recent statistics on China-Africa trade and investment can be difficult to obtain, since the Chinese government has not been very transparent on these numbers. But oftentimes, during their visits to African countries or on other relevant occasions, Chinese leaders tend to disclose some useful statistics.

[4] UNCTAD, "The Rise of BRICS FDI and Africa," March 25, 2013.

[5] http://davidshinn.blogspot.com/2013/03/foreign-direct-investment-in-africa.html.

[6] A. Strange, B. Parks, M. J. Tierney, A. Fuchs, A. Dreher, and V. Ramachandran, "China's Development Finance to Africa: A Media-Based Approach to Data Collection," Working Paper 323, Center for Global Development, Washington, DC, April 2013.

[7] For instance, Deborah Brautigam is critical of its methodologies. See D. Brautigam, "AidData: Why It Is Not Wikipedia," May 2, 2013, http://www.chinaafricarealstory.com/2013/05/aiddata-why-it-is-not-wikipedia.html.

traceable and very likely is much bigger than people tend to think. In addition, it is estimated that Africa now hosts as many as one million Chinese immigrants, both legal and illegal. It has yet to be seen how the presence of these Chinese men and women would impact Africa-China engagement in both the short and long terms.

At first glance, China's presence on the continent seems "overwhelming." Without a proper reconceptualization, the China-in-Africa "elephant" will continue to be rather daunting for "blind men" to fully appreciate. I would argue that China has historically been and will continue to be an alternative foreign source of capital to the West as the primary source for Africa's development. Although Chinese investment has been criticized as a new form of colonialism ("neocolonialism"), scholars point out that it does not differ from its Western or any major international counterparts, which have similar commercial objectives in exports and strategic value (natural resources) for imports. In terms of conduct, studies also show that Chinese capital, particularly in the resource industry, behaves in the same way as the capital of other nations. Nevertheless, the Chinese have become the sole target of resource nationalism.[8] Key differences do exist between Chinese and other countries' investments. The most salient one is that Chinese investment provides resource-backed infrastructural loans, which is potentially a prime opportunity for African states to build regional infrastructure and productive capacity. This is of vital interest to African governments, who see in this facility the opportunity to expand their physical infrastructures to support more diversified economies. There is no singular "Chinese" interest always capable of imposing itself on a singular and vulnerable Africa. The phenomenon that is "China" must be examined on multiple levels, namely, those of the state and the SOEs, private companies, and grassroots immigrants. Tensions in Africa-China relations caused by complications of China in Africa both provide the context for and demonstrate the urgency for a China policy from the African governments at the national, regional, and, perhaps, continental levels. With the backdrop of a rising China and Africa, how Africa's political economies intersect with the differing agendas and interests of the aforementioned three "faces" of China will be crucial as we enter into a new era of Africa-China engagement.

[8] C. K. Lee, "Raw Encounters: Chinese Managers, African Workers and the Politics of Casualization in Africa's Chinese Enclaves," *China Quarterly* 199 (September 2009): 666.