CYRIL OBI
Program Director, African Peacebuilding Network
Social Science Research Council

Oiling neocolonialism and conflict?

The implications of China's engagements with African petro-states for peace and development

China's increased engagement with African oil-producing states continues to generate a great deal of interest and concern among scholars, strategic thinkers, policymakers, and security analysts. Such concerns have heightened against the background of China's entry into the African oil scene—long regarded as the exclusive preserve of Western international oil companies (IOCs) and "independents" in the past two decades—with the growing importance of Africa in China's energy security calculations, a global financial crisis, and an intensified scramble for the world's shrinking oil reserves.[1]

Such concerns have heightened against the background of recent reports that China had "overtaken the US as the world's largest net importer of oil."[2] China's rapid economic growth in the midst of shrinking domestic oil production has fueled energy security calculations hinged upon the need to satisfy rising domestic demand for oil and diversify sources of oil imports away from the Middle East toward other regions of the world, including Africa.[3] Since its initial entry into Sudan in 1996, following the withdrawal of Western IOCs from that country, China now also imports oil from Angola, Nigeria, Equatorial Guinea, and the Republic of Congo, and has expanded its reach to

[1] C. Obi, "Scrambling for Oil in West Africa?" in *A New Scramble for Africa?* ed. R. Southall and H. Melber (Scottsville, South Africa: University of KwaZulu-Natal Press, 2009); C. Obi, "African Oil in the Energy Security Calculations of China and India," in *The Rise of China and India in Africa: Challenges, Opportunities and Critical Interventions*, ed. F. Cheru and C. Obi (London, UK: Zed Books, 2010).

[2] J. Blas, "China Becomes World Top Oil Importer," *Financial Times*, March 4, 2013, http://www.ft.com/cms/s/0/d33b5104-84a1-11e2-aaf1-00144feabdc0.html#axzz3BwCz6MgD, accessed August 30, 2014; Al Jazeera, "Nigerian Leader Secures $1.1 Bn on China Trip," July 10, 2013, http://www.aljazeera.com/news/africa/2013/07/2013710171651692540.html, accessed August 30, 2014.

[3] S. Pegg, "Social Responsibility and Resource Extraction: Are Chinese Companies Different?" *Resources Policy* 37, no. 2 (2012): 160–67; S. Zhao, "The Geopolitics of China-Africa Oil," *China Briefing*, April 13, 2011, http://www.china-briefing.com/news/2011/04/13/the-geopolitics-of-china-african-oil.html, accessed August 30, 2014.

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Gabon, Algeria, Liberia, Libya, Niger, Chad, Kenya, Mauritius, and Uganda. Reports note that African oil accounts for a third of China's oil imports and plays a key role in the world's largest oil importer's energy security.

Debates about the likely implications of China's entry into and penetration of the African oil sector appear to pitch two contending perspectives against each other. These are broadly framed within the context of a "new scramble" for Africa's resources, reminiscent of the nineteenth-century partition of the continent by the world's imperial powers, and the likely effects of Chinese petro-dollars on the African oil curse.[4] Of note are those works that have identified oil as one of the most sought-after resources in China's engagement with Africa.[5]

The notion of China's entry into the scramble for Africa's oil has also fueled speculation about the implications for conflict at three levels: at the intra- and interstate levels, and between the world's established and emerging powers. It is in the context of the last dimension of the scramble that some have alluded to the conflict-generating potential of the alleged competition between Western IOCs and Chinese national oil companies (NOCs) for access to Africa's oil. Those critical of China's oil engagement with Africa, particularly its opaque aid-for-oil deals with petro-states and its policy of "non-interference," argue that it provides resources for despotic leaders who violate human rights and thereby contribute to crises, conflict, and insecurity on the continent. This also implicates China in local and regional conflict dynamics in Africa. They also point to the Sudan (before the independence of the South) and Angola as examples of African countries where Chinese oil interests have fueled conflict. Other critics also argue that Chinese oil investments fuel the paradox of plenty, contributing to support for dictators, corruption, and dependency on Chinese NOCs, technology, and labor, making African oil producers clients of Chinese oil-fueled "neocolonialism."

Pitched against those critical of Chinese oil investments in Africa are those who assert that China is not fueling neocolonialism or an oil curse but is rather promoting self-reliant development in oil-producing African countries. They strongly argue that China offers African petro-states the full advantage of having a "win-win," South-South, solidarity-based alternative to Western conditionalities and double standards that give Africa the opportunity to occupy the driving seat in its economic relations with external partners[6] and use its

4 R. Southall and H. Melber, eds., *A New Scramble for Africa?* (Scottsville, South Africa: University of KwaZulu-Natal Press, 2009); P. Carmody, *The New Scramble for Africa* (Maiden, MA, and Cambridge, MA: Polity, 2011); C. Alden, D. Large, and R. Soares de Oliveira, eds., *China Returns to Africa: A Rising Power and a Continent Embrace* (London, UK: Hurst and Columbia University Press, 2008).

5 J. Frynas and M. Paulo, "A New Scramble for African Oil? Historical, Political and Business Perspectives," *African Affairs* 106, no. 423 (2007): 229–51; M. Klare and D. Volman, "America, China and the Scramble for Africa's Oil," *Review of African Political Economy* 33, no. 108 (2006): 297–309; Obi, "Scrambling for Oil in West Africa?"

6 W. He, "The Balancing Act of China's Africa Policy," *China Security* 3, no. 3 (2007): 23–40; A. Li, "China

resources for economic growth and prosperity.

Also interrogated is the image of rather dependent and pliant African petro-states lacking any leverage or agency to resist the exploitative onslaught of Chinese NOCs, while the reality is more complicated, with examples abounding of cases where African states demonstrated ample agency in prioritizing their economic and national interests in their dealings with Chinese oil companies. In states like Niger, Chad, Angola, and Gabon, Chinese oil companies or their subsidiaries have had their operating licenses or permits suspended or withdrawn due to disagreements or reports of violating domestic laws/policies,[7] or in anticipation of better deals from competitors. It would, therefore, be a mistake to conclude that African oil-producing states lack any leverage in their relationship with Chinese oil companies.

There is need for a more nuanced and empirically based analysis of the implications of Chinese oil investments in African petro-states on a case by case basis, rather than using broad brushstrokes. A lot depends on the history, nature of the politics, leadership, and character of the petro-state, and the capacity of the state's oil regulatory agency to deal with international oil companies. Indeed, any simplistic, across-the-board generalization may hinder, rather than promote, understanding of the complex relations that underpin most oil deals on the continent and the high stakes involved.

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and Africa: Policy and Challenges," *China Security* 3, no. 3 (2007): 69–93.

7 A. Nossiter, "China Finds Resistance to Oil Deals in Africa," *New York Times*, September 17, 2013, http://www.nytimes.com/2013/09/18/world/africa/china-finds-resistance-to-oil-deals-in-africa.html, accessed August 30, 2014.

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